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FOSTER
PROJESİ PROJECT

PRESS RELEASE

November 2025

“The FOSTER’s Legacy & Beyond” Event was held in Gaziantep!

The “Empowering the Private Sector to Foster Social and Economic Cohesion - FOSTER I Project”, funded by the European Union, managed by KfW Development Bank and implemented by KOSGEB, has been concluded with great success and passed the torch to the FOSTER II Project.

The achievements and outcomes of the FOSTER I Project, implemented under the Grant and Project Implementation Agreement signed between the Ministry of Industry and Technology of the Republic of Türkiye (MoIT) and KfW Development Bank on 13 January 2021, met with the promising goals of the FOSTER II Project at the “FOSTER’s Legacy & Beyond” Event. The event was held with broad participation in Gaziantep on November 7, 2025.

The event took place with the participation of representatives from the relevant institutions including the private sector, civil society organisations working in the field of employment and social integration, and all stakeholders who contributed to the project. The event commenced with opening speeches delivered by Mr. Melih Çadırcı, Deputy Country Director of KfW Development Bank, Ms. Esther Bouma, Human and Social Development Team Leader at the Delegation of the European Union to Türkiye, and Mr. Melih Gökgöz, KOSGEB Vice President.

In his opening speech, Mr. Melih Çadırcı, Deputy Country Director of KfW Development Bank, emphasized that formal employment is one of the most important tools for achieving social and economic cohesion as it equalizes working conditions for all employees. Çadırcı said that they supported SMEs throughout the program through different FOSTER components, adding that they witnessed the realization of social and economic cohesion during their beneficiary visits.

Ms. Esther Bouma, Human and Social Development Team Leader at the European Union Delegation to Türkiye, stated that FOSTER supported sustainable employment for migrants and Turkish citizens by providing financial support to Small and Medium Enterprises (SMEs), while fostering social cohesion and solidarity among all residents. Ms. Bouma also underlined that their vision must look beyond its immediate success - towards ensuring that these jobs are sustained after the financial support.





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Mr. Melih Gökğöz, KOSGEB Vice President, drew attention to the strong results achieved by the FOSTER I Project in his speech, and touched upon the contributions that FOSTER II will provide. Gökğöz stated that the main goal of this journey is to increase formal employment, facilitate access to finance, and increase the competitiveness of SMEs by placing them at the center.

He noted that FOSTER I is one of the most concrete examples in KOSGEB's vision to become a "*lean, accessible, digital and global*" institution. Within the FOSTER I Project, 3,118 SMEs have been supported and more than 8,000 people have been formally employed, a quarter of whom are women and more than half are young people. Gökğöz emphasized that the success achieved is the result of a strong collaboration.

The event continued with a presentation by Ms. Ceyda Gazel, Head of the KOSGEB Enterprise Supports Department, who shared the success achieved and lessons learned from the FOSTER I Project and provided the details of the FOSTER II Project.

Furthermore, a panel session was organized to discover the impacts of the FOSTER I Project firsthand from local stakeholders, project beneficiary SMEs and people employed under the project. Following the session, the event concluded with a plaque ceremony.

About FOSTER Project

The main objective of the "Empowering the Private Sector to Foster Social and Economic Cohesion - FOSTER I Project," financed by the European Union (EU), managed by KfW Development Bank, and implemented by KOSGEB, is to ease conditions of SMEs operating in Adana, Ankara, Bursa, Gaziantep, Hatay, Istanbul, Izmir, Kahramanmaraş, Kayseri, Kilis, Kocaeli, Konya, Mardin, Mersin, and Şanlıurfa for the creation and retention of formal employment through enhanced access to finance opportunities and strengthen their positions as employers.

The FOSTER I Project supported more than 3,000 SMEs and over 8,000 formal employment positions in 15 provinces. The project achieved significant success by exceeding the number of total SMEs to be supported by 142% and the number of total employment positions by 140%.

The FOSTER II Project, which has been launched as a continuation of this success, expands the project scope to 20 provinces with the addition of Adiyaman, Batman, Diyarbakir, Malatya, and Osmaniye, with a total budget of EUR 66.8 million.



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The FOSTER II Project consists of two main components:

Interest/Profit Share Subsidy Programme (Component I)

Through the Interest / Profit Share Subsidy Programme, with a budget of EUR 20 million, SMEs operating in the 20 project provinces will have access to finance in order to enable investments in equipment and working capital. Within this scope, the objective is to create new job opportunities and retain the employment. Participating banks will benefit from the portfolio guarantee provided by the Credit Guarantee Fund (KGF), while SMEs will receive support for the interest related expenses on loans they receive from these banks, provided that job creation and retention are ensured.

SME Support Programme (Component II)

Within the scope of the **SME Support Programme**, with a budget of EUR 43 million, grant support will be provided to SMEs operating in the **20 provinces** to be used as working capital for expenditures such as personnel costs, operating costs and purchase of equipment and machinery. This will thus support the creation of new jobs as well as the retention of employment.