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ANNEX IX

to the Commission Implementing Decision on the Annual action plan in favour of Türkiye for 2024

Action Document for Increasing Youth Employment through Wage Reimbursement

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and annual and multiannual action plans and measures in the sense of Article 9 of IPA III Regulation and Article 23(2) of NDICI - Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

Title	Increasing Youth Employment through Wage Reimbursement Annual action plan in favour of Türkiye for 2024
OPSYS	ACT-62860
ABAC	ABAC Commitment level 1 number: JAD.1655607
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)
Economic and Investment Plan (EIP)	No
EIP Flagship	No
Team Europe	No
Beneficiary(y)/(ies) of the action	The action shall be carried out in the Republic of Türkiye
Programming document	IPA III Programming Framework
PRIORITY AREAS AND SECTOR INFORMATION	
Window and thematic priority	Window 4 – Competitiveness and Inclusive Growth Thematic Priority 1: Education, employment, social protection and inclusion policies, and health
Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 8: Decent Work and Economic Growth 50% Other significant SDGs: SDG 1: No Poverty 5% SDG 5: Gender Equality 25% SDG 10: Reduced inequality 20%

DAC code(s)	16020 – Employment creation – 100%			
Main Delivery Channel	12001- Central Government			
Targets	<input type="checkbox"/> Climate <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity			
Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Internal markers and Tags	Policy objectives	Not targeted	Significant objective
EIP		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EIP Flagship		YES <input type="checkbox"/>		NO <input checked="" type="checkbox"/>
Tags:		YES		NO
Transport		<input type="checkbox"/>		<input checked="" type="checkbox"/>
Energy		<input type="checkbox"/>		<input checked="" type="checkbox"/>
Environment and climate resilience	<input type="checkbox"/>		<input checked="" type="checkbox"/>	
Digital	<input type="checkbox"/>		<input checked="" type="checkbox"/>	

	Economic development (incl. private sector, trade and macroeconomic support)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Human Development (incl. human capital and youth)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Health resilience	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Migration and mobility	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Agriculture, food security and rural development	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Rule of law, governance and Public Administration reform	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Tags	YES	NO
	digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital entrepreneurship	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Tags	YES	NO
	digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

Amounts concerned	Budget line: 15 02 02 01 Total estimated cost: EUR 11 000 000.00 Total amount of EU budget contribution EUR 11 000 000.00 of which EUR 11 000 000.00 for indirect management with IPA III beneficiary
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MANAGEMENT AND IMPLEMENTATION

Implementation modalities (management mode and delivery methods)	Indirect management with the Republic of Türkiye
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Final Date for conclusion of Financing Agreement	At the latest by 31 December 2025
Final date for concluding contribution / delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the financing agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
Indicative operational implementation period	72 months following the conclusion of the financing agreement
Final date for implementing the Financing Agreement	12 years following the conclusion of the financing agreement

1.2. Summary of the Action

This Action addresses the needs in Türkiye towards Thematic Priority (TP) 1 of the IPA Programming Framework: Education, Employment, Social Protection and Inclusion Policies under Window 4 - Competitiveness and Inclusive Growth through targeted measures on employment aiming at the promotion of youth employment in Türkiye. To this end, the overall objective of the Action is to strengthen social and economic development of Türkiye by increasing the employability and employment of youth. The specific objective is to support registered youth employment through wage reimbursement for young employees hired by young entrepreneurs in pilot provinces.

Young people, particularly those aged 15-24¹ and 15-29 who are not in education, employment, or training (NEET), are significantly impacted by the labour market challenges. The NEET average (15-29) in the European Union is 11.2%, 12.5% for women and 10.1% for men. At the same time, in Türkiye, the NEET rate is 25.8% (36.3% for women and 15.6% for men²). Unemployment is particularly acute among young people with higher education degrees. Türkiye's labour market faces the lack of experience of young people, skills gap, the high cost for employers and the high labour supply in the employment market. In this context, this Action aims at encouraging young employers to employ young people with no experience and/or recent graduates by providing wage reimbursements. Under the Action, diverse opportunities, such as training, workshops or entrepreneurship camps will be provided to young people, with particular emphasis on young women, to increase their participation in the labour market.

The Action serves the IPA III Programming Framework and Strategic Response priorities in terms of providing decent work opportunities to vulnerable segments of the society as well as increasing the employment of groups requiring special policies, fostering quality employment, promoting equality, social inclusion and combatting poverty and improving national institutional capacity to provide quality education by building the capacity of relevant target groups. The Action will also contribute to the targets such as increasing registered employment and reducing youth unemployment established in the Economic Reform Programme (ERP) 2024-2026.

1.3 Beneficiar(y)/(ies) of the Action

The action shall be carried out in the Republic of Türkiye. It will be implemented indicatively in three cities (Ankara, İstanbul, İzmir).

2. RATIONALE

2.1 Context

As Türkiye addresses the challenge of youth unemployment, with TURKSTAT reporting that 22.5% of young people are NEET and 17.4% of 15-24-year-olds are unemployed as of 2023, the search for effective solutions becomes ever more pressing. 15-24-year-old NEET rate is 23.2% for women and 14.3% for men. Socially, high unemployment rates among the youth lead to increased frustration and disillusionment, potentially fuelling social unrest and instability, exacerbating also feelings of alienation and exclusion among young people and potentially leading to higher rates of mental health issues and substance abuse. Prolonged periods of unemployment have impact on key life milestones such as family formation, which can have a long-term demographic effect. Economically, the underutilisation of young talent represents a significant loss of human capital and potential economic output. When young people are unable to find work, it not only affects their personal financial stability but also places a burden on the social security system as they may require more support. Additionally, a large pool of unemployed youth may lead to brain drain, as skilled and educated young individuals often pursue opportunities abroad, potentially limiting their contributions to the national growth. The economic impact also extends to the overall productivity of the workforce, as a more experienced and engaged labour force is essential for sustained economic growth and innovation. Having these economic and social dimensions in mind, this Action intends to address the multi-faceted youth employment problem in Türkiye through wage reimbursement and policy recommendations.

This Action aims at ensuring the transition of employees who have been unemployed for at least 1 month or young people with no work experience to registered employment through wage support. In this context, the targeted youth will be able to gain work experience and their sustainability in working life will be underpinned. This Action will also pave the way for unemployed youth to participate in employment by raising awareness. Entrepreneurship camps, workshops and information events will be organised for target groups. Raising awareness on youth in national strategy documents such as the next National Employment Strategy, Development Plan, Economic Programme and Annual Programme will also be ensured within the scope of this Action. Awareness activities will be carried out to increase awareness on social security and ensure the transition from unregistered to registered employment. In addition, support will be provided to young unemployed people to become entrepreneurial candidates through targeted activities.

At present, there is an active incentive in Türkiye called the ‘Young Entrepreneur Support’ (YES). Through this incentive provided by the Social Security Institution (SGK) in Türkiye, the social security premiums of individuals aged 18-29 who open a business for the first time are covered by the Ministry of Treasury and Finance for 1 year (Article 81(k) of Law No. 5510). In the incentive proposed through this Action, called ‘Young-Up’, the grant support will be provided if young employers employ additional young workers. Under this Action, the employer will not be required to be insured for the first time. The young unemployed person will not be required to be insured for the first time either. In other words, the person may have worked in a different job before. As a result, if the person is employed within the scope of the project, he/she will be employed as insured. The social security premium of the person to be employed will be financed jointly by the employer and the employee in proportion to their own shares. Only wage support for employees will be provided to the employer. While premium support is provided to young entrepreneurs in the YES incentive, grant support will be provided in the Young-Up project, not a premium. In the YES incentive, only entrepreneurship is supported, while in the Young-Up project, the increase in employment will be supported with the condition to create additional employment (the employer will employ a young unemployed person in addition to the workers he/she currently employs). Young entrepreneurs will have the opportunity to benefit from wage reimbursement if they employ additional youth only. These additional job opportunities will be reserved for graduates from universities or vocational high schools who are currently unemployed. Since wage

reimbursement will be given only in the case of additional employment, more people will benefit thanks to the multiplier effect. Thus, the YES incentive and the wage reimbursement support under this Action are different from each other, yet both contribute to improving the labour force participation, while decreasing the youth unemployment rate in Türkiye.

Apart from the existing YES incentive, there is also another incentive for women, youth and professional qualification certificate holders. Private sector employers are given insurance premium incentives for additional workers they will employ, provided that they are over the age of 18 and have been unemployed for the last 6 months. This country-wide incentive, covered by the Unemployment Insurance Fund, is planned to end on 31 December 2025. Since there is no upper age limit in this incentive, only people over the age of 18 are supported. Therefore, it remains different from the conditions of the Young-Up project.

2.2 Problem Analysis

Unemployment is a significant macroeconomic issue in Türkiye. According to TÜRKSTAT's 2023 statistics, youth employment rate (37.7%) is lower than the overall employment rate (48.3%), and the youth unemployment rate (17.4%) is particularly high, especially among young women (23.2%). Informal employment is prevalent, especially among the 15-24 age group, due to factors like large population, economic challenges, and lack of experience. Youth unemployment is exacerbated by insufficient job creation, migration, and gender disparities. Female unemployment is influenced by traditional roles, wage inequality, and discrimination. Young entrepreneurs face obstacles such as limited access to capital, experience, and networks. The rise of flexible working models and digitalisation, especially post-pandemic, has led to an increased informal employment, further complicating social security system financing. High youth unemployment negatively impacts economic growth, social security sustainability, and leads to informal, low-wage jobs in the labour market. NEETs are particularly vulnerable and require targeted support.

This Action will contribute to both reducing youth unemployment and facilitating the transition of young unemployed people to registered employment through a wage reimbursement method. In brief, the aim will be to support young entrepreneurs and youth employment by providing financial support for employers through wage reimbursement and other supporting activities. This will encourage them to employ inexperienced youth and recent graduates and facilitate the integration of these groups into the labour force.

Under this Action, it is planned to support indicatively 1 200 young unemployed university and vocational high school graduates. Indicatively 1 200 young entrepreneurs who will employ these young workers will also benefit from wage support. Each employer will be supported for hiring one additional worker. Since young employers will be supported, this group will be rendered resilient in a competitive business environment and the sustainability of their businesses will be ensured. The Action will support the employment of inexperienced youth and their retention at work, thus enabling them to gain valuable experience and maintain formal employment. Such a practice will also serve as a model, and the youth benefitting from the results will be followed up for 12 months after completion of the Action for a potential future scale-up by the Turkish Government. A range of opportunities such as supporting entrepreneurship programmes, and an entrepreneurship camp will also be provided under this Action for young people to promote their participation in the labour market. Innovative green jobs and digital transformation will be added to the training topics included in the entrepreneurship workshop and entrepreneurship camp. Gender equality will be taken into account when providing grant support within the scope of the project, and a 50% quota will be defined for both women and men. In the later stages of the project, if challenges occur, innovative methods will be proposed to preserve gender balance. Furthermore, the Action will identify strategies to promote not only the participation of women but also their meaningful engagement.

In terms of targeted areas, the total number of potential beneficiary employers and employees eligible to apply for support under this Action is considered. It is observed that the number of 4/b² insured persons aged 15-29 is 619 372. On the other hand, when the total number of potential beneficiary employees eligible to apply for

support under this Action and participate in the labour force is considered, it is observed that the number of 4/a insured persons aged 15-29 is 7.615.993 (March 2024, SSI). Analysing the geographical distribution of these beneficiaries (4/a and 4/b), it is evident that Ankara, Istanbul, and Izmir have the highest concentration in both categories. Therefore, these provinces were selected indicatively as pilot provinces within the scope of this Action. The analysis of workplace numbers by size across Türkiye shows that 87.59% of the businesses are small enterprises with 1-9 employees. The indicative pilot provinces chosen are also among the top three in terms of workplace count.

The details of eligibility criteria of the young entrepreneurs and young employers will be stipulated in the description of action.

The strengths, weaknesses, opportunities and threats are presented below.

Strengths	Weaknesses
Institutional capacity in terms of project experience is sufficient and the organisation has experienced human resources.	Difficulty in reaching target audience
Playing a decisive role in policies to increase youth employment.	Barriers to the participation of NEETs, the target group, in employment.
Strong relations with social partners.	Difficulty in financing additional employment for employers
Opportunities	Threats
Rapid increase in the supply of qualified young and trained labour force.	Difficulties in adapting the labour market to local and sectoral employment needs.
The demographic window of opportunity is open due to the high number of young people between the ages of 15-29.	The negative impact of economic fluctuations that may occur due to high inflation rates and negative income-expenditure balances on the labour market.

Majority of the weaknesses and threats mentioned in the table above will be mitigated.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Social Security Institution (SSI): is the main beneficiary of this Action and will be in charge of the overall management. The SSI is established with the objective of the realisation of a social security system at the contemporary standards that will provide individuals with social insurance and universal health insurance, empowered by Presidential Decree No. 4. Regarding the institutional capacity of SSI, it is a large organisation with 33 442 staff and it is easily accessible with its 81 Social Security Provincial Directorates and 538 Social Security Centres in 81 provinces of Türkiye managing a budget of 2,2 billion Turkish liras (2023). Combating unregistered employment is among the activities carried out by the SSI. In order to combat informal employment, the Directorate of Guidance and Inspection has been established within the SSI. In addition, the Office for the Combating Unregistered Employment Department has been established within the General Directorate of Insurance Premiums. In accordance with Article 415 of the fourth decree issued by the Presidency, combating informal employment is listed among the duties of the General Directorate of Insurance Premiums at SSI. Combating unregistered work should be provided not only by supervision but also through supportive activities.

Since SSI is the unique authority to promote registered employment and one of its main tasks is to ensure formal employment, it has *de jure* and *de facto* monopoly based on having exclusive competence in the field of activity and/or geographical area to which the grant relates pursuant to any applicable law.

Turkish Employment Agency (İŞKUR): Data on youth unemployed will be obtained from İŞKUR. Outputs of this Action will contribute positively to İŞKUR's active employment policies. Moreover, activities such as

the entrepreneurship camp, workshop, etc. will be carried out both for university students and for young unemployed people with vocational high school and/or university graduates registered to İŞKUR. In addition, İŞKUR will participate in the steering committee meetings and provide support for the success of the project, reducing youth unemployment and increasing registered employment.

Small and Medium Enterprises Development Organisation (KOSGEB): There will be an exchange of views on entrepreneurship activities. In addition, KOSGEB representative will take part in the Advisory Board. KOSGEB will participate in the steering committee meetings and provide support for the success of the project, reducing youth unemployment and increasing registered employment.

Non-Governmental Organisations: Social partners and relevant NGOs such as trade unions, employers' associations, and women NGOs will be consulted in the preparation and implementation of this Action.

Ministry of National Education (MoNE): Cooperation with MoNE will be ensured in reaching the target group when needed. MoNE will participate in the steering committee meetings and provide support for the success of the project, reducing youth unemployment and increasing registered employment.

Council of Higher Education (YÖK): Cooperation with YÖK will be ensured in reaching the target group when needed.

Universities in project implementation provinces: In order to reach the target group, universities in the project provinces can be cooperated with if needed.

2.3 Lessons Learned

SSI has previously implemented the above-mentioned wage reimbursement method in the EU-supported Women-Up project in 2021-2024 with a budget of approximately EUR 29.5 million. Since the implementation was considered successful and all critical project targets have been overachieved, owing to its past experience, this Action will build on the following key lessons learned from Women-Up project:

- Although the project targeted 4 000 female employers and 4 000 additional female workers, total number of female employers reached was 6 207, and additional female workers reached 8 667. Since its inception in 2022 year, the project has provided a total of 77 124 women with EUR 24.96 million of financial support. The realisation rate of the financial support budget was 97.5%. While the planned number of payments was 80 000, 96% realisation rate was achieved. The project was effectively implemented by SSI, risks were identified, and the mitigating measures were taken without delay. 57% of those who benefited from financial support under the project and continued employment after the end of the financial support. The completion of the targeted quota and the subsequent high rates of sustainability in employment have encouraged us to implement new projects that aim to create employment for young people, another disadvantaged group. The success of the mass media used to reach the target audience in the Women-Up project was also reflected in the number of applications at the end of the promotional campaign. It was observed that the use of social media and one-on-one communication with entrepreneurial women during the filling of the quotas was effective in increasing the number of applications significantly. Based on this experience, it is planned to use these communication strategies in the application process of the Young-Up project.
- A software program was developed by the General Directorate of Service Delivery of SSI without using the project budget for receiving project applications, final registration and monthly checks. This programme infrastructure can also be used in the Young-Up project with changes to be made.
- Many support activities were carried out within the scope of Women-Up project, including the Entrepreneurship and Media Workshop for students which stood out in terms of innovative ideas and raising awareness. It is considered that the activity was effective and efficient for the target group who are potential entrepreneurs. For this reason, similar activities were also included under this Action, prioritising women.

- In February 2023, two of the targeted provinces were affected by the earthquakes centred in Kahramanmaraş. In this context, various exemptions were defined as regards payment eligibility criteria in order to ensure that the beneficiaries of the project in these provinces could continue to benefit from the financial support. In addition, through this experience, crisis management was also a lesson learned.
- The Job Positive Cooperation System emerged as a result of increased efforts to promote women's employment in recent years in Türkiye. This cooperation system, which brings together public institutions providing vocational training, incentives and grants for women's employment in Türkiye, civil society organisations with qualified human resources, women's cooperatives with production capacity and private sector organisations providing employment, is expected to contribute significantly to the political, administrative and financial sustainability of the Women Up I and II projects. A similar sustainability mechanism will be established with relevant public institutions.
- It has been observed that the organisational capacity of the SGK Provincial Organisation has made significant contributions to the execution of activities in the Women-Up project, including communication with employers and the establishment of the physical environment of the project offices. In this respect, it is planned to use this institutional capacity in the new project.
- Since the implementation was successful and all critical project targets have been overachieved, owing to its past experience, it is trusted that SSI will repeat the success of the Women-Up project.

3. DESCRIPTION OF THE ACTION

3.1 Intervention Logic

The Overall Objective/(Impact) of this action is to strengthen the social and economic development of Türkiye.

The Specific Objective (Outcome) of this action is to support registered youth employment through wage reimbursement for young employees hired by young entrepreneurs in the pilot provinces.

The Outputs to be delivered by this action contributing to the corresponding Specific Objective (Outcome) are:

Output 1: Wage reimbursement is provided to youth

Output 2: An advisory board is established, policy recommendations are developed

Output 3: Awareness raising and training activities enhancing entrepreneurship opportunities and capacities for youth are organised.

If wage reimbursement to youth is provided, and an advisory board is established to reveal the current situation and obstacles faced by young people in the labour market and to develop relevant policy recommendations to overcome these, and awareness raising activities supporting youth are organised, then formal youth employment is increased.

3.2 Indicative Activities

Activities related to Output 1: Wage reimbursement is provided to youth.

1.1 Establishing and functionalising the project offices in pilot provinces.

1.2 As a result of the open call, young entrepreneurs and unemployed youth will be identified using the existing software system.

1.3 Providing wage reimbursements to 1 200 young employers for the employment of additional 1 200 youth.

1.4 Organising regular monitoring visits to monitor the actual works of additionally employed youth supported by wage reimbursements.

Activities related to Output 2: An advisory board is established in order to better inform the current situation and obstacles faced by young people in the labour market and ensure that focused policy recommendations are developed.

2.1 Identifying advisory board member stakeholder organisations (public institutions, NGOs, KOSGEB, ISKUR, TESK, TOBB, MoNE, universities, etc.)

2.2 Conducting studies to identify the current situation and existing problems of youth.

2.3 Organising study visits for the advisory board to benefit from the EU experience.

2.4 Preparing an evaluation report containing policy recommendations under coordination of the advisory board.

Activities related to Output 3: Awareness raising activities which are enhancing entrepreneurship opportunities and capacities for youth like workshop, camp, online training are organised.

3.1. Organising meetings and information days.

3.2. Organising entrepreneurship camp for active entrepreneurs (female participants will be prioritised).

3.3. Organising workshop for potential entrepreneurs such as vocational technical high school and university students.

3.4. Organising online training for final beneficiaries.

3.3 Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Regarding the protection of the environment, while this project does not directly aim to help the environment, necessary measures will be taken to ensure the welfare of the environment. Environmentally friendly materials and equipment will be used throughout the implementation of the Action. The Action will not cause unnecessary pressure and will contribute to the protection of the environment and the fight against climate change.

In addition, training is the most important instrument of mental transformation. The entrepreneurship camp to be held within the scope of this Action will include a training module. This module will include sections on green jobs and zero waste.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1 Action therefore ensures that both women and men can input, access and participate in Action activities. Where appropriate, gender-disaggregated data on activities and outputs will be collected and presented in relevant Action reports. The Logical Frameworks to be detailed later will identify gender-disaggregated indicators where appropriate.

In order to prevent gender discrimination, women NGOs will be invited to information meetings to be held in the provinces during the project introduction phase, and project introduction visits will also be made to women NGOs. Project introduction materials such as brochures and information booklets will be distributed to NGOs. Secondly, gender equality has been taken into account when providing grant support within the scope of the project, and a 50% quota will be defined for both women and men. In the later stages of the project, if the quotas allocated to women and men cannot be filled, innovative methods will be proposed to preserve gender balance. Transfers between quotas may be considered.

In addition, a quota of 50% will be allocated for women participants in project supporting activities such as entrepreneurship camps and entrepreneurship workshops. The quota allocated within the scope of financial

support is for the workers to be employed and the quota allocated within the scope of project supporting activities is for the employers.

The Advisory Board will consist of representatives from public institutions, academics, international organisations and NGOs. Women's civil society organisations participation in the Action activities will be prioritised.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. There will be no direct impact on disabled individuals within the scope of the Action. Yet, if a disabled individual benefits from the Action's activities, this will be reported and expressed in the project outputs.

3.4 Risks and Assumptions

Category 2– Planning, processes and systems	Insufficient interest of final beneficiaries to apply for support	H	H	Direct contact with potential beneficiaries will be ensured when necessary. Promotional activities will be increased and cooperation with relevant institutions/organisations will be sought.
Category 3 – People and the organisation	Insufficient interest of stakeholders and related public bodies to disseminate the project related information among potential applicants	M	M	Owing to strong institutional organisational structure at the local level will ensure interaction with all NGOs at the local level. Advisory Representatives of relevant NGOs will also participate in the Advisory Board.
Category 5 – Communication and information	Insufficient participation of final beneficiaries to activities of the project	M	H	- Making the activities attractive to the beneficiaries by creating the content of the activities according to the target audience interest - Implementation of effective announcement processes for activities - Selection of the people who will participate in the activities from among the bidders

External Assumptions

- Coordination and cooperation mechanisms between stakeholders will ensure the smooth implementation of the project and effective decision-making procedures.
- The teachers/trainers and key stakeholders are committed at central and local level to implement relevant activities of the Action.
- Target groups are open to getting involved in the activities of the Action and are willing to cooperate.
- There will be sufficient interest of target groups to participate in the programme.
- Social partners and other relevant public institutions will be willing to cooperate.
- The sufficiency of the amount of grants to ensure that young workers remain in business.

3.5 Indicative Logical Framework Matrix

Results	Results chain: Main expected results [maximum 10]	Indicators [it least one indicator per expected result]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To strengthen social and economic development of Türkiye	1. Labour force participation rate (%) 2. Youth unemployment rate (%)	1. 53,7% (2023) 2. 17,4 % (2023)	1. 56,7% (2028) 2. 16,6 % (2028)	TURKSTAT statistics	<i>Not applicable</i>
Outcome	Supported registered youth employment through wage reimbursement for young employees employed by young entrepreneurs in the pilot provinces	1. No of youth newly employed in target provinces with support of wage reimbursement (Law No. 5510 4/a 600 women 600 men) 2. No of young entrepreneurs benefitted from wage reimbursement (Law No. 5510 4/b) ¹	1. 0 (2024) 2. 0	1. 1550 (at the end of implementation Number of people who will participate in the awareness activity: 350) 2. 1200 (at the end of implementation)	1.SSI Statistics (4/a and 4/b) 2. SSI Statistics (4/a and 4/b)	Sufficient interest of target groups to participate in the activities
Output 1	1.1 Wage reimbursement provided to youth	1.1 Project offices established and functionalised in pilot implementation provinces	1.1 0	1.1 5	1.1 Project records and reports	

¹ It is the relevant article of law defining self-employed insured individuals.

		<p>1.2 No of young employers who received wage reimbursements</p> <p>1.3 No of regular monitoring visits to monitor the work of additionally employed youth supported by wage reimbursements.</p>	<p>1.2 0</p> <p>1.3 0</p>	<p>1.2 1200</p> <p>1.3 At least 5% of employers who registered for the wage reimbursement in the previous month</p>	<p>1.2 Project final report</p> <p>1.3 Project records and reports</p>	
Output 2	1.2. Advisory board established and focused policy recommendations developed	<p>1.2.1 No of participants in the advisory board representing stakeholder institutions, social partners, CSOs and academicians</p> <p>1.2.2 No of study visits organised to benefit the advisory board from the EU experience</p> <p>1.2.3 No of evaluation reports including policy recommendations prepared under coordination of the advisory board</p>	<p>1.2.1 0</p> <p>1.2.2 0</p> <p>1.2.3 0</p>	<p>1.2.1 20 (max 10 academicians)</p> <p>1.2.2 2</p> <p>1.2.3 1</p>	<p>1.2.1. Project records and reports</p> <p>1.2.2 Project records and reports</p> <p>1.2.3 Project records and reports</p>	Sufficient interest of academicians, social partners, CSOs and public institutions to participate in the activities

Output 3	1.3. Awareness-raising and training activities organised to enhance entrepreneurship opportunities and capacities for youth	1.3.1. No of meetings and information days organised	1.3.1 0	1.3.1 3	1.3.1 Project records and reports	Sufficient interest of target groups to participate in the programme. In addition, a survey will be conducted by drawing samples from both employers and the student group with whom we are conducting awareness activities.
		1.3.2. No of entrepreneurship camps organised for active entrepreneurs (50% quota will be reserved for women.)	1.3.2 0	1.3.2 1 (50 potential entrepreneurs)	1.3.2 Project records and reports	
		1.3.3. No of entrepreneurship workshops organised for potential entrepreneurs such as vocational technical high school and university students (50% quota will be reserved for women)	1.3.3 0	1.3.3 1 (50 potential entrepreneurs)	1.3.3 Project records and reports	
		1.3.4 No of participants in online training for final beneficiaries. (50% quota will be reserved for women)	1.3.4 0	1.3.4 2 50	1.3.4 Project records and reports	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Türkiye.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of conclusion of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures².

4.3.1 Indirect Management with an IPA III beneficiary

This action will be implemented under indirect management with the Republic of Türkiye.

The managing authority responsible for the execution of the action is the Ministry of Labour and Social Security (Directorate General of Foreign Relations and the European Union of the Ministry of Labour and Social Security). The managing authority shall be responsible for legality and regularity of expenditure, sound financial management, programming, implementation, monitoring, evaluation, information, visibility and reporting of IPA III activities.

The Intermediate Body for Policy Management of this Action is the Social Security Institution, while the intermediate body for financial management is the Directorate General of Foreign Relations and the European Union of the Ministry of Labour and Social Security.

The managing authority shall rely on sectoral expertise and technical competence of the following intermediate body for policy management: Social Security Institution (SSI). It shall ensure sound financial management of the action.

Budget implementation tasks such as calls for tenders, calls for proposals, contracting, contract management, payments and revenue operations, shall be entrusted to the following intermediate body for financial

² [EU Sanctions Map](#). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

management: the Ministry of Labour and Social Security Directorate General of Foreign Relations and the European Union. It shall ensure legality and regularity of expenditure.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Methods of implementation – cf. section 4.3	
Outcome: Supported registered youth employment through wage reimbursement for young employees hired by young entrepreneurs in the pilot provinces composed of	11 000 000
Indirect management with IPA III Beneficiary – cf. section 4.3.1	11 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision
Strategic Communication and Public Diplomacy – cf. section 6	will be covered by another Decision
Totals	11 000 000

4.6. Organisational Set-up and Responsibilities

Each activity defined in this action document will establish its management units for a smooth implementation of the activities. Day-to-day management and coordination of the activities will be carried out by the Action Coordination Units (ACU). Activities will be coordinated with ACU which is a body bringing the IBPMs and IBFM regarding all of the project activities.

A Steering Committee (SC) will be established for each activity and will be mainly composed of the representatives of the MA, IBPMs, IBFM, the stakeholders of the activities, National IPA Coordinator (NIPAC), Presidency of Strategy and Budget as well as Delegation of the European Union to Türkiye (EUD). The SC will act as the advisory body that will provide high-level strategic guidance and oversight on activity implementation. SC will be gathered at regular intervals and additionally whenever deemed necessary.

Furthermore, a Sectoral Monitoring Committee (SMC) which is one of the highest decision taking platforms in terms of effective management of the funds provided by the EU, will meet regularly to solve the problems encountered during the programming, implementation and monitoring and give recommendations for effective utilisation of funds. SMC will be mainly composed of the representatives of the Commission/EU Delegation to Türkiye, MA, IBPMs, IBFM, the stakeholders of the activities, the Presidency of Strategy and Budget, NIPAC and if necessary relevant line ministries especially.

The functions of Sectoral Monitoring Committee are as follows:

- Review at each meeting the progress made towards achieving the specific targets of the Programme on the basis of the basic documents
- Examine at each meeting the results of implementation, particularly the achievement of the targets set for each priority axis and measures and interim evaluations.
- Examine the sectorial annual and final reports on implementation.

SMC will meet at least twice a year at the initiative of NIPAC. The issues to be followed up will cover the period between two Committee meetings and the Committee Members will be informed about the current situation with regards to those issues.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcome) as measured by corresponding indicators, using as reference the log frame matrix (for project modality). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

- Monitoring tasks undertaken by the implementing partners/ beneficiary country, under the coordination of NIPAC Office, and NAO Office for financial monitoring, will consist of collecting and analysing data aiming at informing on the use of resources and progress towards planned results, feeding the management of the action's decision-making processes.
- Monitoring tasks undertaken by the EU Delegation shall complement the implementing partners'/ beneficiary country's monitoring system, especially in key moments of the action cycle. It will also support follow-up of recommendations stemming out of external monitoring and will be used for informing EU management. This monitoring could take different forms and methodologies (meetings with implementing partners, action steering committees, on the spot checks, etc.), to be decided based on specific needs and resources at hand. Reporting will be done according to methodologies and tools included in DG NEAR guidelines on linking planning/programming, monitoring and evaluation, including the use of standard checklists.

Both types of internal monitoring are meant to inform and provide support to external monitoring:

- External monitoring / Results Oriented Monitoring (ROM)

The Commission and/or NIPAC may undertake additional project monitoring in line with the European Commission rules and procedures set in the Financing Agreement through independent consultants recruited

directly by the Commission/NIPAC for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission/NIPAC for implementing such reviews). These reviews might be composed of monitoring of the action, results data collection or any other task that is identified in the most recent EC guidelines.

The Steering Committees will be established at activity level in order to steer the implementation of activities, achievement of results against indicators in the action document, to discuss monitoring findings (including ROM findings) and agree on corrective actions as appropriate. The Steering Committees will be composed of the representatives of end beneficiaries, Lead Institution, NIPAC Office, Contracting Authority and the EU Delegation.

5.2 Evaluation

Having regard to the nature of the action, evaluation(s) may be carried out for this action or its components by the beneficiary via independent consultants. The evaluations will be carried out as prescribed by the DG NEAR guidelines on linking planning/programming, monitoring and evaluation.

The evaluation reports shall be shared with the partner country and other key stakeholders stakeholders following the best practice of evaluation dissemination³. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [Communicating and raising EU visibility: Guidance for external actions](#) (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

7 SUSTAINABILITY

Türkiye has made significant progress in the effective use of EU funds in the last two decades particularly by strengthening administrative capacities of institutions. The Action composed of one area of support will be made sustainable as much as possible after completion in terms of financial, institutional and political issues. More specifically, financial, institutional and policy level sustainability will be ensured by (i) improving the institutional capacity of the institutions concerned under the one Area of Support via adaptation and

³ See best [practice of evaluation dissemination](#)

improvement of current systems, models and practices, staff's skills and legal framework amongst others; (ii) continuation of similar interventions with the national budget.

Particular measures concerning the sustainability of this Action:

This Action will make it easier for young people to find a job and increase their work experience. 1200 young employers will be given wage reimbursements, possibly leading to establishment of new workplaces, increasing the number of insured young employees probably above 1200 people. This Action will also contribute to the formation of new ideas to increase youth employment. These ideas can lead to policy making. Successful implementation of the project will also lead to an increase in the family incomes. This may contribute to breaking the cycle of poverty and social exclusion by providing solutions to the situations that lead to unemployment and disadvantages faced by young people.

The Action will encourage young people to enter the formal labour market. The multiplier effect will also be in the picture due to the fact that when a young person enters the labour market that he/she may encourage others similarly. On the other hand, young employers are reluctant to employ insured people due to their insufficient financial capacities. This will be overcome with the financial support provided by this Action. Additionally, the mass media campaign will encourage young entrepreneurs in their applications to services under this Action. Financial support will be a good motivation for young people to work and for employers to reconsider their traditional way of thinking about young employees.

Financial Sustainability

One of the obstacles to the development of entrepreneurship is the difficulty of access to financial facilities. Entrepreneurs who want to start a business usually do not have the financial capacity to cover labour costs and therefore either prefer not to employ employees and or not to start a new business. With this Action, only young entrepreneurs and young workers will be supported to ensure positive discrimination against disadvantaged young people in the labour market. By providing financial support to a total of 1200 young entrepreneurs and 1200 young employees, financial sustainability of entrepreneurial young enterprises will be ensured.

This Action will also contribute to the growth of the established enterprises by providing them additional employment and developing their operational capacity. Since, newly established enterprises are fragile in their early years; they need financial support to survive. Supporting these newly established enterprises will ensure their survival and strengthen their financial sustainability in the post-project period. The work experience and professional skills of employed youth will increase during the implementation of this Action so that they are expected to remain active in the labour market when the Action is over.

Environmental Sustainability

This Action will be sensitive in terms of protecting the environment by preventing paper waste and minimalised paper usage. Computer software under this Action will also be designed in this manner. Decreasing application papers, corresponding by e-mails, improving electronic archive, etc. are among the measures to ensure environmental sustainability of the Action.

Institutional Sustainability

This Action will encourage young people to establish new businesses or expand their existing businesses and help them learn about new market opportunities. An entrepreneurship workshop will be organised for potential entrepreneur candidates, prioritising women youth (university senior students, vocational technical high school students) to find and implement business ideas that support different entrepreneur profiles and different entrepreneurial topics, strengthen the ecosystem, solve the obstacles and problems on the road map of entrepreneurs, to increase youth's employment. For the sake of institutional sustainability, this activity will be supported by the job and vocational counselling infrastructure at İŞKUR. According to various studies, young are more fragile in entrepreneurship than adults due to reasons such as work experience, lack of management,

expertise, experience, capital and access to credit. Therefore, supporting enterprises established by young entrepreneurs will be strengthened by Action adding to their competitiveness and corporate sustainability.

Policy Level Sustainability

In order to evaluate the impacts of this Action and ensure its sustainability, a survey will be conducted and an evaluation report will be prepared. These studies will provide policy recommendations that will contribute to the development of policies and strategies to combat informal employment and low labour force participation. Findings of these reports will be shared with all parties involved in the policy-making process. Operation coordination unit and the head office team will also prepare a final report describing the project experiences and outputs. The report to be prepared will be shared with other public institutions, civil society organisations and relevant parties. In this way, it will be ensured that policy recommendations are included in the strategy documents and action plans of the SGK and relevant institutions. It is envisaged that the policy recommendations in question will be shared with the public at the closing meeting of the project.

Various studies are being carried out at national level with the aim of increasing the employment rate of young people and improving their working conditions. In this context, the 12th Development Plan aims to reduce the youth unemployment rate to 16.6% in 2028. It is also aimed to increase the overall employment rate to 52.5% and reduce the rate of informal employment to 23.4%. In this respect, there is an alignment between the Action objectives and national targets which strongly supports sustainability at the policy level.

An Advisory Board will be established within this Action. This board will hold indicatively 3 meetings and prepare a report. In addition, a survey will be conducted for young people benefiting from the project. The results of the survey will be evaluated by the Board and policy recommendations will be prepared. These recommendations are expected to contribute to the preparation of institutional and national policies and practices. The report will also examine the impact of the incentive program, reports and project outputs that are related to youth employment (e.g. İŞKUR, NEET PRO, NEET) and contribute to the development of new practices to support registered youth employment. Retainment of youth supported through wage subsidies will also be monitored and followed-up by SSI for 12 months after the completion of the Action for sustainability and possible scale-up purposes.

The positive results to be obtained from the activities under this Action may pave the way for the implementation of similar programs with national resources and inspire public authorities to develop similar initiatives. It is also expected that new incentive policies targeting only young people will be introduced across Türkiye as registered youth employment will increase in the pilot provinces.