

Country/Region/Global: Turkey/RBEC
Initiation Plan (IP)

Project Title: Beyond Recovery of SMEs through Digitalization (Digital Way)

COOPERATION FRAMEWORK OUTCOME INVOLVING UNDP #2.1: By 2025, public institutions and private sector contribute to a more inclusive, sustainable, and innovative industrial and agricultural development, and equal and decent work opportunities for all, in cooperation with the social partners.

Expected CPD Output(s): Output 2.1: Capacities at national and sub-national levels strengthened to promote inclusive local economic development

Initiation Plan Start/End Dates: 01 November 2020 -01 May 2022

Implementing Partner: UNDP

Brief Description

The proposed intervention will help positioning UNDP in Turkey as the advisor of choice for development practitioners and policymakers in terms of digital transformation in the private sector with a specific focus on SMEs. Through the project, UNDP in Turkey intends to prioritize the gender equality and women empowerment while engaging institutional partners and other relevant actors to design and pilot incentive measures to steer SMEs in Turkey towards the digital economy. The Initiation Plan for Beyond Recovery of SMEs through Digitalization (Digital Way) will concentrate on; i) developing SME Digitalization Platform addressing digital disruption and innovation in SMEs, ii) piloting gender-sensitive incentive support schemes for digitalization in SMEs.

Programme Period: 01/11/2020-01/05/2022

Atlas Project Number: 00131752

Atlas Output ID: 00124672

Gender Marker: Gen2

Total resources required 350.000 USD

Total allocated resources: 350.000 USD

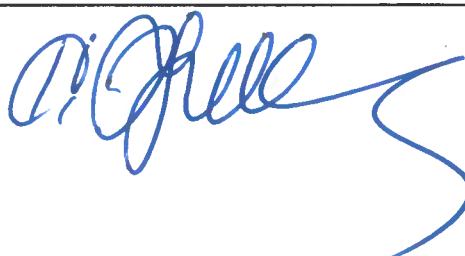
• Regular 350.000 USD by UNDP

• Other:

◦ Government of Turkey 350.000 USD
(implemented by the Government)

Agreed by UNDP:

SUKHROB KHOJIMATOV
UNDP TURKEY DEPUTY RESIDENT REPRESENTATIVE



I. PURPOSE AND EXPECTED OUTPUT

Since the outbreak of the pandemic, the necessity of accelerated digital transformation across sectors, industries, and enterprises became even more important. The UN SEIA of the COVID-19 in Turkey, finalized in August 2020, underscores these specific country challenges and suggests that the ongoing crisis should be understood as an opportunity by the authorities in Turkey to deal with structural issues and support the industry to diversify, modernize, digitalize, and become more innovation-intensive. The COVID-19 crisis also opens a window of opportunity for sophisticated business sector in Turkey. Global disruption can be a chance for the SMEs, if it accelerates the industrial productivity and competitiveness in global market.

Currently, while SMEs are still largely in survival mode, a key concern as businesses reopen on a larger scale lies in whether SMEs could adapt to a new post-COVID-19 environment and adopt new business models. Going forward, SMEs will need to embrace digital technologies to strengthen their resilience and propel further growth. However, they face substantial challenges with the lack of technical knowledge and the high costs associated with shifting towards digitalization. Given the relatively low capacity of SMEs, public initiatives and incentives are extremely critical and required in this area. Therefore, structural policies are needed to address not only short-term challenges faced by SMEs with remote working, but also broader and longer-term concerns with digitalization, training, and innovation.

In that respect, the project proposal fosters the potential of business digitalization and innovation as drivers of change, modernizing traditional industries and labour market, and offering new growth prospects for companies. Furthermore, the project ensures that women take place in the design and implementation of the platform and incentive support programmes as well as make decisions and benefit from the project.

Additionally, structural measures for sustainability will be promoted in hands of Regional Development Agencies based on the results of the pilot implementations, which have a specific focus on two fragile sectors affected by the crisis (tourism and manufacturing). Tourism sector make a positive contribution to youth and women employment. Manufacturing sector has high proportions Syrian refugees who have heavily been affected by stay-at-home measures and loss of demand after the Covid-19 outbreak. While the women are underrepresented in manufacturing sector, mostly in R&D in related fields, there is a clear need in COVID-19 context to support the small number of women entrepreneurs in the manufacturing industry and to create good examples and role-models. Considering the fact that women have difficulty in benefiting from integrated support programmes involving long-term networking, digitalization, marketing solutions and medium-sized long-term credits, the Project will also have targeted measures supporting women entrepreneurs to reach integrated and tailored support and overcome the stigma of being small, low-growth potential and survivalist enterprises.

The proposed intervention will help positioning UNDP in Turkey as the advisor of choice for development practitioners and policymakers in terms of digital transformation in the private sector with a specific focus on SMEs. The Initiation Plan for Beyond Recovery of SMEs through Digitalization (Digital Way) will concentrate on; i) developing SME Digitalization Platform addressing digital disruption and innovation in SMEs, ii) piloting gender-sensitive incentive support schemes for digitalization in SMEs.

Applicable Outcome(s) from the UNDP Turkey Country Programme Document:

UNSDCF Outcome 2.1: By 2025, public institutions and private sector contribute to a more inclusive, sustainable, and innovative industrial and agricultural development, and equal and decent work opportunities for all, in cooperation with the social partners

Expected CPD Output(s): Output 2.1: Capacities at national and sub-national levels strengthened to promote inclusive local economic development

Project title: Beyond Recovery of SMEs through Digitalization (Digital Way)					
Expected Outputs	Planned Activities	Descriptions of Activities	Budget Description	Budget Amount	
Output 1: SME Digitalization Platform developed addressing digital disruption and innovation in SMEs					
1.1. Preparation of the Road Map Indicator 1.1.1: Number of Road Maps developed Baseline: 0, Target: 1	<ul style="list-style-type: none"> 1.1.1 Pilot Regions Selected 1.1.2 Technical Meetings Conducted with the DAs 1.1.3 The Technical Cooperation Modality Prepared and Related Contractual Issues Finalized 1.1.4 The Road Map Prepared and Conducted 1.1.5 The Platform Design Procurement Services Completed 	<p>Based on the analysis a Business Digitalization Platform Road Map will be prepared in cooperation/coordination with key stakeholders for pilot provinces / regions. The platform will serve both manufacturing and tourism SMEs.</p> <p>Possible pilot provinces for manufacturing SMEs could be stated as; Kocaeli, Bursa, Istanbul, Ankara and for tourism SMEs; Istanbul, Antalya, Izmir, Canakkale. It will be confirmed during the inception period the Project.</p>	<p>Individual Consultants (IC) contracted.</p> <p>Platform development</p> <p>Consultancy for outreach and communications with local SMEs</p>	130,000 \$	
1.2. Activation of the Platform Indicator 1.2.1: Number of the SME Digital Solutions Platform on Industry and Tourism Sector established Baseline:0, Target: 1	<ul style="list-style-type: none"> 1.2.1 The SMEs Participated to the Platform 1.2.2 The Platform Content Revised and Improved According to the Needs 1.2.3 The Platform Closely Monitored and Promoted 	<p>Based on the Road Map, the Platform will be activated with active support of the existing UNDP, MoIT networks and the key local stakeholders. The technological background and platform set up will be designed under the prepared roadmap.</p>	<p>Support staff</p> <p>Travels to the pilot provinces</p>	60,000 \$	
Output 2: Piloted gender-sensitive incentive support schemes for digitalization in SMEs					
2.1 Incentive Support Programme Design and Implementation Indicator 2.1.1: Number of Incentive Support Programmes designed and implemented which co-designed with women, based on gender equality principles Baseline: 0, Target: 4	<ul style="list-style-type: none"> 2.1.1 Support Programme Design Discussions Conducted 2.1.2 A Guideline Prepared 2.1.3 Financial Operation Modality Set 2.1.4 Implementation of the Programmes Conducted 	<p>Incentive Support Programme Application Guidelines including Evaluation of Applications will be prepared addressing to digitalization which is based on Platform Road Map and regional strategy reports as well as other guidelines being prepared under UNDP Covid-19 Resilience and Response Project, funded by Government of Japan. The guidelines will have a</p>	<p>Incentive Support Programme Budget</p> <p>Individual Consultants (IC) contracted.</p> <p>Audio/Visual Materials/Toolkits/ Communication tools</p>	350.000 \$ <p>20.000 \$</p> <p>39.000 \$</p> <p>21.000\$</p>	

		<p>specific focus on women led businesses and will be co-designed with women, based on gender equality principles.</p>	Travels to the pilot provinces	40.000\$
2.2 Launch of the Support Programmes and provision of Mentorship and Technical Help Desk services	2.2.1 Design and Provision of Technical Help Desk Completed 2.2.2 Technical Meetings on the Implementation Framework of the Help desk and Mentoring Conducted 2.2.3 Help Desk and Mentoring Sessions Conducted	<p>The incentive support programmes' commencement meetings will be organized and sub-sectors and pilot provinces to be integrated to the Incentive Support Programme will be identified. Technical assistance to the SMEs will be provided through specialized help desk services during the application phase and mentorship during the implementation of the incentive support programmes.</p>	Organization of events/workshops	40.000\$
Indicator 2.2.1: Number of persons (or SMEs) reached with Technical Help Desk Services disaggregated by sex (at least 20 % being women) (IRRFF Indicator SP-4) Baseline: 0, Target: 600	Indicator 2.2.2: Number of private sector companies supported during and after the COVID-19 pandemic through the incentive support program (at least 20 % being women-led SMEs) (IRRFF Indicator SP-4) Baseline: 0, Target: 120			
2.3 Design and Implementation of a Monitoring, Evaluation and Impact Assessment System Indicator 2.3.1: Increment in the SME digitalization in the selected pilot regions Target: 60	2.3.1 Monitoring and Evaluation System Design Technical Meetings Conducted 2.3.2 Technical Specifications Completed and Provision of the Procurement Services Conducted 2.3.3 System Operationalized	<p>Based on the Platform roadmap and guidelines, an additional M&E module will be designed in line with the current system of Development Agencies. The impact assessment will be conducted by the Development Agencies in one year after the completion of the Project to assess the specific impacts on target groups.</p>		
2.4 Capacity building and dissemination activities will be conducted Indicator 2.4.1 Number of SMEs that took part in capacity building/dissemination events and created change in the way of their Target: 1	2.4.1 Communication and Outreach Plan/Strategy Prepared 2.4.2 Communication and Outreach Activities conducted	<p>Capacity development activities including the training programmes for SMEs and supplier entrepreneurs that are specialized on digitalization will be conducted. Increasing women's economic empowerment and supporting their access to resources will be further sustained will be</p>		

<p>business (IIRR Indicator SP-4) Baseline: 0, Target: 720</p> <p>Indicator 2.4.2 Number of the inclusive business models developed and replicated (scalable replicable tool kits developed) (IIRR Indicator DD-1) Baseline: 0, Target: 2</p>	<p>one of the focus of the capacity development programmes.</p>
<p>2.5 Develop a report on gender-inclusive conduct will be prepared to guide and monitor the future practice in the Platform</p>	<p>A report on gender-inclusive conduct will be prepared to guide and monitor the future practice in the Platform.</p> <p>2.5.1 Technical Discussions and technical Specifications Completed 2.5.2 Provision of the Procurement Services Conducted 2.5.3 Report Prepared, Designed, Translated and Validated 2.5.4 Report Promoted and Disseminated</p>

II. MANAGEMENT ARRANGEMENTS

UNDP in Turkey will assume full responsibility and accountability for the overall management of the project, including achieving of the outputs, the efficient and effective use of resources, as well as implementation monitoring. The Direct Implementation Modality (DIM) will be applied having in mind its high potential for maximum cost-effectiveness and tailored flexible capacity development of institutional partners. The project design is based on a holistic approach and aims to create solutions with a participatory approach that will increase the effectiveness and efficiency of the system in a manner not to be repeated with the domains and roles of other relevant institutions.

The project will be implemented by the Local Socio-Economic Development Projects Manager and ISG Project Associate, with an oversight of the Inclusive and Sustainable Growth Portfolio Manager. The Team will be supported by the Private Sector Partnerships Team, Gender Advisor and Accelerator Lab to draw on relevant expertise, ensure cross-fertilization and better impact. The results and lessons learned of UNDP Turkey programming on economic growth and green economy, competitiveness and sustainable tourism will be utilized during the implementation. The Projects Specialist will run the project on a day-to-day basis on behalf of UNDP and will be responsible for ensuring that it produces the required results that can achieve the benefits defined in this document. S/he will ensure conceptualisation, delivery, and monitoring of project activities, close coordination with institutional partners and other relevant actors, visibility of results, as well as knowledge management. Within the scope of the project, all outputs will be delivered to the Project Management, General Directorate of Development Agencies and Pilot Development Agencies of the Ministry of Industry and Technology.

III. MONITORING

The monitoring requirements to assess the result of the initiation plan is detailed below.

Monitoring Requirements	Primary Responsibility	Indicative Budget	Time Frame
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP ✓ Progress Report ✓ Updated Risk Log	Monitoring and Evaluation Officer	N/A	One Progress Report during Project period
Project Steering Committee Meetings	Project Steering Committee	N/A	One meeting during Project Period
Lessons Learned and Knowledge Generation Doc.	Local Socio-Economic Development Specialist	N/A	Annually

The Local Socio-Economic Development Specialist with support from UNDP Gender Team, Advisor and Contracted Consultants will be responsible for monitoring gender equality aspects during the implementation.

IV. WORK PLAN

Period¹:18 Months

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME					RESPONSIBLE PARTY	Funding Source	Budget Description	Amount
		2020	2021	2022	Q4	Q1				
Output 1: SME Digitalization Platform developed addressing digital disruption and innovation in SMEs										
1.1. Preparation of the Road Map Indicator 1.1.1: Number of Road Maps developed Baseline: 0 Target: 1	1.1.1 Pilot Regions Selected 1.1.2 Technical Meetings Conducted with the DAs 1.1.3 The Technical Cooperation Modality Prepared and Related Contractual Issues Finalized 1.1.4 The Road Map Prepared and Conducted 1.1.5 The Platform Design Procurement Services Completed 1.1.6 The Platform Designed Based on the Road Map				x	x		UNDP, and DAs	Molt	RFF
1.2. Activation of the Platform Indicator 1.2.1: Number of the SME Digital Solutions Platform on Industry and Tourism Sector established Baseline: 0 Target: 1	1.2.1 The SMEs Participated to the Platform 1.2.2 The Platform Content Revised and Improved According to the Needs 1.2.3 The Platform Closely Monitored and Promoted							UNDP, and DAs	Molt	RFF
Indicator 1.2.2: Number of the SMEs entered in the platform and networking activities conducted for cooperation (at least 15 % women-led SMEs) Baseline: 0 Target: 450					x	x				

Output 2: Piloted gender-sensitive incentive support schemes for digitalization in SMEs

		Molt and DAs (Implemented by the Government)	Government Funds/Pilot DAs Budget	Incentive Support Programme Budget	350,000 USD
2.1. Incentive Support Programme Design and Implementation Indicator 2.1.1: Number of Incentive Support Programmes designed and Implemented which co-designed with women, based on gender equality principles Baseline: 0 Target: 4	2.1.1 Support Programme Design Discussions Conducted 2.1.2 A Guideline Prepared 2.1.3 Financial Operation Modality Set 2.1.4 Implementation of the Programmes Conducted	x x x	UNDP, Molt and DAs	RFF	Consultancy Travel
2.2 Launch of the Support Programmes and provision of Mentorship and Technical Help Desk services Indicator 2.2.1: Number of persons (or SMEs) reached with Technical Help Desk Services disaggregated by sex (at least 20 % being women) (IRR Indicator SP-4) Baseline: 0 Target: 600	2.2.1 Design and Provision of Technical Help Desk Completed 2.2.2 Technical Meetings on the Implementation Framework of the Help desk and Mentoring Conducted 2.2.3 Help Desk and Mentoring Sessions Conducted	x x x x x	UNDP, Molt and DAs	RFF	Consultancy Travel Communication
Indicator 2.2.2: Number of private sector companies supported during and after the COVID-19 pandemic through the Incentive support program (at least 20 % being women-led SMEs) (IRR Indicator SP-4) Baseline: 0 Target: 120					
2.3. Design and Implementation of a Monitoring, Evaluation and Impact Assessment System Indicator 2.3.1: Increment in the SME digitalization in the selected pilot regions Target: 60 Indicator 2.4 Number of the Digital Modules developed for M&E of the programmes Target: 1	2.3.1 Monitoring and Evaluation System Design and Technical Meetings Conducted 2.3.2 Technical Specifications Completed and Provision of the Procurement Services Conducted 2.3.3 System Operationalized	UNDP, Molt and DAs	RFF	Consultancy System Design	21,000 USD

"In line with Outputs with gender marker GEN2 or GEN3, it is recommended to allocate at least 15% of the funding to activities in support of gender equality and the empowerment of women."

**Annual Work Plan
Digital Way Project (RFF)**

Year: 2021

EXPECTED OUTPUTS CPD Output 1.1.1 Systems and institutions enabled to achieve structural transformation towards sustainable equitable employment and productivity growth	PLANNED ACTIVITIES <i>(and actions)</i>	TIMEFRAME				RESPONSIBLE ENTITY	PLANNED BUDGET		Amount (USD)*
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	
Output 1. Platform developed addressing digital disruption and innovation in SMEs	1.1. Preparation of the Road Map A1.1.1 Pilot Regions Selected	X	X	X	X	UNDP Turkey and Ministry of Industry and Technology General Directorate for Development Agencies (DGDA)	UNDP Account	Description	2021 Forecast (USD)
Indicator 1.1.1: Number of Road Maps developed	A1.1.2 Technical Meetings Conducted with the DAs						71400	Contractual Services - Ind	10,000 USD
Baseline: 0	A1.1.3 The Technical Cooperation Prepared and Related Contractual Issues Finalized						71600	Travel/Events	15,000 USD
Target: 1	A1.1.4 The Road Map Prepared and Conducted						72100	Contractual Services - Companies	5,000 USD
Indicator 1.2.1: Number of the SME Digital Solutions Platform on Industry and Tourism Sector established	A1.1.5 The Platform Design Procurement Services Completed						74200	Audio Visual&Print Prod Costs	10,000 USD
Baseline: 0							71400	Support Staff	25,000 USD
Target: 1							72800	Information Technology Equipment	60,000 USD
Indicator 1.2.2: Number of the SMEs entered in the platform and networking activities conducted for cooperation (at least 15 % women-led SMEs)	A1.2.3 The Platform Closely Monitored and Promoted	X	X	UNDP Turkey and Ministry of Industry and Technology General Directorate for Development Agencies (DGDA)	UNDP		75700	Training, Workshops and Confer	10,000 USD
							71800	Contractual Services- Imp Partn	60,000 USD
							74500	Miscellaneous Expenses	5,000 USD
							Total		200,000 USD

Annual Work Plan
Digital Way Project (RFF)

Baseline: 0 Target: 450	Output 2: Piloted gender-sensitive incentive support schemes for digitalization in SMEs Indicator 2.1.1: Number of Incentive Support Programmes designed and implemented which co-designed with women, based on gender equality principles Baseline: 0 Target: 4	2.1.Incentive Support Programme Design and Implementation A2.1.1 Support Programme Design Discussions Conducted A2.1.2 A Guideline Prepared A2.1.3 Financial Operation Modality Set A2.1.4 Implementation of the Programmes Conducted	X X	UNDP Turkey and Ministry of Industry and Technology General Directorate for Development Agencies (DGDA)	MoIT
Indicator 2.2.1: Number of persons (or SMEs) reached with Technical Help Desk Services disaggregated by sex (at least 20 % being women) (IRRF Indicator SP-4) Baseline: 0 Target: 600	2.2 Launch of the Support Programmes and provision of Mentorship and Technical Help Desk services A2.2.1 Design and Provision of Technical Help Desk Completed A2.2.2 Technical Meetings on the Implementation Framework of the Help desk and Mentoring Conducted A2.2.3 Help Desk and Mentoring Sessions Conducted	X	UNDP Turkey and Ministry of Industry and Technology General Directorate for Development Agencies (DGDA)	UNDP	
Indicator 2.2.2: Number of private sector companies supported during and after the COVID-19 pandemic through the incentive support program (at least 20 % being women-led SMEs) (IRRF Indicator SP-4) Baseline: 0 Target: 120					

**Annual Work Plan
Digital Way Project (RFF)**

Indicator 2.3.1: Increment in the SME digitalization in the selected pilot regions Target: 60	2.3.Design and implementation of a Monitoring, Evaluation, and Impact Assessment System	X	UNDP Turkey and Ministry of Industry and Technology Directorate General Strategic Research and Productivity	UNDP
Indicator 2.4 Number of the Digital Modules developed for M&E of the programmes Target: 1	A2.3.1 Monitoring and Evaluation System Design Technical Meetings Conducted A2.3.2 Technical Specifications Completed and Provision of the Services Procurement Conducted A2.3.3 System Operationalized	X X	UNDP	
Indicator 2.5.1 Number of SMEs that took part in capacity building/dissemination events and created change in the way of their business (IRRF Indicator SP-4) Baseline: 0 Target: 720	2.4. Capacity building and dissemination activities A2.4.1 Communication and Outreach Plan/Strategy Prepared A2.4.2 Communication and Outreach Activities conducted	X X	UNDP	
Indicator 2.5.2 Number of the inclusive business models developed and replicated (scalable replicable tool kits developed) (IRRF Indicator DD-1) Baseline: 0 Target: 2	2.5 Preparation of a report on gender-inclusive conduct to guide and monitor the future practice in the Platform A2.5.1 Technical Discussions and technical Specifications Completed	X	UNDP	

**Annual Work Plan
Digital Way Project (RFF)**

	A2.5.2 Provision of the Procurement Services Conducted						
	A2.5.3 Report Prepared, Designed, Translated and Validated						
	A2.5.4 Report Promoted and Disseminated						

* Project budget is subject to revision and reallocation between categories and activities as needed/required.

UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct implementation support costs.

The deposits to in TL or other currencies will be converted into USD and reflected to ATLAS (UNDP's ERP system) by using UN Operational Rate of Exchange prevailing at the date of transaction. The

total budget of the project will be the sum of the USD values of the deposits to be received from the aforementioned institutions.
**Project is co-financed by the selected Pilot DAs. The co-budget will be spent by the DAs in cooperation with UNDP as the Incentive Support Programme Budget which will be co-designed by the UNDP, MoIT and Pilot DAs.

On behalf of the Ministry of Industry and Technology	On behalf of the UNDP
<p>Name: Baris Yeniceri Date: 11-Sub-2021 Signature:</p> 	<p>Name: Sukhrob Khojimov Date: 09-Feb-2021 Signature:</p> 