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**REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY
AND TECHNOLOGY**

Employment and Skills Development Project Component II Annual Report I

Reporting Period: December 2018 – December 2019

Employment and Skills Development Project

Project Synopsis - Component II		
Project Name:	Employment and Skills Development Programme – Component II	
Funding:	KfW Development Bank	
Country:	Turkey	
Project Start Date:	07/12/2018	
Project End Date:	30/06/2020	
Budget:	EUR 5.125.000 / USD 5.688.124,31	
Implementing Partner:	MoIT (Ministry of Industry and Technology)	
Project Team:	ISG Portfolio Manager	Pelin Rodoplu
	Projects Coordinator	Kismet Deniz Çiftçi Arslan
	Project Associate	Kübra Gürtaş Türktekin
	Project Associate	Selçuk Serteser
	Project Assistant	Sedef Zağlıkılıç
	Project Imp. Sup. Assistant	Gülçin Çalış

Employment and Skills Development Project

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Glossary of Acronyms

DGMM	Directorate General of Migration Management
MOIT	Ministry of Industry and Technology
UNDP	United Nations Development Programme
3RP	Regional Refugee Resilience Plan
ASO-SEM	Continuing Education Center of Ankara Chamber of Industry
İŞKUR	Turkish Employment Agency
SME	Small and Medium-Sized Enterprises
CPD	Country Plan Document
IT	Information Technology
KfW	Kreditanstalt für Wiederaufbau/ Development Bank
UNHCR	United Nations High Commissioner for Refugees
NGO	Non-Governmental organization
HQ	Head Quarters
UNDAF	United Nations Development Assistance Framework
M&E	Monitoring & Evaluation

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1. PROJECT OVERVIEW

Turkey is the country with the highest number of refugees in the world. The current number of registered Syrians under temporary protection is **3.567.658** (*DGMM, 27 September 2018*). Around **96 percent** of the refugees live outside the temporary accommodation centres, the majority of which concentrated around the border provinces. The large number of Syrians and high concentration in certain provinces has significantly impacted the national/local labour market. This has created additional demand for services to be delivered by national and local government service providers. **More than 2 million** Syrians are mainly located in **Istanbul and Southeast Anatolia region** bordering Syria, but as the crisis is prolonged, the population expands to other regions as well.

The objective of UNDP Turkey's work to the Syria crisis response in Turkey is to contribute to creation of an enabling environment and opportunities for the Syrians under temporary protection and impacted host communities alike.

UNDP's approach will continue to be in conjunction with the Turkey Chapter of the 3RP, which foresees UNDP involvement in strengthening livelihoods for impacted communities-supporting local economies and employability of impacted communities, providing infrastructure and service delivery support in host communities and supporting initiatives to strengthen social cohesion.

Regarding employability and access to livelihoods, UNDP addresses the challenges at both labour supply and labour demand side. Labour supply interventions include active labour market measures such as skills profiling, vocational training and job matching. These interventions include direct implementation of such training as well as institutional capacity development of service providers, aiming a more systematic and sustainable result. Labour demand side measures include enterprise level interventions to increase productivity and capacities in the short term for new employment opportunities in addition to longer term approaches to upgrade existing, high potential value chains for higher productivity. The ultimate aim is to strengthen the skills and employability of the labour supply and increasing the potential of the local economy to absorb higher level of labourforce. As such, the interventions under this project are clustered under 2 main headings, the details of which are provided below under Proposed Programme and Activities:

- Component 1: Institutional Capacity Assessment and Roadmap Development for İŞKUR to design and implement active market labour services
- Component 2: Job creation through enhancing Ankara SME Capability Center (a.k.a. Model Factory) capacity and replication of the Center in Kayseri and Konya

Component 1 will mainly address the design and implementation of active labour market policies. As such, this project will provide institutional support for active labour market policies to be designed and implemented by İŞKUR. Considering the integrated nature of the labour markets as well as potential sensitivities with regard to labour market competition, the project activities will serve impacted communities as a whole, i.e. from both Syrians under temporary protection and the host communities.

In addition, **Component 2** will address productivity challenges of manufacturing industry through replicating the Government led policy tools on Applied SME Capability Centers. Support under this component will invest in local capacities to be able to absorb higher levels of labour force through as a result of an expanded manufacturing base.

This report covers Component 2 of the Project.

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1.1. OVERALL OBJECTIVE

The objective of the Project is to support Syrians and vulnerable host community members to access the local labour market. The project aims to do so through supporting the capacities of SME Capability and Digital Transformation Center in Ankara, supporting the capacity of ASO-SEM and establishment and operationalization of the Centers in Konya and Kayseri.

1.2. SPECIFIC OBJECTIVES

One of the specific aims of the project is to develop capacities of Ankara SME Capability and Digital Transformation Center focusing on innovation services/networks/platforms including an additional service line on digital transformation. Through this intervention, it is expected that the services of the Center will contribute to local economy to absorb higher level of labour force as a result of an expanded manufacturing base. The project also specifically aims to replicate the Ankara SME Capability and Digital Transformation Center in Kayseri and Konya and in doing so contribute to local labor markets again with expanded manufacturing bases of these cities.

The project will directly contribute to the CPD Output 1.1.4. *“Citizens, with specific focus on vulnerable groups including in less developed regions have increased access to inclusive services and opportunities for employment.”* The related Outcome that the project will ultimately contribute to is the United Nations Development Cooperation Strategy Turkey Outcome 1.1.: *“By 2020, relevant government institutions operate in an improved legal and policy framework, and institutional capacity and accountability mechanisms assure a more enabling (competitive, inclusive and innovative) environment for sustainable, job-rich growth and development for all women and men.”*

1.3. EXPECTED RESULTS

The expected result of the project is creation of sustainable job opportunities for Syrians under Temporary Protection and vulnerable host community members through supporting SME Capability and Digital Transformation Centers in Ankara, Kayseri and Konya. Specifically, the project aims to achieve the below targets:

- Identification and implementation of additional service lines for Ankara SME Capability and Digital Transformation Center.
- Replication of the Ankara SME Capability and Digital Transformation Center in Kayseri and Konya.
- 100 SMEs and 150 people with business ideas to receive business advisory and innovation services.
- 150 SMEs to receive SME Capability and Digital Transformation Centre services, as well as ASO-SEM's vocational training services.
- 100 SMEs focused on innovation to be established.
- 500 Syrians under Temporary Protection and Turkish host community members to benefit from awareness raising activities.
- 2000 Syrians under Temporary Protection and Turkish host community members to be placed in jobs.

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1.4. CROSS CUTTING ISSUES

Gender Equality and Women's Empowerment

Gender equality is a part of human rights and significant principle of human development. However, gender inequality is still prevalent all over world. Therefore, many international conventions and policies developed for combatting this inequality.

Specifically, UNDP Turkey prepared Gender Equality Strategy Plan (2017-2020) as a tool for understanding and internalizing gender equality and make gender equality targets an indispensable part of all programme interventions. It targets to reach gender responsive results and create gender transformative outcomes. Objectives of the strategy are; “building a gender sensitive institutional structure, developing in-house capacities to integrate gender concerns into all programmes and practice areas, promoting gender parity and creating an enabling environment for both women and men to realize their full potential, ensuring gender responsive implementation to achieve better results”, as well as “providing a roadmap to strengthen partnership and collaboration in the field of gender equality and women's empowerment.”

Gender equality and women's empowerment is also specifically embedded in the targets of the project. So, the project team considers the issue as a priority in all activities. Additionally, a desk study on “Women's Employment in Manufacturing Industry” is being prepared that will continue with field studies to better understand the potential improvement areas in women employment in manufacturing industry.

Partnerships, Monitoring and Evaluation

To achieve proactive and results-based management, project team utilizes its long-standing partnership with Ministry of Industry and Technology (MoIT). Additional to this, Ankara Chamber of Industry (ASO) and ASO I. Organized Industry Zone Management are the implementing agents of the Project and support MoIT and UNDP for effective implementation and result based management. The project team also ensured contractual arrangements between MoIT and local partners in Konya and Kayseri including Konya Chamber of Commerce, Konya Chamber of Industry, Konya OIZ Management, Kayseri Chamber of Industry, Kayseri Chamber of Commerce and Abdullah Gül University to reach the project targets with the maximum utilization of the local capacities.

To monitor and evaluate the effectiveness of these partnerships and smooth implementation of the project activities, apart from the regular visits to the project provinces, the project team collects regular progress reports from its partners in Ankara, Kayseri and Konya. In addition, with a specific focus of job creation, two working groups were established in Kayseri and Konya including key local stakeholders such as ISKUR, Development Agencies, Chambers of industry and commerce, technology development zones, Turkish Red Crescent Community Centers, provincial branches of DG of Migration Management, universities and NGOs.

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2. MAJOR ACTIVITIES UNDERTAKEN DURING THIS REPORTING PERIOD

The activities under this section covers the period from December 2018 to December 2019.

2.1. SUPPORT TO ANKARA SME CAPABILITY AND DIGITAL TRANSFORMATION CENTER

Ankara SME Capability and Digital Transformation Center has been established and operational since the first half of 2018. The official launch took place on December 2018. All the machines and assembly lines were installed in the first half of 2018. The fourth and last phase of the Training of Trainers were completed in November 2018 and 120 companies were given introductory preview trainings since then. Additionally, the installation of digital transformation hardware and software and IoT platform integration have been carried out since November 2018 and it is planned to be completed by April 2020. A “Digital Transformation Consultant” was mobilized in February 2019 to assist the team for the digital transformation component.

One of the main core service area of the Center, Learn and Transform Pilot Program, was officially started in May 2019 and completed December 2019. 8 pilot companies were selected for this program and provided consultancy aiming at enormous productivity increases in a 6 months period. Throughout this pilot program, it has been aimed to create success stories that is to be shared with the public. The results will be shared with public in the first quarter of 2020 with an official ceremony.

Additionally, over 200 Participants from 120 SMEs were provided with 1 or 2 days of introductory preview trainings since November 2018. Ankara SME Capability and Digital Transformation Center has signed its first contract in April 2019 with its first client named NG Kütahya Seramik Porselen A.Ş., the sector leader in the ceramics and porcelain production industry in Turkey.

An important progress has been achieved in terms of sustainability and exit strategy. The corporate entity for Ankara SME Capability and Digital Transformation Center has been established and the establishment was published in trade registry gazette on 8 October 2019.

In the meantime, Ankara SME Capability and Digital Transformation Center started to draft cooperation protocols for the provision of services to the other Model Factories to be established. The negotiations between Ankara and Konya on the contract for the provision of consultation and training services were completed in December 2019. and will be signed in January 2020.

One other hand, preparation of “Strategy and Roadmap for Innovation Center / Network” document was started in November 2019. The current situation analysis was completed in December 2019.

2.2. REPLICATION OF THE ANKARA SME CAPABILITY AND DIGITAL TRANSFORMATION CENTER IN KAYSERI AND KONYA

The Protocol for the establishment of Kayseri SME Capability and Digital Transformation Center among Kayseri Chamber of Industry, Kayseri Chamber of Commerce, Abdullah Gül University and Ministry of Industry and Technology was signed on 24 July 2019. The construction of the Centre was undertaken by Abdullah Gül University and completed as of May 2019. (The completion of the construction was advanced in order to accelerate the process.)

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In Konya, The Protocol for the establishment of Konya SME Capability and Digital Transformation Center among Konya Chamber of Commerce, Konya Chamber of Industry, Konya Organized Industry Zone and Ministry of Industry and Technology was signed on 29 August 2019. The construction of the Center is ongoing.

After the signature of the protocols, director and local staff have been mobilized in both target provinces. In line with the common program started within the coordination of the Ministry, the local partners attended a training program on lean transformation in October 2019 in Lean Institute. For both Centers, the sample product that will be used for the lean trainings was determined. Technical specifications of machinery and equipment was also identified accordingly. Advance orders for machinery and equipment were given. In both target provinces, the negotiations on the contract for the provision of training and consultancy services for the establishment of Model Factories were completed.

2.3. JOB CREATION ACTIVITIES

The employment to be created through the SME Capability and Digital Transformation Centers is expected in the medium and long term through the transformation of the manufacturing industry. In fact, out of 2.000 jobs, 1.000 new jobs are planned to be created through vocational trainings that are offered by ASO-SEM in Ankara, while remaining 1.000 new jobs are targeted to be created in Konya and Kayseri. In order to create new 1.000 jobs in these target provinces, additional activities have been planned, and a roadmap has been designed. Accordingly, some measures have been prioritized to be implemented within this roadmap. These instruments are categorized under three main components:

- Entrepreneurship
- Vocational Trainings
- Other accelerating / facilitation measures

Under entrepreneurship component, in coordination with universities, technology development zones, etc. it is planned to provide basic and intensive entrepreneurship trainings, offer incubation programs to support the establishment of start-ups and provide grants for start-ups. Within the scope of vocational trainings, it is planned to support capacity of vocational training centres / lifelong learning centres that will enable them to offer craftsman and vocational trainings. Under the third component, it is planned to utilize measures that would accelerate / facilitate creation of new jobs.

Roadmap mentioned above was submitted to approval of KfW on 17 July 2019. In the meantime, contractual arrangements regarding these activities have been prepared due to strict time schedule of the project. The roadmap and budget reallocation required for job creation activities were approved by KfW on 30 October 2019.

The Project team is simultaneously conducting a study on “Women's Employment in Manufacturing Industry” in cooperation with other projects within the Inclusive Sustainable Growth Portfolio to determine the problems behind the low employment rates of women in Manufacturing Industry, find solutions to eradicate these problems and support the empowerment of women who can work in this industry. Success stories will be created in Ankara, Konya and Kayseri, after the completion and application of this study.

Job creation activities were launched first in Ankara in order to achieve targeted objectives through close cooperation with ASO-SEM.

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2.3.1. JOB CREATION THROUGH ASO-SEM

Business plan of ASO-SEM (indicating the capacity development needs) was approved and Cooperation Protocol on job creation by strengthening the capacity of ASO-SEM was signed between ASO-SEM and the Ministry of Industry and Technology in July 2019.

Within the scope of this protocol, ASO-SEM was planned to establish 5 Training Atelier, 1 Information Technology Laboratory and 1 Training Kitchen. Procurement of machinery and equipment for the training kitchen, machinery, plastics, electric, industrial automation and metallurgy technology atelier and one of the IT labs of ASOSEM was completed. Curriculums of vocational training were prepared and submitted to approval of Ministry of Education and Vocational Qualification Authority. After the necessary approvals were received, ASO-SEM started to held interviews with potential beneficiaries and completed the determination process of the trainees and the completion of İŞKUR Protocols. First wave of the job creation through vocational trainings at ASO-SEM in coordination with İSKUR was kicked off on 11 November 2019. In the scope of the first wave, 111 trainees attended to the program and 27 of them were Syrians under Temporary Protection.

In the meantime, capacity development of ASO-SEM and vocational trainings and matchmaking activities (in cooperation with ASO, ASO I. OIZ, İSKUR, municipalities, NGOs, etc) at ASO-SEM are also ongoing.

2.3.2. JOB CREATION IN KAYSERI

The Project Team established the working group including the local stakeholders such as İŞKUR, Development Agency, Migration Management Direc, TRC, and technology development zone to increase the efficiency and ensure coordination in job creation activities. The first and second working group meetings were held on 19 June 2019 and 12 November 2019 respectively. With the result of the consultations in this group an entrepreneurship program was kicked off in cooperation with Bařkent University. Basic and advance entrepreneurship trainings were completed in Kayseri in December 2019. 128 trainees attended to the basic entrepreneurship program and 66 of these trainees were Syrians under Temporary Protection. Following this program, 77 trainees attended to the advance entrepreneurship program and 35 of them were Syrians under Temporary Protection. Those trainees were selected out of 257 applications, most of them were university students with innovative and technology-based ideas. The selected applicants will be offered to the pre-incubation program in February 2020 and to incubation program in March 2020.

The entrepreneurship program is ongoing while the project team is working on recruitment of senior consultants for job creation activities. At the same time, new employment demands from the firms are being collected under the coordination of Konya Chamber of Commerce and Konya Chamber of Industry. .

2.3.3. JOB CREATION IN KONYA

Similar to Kayseri, the Project Team established the working group including the local stakeholders such as İŞKUR, Development Agency, Migration Management Direc, TRC, and technology development zone to increase the efficiency and ensure coordination in job creation activities in Konya. Preparations for the entrepreneurship program is ongoing and the trainings for basic and advanced entrepreneurship program will be launched in February 2020. On the other hand, new employment demands from the firms are being collected under the coordination of Kayseri Chamber of Commerce and Kayseri Chamber of Industry.

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2.4. STAKEHOLDER ENGAGEMENT AND MEETINGS HELD

No	Meeting with	Date/Time	Agenda Items
1	Konya partners	30/12/2019	- Progress so far and upcoming job creation activities
2	Kayseri partners	13/12/2019	- Evaluation Committee Meeting with the agenda of selection of the graduates of basic entrepreneurship program
3	KfW and key partners	12/12/2019	- Joint Steering Committee Meeting with the agenda of progress so far and request of extension
4	Kayseri partners	12/11/2019	- Working group meeting with the agenda of job creation roadmap and roles of each stakeholder
5	Ankara, Konya and Kayseri partners	27/08/2019	- Sample product selection of Kayseri and Konya SME Capability and Digital Transformation Centers
6	Kayseri partners	05/08/2019	- The service model of the Center
7	Konya partners	23/07/2019	- The job creation roadmap and respective roles
8	Kayseri partners	19/06/2019	- Working group meeting with the agenda of job creation roadmap and roles of each stakeholder
9	Konya partners	10/05/2019	- The cooperation protocol and respective roles
10	Project Partners	28/03/2019	- Steering Committee Meeting with the agenda of the progress and upcoming events
11	ISKUR	18/03/2019	- Possible cooperation agenda in the scope of the project
12	Kayseri partners	11-13/03/2019	- The mutual roles of the partners and possible collaborations to reach job creation targets
13	KfW representatives	27/02/2019	- Information about the progress so far
14	Konya partners	27/11/2018	- Possible locations for Konya SME Capability and Digital Transformation Center
15	Ministry and ASO 1st OIZ Management	24/10/2018	- The progress and upcoming activities
16	Kayseri partners	10/10/2018	- The upcoming activities for the operationalization of the Center

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3. MAJOR ACTIVITIES TO BE UNDERTAKEN IN THE NEXT REPORTING PERIODS

3.1. SUPPORT TO ANKARA SME CAPABILITY AND DIGITAL TRANSFORMATION CENTER

For the next reporting period, major activities of Ankara SME Capability and Digital Transformation Center will include completion of the installation of digital based high technology production line; support to establishment and operationalization of other centers including the Center in Konya and implementation of awareness raising activities and learn and transform programs.

3.2. REPLICATION OF THE ANKARA SME CAPABILITY AND DIGITAL TRANSFORMATION CENTER IN KAYSERI AND KONYA

Both centers are planned to be established and operational until the end of June 2020. For this purpose, project team is planning to finalize the cooperation protocols or contracts in order the both centers to receive consultancy services including identification of production layout, preparation of the training curriculum, provision of ToT and pilot implementation. In the meantime, the construction of Konya SME Capability and Digital Transformation Center will be finalized by local partners and official inaugurations for both centers will be organized. Until the end of second quarter, training of the trainers and pilot implementation programs of the both centers are planned to be finalized.

3.3. JOB CREATION ACTIVITIES

3.3.1. JOB CREATION THROUGH ASO-SEM

Capacity development of ASO-SEM will be completed and an official inaugural ceremony for ASO-SEM will be organized in February 2020. (Preferred dates from KfW are expected.)

It is expected that around 350 Syrians under temporary protection and Turkish host community members to be trained at ASO-SEM and around 230 new jobs created in Ankara as a result of vocational trainings and matchmaking activities in the reporting period. At the same time, awareness raising activities for Syrians under temporary protection about job market and employment conditions in Turkey in cooperation with UNHCR will be organized. The project team also plans to invest in the matchmaking capacity of ASO-SEM through recruitment of an individual consultant. Finally, field study for “Women’s Employment in Manufacturing Industry Study” will be completed in the next reporting period.

3.3.1. JOB CREATION IN KONYA AND KAYSERI

In the next reporting period, similar to the implementation in Kayseri, basic and advance entrepreneurship programs will be organized in Konya. Additionally, pre-incubation and incubation programs will be implemented in both Konya and Kayseri. Similar to Ankara, the project team is planning to organize awareness raising activities in cooperation with UNHCR in Kayseri and Konya. Additionally, measures

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identified in the job creation roadmap including matchmaking will be implemented and around 100 new jobs are expected to be created in both cities.

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4. UPDATED RESULTS FRAMEWORK

	Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: 1.1. By 2020, relevant government institutions operate in an improved legal and policy framework, and institutional capacity and accountability mechanisms assure a more enabling (competitive, inclusive and innovative) environment for sustainable, job-rich growth and development for all women and men.						
	Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets: Target: Convergence in all these ratios towards 1.						
	Applicable Output(s) from the UNDP Strategic Plan: Output # 3 - Enhance prevention and recovery for resilience societies						
	Project title and Atlas Project Number: Employment and Skills Development Programme, Atlas Award ID: 00096416						
EXPECTED OUTPUTS	OUTPUT INDICATORS	BASELINE*	DATA SOURCE	TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
				2019 Realization	2020 Target	Total	
Output 2 Sustainable job opportunities created for Syrians and Turkish host community members in Ankara and in Kayseri and in Konya	# of additional service lines on innovation are identified	0	MolT database Project Reports	1*	1	1	Thru project-based M&E tools and systems
	# of additional service lines on innovation became operational for Ankara	0	MolT database Project Reports	0	1	1	Thru project-based M&E tools and systems
	#of existing SME Capability Centers replicated in Kayseri and Konya	0	MolT database Project Reports	0	2	2	Thru project-based M&E tools and systems
	# of additional SMEs have received business advisory and innovation services, (women entrepreneurs and women empowerment will be also targeted)	0	Project Reports	158 SMEs*	90 SMEs 150 people w/business ideas	100SMEs 150 people w/ business ideas	Thru project-based M&E tools and systems
	# of additional SMEs have received SME Capability Center Services, as well as ASO-SEM	0	Project Reports	194 SMEs*	150 SMEs	150 SMEs	Thru project-based M&E tools and systems
	# of additional SMEs are newly established focusing on innovation (set up by Syrians or Syrian/ Turkish joint ventures)	0	Project Reports, TOBB Registration database	0	20 SMEs	100 SMEs	Thru project-based M&E tools and systems
	# of Syrians and Turkish host community members have benefitted from awareness raising activities (including networking, match making event, capacity building training programmes, entrepreneurship training programmes)	0	Project Reports	468 people	470 people	500 people	Thru project-based M&E tools and systems
*ACHIEVED INDICATORS ARE HIGHLIGHTED	# of Syrians and Turkish host community members have been placed in jobs	0	ISKUR Database Project Reports	229 people	1771 people	2000 people	Thru project-based M&E tools and systems

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5. UPDATED WORKPLAN (IN CASE A NO COST ONE-YEAR EXTENSION IS GRANTED)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
Activity	Description	2018	2019												2020												2021							
		12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6		
Activity 3																																		
Activity 3.1	Establishment of Applied SME Capability Center (Kayseri)																																	
Activity 3.1.1	Signature of Protocols Between MoIT and Local Partners																																	
Activity 3.1.2	Finalization of Governance Structure																																	
Activity 3.1.3	Completion of Physical Investments (refurbishment & machinery)																																	
Activity 3.1.4	Mobilization of staff																																	
Activity 3.1.5	Inauguration of the center																																	
Activity 3.2	ToT and Pilot Implementation																																	
Activity 3.2.1	Delivery of Training of the Trainers Program																																	
Activity 3.2.2	Identification of Pilot SMEs																																	
Activity 3.2.3	Implementation of Pilot Programs in selected companies																																	
Activity 3.2.4	Delivery of awareness raising programs																																	
Activity 3.3	Sustainability and Exit Strategy																																	
Activity 3.3.1	Development of a follow up performance plan after pilot programs																																	
Activity 3.3.2	Identification of additional service lines																																	
Activity 3.3.3	Preparation of a sustainability strategy																																	
Activity 3.4	Job Creation																																	
Activity 3.4.1	Working Group Meetings																																	
Activity 3.4.2	Delivery of Entrepreneurship Trainings																																	
Activity 3.4.3	Provision of Incubation Program																																	
Activity 3.4.4	Match-making Activities and Consultancy Services																																	
Activity 3.4.5	Craftsman Trainings / Vocational trainings / Awareness Raising Activities																																	
Activity 4																																		
Activity 4.1	Capacity Building of ASO-SEM																																	
Activity 4.1.1	Development of Business Plan for Capacity Building																																	
Activity 4.1.2	Installation of Machinery and Equipment for Ateliers																																	
Activity 4.1.3	Provision of Vocational Trainings																																	
Activity 4.2	Digital Transformation Services in Ankara MF																																	
Activity 4.2.1	Installation of Digital Transformation on the Lean Training Line																																	
Activity 4.2.2	Installation of the Digital Based High Technology Production Line																																	
Activity 5																																		
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Activity 5.4.5	Craftsman Trainings / Vocational trainings / Awareness Raising Activities																																	

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6. DETAILED BUDGET REVIEW (IN CASE A NO COST ONE-YEAR EXTENSION IS GRANTED)

OUTPUT II BUDGET	BUDGET OF THE ACTION				BUDGET REALLOCATION UNTIL 2021 JUNE					CHANGE		
	2018	2019	2020	All Years	2018 realization	2019 realization	2020	2021	All Years	Total Cost (in EUR)	%	
Costs	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	%
1. Human Resources (incl. project/programme staff and consultants)	93,389.28	185,000.00	93,389.28	371,778.55	0.00	25,083.75	230,331.91	116,362.90	371,778.55	0.00	0%	
2. Travel (air, ground)	38,500.00	109,550.00	29,600.00	177,650.00	0.00	10,498.52	61,967.85	33,704.74	106,171.10	-71,479	-40%	
3. Equipment and supplies	750,000.00	1,610,000.00	0.00	2,360,000.00	119,710.96	783,063.71	917,920.82	110,100.00	1,930,795.49	-429,205	-18%	
4. Project office	6,000.00	12,000.00	6,000.00	24,000.00	0.00		12,000.00	12,000.00	24,000.00	0.00	0%	
5. Professional services	675,066.76	1,026,625.07	0.00	1,701,691.82	0.00	150,662.13	1,328,668.72	723,044.37	2,202,375.23	500,683	29%	
Expansion of Ankara Applied Capability Center Services	168,766.69	256,656.27	0.00	425,422.96	0.00	0.00	368,699.90	56,723.06	425,422.96	0.00	0%	
1.1 Assessment on alternative service lines	33,753.34	51,331.25	0.00	85,084.59	0.00	0.00	85,084.59	0.00	85,084.59	0.00	0%	
1.2 Implementation	101,260.01	153,993.76	0.00	255,253.77	0.00	0.00	255,253.77	0.00	255,253.77	0.00	0%	
1.3 Sustainability and Exit Strategy	33,753.34	51,331.25	0.00	85,084.59	0.00	0.00	28,361.53	56,723.06	85,084.59	0.00	0%	
Operationalisation of the first Applied Capability Center in Konya	253,150.03	384,984.40	0.00	638,134.43	0.00	44,026.74	687,837.28	145,827.47	877,691.50	239,557.07	38%	
1.1 Establishment of Applied SME Capability Center	67,506.68	102,662.51	0.00	170,169.18	0.00	33,242.11	271,841.90	0.00	305,084.01	134,914.82	79%	
1.2 Pilot Implementation	151,890.02	230,990.64	0.00	382,880.66	0.00	0.00	252,025.92	0.00	252,025.92	-130,854.74	-34%	
1.3 Sustainability and Exit Strategy	33,753.34	51,331.25	0.00	85,084.59	0.00	0.00	35,372.07	70,744.14	106,116.21	21,031.62	25%	
1.4. Job Creation	0.00	0.00	0.00	0.00	0.00	10,784.64	139,382.03	75,083.33	225,250.00	225,250.00		
Operationalisation of the first Applied Capability Center in Kayseri	253,150.03	384,984.40	0.00	638,134.43	0.00	106,635.39	714,286.16	142,637.92	963,559.47	325,425.04	51%	
1.1 Establishment of Applied SME Capability Center	67,506.68	102,662.51	0.00	170,169.18	0.00	28,362.50	276,721.51	0.00	305,084.01	134,914.82	79%	
1.2 Pilot Implementation	151,890.02	230,990.64	0.00	382,880.66	0.00	0.00	252,025.92	0.00	252,025.92	-130,854.74	-34%	
1.3 Sustainability and Exit Strategy	33,753.34	51,331.25	0.00	85,084.59	0.00	0.00	35,372.07	70,744.14	106,116.21	21,031.62	25%	
1.4. Job Creation	0.00	0.00	0.00	0.00	0.00	78,272.89	150,166.67	71,893.78	300,333.33	300,333.33		
6. Expenditure verification/audit	1,750.00	1,750.00	1,750.00	5,250.00	0.00	0.00	1,750.00	3,500.00	5,250.00	0.00	0%	
7. Evaluation costs	0.00	2,000.00	5,000.00	7,000.00	0.00	0.00	2,333.33	4,666.67	7,000.00	0.00	0%	
8. Translation, interpreters	2,000.00	2,000.00	4,000.00	8,000.00	0.00	0.00	5,333.33	2,666.67	8,000.00	0.00	0%	
9. Costs of conferences/seminars	10,000.00	30,000.00	20,000.00	60,000.00	0.00	0.00	40,000.00	20,000.00	60,000.00	0.00	0%	
10. Visibility actions (including CSR initiatives)	0.00	15,000.00	15,000.00	30,000.00	0.00	0.00	20,000.00	10,000.00	30,000.00	0.00	0%	
11. Subtotal	1,749,951.20	3,322,891.31	193,939.26	4,745,370.37	119,710.96	969,308.10	2,620,305.97	1,036,045.34	4,745,370.37	0.00	0%	
12. Indirect costs (8% as per UNDP cost recovery policy)	139,996.10	265,831.30	15,515.14	379,629.63	9,576.88	77,544.65	209,624.48	82,883.63	379,629.63	0.00	0%	
13. Total Eligible Costs (OUTPUT 2)	1,889,947.30	3,588,722.61	209,454.40	5,125,000.00	129,287.84	1,046,852.75	2,829,930.45	1,118,928.97	5,125,000.00	0.00	0%	

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7. UPDATED RISK REGISTER

No	Description	Impact & Probability	Mitigation Measures
1	Quality Assurance of the Service Providers for Capacity Development of SME Capability and Transformation Centers in Konya and Kayseri	Probability: 2 Impact: 5	<ul style="list-style-type: none"> Monitoring and Evaluation responsibilities will be strictly implemented in the procurement processes and revisited during the implementation of the project in a timely manner. Payments to the service providers will be made based on the approval of the both UNDP and MoIT management after ensuring the quality of the outputs
2	Limited human resources and consultancy work in the field of lean and digital transformation since these are very specific and new fields in Turkey	Probability: 3 Impact: 5	<ul style="list-style-type: none"> Project Management will closely work with UNDP Procurement Unit to identify qualified human resources in order to maintain the Quality Assurance of these services. MoIT's know-how will be followed by the Project Team to ensure the appropriate resources to initiate.
3	A possible revision related to the incentive regime of the MEGIP Protocol.	Probability: 3 Impact: 5	<ul style="list-style-type: none"> Project Team will closely work with the Team of Component I and ISKUR to ensure the smooth running of the process. If needed, management of MoIT will be informed about the case and signature of a protocol between two institutions will be proposed.
4	A potential negative effect of national economic conditions on job creation capacity of local economies in Ankara, Kayseri and Konya. .	Probability: 2 Impact: 5	<ul style="list-style-type: none"> The project team will focus on investing employment creation capacities of local economies through vocational trainings, entrepreneurship trainings and services of SME Capability Centers.
5.	Unwillingness of firms to employ Syrians under Temporary Protection.	Probability: 3 Impact: 5	<ul style="list-style-type: none"> The project team will organize awareness raising and matchmaking activities to create communication channels to facilitate the employment of Syrians under Temporary Protection.
6.	Unwillingness of Syrians under Temporary Protection.to participate to the project activities.	Probability: 2 Impact: 5	<ul style="list-style-type: none"> The project team will cooperate with local NGOs that have strong communication channels with both government institutions and Syrians under Temporary Protection to better publicize the project context.
7.	Refusal of the one year no-cost extension request and therefore unavailability of enough time for the economic and social impacts of the project interventions.	Probability: 3 Impact: 5	<ul style="list-style-type: none"> The project team with its national and local partners, will accelerate job creation activities until the midterm evaluation in March 2020.

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8. PROPOSED AMENDMENTS TO THE PROJECT AND CHALLENGES

The Financial Agreement signed between UNDP and KfW foresees that the job creation targets will be enhanced by the below measures:

1. Enhancing Ankara SME Capability and Digital Transformation Centre's (a.k.a. Model Factory) capacity,
2. Replication of SME Capability and Digital Transformation Centers in Kayseri and Konya,
3. Strengthening the capacity of ASO-SEM

The theory of change behind this logic is stated in the agreement as “**if** SMEs receive business development support focusing on productivity and competitiveness and if business owners, managers and employees are trained, **then** SMEs will expand resulting in additional job opportunities.” and “**if** such efforts are connected to available job seekers in similar locations (through registrations and employment services provided by ISKUR and close linkages with business community), **then** Syrians and Turkish host community members will benefit from sustainable job opportunities.”

However, it is expected that the relation of SME Capability and Digital Transformation Centers with employment development can be visible only in the medium or even long-run. Therefore, the Project Team prepared a roadmap that includes additional precautions and measures to reach employment creation targets in the short run and submitted it to KfW on 17 July 2019. The roadmap was approved by KfW on 30 October 2019 and the Team immediately started implementing these new measures to accelerate job creation.

As communicated in the Joint Steering Committee Meeting on 12 December 2020, UNDP requests one year no-cost extension to be able to implement the job creation measures submitted through the roadmap. If such an extension is approved, the below job creation figures are expected to be reached:

Job Creation Figures for Ankara

		2019 Realization	2020 Target				2021 Target		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Total
JOB CREATION IN ANKARA	# of Syrians and Turkish host community members who will receive ASOSEM vocational training and matchmaking services	152	352	352	352	352	352	352	2264
	# of jobs to be created	41	236	176	176	176	176	176	1116

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Quarterly Figures for Accelerating Measures for Job Creation in Kayseri and Konya

	2019 Realization	2020 Target				2021 Target		Total
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Vocational/Craftsman Trainings	188	100	100	200	200	200	200	1188
Awareness Raising Activities								
Matchmaking Activities								
Business Mentorship Services								
Job Permit Application Support								

In fact, as of 31 December 2019, 229 (41 in Ankara, 188 in Kayseri and Konya) new jobs have already been created out of the above mentioned targets.