

Country: TURKEY

UNDAF Outcome:

UNDAF Outcome 2: By 2010, social and economic policies for poverty and disparity reduction implemented effectively and quality basic social services reaching vulnerable groups promoted.

Country Program Outcome / Output / Indicators (copied from Country Program Document for Turkey, 2006-2010)

Increased integration of SMEs in national and global value chains through entrepreneurship and business development services, clustering, use of appropriate technologies and vocational training

Country Program Outputs:

- » Financial and non-financial support provided to local projects/initiatives of SMEs and/or CSOs with a view to generate employment, alternative income, to introduce innovative methods and others in Eastern and Southeastern Anatolia Region.
- » SMEs diagnosed in Southeastern Anatolia and channelled to proper support
- » Sector analysis reports generated and distributed in Eastern and Southeastern Anatolia Region

Annual Targets 2008, 2009 and 2010

- » Integrated Industrial Development Plan for Sanliurfa,
- » Investment Promotion Strategy for Sanliurfa and promotional materials,
- » An online portal for the OIZ,
- » Application forms, manuals, and evaluation grids,
- » Sectoral development roadmaps,
- » At least 3 training programmes for local and national institutions,
- » 5 international study tours.

National Implementing Partner


Ministry of Industry and Trade

Brief Project Description: *The overall objective of the Project is to reduce regional disparities in Turkey, by contributing to social stability and economic development in the GAP Region. More specifically the Project will identify strategic sectors for Sanliurfa OIZ and will establish an operating environment for the enterprises in the OIZ, in which such enterprises can operate competitively.*


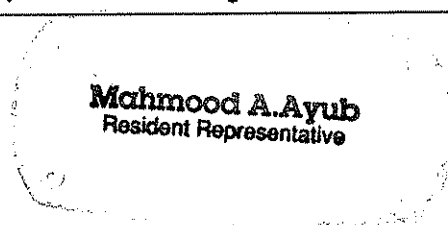
Programme Period: 2006-2010
Programme Component: 1
Project Title: Technical Assistance for Industrial Restructuring of Şanlıurfa
Project Duration: 28 Months, starting in 08/2008

Total Budget: 2.620.000 (EURO) equivalent to USD at the UN operational rate of exchange prevailing at the date of the contributions
Source of Funding: Central Financing and Contracting Unit (CFCU)
F&A: %7 of direct eligible costs as per FAFA

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<p>Annex I</p> <p>Description of the Action of</p> <p>Technical Assistance for Industrial Restructuring of Sanliurfa</p>

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List of Acronyms, in alphabetical order

ANIMA	Mediterranean Investment Network
CFCU	Central Finance and Contracts Unit
CSO	Civil Society Organisation
EC	European Commission
ECD	Delegation of the European Commission to Turkey
EU	European Union
GAP RDA	Southeast Anatolia Project Regional Development Administration
HPP	Hydraulic Power Plants
IIDP	Integrated Industrial Development Plan
IPA	Instrument for Pre-accession Assistance
KOSGEB	National SME Development Agency
LCP	Local Competitiveness Platform
MIGA	Multilateral Investment Guarantee Agency
MoIT	Ministry of Industry and Trade
NGO	Nongovernmental Organisation
OIZ	Organised Industrial Zone
SME	Small- and Medium-sized Enterprises
SPO	State Planning Organisation or Senior Programme Officer, depending on the context
STE	Short-term Expert
TAT	Technical Assistance Team
TESK	Confederation of Tradesmen and Craftsmen
the Ministry	Refers to the Ministry of Industry and Trade, unless otherwise noted
TOBB	Union of Chambers and Commodity Exchanges
UFT	Undersecretariat for Foreign Trade
UNDP	United Nations Development Organisation

1. Description

1.1. Title

Industrial Restructuring of Sanliurfa (Technical Assistance Component)

1.2. Location

Sanliurfa, Turkey

1.3. Cost of the Action

The cost of the "Action" is EUR 2,620,000.00, all financed by the European Commission.

1.4. Summary

Duration	28 months
Objectives	The overall objective of the Project is to reduce regional disparities in Turkey, by contributing to social stability and economic development in the GAP Region. More specifically the Project will identify strategic sectors for Sanliurfa OIZ and will establish an operating environment for the enterprises in the OIZ, in which such enterprises can operate competitively.
Partner(s)	Investment Support and Promotion Agency, KOSGEB (National SME Development Agency), GAP RDA (Southeast Anatolia Project Regional Development Administration).
Target group(s)	SMEs and Entrepreneurs, in general, and OIZ incumbent companies, in specific.
Final beneficiaries	Ministry of Industry and Trade (main institutional beneficiary), Sanliurfa OIZ Management, Sanliurfa Chamber of Commerce and Industry, Sanliurfa Commodity Exchange, SMEs and Entrepreneurs
Estimated results	<ul style="list-style-type: none">- An Integrated Industrial Development Plan developed for Sanliurfa,- The investment opportunities in the 2nd OIZ promoted,- Incumbents of the 2nd OIZ selected fairly, competitively and transparently,- Capacity of the local enterprises developed,- Capacity of the local and national institutions improved.
Main activities	Development of Integrated Industrial Development Plan Investment Promotion Assessment of Applications Business Development Services Capacity Building

1.5. Objectives

The overall objective of the Technical Assistance to Industrial Restructuring of Sanliurfa Project (“the Project”, hereinafter) is to reduce regional disparities in Turkey, by contributing to social stability and economic development in the GAP Region. More specifically the Project will identify strategic sectors for Sanliurfa OIZ and will establish an operating environment for the enterprises in the OIZ, in which such enterprises can operate competitively.

The project purpose is derived from the fact that the local income that has been generated through expansion of the irrigation system in Sanliurfa has not been translated into industrialisation, which will further improve the social and economic impact of the investments made by the Turkish Republic into the GAP Region (i.e. Dams, HPPs, irrigation networks).

1.6. Background and Justification

1.6.1 Background

The industrial policy (published by SPO in 2003) states that *“the main objective of industrial policy in Turkey is to increase competitiveness and productivity of the industry, and to promote and maintain sustainable growth within an outward oriented structure, in the face of increased global competition”*.

Organized Industrial Zones (OIZs) are well-established practices of the Turkish industrialization policy, and are one of the important means through which the aforementioned objective of the industrial policy can be achieved. The OIZs are important for a number of reasons: first, they are a means to plan and shape the interactions between urbanization and industrialization; second, they offer considerable opportunities for controlling the negative effects of the industry on environment by providing the incumbent companies with the opportunity to benefit from shared infrastructural facilities, allowing also for easier and less costly production.

General Directorate for Crafts, Industrial Zones and Estates of the Ministry of Industry and Trade (MoIT) is authorized to establish, audit and accredit OIZs and to establish co-ordination with other institutions. Establishment and functioning of Organized Industrial Zones are governed by the “Law on Organized Industrial Zones” dated 15.04.2000 no 4562. The objectives of establishing OIZs can be summarised as follows:

- To allow for profit maximisation and to facilitate interactions between companies that are engaged in complementary economic activities (i.e. manufacturing),
- To contribute to better urban planning,
- To promote industry in less developed regions,
- To prevent utilisation of agricultural areas for industrial manufacturing purposes,
- To establish a sound and reliable infrastructure, and common social facilities, from which OIZ incumbents can benefit in a cost efficient manner,
- To prevent environmental pollution via common treatment facilities.

87 OIZs have been completed by 2005 across Turkey and around 30.000 firms have started production in these zones.

Sanliurfa (TRC21) is one of the least developed regions of Turkey as evidenced by many indicators, including but not limited to the socio-economic development index (2003) that has been published by the State Planning Organisation (SPO).

With an index value of “minus 0.83”, Sanliurfa ranks 68th among the 81 provinces in Turkey.

Sanliurfa’s present economic performance is far from reflecting its actual potential, which owes much to the Southeast Anatolia Project (GAP, after its Turkish language acronym). The GAP facilitated establishment of dams, hydraulic power plants and irrigation networks. Upon the completion of the GAP, 1.7 million hectares of land will be irrigated, and energy production in the region will reach 27 billion kWh. Sanliurfa is located at the heart of the GAP Region. The financial difficulties have prevented timely completion of the infrastructural investments of the GAP, however the investments that have been completed thus far is beneficial mostly to Sanliurfa (i.e. irrigation networks). The establishment of irrigation networks have increased the agricultural output of the Province; however increased agricultural output has not yet contributed to socio-economic development that benefits larger population groups. Most of the agricultural output is either sold domestically or exported as raw materials. Thus the agro-based industry in the Province is presently at the lower levels of the value chain, which impedes socio-economic growth. **Non-existence of a second OIZ and the failed attempt to establish a free trade zone in the Province are the two main factors that prevented accelerated economic development in the region.** The works component of the present Programme¹ will therefore eliminate an important bottleneck by providing the local economy with the infrastructure that can be used as a springboard to socio-economic development. Although agro-based industry is pre-dominant, other industries (i.e. chemicals, metal, machinery etc.) are also present, although weakly, in the Province.

Sanliurfa has a strategic location in terms of access to Middle East markets, especially to Iraq and Syria. The international cargo airport, which is the largest of its kind in Turkey, is yet another facility that provides logistical advantages to the companies operating in the Province. In terms of conventional factor endowments (i.e. land and labour), the Province is quite rich, however the contemporary factors endowments, such as qualified labour force, is rather poor.

A major advantage of the Province is its location with respect to access to renewable energy resources (i.e. hydraulic and solar). If utilised strategically, these resources might serve as a sound socio-economic development trajectory for the Province. The recently-launched “Competitiveness Agenda for the GAP Region”, which was developed within the scope of the EC-funded GAP-GIDEM Project, underlines the vital importance of this “hidden” competitive advantage. The said study also highlights the distinctive potential of the Region (and specifically Sanliurfa) to combine renewable energy with organic production, which will help create immense benefits not only for Sanliurfa and GAP Region but also for Turkey as a whole.

Although establishment of the 2nd OIZ will eliminate the “spatial” bottleneck for new investments in the Province, it cannot, by itself, mobilise economic and industrial potential of Sanliurfa. The very reason for establishing OIZs is to strategise and shape a sustainable industrial development path. As such, the Technical Assistance component of the IRS Programme will be instrumental for Sanliurfa’s socio-economic development. This calls for development of integrated industrial development plan, which will form the basis for identification and selection of the incumbent companies of the OIZ and promoting the investment opportunities in a strategic manner so as to attract the

¹ The Programme refers, hereinafter, to the Industrial Restructuring of Sanliurfa Programme, which is, in addition to the present technical assistance component, composed of works, supervision and construction of a waste management facility.

types of investments that will contribute most to the economic and industrial development of the Province. Additionally, improvement of national and local capacity is utterly important. The latter will ensure sustaining the positive impact of the intervention (i.e. the Project); where as the earlier will contribute replication of the intervention in other regions of Turkey.

UNDP (United Nations Development Programme) has been actively involved in local socio-economic development projects in Southeast Anatolia. Among the many projects and programmes, which UNDP managed or co-executed with governmental or international funds (including the EU funds), GAP-GIDEM Project is quite relevant to the present Project both in terms of scope and nature. The Entrepreneurship Support Centres (GIDEMs) was originally established in 1997 within the scope of an umbrella programme co-funded by the GAP Regional Development Administration and UNDP. GIDEMs enjoyed EC's financial support between 2002 and 2007 and delivered business development services and executed local economic development initiatives. UNDP's long-lasting presence in Sanliurfa also provided the organisation with the opportunity to establish strong working relations with the local actors and develop a strong understanding of socio-economic dynamics of the region.

1.6.2 Relevant Donor Activities

The following projects and/or programmes, which have either been recently launched and/or will be launched soon, are relevant to the Project at hand. UNDP will help technical assistance team establish working relations with these projects and programmes, most of which are headquartered in Ankara.

- **Expansion of the European Turkish Business Centres Network (EU):** The purpose of the programme is to increase the competitiveness of Turkish SMEs by supporting and assisting their general business operations and processes. The project envisages the establishment of equipped, oriented, staffed and sustainable 8 large scale Business Centers (BCs) in Afyon, Çorum, Denizli, Erzurum, Eskişehir, Konya, Kayseri and Malatya Provinces. The BCs will ensure support for economic growth by providing information, advice, training and business advisory services to new and established SMEs. The Beneficiary of the project is TOBB (Union of Chambers and Commodity Exchanges). *(not started, as of writing)*
- **EU-Support to Women Entrepreneurship Project:** The project aims at developing a national women entrepreneurship policy and establishing training centres for women entrepreneurs. Training centres will be established in 9 provinces: Adana, Ankara, Antalya, Istanbul, Konya, Malatya, Manisa, Nevşehir and Samsun. Additionally 16 relay training offices will be established in Amasya, Balıkesir, Düzce, Erzurum, Eskişehir, Hatay, Kastamonu, Kırklareli, Muğla, Ordu, Sivas, Tekirdağ, Tokat Tunceli, Uşak, and Yozgat. The beneficiary of the Project is TESK (Confederation of Tradesmen and Craftsmen). *(in progress)*
- **EU-Development of a National Clustering Policy:** The overall objective of the programme is to improve competitiveness of Turkey in international markets as well as to exploit the synergies between Turkish and European clusters and thereby contribute to the EU's Lisbon Strategy. The purpose of the project is "to develop a comprehensive and visionary clustering policy that contributes to the sustainable social, environmental and economic development in Turkey". The beneficiary of the project is the UFT (Undersecretariat for Foreign Trade). *(in progress)*
- **Small Enterprises Loan Programme (Phase II):** The overall objective is to make a contribution to the economic development and employment creation

by expanding and strengthening the financial sector and to contribute to the reduction of the regional disparities in Turkey. The purpose of SELP II is to make available to the target group permanent access to loans (particularly long-term loans) to be provided by private commercial banks at close to market conditions in the project locations. Technical assistance activities include, but are not limited to, developing a loan reporting tool or Management Information System (MIS), determining the training needs of the On-Lending Banks (OLBs) and Turkish Development Bank and developing training curricula, strengthening the credit organisations and procedures of the European Fund for Turkey (EFT), capacity building for TKB managing the EFT, helping OLBs to improve their SME lending capacities. *(in progress)*

- **Technical Assistance for Development of Incubation Centres for Supporting Women Entrepreneurship:** The overall objective of the programme is to support women entrepreneurship and to encourage them to play a more active role in business through the provision of entrepreneurship and management consultancy at four business incubation centres. The technical assistance team will assist the beneficiary organization on provision of entrepreneurship and management consultancy services to accommodated minimum 60 entrepreneurs/businesses at four incubation centres. The beneficiary of the project is KOSGEB (National SME Development Agency). *(in progress)*

1.7. Detailed description of activities

The Project is composed of 5 main components:

- Component A: Development of Integrated Industrial Development Plan
- Component B: Investment Promotion
- Component C: Assessment of Applications
- Component D: Business Development Services
- Component E: Capacity Building

A sixth complimentary component (Component 0: Establishment of the Project Setting and Management Structure) will ensure efficient and effective implementation of the Project.

The present Description of the Action presents objectives of these components and lists the main activity groups under each component. During the inception phase, the TAT will develop a detailed time plan and resource schedule.

1.7.1 Component 0: Establishment of the Project Setting and Management Structure

Component 0 will aim at establishment of a suitable and formalised working structure for the Project.

C0.1. Establishment of Project Office

UNDP will identify and rent a project office, preferably at a location close to the Sanliurfa Chamber of Commerce and Industry (SUTSO) facilities. The project office will be furnished and equipped within 30 days of the signature of the contract. The project office will be sufficiently large to accommodate the TAT. Ideally the office will be large enough to facilitate accommodation for such fulltime staff and the short-term experts. The project office should also include large meeting room that can be used both for large meetings and presentations.

C0.2. *Development of Project Management Protocols*

Protocols defining the working relations between the various constituents of the project will be developed within the inception period, which is expected to be completed within 8 weeks of project launch.

The TAT will make sure that the management protocols to be developed include measures to ensure efficient and effective coordination between the TA, Supervision and Works components of the Programme. The TAT should cooperate especially with the Supervisor to follow the progress of the construction activities.

C0.3. *Development of the Inception Report*

Although the present “Description of Action” has been developed after thorough analyses and through a participatory process, an inception period will still be needed for the members of the Technical Assistance Team (TAT) to orient themselves to the Project and reflect their collective experiences and best judgements to the specific requirements of the Project.

For that purpose, the TAT will need to consult with the local stakeholders and reflect the feedback to be received from the local stakeholders into the inception report.

The inception period is not expected to last more than 8 weeks, during which the TAT will develop fine-tuned and more detailed activity and resource schedules. Thus the time plans and resources allocated to activity groups mentioned hereinafter are indicative and will be finalised by the TAT during the inception period.

1.7.2 Component A: Development of Integrated Industrial Development Plan

Component A will identify the “*strategic sectors*” that possess the potential for being competitive nationally and internationally, and analyse the needs of these sectors. Identification of “strategic sectors” is expected to provide a basis for selection of companies and to guide potential investors. The needs assessment on the other hand will demonstrate the types of actions that need to be taken to improve regional competitiveness of these sectors. Clearly some of these actions might be taken during course of the present Project; however some others will need to be formulated as follow-up actions to be financed by local stakeholders and/or international organisations, including the European Commission.

Although the integrated industrial development plan will primarily target Sanliurfa as the focus of the analyses, such an exercise cannot be satisfactorily pursued without taking issues related to regional and national competitiveness. To that end, the TAT will take previously conducted studies into account during the development of the said plan for Sanliurfa. Please see CA.1.1, below, for specific references to the studies and plans that should be taken into account by the TAT.

Component A is expected to produce the following outputs:

- An integrated industrial development programme for Sanliurfa, (connected to component D)
- A portfolio of sectoral options, demonstrating the strengths and weaknesses of the sectors to be identified and their growth prospects (indicatively addressing 8 to 10 sectors),
- Province-based sectoral needs analyses, and development plans (indicatively addressing 8 to 10 sectors),

CA.1 Assessment of Competitiveness of Existing, Emerging and Potential Sectors

Assessments will be carried out in multiple sectors by analysing (a) competitiveness of sectors (i.e. factor conditions, related and supporting industries, local and international demand conditions etc.), (b) national and global trends (i.e. renewable energy, organic production), and (c) national, regional and local value chains.

- Existing sectors are the sectors that are present and mature in Sanliurfa.
- Emerging sectors are the sectors that are present and developing in Sanliurfa
- Potential sectors are the sectors that presently do not exist, however possess the potential to grow in Sanliurfa

CA.1.1 Strategic scan of existing, emerging and potential sectors in the Region

Initially, a “macro-level strategic scan” of existing, emerging and potential sectors in Sanliurfa will be conducted. This strategic scan will involve statistical analysis with a view to identify “sectoral agglomerations” in terms of number of enterprises and employment.

Although these statistical analyses are expected to provide a clear picture of the current state of play in Sanliurfa, it is also known that the statistical data will not be sufficient to develop conclusive judgments. As such the quantitative analyses will be complemented by qualitative analyses (i.e. indicatively 20 – 40 semi-structured interviews with local businesspeople, business associations, opinion leaders, representatives of governmental agencies, representatives of civil society organisations).

Furthermore, the TAT, with the support of STEs, will also conduct national and international analyses. These analyses are expected to be carried out at the macro-level, providing guidance for future work and putting the local dynamics into a wider context (i.e. national and international).

Finally, these analyses will be consolidated in a single report (i.e. **Strategic Scan Report**), which will provide a long-list of sectoral opportunities and cast light on the strategic options for Sanliurfa’s economic and social development. This report will include several socio-economic development hypotheses, which will be further tested through participatory processes. The pro’s and con’s of the sectoral opportunities presented will also include environmental and social considerations, such as gender issues with reference to the prospective labour force.

The studies to be carried out will leverage on the previous work undertaken within the scope of previous and ongoing EU-funded SME Development Projects, most notably the GAP-GIDEM Project (i.e. Competitiveness Agenda for the GAP Region) and EU Business Centres Project. This will help TAT take issues related to the regional competitiveness into account. UNDP will provide assistance to the TAT for accessing the working documents and outputs of these projects, and will also transfer its experience and know-how to the TAT in a systematic manner. In addition to the work undertaken within the EU-funded projects, GAP RDA (GAP Regional Development Administration) possesses a “Master Plan” for the Southeast Anatolia Region. The Project will also benefit from GAP RDA’s experience. It should also be noted that the analyses to be carried out during the Technical Assistance Team will take the national plans and policies (i.e. 9th National Development Plan, industrial policy, sector strategies etc.) into account so as to ensure that the outcome of the analyses serve for the national overarching policy goals. Finally, KOSGEB and Ministry of Industry and Trade also possess province-based analytical work, on which the Project should also leverage.

CA.1.2 *Development of an integrated industrial development plan for Sanliurfa*

The objective is to develop a high-level integrated “industrial” development plan (IIDP) for Sanliurfa. It should be noted that today’s economy enforces greater integration between agriculture, manufacturing and services industries. Accordingly, the said high-level integrated industrial development plan will need to take the growth prospects of other sectors (i.e. agriculture and services) and the linkages between the manufacturing industry and these sectors. However, the main emphasis of the plan will be on manufacturing sector and the report will specifically concentrate on the role of the OIZ within the industrial development (restructuring) process.

This particular activity group will be carried out in connection with Component D (Business Development Services).

The IIDP will leverage on the findings and recommendations of the Strategic Scan Report and will produce a vision and several high-level scenarios, which will be collectively referred to as the “*theory of the case*.” IIDP will then be the main reference document for the Project and will also contribute to the sustainability of the impact of the Project by providing the local stakeholders with a clear developmental guideline.

The IIDP will be developed through a participatory process, which will involve organisation of a series of focus group meetings (indicatively 8) and high-level workshops (indicatively 2). The focus group meetings and workshops will be attended not only by the local actors but when necessary by national and international players.

The process will be managed by TAT and the STEs that will be hired to conduct further analyses and moderate the focus group meetings and workshops. The analyses to be conducted include the followings:

- Analysis of the competitiveness of the sectors to be identified: This will involve in-depth analysis, including but not limited to “Diamond Analysis”. The diamond analysis, which is also referred to as the diamond competitiveness, includes an analyses of factor conditions, related and supporting industries, local and international demand conditions, firm strategy and rivalry.
- Prioritisation of sectoral opportunities: Sectoral opportunities will need to be prioritised. The prioritisation strategy and objectives will be identified during the execution of the Project. However, it is anticipated that the prioritisation strategy will be based on a “triple bottom line (TBL)” approach, which implies that the priority sectors be economically feasible, and environmentally and socially sustainable. In this context, the IIDP will also include provisions for OIZ in particular and Sanliurfa in general to lay the ground for environmentally and socially sustainable sectoral growth that takes into consideration prospects for women’s participation in the labour force and facilities required (e.g. child care) that OIZ may provide.

Once developed the IIDP will be formally adopted by the local competitiveness platform (please see Component D).

This document will also be used for investment promotion purposes (Component B). Contemporary investment promotion strategies repeatedly highlight the importance of having a “theory of the case (i.e. a vision formulated around strong selling points)”, for which potential investors’ buy-in is sought. The IIDP will provide the local stakeholders (i.e. OIZ management, chamber etc.) with the opportunity to approach to the potential investors in a professional manner and to

present persuasive arguments for making an investment in the Province. As such once developed the IIDP will need to be professionally designed and translated into English, German, French, Spanish, Russian and Arabic. Upon finalisation the IIDP will be uploaded to the Project's website, and to the websites of the local and national stakeholders (in the case of demand from these parties).

CA.2 *Needs Assessments and Sectoral Studies*

The objective of CA.2 is to analyse the local needs in terms of activating the IIDP to be developed with CA.1. CA.2 will be carried out in close cooperation with CD.2 (i.e. development of sectoral roadmaps) and CD.3 (i.e. technical assistance for implementation of the sectoral roadmaps).

CA.2.1 *Needs Assessment*

The needs assessment will be carried out in the form of a "Gap Analysis", which will benchmark the current state of affairs (AS-IS) against the desired state (TO-BE). The needs assessment will leverage on the findings of the Strategic Scan Report and the analyses to be carried out during the development of the IIDP.

The needs assessment studies will be developed on a sectoral basis and only for the sectors to be prioritised. These assessments will feed into the "sectoral roadmap development" process (i.e. CD.2).

CA.2.2 *Development of Project Proposals*

The project proposals will be derived from the needs assessment studies, and they will be developed in the form of project fiches, business plans or feasibility studies as per the requirements of the potential funding streams (i.e. IPA, World Bank, European Investment Bank, IFC, Municipal Funds etc.). These proposals will feed into the "TA for implementation of sectoral roadmap development" process (i.e. CD.4), as well as the delivery of business development services (i.e. CD.1).

Once developed, the aforementioned proposals will be presented to the local and/or national stakeholders for their adoption, improvement and submission to the relevant funding streams. Each project proposal will clearly identify which stakeholders (i.e. Ministry of Industry and Trade, Sanliurfa Chamber of Commerce and Industry, Sanliurfa Governorate, Sanliurfa Chamber of Commodity Exchange, Sanliurfa Municipality etc.) are best positioned to adopt the proposal and pursue the funding opportunities.

1.7.3 **Component B: Investment Promotion**

One of the objectives of the Project is to attract investments to the Organised Industrial Zone (OIZ). Leveraging on the studies to be conducted within the scope of the Component A, Component B will promote investment opportunities nationally and internationally.

MIGA (Multilateral Investment Guarantee Agency), which is a "member of the World Bank Group", is one of the leading international agencies that support national governments for developing and implementing investment promotion strategies. Although MIGA (through FDI Promotion Centre) concentrates exclusively on foreign direct investment, its guidance is useful for attracting both national and international investors.

As far as formulation of an investment promotion strategy MIGA suggests to take the following steps:

- STEP 1: Assessment of Investment Needs and Potential
- STEP 2: Identification of Target Industries

- STEP 3: Development of the Marketing Strategy

As far as the Project is concerned, the first two steps will be achieved upon completion of Component A (described above). As such Component B will concentrate mainly on development of the marketing strategy and the action plan for the implementation of the strategy.

It should be noted here that even the best investment promotion strategy will fail to achieve its expected results, if it is not owned by the national and/or local stakeholders. Turkey's national investment promotion strategy is managed by the "Investment Support and Promotion Agency", which reports directly to the Office of the Prime Minister. As such establishment of working relations with the said agency, at an early stage of the Project, will be utterly beneficial. At local level, however, the strategy is expected to be owned by the Local Competitiveness Platform (please see CD.2).

CB.1 Development of Investment Promotion Strategy and Action Plan

The first activity of the second component will be to develop an "*investment promotion strategy*", which would demonstrate, *inter alia*, (a) the means, through which the investment opportunities will be promoted; (b) the national and international audience to be targeted; and (c) the strategic working relations that need to be developed and maintained both nationally and internationally.

CB.1.1 Development of the Investment Promotion Strategy

The objective of the investment promotion strategy will be to "market" the investment opportunities to international and national investors. The development of the strategy will involve identification of means, through which these opportunities will be promoted. The means will include development of an online portal, establishment of national and international working relations and alliances, organisation of partner matching events, organisation of road-shows etc.

CB.1.2 Development of the Action Plan of the Investment Strategy

The following activity is to develop an action plan based on the strategy to be developed within CB.1.1. This action plan will be the basis of the activities to be fulfilled during the execution of the investment promotion strategies.

CB.2 Implementation of the Investment Strategy Action Plan

Investment promotion tools vary considerably in accordance with the objectives of the investment promotion strategy, for which they serve. Some tools (especially those involving "image building" and/or "branding") call for significant financial resources, some others (such as web pages, newsletters etc.) are less costly. In terms of utilisation of the costlier investment promotion tools, the Project will support the local stakeholders to establish partnership with national stakeholders, which have dedicated resources to fulfil such activities. Such support will be provided through provision of technical assistance services by TAT and facilitation services by UNDP (Project Management Office). These national stakeholders include, but are not limited to, Investment Support and Promotion Agency, Ministry of Culture and Tourism, and the Office of Prime Minister (i.e. National Promotion Fund). These will be discussed in detail in the investment promotion strategy to be developed within CB.1.

The implementation of the investment strategy will include the following actions:

- Development of promotional materials,
- Establishment of working relations (partnerships)

- Regional, national and international business brokerage and networking events.
- Establishment of an online portal for the OIZ,
- Ground Breaking of the OIZ

CB.2.1 Development of promotional materials

Promotional materials will include investors' guide, brochures, booklets, posters, DVDs etc. These will be developed and disseminated within the scope of the investment promotion strategy. Where necessary, such materials might be translated into English and other languages.

CB.2.2 Establishment of working relations (partnerships)

The investment promotion strategy will cast light on the type of partnerships that need to be established. The TAT will help local stakeholders (including the local competitiveness platform) establish working and maintain relations with national and international organisations. These organisations include, but are not exclusive to, the Investment Support and Promotion Agency, GAP Regional Development Administration, ANIMA, MIGA, financial institutions etc.

CB.2.3 Regional, national and international business brokerage events and road-shows

Regional, national and international business brokerage events and road-shows will be implemented as a part of the investment promotion strategy to be developed. These events are expected to (a) attract investments to the province and (b) connect local investors with the national and international investors.

Although the investment promotion strategy will be the basis, on which the abovementioned national and international business brokerage event will be executed, budgetary constraints will also be an important determinant. (For financial planning and budgeting purposes, it has been assumed that at most 4 international, 4 national and 4 local business brokerage events will be organised.)

The national and international business brokerage events might be organised in the form of (a) participation of investment promotion seminars and fairs, and (b) holding meetings with potential investors.

The local business brokerage events will be organised in the form of hosting international and national missions (composed of potential investors and business brokers) and partner-matching events, which would allow for establishment of joint ventures between local businesses and national and international enterprises.

CB.2.4 Establishment of an online portal for the OIZ

An online portal will be established within the scope of the Project. This portal will initially be utilised to promote the investment opportunities. The portal will be bilingual (English and Turkish). This online portal will be designed in such manner that it continues to operate as a portal of the OIZ upon completion of the investments in the Zone (please refer to OSTIM's portal).

CB.2.5 Ground Breaking of the OIZ

At the launch (indicatively May/June 2008) of the infrastructural investments of 2nd OIZ, a high profile event will be organised. This event will be utilised to promote the OIZ nationally and internationally. National and international guests (potential investors and/or investment brokers) will be invited to the Ground Breaking ceremony.

1.7.4 Component C: Assessment of Applications

Component C concerns collection and assessment of applications of the companies to make an investment and to operate in the OIZ. This process will be managed transparently, and will aim at selecting the best applications that will improve the competitiveness of the Province and contribute to its socio-economic development.

CC.1 Development of Governance Structure

Law no 4562 on OIZs includes provisions on sale (*Article 15*) and allocation (*Article 18*) of OIZ parcels. Article 15 authorises the management board of OIZ to sell parcels by following the principles set by the entrepreneurs' committee of the OIZ. Article 18, on the other hand, authorises entrepreneurs' committee to allocate parcels to incumbent companies by following the regulations to be developed by the Ministry of Industry and Trade.

This formal governing structure will benefit extensively from the technical assistance and knowledge that the TAT will provide during the evaluation of the applications and selection of the incumbent companies of the 2nd OIZ. The establishment of a consultative governance structure that will interact with the formal OIZ governing body will help ensure that the applications are collected transparently and evaluated fairly. It is envisaged that the management board and entrepreneur's committee will follow the guidance to be provided by the TAT. When and if proposed by the authorised bodies of the Sanliurfa OIZ, the Ministry will ensure that the zone plan (*imar planı*) be modified in accordance with the outcomes of the analyses to be carried out within Component A and include the sectors to be identified during the analyses.

This consultative governance structure will be designed as a role model, which can be promoted and replicated by the Ministry of Industry and Trade.

CC.1.1 Establishment of the Governance Structure

The success of the OIZ will hinge heavily on the incumbent companies to operate in the zone. This also implies that the selection process will have a considerable impact on the future of the OIZ. In order to ensure that applications are collected and assessed competitively, transparently and fairly, UNDP (Project Management Office) and TAT will establish a governance structure to manage the process of collection and assessment of applications.

As a part of the governance structure, the TAT will design the application and evaluation procedures, develop application and evaluation documents, and establish the selection committee and procedures for the operations of the selection committee.

CC.1.2 Development of the Selection Criteria

The TAT will develop a set of selection criteria to be used for selection of the incumbent companies. The criteria will be derived from the vision to be presented within the IIDP and will be based on parameters such as size of investment, value added to the local economy, labour absorption capacity, business model etc.

The selection committee is expected to positively discriminate against the women entrepreneurs, and to pay special attention to the environmental impact of the investments.

The selection criteria must be submitted to the Ministry of Industry and Trade, Central Finance and Contracts Unit (CFCU) and the Delegation of the European Commission to Turkey (ECD) for their review and comments prior to adoption by Entrepreneurs' Committee.

CC.2 Launch of the application process and Assessment of Applications

Based on the governance structure to be established the application process will be managed transparently, allowing fair competition among applicants and fair assessment of applications.

CC.2.1 Launch of the application process

The launch of application process will be announced through the Project website, website of stakeholders and national media (i.e. newspapers). The application documents, manual and guideline will be made publicly available. In order to create equal opportunity for the international investors the application materials will be also made available in English, however the applicants will be asked to submit applications in Turkish language.

CC.2.2 Assistance to applicants

The Technical Assistance Team and the short-term experts to be mobilised will provide assistance to the prospective applicants. For this purposes an independent helpdesk will be established. The helpdesk personnel will be provided with clear guidance on how they should assist the applicants.

CC.2.3 Evaluation of applications

The applications will be evaluated as per the procedures to be established within the scope of the governance structure. Depending on the number of applications a pre-assessment committee may be established to facilitate and expedite the evaluation procedures. The evaluations will be made in accordance with the predefined criteria and methods.

Members of the help desk will not be involved in the evaluation process. As such, the evaluation committee will be free of any potential conflict of interest, and will be established in such manner to provide equal opportunity to all applicants.

CC.2.4 Announcement of Decisions

As indicated earlier, 15th and 18th articles of Law no 4562 authorises Management Board and Entrepreneurs' Committee (*Müteşebbis Heyet*) to make the final decisions on sale and allocation of OIZ parcels. As such; technical assistance services will be provided by UNDP (Project Management Office) and TAT, as foreseen within the present Description of the Action, however the ultimate responsibility to follow the recommendation of the Project rests with the Entrepreneurs' Committee. It is envisaged that the management board and entrepreneur's committee will follow the guidance to be provided by the TAT. The Ministry will ensure that the zone plan (*imar planı*) be modified in accordance with the outcomes of the analyses to be carried out within Component A and include the sectors to be identified during the analyses.

UNDP (Project Management Office) will provide the Ministry of Industry and Trade, Central Finance and Contracts Unit (CFCU, the Contracting Authority) and the Delegation of the European Commission to Turkey (ECD) with an evaluation report summarising the entire selection processes and evaluating the final decision of the Entrepreneurs' Committee.

The decisions will be announced and will be made available (internet and media) to the public.

1.7.5 Component D: Business Development Services

Component D has two main objectives: (a) improving the capacities of local enterprises and (b) establishment of local structures and systems that will ensure

sustained impact of the Project. The global experience on enterprise development initiatives has repeatedly demonstrated that the success of enterprise development services hinges heavily on the existence of a favourable local context, in which the enterprises can flourish. Thus these two objectives are complimentary.

- **Improving capacities of local enterprises:** This will be mainly achieved through provision of business development services (i.e. training programmes, advisory services, and information) to the local enterprises.
- **Establishment of local structures and systems that will ensure sustained impact of the Project:** This is planned to be achieved through adoption of an integrated local economic development approach, which will support establishment of local structures (i.e. competitiveness platform) and systems (i.e. sectoral working groups).

The structures and systems that are going to be established within the Project are not *necessarily* expected to be formal/official bodies. Local structures, such as competitiveness platforms, and systems, such as sectoral working groups, provide a platform for continuous interaction between the local stakeholders and economic agents. As such, the main objective here is to create “local mechanisms”, which can sustain the impact of the Project over the long term. The actual governance structure and legal status of these mechanisms will need to be elaborated further during the implementation of the Project.

CD.1 Business Development Services

Conventional approaches to enterprise development group business development services under five broad categories: (a) training, (b) information, (c) advisory services, (d) incubation and (e) finance. It is also a well-established fact that the enterprise development programmes that are developed for addressing specific market failures are usually more influential than those that are based on more generic intervention modalities. This fact also implies that business development services need to be designed and implemented in a well-structured and focused manner.

In terms of the 5 broad service categories listed above, “finance” does not fall under the scope of the present Project. In other words, the Project may assist the local enterprises to access to financial resources; however it will not by itself provide financial support to individual enterprises. Since there is no property base, which can be leased to entrepreneurs (mainly start-ups), the Project will not provide incubation services either. However, in the case of a need/demand the Project might help local stakeholders establish an incubation centre through development of a feasibility study and a business plan. In fact, there is presently no incubation centre in the Province, and Sanliurfa can benefit significantly from an incubation centre for mobilising the local entrepreneurial capacity.

Accordingly, the Project will concentrate on the first 3 categories of business development services (i.e. training, information and advisory services). These services will be delivered in such a manner that will ensure a balanced combination of the needs of the IIDP and the demand. This structure will allow for meeting the local needs for achieving the objectives of the IIDP and, at the same time, allow for meeting the specific needs of the local enterprises.

As far as business development services are concerned the regional branch of KOSGEB (ISGEM) is a significant asset, on which the Project should leverage. Sanliurfa ISGEM is conveniently located within premises of the 1st OIZ.

CD.1.1 Needs Assessment and Design

As indicated above, the business development services to be delivered within the scope of the Project are expected to be instrumental for deploying the IIDP and to address the needs of the local enterprises. The analyses to be carried out within the Component A (specifically, CA.2.1) will address the need of the IIDP, as such this particular component will focus on the enterprise-level analyses. The TAT is expected to develop a certain level of anticipation of the needs of the enterprises; however in-depth assessments will still be needed. This will be achieved by designing a “business diagnosis tool”, which will be used to analyse the needs of the local enterprises.

The sectoral development roadmaps (please see CD.3.2, below) will be the final component of the needs assessment process. The maps, as detailed below, will demonstrate the sector-specific needs.

Upon completion of the needs assessment, the TAT, with the assistance of subject-matter experts will design the business development services to be delivered within the scope of the Project. The TAT will cooperate with Sanliurfa ISGEM at the highest level possible, and will ensure that the services of the Project complement the services of KOSGEB. It will be highly beneficial, if the measures to be proposed by the Project are incorporated into Sanliurfa ISGEM’s annual business plans.

The abovementioned interventions are clearly replicable; as such upon completion of the Ministry of Industry and Trade will be provided with tools (i.e. business diagnosis tools), which can be disseminated by the Ministry to the local OIZ managements across Turkey (*This particular issue falls also under Component E, which is designed for improving national and local capacities*).

Finally, the TAT will develop a proposal on the charging policy (cost-recovery scheme) for business development services. The 12th article of the Law no 4562 lists the potential revenue streams of OIZs. Among these revenue streams “donations (12.g)”, “lease and service revenues of joint-use facilities (12.h)” and “other revenues (12.l)” provide a legal basis for incorporation of the revenues from such services into the overall income of the OIZ.

Although the charging policy is not one of the “top” priorities of the Project in the sense that lack of a charging policy will not hinder achievement of the purpose of the Project, global experience demonstrates that existence and implementation of such a policy is an important element of the enterprise development programmes. The charging policy will be developed by the Project and will be submitted to the Local Competitiveness Platform, defined below in section CD.2.

CD.1.2 Delivery of Business Development Services

The TAT will develop a detailed time plan and a resource schedule for delivery of business development services. The business development services will be delivered by subject-matter experts (i.e. marketing, exports, management accounting etc.). The TAT will monitor the delivery process closely. A “*database*” will be established in order for TAT to record and report the progress. This database will be structured in such a manner to enable generation of various types of reports. The database should allow for generation of, among others, sex-disaggregated data. This database should be free of any proprietary ownership, and should be designed and developed in such a manner that it can be easily deployed in other OIZs as well.

CD.1.3 Establishment of Knowledge Repository

The Project will also establish an online knowledge repository, which will be composed of the outputs (i.e. training programmes, feasibility studies, business plans etc.) of the business development services. The objective of establishment of this online repository is, again, to provide Ministry of Industry and Trade with the opportunity to disseminate the outcomes of the Project to a wider audience. As such the assistance to be provided within this specific activity will be delivered both by the Project Management Office in Ankara and by the TAT in Sanliurfa.

CD.1.4 Evaluation of Business Development Services

Finally, the efficiency and effectiveness of the business development services will be evaluated by conducting a survey. This survey will mainly be designed to measure the level of satisfaction of the clients with the business development services. It is also “*desirable*” to measure the impact of such services, however the limited timeframe between the launch of delivery business development services and completion of the Project would not allow for measuring the “*impact*”, as the impact of such services are often not immediately visible.

CD.2 Establishment of a Local Competitiveness Platform

The TAT, with the support of UNDP, will provide technical assistance for establishment of a local competitiveness platform. The local competitiveness platform will be composed of local businessmen, NGO representatives and representatives of the governmental agencies. As such, the Office of Governor, the Office of Mayor, OIZ, Chamber of Commerce and Industry, Chamber of Commodity Exchange, University, Businessmen Associations etc. are expected to be represented at the platform².

The Competitiveness Platform will be designed in such a manner to “*oversee*” the economic development of the Province, and will ensure sustained impact of the Project. **This oversight function does not necessarily imply a formal mandate and/or replacement of existing structures in Sanliurfa.** As mentioned above, “*the main objective here is to create ‘local mechanisms’, which can sustain the impact of the Project over the long term. The actual governance structure and legal status of these mechanisms will need to be elaborated further during the implementation of the Project.*”

Competitiveness Platforms are a commonly observed local governance practices in many countries. There is no one-size-fits-all solution in terms of the structure, mandate and authority of the competitiveness platforms, as these factors are affected by the local context. In some countries/regions, competitiveness platforms are formally defined and are a part of the national and local governance mechanisms. In some others, they serve as an informal platform for supporting formal decision making mechanisms.

Although there is no one-size-fits-all solution, the best practice competitiveness platforms share some common characteristics:

- A balanced combination of public and private sector,
- A sound governance structure that ensures accountability and transparency,
- Neutrality across sectors, industries and economic agents.

² Other potential members include but are not exclusive to Sanliurfa ISGEM of KOSGEB and the Regional Directorate of GAP Regional Development Administration.

- A bipartisan and participatory management style, motivated to generate a shared vision for socio-economic development and solutions to common problems of their localities.

It should be noted that once established the Sanliurfa Competitiveness Platform will be first of its kind in Turkey. As such, the process for establishment of the Platform will be pursued diligently by taking, above all, the local context into account. However, as the preceding sections of the present “Description of the Action” demonstrates, the Project will benefit significantly from existence of such a structure. This “Description of the Action” also takes note of the governmental initiatives for establishment and operations of the regional development agencies.

CD.2.1 Development of the Governance Structure of the Platform

The TAT, with the support of short-term experts, will develop a governance structure for the Competitiveness Platform. This structure will illustrate the management structure, mandate, decision making procedures and (public) reporting mechanisms of the Platform.

CD.2.2 Identification of Platform Members

The TAT, in cooperation with the local stakeholders and the Ministry of Industry and Trade, will identify the members of the competitiveness platform. The positions in the platform will be “unpaid” positions.

CD.2.3 TA for Operations of the Platform

TAT, with the support of UNDP (Project Management Office), will provide technical assistance for institutionalisation of the competitiveness platform. The TA to be provided within the scope of institutionalisation will include development of a corporate plan, a business plan, management manuals and guidelines.

CD.2.4 International Study Tours

Please see CE.1.3 for a detailed description of the international study tours.

CD.3 Development of Sectoral Development Roadmaps

The competitiveness platform will leverage on the outcomes of Component A, which will demonstrate the competitive sectors of the province. The sectors that are going to be identified will be composed of actors that are located both inside and outside of the OIZ. As such the TA to be provided within this particular activity group will target both the incumbents of the OIZ and the enterprises (i.e. services industry etc.) operating outside of the OIZ.

Neither a nation nor a sub-national region can be globally competitive across all industries or sectors. Regional and national competitiveness can only be observed across a limited number of industries, which are usually main drivers of national and regional wealth. Accordingly, the present Project will need to “prioritise” certain sectors, as described above (please see CA.1). The TAT will develop sectoral development roadmaps for those sectors, which have the potential to be globally competitive and to contribute to the socio-economic development of the Province. The Project Management Office to be established at UNDP will support the TAT during the development of such sectoral development roadmaps, though incorporation of previous studies on this specific field.

CD.3.1 Envisioning Workshops for the Sectors

Envisioning workshops will be conducted as the initial steps for formation of sectoral development roadmaps. The envisioning workshops will be designed as platforms that facilitate out-of-the-box thinking for drafting out sectoral visions based on the IIDP. These workshops will be attended by international and national guests and experts. The most important feature of these workshops will be the level of discussions and participation.

CD.3.2 Development of Sectoral Development Roadmaps and Action Plans

Upon finalisation of the envisioning workshops, the TAT will continue to provide technical assistance for development of sectoral business plans (i.e. roadmaps) and action plans. The action plans will be inline with the needs assessments to be carried out within CA.2.1.

The action plans will clearly lay out the roles and responsibilities of the local and national actors, and will include a time plan and an “*investment bill*”. The investment bill will be complemented by potential sources of funds, which will be basis of the project proposals to be developed within CA.2.2.

CD.4 Technical Assistance for Implementation of the Roadmaps

Towards the later part of the Project, some of the investments will have been mobilised and some others will have been sufficiently completed. Coinciding with this stage, the TAT will start delivering technical assistance for the implementation of sectoral development roadmaps.

CD.4.1 Provision of Business Development Services

Please see CD.1.1 and CD.1.2.

CD.4.2 TA for Joint Initiatives

In addition to providing business development services to individual incumbent companies, the TAT will also address the joint needs of the companies in the sectors to be identified. The technical assistance to be provided within the scope of CD.4.2 includes, but is not exclusive to, development of feasibility studies for joint use facilities, and formulation and implementation of initiatives in cooperation with local talent providers (i.e. universities, vocational education facilities etc.). Such activities will be determined within the sectoral development roadmaps.

1.7.6 Component E: Institution Building

The final component will seek to improve the local capacity and will contribute to the sustainability of the Project. This component will include organization of workshops, training programmes, and national and international study tours (please see CE.1.3) for the local actors, business leaders and government officials.

The main rationale behind Component E is to develop the national and local capacities to make the Project a role model for consecutive action of the Ministry and the local stakeholders. As such, development of the institutional capacities will eventually lead to improvement of the business environment, in which the enterprises will operate.

CE.1 Institution Building Programmes

The institution building programmes will be designed to improve the national and local capacities, which will disseminate the outputs of the Project, replicate the intervention modality in other regions of Turkey and sustain the impact of the

Project over the long-term (i.e. developing and implementing local industrial and economic development initiatives etc.).

The institution building programmes will be primarily composed of training programmes and international study tours. Although the contents of the training programmes will be determined after a needs assessment, such programmes are expected concentrate on competitiveness, investment promotion, local economic development, technological development, marketing/exporting quality assurance systems, environmental standards, EU Norms etc. Sustainable development will be considered as a cross-cutting theme and will be incorporated in all training programmes. As such, all training programmes are expected to establish clear linkages with protection of environment, eradication of poverty, empowering women, democratic governance etc.

CE.1.1 Needs Assessment

The needs assessments will be carried out both at the Ministry of Industry and Trade and at the local stakeholders. The needs assessments will demonstrate the skills and capabilities that the central and local players need to develop in order to provide a better working environment for the businesses. The needs assessment report will include concrete recommendations on the followings:

- Topics and [overall] contents of the training programmes,
- Profiles of participants,
- Duration of training programmes,
- Expected benefits

The needs assessments will also provide recommendations regarding the international and national study tours to be conducted within the scope of the Project (please see CE.1.3 for details).

CE.1.2 Training Programmes

It is anticipated that at least 3 training programmes be implemented. Indicatively, these training programmes will be on competitiveness, investment promotion, local economic development, technological development, marketing/exporting quality assurance systems, environmental standards, EU Norms etc. Each training programme is expected to last for 5 days. Selected training programmes will be recorded and be designed as interactive DVDs, which can be shared with a larger audience.

CE.1.3 International and National Study Tours

The Project's intervention modality is innovative and has been designed not only to achieve short-term results (i.e. development of a provincial integrated industrial development plan, and attraction and selection of ideal enterprises to the OIZ), but also to establish local mechanisms that will ensure sustained impact of the Project. Accordingly, during the course of its execution the Project will need to benefit from international and national best practices.

Incorporation of the experiences of the international and national best practices into the Project will be predominantly achieved by mobilisation of international and local experts and by transferring UNDP's (and thereby relevant UN agencies) know-how. The Project Management Office to be established at UNDP will facilitate transfer of UNDP's know-how into the Project. However well-designed and implemented international and national study tours have also proven to be an effective tool of transferring international and national know-how and experience and building local capacities.

A group of short-term experts will be identified and mobilised to identify the national and international best practices, from which the local and national stakeholders can learn. This analysis will be the basis of the national and international study tours. The TAT will develop a strategy for the organisation of international and national study tours. This strategy will demonstrate the objectives of the study tours, best practices to be visited etc. The strategy to be developed will also demonstrate which objectives will be sought in national and international study tours. Ideally, an international study will be conducted where the objectives of the tours cannot be met by conducting a national study tour.

A maximum of five (5) national and five (5) international study tours will be conducted. Each study tour will be attended by 3 officials from the Ministry of Industry and Trade who are involved in management and execution of the present Project, 3 representatives from local actors (i.e. OIZ management, chamber, municipality, university etc.) and 2 members of the TAT. In cases where a clear justification exists, UNDP might also send a representative. Travel and accommodation costs of all participants will be covered from the Project.

Short-term experts will accompany the national and international missions. STEs will also ensure that the host organisations are sufficiently informed about the Project and objectives of the study tours. STEs will also develop the time plan, agenda, meeting and site tour schedules for the study tours.

Upon completion of the study tours, a mission report will be developed by the TAT. This mission report should consolidate the achievements obtained by each participant of the study tour. Hence, the participants of the study tours will be asked to provide feedback, preferably in writing (in Turkish).

Although the Project Assistants will help, in case of a need, interpreters might also be hired for international study tours. Dependent on the scope of study tours, the national and international study tours might be recorded (audio and/or visual), and might, later, be professionally deciphered and processed for further utilisation (by the STEs and SC members) and dissemination purposes.

The international and national networking activities (please see CB.2.3), which will be executed as a part of the investment promotion strategy (please see CB.2) are not considered as international or national study tours. Study tours are considered as a tool for improving national and local capacities, the networking activities might also contribute to improvement of national and local capacities, however their main aim will be to achieve the objectives of the investment promotion strategy.

CE.2 Development of Supportive Tools

The needs assessment will identify not only the missing skills but also the capabilities. It is envisaged that the capability-related needs can be addressed through development of tools (i.e. manuals, systems etc.), which can be used both by the Ministry and the local stakeholders with a view to replicate the Project's intervention modality in other regions and to sustain the impact of the Project.

As of writing, such capability-related skills are not clear, and are expected to be identified after the completion of the needs assessment. However, a tool/system to be used by the Ministry of Industry and Trade to monitor and evaluate the performances of the OIZs and to assess their needs on a continuous and systematic manner is expected to be developed within the Project.

1.8. Methodology

1.8.1 Methods

The Project's intervention modality is based on a holistic local economic development approach, which takes into account both short- and long-term needs of the local economy and industry. As such, the Project has been designed in such a manner to achieve success stories in the short-term and to improve the institutional capacities to sustain the impact of the Project.

1.8.2 Risks and Assumptions

The following table lists the risks and risk mitigation strategies to be deployed.

Risks/Assumptions	Risk Mitigation Strategies
It is assumed that the Entrepreneur's Committee and Management Board of the Sanliurfa OIZ will follow the recommendations of the Project, especially in terms of evaluating the applications (i.e. the applications to be made by the potential investors to operate in the OIZ).	<p>The Entrepreneur's Committee and Management Board of the Sanliurfa OIZ have expressed their willingness and commitment to follow the recommendations of the TAT.</p> <p>The TAT will involve the OIZ Management Board and Entrepreneurs Committee, as well as the other local stakeholders, into execution of the Project. This will help local decision makers develop a better understanding of the objectives of the Project and of the potential risks.</p> <p>The awareness-raising and institution building activities, on the other hand, will also contribute to execution of a fair and transparent evaluation process.</p> <p>When and if proposed by the authorised bodies of the Sanliurfa OIZ, the Ministry will ensure that the sectoral priorities to be identified during the execution of the analysis be reflected in the zone plan (<i>imar plani</i>).</p>
It is assumed that the infrastructural investments will be completed in a timely manner.	The TAT will work in close cooperation with the local stakeholders, closely follow the progress of infrastructural investments, and development and deploy contingency plans to ensure that possible delays in the completion of the infrastructural investments has a minimum affect on the present Project.
It assumed that the OIZ incumbent companies will be willing to cooperate and be ready to benefit from the services of the Project.	The TAT will establish working relations with all the incumbent companies, will diagnose their needs, and will develop business development services that will be attractive to the local enterprises

1.8.3 Technical Assistance Team

Technical Assistance Team will be composed of high-calibre experts with international and local expertise. The TAT will be backstopped by UNDP and supported by short-term experts with international and local expertise.

For the purposes of the present Description of Action;

- International experience is defined as professional/academic experience in an international setting/environment gained at least in 5 years,

- Senior experience is defined as at least 10 years of professional/academic experience.

As such, international and local expertise is not directly attributable to the nationality of an expert.

1.8.3.1 Chief Technical Advisor (CTA, 27 months, Sanliurfa)

Job Description: The day to day implementation and technical assistance responsibility for the project rests with the CTA who reports on a regular basis to the Project Management Office to be established at UNDP in Ankara. In addition to performing managerial duties, which includes establishment and maintenance of working relations with the local stakeholders, the CTA will all provide substantive inputs on investment promotion activities. The CTA will also lead component E in cooperation with the Competitiveness Expert.

General Qualifications:

- University degree in political sciences, administrative sciences (i.e. management, economics etc.), social sciences (i.e. regional development etc.), or relevant field of engineering (i.e. industrial engineering etc.) advance degrees preferred,
- Fluency in English,
- Computer literacy

Professional Experience:

- Minimum 15 years of professional experience relevant to the areas defined in the job description (i.e. project management, SME development, investment promotion, competitiveness etc.)
- Minimum 10 years of international experience relevant to the areas defined in the job description (i.e. project management, SME development, investment promotion, competitiveness etc.),
- In-depth knowledge of investment promotion, experience in agro-based industries is preferred,
- Experience in enterprise and/or private sector development projects and/or programmes, funded by international donor agencies,
- Knowledge of EU's project cycle management.

1.8.3.2 Competitiveness Expert (COE, 27 months, Sanliurfa)

Job Description: The Competitiveness Expert will lead Component A and will provide support to Business Development Expert for the execution of Component D. Under Component D, the competitiveness expert will mainly focus on development of sectoral development roadmaps.

General Qualifications:

- University degree in political sciences, administrative sciences (i.e. management, economics etc.) or social sciences (i.e. regional development etc.), or relevant field of engineering (i.e. industrial engineering etc.), advance degrees preferred,
- Fluency in English,
- Computer literacy

Professional Experience:

- Minimum 10 years of professional experience relevant to the areas defined in the job description (i.e. competitiveness, clustering, innovation etc.),

- Minimum 5 years of international experience relevant to the areas defined in the job description (i.e. competitiveness, clustering, innovation etc.),
- In-depth knowledge of competitiveness and innovation, experience in agro-based industries is preferred,
- Working knowledge of competitive poles, growth centers, experience in agro-based industries is preferred,
- Experience in enterprise and/or private sector development projects and/or programmes, funded by international donor agencies,

1.8.3.3 Business Development Expert (BDE, 27 months, Sanliurfa)

Job Description: The Business Development Expert will lead Component D in close cooperation with the Competitiveness Expert. Business Development Expert will also lead the enterprise-level analyses to be conducted within Component A.

General Qualifications:

- University degree in political sciences, administrative sciences (i.e. management, economics etc.) or social sciences (i.e. regional development etc.) or relevant field of engineering (i.e. industrial engineering etc.), advance degrees preferred,
- Fluency in English and Turkish,
- Computer literacy

Professional Experience:

- Minimum 10 years of professional experience relevant to the areas defined in the job description (SME Development, enterprise-level analyses etc.),
- Minimum 2 years of international experience relevant to the areas defined in the job description (SME Development, enterprise-level analyses etc.),
- In-depth knowledge of enterprise development services, experience in agro-based industries is preferred,
- Experience in designing and delivering business development services to SMEs,

1.8.3.4 Investment Analysis Expert (IAE, 27 months, Sanliurfa)

Job Description: The investment analysis expert will be primarily responsible for designing and delivering the activities within Component C. Once component C is completed, investment analysis expert will provide technical support for Component D.

General Qualifications:

- University degree in political sciences, administrative sciences (i.e. management, economics etc.) or social sciences (i.e. regional development etc.) or relevant field of engineering (i.e. industrial engineering etc.), advance degrees preferred,
- Fluent in Turkish, and conversant in English
- Computer literacy

Professional Experience:

- Minimum 10 years of professional experience relevant to the areas defined in the job description (i.e. design and management of competitiveness selection processes, SME Development, enterprise-level analyses etc.),
- Minimum 5 years of international experience relevant to the areas defined in the job description (SME Development, enterprise-level analyses etc.),

- Specific experience in designing and managing competitive selection process (relevant to the project's scope) is a must,
- In-depth knowledge of competitiveness and innovation, experience in agro-based industries is preferred,
- Experience in enterprise and/or private sector development projects and/or programmes, funded by international donor agencies,
- Knowledge of industry of the Southeast Anatolia is a plus.

1.8.4 Local Support Staff

1.8.4.1 Project Associate (PAS, 27 months, Sanliurfa)

A project associate will be recruited to support the CTA, especially with regards to his/her day-to-day interaction with the local stakeholders and development and monitoring of project work plans. The Project Associate will report to the Project Manager. The Project Associate will also supervise the work of Office Assistant.

The Project Associate should, ideally,

- Have a university degree in political sciences, administrative sciences (i.e. management, economics etc.) or social sciences (i.e. regional development etc.) or relevant field of engineering (i.e. industrial engineering etc.),
- Be fluent in English and Turkish,
- Be an advanced user of computerized office applications (i.e. MS Office etc.)
- Have at least 5 years of professional experience,
- Have experience in working project environments,
- Preferably have worked for an international project,

1.8.4.2 Project Assistant/Interpreter (PAI, 27 months, Sanliurfa)

A project assistant (interpreter) will be recruited to support the non-Turkish members of the TAT and non-Turkish short-term experts in their interactions with the local stakeholders. She/he will also translate key project documents (i.e. progress reports etc.) from/to English and Turkish. In addition to providing translation and interpretation services, she/he will also undertake the tasks to be assigned by the CTA.

The Project Assistant should, ideally,

- Have a university degree,
- Be fluent in English and Turkish,
- Be an advanced user of computerized office applications (i.e. MS Office etc.)
- Have 5 years of professional experience,
- Have experience in working project environments,
- Have experience in undertaking interpretational duties, involving sequential interpretation during meetings and translation of documents (English – Turkish)
- Preferably have worked for an international project,

1.8.4.3 Office Assistant (OFA, 27 months, Sanliurfa)

The Office Assistant will report to the PAS on a daily basis and will be responsible for maintenance of office accounts, including office maintenance and will provide overall executive secretarial assistance to the local Project staff. He/she will respond to all queries and instructions of the Project Manager on an ad hoc basis for sound financial reporting purposes. She/he will also provide logistical, operational and administrative support to meeting/seminar organisation,

including accommodation and transportation arrangements of local Project staff and short-term experts.

The Administrative Assistant should, ideally, have

- At least a technical school certification.
- Good command of office maintenance and operational matters pertaining to financial management of internationally funded projects.
- Professional experience in administrative backstopping of internationally funded projects is an asset.
- Strong communication skills and full command of MS Word, Excel etc.

1.8.4.4 Driver/Messenger (ODM, 27 months, Sanliurfa)

The Driver/Messenger will also report directly to the PAS. He/she will fulfil logistical duties notably in regards to delivery of documentation and official carrier services as well as for driving the designated car for official duty travel. The Driver/Messenger also delivers office tasks related to office maintenance and ad hoc small cleaning and servicing works.

Qualifications The Driver/Messenger is expected to have a certification of literacy. He/she should have a valid drivers' license. S/he is expected to know the local road conditions and directions very well so as not to need any assistance.

1.8.5 Project Management

The Project Management Office (PMO) to be established at UNDP premises in Ankara will be composed of 2 part-time and 1 full-time members. The activities of the PMO will be overseen and supervised by a Programme Manager (fixed-term staff member of UNDP) to be assigned by UNDP.

In addition to managing contractual relations with the CFCU and maintaining working relations with the Ministry of Industry and Trade, the PMO will be actively engaged in Project activities. The PMO will ensure that UNDP's and relevant UN Agencies (i.e. UNIDO, ILO etc.) previous experience in the Region and in the areas, which fall into the scope of the Project) are transferred to the Project. The PMO will also facilitate establishment of working relations with national stakeholders, named in the present DoA.

Although the PMO will take active role in all component of the Project, its role will be more eminent within Component E (institution building).

1.8.5.1 Project Director (PD, 7 months, Ankara)

The Project Director will work on a part-time basis (1/4) during the entire lifespan of the Project. She/he will be in charge of the high-level planning, coordination with EU-funded projects and related UN agencies, and managing relations with the beneficiary, contracting authority and the ECD. He/she bears the responsibility for controlling the quality of the contractual (i.e. narrative and financial) reports. He/she will be working at the UNDP premises. He/she will report the programme manager to be assigned and seconded by UNDP.

General Qualifications:

- University degree in political sciences, administrative sciences (i.e. management, economics etc.) or social sciences (i.e. regional development etc.), advance degrees preferred,
- Fluency in English and Turkish,
- Computer literacy

Professional Experience:

- Minimum 10 years of professional experience,
- Minimum 5 years of international experience,
- Experience in enterprise and/or private sector development projects and/or programmes, funded by international donor agencies,
- Experience in working with public agencies and knowledge of the Turkish public system and roles and responsibilities of the public agencies,
- Working knowledge of EU's project cycle management approach and FAFA (Financial and Administrative Framework Agreement between EC and UNDP),
- Working knowledge of UNDP's rules and regulations regarding project management,
- Knowledge of industry of the Southeast Anatolia is a plus.

1.8.5.2 Project Manager (PM, 13.5 months, Ankara)

Project Manager will also be assigned on a part-time basis. He/she will maintain daily contact with the local project office and will report regularly to the Project Directors. He/she will be in charge of mobilising the international and national consultants to be identified by the TAT. He/she will work in close cooperation with the assigned staff of the Ministry. He/she will also be responsible for the organisation of the project activities in Ankara. He/she will be working at the UNDP premises.

General Qualifications:

- University degree in political sciences, administrative sciences (i.e. management, economics etc.) or social sciences (i.e. regional development etc.), advance degrees preferred,
- Fluency in English and Turkish,
- Computer literacy

Professional Experience:

- Minimum 5 years of professional experience,
- Minimum 2 years of international experience,
- Experience in enterprise and/or private sector development projects and/or programmes, funded by international donor agencies,
- Experience in working with public agencies and knowledge of the Turkish public system and roles and responsibilities of the public agencies,
- Knowledge of industry of the Southeast Anatolia is a plus.

1.8.5.3 Procurement and Finance Associate (PFA, 27 months, Ankara)

The Procurement and Finance Associate is stationed in Ankara at the UNDP premises. He/she will be responsible for keeping the accounts and doing the financial reporting of all Project activities in coordination with the PD and PM. The incumbent's duties include:

- Keep the accounts and maintain adequate records for all expenditures incurred.
- Develop regular expenditure reports and update the PD on the financial standing of the Project
- Facilitate project-based internal and external financial assessment(s),
- Liaise with the UNDP Procurement Associate for certain purchases under the project, and develop and submit annual procurement plans.
- Liaise with the UNDP Programme Manager and HR Associate for contracting of short-term experts.

He/she should have a university degree, and at least 2 years of specialised experience in the related field. He/she should possess excellent computer skills including Word, Excel. Knowledge of functioning of online ERP systems is an asset.

1.8.6 Short Term Experts

A total of 1550 working/days of short-term expertise will be mobilised for a number of activities. Three short-term expert categories have been identified and are presented below for ease of reference and consistency.

	Senior STE w/Int'l experience	Senior STE w/Local experience	Junior STE
Overall professional experience (years)	Min. 10	Min. 10	Min. 3
International experience (years)	Min. 5	n.a.	n.a.
Man/days	700	700	150

Average duration of a short-term assignment is 10 (ten) man/days, however might vary in accordance with the specific requirements of the relevant assignment. A detailed resource schedule will be developed by the Technical Assistance Team during the inception period.

1.9. Management Structure

The management structure of the Project is composed of the following bodies/units:

- Steering Committee: The steering committee will provide a high-level coordination and collaboration mechanism (please see 1.9.2).
- Provincial Advisory Committee: The provincial advisory committee will ensure province level coordination and cooperation between the local stakeholders (please see 1.9.3).
- Project Implementation Unit: The Project Implementation Unit is defined in the Project Fiche. The TAT will carry out the secretarial duties for proper functioning of the PIU. This will also help TAT maintain working relations with the contractors of the Supervision and Works components of the Programme.

In addition, the Ministry, CFCU, ECD and UNDP will meet regularly (once a month) to monitor the progress of the Project.

The roles, responsibilities and working relations of these bodies will be further detailed during the inception phase (*please see Section 1.7.1 - Component 0: Establishment of the Project Setting and Management Structure*). The following sections of the present Description of the Action lay the ground for further studies, and define the overall roles and responsibilities.

1.9.1 Senior Programme Officer (SPO)

Senior Programme Officer will be assigned by the Ministry of Industry and Trade, and will oversee the management of the Project.

1.9.2 Steering Committee

The MoIT will facilitate establishment of a Project Steering Committee (PSC), which will review progress, provide macro-level inputs for successful realization

of the Project, and act as platform for promoting inter-agency cooperation and collaboration.

The PSC will be called and chaired by the Senior Programme Officer (Deputy General Director at the MoIT and will consist of Ministry officials, key local stakeholders (i.e. OIZ Management, Chambers etc.) KOSGEB, National Productivity Centre, Investment Support and Promotion Agency, GAP Regional Development Administration, State Planning Organisation, EUSG, CFCU, ECD and UNDP/TAT. Other organisations might be invited to the PSC Meetings if there appears a need to do so. The Committee will meet twice a year, and more often if need be. The PSC will monitor and evaluate the progress of the Project and make strategic recommendations. The secretarial work of the Steering Committee will be carried out by the PIU, and meetings are planned to be held at MoIT premises in Ankara; however some PSC meetings might be held in Sanliurfa, as well.

1.9.3 Provincial Advisory Committee

Provincial Advisory Committee (PAC) will be composed of local stakeholders, and will meet every quarter, and more often if need be. PAC will be chaired by the Governor. Members of the PAC are the Municipality, OIZ Management, Chamber of Commerce and Industry, Chamber of Commodity Exchange, KOSGEB-ISGEM, GAP RDA Regional Directorate, the University and Businessmen Associations. In addition to these institutions, local directorates of central agencies (i.e. provincial directorates of industry and trade, national education etc.) will also be invited to the PAC meetings.

UNDP/TAT will also participate to all PAC meetings, and will update the local stakeholders on the progress of the Project. Ideally, PAC meetings will be held before the Steering Committee Meetings, so that the discussions in the PAC meetings are reflected in the Steering Committee Meetings.

1.10. Reporting

In general the following principles apply to all reports:

- All reporting will be done in English, to the extent possible all critical reports (i.e. inception, progress reports) will be translated into Turkish, as well.
- UNDP will submit the final drafts of all reports to the Ministry, CFCU and ECD at the same time, all addressees will respond at most in 10 working days in writing (i.e. e-mails etc.)
- The final versions of the reports will be submitted in 7 copies (3 copies to the Ministry, 3 copies to CFCU and 1 copy to ECD), including the soft copies to be provided in CDs or DVDs.

1.10.1 Inception Report

Within 8 weeks of commencement of the Project, UNDP will prepare and submit for approval an inception report to the CFCU and the Ministry including a copy to the ECD, outlining the general approach, methodology and timetable for preparation and implementation of all activities funded under the Project. The inception report will include a work plan for the first year's activities and expenditures and a detailed work plan for the next 6 months. The addressees of the inception report will comment on or approve/clear the inception report in 2 weeks in writing.

1.10.2 Monthly Reports

UNDP/TAT will prepare brief monthly reports to be discussed at the Monthly Management Meetings, described above. The monthly progress reports will elaborate on the technical aspects of the project and be informative enough to allow readers to monitor progress. Monthly progress reports are to be produced for information purposes, not necessarily for clearance and/approval.

1.10.3 Quarterly Progress Reports

UNDP/TAT will prepare and submit for approval quarterly progress reports to the CFCU and the Ministry including a copy to the ECD. Each report will include a detailed narrative discussion of the progress achieved in the reporting period and a detailed work plan for the following reporting period. These reports will be the basis of discussions at the Steering Committee, described above.

1.10.4 Financial Reports

Financial reports will be prepared and submitted by UNDP to the CFCU including a copy to the Ministry and the ECD at the time of requests for payment for further pre-financing as defined in Special Conditions.

This program activity will be assessed by an independent team in terms of efficiency and effectiveness of delivery at the end of the project duration. Associated costs are incorporated into the 5th heading of the budget for the action (Annex III).

1.10.5 Final Reports

The final report will be submitted in accordance with the principles defined above and as per the applicable clauses of Annex II.

1.11. Duration and Action Plan

The duration of Project is 28 months. The following demonstrates the action plan and follows the same coding system presented during the discussion of specific activities in section 1.7. The action plan has been developed based on the following assumptions (a) the infrastructural investments will start, latest by, September 2008 and will be completed, latest by September 2009, (b) the incumbents will have been identified by March 2010, and (c) the incumbents will complete their investments by January 2010. The project is envisaged to be launched in June 2008 and completed by January 2011. The total duration is 29 months.

Activities	Semester 1				Semester 2				Implementing Body									
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y2	Y3	UNDP	MoIT	Others	
Component 0: Establishment of the Pro...	↑	↑																
C0.1. Establishment of Project Office	↑														✓	✓		
C0.2. Development of Project Management ...	↑														✓	✓		
C0.3. Development of the Inception Report	↑														✓	✓		
Component A: Development of IIDP																		
CA.1 Assessment of Competitiveness of ...			↑	↑	↑	↑												
CA.1.1 Strategic scan of existing, ...			↑												✓	✓		
CA.1.2 Development of an IIDP				↑	↑	↑									✓	✓		✓
CA.2 Needs Assessments and Sectoral Studies				↑	↑	↑												
CA.2.1 Needs Assessment				↑											✓	✓		
CA.2.2 Development of Project Proposals					↑	↑	↑								✓	✓		✓
Component B: Investment Promotion																		
CB.1 Development of Investment Promotion ...				↑	↑	↑												
CB.1.1 Development of the Investment ...				↑											✓	✓		✓

2. Expected Results

2.1. Expected impact on target groups/beneficiaries

The Project has been designed to have long-lasting impact on the target groups and beneficiaries.

First of all, by analysing and identifying the competitive sectors, and attracting investment in these sectors, the Project will contribute to the economic development in the Province. The impact on this front will be further improved by provision of business development services to the local enterprises, especially to those located in the OIZ.

Secondly, the Project will develop local mechanisms, which will sustain the impact of the Project. The tools and plans that will be developed within the Project will assist these local mechanisms in pursuing their socio-economic development goals, and making local industries more competitive.

Thirdly, the Project will improve the capacities of local and national institutions by providing training programmes and organising international and national study tours to best practices.

Fourthly, the Project's intervention modality places special emphasis on sustainable development. This will be achieved mainly by development of plans and roadmaps that are environmentally and socially sustainable and economically viable.

2.2. Concrete outputs

The following outputs will be achieved

- Integrated Industrial Development Plan for Sanliurfa,
- Investment Promotion Strategy for Sanliurfa and promotional materials,
- An online portal for the OIZ,
- Application forms, manuals, and evaluation grids,
- Sectoral development roadmaps,
- At least 3 training programmes for local and national institutions,
- 5 international study tours.

2.3. Multiplier effects

A number of elements have been embedded in the Project design to improve the prospects for achieving multiplier effects, which will be observed mainly by improved capacity of the Ministry to disseminate the outputs of the Project and replicate the intervention modality in other regions of Turkey.

2.4. Sustainability

The Project's intervention modality addresses all three levels (i.e. financial, institutional and political) of sustainability; however due to the *sui generis* nature of the Project, institutional sustainability has been prioritised. In other words, the progress to be achieved at the institutional level is expected to trigger financial and political sustainability.

At a different yet relevant level, the Project has been designed to develop environmentally and socially sustainable and economically viable development path for the Province.

2.4.1 Institutional Level

The Project will establish and/or strengthen local mechanisms to sustain the impact of the Project after the completion of the external funding (i.e. EU's financial contribution). The present design of the Project includes establishment of a local competitiveness platform, which will oversee the implementation of the Integrated Industrial Development Plan that will be prepared within the Project. As noted earlier in the present Description of the Action, the local competitiveness platform has been designed as a symbol of a governance structure, which will oversee the industrial and economic development through a participatory and transparent manner.

Furthermore, the Project includes specific measures to improve the local and national capacities. These measures include training programmes, study tours and development of tools.

2.4.2 The Financial Aspect

The Project's sustained impact requires financial resources, which will be used to take the steps to achieve the targets of the Integrated Industrial Development Plan that will be prepared within the Project. The present Project includes activities that will serve for generating a certain amount of income (revenue) (i.e. pricing scheme for the business development services), which can be used by the local stakeholders as a seed capital for future actions. Secondly, the Project will also develop project proposals (please see CA.2.2, page 9) that can be submitted to donor organisations.

2.4.3 Policy Level

The policy-level sustainability of the Project will be achieved by providing the Ministry of Industry and Trade with the required tools and capacity to develop policy-level measures for replicating the intervention modality in other regions of Turkey.

2.5. Logical Framework

See attached log-frame.

2.6. Visibility Actions

The Budget of the Action includes a sizable amount of funds for actions related to the visibility of the Project and its outcomes. All visibility actions will be carried out in accordance with the General Conditions (i.e. ANNEX II - General Conditions applicable to European Community contribution agreements with international organisations, Article 6).

2.7. Special Considerations

2.7.1 Gender

The restructuring of industrial production as foreseen in this project is based primarily on promoting both regional competitiveness and the competitiveness of the sectors which will benefit directly from project assistance. Experience from other regional development programmes indicates that integration with markets and promotion of competitiveness often favours women's integration in labour markets. Technical assistance team will provide brief gender analysis of the industrial development strategy proposed (Component 1) as well as brief gender analysis of the sectors proposed for integration in the OIZ (Components 1 & 3).

The issue of gender analysis will be incorporated into the terms of references of the short term experts assigned to these tasks. Such gender analysis will be indicative and can provide insights into the final choices with regard to OIZ related decision making by the authorities. In addition, the Technical Assistance team will provide recommendations for OIZ governance that take into consideration the specific needs of women in labor force, e.g. transportation, lighting of municipal road connections and facilities for child care.

2.7.2 Environment

The policy of OIZ is in and of itself a policy tool for minimizing negative environmental impacts of unplanned industrial development. As such the project is at the outset supportive of environmental protection goals. However, as mentioned in the Background section, competitiveness of regions and sectors is increasingly related to the demands of a growing international market demand for environmentally friendly products. As such, the Industrial Development Strategy for Sanliurfa and the sectoral recommendations for OIZ placement will also included brief environmental analysis and indicative information with regard to carbon footprint of the manufacturing enterprises that will benefit from project inputs.

3. Budget for the Action

The total cost of the Action is EUR 2,620,000.00 all financed by the European Commission. Please see attached budget for details.

4. Legal Context

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the Supplemental Provisions (below) and all CPAP provisions apply to this document.

The following types of revisions may be made to this project document with the signature of UNDP Resident Representative only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

1. Revisions in, or addition of, any of the annexes of Programme Support Document (with the exception of Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a pre-condition for UNDP assistance);
2. Revisions which do not involve significant changes in the Project Support Objectives, activities or outputs for the Project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to the inflation; and Mandatory annual revisions which rephrase the delivery of agreed project inputs or increased expert or other costs due to inflation or to take into account agency expenditure flexibility.

Supplemental Provisions: Standard Legal Text for Non-SBAA Countries

This project document shall be implemented within the legal framework of inter alia the Revised Standard Agreement concerning Technical Assistance between the Government of Turkey and the United Nations Development Programme signed by the parties on 21 October 1965. In particular, the provision of Article V, paragraph 1, obligating the Government to apply the provisions of the Convention of Privileges and Immunities shall be deemed to apply *mutatis mutandis* to technical assistance carried out in accordance with this project.

Attachment 1: Logical Framework

Intervention Logic		Objectively Verifiable Indicators		Sources of Verification		Risks and Assumptions	
<i>Overall Objective(s)</i>		<i>Objectively Verifiable Indicators</i>		<i>Sources of Verification</i>		<i>Risks and Assumptions</i>	
To reduce regional disparities in Turkey, by contributing to social stability and economic development in the GAP Region.		<ul style="list-style-type: none"> - Saniurfa registers a positive value in SPO's socio-economic development index by 2015 - The provincial GDP per capita of Saniurfa increases to national average by 2015 - Unemployment decreases to below 10% by 2015 		<ul style="list-style-type: none"> - State Planning Organisation - TURKSTAT 			
<i>Purpose</i>		<i>Objectively Verifiable Indicators</i>		<i>Sources of Verification</i>		<i>Risks and Assumptions</i>	
To identify strategic sectors for Saniurfa OIZ and establish an operating environment for the enterprises in the OIZ, in which such enterprises can operate competitively.		<ul style="list-style-type: none"> - An IIDP developed by the 6th month of the Project, - At least 3 sectors identified as priority sectors with competitive advantages by the 6th month of the Project, - An investment promotion strategy developed by the 5th month of the Project, - A governance structure established for the selection of applications by the 5th month of Project, - Business development services delivered to 50 businesses during the lifespan of the Project, - At least 3 training programmes delivered to national and local bodies during the lifespan of the Project, 		<ul style="list-style-type: none"> - Integrated Industrial Development Plan, - Investment promotion strategy document, - Progress reports - Training participation lists, 		<ul style="list-style-type: none"> - Entrepreneur's Committee and Management Board of the Saniurfa OIZ will follow the recommendations of the Project, especially in terms of evaluating the applications to be made by the potential investors to operate in the OIZ - Infrastructural investments will be completed in a timely manner. - OIZ incumbent companies will be willing to cooperate and be ready to benefit from the services of the Project. 	
<i>Expected Results</i>		<i>Objectively Verifiable Indicators</i>		<i>Sources of Verification</i>		<i>Risks and Assumptions</i>	
1. An Integrated Industrial Development Plan developed for Saniurfa,		<ul style="list-style-type: none"> - An IIDP developed by the 6th month of the Project, - At least 3 sectors identified as priority sectors with competitive advantages by the 6th month of the Project, - At least 3 project proposals developed by the 12th month of the Project to support IIDP 		<ul style="list-style-type: none"> - Integrated Industrial Development Plan, - Progress reports 			

Expected Results	Objectively Verifiable Indicators	Sources of Verification	Risks and Assumptions
2. The investment opportunities in the 2 nd OIZ promoted,	<ul style="list-style-type: none"> - An investment promotion strategy developed by the 5th month of the Project, - An investment promotion kit developed by the 8th month of the Project, - Working relations established with at least 3 organisations by the 10th month of the Project, - An online portal developed by the 7th month of the Project, - 5 national or int'l networking activities organised within the first year of the Project 	<ul style="list-style-type: none"> - Investment promotion strategy document, - Progress reports - Online portal 	<ul style="list-style-type: none"> - The OIZ Management Board and Entrepreneur' Committee are willing to allocate sufficient resources for sustainability of the online portal,
3. Incumbents of the 2 nd OIZ selected fairly, competitively and transparently,	<ul style="list-style-type: none"> - Governance structure established by the 5th month of Project, - Selection criteria identified by the 6th month of the Project - Decisions announced by the 11th month of the Project 	<ul style="list-style-type: none"> - Application documents and manuals, - Application evaluation guidelines - Progress reports 	<ul style="list-style-type: none"> - Entrepreneur's Committee and Management Board will follow the recommendations of the Project, especially in terms of evaluating the applications to be made by the potential investors to operate in the OIZ
4. Capacity of the local enterprises developed,	<ul style="list-style-type: none"> - Business development services delivered to 50 businesses during the lifespan of the Project, - At least 3 sectoral development roadmaps developed by the 13th month of the project 	<ul style="list-style-type: none"> - Progress reports, - Sectoral development roadmaps 	<ul style="list-style-type: none"> - OIZ incumbent companies will be willing to cooperate and be ready to benefit from the services of the Project.
5. Capacity of the local and national institutions improved.	<ul style="list-style-type: none"> - At least 3 training prog.s organised during the lifespan of the Project, - At least 5 int'l study tours organised during the lifespan of the Project, - At least 2 supportive tools developed for the OIZ mgmt and MoIT 	<ul style="list-style-type: none"> - Progress reports - Training participation lists, Mission reports for 	
Activities	Means	Budget (€)	Risks and Assumptions
Component 0: Establishment of the Project Setting and Management Structure			
C0.1. Establishment of Project Office	Human Resources	1.788.050 €	
C0.2. Development of Project Management Protocols	Travel	119.500 €	
C0.3. Development of the Inception Report	Equipment and Supplies	49.550 €	
Component A: Development of Integrated Industrial Development Plan	Local Office Costs	61.400 €	
CA.1 Assessment of Competitiveness of Existing, Emerging and Potential Sectors	Other Costs, services	378.150 €	
CA.1.1 Strategic scan of existing, emerging and potential sectors in the Region	Contingency	51.948 €	
CA.1.2 Development of an integrated industrial development plan for Sanliurfa	Admin Costs	171.402 €	
CA.2 Needs Assessments and Sectoral Studies	Total	2.620.000 €	
CA.2.1 Needs Assessment			

Activities	Means	Budget (€)	Risks and Assumptions
<p>CA.2.2 Development of Project Proposals Component B: Investment Promotion CB.1 Development of Investment Promotion Strategy and Action Plan CB.1.1 Development of the Investment Promotion Strategy CB.1.1.2 Development of the Action Plan of the Investment Strategy CB.2 Implementation of the Investment Strategy Action Plan CB.2.1 Development of promotional materials CB.2.2 Establishment of working relations (partnerships) CB.2.3 Regional, national and international business brokerage events and road-shows CB.2.4 Establishment of an online portal for the OIZ CB.2.5 Grand Opening of the OIZ Component C: Assessment of Applications CC.1 Development of Governance Structure CC.1.1 Establishment of the Governance Structure CC.1.2 Development of the Selection Criteria CC.2 Launch of the application process and Assessment of Applications CC.2.1 Launch of the application process CC.2.2 Assistance to applicants CC.2.3 Evaluation of applications CC.2.4 Announcement of Decisions Component D: Business Development Services CD.1 Business Development Services CD.1.1 Needs Assessment and Design CD.1.2 Delivery of Business Development Services CD.1.3 Establishment of Knowledge Repository CD.1.4 Evaluation of Business Development Services CD.2 Establishment of a Local Competitiveness Council CD.2.1 Development of the Governance Structure of the Council CD.2.2 Identification of Council Members CD.2.3 TA for Operations of the Council CD.2.4 International Study Tours CD.3 Development of Cluster Development Roadmaps CD.3.1 Envisioning Workshops for the Clusters</p>			

Activities	Means	Budget (€)	Risks and Assumptions
CD.3.2 Development of Cluster Development Roadmaps and Action Plans CD.4 Technical Assistance for Implementation of the Roadmaps CD.4.1 Provision of Business Development Services CD.4.2 TA for Joint Initiatives Component E: Institution Building CE.1 Institution Building Programmes CE.1.1 Needs Assessment CE.1.2 Training Programmes CE.1.3 International and National Study Tours CE.2 Development of Supportive Tools			