



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 16-Dec-2019 | Report No: PIDA27403



BASIC INFORMATION

A. Basic Project Data

Country Turkey	Project ID P171456	Project Name Social Entrepreneurship, Empowerment and Cohesion Project	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 09-Jan-2020	Estimated Board Date 27-Feb-2020	Practice Area (Lead) Social
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Industry and Technology	Implementing Agency Ministry of Industry and Technology	

Proposed Development Objective(s)

The PDO is to improve livelihoods opportunities for women in refugee and host communities in targeted areas of Turkey

Components

Social Entrepreneurship for Women in Refugee and Host Communities
Community Livelihoods-related Facilities in Refugee and Host Communities
Institutional Capacity Strengthening and Project Management

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	43.58
Total Financing	43.58
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing



Trust Funds	43.58
Free-standing TFs for ECA ECCTR Country Unit	43.58

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

1. Turkey is both a transit and reception country for migrants and refugees and, globally, the country hosts the highest number of refugees.¹ As a result of the crisis at its southern border with Syria, Turkey has been hosting an increasing number of refugees and foreigners seeking international protection. In addition to hosting more than 3.6 million Syrians, who are under temporary protection, there are an estimated 400,000 asylum seekers and refugees of other nationalities. The country’s refugee response has been progressive and provides a model to other countries hosting refugees, but the magnitude of the refugee and migrant influx continues to pose challenges for displaced persons, host communities, and the country at large. It is estimated that the Government of Turkey (GT) has spent EUR 31 billion to meet the needs of refugees and hosting communities since the beginning of the Syrian crisis to 2017. The international community has provided over EUR 4 billion since 2016, of which 95 percent is from the European Union (EU).²

Sectoral and Institutional Context

2. As of August 2019, 97 percent of Syrian refugees (3.5 million persons) were living in host communities. Turkey also hosts approximately 400,000 displaced persons, mostly from Afghanistan, Iraq, and Iran.³ The four provinces of Istanbul, Şanlıurfa, Hatay, and Gaziantep host the largest concentration (1.8 million) of Syrian refugees with nearly all refugees in the country living in privately-arranged accommodation. The proportion of refugees to the total population across host provinces varies substantially, from 1.7 percent in Ankara to 81.4 percent in Kilis. In October 2019, 63,000 refugees remained in seven temporary accommodation centers. Turkish society has demonstrated resilience and innovation in the way it has absorbed displaced Syrians. Turkey has adopted a developmental approach to forced displacement, pursuing policies that have granted displaced Syrians access to services and to the labor market.

3. In 2016, the GT established the Emergency Social Safety Net (ESSN) program to address the basic needs of the refugee population, with financial support from the EU’s FRiT. As of March 2019, at a cost of EUR 998 million, more than 1.5 million displaced Syrians had benefited from this multipurpose cash transfer program providing monthly assistance through debit cards to the most vulnerable refugees in Turkey. While the ESSN program has supported Syrians through a critical transitional stage, a major constraint of the program is its limited sustainability. ESSN beneficiaries need to be encouraged to use the skills and benefits that they have acquired to maintain and improve their economic self-reliance. The GT has developed an ESSN Exit Strategy to

¹ Directorate General for Migration Management. 2019.

² European Commission. Technical Assistance to the EU Facility for Refugees in Turkey – Final Report. October 2018.

³ UNHCR (2019). “Turkey: Key Facts and Figures July 2019.”



encourage the self-reliance of current ESSN beneficiaries by gradually phasing out support to those that can pursue an independent socioeconomic life in Turkey.

4. The ESSN Exit Strategy proposes inclusive business and employment models that link refugees to economic opportunities by building self-reliance and strengthening their resilience. Social enterprises play an important role in the GT's vision, presenting an innovative socioeconomic opportunity that can bring about the dual benefit of jobs for refugees and host community members while focusing on local social needs and benefits. Although social entrepreneurship models acknowledge the need for sustainable profit under competitive market conditions, they differ from mainstream entrepreneurship in their aim to create positive social, cultural, or environmental impacts, and/or social returns. This makes social enterprises an important alternative to conventional corporate social responsibility models. Accordingly, the ESSN exit strategy explicitly notes: (i) entrepreneurship will be an important avenue to promote inclusion, *with social entrepreneurship a feature of economic mainstreaming of displaced Syrians*; (ii) the importance of moving from social assistance for refugees to forms of support focused on *both* refugees and host communities; (iii) the negative impacts of the exclusion of women as active participants of the local economy; and (iv) the importance of social cohesion to meet peace/stability goals as well as economic goals.

5. There are also significant gaps in access to employment and self-employment opportunities for both refugee women and women from Turkish host communities that warrant a focus on women's entrepreneurship and social enterprises. Only 32 percent of Turkish women of working age are employed.⁴ Barriers to Turkish women's entry into entrepreneurship include access to finance, lack of skills, and social norms related to marriage and childcare. Syrian refugee women in Turkey face significant challenges in accessing formal employment. According to results from a UN Women survey, 85 percent of Syrian women were unemployed in Turkey. Traditional gender roles and care responsibilities are important factors preventing Syrian women from working outside the home as well as limited information and support for job-seeking and the potential of work permits for Syrians.⁵ Despite the challenges, Syrian refugees are creating jobs and participating in the Turkish economy by establishing their own businesses – five Syrian businesses are established each working day. There is emerging evidence that despite the struggle to obtain employment, displaced Syrians in Turkey are contributing positively to the local economy and to the creation of new enterprises. Many micro, small and medium enterprises have been established as startups in Turkey, owned by Syrians or run jointly by Turkish citizens and Syrians.

C. Proposed Development Objective(s)

Development Objective(s)

To improve livelihoods opportunities for women in refugee and host communities in target areas in Turkey.

Key Results

- beneficiaries whose earnings have increased as a result of project interventions.
- beneficiaries reporting that access to livelihoods facilities enables their participation in social enterprises.
- refugees and host community beneficiaries reporting that project activities have improved cooperation between refugees and host communities.
- project-supported social entrepreneurs reporting that: (a) support services; (b) subgrants, meet their needs.
- number of refugee and host community member beneficiaries supported under the project.

⁴ Turkstat 2018.

⁵ UN Women and ASAM. 2018. Needs Assessment of Syrian Women and Girls.



D. Project Description

6. The project will be implemented in 11 provinces near the Syrian border: Gaziantep, Adiyaman, and Kilis; Hatay, Osmaniye, and Kahramanmaraş; Sanliurfa and Diyarbakir; Adana and Mersin; and Mardin. The beneficiaries of the project will be refugees and host community members in provinces with high numbers of ESSN beneficiaries. For Component 1, at least 70 percent of the beneficiaries of social entrepreneurship support services and subgrants will be women, and 30 percent will be youth (both women and men, ages 18-29). 70 percent of subgrant recipients in this component will be refugees, and beneficiary selection will give preference to ESSN recipients. Male household members of all ages will also be able to benefit from a set of support trainings. Component 1 is also expected to directly benefit a large number of ESSN recipients by creating jobs. Component 2 will benefit not only the social entrepreneurs, but also a broader group of refugee and host community members through their use of the community livelihoods facilities. Institutional beneficiaries include the Ministry of Industry and Technology (MoIT), participating Turkish Development Agencies (TDAs), and local authorities (municipalities and Governor's offices) and NGOs working with target communities.

Project Components

Component 1: Social Entrepreneurship for Women and Youth in Refugee and Host Communities

7. Component 1 will finance activities to support social entrepreneurship in refugee and host communities in the target provinces. The project defines a social enterprise to include profit-making businesses that *prioritize social or environmental impact while reinvesting profit primarily in their mission and/or benefitting target social groups through employment or other activities that may increase their income.*⁶ For the purposes of the project, this includes, inter alia, businesses that are established with the mission of employing or self-employed refugees and other vulnerable members of the community (e.g. disabled, at-risk youth, etc.). Socially-oriented businesses will operate under the legal status of cooperatives, limited liability companies, sole traders, associations, corporations, and foundations.

8. Subcomponent 1A will finance preliminary studies and support services for social entrepreneurs and Subcomponent 1B will fund subgrants for the incubation or acceleration of social enterprises. The elements of this approach aim to maximize the potential for success of the project-supported social enterprises and enables the participation of less-privileged women and youth in social entrepreneurship. Each cycle will start with the selection of beneficiaries (new and/or existing social entrepreneurs) through a series of steps to be detailed in the project operations manual and carried out by Community Implementing Partners. Selected beneficiaries from refugee and host communities will receive training and coaching, and then be supported in submitting applications for incubation or acceleration grants. Recipients of those subgrants will then be provided with continued mentoring. The focus of the social enterprises supported by the subgrants under Subcomponent 1B will vary according to the local needs, interests, and expertise of the refugee and host community entrepreneurs. Potential business ideas could take the form of social cooperatives (e.g. disadvantaged women producing food or providing social services to the elderly). Incubation and acceleration subgrantees will be selected through an evaluation of business plans developed under the support services provided in Subcomponent 1A. Evaluation criteria will not only need to meet the above targets, but also ensure that: (i) women are centrally engaged in and/or benefit from the planned social enterprise; (ii) jobs are generated for refugee and host community members; and either (iii) social business goals are well-defined; or (iv) the enterprises aim at environmental/climate change benefits (e.g. recycling for artwork). Proposals to develop joint

⁶ British Council. 2019. The State of Social Enterprise in Turkey.



businesses that involve refugee and host community members working together will be encouraged and prioritized. The subgrant proposals selected for funding will be displayed at a community fair event during the selection stage of each round to create transparency around the allocation of subgrants to community members but also help to develop awareness of social enterprises, social corporate responsibility, and green businesses.

Component 2: Community livelihoods-related facilities in refugee and host communities

9. The development and survival of micro-enterprises is not only a function of business and technical skills; women will face a number of other constraints to their successful engagement in livelihood opportunities. To address gaps in facilities, support the efforts of refugee and host community women to earn income, and promote dialogue and engagement of refugees, host communities, and municipal authorities around social enterprises, component 2 will finance: (i) capacity building and facilitation activities for refugees and host communities to engage in participatory decision-making processes over local needs and priorities for livelihoods-related facilities; and (ii) the cost of establishing/renovating selected livelihoods-related facilities.

10. The aim of Subcomponent 2A is to mobilize Component 1 beneficiary communities to prioritize the local livelihoods facilities needed to support their social enterprises. This facilitated community engagement will aim to enhance community cohesion, provide a forum for trust building and collaboration between refugees and host communities, and communities and local authorities, and bring concrete benefit of livelihoods facilities that directly or indirectly facilitate the development of efficient and sustainable social enterprises.

11. Subcomponent 2B will support livelihoods-related facilities and services to enhance the success of the social enterprise/livelihoods-related activity in Component 1. Construction will be limited to refurbishing, extending, or upgrading existing public buildings. It is likely that the subgrants will fund livelihoods-related facilities such as: Community centers or spaces for projects and other use; kindergartens and childcare facilities, child-friendly spaces; refurbishment of incubation facilities (maker-spaces, coworking spaces, business development/support centers, etc.), as well as the equipment and technology infrastructure to implement the incubation initiative in each target province; workshops and kitchens; market facilities for the use of refugees and host communities and e-trade platforms and help centers for online trading.

Component 3: Institutional Capacity Strengthening and Project Management

12. The implementation of the proposed project will follow the existing government structures and procedures. This component will finance project management, M&E and communications (and visibility) as well as the targeted capacity building of national (MoIT, TDAs) and local actors (Local Authorities, NGOs, other stakeholders) to strengthen their capabilities to support women’s livelihoods development in this project and in the future.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No



Summary of Assessment of Environmental and Social Risks and Impacts

13. The activities to be financed through grants under Component 1 will mainly support women and youth entrepreneurs from refugee and host communities for starting up new, or expanding, socially and environmentally oriented businesses. Given that project funds under Component 2 may be used for small works (such as small construction, retrofitting, refurbishment and IT infrastructure) to improve the social and economic infrastructure for the target groups, limited environmental impacts are expected. These impacts can include noise, dust and waste management that are confined to small works such as simple construction, refurbishment, retrofitting. MoIT has prepared a draft Environmental and Social Management Framework (ESMF), to be finalized and disclosed by effectiveness, will serve for managing environmental and social impacts and risks for the Development Agencies to adopt in the sub-grants manual (SGM). The ESMF includes environmental and social review procedures and an ESMP (environmental and social management plan) checklist for low/moderate risk refurbishment projects.

14. The project aims to have positive social impacts by contributing to women's livelihoods and empowerment in refugee and host communities and improving community cooperation. The project is not expected to have any irreversible or unmanageable impacts, as the project will exclude from eligibility for financing any activities requiring land acquisition and involuntary resettlement. The project aims to assist women and youth to engage in micro-businesses in sectors such as agricultural production, food production, small manufacturing, textile and garments, arts and crafts, social services and clean products). The social enterprises and people they shall employ are project beneficiaries. The measures to protect them are included in the project design, ESMF and grant manuals. These social enterprises shall follow applicable national labor and employment legislation. Any potential risks related to child and forced labor will be mitigated with procedures included in the ESMF. The sub-grants manual will explicitly exclude any activities which involve child labor. MoIT has also drafted a Labor Management Procedure (LMP) that includes a proposed Code of Conduct for project workers as a measure to prevent any potential risks related to gender-based violence and procedures for workers' grievance mechanism, which will be prepared and disclosed before project effectiveness. The CIPs will have the supervisory role and be responsible to the DAs to ensure that skills and business training provided to project beneficiaries leads to positive employment outcomes.

15. MoIT has prepared a Stakeholder Engagement Plan for pro-active communication and stakeholder engagement while designing and implementing the entrepreneurship sub-grant programs. The Development Agencies and MoIT will develop a targeted communication strategy including the eligibility criteria and sub-grant selection process. To mitigate risks and enable project beneficiaries to express project-related grievances and concerns, MoIT and Development Agencies will establish a project level GRM. MoIT and DAs will receive training for the proper implementation of the Bank's ESF. Screening and monitoring procedures for environmental and social impacts have been prepared by the MoIT prior to Appraisal as part of the Environmental and Social Commitment Plan (ESCP) of MoIT.

E. Implementation

16. The Ministry of Industry and Technology (MoIT) will be the recipient of the project,⁷ and the implementing agencies for Components 1 and 2 will be SilkRoad Development Agency (implementing in Gaziantep, Adiyaman, and Kilis Provinces); Eastern Mediterranean Development Agency (implementing in Hatay, Osmaniye, and Khramanmaras Provinces); Karacadağ Development Agency (implementing in Sanliurfa and Diyarbakir Provinces);

⁷ The MoIT will include the project on the Annual Investment Plan from 2020 to 2024.



Çukurova Development Agency (implementing in Adana and Mersin Provinces) and Tigris Development Agency (implementing in Mardin Province). The project will be coordinated through a FRIT Project Steering Committee.

17. To reach anticipated socioeconomic goals, the TDAs will appoint, through a competitive procurement process (under World Bank procurement procedures), qualified non-state Community Implementing Partners with experience of community-level action in their localities, incubation and acceleration support services, subgranting, community development, grievance redress, and institutional capacity building. CIP responsibilities will include organizing the selection process for refugee and host community members to enter the social entrepreneurship program, training, mentoring, and coaching activities for incubation and acceleration, and post-creation/post subgrant supporting services (included under Subcomponent 1A), and the community mobilization activities envisaged under the project. The TDAs will also work with the Local Authorities (i.e. municipalities and governors' offices) in their provinces to implement project activities under Subcomponent 2B, which aims to refurbish and rejuvenate existing buildings to support livelihoods-related activities in local communities (such as childcare facilities, kitchens, workshops, etc). Local Authorities will prepare feasibility plans (including facility oversight, staffing, sustainability, and O&M plans) for the approval of the TDAs. TDAs will sign a Memorandum of Understanding with participating Local Authorities.

18. The MoIT project team will be responsible for monitoring activities and progress, and evaluation. It will have experienced M&E staff to ensure implementation of M&E functions, and the M&E staff of the MoIT project team will be strengthened through capacity-building activities under the project. A MIS will be developed by the project and ensure access by the MoIT, TDAs, CIPs, and where possible, beneficiaries.

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APPROVAL

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