



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
EMPLOYMENT SUPPORT PROJECT FOR SYRIANS UNDER TEMPORARY PROTECTION AND TURKISH CITIZENS
APPROVED ON DECEMBER 8, 2017
TO
THE REPUBLIC OF TURKEY

SOCIAL PROTECTION & JOBS
EUROPE AND CENTRAL ASIA

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ABBREVIATIONS AND ACRONYMS

ALMP	Active Labor Market Programs
ATP	Applied Training Programs
ISKUR	The Turkish Employment Agency
MoFLSS	Ministry of Family, Labor and Social Services
PDO	Project Development Objective
SuTP	Syrians under Temporary Protection



BASIC DATA

Product Information

Project ID P161670	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 08-Dec-2017	Current Closing Date 31-Dec-2020

Organizations

Borrower Ministry of Family, Labor and Social Services	Responsible Agency Ministry of Family, Labor and Social Services, Turkish Employment Agency
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Project Development Objective (PDO)

Original PDO

The objective of the Project is to improve the employability of Syrians under Temporary Protection (“SuTP”) as well as Turkish citizens residing in selected localities.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-A5478	21-Dec-2017	21-Dec-2017	21-Mar-2018	31-Dec-2020	53.63	35.42	16.41

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

- 1. The project implementation progress and progress towards achievement of the development objective are rated satisfactory.** After some initial delays with setting up required administrative systems and preparation of provincial offices, project implementation has moved swiftly and steadily since March 2019, even with the outbreak of the COVID-19 pandemic. As of mid-December 2020, 68 percent of the grant is disbursed. Implementation has advanced evenly in all four provinces: Adana, Istanbul, Sanliurfa and Gaziantep. Total target project beneficiary numbers have already been surpassed despite COVID-19- related economic slow-down and restrictions. Over 23,000 Turkish and Syrians have been placed in Active Labor Market Programs (ALMPs), compared to a target of 14,800. Out of these, 17,867 (34 percent above the target) are in applied training (ATP) programs, 3,198 (54 percent of the target) are in language training programs, and 2,056 (34.7 percent of the target) are in skills training programs. Out of a total of 21,000 beneficiaries¹, on average 32 percent are women (higher than the 30 percent project target) and over 47 percent are between 16-24 years and about 80 percent between 16-34 years compared to a target of 60 percent.² In this period, there has also been relatively good progress made under the institutional support component. In addition, there are no outstanding audits for the project. The Project Implementation Unit (PIU) received a waiver for the first audit for 2018 due to the small number of transactions during 2018. The second audit, for 2019, was due in June 2020, but was postponed to December 31, 2020 due to COVID-19. The PIU is on track to submit the audit by the end of the month, and there have been no financial management issues thus far.
- 2. Despite good implementation progress under difficult circumstances, the Ministry of Family, Labor and Social Services (MoFLSS) and the Turkish Employment Agency (ISKUR) will require additional time to complete the active labor market programs (ALMP).** As noted previously, several indicator targets have been surpassed. Following a hiatus during March-July 2020 due to COVID-restrictions, all ALMPs (ATP, skills training, and language training) have resumed in a face-to-face fashion in July 2020 following COVID-19 protocols. However, the economy and labor demand are still under distress because of the COVID-19 crisis and some key activities, including the procurement of the IT system improvements (due to disruptions in tendering processes and supply chain issues) within the Ministry, have been delayed as a result. In line with the recent government request, it is estimated that the project activities and disbursements will require an additional 12 months to be completed. More specifically, within the next 12 months, ISKUR-Turkish Employment Agency is targeting to complete the ongoing ATP, skills training and language training programs and possibly open additional programs on demand from employers and complete the remaining activities under the institutional support component.
- 3. During the last year, there has been greater demand for applied training programs (ATP) and less for other ALMPs offered under the project.** Employers like and use the ATP program extensively due to its economic advantages. The program is also beneficial to jobseekers, giving an opportunity to both Syrians and Turkish to work in a formal environment and acclimate to the labor market. With an extension of the project closing date and as economic activity recovers, it is expected that there will be additional demand for ATP given that many employers will be facing financial constraints for new hiring. For this reason, ISKUR has requested to reallocate more resources under the ALMP budget towards ATP and away from cash-for-work (transition to labor market program -TLMP) and skills training programs. During the implementation of the project, ATP has been found to be the most efficient program compared to TLMP and skills training programs in terms of enhancing employability and labor market adjustment of in particular Syrian

¹ Some individuals have participated in more than one program which is why the number of beneficiaries (21,000 as of October 2020) is lower than the number of people placed in programs.

² A breakdown is not available for 16-29-year bracket; however, inferring from the high percentage who fall between 16-34, we assume the share is higher than 60 percent.



refugees. ISKUR has also requested reallocation of funds from the language training and vocational training programs. The demand for language training programs has been less than originally expected. Jobs and vocational counselors have identified more beneficiaries who have working knowledge of Turkish and who have been placed directly into ATP. Also, ISKUR has been more selective about language program beneficiaries, trying to ensure that those who are more willing to work and look for a job get placed on the language training programs. Demand for vocational training service provision has also faced some difficulties. In line with these implementation experiences, the cash-for-work program will be cancelled and other ALMP targets will be revised.

4. **To accommodate the increased demand from employers for ATP and unit cost adjustments to the ALMPs, ISKUR has proposed a reallocation of funds across components.** Specifically, ISKUR proposes that 2.9 percent of the total grant amount be reallocated across components. In line with the increased demand for ATP, increased number of beneficiaries, and increases in unit cost per beneficiary³, the total allocation for Component 1- Employment Services and Active Labor Market Programs will increase from 38.30 to 39.6 million Euros, and the allocation for the ISKUR part of Component 2- Institutional Support -- will decrease from 5.95 to 4.65 million Euros. In addition to the high demand for ATP, there are unused funds for some activities (e.g., training for ISKUR staff) due to COVID-19 which would also be reallocated from component 2 to component 1.
5. **Finally, ISKUR ALMP volume and monthly cash flow requirements calls for reconsideration of the Designated Account ceiling amount.** ISKUR has requested to double the designated account ceiling amount from 5 million Euro to 10 million Euro to better plan implementation and manage its cash flows. This amount is proposed based on monthly expenditure trends over the last 18 months.

II. DESCRIPTION OF PROPOSED CHANGES

6. **The following changes are proposed as part of project restructuring:**
 - a. The TLMP (or cash-for-work program) will be cancelled.
 - b. The project closing date will be extended from December 31, 2020 to December 30, 2021.
 - c. The ISKUR Designated Account ceiling will be increased from 5 million EUR to 10 million EUR.
 - d. Funds will be reallocated from Component 2 to Component 1 for ISKUR- implemented activities.
 - e. Indicators and targets in the Results framework will be adjusted as per below:
 - The ATP program placement target will be increased from 13,320 to 19,000 of which 12,000 are SuTP and 7,000 are Turkish Citizens.
 - The skills training program placement target will be reduced from 5,920 to 3,070. The revised target is also divided equally between SuTP and Turkish Citizens.
 - The language training program placement target will be reduced from 5,920 to 3,350.
 - Total number of people placed in ALMPs will increase from 14,800 to 23,000 of which 15,000 are SuTP and 8,000 are Turkish Citizens.
 - Total number of assessment and counseling services to increase from 14,800 to 23,530 of which 16,000 are SuTP and 7,530 are Turkish Citizens.

³ Unit cost of beneficiary depends on the minimum wage figures which are updated annually by a Committee comprised of the employer and employee associations.



- “Number of ISKUR-registered SuTP placed in TLMP” and “Number of ISKUR-registered Turkish citizens residing in selected localities placed in TLMP” will be removed from the Results Framework

7. Project risk ratings have also been revised in line with the changing country circumstances and implementation experience. All risk ratings have been revised downwards to reflect the current country conditions. Steady progress in implementation has been the result of successful management of the technical, institutional, fiduciary and safeguards aspects. Nevertheless, an additional risk under the “other” category has been added to factor in the impact of the COVID-19 pandemic. This risk is assessed as moderate considering the opening of the economy and current state of ISKUR operations in the four project provinces.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Disbursements Arrangements	✓	
Disbursement Estimates	✓	
Overall Risk Rating	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Cancellations Proposed		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓



Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)**COMPONENTS**

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Employment Services and Active Labor Market Programs (ALMP)	40468680.00	Revised	Employment Services and Active Labor Market Programs (ALMP)	46234782.00
Institutional Support for Delivery of Employment Services and ALMP	7708320.00	Revised	Institutional Support for Delivery of Employment Services and ALMP	6830138.25
TOTAL	48,177,000.00			53,064,920.25

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-A5478	Effective	30-Jun-2019	31-Dec-2020	31-Dec-2021	30-Apr-2022

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
				Current	Proposed

TF-A5478-001 | Currency: EUR



iLap Category Sequence No: 1	Current Expenditure Category: G,non-CS,CS,ALMP pymts Part 1			
38,300,000.00	24,823,336.70	39,600,000.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: G,non-CS,SW,CS,TR, OC Part 2a			
5,950,000.00	2,102,101.79	4,650,000.00	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: G,non-CS,SW,CS,TR, OC Part 2b			
1,200,000.00	119,204.19	1,200,000.00	100.00	100.00
Total	45,450,000.00	27,044,642.68	45,450,000.00	

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2018	0.00	0.00
2019	2,000,000.00	4,000,000.00
2020	30,000,000.00	25,450,000.00
2021	13,450,000.00	11,000,000.00
2022	0.00	5,000,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance	● Substantial	● Moderate
Macroeconomic	● Substantial	● Substantial
Sector Strategies and Policies	● Substantial	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● Moderate



Fiduciary	● Substantial	● Moderate
Environment and Social	● Moderate	● Moderate
Stakeholders	● Moderate	● Low
Other		● Moderate
Overall	● Substantial	● Moderate



Results framework

COUNTRY: Turkey

Employment Support Project for Syrians Under Temporary Protection and Turkish Citizens

Project Development Objectives(s)

The objective of the Project is to improve the employability of Syrians under Temporary Protection (“SuTP”) as well as Turkish citizens residing in selected localities.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
Improve employability of SUTP						
1. Number of ISKUR-registered SuTP placed in at least one ALMP (either: language training, skills training courses, and ATP) (Number)	0.00		2,000.00	5,400.00	7,600.00	15,000.00
<i>Action: This indicator has been Revised</i>						
3. Percentage of ISKUR-registered youth SuTP placed in language training, skills training courses, and ATP. (Percentage)	0.00		30.00	30.00		60.00
<i>Action: This indicator has been Revised</i>						



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
4. Percentage of ISKUR-registered female SuTP placed in language training, skills training courses, and ATP (Percentage)		0.00	15.00	15.00		30.00
Action: This indicator has been Revised						
Improve employability of Turkish citizens						
2. Number of ISKUR-registered Turkish citizens residing in selected localities placed in at least one ALMP (either: skills training courses, or ATP) (Number)		0.00	2,400.00	5,000.00	600.00	8,000.00
Action: This indicator has been Revised						

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
Employment Services and Active Labor Market Programs (ALMP)						
1. Number of SuTP registered in ISKUR (Number)		0.00	3,800.00	7,000.00	6,200.00	17,000.00
Action: This indicator has been Revised						



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
2. Number of Turkish citizens residing in selected localities registered in ISKUR (Number)		0.00	4,800.00	6,000.00	0.00	10,800.00
Action: This indicator has been Revised						
3. Number of ISKUR-registered SuTP benefitting from assessment (Number)		0.00	2,400.00	5,000.00	8,600.00	16,000.00
Action: This indicator has been Revised						
4. Number of ISKUR-registered SuTP benefitting from job search skills sessions and counseling services (Number)		0.00	3,000.00	4,400.00	8,600.00	16,000.00
Action: This indicator has been Revised						
5. Number of ISKUR-registered Turkish citizens residing in selected localities benefitting from job search skills sessions and counseling services (Number)		0.00	3,000.00	4,400.00	130.00	7,530.00
Action: This indicator has been Revised						
6. Number of ISKUR-registered SuTP placed in language trainings (Number)		0.00	1,500.00	1,850.00	0.00	3,350.00



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
<i>Action: This indicator has been Revised</i>						
7. Number of ISKUR-registered SuTP placed in ATP program (Number)		0.00	2,000.00	4,660.00	5,340.00	12,000.00
<i>Action: This indicator has been Revised</i>						
8. Number of ISKUR-registered Turkish citizens residing in selected localities placed in ATP (Number)		0.00	2,000.00	4,660.00	5,400.00	7,000.00
<i>Action: This indicator has been Revised</i>						
9. Number of ISKUR-registered SuTP placed in skills training courses (Number)		0.00	500.00	1,035.00	0.00	1,535.00
<i>Action: This indicator has been Revised</i>						
10. Number of ISKUR-registered Turkish citizens residing in selected localities placed in skills training courses (Number)		582.00	500.00	453.00	0.00	1,535.00
<i>Action: This indicator has been Revised</i>						
11. Number of ISKUR-registered SuTP placed in TLMP (Number)		0.00	0.00	740.00	0.00	0.00
<i>Action: This indicator has been Marked for Deletion</i>						



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
12. Number of ISKUR-registered Turkish citizens residing in selected localities (Number)		0.00	0.00	740.00	0.00	0.00
Action: This indicator has been Marked for Deletion						
Institutional Support for Delivery of Employment Services and ALMP						
13. Establishment of project implementation units (Yes/No)		No	Yes			Yes
Action: This indicator has been Revised						
14. Number of capacity building activities, trainings and informative meetings for staff of ISKUR and MoLSS (including provincial offices) (Number)		0.00	30.00	10.00	0.00	40.00
Action: This indicator has been Revised						
15. Number of contractual ISKUR staff hired (Number)		0.00	140.00	0.00	0.00	41.00
Action: This indicator has been Revised						
16. Number of information dissemination and communication activities towards SuTP and Turkish citizens residing in selected localities regarding employment		0.00	30.00	10.00	0.00	40.00



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
services and programs available for them. (Number)						
Action: This indicator has been Revised						
17. Adjustment of ISKUR IT system to register SuTP in the ISKUR provincial offices. (Yes/No)	No		Yes			Yes
Action: This indicator has been Revised						
18. Establishment of a central database for SuTP and Turkish citizens residing in selected localities to track the services provided to them. (a monitoring system) (this system should also be linked (Yes/No)	No		Yes			Yes
Action: This indicator has been Revised						
19. Implementation progress reports submitted (Yes/No)	No		Yes	Yes	Yes	Yes
Action: This indicator has been Revised						
20. Percentage of grievances registered by SuTP and Turkish citizens residing in selected localities related to employment	0.00		90.00	90.00	90.00	90.00



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
services that are actually addressed (Percentage)						
<i>Action: This indicator has been Revised</i>						

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