



KFW



Employment and Skills Development Project Component I - II

Annual Report III

**Reporting Period:
January- December 2020**



Reporting Period	01.01.2020- 31.12.2020
Donor	KfW Development Bank
Country	Turkey
Project Title	Employment and Skills Development Project – Component I & II
Project Locations	Component I: İstanbul, Gaziantep, Hatay, Şanlıurfa, Kilis, Adana, Ankara (additional provinces to be reported in 2021) Component II: Ankara, Kayseri, Konya
Project ID (Atlas Award ID)	<p>Component I Project ID: 00100355 The objective of the project is to support Syrians and vulnerable host community members to access the local labor market. The project will do so through strengthening the institutional capacity of İŞKUR to expand active labor market services and adjust capacities and services where needed to respond to the demand for services for both Turkish and Syrian job seekers. The project will be piloted in five provinces with highest number of Syrians in comparison with their host communities with potential to be scaled-up to the national level in the future.</p> <p>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 project will do so through contributing to strengthened capacities of İŞKUR to design and implement active labor market services and extend services to the Syrian communities.</p> <p>Component II Project ID: 00097599 Output 3 Replication of the Ankara SME Capability and Digital Transformation Center and Job Creation in Kayseri Output 4 Support to Ankara SME Capability and Digital Transformation Center and Job Creation in Ankara Output 5 Replication of the Ankara SME Capability and Digital Transformation Center and Job Creation in Konya</p>
Implementing Partner(s)	Turkish Employment Agency (İŞKUR), Ministry of Industry and Technology
Project Start Date (Project start date is the date when the PRODOC was signed by all the relevant signatories)	05 September 2017 (CI) + PRODOC Revision September 2018 (CI) December 2018 (C II)
Project End Date	30 June 2021
LPAC Date	10 June 2016
Steering Committee/Project Board Meeting Dates	17.Jul.2018 15 Jan. 2019 12.Dec.2019 28 March 2019 12 Dec. 2019 17 Feb. 2020
SDG linkages	8, 9, 10, 16
GEN marker	CI: Gen 1 CII: Gen 2
Delivery to Budget Ratio	CI: %42 (as of 2020); CII: %73 (as of 2020);
[2020] Annual Work Plan Budget	CI: USD 870,756.67 ; CII USD 2,545,596.77

Total resources required	
Revenue received	<p>C I:</p> <ul style="list-style-type: none"> ○ KfW: 4,078,801.33 <p>Total: 4,078,801.33 USD</p> <p>C II:</p> <ul style="list-style-type: none"> ○ KfW 5,68 Million USD ○ Government 5.04 USD (with ongoing extension) ○ ASO-ASO1. OSB 2,22 Million USD <p>Total 12.8 Million USD</p>
Unfunded budget	N/A
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List of Abbreviations and Acronyms

İŞKUR	Turkish Employment Agency
KfW	Kreditanstalt für Wiederaufbau (KfW Development Bank)
SCRRP	Syria Crisis Response and Resilience Programme
UNDP	United Nations Development Programme
ESDP	Employment and Skills Development Project
SuTP	Syrians Under Temporary Protection Status
DTTL	Deloitte Touche Tohmatsu Limited
HC	Host Community
COVID-19	Novel Coronavirus Disease- 2019
DGMM	Directorate General of Migration Management
UNHCR	United Nations High Commissioner for Refugees
SME	Small and Medium-Sized Enterprises

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I. Executive summary

COMPONENT I:

The “Employment and Skill Development Project” (ESDP) funded by German Government through KfW-German Development Bank and implemented by the United Nations Development Program (UNDP) aims to support Turkish Employment Agency (İŞKUR) for better access of Syrians Under Temporary Protection Status (SuTPs) and host community (HC) members to local labor market in five provinces (İstanbul, Gaziantep, Şanlıurfa, Hatay and Kilis).

During the reporting period from January to December 2020, **rapid spread of Novel Coronavirus Disease-2019 (COVID-19) outbreak** since March 2020 had considerably affected the overall project implementation, in particular during the period between March and June 2020 where strict government measures have been applied and public services severely disrupted. As per the 2nd Steering Committee Meeting held in December 2019, with the agreement of Component 2 of the Programme, a **no-cost extension for one year** (until June 2021) has been granted with a revised budget and Annual Work Plan.

The current state of play and the key achievements of the project are as follows:

- In addition to the pilot provinces defined in the project document (İstanbul, Şanlıurfa, Gaziantep, Hatay and Kilis), **Adana and Ankara** provinces have been included as target provinces as per the request by İŞKUR General Directorate to cover IT infrastructure needs of İŞKUR Adana Provincial Directorate and improve the physical conditions of Altındağ/Ankara Service Center where Syrians under temporary protection are densely populated. Upon agreement with KfW Development Bank (KfW), approximately **150,000.00 USD** have been reallocated for the utilization of above-mentioned facilities as to **increase the impact** of the Project for better access of SuTPs and HC members to labor market in these provinces. Consequently, the Project targets and key performance indicators have been revised:

Table 1: Indicators and Targets for Employment and Skills Development Project

Indicators for Employment and Skills Development Project												
Indicator	Initial Target				Revised - 2019				Proposed - 2020			
	2019	2020	2021	Total	2019	2020	2021	Total	2019	2020	2021	Total
1. # of local Employment Agency (İŞKUR) Offices supported for better and more inclusive delivery of active labour market services and employment services	5 local İŞKUR Offices (İstanbul, Gaziantep, Şanlıurfa, Kilis, Hatay)				5 local İŞKUR Offices (İstanbul, Gaziantep, Şanlıurfa, Kilis, Hatay)				7 local İŞKUR Offices (İstanbul, Gaziantep, Şanlıurfa, Kilis, Hatay, Ankara, Adana)			
2. # of additional Syrians under temporary protection who benefitted from the counseling services provided by the local İŞKUR offices (i.e. counseling, placement, matching etc.) disaggregated for services	500	3,000		3,500	500	6,000	3,500	10,000	500	6,000	4,500	11,000
3. # of additional impacted host community members who benefitted from the counseling services provided by the local İŞKUR offices (i.e. counseling, placement, matching etc.) disaggregated for services	500	3,000		3,500	500	6,000	3,500	10,000	500	6,000	4,500	11,000
4. # of Syrians under temporary protection registered and screened through local İŞKUR Offices	1,500	3,000		4,500	1,500	6,000	3,500	11,000	1,500	6,000	4,500	12,000
5. # of impacted host community members registered and screened through local İŞKUR offices	1,500	3,000		4,500	1,500	6,000	3,500	11,000	1,500	6,000	4,500	12,000
Total				16,000				42,000				46,000

The figure for **46,000** is covering the period from 1.1.2019 to 31.12.2021

- During the reporting period, **6,907** SuTP have benefitted from the counselling services and **11,684** registered to İŞKUR systems through local İŞKUR offices in 5 pilot provinces of the Project. **COVID-19 outbreak** disrupted counselling and registration services provided by the local İŞKUR offices to SuTPs and HC members, in particular at the earlier phases of the pandemic between March and June 2020. As a result of the pandemic, the needs and priorities of local İŞKUR offices have been shifted i.e., IT infrastructure to support remote working modality and glass separators for Job and Vocational Consultant offices in open office areas. The project took **prompt action to adapt and respond to emerging circumstances and needs** with purchase of IT equipment and refurbishment of İŞKUR Provincial Directorates in pilot provinces.
- İŞKUR Mobile Service Delivery Vehicle , **“the Bus”** has been delivered to İŞKUR to provide services in pilot provinces of the Project. The bus is featured with **mobile service delivery** tools, interior design and furnishing in line with new generation public services model and service delivery tools in order to increase the availability and accessibility of job counselling, screening and registration services. A start-up training has been provided by the Contractor of the Bus to İŞKUR staff for safe and efficient use of the vehicle and it’s components (such as basic operating and maintenance instructions).
- An **animation film** was produced to promote the services of İŞKUR Mobile Service Delivery Vehicle. The film was prepared in Turkish, Arabic and English to be screened in Provincial Directorates of pilot provinces or during the project events to get the attention of both Syrians and host community members. In addition to the animation film, **promotional materials** such as brochure, t-shirts and waistcoats, pens and notebooks have been designed and produced to increase awareness on the new modalities of the employment services through İŞKUR Mobile Vehicle in pilot provinces.
- Within the scope of capacity and needs assessment for digital transformation, procurements for **“Renewal of Software Infrastructure of İŞKUR”** and **“Data Analytics for İŞKUR”** have been completed; **DataTeam Information Technologies** (DataTeam) and **Deloitte** (DTTL) (respectively) have been awarded.
- Within the scope of the Infrastructure Development, 5 İŞKUR offices in pilot provinces have been provided **refurbishments and IT equipment** to ensure the seamless service delivery to both SuTPs and HC.

COMPONENT II:

Although marked by COVID-19 Pandemic, 2020 has been a productive year for the Project outputs.

Establishment phase of Model Factories in Kayseri and Konya have been completed resulting in well-equipped technical teams and facilities ready to provide high quality consultancy services aiming to improve productivity level of SMEs. Both centers have started their pilot consultancy programs and the results will be available in the next reporting period. Additionally, Ankara Model Factory continued its successful Learn and Transform Consultancy Programs in 2020. 2021 will be the year to design the system that will enable us to produce a detailed report on concrete results and impacts that are attributable to Model Factories.

Similar to the progress in service provision in the field of productivity, 2020 has also been the successful period in terms of job creation figures despite the negative effects of the pandemic. Number of jobs created which was 579 in the end of 2019, have reached to 1922 and 883 of these jobs have been created for SuTP. The project team mobilized various tools and partnerships to ensure creation of sustainable jobs through entrepreneurship/vocational training programs and matchmaking activities.

The Project has faced with two major challenges in the reporting period. First one is the COVID-19 Pandemic the effects of which is still ongoing and the second one was the worsening economic conditions of the country. The both issues have been challenging the Project team in terms of implementation and delivery but flexible and innovative solutions and modalities have been enhanced resulting in smooth running for the results.

The fragile conditions and uncertainties of 2020 have also provided important opportunities to learn for the future endeavours. The importance of platform approach focusing on collaborations and public-private partnership model were proven again in the challenging circumstances of 2020. Additionally, the benefits of adopting development approach instead of emergency approach in order to produce long term sustainable impact was another lessons learned for the reporting period. Finally, direct involvement of industry partners in job creation interventions have been crucial for the positive results.

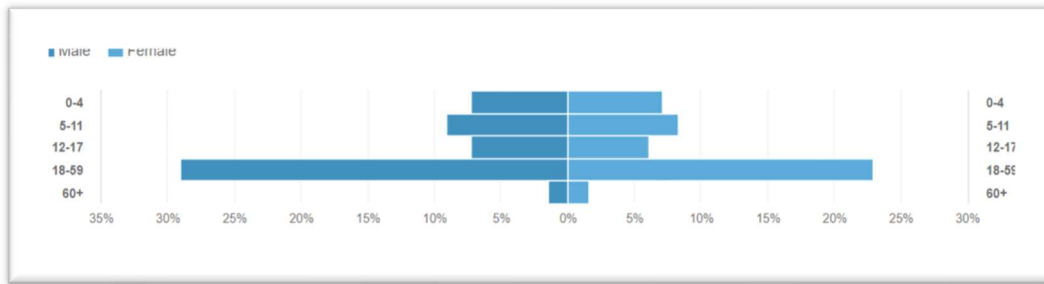
To conclude, 2020 has been a positive period for the Component 2 of the Employment and Skills Development Project with a delivery rate of 49,6% and expenditure of 2,54 million euros, contributing to achievement of 73% total delivery. Additionally, a further time and cost extension through Government funding is on track for 2021 and 2022.

II. Background Information

Development Challenge

Migration is increasingly one of the most important determinants in development with implications for both migrants and host communities. Between 2011-2017, Turkey faced the most significant demographic shift with the exodus of over 3.5 million Syrians, becoming – together with 320,000 international protection applicants- the largest refugee-hosting country worldwide since then.¹ Strong ownership and acknowledgment by the Turkish authorities of likely permanence of Syrians in the country prompted integration policies between 2015- 2018 that provide access to education, health care, employment and social security to Syrians.²

Figure 1. Demographic profile of SuTPs in Turkey (Source: UNHCR)



While the provinces of Kilis, Gaziantep, Şanlıurfa, Hatay, Adana, Mersin near to Syrian border keep hosting the highest number of SuTPs in proportion to host community members, refugees have been increasingly moving towards other provinces with high economic activities, in particular Istanbul, Bursa, İzmir and Konya.³

Figure 2. Provincial breakdown of SuTPs in Turkey (Source: DGMM)



¹ DGMM, accessible at: http://www.goc.gov.tr/icerik3/gecici-koruma_363_378_4713

² Turkey's Refugee Crisis: The Politics of Permanence, Report o: 241, International Crisis Group, 30.11.2016

³ IOM, Migrant Presence Monitoring Annual Report, 2018.

The Regulation for Work Permits adopted in January 2016 for SuTPs allowed Syrians to obtain formal work permit from 6 months after granting temporary protection status. Although the data related to number of Work Permits issued to SuTPs varies, the share of Syrians in the formal labour market is estimated to be around 1.5% - 2.5% according to TEPAV.⁴

The year 2020 has been marked by COVID-19 disease that was first reported to the WHO Country Office in China on 31 December 2019, and characterized as a pandemic on 11th of March, the same day Turkey confirmed officially its first case. From March to June 2020, Turkish Government has gradually levelled the measures against COVID-19 outbreak, stopped all international flights and restricted domestic flights to 14 provinces. Movement restrictions have been applied and all formal and nonformal education facilities have been closed. On the other hand, in a country with worsening economic situation and deepening social tensions between Syrians and host communities, the pandemic is likely to trigger an economic recession with major impact on labour market and businesses, while socio-economic consequences of the pandemic is certainly more severe for vulnerable populations, in particular refugees and host communities with higher economic and social vulnerabilities. Access to information, language barriers, access to formal labour market, to education and to health services are pertaining challenges and gaps for refugees in Turkey. According to WFP, 49% of all registered refugees in Turkey were below the poverty line prior to COVID-19 crisis; the areas of great deprivation are housing, food insecurity, education and child labour.⁵ While language barriers remain as one of the biggest obstacles for refugee labour force, only 7.5% of working age refugees could speak Turkish proficiently and only 3% of working refugees are in formal labour market.⁶ Moreover, the global and national economic downturn in post-COVID-19 world is likely to further affect overall working conditions. According to IMF, the world economy will experience the worst recession since the Great Depression, while the biggest challenge now is uncertainty⁷.

Strategy

The “Employment and Skill Development Project” (ESDP) funded by the KfW and implemented by UNDP mainly addresses the design and implementation of active labor market policies, to be complemented with other projects aiming to increase the labor demand through job creation for Syrians and HC members. The objective of the project is to provide institutional support to İŞKUR’s active labor market policies to prevent unregistered employment, to protect rights regarding Turkish labor force and to provide stability and labor peace. The main element of the response strategy is to invest in existing national and local systems.

With this approach, ESDP directly contributes to the SDG 8, 10 and 16 and 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 Project is part of the larger UNDP Syria

⁴ 3RP Livelihood Sector Newsletter, 2019, accessible at: <https://reliefweb.int/sites/reliefweb.int/files/resources/73510.pdf>

⁵ WFP, Comprehensive Vulnerability Monitoring Exercise Round 4 (Q4 2019), January 2020

⁶ 3RP Country Chapter Turkey, 2020- 2021, accessible at: <https://data2.unhcr.org/en/documents/download/74179>

⁷ <https://blogs.imf.org/2020/04/14/the-great-lockdown-worst-economic-downturn-since-the-great-depression/>

Crisis Response and Resilience Portfolio and implemented in close coordination and synergy with other projects under the Portfolio as well as other partners providing support to İŞKUR. The related Outcome that the project will ultimately contribute to is the United Nations Development Cooperation Strategy Turkey Outcome 1.1.1.1. *“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.”*

Project Overview

The project directly contributes to the UNDP Country Programme Document (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 ultimately contributes 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.”

The objective of the Project is to strengthen the skills and employability of the labour supply and increasing the potential of the local economy to absorb higher level of labor force. As such, the interventions under this project are clustered under 2 main components:

- Component 1: Institutional Capacity Assessment and Roadmap Development for İŞKUR to design and implement active labor market 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

The objective of the Component 1 is to support Syrians and vulnerable host community members to access the local labour market. The project will do so through strengthening the institutional capacity of İŞKUR to expand active labour market services and adjust capacities and services where needed to respond to the demand for services for both Turkish and Syrian job seekers.

In Component 2, 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 and complementary measures. Specifically, the project aims to achieve the below targets:

Target 1*: Identification of “1” additional service line on innovation.

Target 2*: Operationalization of “1” additional service line on innovation.

Target 3: Replication of existing SME Capability Center in Konya and Kayseri

Target 4: Provision of business advisory and innovation services to “100” SMEs including women empowerment

Target 5: Provision of SME Capability Center services to “150” SMEs including services of ASOSEM.

Target 6*: Establishment of “100” new SMEs focusing on innovation, set up by Syrians or Syrian/ Turkish joint ventures.

Target 7: Provision of awareness raising services to “500” Syrians and Turkish host community members

Target 8: Placement of “2000” Syrians and Turkish host community members in jobs.

* Target 1, 2 and 6 are related to Innovation Center to be established in Ankara with the funding of the Turkish Government, therefore the indicators have been shared for informational purposes.

The financial agreement between UNDP Turkey and KfW was amended in June 2018 aiming to ensure operationalisation of Kayseri and Konya SME Capability and Transformation Centres, expansion of the service lines of Ankara SME Capability and Transformation Centre with a focus of digital transformation and to ensure job creation targets including 2000 new jobs in Kayseri, Konya and Ankara including Syrians under Temporary Protection and host community members. In this scope, Component 2 addresses productivity challenges of manufacturing industry through replicating the Government led policy tools called “Applied SME Capability Centers”. Support under this component has been investing in local capacities to be able to absorb higher levels of labour force result in an expanded manufacturing base.

One of the specific aims of the project is to develop capacities of Ankara SME Capability and Digital Transformation Center 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 target cities.

III. Progress Review

COMPONENT I:

Result 0 - Project management capacities / team established, and work plan finalized/ agreed (Inception Phase)

The Inception Phase of the project has been completed in the previous reporting periods. For further details, please *see Annual Report I*.

Result 1 - İŞKUR's capacity and digital maturity assessment and two roadmaps for capacity development and digital transformation and the related activities were completed

Activity 1. Assessments and Roadmaps for Capacity Development and Digital Transformation of İŞKUR

All activities under the Result-1 have been completed in previous reporting period. For further details, please *see Annual Report II*.

Result 2 – Capacities of İŞKUR HQs and selected pilot İŞKUR offices developed for better active labor market service delivery addressing the impacted communities including the Syrians under the temporary protection and impacted host communities

Activity 2 - Design and implementation of Capacity Development Interventions including digital transformation

Activity 2.1 Development of process optimization/improvement interventions in selected key functions of İŞKUR Services

The tender for Business Process Management covering both consultancy services and software processes has been launched at early 2020 prior to COVID-19 spread and was planned to be completed on 17 February 2020. However due to the insufficient number and unqualified offerors, it has been extended to 09 March 2020. Despite the extension of the bid collection period, not enough qualified offers were submitted and the tender had to be re-launched for a second time on 18 May 2020. During the second tender process, the pandemic picked up pace and İŞKUR adopted an alternative working modality with significantly reduced office presence. İŞKUR's workload also significantly increased due to the sudden increase in unemployment. By the time the second tender was concluded in October, İŞKUR notified UNDP that as a result of the pandemic, the increased workload, inability to assign staff to other tasks and very limited physical interaction at İŞKUR premises, are making it unrealistic to complete business process management in the remaining project time. Upon İŞKUR's advice, the tender had to be cancelled and UNDP had to re-design a tender to cover only the software procurement without consultancy services.

Activity 2.2 Design and development of Digital Transformation interventions of İŞKUR Services

a. "Renewal of Software Infrastructure of Turkish Employment Agency"

Procurement process for “Renewal of Software Infrastructure of Turkish Employment Agency” within the scope of capacity and needs assessment including digital transformation works was successfully completed in June 2020. “Datateam Bilgi Teknolojileri Ltd. Şti.” was awarded and contracted on 17 July 2020 and immediately mobilized Key Experts and Non-key Experts.

The overall objective of the sub-project “Renewal of Software Infrastructure of Turkish Employment Agency” is to increase the corporate performance of Turkish Employment Agency (İŞKUR) and to provide the infrastructure to increase the service satisfaction of the target audience including SuTPs and HC and the job satisfaction of İŞKUR employees as part of its corporate transformation. The specific objective is to increase the institutional capacity of İŞKUR, to create a new E-İŞKUR infrastructure within the scope of global digital developments, to create applications with high target group/ employee/ user experience, to adapt .NET Core and similar technological developments, to enable version management and infrastructure change with partial release and deployment.

As a result of this activity, it is expected that İŞKUR would have a more effective software infrastructure with;

- Improved quality services,
- Current technology supported screens designed with user experience,
- State of art digital system.

In order to achieve these results, the workplan of the Contractor categorized under three components;

- Component 1 – Analysis, Design and Planning
- Component 2 – Pilot Application (additional component added by Contractor)
- Component 3 - Infrastructure Work

Component 1 - Analysis, Design and Planning includes two main sub-activities, *User Experience Analysis* and *User Experience Design*. The outputs under “User Experience Maturity Analysis” are: defining strategic content, assessment of the current state of digital maturity, data analysis of the existing user as well as research surveys, evaluation reports and implementation of strategy document. The outputs under “User Experience Design” are: creation of profiles and research on user groups, creation of journey on user experience, design of information architecture, design of wireframe, design of user interface.

The Inception Report of the sub-project served as a guide to allow a more productive project organization and enhance the institutional functionality of the following project activities: Design Guide was prepared to create a sound and clear transformation roadmap in the governance structure. It included definition of problematic areas and proposed the most cost- efficient and time effective changes in infrastructure and interfaces with an approach to enable software alterations.

İŞKUR’s user experience maturity shall be identified by determining the current state of user experience through User Experience Analysis, analyzing the difference as compared with the best practices selected in the industry, identifying the user behaviors through various tools. User Experience Maturity Analysis documentation containing the surveys conducted with users having different profiles, assessment reports on the results of surveys and findings on the difference analysis were delivered as an annex to Design Guide.

This phase includes creating user experience journey and strategy based on user profiles and communication channels in the light of the results of the studies conducted within the scope of maturity

analysis during the studies on User Experience Design, creating an information architecture showing visually and hierarchically how and from where the information is collected and how it will be shown, creating wireframes and interface templates (mockups) and determining the colors, typography, iconography, layout styles and themes to be used in the interfaces and interface components based on the Corporate Identity materials and the results of user experience maturity analysis. Admin Template site containing the objects, components to be used in the new interfaces and sample code threads related to the integration of the said components into the selected interface technology shall be delivered as an output of the said works as well as the Design Guide containing all this information.

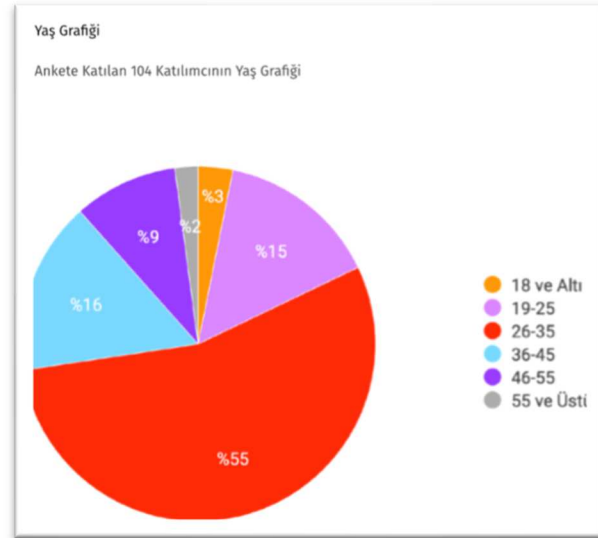
Through this component, the most important step was taken for the transition of İŞKUR's software infrastructure, which was used for about 15 years, to structure with high target audience / personnel / user experience and with the most up-to-date technology including the creation of new E-İŞKUR & İŞKUR E-ŞUBE infrastructure supported screens designed with user experience.

By doing this, İŞKUR will have a well-defined and structured E-İŞKUR & improved İŞKUR E-ŞUBE system with the full-compatible infrastructure with their business process systems.

The outputs approved under “Renewal of Software Infrastructure of Turkish Employment Agency” Project can be found in “**Annex 2: Renewal of Software Infrastructure Project Outputs**”.

Figure 3: A screen shot of Gap Analysis of İŞKUR e-Şube⁸

Figure 4: User Behaviour Observation⁹



The questionnaire prepared after the observation of user behavior is important in terms of seeing the parts where users experience problems.

⁸ Design Guide, page: 14

⁹ Design Guide, page: 17

Component 2 – Pilot Application was developed in the light of the design-related principles, styles and interface templates that are available in the Design Guide, approved by İŞKUR and using the objects and components. Interfaces within the scope of a module were determined by İŞKUR shall be migrated to the new interface design and selected front-end technology. However, project design template shall be moved from Web Forms to MVC, all codes containing business logic in frontend shall be moved to the relevant layers, server-side software technology shall be moved to .NET Core platform and datasets which are available in the data access objects shall be removed from the project.

Component 1 and Component 2 of the Renewal of Software Infrastructure Sub- Project have been successfully completed and approved by UNDP in consultation with İŞKUR.

Component 3 - Infrastructure Work will be completed in 2021. It includes:

Infrastructure Work: Studies intended for the transition of all modules related to the external users within the scope of e-branch into new interface design and front-end technology shall be conducted in the light of the revisions for the Design Guide as a result of the experiences obtained through the pilot application. While planning the transition strategy, frontend technology and user interface shall take priority and technological changes in frontend and movements shall be discussed secondarily. Phases of the said process, order of priority for the phases and their interconnection and interdependence shall be agreed at the meetings to be held with the technical personnel of İŞKUR.

Delivery of Trainings: The aim of the training programme is to provide basic knowledge on methodological foundations, standards, and tools for developing secure code. 14-day training program covers the following subjects:

Table 2: Training Programme on Coding

Training Topic	Days	# of Participants
İŞKUR Veu.js	3	10
Software Architecture Training	3	10
Development of Secure Code	2	10
Clean Code Writing	2	10
Microsoft .NET Core	3	10
Total	14	50

Final Report: Following the completion of infrastructure work, a Final Report which shall include the results of activities taken throughout the project shall be prepared. Interview results, pilot evaluation results, training evaluation form and all other documents used during the project shall be included in the Final Report. The project archive containing all the documents generated during the project shall be submitted to İŞKUR.

b. “Data Analytics for Turkish Employment Agency”

Procurement process for “Data Analytics for Turkish Employment Agency” sub-project was completed in August 2020. The specific objective of the project is to establish the data analytics strategy necessary for

İŞKUR to utilize, interpret, and manage the data obtained by the internal and external resources of İŞKUR in an accurate and fact way.

The sub-project will define a data strategy roadmap to support the activation of İŞKUR's Master Data Management, Big Data Analytics and Business Intelligence applications and to develop a data management strategy. UNDP signed the contract with "Deloitte Danışmanlık A.Ş." on 25 September 2020 and the contractor immediately started to work on the project with assigned Key Experts and Non-key Experts.

As a result of this sub-Project, it is expected that İŞKUR would have a more effective strategy on data analytics and develop a vision on how to collect, store, manage, share, and use the data shall be analyzed in detail and İŞKUR corporate data strategy shall be formed by:

- Identify the areas where İŞKUR currently lacks data management and analytics compared to best practices reviewed,
- Increase efficiency and ensure accurate, fact, and reliable data production by uncovering patterns and connections that are not normally seen with data analysis,
- Develop the ability that can select the right and appropriate data group to be used for data analysis, can use the tools to model this data, can interpret the results and that can report the transformation that business processes should undergo.

The sub-project consists of 3 main phases, namely, Inception, Execution, and Closure. There are 5 main sub-activities under three phases of the project:

Sub-Activity 0 – Inception Phase was designed to ensure mutual agreement between UNDP, İŞKUR, and Deloitte Project Team on the overall objective, specific objectives, activities, time schedule, and project management principles as well as ensuring better understanding of İŞKUR working environment and principles for Deloitte project team. Under Activity 0, meetings are planned to know the units and collect basic information on the requirements of the ToR. The time schedule and the activities were reviewed according to the information collected from the meetings and the Inception Report was approved by UNDP in consultation with İŞKUR in October 2020.

Sub-Activity 1 – Current Status Analysis. Under this activity, the systems used by İŞKUR units and the data they produce, and they need were reviewed to identify the areas for improvement. The areas for improvement were identified through review of existing data infrastructure, existing data sources, the systems/application used, and the studies and these areas were included in the Current

“Insight Driven Organizations” methodology developed by Deloitte was utilized for the sub-project implementation. Meetings were organized with each unit, questions were addressed to the representatives of the organization. Detailed review was carried out with İŞKUR staff on relevant areas including data sources and data access tools. İŞKUR Project Management is responsible of providing the Contractor maximum information to facilitate the delivery of project outputs. For the Current Situation Analysis studies to be carried, Contractor has been granted access to data-oriented applications used in İŞKUR. According to DTTL, the analysis and design documents prepared in the past for the current applications do not reflect the current situation due to the changes made on the system over time, thus the necessary information was provided through meetings and interviews.

Status Report. The Current Status Report was approved by UNDP in consultation with İŞKUR in December 2020.

Overall objectives of the current status analysis are:

- To understand the business objectives of İŞKUR
- To understand the existing data and analytics (D&A) strategy of the organization
- To understand the job matrix and D&A operation model of the organization

To complete the Current Status Analysis, the following actions have been completed by the Contractor:

- Online workshops and meetings have been organized to understand data analytics vision and principles, the maturity level of the organization in the areas of strategy, organization, process, data, and technology.
- Existing data architecture and data flow will be reviewed for compatibility assessment.
- The key metrics that İŞKUR needs to measure and track were determined together with the main stakeholders.
- Current organizational structure, architecture, ongoing analytical project, development processes and the resulting outputs were reviewed.
- Current data warehousing, business intelligence and data analytics application were reviewed in the context of IT applications which feed these applications.
- The tools and technologies in İŞKUR and their qualities and versions were determined.
- Feasibility of the data expected from D&A solutions will be evaluated.
- A detailed current status analysis was conducted using “Insight Driven Organizations Methodology” developed by the Contractor.

Sub-Activity 2 – Future Vision. Under this sub-activity, workshops/bilateral interviews/meetings were conducted with the stakeholders to understand İŞKUR’s needs; best practices from similar organizations from Turkey and Germany, France, Netherlands, and Croatia were reviewed and areas for improvement for İŞKUR was identified. A Recommendation Report was developed with quick wins and prioritized initiatives identified during Activity 2. Recommendation Report was approved by UNDP in consultation with İŞKUR in December 2020.

To complete the Future Vision activity, the following activities have been completed by the Contractor:

- Conducted workshops/meetings with key stakeholder to determine the needed maturity level in Information Management, Data Management, Business Intelligence, Information Systems, Main IT Technologies, and Service Channels in line with the 5-years strategic plan of the organization and agreed on the targeted maturity level in strategy, organization, processes, data, and technology.
- Determined the activities, projects, and initiatives that can provide quick wins to close the gap in targeted maturity levels
- Defined the services, roles, and responsibilities to achieve the targeted results
- Presented the high-level architectural improvement suggestions required to achieve the targeted results and redesign when necessary
- Defined the data and analytic operating model suitable for the organization
- Presented recommendations on how to deal with data governance activities in the organization
- Evaluated the existing tools and technologies and recommend potential products and technologies that can be used in necessary areas

The Recommendation Report included a detailed targeted status design based on the agreed targeted status principles.

- Catalogue of basic capabilities and services required for future vision
- Gaps between the current operating model and the targeted operating model
- Data and analytics operating model
- List of projects and initiatives to achieve the vision goals
- Recommendations for quick wins
- Alternatives for operating model for data analytics capability center
- Data management and ownership model proposal
- Suggestion for technology infrastructure and tools in line with the targets

The following sub- activities will be completed by the end January 2021:

Sub- Activity 3 – Developing the Road Map. Under this activity, Action Plan Programme and Data Analytics Strategy will be developed in the framework of a road map on İŞKUR’s data analytics considering the analysis and activities conducted above.

Sub- Activity 4 – Final Report. Under the Closure Phase, a Final Report including the data analytics initiative will be developed to summarize all activities within 16 weeks and outputs of the project.

The outputs approved under “Data Analytics of Turkish Employment Agency” Project can be found in “**Annex 3: Data Analytics of Turkish Employment Agency**”.

Activity 2.3. Design of detailed training programs coupled w/ other complementary means for capacity development (technical study visits, exchange programmes etc.)

All activities under the Activity 2.3 have been completed in previous reporting period. For further details, please *see Annual Report II*.

Activity 2.4. Conducting trainings and other capacity building activities to the relevant staff to be providing services to the Syrians under temporary protection and host community members to introduce the new digital İŞKUR Services

All activities under the Activity 2.4 have been completed in previous reporting period. For further details, please *see Annual Report II*.

Activity 3- Develop physical capacities of İŞKUR offices

Activity 3.1. Identify the physical infrastructure needs of İŞKUR offices based on the assessments

All activities under the Activity 3.1 have been completed in previous reporting period. For further details, please *see Annual Report II*.

Activity 3.2 Support local İŞKUR offices through provision of physical infrastructure

The assessment conducted by previous contractor PwC PRICEWATERHOUSE COOPERS Danışmanlık Hizmetleri A.Ş., identified and addressed the capacity development needs of İŞKUR to design and

implement active labor market policies to serve both the Syrians Under Temporary Protection and Turkish host community members on 2019, it is indicated that in order to serve effective employment services and service provision to both SuTP and impacted host community physical conditions of Provincial Directorate buildings in pilot provinces needed improvement as well as improvement areas for digitalization. The physical infrastructure aims to identify the problems experienced by Provincial Directorates due to physical conditions during service provision, to standardize these problems by prioritizing them and thus to strengthen the physical conditions by developing architectural projects. For this reason, the procurement process was successfully completed for purchasing of IT Equipment and Furniture needs of İŞKUR Provincial Directorates in 2020.

The procured IT equipment and furniture according to the needs of the pilot provinces can be seen on the table below:

Table 3: List of equipment and furniture provided to İŞKUR offices

	ITEMS	İstanbul	Şanlıurfa	Kilis	Hatay	Gaziantep	Totals
Furniture	Office Chair	199	25	3	25	100	352
	Meeting Chair	113	25		25	100	263
	Principle Bookshelf	108	25		5	12	150
	Coffee Table	55					55
	Office Desk	48	25	3	25	100	201
	Corded Desktop Phone					30	30
	Steel Filing Cupboard				5	30	35
	Cordless Telephone					20	20
	Water Dispenser					20	20
	Locker Cabinet			6			6
	Coat & Hat Stand Hanger			5			5
IT Equipment	Laptop	233		3	15	10	261
	Air Conditioner	5	5		4		14
	Desktop Computer	5		8	5	10	28
	Monitor	5		8	5	10	28
	Laser Printer Color	3		2	2		7
	Office Laser Printer	1		2	2		5
	Projector				1		1
	Scanner			2	1		3

As İŞKUR General Directorate requested and agreed with KfW Development Bank, 50 laptop computers will be procured to Adana İŞKUR Provincial Directorate. It is observed in İŞKUR's technical observations, it is reported that 91 of 148 laptop computers and 19 of 89 desktop computers are at the end of their lifespan, additionally İŞKUR Adana Provincial Directorate provides intensive services to Syrians under temporary protection. Considering all these, as it is agreed with KfW Development Bank, shifting a certain amount of funds from Project budget to utilize for İŞKUR Adana Provincial Directorate will positively contribute to the inclusion of SuTP as well as impacted host community to local labor market. The related

procurement process has started in 2020 and will be completed and delivered to Adana in the first quarter of 2021.

In addition to the furniture and IT equipment provided through the Project resources, it is also identified that glass separators are needed for Job and Vocational Consultants in open office areas to secure the privacy of the job seekers during the registration and consultancy services provided. A team composed of two civil engineers work in İŞKUR General Directorate and a Procurement Officer from UNDP visited the pilot provinces to investigate the needs to construct the glass separators in İstanbul İŞKUR Provincial Directorate in three different service centers (Sancaktepe, Büyükçekmece and Ümraniye) and Hatay İŞKUR Provincial Directorate. The related tender notice has been announced on 21 December 2020 through UNDP Procurement website and UNDP Turkey will collect the quotations on 4 January 2021 and after the completion of the evaluation process, it is foreseen that the construction process in four different İŞKUR offices in late February 2021 or early March 2021 unless COVID-19 restricts.

Activity 4- Develop IT Capacities of İŞKUR Offices:

Activity 4.1. Identify the IT infrastructure needs of İŞKUR offices based on the assessments

All activities under the Activity 4.1 have been completed in previous reporting period. For further details, please *see Annual Report II*.

Activity 4.2. Support İŞKUR offices through provision of IT infrastructure

“Activity 4- Develop IT Capacities of İŞKUR Offices” is integrated under the “Activity 2 - Design and implementation of Capacity Development Interventions including digital transformation”. Please *see section III, Progress Review, pages 9- 15*.

Activity 5- Design and implementation of pilot projects in five provinces

Activity 5.1 Development of pilot projects to improve the livelihoods of Syrians under temporary protection and host community members in five provinces in line with the identified needs

İŞKUR Mobile Service Delivery Vehicle – so called “The Bus” was procured which has mobile service delivery tools with completed interior design and furnishing as part of the public employment services presentation model with redesigning of new generation public services and service delivery tools in order to increase the availability and accessibility of İŞKUR services, and expanding the services to Syrians under temporary protection and Turkish citizens who have difficulties to access to employment services. The Bus will provide services in pilot provinces of the Project. The asset was transferred to General Directorate of İŞKUR through a mutually signed protocol between UNDP and İŞKUR in April 2020. The Bus was physically delivered to İŞKUR on 28 July 2020. Due to Covid-19 restrictions, no official ceremony was conducted.

Hatay İŞKUR Provincial Directorate also needs an additional service building to respond local labor market needs to include SuTP and impacted host community. It is agreed with İŞKUR General Directorate and KfW Development Banak, a prefab building will be constructed next to İŞKUR Hatay Provincial Directorate as an additional service building, the tender process has just started in the last quarter of 2020.

İŞKUR requests to improve the physical conditions of Altındağ Service Center to serve effective and productive labor market services provided to SuTP as well as impacted Turkish host community to place them in local labor market. As agreed with KfW Development Bank, this request can be covered by Project budget, in response to this request the figures of SuTP who received services and registered by Altındağ Service Center will be reported periodically starting from January 2021 until the end of the Project.

In addition to these two pilot projects, two more will be designed and implemented in 2021 in agreement with İŞKUR taking into consideration the limitations imposed because of COVID-19 Pandemic.

Activity 5.2. Project Teams to be set up in the İŞKUR local offices

A project team in Hatay province has been established to work on the construction of additional service building in the leadership of Department of Construction and Real Estate of İŞKUR.

As no awareness raising campaign has been organized during this reporting period, no teams at the İŞKUR offices were set up. With the additional pilot projects to be designed, project teams to take part in the pilot provinces will be established based on the content of the design.

Activity 5.3. Facilitation of integration of new İŞKUR services in five provinces through pilot projects

Newly developed İŞKUR services covering the whole operations of İŞKUR have been led by the İŞKUR General Directorate with the input, lessons learnt, and feedbacks collected from the pilot provinces. Through the business process development and the renewal of software infrastructure of the İŞKUR, İŞKUR system will be enhanced and the main impact will be much more visible and traceable at the local İŞKUR offices in terms of service delivery. Therefore, the İŞKUR staff at the local level has been a part of development and design of new İŞKUR services to increase each access and the satisfaction level of both SuTP and HC.

As the system development has been ongoing, the integration process will be handled in 2021 and the reflection of the new tools in service delivery will be maintained in the upcoming reporting period.

Activity 6- Outreach, advocacy and visibility activities

Activity 6.2. Implementation of the outreach and visibility activities

An animation film was produced to announce the services of İŞKUR Mobile Service Delivery Vehicle in pilot provinces to get the attention of possible target citizens who would have chance to benefit from İŞKUR employment services. The film was prepared in Turkish, Arabic and English to get the attention of both Syrians and Turkish citizens when they visit Provincial Directorates of pilot provinces and attend to the project events etc.

Besides animation film, promotional materials such as brochure, t-shirts and waistcoats, pens and notebooks were designed and produced to increase awareness on the new method of the delivery of the employment services through İŞKUR Mobile Vehicle in pilot provinces.

Due to COVID-19 measures, the Bus did not start to deliver its services in pilot provinces.

The visibility outputs developed and prepared for İŞKUR Mobile Vehicle can be found in “**Annex 4: İŞKUR Mobile Vehicle Visibility Materials**”.

Table 4: Indicator Based Performance Assessment (Component I)

	Achieved Indicator Targets¹⁰	Reasons for Variance with Planned Target (if any)	Source of Verification
<p>Output 1.1 Indicator 1.1.1: # of local Employment Agency (İŞKUR) Offices (İstanbul, Gaziantep, Şanlıurfa, Kilis and Hatay) supported for better and more inclusive delivery of active labor market services and employment services Baseline: 0 Planned Target for year 2020: 5</p>	5 Local İŞKUR Offices	-	Through İŞKUR system
<p>Indicator 1.1.2: # of additional Syrians under temporary protection who benefitted from the counseling services provided by the local İŞKUR offices (i.e., counseling, placement, matching etc.) disaggregated for services Baseline: N/A Planned Target for Year 2020: 6,000</p>	6,907		Through İŞKUR system
<p>Indicator 1.1.3: # of additional impacted host community members who benefitted from the counseling services provided by the local İŞKUR</p>	(Host community members who benefitted from the counselling services provided by the local İŞKUR offices roughly reach 100,000 people per		Through İŞKUR system

¹⁰ Please provide sex/gender disaggregated achieved indicator targets

offices (i.e. counseling, placement, matching etc.) disaggregated for services Baseline: N/A Planned Target for Year 2020: 6,000	year according to İŞKUR and TURKSTAT reports shared publicly)		
Indicator 1.1.3: # of Syrians under temporary protection registered and screened through local İŞKUR Offices Baseline: N/A Planned Target for Year 2020: 6,000	11,684	-	Through İŞKUR system
Indicator 1.1.4: # of impacted host community members registered and screened through local İŞKUR offices Baseline: N/A Planned Target for Year 2020: 6,000	(Host community members who benefitted from the counselling services provided by the local İŞKUR offices roughly reach 100,000 people per year according to İŞKUR and TURKSTAT reports shared publicly)	.	Through İŞKUR system
Additional Outputs which are not targeted in the Project Document but achieved by UNDP in consultation with İŞKUR			
Additional Output #1: Development of pilot projects to improve the livelihoods of SuTP and host community members in five provinces in line with the identified needs – Procurement of 1 Mobile İŞKUR Service Delivery Vehicle Baseline: 0 Planned Target for Year 2020: 1	1	-	UNDP ESDP Team & Procurement Unit
Additional Output #2: Mobile İŞKUR Service Delivery Vehicle Animation Film & 5,000 Brochures (Arabic & Turkish) Baseline: 0 Planned Target for Year 2020: 1 film & 5,000 brochures (Arabic & Turkish)	1 animation film 5,000 brochures	-	UNDP ESDP Team & Procurement Unit

<p>Additional Output #3: Develop IT Capacities of İŞKUR Offices Baseline: 0 Planned Target for Year 2020: Procurement of following IT equipment; Laptop computers: 261 Corded desktop phone: 30 Desktop computers: 28 Monitor: 28 Laser Printer Color: 7 Office Laser Printer: 5 Scanner: 3 Projector: 1</p>	<p>Laptop computers: 261 (İstanbul: 233, Gaziantep: 10, Hatay:15, Kilis: 3) Corded desktop phone: 30 (Gaziantep:30) Desktop computers: 28 (Gaziantep:10, Kilis:8, İstanbul:5, Hatay:5) Monitor: 28 (Gaziantep:10, Kilis:8, İstanbul:5, Hatay:5) Laser Printer Color: 7 (İstanbul:3, Hatay:2, Kilis:2) Office Laser Printer: 5 (Hatay:2, Kilis:2, İstanbul:1) Scanner: 3 (Kilis:2, Hatay:1) Projector: 1 (Hatay:1)</p>	-	UNDP ESDP Team & Procurement Unit
<p>Additional Output #4: Develop Physical Capacities of Local İŞKUR Offices: - purchase of physical equipment Baseline: 0 Planned Target for Year 2020: Procurement of following equipment; Water dispenser: 20 Cordless Telephone: 30 Air Conditioner: 14 Office Chair: 352 Meeting Chair: 263 Principle Bookshelf: 150 Office Desk: 201 Coffee Table: 55 Steel Filing Cupboard: 35 Locker Cabinet: 6 Coat Hanger: 5</p>	<p>Water dispenser: 20 (Gaziantep:20) Cordless Telephone: 30 (Gaziantep:30) Air Conditioner: 14 (İstanbul:5, Şanlıurfa: 5, Hatay: 4) Office Chair: 352 (İstanbul:199, Gaziantep:100, Hatay:25, Şanlıurfa:25, Kilis:3) Meeting Chair: 263 (İstanbul:113, Gaziantep:100, Hatay:25, Şanlıurfa:25) Principle Bookshelf: 150 (İstanbul:108, Şanlıurfa:25, Gaziantep:12, Hatay:5) Office Desk: 201 (Gaziantep: 100, İstanbul:48, Hatay:25, Şanlıurfa:25, Kilis:3) Coffee Table: 55 (İstanbul:55) Steel Filing Cupboard: 35 (Gaziantep:30, Hatay:5) Locker Cabinet: 6 (Kilis:6) Coat Hanger: 5 (Kilis:5)</p>	-	UNDP ESDP Team & Procurement Unit

COMPONENT II:

No-cost extension of Component 1 and 2 under the “Employment and Skills Development Program” until 30 June 2021 were approved by KfW via Mr. Zapf’s e-mail dated 9 March 2020 and the Amendment Agreement No. 2 to the Financing Agreement was signed by both Parties on July 9th, 2020.

Government cost sharing that foresees the transfer of additional 8 million TL to the Project Budget has been approved and transferred to the Project budget. This additional funding has not only ensured the strong commitment and ownership from the government side, but also underpin the sustainability of the Centers. Additional government funding will be allocated to the Project in 2021 as well and currently arrangements are ongoing for the transfer of the fund. Additionally, KOSGEB supports for SMEs benefiting from Model Factory services became effective in the first half of 2020. This has been a very prominent contribution to sustainability.

On the other hand, although outbreak of COVID-19 pandemic has inevitably affected the Project implementation in 2020, mitigation measures haven been taken; most of the activities have been operated remotely and online. The Project team has been in contact with the Ministry of Industry and Technology and local partners on a daily basis. The local partners did not give a break in their daily operations. Thanks to these efforts, the job creation figures have increased considerably during 2020. On the other hand, important progress has been achieved in the operationalization of Konya and Kayseri Model Factories.

1. Support to Ankara SME Capability and Digital Transformation Center and Job Creation in Ankara

a. Ankara Model Factory and Ankara Innovation Center

As it is known, in Ankara Model Factory, only the digital transformation component is funded by KfW. The establishment and operationalization of Ankara Model Factory have been financed by the funding allocated from Public Investment Program and ASO and ASO I. OIZ resources.

Since Ankara Model Factory has already established its corporate entity, delinking process of Ankara Model Factory has been completed in April 2020. Ankara MF has been generating revenues through consultancy programs and trainings provided to SMEs and other Model Factories. Therefore, even before the Project deadline, it has ensured its sustainability.

Due to COVID-19 the company visits, there had been some delays in one to one consultancy programs and experiential trainings, whereas many meetings were held online to keep the interest and awareness live in the companies. In the meantime, after the declaration of the normalization process in Turkey, Ankara Model Factory Staff returned back to their offices as of June 1, 2020. The second learn and transform program, which is a one to one consultancy program, proceed physically and completed successfully. Third learns and transform program, which was launched in 2020, is expected to be completed in February 2021.

Within the scope of the digital transformation component of Ankara Model Factory (which is funded by KfW), based on the performance of the previous contractor, local partners decided to continue the deployment of hardware, software and IoT that will enable the showcase of digital scenarios with other technology providers. Currently, Ministry of Industry and Technology, local partners and UNDP are evaluating the alternative scenarios for this component. Once the decision is taken, it will be communicated to KfW and BMZ.

On the other hand, with the additional funding allocated from Public Investment Program on digital transformation component, additional service lines will be able to be offered in consultancy and training programs.

The studies for the establishment of Ankara Innovation Center / Network and all related activities, which are funded by the Government, are ongoing. The Report of Ankara Innovation Center that compiles the needs analysis, strategy and roadmap and a pilot implementation design, has been completed. The pilot implementation of Ankara Innovation Center Commercialization Program will be kicked off in the first quarter of 2021.

b. Job Creation and ASO-SEM (Continuing Education Center for Ankara Chamber of Industry)

Following the success of the first wave of vocational trainings held by ASO-SEM in the previous reporting period, the preparations for the second wave was kicked off in February 2020. Through 120 company visits, ASO-SEM prepared for the second wave of trainings in coordination with Ankara Metropolitan Municipality, Keçioren, Sincan, Akyurt and Altındağ Municipalities and as a result a total number of 720 people applied for the program. Similar to other activities, the vocational trainings were also postponed due to the COVID-19 outbreak in March and consequently, ASO-SEM provided a revised workplan for the rest of 2020. In the meantime, 3rd and 4th wave of vocational trainings are in progress. In the same period, ASO-SEM has been conducting matchmaking activities together with providing recruitment and job orientation support. Finally, 3 matchmaking experts have been mobilized under favor of Ankara Chamber of Industry (ASO) to accelerate matchmaking activities. A fully equipped office allocated by ANSIMOD (Ankara Siteler Furniture Manufacturer Association) for recruited experts for smooth implementation. In order to introduce the experts and the matchmaking activities, a kickoff meeting was organized targeting the industrialists in February 2020. The matchmaking activities have continued till the end of 2020. As a result of these efforts, as of end of 2020, 469 SuTPs and 595Turks have been placed to jobs in Ankara. 83 SuTP out of 469 are waiting for the Work Permits to be issued.

2. Replication of the Ankara SME Capability and Digital Transformation Center and Job Creation in Kayseri

a. Establishment of Kayseri SME Capability and Digital Transformation Center _ Model Factory

The establishment of Kayseri Model Factory has been completed in 2020. Kayseri Model Factory has already been operationalized; however opening ceremonies are waited for the official announcements. In the scope of the establishment of Kayseri Model Factory, installment of the machinery and equipment

for the lean line and the training of trainers activities were completed in 2020. Selection criteria for the firms that will participate in pilot learn and transform program was identified and the firm selection phase was completed. Accordingly, the Center kicked off its pilot program to contribute enhancement of productivity level of firms at the end of the year.

b. Complementary Activities for Job Creation

Following the completion of the entrepreneurship trainings that was started in the previous reporting period in cooperation with Başkent University Consulting and Training Center, Kayseri Idea Factory Incubation program was launched in February 2020 in cooperation with Erciyes Teknopark. One to one mentoring sessions, trainings sessions and open office environment are provided to the entrepreneur candidates in the pre-incubation phase of the program and 10 teams which have technology and innovation-oriented business ideas were selected in March for the incubation program to start their own business. During the pandemic period, the incubation program was conducted through online sessions and in December 3rd, the program was completed with the online Demo-day. 9 entrepreneur teams graduated from the program.

Additionally, a matchmaking expert was mobilized in February 2020 and an office was provided by Kayseri Chamber of Industry for matchmaking activities. In this regard, a kickoff meeting was organized in February 2020 with the contribution of local stakeholders to introduce the planned activities. In July, matchmaking activities conducted by the expert were completed, and in the meantime the matchmaking program of Kayseri Chamber of Industry is ongoing. As of the end of 2020, 238 SuTPs and 291 Turks have been placed to jobs as a result of these activities. 11 SuTP out of 238 are waiting for their Work Permits to be issued.

3. Replication of the Ankara SME Capability and Digital Transformation Center and Job Creation in Konya

a. Establishment of Konya SME Capability and Digital Transformation Center - Model Factory

Similarly, the establishment of Konya Model Factory has been completed in 2020. Konya Model Factory completed the instalment of machinery and equipment and training of the trainers program through technical consultancy of Ankara Model Factory. The pilot learn and transform program was kicked off in March and 7 companies have been receiving services. The program is expected to be finalized in February 2020.

b. Complementary Activities for Job Creation

In Konya, Entrepreneurship Trainings which are delivered by Başkent University Consulting and Training Center started on February 10, 2020 in cooperation with Innopark 97 entrepreneur candidates composed of SuTPs and host communities, successfully completed the basic and advance entrepreneurship trainings and were chosen to continue in the next phase of the program. The preincubation and incubation programs were completed remotely due to the pandemic with the Demoday held on December 16th. At the end of the program, 10 entrepreneur teams graduated from the program.

Besides the efforts of Konya Chamber of Commerce, a matchmaking expert was recruited in January 2020 and an office was provided by Konya Chamber of Commerce for matchmaking activities. In this regard, a kickoff meeting was organized in February 2020 with the contribution of local stakeholders to introduce

planned activities. In July 2020, matchmaking activities were completed while the efforts of Konya Chamber of Commerce is still ongoing.

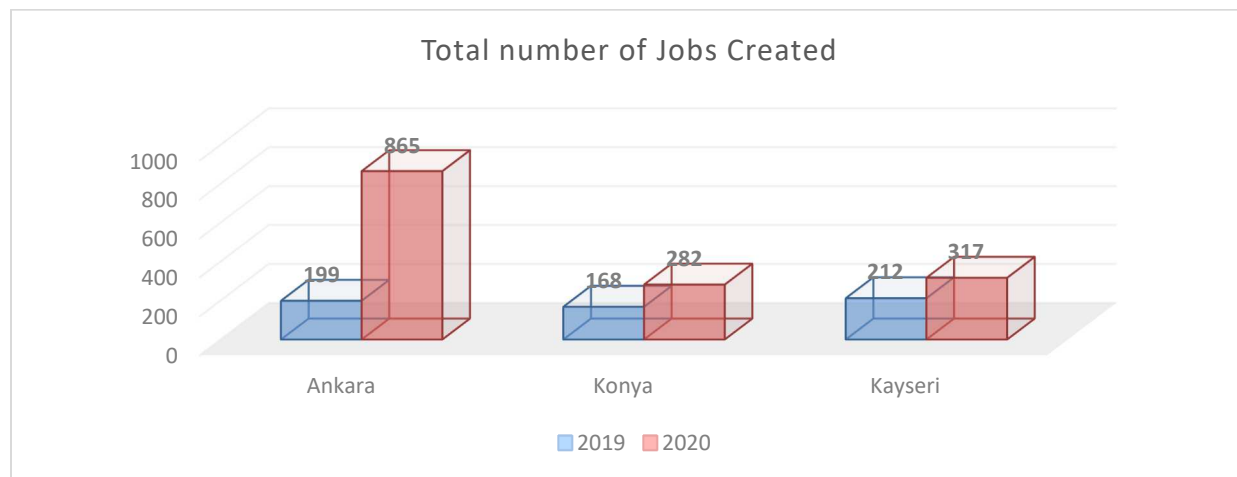
Additionally, the procurement of machinery and equipment for the vocational training ateliers of Konya Chamber of Commerce Vocational Training Center was completed as of April 2020 and first wave of training program was kicked off in July 2020 following the normalization process. As a result of these efforts, 215 SuTPs and 235 Turks have been placed to jobs in Konya. 15 SuTP out of 215 are waiting for the Work Permits to be issued.

4. Job Creation Figures

Due to the pandemic, approval process of the job permits has slowed down and to overcome the risk, UNDP and Ministry of Industry and Technology made a visit to Ministry of Labor, Social Services and Family (MoLSSF) in February 2020 to inform them about the project and speed up the work permit applications. As a result of this meeting, MoLSSF agreed on to accelerate work permit processes with a cover letter attached to each application that will be made in 3 target cities of the project.

As of 30 December 2020, **2043** people have been placed to jobs within the scope of the Employment and Skills Development Program Component 2. **1064** of them have been placed into jobs in Ankara, **450** of them in Konya and **529** in Kayseri. **1464** jobs have been created from January to December 2020.

Figure 5: Job Creation Figures (2019- 2020)



922 people out of **2043** are consist of SuTPs. **1121** host community members and **813** Syrian under Temporary Protection (got their work permits) were employed and started their jobs during the implementation period. **109** SuTP are still waiting Directorate General of International Labor (DGIL) to issue their work permits. **655 of these** SuTPs were placed into jobs **in 2020**.

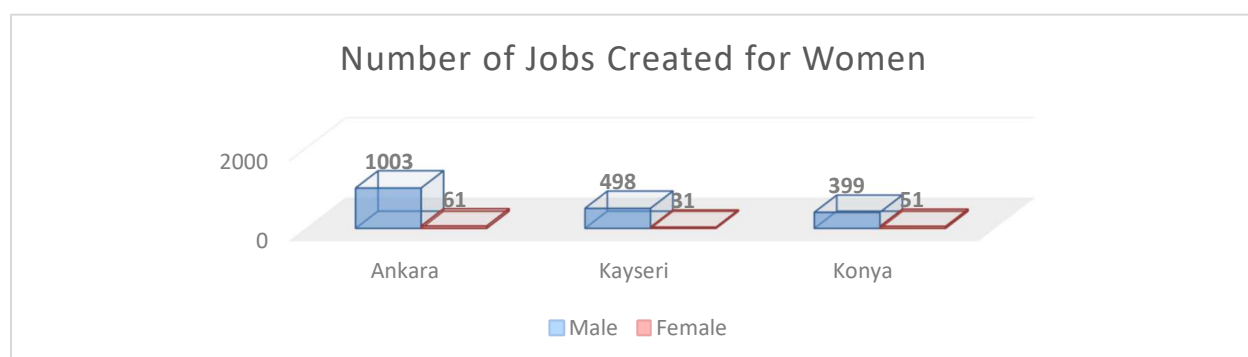
The table below represents total number of the jobs created throughout the project implementation period:

Table 5: Job Creation Figures (disaggregated by province, nationality and status)

	SuTP			Host Communities	
	Pending	Placed	Total Number of SuTP	Placed	Grand Total
Ankara	83	386	469	595	1064
Kayseri	11	227	238	291	529
Konya	15	200	215	235	450
Total	109	813	922	1121	2043

When job placements are examined on a gender basis, unfortunately, it has been observed that out of 2043 created jobs, only **143 jobs have been created for women employees**, which accounts for 6,99 % of all jobs created in 2019 and 2020. **119** SuTP and host community member women have been employed in 2020 (see below Table 7: Number of Jobs Created for Women).

Figure 6: Job Creation for Women



This shortcoming is parallel to the fact that women’s participation in the labor force is weaker compared to men and this rate decreases even more in refugee workforce working in the manufacturing sector. However, in order to strengthen women empowerment and increase women employment in the manufacturing industry, UNDP conducted a desk study on “*Women Employment in Manufacturing Sector*” to identify the obstacles and limitations and propose solutions to eliminate those obstacles. Alternative case studies are being evaluated by project management team in cooperation with Gender Equality Team of the UNDP and Ministry. Case study is planned to be implemented in Kayseri and expected to increase the number of women employees in Kayseri. The case study to be determined aimed at increasing the share of women in manufacturing sector and enhance their skillset to match the needs of the industry. UNDP Project Team is also in contact with the women entrepreneurs through techno parks in Kayseri and Konya and planning to support them in alternative ways (support in work permit applications, consultancy

		OUTPUT INDICATORS as set in KFW- UNDP financing agreement			
			Realization	Targets	Status
Output 2 Sustainable job opportunities created for Syrians and Turkish host community members in Ankara, Kayseri and Konya	1	# of additional service lines on innovation are identified**	1	1	Ongoing
	2	# of additional service lines on innovation became operational for Ankara**	-	1	Ongoing
	3	#of existing SME Capability Centers replicated in Kayseri and Konya	2*	2	Completed
	4	# of additional SMEs have received business advisory and innovation services, (women entrepreneurs and women empowerment will be also targeted)	386 SMEs	100SMEs	Overachieved
	5	# of additional SMEs have received SME Capability Center Services, as well as ASO-SEM	389 SMEs	150 SMEs	Overachieved
	6	# of additional SMEs are newly established focusing on innovation (set up by Syrians or Syrian/ Turkish joint ventures) **	In Progress	100 SMEs	Ongoing
	7	# of Syrians and Turkish host community members have benefitted from awareness raising activities (including networking, match making activities, capacity building training programmes, entrepreneurship training programmes)	2642 People	500 people	Overachieved
	8	# of Syrians and Turkish host community members have been placed in jobs	2043 People	2000 people	Ongoing

for establishing their companies etc.) to create multiplier effect and increase the capacity of women entrepreneurs. Complementary actions are also planned to raise awareness on women employment in target cities. Gender equality/empowerment awareness raising training programs are planned to be delivered in Ankara, Konya and Kayseri in 2021 in consultation with local stakeholders and Ministry. The table below demonstrates the updated information regarding the output indicators set in the financial agreement:

Table 6: Output Indicators of Component II

* Indicator 1, 2 and 6 are related to Innovation Center to be established in Ankara with the funding of the Turkish Government, therefore the indicators have been shared for informational purposes.

Table 7: Indicator Based Performance Assessment (Component II)

	Achieved Indicator Targets¹¹	Reasons for Variance with Planned Target (if any)	Source of Verification
<p>Outcome 1 To Kick Off Provision of High-Quality Lean Transformation Services in Kayseri And Konya</p> <p>Indicators: Physical investments for the Center, ToT, Pilot Programs, Training Materials Baseline: None of the above Planned Target for year 2020: Becoming fully operational in terms of lean consultancy</p>	<p>As of the year end, both centers are operational and kicked off Learn and Transform Programs.</p>	N/A	Project progress reports.
<p>Output 1.3 Establishment and Operationalization of Applied Capability Center in Kayseri</p> <p>Indicator 1.3.1 Physical investments for the Center Baseline: Physical space is ready. Planned Target for year 2020: Physical Establishment of SME Capability Center completed</p>	<p>Physical investments for the lean line was completed.</p>	N/A	Monthly progress and expenditure reports prepared by the local partners and Project progress reports.
<p>Indicator 1.3.2 ToT Baseline: Staff mobilized. Planned Target for Year 2020: ToT completed.</p>	<p>Training of the trainer’s program was completed</p>	N/A	Monthly progress and expenditure reports prepared by the local partners and Project progress reports.

¹¹ Please provide sex/gender disaggregated achieved indicator targets

<p>Indicator 1.3.3 Pilot Programs Baseline: ToT completed. Planned Target for Year 2020: Selection of 10-12 Companies for transformation programs - Communication Materials on pilot Schemes</p>	<p>Company selection phase was completed.</p>	<p>N/A</p>	<p>Monthly progress and expenditure reports prepared by the local partners and Project progress reports.</p>
<p>Indicator 1.3.4 Training Materials Baseline: ToT completed. Planned Target for Year 2020: Training materials completed.</p>	<p>Following the completion of the ToT, the training materials was revised and finalized.</p>	<p>N/A</p>	<p>Monthly progress and expenditure reports prepared by the local partners and Project progress reports.</p>
<p>Output 1.5 Establishment and Operationalization of Applied Capability Center in Konya</p> <p>Indicator 1.5.1 Physical investments for the Center Baseline: No physical investment. Planned Target for year 2020: Physical Establishment of SME Capability Center completed.</p>	<p>Physical investments for the lean line was completed.</p>	<p>N/A</p>	<p>Monthly progress and expenditure reports prepared by the local partners and Project progress reports.</p>
<p>Indicator 1.5.2 ToT Baseline: Staff mobilized. Planned Target for Year 2020: ToT completed.</p>	<p>Training of the trainer's program was completed.</p>	<p>N/A</p>	<p>Monthly progress and expenditure reports prepared by the local partners and Project progress reports.</p>
<p>Indicator 1.5.3 Pilot Programs Baseline: ToT completed. Planned Target for Year 2020: Selection of 10-12 Companies for transformation programs - Communication Materials on pilot Schemes - SME's</p>	<p>Company selection phase was completed. Pilot program is ongoing.</p>	<p>N/A</p>	<p>Monthly progress and expenditure reports prepared by the local partners and Project progress reports.</p>

received high quality services			
Indicator 1.5.4 Training Materials Baseline: : ToT completed Planned Target for Year 2020: Training materials completed.	Training materials were prepared.	N/A	Monthly progress and expenditure reports prepared by the local partners and Project progress reports.
Outcome 2 Intensified Capacities of Ankara and Bursa Model Factories in terms of lean transformation services Indicators: Pilot Transformation Programs Baseline: First pilot programs completed. Planned Target for year 2020: To provide learn and transform services to 10-15 firms.	Limited progress was achieved.	Effects of Covid-19 pandemic and the economic conditions of the country.	Project progress reports.
Output 2.1 Learn and Transform Programs Indicators: Pilot Transformation Programs Baseline: First pilot programs completed. Planned Target for year 2020: To provide learn and transform services to 10-15 firms.	In Ankara, second learn and transform program was finalized successfully with the participation of 6 firms. Additionally, third program is planned to be finalized in January 2021 with 6 firms. In Bursa, only one firm received this service in 2020.	Effects of Covid-19 pandemic and the economic conditions of the country are the basic reasons variance from the target.	Monthly/weekly progress and expenditure reports prepared by the partners and Project progress reports.
Outcome 3 Improvement of the Digital Transformation Capacities of Model Factories in Ankara, Bursa, Kayseri and Konya Indicators: Physical Investments Baseline:	Limited progress was achieved.	Delay of the resource transfer from the government and uncertainties related to the deployment process of digital use cases in Ankara Model Factory.	Monthly progress and expenditure reports prepared by the local partners and Project progress reports.

Planned Target for year 2020: Roadmaps for the installation is completed.			
Output 3.1 Roadmaps Indicators: Roadmap reports for each province. Baseline: No roadmap. Planned Target for year 2020: Roadmaps for the installation is completed.	Roadmaps for Kayseri and Bursa is almost ready.	Uncertainties related to the deployment process of digital use cases in Ankara Model Factory.	Monthly progress and expenditure reports prepared by the local partners and Project progress reports.
Outcome 4 To Design the Pilot Program for Ankara Innovation Center Indicators: Baseline: Planned Target for year 2020: Roadmaps for the pilot program is completed.	Achieved.	N/A	Project progress reports.
Output 4.1 Concept Report including Pilot Program Indicators: Roadmap including a program on commercialization of innovation. Baseline: No roadmap. Planned Target for year 2020: Roadmaps for the pilot program is completed.	An individual consultant was mobilized and Ankara Innovation Center Report was finalized.	N/A	Project progress reports.
Outcome 5 Creation of Sustainable Jobs Indicators: # of Syrians and Turkish host community members have been placed in jobs- # of Syrians and Turkish host community members have benefitted from awareness raising activities (including networking, match making event, capacity building training programmes,	Overachieved. 143 women and 1900 men were placed to jobs. 263 women and 2379 men were reached through awareness raising activities conducted within the scope of Job Creation activities in target provinces.	N/A	

<p>entrepreneurship training programmes) - Baseline: 579 jobs created Planned Target for year 2020: 1000</p>			
<p>Output 5.1 Job Creation in Ankara</p> <p>Indicators: # of Syrians and Turkish host community members have been placed in jobs- # of Syrians and Turkish host community members have benefitted from awareness raising activities (including networking, match making event, capacity building training programs, entrepreneurship training programs) - Baseline: 199 jobs created Planned Target for year 2020: 500</p>	<p>In Ankara, new jobs have been created for 1064 Syrian/Turk</p>	<p>N/A</p>	<p>Project progress reports.</p>
<p>Output 5.2 Job Creation in Kayseri</p> <p>Indicators: # of Syrians and Turkish host community members have been placed in jobs- # of Syrians and Turkish host community members have benefitted from awareness raising activities (including networking, match making event, capacity building training programs, entrepreneurship training programs) Baseline: 212 jobs created Planned Target for year 2020: 250</p>	<p>In Kayseri, new jobs have been created for 529 Syrian/Turk and 9 entrepreneur teams benefitted from incubation services.</p>	<p>N/A</p>	<p>Project progress reports.</p>

<p>Output 5.3 Job Creation in Konya</p> <p>Indicators: # of Syrians and Turkish host community members have been placed in jobs- # of Syrians and Turkish host community members have benefitted from awareness raising activities (including networking, match making event, capacity building training programs, entrepreneurship training programs)</p> <p>Baseline: 168 jobs created Planned Target for year 2020: 250</p>	<p>In Konya, new jobs have been created for 450 Syrian/Turk and 10 entrepreneur teams benefitted from incubation services</p>	<p>N/A</p>	<p>Project progress reports.</p>
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IV. Contribution to Gender Equality

Component I of Employment and Skill Development Project is defined as GEN1 project which means that the project will contribute in some way to gender equality, but not significantly.

Although there is no specific goal for woman beneficiaries and activity to address the gender equality in the project, the project aims to integrate both women and man to the active labor market.

As one of the main challenges for women is access to the labor market, İŞKUR service mobile vehicle was tailored to increase the availability and accessibility of İŞKUR services for target beneficiaries who have difficulties to access to employment services including women.

İŞKUR is a significant institution for women to contact within the public sphere, to develop their skills and/or gain new ones and to find jobs. Counseling services have a very important meaning for women especially for the ones with various disadvantages such as disability, single motherhood, older age, lack of education etc.

Job and Vocational Consultants are in the first line of the İŞKUR services, therefore, in order to raise awareness of İŞKUR consultants on gender equality and women’s empowerments issues, online events have been organized. In coordination with the “Gender Equality Task Force” of UNDP SCRRP Portfolio, an online panel has been organized on “Violence against Refugee Women and Prevention Mechanisms” on December 2nd, 2020 within the scope of “16 Days Activism Campaign” where domestic violence against refugee women, prevention solutions for violence against women and girls and referral mechanisms have been discussed by 82 participants from public institutions, I/NGOs, universities – among which 10 Job and Vocational Consultants from İstanbul, Gaziantep, Hatay and Şanlıurfa İŞKUR offices.

A number of seminars on gender equality and inclusive counselling practices are planned to be delivered to Job and Vocational counsellors enabling them to provide services to women in a more gender responsive way. In addition, other awareness activities that will be carried out by Gender Equality Task Force outside the project scope will involve İŞKUR personnel to the extent possible.

In Component II, the Project experienced certain limitations in introducing women to jobs in a male-dominated manufacturing sector. Out of 2043 jobs created so far, only % 6.99 are women which shows the difficulty of including women in job creation efforts in sectors that are traditionally reserved for men. The structured imbalance between the number of male and female employees working in manufacturing sector, lower participation of women in labor force and heavier physical working conditions for women are the main restraints on achieving gender equality in respect to manufacturing sector.

To contribute to the solution of this structural problem, a desk study on women employment in manufacturing sector has been completed. In this study, the historical background, policies and practices and current status in female employment with a focus on overview of female employment in various occupational groups in different target cities were analyzed. Finally, policy proposals based on the problems were proposed. Therefore, strong base has been constructed for evidence base decision making on women employment in the manufacturing industry. In the next reporting period, a case study will be conducted in target provinces based on the findings of the desk study.

V. Project Risks and Issues

a. Updated project risks and actions

The main assumptions for the success of the overall the Project and its implementation are:

- Relevant Government stakeholders continue their support to project activities
- Number and geographic distribution of Syrians under Temporary Protection remain stable during the implementation period so that they can benefit from improved capacities of local employment services in pilot provinces in an efficient manner
- Host communities remain open to socio economic integration of Syrians under Temporary Protection.

The Updated Risk Assessment of the Project is presented on the table below:

Table 8: Updated Risk Assessment

RISKS RELATED TO THE CONTEXT	LIKELIHOOD	IMPACT	MITIGATION MEASURES
Economic recession globally and locally due to ongoing COVID-19 pandemic and its prolonged impact may put pressure on government policies and on social	High	High	<i>Close monitoring of political/ economic situation by project team and by relevant UN/ UNDP entities.</i>

dynamics between Syrians and host community, leading to an overall downturn for economic and social integration of Syrians in Turkey.			<i>High level UN advocacy to support Turkey's efforts in responding refugee crisis in the country and in the region.</i>
International and national restriction of mobility for individuals and goods may cause disruption of overall Action activities and major delays in the implementation.	High	High	<i>Close monitoring by relevant UN/ UNDP entities well as project team; Regular situation updates and review of UNDP Business Continuity Plan and contingency plans;</i>
PROJECT- RELATED RISKS: Component I	LIKELIHOOD	IMPACT	MITIGATION MEASURES
Limited capacity of İŞKUR, not only to deal with capacity development and digital transformation interventions of the project but also to cope with the impact of COVID-19 pandemic on increased unemployment may affect Project results and impact.	Medium	Medium	<i>(i) Renewal of Software Infrastructure of İŞKUR Project will serve directly to the digital maturity of İŞKUR through refreshed and most up-to-date technology including the creation of new E-İŞKUR & İŞKUR E-ŞUBE infrastructure supported screens designed with user experience; (ii) a-6-month extension for the project implementation period will be requested from KfW Development Bank in consultation with İŞKUR to respond the institutional and digital needs of local İŞKUR offices to register, place and record the employment rates SuTP and Turkish host community in pilot provinces.</i>
Limited project period left to cover the impact of the results through the procurement of additional building in İŞKUR Hatay Provincial Directorate and İŞKUR Altındağ/ Ankara Service Center and	Medium	Low	<i>A 6-month extension for the project implementation period will be requested from KfW Development Bank in consultation with İŞKUR to start and cover the whole procurement process of civil works in Hatay and Altındağ/ Ankara İŞKUR Provincial Directorates as well as the see the impact.</i>
Prolonged COVID-19 measures may prevent some project activities and features to be effectively implemented (in particular İşkur Mobile Service Delivery Vehicle and awareness raising activities)	Medium	Low	<i>The project activities have been re-shifted or adapted to the new circumstance under COVID-19. Close and continue monitoring of situation is ensured as to enable outreach and other type of F2F events whenever possible.</i>
PROJECT- RELATED RISKS: Component II	LIKELIHOOD	IMPACT	MITIGATION MEASURES

Economic condition of Turkey including the high unemployment rate may decrease the labour demand	Medium	Medium	<i>The project team is in very close contact with the partners and continuously seeking effective ways of delivery including promotion activities.</i>
Lack of interest from local stakeholders regarding operationalization of MFs.	Medium	Low	<i>Close communication and regular coordination meetings</i>
Low level of interest of the SMEs in the Project	Low	Low	<i>Pilot programs to increase awareness and interest to the Model Factories</i>
Although the concept of Model Factory as a means to improve the productivity of the SMEs incorporated into national strategies, modality to have UNDP as the facilitator and partner changes in the Ministry side	Midium	Midium	<i>Continue the best effort for the smooth implementation</i>

b. Updated project issues and actions

Project Issue 1: Impact of COVID 19 Pandemic on the project implementation which leads to delays to accomplish the project targets

Actions taken: New activities have been introduced to the project and new modalities of work have been initiated but still there is a need for 6 months of extension to organize and manage the newly introduced renovation and infrastructure development activities. Moreover, if COVID-19 allows, more focus will be given to the awareness raising and communication activities to promote İŞKUR services. To this end, covering the impact of the new activities on the project achievements, an extension request will be submitted the project team in January 2021.

Project Issue 2: İŞKUR personnel had been working in shifts so less personnel were onboard daily which has geared down the progress for agreed interventions.

Actions taken: Additional 283 laptop computers will be provided to İŞKUR personnel who work in pilot provinces of the Project including Adana as an additional pilot province to give them access to İŞKUR's internal system when they have to work remotely.

Project Issue 3: No F2F outreach activities could be organized for the promotion of improved İŞKUR services until a second notice. Pilot projects to be designed for the awareness raising activities needs to be revisited.

Actions taken: To utilize allocated budget of the pilot projects, (i) it was decided to build a container building as an additional service building in İŞKUR Hatay Provincial Directorate; (ii) to improve the physical conditions of Altındağ Service Center to serve effective and productive labor market services provided to SuTP as well as impacted Turkish host community to place them in local labor market.

Project Issue 4: İŞKUR Mobile Service Delivery Vehicle was physically delivered to İŞKUR on 28 July 2020. No official ceremony was conducted. There is no space required for the social distancing rules inside the vehicle, therefore the vehicle has not been operational yet.

Actions taken: Mobile Service will be in service in the pilot provinces of the Project when the pandemic measures are over. Until a second notice, the existences of this special service vehicle will be announced in the pilot provinces through the printed brochures which were prepared in Turkish and Arabic and the animation film which was prepared in Turkish, Arabic and English versions to get the attention of job seekers of the targeted community visited local İŞKUR offices. The visibility materials can be found in Annex 4.

Project Issue 5: Limitations in current institutional capacities to deliver employment services including available human resources, noting the high demand.

Actions taken: (i) Project Management Team will closely work with İŞKUR HQ and the Service Provider to support delivery of employment services throughout the project; (ii) Local İŞKUR offices will be approached regularly by the Project Management Team and the İŞKUR General Directorate during project implementation and will well informed on the proposed activities and the expectations of the project; (iii) A working group within İŞKUR will be established to ensure engagement and regular support of relevant units throughout prioritization and implementation

Project Issue 6: Limited human resources and consultancy work in the field of digitalization of employment services since it is very specific and new work area in Turkey

Actions taken: (i) Project Management will closely work with UNDP Procurement Unit together with other UN agencies to identify qualified human resources in order to maintain the Quality Assurance of the digital services; (ii) The necessary directions and İŞKUR's know-how will be followed by the Project Management Team to ensure the appropriate resources to initiate and pursue the digitalization of employment services. If needed, international expertise will be reviewed.

Project Issue 7: Negative effects of COVID-19 on operationalizing the services of Model Factories, matchmaking activities and vocational trainings

Actions taken: Majority of the activities have been carried out remotely with the use of online technologies.

Project Issue 8: Local partners decided to continue the deployment of hardware, software and IoT that will enable the showcase of digital scenarios with other technology providers in Ankara Model Factory.

Actions taken: Communications with the Ministry are ongoing for the decision.

VI. Monitoring Arrangements

During the reporting period, the Project has been closely monitored by the Project team based on expected results and key performance indicators. In addition, a remote monitoring meeting has been scheduled for the second week of January 2021 by the Monitoring team of SCRR Portfolio as to assess to which extend and how the projects are being affected by the outbreak, adapted to changing circumstances, or future risks and long-term impacts. The objective of the monitoring mission is to track the progress, review and analyse data against project indicators, improve data collection and recording systems whenever relevant; collect lessons learnt and good practices, support the knowledge management and learning processes, re-assess the risks, and propose mitigation measures; assess the quality of the Project against UNDP's quality standards and the synergies; propose actions -if relevant- to improve "one- programme approach"; provide feedback to partners and management, inform the decision-making processes.

Two Project Steering Committee (PSC) meetings have been organized since the beginning of the Project. The last PSC meeting has been organized on 12 December 2019 with the participation of UNDP, Embassy of Germany, KfW Development Bank, representatives from İŞKUR and Presidency of Republic of Turkey Strategy and Budget Office.

In Component II, the Project Team has been using several monitoring tools to ensure the smooth running of the activities:

- The progress of the entrepreneurship programs in Kayseri and Konya have been monitored through the weekly reports prepared by the local partners. Additionally, UNDP is randomly attending trainings and mentoring sessions, collecting attendance sheets, photos and satisfaction surveys from the entrepreneur candidates.
- ASO-SEM has been preparing quarterly progress reports to the UNDP and MoIT regarding the all the phases of Vocational Training Programs. On the other hand, İSKUR has been keeping track of the theoretical and practical trainings and job placements in line with the MEGIP Protocol.
- Monitoring process of matchmaking activities have been managed by local partners, Ministry of Industry and Technology and UNDP. Local stakeholders namely, Ankara Chamber of Industry, ASO I. OIZ, Kayseri Chamber of Industry, Konya Chamber of Commerce have been reporting to UNDP twice a month about the job placements and send the related supporting files for documentation.
- At the macro level, UNDP has recently started to make random satisfaction calls to the companies benefiting from matchmaking activities.
- Monitoring of the progress related to the Model Factories have been carried out through monthly progress and expenditure reports collected. Additionally, regular coordination meetings have been held.
- Apart from these evaluations, an independent evaluation will be conducted and finalized by June 2021 to monitor and evaluate all of the interventions and activities implemented throughout the Project. The results of this independent evaluation will be shared upon finalization of the Project.

VII. Lessons Learned

In Component I of the Project, as shortly mentioned above, İŞKUR was overloaded with the precautions taken by the Government for COVID-19 regarding the utilization of the unemployment benefits and the new regulations for the payments of part-time employment in during the last 9 months of the year. Therefore, the priority was given to these critical services of İŞKUR and relevant staff had been assigned to deal with increased unemployment due to the pandemic. Moreover, İŞKUR personal has been working in shifts so less personal was onboard daily which has geared down the Project progress.

Due to the pandemic, no gatherings for the promotion of improved İŞKUR services could be organized. The Project team focused on the contract management of the Software Infrastructure Renewal and development of Data Analytics Strategy of İŞKUR.

Within the scope of Component 2, Model Factories have been the platforms for collaborations established with the Ministry of Industry and Technology and Chambers of Industry and Commerce, universities and related stakeholders at the local and national level. The interventions offered and implemented in Component 2 as well as the positive results of this platform approach have demonstrated the importance of public-private sector partnership. This model has also produced positive outcomes in the vocational trainings and entrepreneurship programs.

It has been well understood that a development approach instead of an emergency approach should be adopted and interventions that put forward mid-term and long-term solutions should be implemented. It will not be possible to create productive employment and decent work without supporting local capacities. Hence, Model Factories at this point have emerged as the effective implementation tools that support local capacities. Model Factories and complementary measures for job creation and skills development program (vocational programs, entrepreneurship programs) are not just one-time interventions but deliver long-term sustainable solutions creating a life-long impact for Syrian and host community beneficiaries. Concurrent interventions penetrating into labor demand and supply have yielded positive results for job creation.

The recent experience has demonstrated that the direct involvement of the industry in the formulation of vocational training programs are essential and hence the industry needs analysis are prerequisites especially for these programs. If the curricula and the content of these programs are determined in line with the result of these studies, the programs will yield better results in terms of creating employment.

Ensuring the quality of high-tech goods/services required for digital transformation has been an important challenge since it requires high level of technical expertise both in preparation of technical specs and testing process of the products. The team mobilized individual consultants to monitor the processes closely and intervene timely.

VIII. Conclusions and Way Forward

In Component I, the following activities are planned to be completed in the next reporting period:

- “Renewal of Software Infrastructure of Turkish Employment Agency” sub-project will be completed by June 2021.
- “Data Analytics for Turkish Employment Agency” sub-project will be completed by June 2021.
- “Business Process Management Software for Turkish Employment Agency” tender will be completed by June 2021.
- Procurement process will be completed to procure the glass separators for the offices of Job and Vocational Consultants in Provincial Directorates of the pilot provinces.
- Procurement will be completed to procure Laptop Computers for İŞKUR Adana Provincial Directorate.
- Procurement will be completed the construction of prefab office in İŞKUR Hatay Provincial Directorate
- Renovation activities in İŞKUR Altındağ/ Ankara Service Center will be completed. Pre and post visuals will be prepared and distributed.
- İŞKUR Mobile Service Delivery Vehicle route will be planned to visit pilot provinces of the project.
- Online tools to increase the visibility of İŞKUR services aligned with the project activities will be planned.
- Project achievement videos and stories will be broadcasted and published. More focus will be given to promotion of project achievements through various communication materials.
- If COVID-19 pandemic allows an official ceremony for the delivery of İŞKUR mobile service vehicle will be organized.

In Component II, the successful delivery of the project targets has resulted in increasing motivation and commitment of the project partners since 2016. This situation revealed itself in consecutive project extensions in 2017, 2018 and 2020. In this sense, a further cost and time extension is on track through additional Government funding in 2021 and 2022.

However, as stated in this report, COVID-19 Pandemic has resulted in some slowdowns and delays. To ensure the high quality of deliverables, better use the project resources in a way to mitigate the delays resulted from pandemic, effectively monitor the jobs created and evaluate the overall effect of the project interventions, a time extension will be critical. For this end, no-cost extension request will be made in the shortest possible time.

IX. Financial Status¹²

The Cumulative Expenditure Reports of Component I and Component II are presented below:

¹² *Disclaimer: Data contained in this financial report section is an extract of UNDP financial records. All financial provided above is provisional.*

Disclaimer: UNDP adopted IPSAS (International Public Sector Accounting Standards) on 1 January 2012, cumulative totals that include data prior to that date are presented for illustration only.

Table 9: Cumulative Expenditure Report- Component I

Costs	Initial Budget	Revised Budget	Actuals	Estimation	Estimation	Variance	Status
			All Years / as of December 2020*	2021	Year-End Budget		
1. Human Resources (incl. project/programme staff and consultants)	€ 325,770.00	€ 425,350.87	€ 344,225.15	€ 81,125.72	€ 425,350.87	€ -	Ongoing
2. Travel (air, ground)	€ 16,765.00	€ 16,765.00	€ 9,845.26	€ 6,919.74	€ 16,765.00	€ -	Ongoing
3. Equipment and supplies	€ 18,333.00	€ 12,000.00	€ 6,836.76	€ 5,163.24	€ 12,000.00	€ -	Ongoing
4. Project office	€ 25,267.00	€ 25,267.00	€ 18,706.14	€ 6,560.86	€ 25,267.00	€ -	Ongoing
5. Professional services	€ -	€ -	€ -	€ -	€ -	€ -	Ongoing
Assesments and Roadmaps for Capacity Development and Digital Transformation of IŞKUR	€ 433,242.00	€ 287,261.51	€ 287,261.51	€ -	€ 287,261.51	€ -	Completed
Design and implementation of Capacity Development Interventions including digital transformation	€ 300,000.00	€ -	€ -	€ -	€ -	€ -	Merged with Development of IT capacities of IŞKUR
Implementation of Capacity Development Interventions-Process improvement	€ 575,000.00	€ 1,113,883.00	€ 91,592.99	€ 1,011,571.40	€ 1,103,164.39	€ 10,718.61	Ongoing
Implementation of Capacity Development Interventions-Study tours and exchange progs	€ 25,000.00	€ 30,573.39	€ 30,573.39	€ -	€ 30,573.39	€ -	Completed
Implementation of Capacity Development Interventions-Trainings	€ 150,000.00	€ 102,344.14	€ 101,844.75	€ -	€ 101,844.75	€ 499.39	Completed
Develop physical capacities of IŞKUR offices	€ 560,000.00	€ 150,000.00	€ 75,169.19	€ 74,830.81	€ 150,000.00	€ -	Ongoing
Develop IT capacities of IŞKUR offices	€ 400,000.00	€ 736,117.00	€ 370,311.00	€ 359,499.00	€ 729,810.00	€ 6,307.00	Ongoing
Design and implementation of pilot projects in five provinces	€ 335,000.00	€ 335,000.00	€ 57,314.41	€ 277,685.59	€ 335,000.00	€ -	Ongoing
Outreach and Advocacy Programme for Skill Building Programmes	€ 80,000.00	€ 138,513.03	€ -	€ 138,513.03	€ 138,513.03	€ -	Ongoing
6. Expenditure verification/audit	€ 666.78	€ 666.78	€ -	€ 666.78	€ 666.78	€ -	Not started
7. Evaluation costs	€ 5,000.00	€ 5,000.00	€ -	€ 22,525.00	€ 22,525.00	€ 17,525.00	Not started
8. Translation, interpreters	€ 31,667.00	€ 5,071.40	€ 5,071.40	€ -	€ 5,071.40	€ -	Merged with Outreach and Advocacy Programme
9. Costs of conferences/seminars	€ 43,333.00	€ 14,108.93	€ 14,108.93	€ -	€ 14,108.93	€ -	
10. Visibility actions (including CSR initiatives)	€ 67,734.00	€ 4,416.52	€ 4,416.52	€ -	€ 4,416.52	€ -	
11. Publications	€ 10,000.00	€ 439.21	€ 439.21	€ -	€ 439.21	€ -	
11. Subtotal	€ 3,402,777.78	€ 3,402,777.78	€ 1,417,716.62	€ 1,985,061.16	€ 3,402,777.78	€ 0.00	
12. Indirect costs (8% as per UNDP cost recovery policy)	€ 272,222.22	€ 272,222.22	€ 103,148.30	€ 169,073.92	€ 272,222.22	€ -	
13. Total Eligible Costs (OUTPUT 1)	€ 3,675,000.00	€ 3,675,000.00	€ 1,520,864.92	€ 2,339,634.09	€ 3,675,000.00	€ 0.00	

*UNDP financial closure will be done in 2020 so there might be minor changes in the financial reporting

Table 10: Cumulative Expenditure Report- Component II

OUTPUT II BUDGET	BUDGET OF THE ACTION					BUDGET REALIZATION					REMAINING BUDGET
	2018	2019	2020	2021	ALL YEARS	2018	2019	2020	ALL YEARS	ALL YEARS	
	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)	% of the Budget	Total Cost (in EUR)
1. Human Resources (incl. project/program)	0.00	24,110.96	230,331.91	117,335.69	371,778.55		24,110.96	191,897.94	216,008.90	58%	155,769.65
2. Travel (air, ground)	0.00	12,159.83	61,967.85	14,043.42	88,171.10		12,159.83	3,945.86	16,105.69	18%	72,065.41
3. Equipment and supplies	119,710.96	783,063.71	917,920.82	110,100.00	1,930,795.49	119,710.96	783,063.70	911,458.96	1,814,233.63	94%	116,561.86
4. Project office	0.00	15,999.38	8,000.62		24,000.00			15,999.38	15,999.38	67%	8,000.62
5. Professional services	0.00	126,312.43	1,770,823.34	305,239.46	2,202,375.23	0.00	126,312.43	1,229,964.22	1,356,276.65	62%	846,098.58
Expansion of Ankara Applied Capability Center Services	0.00	0.00	368,699.90	56,723.06	425,422.96	0.00	0.00	160,712.52	160,712.52	38%	264,710.44
1.1 Assessment on alternative service lines	0.00	0.00	85,084.59	0.00	85,084.59			34,132.28	34,132.28	40%	50,952.31
1.2 Implementation	0.00	0.00	255,253.77	0.00	255,253.77	0.00		126,580.24	126,580.24	50%	128,673.53
1.3 Sustainability and Exit Strategy	0.00	0.00	28,361.53	6079813+0,01	28,361.53				0.00	0%	28,361.53
Operationalisation of the first Applied Capability Center in Konya	0.00	44,026.74	698,621.92	145,827.47	888,476.14	0.00	44,026.74	628,845.08	672,871.82	76%	215,604.31
1.1 Establishment of Applied SME Capability Center	0.00	33,242.11	271,841.90	0.00	305,084.01		33,242.11	231,286.63	264,528.73	87%	40,555.27
1.2 Pilot Implementation	0.00	0.00	252,025.92	0.00	252,025.92		0.00	239,666.00	239,666.00	95%	12,359.92
1.3 Sustainability and Exit Strategy	0.00	0.00	35,372.07	70,744.14	106,116.21		0.00		0.00	0%	106,116.21
1.4. Job Creation	0.00	10,784.64	139,382.03	75,083.33	225,250.00		10,784.64	157,892.45	168,677.09	75%	56,572.91
Operationalisation of the first Applied Capability Center in Kayseri	0.00	82,285.69	703,501.53	102,688.92	888,476.14	0.00	82,285.69	440,406.62	522,692.31	59%	365,783.83
1.1 Establishment of Applied SME Capability Center	0.00	28,362.50	276,721.51	0.00	305,084.01		28,362.50	243,834.46	272,196.96	89%	32,887.05
1.2 Pilot Implementation	0.00	0.00	252,025.92	0.00	252,025.92		0.00	90,100.00	90,100.00	36%	161,925.92
1.3 Sustainability and Exit Strategy	0.00	0.00	35,372.07	70,744.14	106,116.21		0.00		0.00	0%	106,116.21
1.4. Job Creation	0.00	53,923.19	139,382.03	31,944.78	225,250.00		53,923.19	106,472.16	160,395.35	71%	64,854.65
6. Expenditure verification/audit	0.00	0.00	2,424.05	2,825.95	5,250.00		0.00	2,424.05	2,424.05	46%	2,825.95
7. Evaluation costs	0.00	0.00	2,333.33	22,666.67	25,000.00		0.00		0.00	0%	25,000.00
8. Translation, interpreters	0.00	0.00	5,333.33	2,666.67	8,000.00		0.00	750.39	750.39	9%	7,249.61
9. Costs of conferences/seminars	0.00	24,349.70	15,650.30	20,000.00	60,000.00		24,349.70	646.71	24,996.41	42%	35,003.59
10. Visibility actions (including CSR initiatives)	0.00	0.00	20,000.00	10,000.00	30,000.00		0.00	13,540.92	13,540.92	45%	16,459.08
11. Subtotal	119,710.96	969,996.63	3,042,784.31	612,878.47	4,745,370.37	119,710.96	969,996.62	2,370,628.43	3,460,336.02	73%	1,285,034.35
12. Indirect costs (8% as per UNDP cost recovery policy)	9,576.87	77,599.68	209,624.48	82,828.61	379,629.63	9,576.87	77,599.68	174,968.33	262,144.89	69%	117,484.74
13. Total Eligible Costs (OUTPUT 2)	129,287.83	1,047,596.31	3,252,408.79	695,707.07	5,125,000.00	129,287.83	1,047,596.30	2,545,596.77	3,722,480.90	73%	1,402,519.09

X. Annexes

Annex 1: Revised Work Plans : 1-a: Component I Annual Work Plan; 1-b: Component II Implementation Plan

Annex 2: Component 1 - Renewal of Software Infrastructure Project Outputs

Annex 3: Component 1 - Data Analytics Project Outputs

Annex 4: Component 1 - İŞKUR Mobile Vehicle Visibility Materials

Annex 5: Component 1 - ESDP Media Coverages