

## **Second Extension Documents of the “Applied SME Capability Building Center (Model Factory)” Project**

1. Official Approval Letter from the Ministry of Foreign Affairs
2. Official Letter from Mr. Claudio Tomasi, CD of UNDP Turkey
3. Cover Page
4. Annual Work Plans for 2018, 2019 and 2020
5. 1<sup>st</sup> Extension Documents
6. Steering Committee Meeting Minutes
7. Steering Committee Participant List
8. KfW – UNDP Cost Sharing Agreement Annex I

**Official Letter from the Ministry of Foreign Affairs**



2018/17610526-ÇEGY/22710094

The Ministry of Foreign Affairs of the Republic of Turkey presents its compliments to the United Nations Development Programme (UNDP) Representation in Turkey and with reference to the Latter's Letter No:UNDP-TUR-2080927-0005211, has the honour to enclose herewith five of the six signed copies of the Cover Page for Project Cost Extension of project titled "Applied SME Capabilitily Building Center (Model Factory)".

The Ministry of Foreign Affairs of the Republic of Turkey avails itself of this opportunity to renew to the United Nations Development Programme Representation in Turkey the assurances of its high consideration.

Ankara, 07 December 2018



Encl: As stated

**United Nations Development Programme Representation in Turkey**  
**ANKARA**



**Official Letter from Mr. Claudio Tomasi, CD of UNDP Turkey**



Empowered lives.  
Resilient nations.

REF: UNDP-TUR-20180927-0005211

Dear Mr. Turan

**Subject:** Cover Page for Project Cost Extension – Applied SME Capability Building Center (Model Factory)

Please find the second cost-extension letter for Award ID: 97599, Applied SME Capability Center Project, with the decision of the Project Steering Committee. Minutes and participant lists of the steering committee is attached with the 1<sup>st</sup> extension document, as well as the Annex of the Cost Sharing Agreement between UNDP and KFW.

We would appreciate, if you could kindly review and sign the six copies of the Cover Page together with annual work plans for 2018, 2019 and 2020. We remain at your disposal.

Yours sincerely,

Claudio Tomasi  
Country Director



**Mr. Mustafa Osman Turan**  
Deputy General Director  
Multilateral Economic Affairs  
Ministry of Foreign Affairs

**Encl.:**

1. Cover Page (6 original copies)
2. Annual Work Plans for 2018, 2019 and 2020 (6 original copies)
3. 1<sup>st</sup> Extension Documents (6 copies)
4. Steering Committee Meeting Minutes (6 copies)
5. Steering Committee Participant List (6 copies)
6. KfW – UNDP Cost Sharing Agreement Annex I (6 copies)

**Cover Page**



**UN Development Programme  
Turkey Ankara**

<b>Award ID</b>	00097599			<b>Budget as of September 05, 2018</b>	
<b>Award Title</b>	Applied SME Capability Center (aka Model Factory)				
<b>Start Year</b>	2016		<b>Donor</b>	<b>Fund</b>	<b>Amount (USD)</b>
<b>End Year</b>	2020 End Q2		TUR	30071 Programme Cost MoIT	1,692,860.49
				30072 ASO	686,529.78
				30073 ASO 1. OIZ Management	1,480,104.18
<b>Implementing Partner</b>	MoIT Directorate General for Industry and Productivity			30074 KfW	5,952,380.96
<b>Responsible Parties (Implementing Agents)</b>	Ankara Chamber of Industry, Ankara Chamber of Industry 1. OIZ Management				
				<b>Total Budget (As of September 03, 2018)</b>	9,811,875.41
				<b>Total Expenditure (As of August 31, 2018)</b>	1,573,042.97
				<b>Award Total (As of September 05, 2018)</b>	11,384,918.38
<b>Revision Type</b>	<b>Substantive and Financial</b>				
<b>Brief Description</b>					

This revision will amend the (i) duration and the (ii) budget of the Project, (iii) the management arrangements of the implementation of selected project components/activities and (iv) the scope and the intervention modality of the Project as detailed below:

- a. Project was originally designed to complete a feasibility study on SME Capability Center to improve efficiency of Turkish SMEs in line with the priorities of Turkish Government. The process progressed positively, and feasibility study resulted with an investment decision by the Government in 2017 to establish and operationalize the first center in Ankara under the auspices of MoIT DG for Industry and Productivity and Ankara Chamber of Industry and Ankara I.OIZ Management. An extension for the original Project Document is prepared and agreed by the Government in 2017. In due course Government extended the scope and budget of the investment decision and adopted SME Capability Centers as one of the priority policy tools to promote productivity in SMEs at the national level. This policy tool also integrated into recent action plans of the Ministry. In line with the scope of the services and the mandate of the center, Government decided to change the name as "SME Capability and Transformation Center". These centers will be serving as crucial policy tool for the Government to

*Handwritten signatures and initials: N. Kurt, [Signature], [Signature], CT*

help transformation in the manufacturing industry specially targeting SMEs to achieve higher productivity and stronger competitive advantage at national level to be better integrated into global value chains.

- b. In an effort to ensure scale-up and replication of SME Capability and Transformation Centers, DG for Industry and Productivity and UNDP CO secured additional funding for Centers to be established in İzmir and Mersin in 2017 via EUTF MADAD Programme funded by EU. This initiative is launched by DG for Industry and Productivity and UNDP CO with the approval of the Government which will be active until the end of 2019. Same initiative also covers establishment of innovation centers in Izmir and Mersin to strengthen entrepreneurship and innovation ecosystem in a complementary manner with different actions of Ministry.
- c. Similarly, UNDP CO has channelled additional funding from KfW for Ankara, Kayseri and Konya through a separate financing agreement (In equivalent of EUR 5.12 mn) which was approved/amended by end June 2018 between UNDP and KfW. Within the scope of the agreement, replication of the Center for Kayseri and Konya will be ensured in collaboration with local actors. In addition, a new service line in order to deliver product development/innovation services in Ankara will be supported via KfW funding. Amendment to original financing agreement, covering the scope of this additional funding is attached along with the detailed budget allocation presented through Annual Work Plan and Budget within this extension scope. UNDP CO will be jointly reporting KfW for the financing agreement. Initial part is being implemented by Turkish Employment Agency and UNDP CO and has started in September 2017.
- d. Government also decided that public-private partnership model which is adopted for Ankara, to be replicated in other target provinces where UNDP CO acts as the implementation partner to manage the joint budget and facilitate initial actions for smooth transition in operational, administrative and managerial processes. However, Bursa, Konya and Kayseri budgets from Chambers will not be transferred to UNDP CO. Instead separate cooperation protocols will be signed between DG for Industry and Productivity and each of these Chambers.
- e. Project Duration is amended once again until the end of second quarter of 2020 (End June 2020) for ensuring operationalisation of Ankara, Bursa, Kayseri and Konya SME Capability and Transformation Centres. This increase results with an increase in number of outputs for operationalisation of three different Centres with extended service lines (digital transformation, product development and improvement interactive/self learning system for capability center) for Ankara which is also reflected as another output (output 4). This new output will be also serving recent efforts of Ministry to support entrepreneurship and innovation ecosystem through innovation centers. Having feedback from ongoing initiatives led by Ministry in different functions (like Technology Transfer Offices, Technology Development Zones etc) Ministry will also invest in Ankara in 2019 in a complementary manner. This additional investment will facilitate new services for SMEs and potential entrepreneurs in Ankara to commercialise new patents and new products. In addition, network development services will be also formulated under a new platform/network for Ankara to enable more integrated services and support schemes could be formulated (For instance; network development activities would be formulated to establish linkages between technology entrepreneurs, start-ups and potential investors and existing industrialists, etc.) All relevant actors in Ankara from Universities from Ministerial functions, from relevant civil society actors will be brought together under this platform/network to work on the alternative models and finalise several functions for innovation ecosystem.<sup>1</sup> These services will be jointly formulated with Ministry and Project Board in order to test and prototype next generation policy tools of the Ministry in innovation ecosystem These tools are expected to improve network linkages of Ankara ecosystem with other strong centers like Istanbul, Izmir. While doing so, it is also expected to enhance linkages between OIZ managements and technology development zones to improve efficiency in both in existing support schemes and current working relations.
- f. With the inclusion of different partners, having an overall governance mechanism for these centers will be important. Throughout the Project, this issue will be also worked on and an overall governance mechanism for SME Applied Capability and Transformation Centers under the auspices of DG for Industry and Productivity will be also piloted with an actionable model taking into consideration of complementary programs of the Government.
- g. Increase in the Overall Project Budget from initial project budget of USD 4,626,856.77 to USD 11,384,918.38 with the

<sup>1</sup> <http://dergipark.gov.tr/verimlilik/issue/39530/432725>

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following fund allocation according to donors.

Funding Source	Amount (USD)
Ministry of Industry and Technology <sup>2</sup>	3,216,397.42
Ankara Chamber of Industry	736,035.82
ASO I. OIZ Management	1,480,104.18
KfW	5,952,380.96
Total	11,384,918.38
<b>Additional Contributions From Chambers<sup>3</sup></b>	
Bursa Chamber of Commerce and Industry	872,854.23
Kayseri Chamber of Industry	421,879.55
Konya Chamber of Industry	421,879.55

- h. For each centre annual workplan and budget is revised with respective budget allocation as agreed by the partners is attached. Following principles will apply;
- i. MoIT, DG for Industry and Productivity will be providing fixed investment costs (machinery and equipment) together with costs for the **training of the trainers and development of training materials with related licencing fees.**
  - ii. Possible additional costs on project implementation arising from UNDP Direct Project Costing will be equally distributed among funding partners and will be shown as a separate budget item.
  - iii. General Management Services cost arising from UNDP's Standard Operating Procedures will be also distributed among funding partners **in line with the delivery of the Budget items.** Estimated figures are reflected in the annual work plan and budgets, based on yearly estimated expenditure amounts.
  - iv. In Ankara, Ankara Chamber of Industry and ASO I.OIZ Management are the natural implementing partners and transferred all committed budget allocation to UNDP CO. With the approval of DG, other chambers will not be transferring funds to UNDP CO. Instead they will be spending their own budget and submitting monthly progress reports to DG. UNDP CO shall process related payments for these Chambers only with the approval of Directorate General.
  - v. All Chambers will be providing refurbishment costs of the center together with the **operational costs** like staff to be recruited, awareness raising programs, collaboration activities with Universities etc. **Chambers** will also cover the **first implementation of the pilot programs** to be implemented on selected SMEs in their respective provinces in line with the selected model and the completed training curricula approved and implemented by DG.

<sup>2</sup> The commitment of MOIT, as set in the Government investment plan, is revised due to the change of USD exchange rate throughout the extension period.

<sup>3</sup> Cooperation protocols will be setting the implementation roles with contribution responsibilities. This additional funding is not included into original project budget

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vi. Staff recruited for the Project throughout the engagement of UNDP CO, will be also cost shared by the donors under operational costs allocated to service contracts.

i. **Incorporation of local partners within the scope of the management arrangements of the Project.** Chambers will be Implementing Partners of the UNDP in addition to the MoIT, DG for Industry and Productivity. They will act as the **Implementing Partner** and will have respective roles in both activities but specifically under Activity 1.2 and Activity 1.3 to own and sustain the Center to be established. As per the feasibility study and the decision of Project Steering Committee, local partners will be providing physical space, will undertake refurbishment costs and will establish the necessary governance mechanism to own and manage the Center in collaboration with MoIT DG for Industry and Productivity. Information of related governance mechanisms by the partners will be shared by DG for Industry and Productivity officially. Other than Ankara, all Chambers will be signing additional collaboration protocols with DG to establish the basis for their implementation and setting the rules for their reporting responsibilities. All Chambers will need to establish governance mechanisms to ensure sustainability and smooth implementation throughout the project duration. For instance, in Bursa a separate governance structure is already established as a joint stock company named BUTEKOM A.Ş. and Bursa Chamber of Industry Management already plans to appoint BUTEKOM A.Ş. for taking the responsibility on SME Capability and Transformation Center. Similarly, Ankara is working on a separate governance mechanism to take over the center after the set up process is completed.

j. **Additional Service Lines for the Centers;** As foreseen in the feasibility study and in line with Government priorities, additional service lines will be added to the SME Capability and Transformation Centers, pilot implementation will benefit from the progress of Ankara and will be first operationalised in Ankara.

a. Services for enabling/supporting digital transformation in manufacturing industry:

This service line design will be coordinated by DG for Industry and Productivity in relation with Government priorities and background studies focusing on digital transformation. Initial investment costs will be borne by DG. First implementation will be carried out in Ankara, as the initial pilot. In line with the experience replication of this service line could be introduced for all of the other Centers. Digitalisation service line will be built upon the initial lean transformation set up and will focus on a complementary approach to enable an easier transition for the participating companies as well as the service delivery units of the Center.

b. Services to cover innovation/product development type of services in Ankara Capability and Transformation Center:

This new service line will be focusing on activities like product development, design to value, prototyping, market development etc. where the concept will be decided with ASO and I.OIZ Management with contributions from key ecosystem actors in innovation and entrepreneurship. The target of this additional service line is to enable services for stimulating product development for existing SMEs and/or to create space for potential entrepreneurs to improve value added/new product development in manufacturing industry. A recent focus group meeting is led by MoIT and participated by leading ecosystem actors. A detailed action document is being developed and will be feeding into the identification/finalisation of the concrete action lines.

These service lines will be supported by KfW funding and a new output is identified as the '*Extension of services of Ankara SME Capability and Transformation Center focusing on innovation*'. In line with the agreed service lines following goals will be sought to be reached;

- Alternative service lines on digital transformation and innovation like product development/design to value, identified

- Physical investments for alternative service lines covering digital transformation will be completed

- Training materials/Service guidelines for the new service lines, developed

- # of SMEs (200 SMEs, 200 entrepreneurs) entrepreneurs reached, benefited from new service lines, achieved and reported.

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- # of jobs created (2000 new jobs) in relation to Resilience Program interventions (since KfW original cost sharing agreement directly targets to Syrian Crises Response Program).

- Collaboration with ASOSEM (Ankara Chamber of Industry Vocational Training Center) will be ensured to support job placement targets.

Type of innovation services which will be formulated under section e will be also strongly linked with the results of this action and will be feeding into overall policy development efforts of the Ministry.

**List of attachments for the extension:**

1. Annual Work Plans for 2018, 2019 and 2020
2. 1<sup>st</sup> extension documents
3. Steering Committee Meeting Minutes
4. Steering Committee Participation List
5. KfW – UNDP Cost Sharing Agreement Annex I

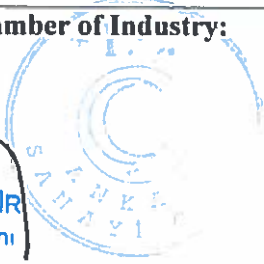
**Agreed by the Ministry of Industry and Technology:**

  
Dr. Halil İbrahim ÇETİN  
Genel Müdür

**Date:**

**Agreed by Ankara Chamber of Industry:**

  
M. NURETTİN ÖZDEBİR  
Yönetim Kurulu Başkanı



**Date:**

**Agreed by Ankara I. Organized Industrial Zone Management:**

  
M. Niyazi AKDAS  
Yönetim Kurulu Başkanı



**Date:**

**Agreed by United Nations Development Programme:**

Claudio Tomasi  
Country Director



**Date:**

**Agreed by the Ministry of Foreign Affairs:**

  
Mustafa Osman TURAN  
Elçi  
Çok Taraflı Ekonomik İşler  
Genel Müdür Yardımcısı

**Date:** 07/12/2018

## **Annual Work Plans for 2018, 2019 and 2020**

Revised Annual Work Plan (Year 2018)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2018				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT (1000 USD)			TOTAL AMOUNT	
		Q1	Q2	Q3	Q4				MOIT	ASO	1.OIZ	1000 USD	1000 TRL (Sep 2018)
<b>OUTPUT 1-ANKARA</b> Operationalisation of the first Applied Capability Center (aka MF) in Ankara  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b>					MoIT & ASO&1.OIZ		71300 Local Consultant					
	1.1.1 Finalisation of Governance Structure						MoIT	72200 Equip & Furniture	50.00			50.00	337.08
	1.1.2 Completion of Physical Investments (refurbishment&machinery)						MoIT&ASO&1.OIZ	72500 Consumable Material					
	1.1.3 Mobilisation of Staff						MoIT&ASO&1.OIZ	72100 Contracted Services	61.27	106.77	253.45	421.48	2 841.25
		1.1.4 Inauguration of the Center					MoIT	71400 Service Contracts	12.50			12.50	
								74500 Other Costs					
	<b>1.2 Pilot Implementation</b>					MoIT & ASO&1.OIZ		71300 Local Consultant					
	1.2.1 Delivery of awareness raising programs						MoIT&ASO&1.OIZ	71600 Travel	11.00	12.50	20.00	43.50	293.24
	1.2.2 Identification of Pilot SMEs						ASO&1.OIZ	72200 Equip & Furniture		26.06	39.63	65.68	
	1.2.3 Delivery of Train the Trainers Program						ASO&1.OIZ	72500 Consumable Material					
		1.2.4 Implementation of Learn and Transform Programs in selected companies					MoIT&ASO&1.OIZ	74100 Professional Services		47.82	89.53	137.35	925.86
							MoIT&ASO&1.OIZ	72100 Contracted Services	245.07	106.77	253.45	605.28	4 080.28
							MoIT&ASO&1.OIZ	74500 Other Costs	26.71	27.50	51.72	105.94	714.12
	<b>1.3 Sustainability and Exit Strategy</b>					MoIT & ASO&1.OIZ		71300 Local Consultant					
	1.3.1 Development of a follow up performance plan after the pilot programs						MoIT&ASO&1.OIZ	72500 Consumable Material					
	1.3.2 Identification of additional service lines						ASO&1.OIZ	71600 Travel	11.00	12.50	20.00	43.50	293.24
	1.3.3 Preparation of a sustainability strategy						MoIT	72100 Contracted Services		42.71	101.38	144.09	971.30
							MoIT	74100 Audit	3.00			3.00	20.22
							MoIT&ASO&1.OIZ	74598 Direct Project Cost	5.63	4.35	9.23	19.22	129.54
							MoIT	71400 Service Contracts	12.50			12.50	84.28
								<b>GMS (%3)</b>	13.18	11.61	25.15	49.92	336.52
								<b>TOTAL</b>	<b>451.85</b>	<b>398.68</b>	<b>863.53</b>	<b>1,713.96</b>	<b>11,563.96</b>
								<b>TOTAL AMOUNT excluding GMS</b>	438.69	386.97	838.38	1,664.04	11,217.43

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim Çetin, General Director  
Date:

Signature:

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date:

Signature:



Claudio Tomasi  
Country Director

On behalf of Ankara Chamber of Industry

Name: M. Nurettin Özdebir, Chairman of the Executive Board  
Date:

Signature:

M. NURETTİN ÖZDEBİR  
Yönetim Kurulu Başkanı

On behalf of ASO 1. OIZ

Name: Niyazi Akdaş, Chairman of the Executive Board  
Date:

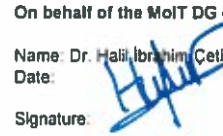



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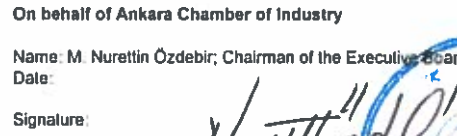

M. Niyazi AKDAŞ  
Yönetim Kurulu Başkanı

Note: USD Operational Exchange Rate is 6.7411 (September 2018)

Revised Annual Work Plan (Year 2019)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2019				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT (1000 USD)			TOTAL AMOUNT		
		Q1	Q2	Q3	Q4				MOIT	ASO	1.OIZ	1000 USD	1000 TRL (Sep 2018)	
<b>OUTPUT 1-ANKARA</b> Operationalisation of the first Applied Capability Center (aka MF) in Ankara Baseline 1 No SME Capability Center Indicators 1 Governance Structure 2 Physical Investments for the Center 3 Training of Trainers 4 Pilot Transformation Programs 5 Training materials Goals 1 SME Capability Center Governance Structure Established 2 Physical Establishment of SME Capability Center completed 3 Selection of 10-12 Companies for transformation programs 4 Training materials 5 Communication Materials on pilot Schemes	1.1 Establishment of Applied SME Capability Center					completed		71300 Local Consultant 72200 Equip & Furniture 72500 Consumable Material 72100 Contracted Services 71400 Service Contracts 74500 Other Costs						
	1.1.1 Finalisation of Governance Structure													
	1.1.2 Completion of Physical Investments (refurbishment&machinery)													
	1.1.3 Mobilisation of Staff													
	1.1.4 Inauguration of the Center													
	1.2 Pilot Implementation					MoIT & ASO&1 OIZ		71300 Local Consultant 71600 Travel 72200 Equip & Furniture 72500 Consumable Material 74100 Professional Services 72100 Contracted Services 74500 Other Costs		26.06	39.83	65.68	442.79	
	1.2.1 Delivery of awareness raising programs													
	1.2.2 Identification of Pilot SMEs													
	1.2.3 Delivery of Train the Trainers Program									47.82	89.53	137.35	925.86	
	1.2.4 Implementation of Learn and Transform Programs in selected companies									108.77	253.45	360.21	2,428.24	
	1.3 Sustainability and Exit Strategy					MoIT & ASO&1 OIZ		71300 Local Consultant 72500 Consumable Material 71600 Travel 72100 Contracted Services 74100 Audit 74598 Direct Project Cost 71400 Service Contracts		64.06	152.07	216.13	1,456.95	
	1.3.1 Development of a follow up performance plan after the pilot programs													
	1.3.2 Identification of additional service lines													
	1.3.3 Preparation of a sustainability strategy													
									GMS (%3)	0.00	8.17	17.59	25.78	173.64
									TOTAL	0.00	280.37	603.98	884.35	5,961.51
									TOTAL AMOUNT excluding GMS	0.00	272.20	596.39	858.60	5,787.88

On behalf of the MoIT DG of Industry and Productivity  
 Name: Dr. Halil İbrahim ÇETİN, General Director  
 Date:   
 Signature:   
 Reviewed by  
 Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
 Date:   
 Signature: 

On behalf of Ankara Chamber of Industry  
 Name: M. Nurettin Özdebir, Chairman of the Executive Board  
 Date:   
 Signature:   
 M. NURETTİN ÖZDEBİR  
 Yönetim Kurulu Başkanı

On behalf of the UNDP  
 Name: Claudio Tomasi, Country Director  
 Date:   
 Signature:   
 Claudio Tomasi  
 Country Director

On behalf of ASO 1. OIZ  
 Name: Niyazi Akdaş, Chairman of the Executive Board  
 Date:   
 Signature:   
 M. Niyazi AKDAŞ  
 Yönetim Kurulu Başkanı

Revised Annual Work Plan (Year 2020)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2020				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT (1000 USD)			TOTAL AMOUNT	
		Q1	Q2	Q3	Q4				MOIT	ASO	1.OIZ	1000 USD	1000 TRL (Sep 2018)
<b>OUTPUT 1-ANKARA</b> Operationalisation of the first Applied Capability Center (aka MF) in Ankara  Baseline 1 No SME Capability Center  Indicators: 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  Goals 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	1.1 Establishment of Applied SME Capability Center					completed		71300 Local Consultant					
	1.1.1 Finalisation of Governance Structure							72200 Equip & Furniture					
	1.1.2 Completion of Physical Investments (refurbishment&machinery)							72500 Consumable Material					
	1.1.3 Mobilisation of Staff							72100 Contracted Services					
	1.1.4 Inauguration of the Center							71400 Service Contracts					
								74500 Other Costs					
	1.2 Pilot Implementation					completed		71300 Local Consultant					
	1.2.1 Delivery of awareness raising programs							71600 Travel					
	1.2.2 Identification of Pilot SMEs							72200 Equip & Furniture					
	1.2.3 Delivery of Train the Trainers Program							72500 Consumable Material					
	1.2.4 Implementation of Learn and Transform Programs in selected companies							74100 Professional Services					
								72100 Contracted Services					
								74500 Other Costs					
	1.3 Sustainability and Exit Strategy					MoIT & ASO&1.OIZ		71300 Local Consultant					
	1.3.1 Development of a follow up performance plan after the pilot programs							72500 Consumable Material					
1.3.2 Identification of additional service lines							71600 Travel						
1.3.3 Preparation of a sustainability strategy							72100 Contracted Services						
							ASO&1.OIZ 74100 Audit		3.00	3.00	6.00	40.45	
						ASO&1.OIZ 74598 Direct Project Cost		4.35	9.23	13.58	91.56		
							71400 Service Contracts						
							GMS (%)		0.22	0.37	0.59	3.96	
							TOTAL		7.58	12.99	20.17	135.97	
							TOTAL AMOUNT excluding GMS		7.35	12.23	19.58	132.01	

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim CETİN, General Müdür  
Date:

Signature:

Reviewed by

Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date:

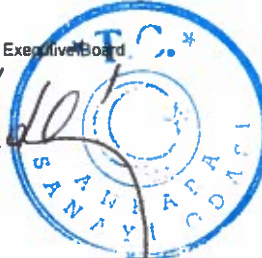
Signature:

On behalf of Ankara Chamber of Industry

Name: M. Nurettin Özdebir, Chairman of the Executive Board  
Date:

Signature:

M. NURETTİN ÖZDEBİR  
Yönetim Kurulu Başkanı



On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date:

Signature:

Claudio Tomasi  
Country Director

On behalf of ASO 1. OIZ

Name: Niyazi Akdaş, Chairman of the Executive Board  
Date:

Signature:

M. Niyazi AKDAŞ  
Yönetim Kurulu Başkanı



Revised Annual Work Plan (Year 2018)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2018				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT	
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)
<b>Output 2-BURSA</b> Operationalisation of the first Applied Capability Center (aka MF) in Bursa  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b>					MoIT	71300 Local Consultant			
	1.1.1 Finalisation of Governance Structure						MoIT	72200 Equip & Furniture	87.83	592.05
	1.1.2 Completion of Physical Investments (refurbishment&machinery)						MoIT	72500 Consumable Material		
	1.1.3 Mobilisation of Additional Staff in accordance to Bursa needs						MoIT	72100 Contracted Services	55.94	377.12
	1.1.4 Inauguration of the Center						MoIT	71400 Service Contracts		
							MoIT	74500 Other Costs	6.32	42.63
	<b>1.2 Pilot Implementation</b>					MoIT	71300 Local Consultant			
	1.2.1 Delivery of awareness raising programs						MoIT	71600 Travel	9.07	61.11
	1.2.2 Identification of Pilot SMEs						MoIT	72200 Equip & Furniture	105.39	710.46
	1.2.3 Delivery of Train the Trainers Program						MoIT	72500 Consumable Material		
	1.2.4 Implementation of Learn and Transform Programs in selected companies						MoIT	74100 Professional Services		
							MoIT	72100 Contracted Services	111.89	754.23
							MoIT	74500 Other Costs	12.65	85.25
	<b>1.3 Sustainability and Exit Strategy</b>						71300 Local Consultant			
	1.3.1 Development of a follow up performance plan after the pilot programs						72500 Consumable Material			
	1.3.2 Identification of additional service lines						71600 Travel			
	1.3.3 Preparation of a sustainability strategy						72100 Contracted Services			
							74100 Audit			
							74598 Direct Project Cost			
							71400 Service Contracts			
<b>GMS (%3)</b>								11.67	78.69	
<b>TOTAL</b>								400.76	2,701.63	
<b>TOTAL AMOUNT excluding GMS</b>								389.08	2,622.85	

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim ÇETİN, General Director  
Date: \_\_\_\_\_  
Signature: 

Signature: 

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_



On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date: \_\_\_\_\_  
Signature: 

Claudio Tomasi  
Country Director



Revised Annual Work Plan (Year 2019)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2019				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT	
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)
<b>Output 2-BURSA</b> Operationalisation of the first Applied Capability Center (aka MF) in Bursa  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b> 1.1.1 Finalisation of Governance Structure 1.1.2 Completion of Physical Investments (refurbishment&machinery) 1.1.3 Mobilisation of Additional Staff in accordance to Bursa needs 1.1.4 Inauguration of the Center					MoIT	71300 Local Consultant			
							MoIT	72200 Equip & Furniture	87.83	592.05
								72500 Consumable Material		
								72100 Contracted Services		
								71400 Service Contracts		
							74500 Other Costs			
		<b>1.2 Pilot Implementation</b> 1.2.1 Delivery of awareness raising programs 1.2.2 Identification of Pilot SMEs 1.2.3 Delivery of Train the Trainers Program 1.2.4 Implementation of Learn and Transform Programs in selected companies					MoIT	71400 Service Contracts		
						MoIT		71600 Travel	4.53	30.55
								72200 Equip & Furniture	70.26	473.64
								72500 Consumable Material		
								74100 Professional Services		
							MoIT	72100 Contracted Services	55.94	377.12
							MoIT	74500 Other Costs	6.32	42.63
		<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan after the pilot programs 1.3.2 Identification of additional service lines 1.3.3 Preparation of a sustainability strategy					MoIT	71300 Local Consultant		
								72500 Consumable Material		
						71600 Travel		4.53	30.55	
						72100 Contracted Services				
						74100 Audit				
							74598 Direct Project Cost			
							71400 Service Contracts			
								<b>GMS (%3)</b>	6.88	46.40
								<b>TOTAL</b>	<b>236.30</b>	<b>1,592.94</b>
								<b>TOTAL AMOUNT excluding GMS</b>	<b>229.42</b>	<b>1,546.54</b>

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim ÇETİN  
Date: \_\_\_\_\_  
Signature: *Halil Ibrahim ÇETİN*  
Genel Müdür

Signature: \_\_\_\_\_

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_



On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

Claudio Tomasi  
Country Director

Revised Annual Work Plan (Year 2020)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2020				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT	
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)
<b>Output 2-BURSA</b> Operationalisation of the first Applied Capability Center (aka MF) in Bursa  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	1.1 Establishment of Applied SME Capability Center					completed		71300 Local Consultant		
	1.1.1 Finalisation of Governance Structure							72200 Equip & Furniture		
	1.1.2 Completion of Physical Investments (refurbishment&machinery)							72500 Consumable Material		
	1.1.3 Mobilisation of Additional Staff in accordance to Bursa needs							72100 Contracted Services		
	1.1.4 Inauguration of the Center							71400 Service Contracts		
								74500 Other Costs		
	1.2 Pilot Implementation					completed		71300 Local Consultant		
	1.2.1 Delivery of awareness raising programs							71600 Travel		
	1.2.2 Identification of Pilot SMEs							72200 Equip & Furniture		
	1.2.3 Delivery of Train the Trainers Program							72500 Consumable Material		
	1.2.4 Implementation of Learn and Transform Programs in selected companies							74100 Professional Services		
								72100 Contracted Services		
								74500 Other Costs		
	1.3 Sustainability and Exit Strategy					MoIT		71300 Local Consultant		
	1.3.1 Development of a follow up performance plan after the pilot programs							72500 Consumable Material		
1.3.2 Identification of additional service lines							71600 Travel			
1.3.3 Preparation of a sustainability strategy							72100 Contracted Services			
							MoIT	74100 Audit	2.13	14.39
						MoIT	74598 Direct Project Cost	8.14	54.87	
							71400 Service Contracts			
								<b>GMS (%3)</b>	<b>0.31</b>	<b>2.08</b>
								<b>TOTAL</b>	<b>10.58</b>	<b>71.33</b>
								<b>TOTAL AMOUNT excluding GMS</b>	<b>10.27</b>	<b>69.26</b>

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim Çetin, General Director  
Date:

Signature:

*Handwritten signature of Dr. Halil Ibrahim Çetin*

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date:

Signature:

On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date:

Signature:

*Handwritten signature of Claudio Tomasi*  
Claudio Tomasi  
Country Director



Revised Annual Work Plan (Year 2018)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2018				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT	
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)
<b>Output 3-KAYSERİ</b> Operationalisation of the first Applied Capability Center (aka MF) in Kayseri  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b> 1.1.1 Finalisation of Governance Structure 1.1.2 Completion of Physical Investments (refurbishment&machinery) 1.1.3 Mobilisation of Staff 1.1.4 Inauguration of the Center					MoIT&KFW		71300 Local Consultant		
								72200 Equip & Furniture		
								72500 Consumable Material		
								72100 Contracted Services	40.72	274.52
							KFW	71400 Service Contracts	36.66	247.16
								74500 Other Costs		
		<b>1.2 Pilot Implementation</b> 1.2.1 Delivery of awareness raising programs 1.2.2 Identification of Pilot SMEs 1.2.3 Delivery of Train the Trainers Program 1.2.4 Implementation of Learn and Transform Programs in selected companies						71300 Local Consultant		
								71600 Travel		
								72200 Equip & Furniture		
								72500 Consumable Material		
								74100 Professional Services		
								72100 Contracted Services		
								74500 Other Costs		
		<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan after the pilot programs 1.3.2 Identification of additional service lines 1.3.3 Preparation of a sustainability strategy						71300 Local Consultant		
								72500 Consumable Material		
							71600 Travel			
							72100 Contracted Services			
							74100 Audit			
							74598 Direct Project Cost			
							71400 Service Contracts			
							<b>GMS (%3-%8)</b>	6.19	41.73	
							<b>TOTAL</b>	<b>83.58</b>	<b>563.41</b>	
							<b>TOTAL AMOUNT excluding GMS</b>	<b>77.39</b>	<b>521.67</b>	

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil İbrahim Çetin, General Director

Date:

Signature:

**Dr. Halil İbrahim ÇETİN**  
Genel Müdür

Reviewed by

Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity

Date:

Signature:



On behalf of the UNDP

Name: Claudio Tomasi, Country Director

Date:

Signature:

**Claudio Tomasi**  
Country Director

Revised Annual Work Plan (Year 2019)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2019				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT		
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)	
<b>Output 3-KAYSERİ</b> Operationalisation of the first Applied Capability Center (aka MF) in Kayseri  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b> 1.1.1 Finalisation of Governance Structure 1.1.2 Completion of Physical Investments (refurbishment&machinery) 1.1.3 Mobilisation of Staff 1.1.4 Inauguration of the Center					MoIT&KFW		71300 Local Consultant			
					KFW		72200 Equip & Furniture	849.02	5,723.33		
							72500 Consumable Material				
					KFW		72100 Contracted Services	366.51	2,470.65		
					KFW		71400 Service Contracts	61.11	411.93		
					KFW	74500 Other Costs	43.97	296.41			
		<b>1.2 Pilot Implementation</b> 1.2.1 Delivery of awareness raising programs 1.2.2 Identification of Pilot SMEs 1.2.3 Delivery of Train the Trainers Program 1.2.4 Implementation of Learn and Transform Programs in selected companies					MoSIT&KFW		71300 Local Consultant		
					KFW	71600 Travel		51.58	347.72		
						72200 Equip & Furniture					
						72500 Consumable Material					
					KFW	74100 Professional Services		267.14	1,800.83		
						72100 Contracted Services					
						74500 Other Costs					
		<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan after the pilot programs 1.3.2 Identification of additional service lines 1.3.3 Preparation of a sustainability strategy					MoSIT&KFW		71300 Local Consultant		
						72500 Consumable Material					
					71600 Travel						
					72100 Contracted Services						
				KFW	74100 Audit						
				KFW	74598 Direct Project Cost	24.98	168.39				
				KFW	71400 Service Contracts						
								<b>GMS (%3-%8)</b>	133.14	897.54	
								<b>TOTAL</b>	<b>1,797.45</b>	<b>12,116.80</b>	
								<b>TOTAL AMOUNT excluding GMS</b>	<b>1,664.31</b>	<b>11,219.26</b>	

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil İbrahim Çetin, Genel Müdür  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_

On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

Claudio Tomasi  
Country Director

Revised Annual Work Plan (Year 2020)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2020				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT	
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)
<b>Output 3-KAYSERİ</b> Operationalisation of the first Applied Capability Center (aka MF) in Kayseri  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b> 1.1.1 Finalisation of Governance Structure 1.1.2 Completion of Physical Investments (refurbishment&machinery) 1.1.3 Mobilisation of Staff 1.1.4 Inauguration of the Center						71300 Local Consultant 72200 Equip & Furniture 72500 Consumable Material 72100 Contracted Services 71400 Service Contracts 74500 Other Costs			
	<b>1.2 Pilot Implementation</b> 1.2.1 Delivery of awareness raising programs 1.2.2 Identification of Pilot SMEs 1.2.3 Delivery of Train the Trainers Program 1.2.4 Implementation of Learn and Transform Programs in selected companies					MoIT&KFW	KFW	71300 Local Consultant 71600 Travel 72200 Equip & Furniture 72500 Consumable Material 74100 Professional Services 72100 Contracted Services 74500 Other Costs	66.79	450.21
	<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan after the pilot programs 1.3.2 Identification of additional service lines 1.3.3 Preparation of a sustainability strategy					MoIT&KFW	KFW	71300 Local Consultant 72500 Consumable Material 71600 Travel 72100 Contracted Services 74100 Audit 74598 Direct Project Cost 71400 Service Contracts	17.19	115.91
							KFW	74100 Audit	4.74	31.97
							KFW	74598 Direct Project Cost		
							KFW	71400 Service Contracts	24.44	164.77
								<b>GMS (%3-%8)</b>	<b>9.05</b>	<b>61.03</b>
								<b>TOTAL</b>	<b>122.22</b>	<b>823.88</b>
								<b>TOTAL AMOUNT excluding GMS</b>	<b>113.16</b>	<b>762.86</b>

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim ÇETİN, General Director  
Date: \_\_\_\_\_  
Signature: 

**Dr. Halil Ibrahim ÇETİN**  
Genel Müdür

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_



On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

**Claudio Tomasi**  
Country Director

Revised Annual Work Plan (Year 2018)  
Project: SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2018				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT KFW 1000 USD	AMOUNT 1000 TRL (Sep 2018)
		Q1	Q2	Q3	Q4					
<b>Output 4-ANKARA</b> Expansion of Ankara Applied Capability Center (aka MF) services focusing on innovation with additional actions covering innovation center/network <b>Baseline</b> 1 SME Capability Center operational 2 Innovation Network for Ankara operational <b>Indicators:</b> 1 # of additional service lines on innovation became operational 2 Physical investments 3 Training materials/Service guidelines 4 # of additional SMEs have received business advisory and innovation services 5 # of additional SMEs are newly established focusing on innovation set up by Syrians/Syrian-Turkish joint ventures 6 # of Syrians and Turkish host community members have benefited from awareness raising activities 7 Jobs created in relation to Resilience Program interventions 8 # of cooperations between start ups and industrialists 9 # of collaboration events for networking 10 # of policy recommendation papers for Ministry <b>Goals</b> 1 SME Capability Center service lines extended 2 Physical Establishment of SME Capability Center completed 3 Innovation network/platform for Ankara formalised 4 Benchmarking reports from global best practices in innovation ecosystem	<b>1.1 Assessment on alternative service lines</b> 1.1.1 Finalisation of service lines 1.1.2 Completion of required physical investments (refurbishment&machinery)					MoIT-ASO-1 OIZ KFW				
		<b>1.2 Implementation</b> 1.2.1 Delivery of awareness raising programs/outreach of services 1.2.2 Delivery of Services 1.2.3 Delivery of Capacity Building Programs								
		<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan 1.3.2 Preparation of a sustainability strategy								
								71300 Local Consultant 72200 Equip & Furniture 72500 Consumable Material 72100 Contracted Services 71400 Service Contracts 74500 Other Costs		276 29 12 22 1 862 51 82 39
								71300 Local Consultant 71600 Travel 72200 Equip & Furniture 72500 Consumable Material 74100 Professional Services 72100 Contracted Services 74500 Other Costs		
								71300 Local Consultant 72500 Consumable Material 71600 Travel 72100 Contracted Services 74100 Audit 74598 Direct Project Cost 71400 Service Contracts		
								GMS (%#)	23.08	155.59
								TOTAL	311.59	2,100.48
								TOTAL AMOUNT excluding GMS	288.51	1,944.89

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim Çetin, General Director  
Date:

Signature:

  
**Dr. Halil İbrahim ÇETİN**  
Genel Müdür

Reviewed by

Name: Dr. Mustafa Kemal Akgöl, Head of Department, MoIT DG of Industry and Productivity

Date:

Signature:



On behalf of the UNDP

Name: Claudio Tomasi, Country Director

Date:

Signature:

**Claudio Tomasi**  
Country Director



On behalf of Ankara Chamber of Industry

Name: M. Nurettin Özdebir, Chairman of the Executive Board  
Date:

Signature:

  
**M. NURETTİN ÖZDEBİR**  
Yönetim Kurulu Başkanı



On behalf of ASO 1. OIZ

Name: Niyazi Akdaş, Chairman of the Executive Board

Date:

Signature:

  
**M. Niyazi AKDAŞ**  
Yönetim Kurulu Başkanı



Revised Annual Work Plan (Year 2019)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2019				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT-1000 USD		TOTAL AMOUNT			
		Q1	Q2	Q3	Q4				MOIT	KFW	1000 USD	1000 TRL (Sep 2018)		
<b>Output 4-ANKARA</b> Expansion of Ankara Applied Capability Center (aka MF) services focusing on innovation with additional actions covering innovation center/network <b>Baseline</b> 1 SME Capability Center operational 2 Innovation Network for Ankara operational <b>Indicators:</b> 1 # of additional service lines on innovation became operational 2 Physical Investments 3 Training materials/Service guidelines 4 # of additional SMEs have received business advisory and innovation services 5 # of additional SMEs are newly established focusing on innovation set up by Syrians/Syrian-Turkish joint ventures 6 # of Syrians and Turkish host community members have benefitted from awareness raising activities 7 Jobs created in relation to Resilience Program interventions 8 # of cooperations between start ups and industrialists 9 # of collaboration events for networking 10 # of policy recommendation papers for Ministry <b>Goals</b> 1 SME Capability Center service lines extended 2 Physical Establishment of SME Capability Center completed 3 Innovation network/platform for Ankara formalised 4 Benchmarking reports from global best practices in innovation ecosystem	1.1 Assessment on alternative service lines					MoIT-ASO-1 OIZ KFW	MOIT&KFW	71300 Local Consultant						
	1.1.1 Finalisation of service lines								72200 Equip & Furniture	111.28	548.20	659.48	4,445.47	
	1.1.2 Completion of required physical investments (refurbishment&machinery)								72500 Consumable Material					
									72100 Contracted Services					
									71400 Service Contracts					
									74500 Other Costs					
	1.2 Implementation						MoIT-ASO-1 OIZ KFW	MOIT&KFW	71300 Local Consultant					
	1.2.1 Delivery of awareness raising programs/outreach of services								71600 Travel	25.00	51.58	76.58	518.25	
	1.2.2 Delivery of Services								72200 Equip & Furniture					
	1.2.3 Delivery of Capacity Building Programs								72500 Consumable Material					
									KFW	71400 Service Contracts		48.89	48.89	329.54
									MOIT&KFW	74100 Professional Services	173.30	522.62	695.92	4,691.25
									KFW	72100 Contracted Services		46.05	46.05	310.42
									KFW	74500 Other Costs		44.69	44.69	301.24
	1.3 Sustainability and Exit Strategy						MoIT-ASO-1 OIZ KFW		71300 Local Consultant					
	1.3.1 Development of a follow up performance plan								KFW	72500 Consumable Material				
	1.3.2 Preparation of a sustainability strategy								MOIT&KFW	71600 Travel		17.19	17.19	115.91
										72100 Contracted Services	50.50	138.15	188.65	1,271.68
										74100 Audit				
									KFW	74588 Direct Project Cost		24.26	24.26	163.57
									KFW	71400 Service Contracts		30.55	30.55	205.96
									GMS (%\$)	10.80	117.77	128.58	888.74	
									TOTAL	370.86	1,589.95	1,960.81	13,218.03	
									TOTAL AMOUNT excluding GM	360.06	1,472.18	1,832.24	12,351.29	

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim Çetin, General Director  
Date:

Signature:

  
**Dr. Halil İbrahim ÇETİN**  
Genel Müdür

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date:

Signature:



On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date:

Signature:

**Claudio Tomasi**  
Country Director

On behalf of Ankara Chamber of Industry

Name: M. Nurettin Özdebir, Chairman of the Executive Board  
Date:

Signature:

  
**M. NURETTİN ÖZDEBİR**  
Yönetim Kurulu Başkanı

On behalf of ASO 1. OIZ

Name: Niyazi Akdaş, Chairman of the Executive Board  
Date:

Signature:

  
**M. Niyazi AKDAŞ**  
Yönetim Kurulu Başkanı

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2020				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT-1000 USD		TOTAL AMOUNT		
		Q1	Q2	Q3	Q4				MOIT	KFW	1000 USD	1000 TRL (Sep 2018)	
<b>Output 4-ANKARA</b> Expansion of Ankara Applied Capability Center (aka MF) services focusing on innovation with additional actions covering innovation center/network <b>Baseline</b> 1 SME Capability Center operational 2 Innovation Network for Ankara operational <b>Indicators:</b> 1 # of additional service lines on innovation became operational 2 Physical Investments 3 Training materials/Service guidelines 4 # of additional SMEs have received business advisory and innovation services 5 # of additional SMEs are newly established focusing on innovation set up by Syrians/Syrian-Turkish joint ventures 6 # of Syrians and Turkish host community members have benefitted from awareness raising activities 7 Jobs created in relation to Resilience Program interventions 8 # of cooperations between start ups and industrialists 9 # of collaboration events for networking 10 # of policy recommendation papers for Ministry <b>Goals</b> 1 SME Capability Center service lines extended 2 Physical Establishment of SME Capability Center completed 3 Innovation network/platform for Ankara formalised 4 Benchmarking reports from global best practices in innovation ecosystem	<b>1.1 Assessment on alternative service lines</b> 1.1.1 Finalisation of service lines 1.1.2 Completion of required physical investments (refurbishment&machinery)					completed		71300 Local Consultant 72200 Equip & Furniture 72500 Consumable Material 72100 Contracted Services 71400 Service Contracts 74500 Other Costs					
	<b>1.2 Implementation</b> 1.2.1 Delivery of awareness raising programs/outreach of services 1.2.2 Delivery of Services 1.2.3 Delivery of Capacity Building Programs					completed		71300 Local Consultant 71600 Travel 72200 Equip & Furniture 72500 Consumable Material 74100 Professional Services 72100 Contracted Services 74500 Other Costs					
	<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan 1.3.2 Preparation of a sustainability strategy					MOIT-ASO-1 OIZ KFW	MOIT KFW KFW	71300 Local Consultant 72500 Consumable Material 71600 Travel 72100 Contracted Services 74100 Audit 74598 Direct Project Cost 71400 Service Contracts	216.03	10.50	216.03 10.50 30.55	1456.31 70.79 205.96	
									<b>GMS (%8)</b>	6.48	3.28	9.77	65.83
									<b>TOTAL</b>	<b>222.52</b>	<b>44.34</b>	<b>266.86</b>	<b>1,796.90</b>
									<b>TOTAL AMOUNT excluding GMS</b>	216.03	41.06	257.09	1,733.07

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim Çetin, General Director  
Date:

Signature:   
**Dr. Halil İbrahim ÇETİN**  
Genel Müdür

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date:

Signature: 

On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date:

Signature:   


**Claudio Tomasi**  
Country Director

On behalf of Ankara Chamber of Industry

Name: M. Nurettin Özdebir, Chairman of the Executive Board  
Date:

Signature:   
**M. NURETTİN ÖZDEBİR**  
Yönetim Kurulu Başkanı

On behalf of ASO 1, OIZ

Name: Niyazi Akdaş, Chairman of the Executive Board  
Date:

Signature:   
  
**M. Niyazi AKDAŞ**  
Yönetim Kurulu Başkanı



Revised Annual Work Plan (Year 2018)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2018				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT	
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)
<b>Output 5-KONYA</b> Operationalisation of the first Applied Capability Center (aka MF) in Konya  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	1.1 Establishment of Applied SME Capability Center					MoIT&KFW		71300 Local Consultant		
	1.1.1 Finalisation of Governance Structure						KFW	72200 Equip & Furniture		
	1.1.2 Completion of Physical Investments (refurbishment&machinery)							72500 Consumable Material		
	1.1.3 Mobilisation of Staff						KFW	72100 Contracted Services	40.72	274.52
	1.1.4 Inauguration of the Center						KFW	71400 Service Contracts	36.66	247.16
							KFW	74500 Other Costs		
	1.2 Pilot Implementation					MoIT&KFW		71300 Local Consultant		
	1.2.1 Delivery of awareness raising programs						KFW	71600 Travel		
	1.2.2 Identification of Pilot SMEs						KFW	72200 Equip & Furniture		
	1.2.3 Delivery of Train the Trainers Program						KFW	72500 Consumable Material		
	1.2.4 Implementation of Learn and Transform Programs in selected companies						KFW	74100 Professional Services		
							KFW	72100 Contracted Services		
							KFW	74500 Other Costs		
	1.3 Sustainability and Exit Strategy					MoIT&KFW		71300 Local Consultant		
	1.3.1 Development of a follow up performance plan after the pilot programs						KFW	72500 Consumable Material		
	1.3.2 Identification of additional service lines						KFW	71600 Travel		
	1.3.3 Preparation of a sustainability strategy						KFW	72100 Contracted Services		
							KFW	74100 Audit		
						KFW	74598 Direct Project Cost			
						KFW	71400 Service Contracts			
								<b>GMS (%8)</b>	6.19	41.73
								<b>TOTAL</b>	<b>83.58</b>	<b>563.41</b>
								<b>TOTAL AMOUNT excluding GMS</b>	<b>77.39</b>	<b>521.67</b>

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim Çetin, General Director  
Date: \_\_\_\_\_  
Signature: 

**Dr. Halil İbrahim ÇETİN**  
**Genel Müdür**



On behalf of the UNDP

Name: Claudio Tomasi, Country Director  
Date: \_\_\_\_\_  
Signature: 

**Claudio Tomasi**  
**Country Director**

Reviewed by  
Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Revised Annual Work Plan (Year 2019)  
Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2019				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT		
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)	
<b>Output 5-KONYA</b> Operationalisation of the first Applied Capability Center (aka MF) in Konya  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b> 1.1.1 Finalisation of Governance Structure 1.1.2 Completion of Physical Investments (refurbishment&machinery) 1.1.3 Mobilisation of Staff 1.1.4 Inauguration of the Center					MoIT&KFW	KFW	71300 Local Consultant			
							KFW	72200 Equip & Furniture	849.02	5,723.33	
							KFW	72500 Consumable Material			
							KFW	72100 Contracted Services	366.51	2,470.65	
							KFW	71400 Service Contracts	61.11	411.93	
							KFW	74500 Other Costs	43.97	296.41	
		<b>1.2 Pilot Implementation</b> 1.2.1 Delivery of awareness raising programs 1.2.2 Identification of Pilot SMEs 1.2.3 Delivery of Train the Trainers Program 1.2.4 Implementation of Learn and Transform Programs in selected companies					MoIT&KFW	KFW	71300 Local Consultant		
						KFW		71600 Travel	51.58	347.72	
									72200 Equip & Furniture		
						KFW		72500 Consumable Material			
								74100 Professional Services	267.14	1,800.83	
								72100 Contracted Services			
								74500 Other Costs			
		<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan after the pilot programs 1.3.2 Identification of additional service lines 1.3.3 Preparation of a sustainability strategy					MoIT&KFW		71300 Local Consultant		
									72500 Consumable Material		
								71600 Travel			
								72100 Contracted Services			
							74100 Audit				
							KFW	74598 Direct Project Cost	24.98	168.39	
								71400 Service Contracts			
								<b>GMS (%8)</b>	133.14	897.54	
								<b>TOTAL</b>	<b>1,797.45</b>	<b>12,116.80</b>	
								<b>TOTAL AMOUNT excluding GMS</b>	<b>1,664.31</b>	<b>11,219.26</b>	

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim Çetin, General Director

Date:

Signature:

Reviewed by

Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity

Date:

Signature:

**Dr. Halil İbrahim ÇETİN**  
Genel Müdür



On behalf of the UNDP

Name: Claudio Tomasi, Country Director

Date:

Signature:

**Claudio Tomasi**  
Country Director

Revised Annual Work Plan (Year 2020)

Project : SME Applied Capability Center (aka MF)

EXPECTED OUTCOMES	PLANNED ACTIVITIES	2020				ACCOUNTABLE PARTY	FUNDING SOURCE	BUDGET DETAILS	AMOUNT	
		Q1	Q2	Q3	Q4				1000 USD	1000 TRL (Sep 2018)
<b>Output 5-KONYA</b> Operationalisation of the first Applied Capability Center (aka MF) in Konya  <b>Baseline</b> 1 No SME Capability Center  <b>Indicators:</b> 1. Governance Structure 2. Physical Investments for the Center 3. Training of Trainers 4. Pilot Transformation Programs 5. Training materials  <b>Goals</b> 1. SME Capability Center Governance Structure Established 2. Physical Establishment of SME Capability Center completed 3. Selection of 10-12 Companies for transformation programs 4. Training materials 5. Communication Materials on pilot Schemes	<b>1.1 Establishment of Applied SME Capability Center</b> 1.1.1 Finalisation of Governance Structure 1.1.2 Completion of Physical Investments (refurbishment&machinery) 1.1.3 Mobilisation of Staff 1.1.4 Inauguration of the Center					completed		71300 Local Consultant 72200 Equip & Furniture 72500 Consumable Material 72100 Contracted Services 71400 Service Contracts 74500 Other Costs		
	<b>1.2 Pilot Implementation</b> 1.2.1 Delivery of awareness raising programs 1.2.2 Identification of Pilot SMEs 1.2.3 Delivery of Train the Trainers Program 1.2.4 Implementation of Learn and Transform Programs in selected companies					MolT&KFW	KFW	71300 Local Consultant 71600 Travel 72200 Equip & Furniture 72500 Consumable Material 74100 Professional Services 72100 Contracted Services 74500 Other Costs	66.79	450.21
	<b>1.3 Sustainability and Exit Strategy</b> 1.3.1 Development of a follow up performance plan after the pilot programs 1.3.2 Identification of additional service lines 1.3.3 Preparation of a sustainability strategy					MolT&KFW	KFW	71300 Local Consultant 72500 Consumable Material 71600 Travel 72100 Contracted Services 74100 Audit 74598 Direct Project Cost 71400 Service Contracts	17.19	115.91
							KFW	74598 Direct Project Cost		
							KFW	71400 Service Contracts	24.44	164.77
								<b>GMS (%8)</b>	9.05	61.03
								<b>TOTAL</b>	<b>122.22</b>	<b>823.88</b>
								<b>TOTAL AMOUNT excluding GMS</b>	<b>113.16</b>	<b>762.86</b>

On behalf of the MoIT DG of Industry and Productivity

Name: Dr. Halil Ibrahim ÇETİN, General Director

Date:

Signature:

Reviewed by  
 Name: Dr. Mustafa Kemal Akgül, Head of Department, MoIT DG of Industry and Productivity  
 Date:

Signature:



On behalf of the UNDP

Name: Claudio Tomasi, Country Director

Date:

Signature:

Claudio Tomasi  
 Country Director

BUDGET DETAILS USD 000	ANKARA					BURSA	KAYSERİ	KONYA	TOTAL	
	OUTPUT 1			OUTPUT 4		OUTPUT 2	OUTPUT 3	OUTPUT 5	USD	TRL-Sep 2018
	MoIT	ASO	ASO 1. OIZ	MoIT	KW	MoIT	KW	KW		
71200 International Consultant										
71300 Local Consultant										
71400 Service Contracts	25.00				122.21		122.21	122.21	391.64	2,640.10
71600 Travel	22.00	25.00	40.00	25.00	68.78	18.13	68.78	68.78	336.46	2,268.11
72100 Contracted Services	306.34	427.08	1,013.78	266.53	460.49	223.77	407.23	407.23	3,512.44	23,677.73
72200 Equip & Furniture	50.00	52.11	79.26	111.26	548.20	351.31	849.02	849.02	2,890.17	19,482.94
72500 Consumable Material										
74100 Audit	3.00	3.00	3.00		10.50	2.13	4.74	4.74	31.12	209.80
74100 Professional Services		95.63	179.06	173.30	522.62	0.00	333.93	333.93	1,638.46	11,045.05
74500 Other Costs	26.71	55.00	103.44		44.69	25.29	43.97	43.97	343.08	2,312.73
74598 Direct Project Cost	5.63	8.71	18.46		24.26	8.14	24.98	24.98	115.16	776.32
GMS (%3-%8)	13.16	20.00	43.11	17.28	144.14	18.86	148.39	148.39	553.33	3,730.05
TOTAL without GMS	438.69	666.53	1,436.99	576.09	1,801.75	628.78	1,854.86	1,854.86	9,258.55	62,412.78
TOTAL Amount with GMS	451.85	686.53	1,480.10	593.37	1,945.89	647.64	2,003.25	2,003.25	9,811.88	66,142.83

BUDGET NOTES

BUDGET CODES	COVERAGE and EXPLANATION
72200 Equip & Furniture	Direct investment costs to be borne by MoIT will include relevant equipment on experiential learning sets this will include but will not be limited to: a. Digitalization hardware includes sensors, predictive maintenance devices, electronic tablets, 3D printer, software and other automation tools etc. b. Machines, which are able to produce large/small lds and piston rods, including - 1 turning lathe - 1 milling machine - 1 saw machine c. Assembly cell for pneumatic cylinders which includes - 5 work stations - 2 supermarkets for raw material storage - 1 milk-run wagon - pallets and bins for material storage and handling - pneumatic parts - visualisation items such as Kanban-cards, labels etc. - fixtures and devices - 4 whiteboards - Andon switches and lights - rubber floor mat - 3 pneumatic screw drivers d. 500 pneumatic cylinders in 5 variants e. Setup of the workstations, tools and devices for the assembly line and training of the operators
72100 Contracted Services	Through benefiting from UNDP's service providers some of the consultancy work, training programs, organisational activities could be compensated under this budget heading
74500 Other Costs	Some of the costs from operational activities like training materials, training related costs, meeting expenses etc could be compensated from this heading
71400 Service Contracts	Full time staff costs for center director, assistant, business development director etc. Will be realised from this budget line
74598 Direct Project Cost	Costs covering time invested from UNDP Programme and Operations Staff for the Project will be budgeted from this budget line.
Note:	Initial plans regarding the budget items are taking into consideration of Ankara MF concept but specific requirements of Bursa, Konya and Kayseri may change and that will be assessed and decided by project partners.

BUDGET DETAILS TRY 000	ANKARA					BURSA	KAYSERİ	KONYA	TOTAL	
	OUTPUT 1			OUTPUT 4		OUTPUT 2	OUTPUT 3	OUTPUT 5	TRL-Sep 2018	USD
	MOIT	ASO	ASO 1. OIZ	MoIT	KW	MoIT	KW	KW		
71200 International Consultant										
71300 Local Consultant										
71400 Service Contracts	188.53				823.86		823.86	823.86	2,640.10	391.64
71600 Travel	148.30	168.53	269.64	168.53	483.63	122.22	483.63	483.63	2,268.11	336.46
72100 Contracted Services	2,085.05	2,878.97	8,834.01	1,796.74	3,104.18	1,508.47	2,745.16	2,745.16	23,677.73	3,512.44
72200 Equip & Furniture	337.06	351.30	534.27	750.00	3,895.47	2,388.19	5,723.33	5,723.33	19,482.94	2,890.17
72500 Consumable Material										
74100 Audit	20.22	20.22	20.22		70.79	14.39	31.97	31.97	209.80	31.12
74100 Professional Services		644.68	1,207.05	1,188.23	3,523.02		2,251.04	2,251.04	11,045.05	1,638.46
74500 Other Costs	180.08	370.76	697.31		301.24	170.51	296.41	296.41	2,312.73	343.08
74598 Direct Project Cost	37.98	58.71	124.42		183.57	54.87	168.39	168.39	776.32	115.16
GMS (%3-%8)	88.72	134.80	290.61	116.50	971.66	127.16	1,000.30	1,000.30	3,730.05	553.33
TOTAL without GMS	2,957.22	4,493.17	9,686.92	3,883.50	12,145.75	4,238.64	12,503.79	12,503.79	62,412.78	9,258.55
TOTAL Amount with GMS	3,045.94	4,627.97	9,977.53	4,000.00	13,117.41	4,365.80	13,504.09	13,504.09	66,142.83	9,811.88

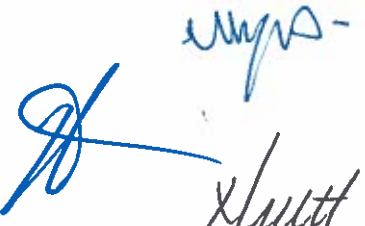
Handwritten signatures and initials in blue ink, including a large 'X' and the letters 'CT'.

**BUDGET OF KFW COMPONENT**

<b>Output II Budget</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>All Years</b>
<b>Costs</b>	<b>Total Cost (In USD)</b>	<b>Total Cost (In USD)</b>	<b>Total Cost (In USD)</b>	<b>Total Cost (In USD)</b>
<b>1. Human Resources (incl. project/programme staff and consultants)</b>	108.466,06	214.866,43	108.466,06	<b>431.798,55</b>
<b>2. Travel (air, ground)</b>	44.715,45	127.235,77	34.378,63	<b>206.329,85</b>
<b>3. Equipment and supplies</b>	871.080,14	1.869.918,70	0,00	<b>2.740.998,84</b>
<b>4. Project office</b>	6.968,64	13.937,28	6.968,64	<b>27.874,56</b>
<b>5. Professional services</b>	0,00	0,00	0,00	<b>0,00</b>
Expansion of <b>Ankara Applied Capability Center Services</b>	0,00	0,00	0,00	<b>0,00</b>
1.1 Assessment on alternative service lines	39.202,48	59.618,18	0,00	<b>98.820,66</b>
1.2 Implementation	117.607,45	178.854,54	0,00	<b>296.461,99</b>
1.3 Sustainability and Exit Strategy	39.202,48	59.618,18	0,00	<b>98.820,66</b>
Operationalisation of the first Applied Capability Center in <b>Konya</b>	0,00	0,00	0,00	<b>0,00</b>
1.1 Establishment of Applied SME Capability Center	78.404,97	119.236,36	0,00	<b>197.641,33</b>
1.2 Pilot Implementation	176.411,17	268.281,81	0,00	<b>444.692,99</b>
1.3 Sustainability and Exit Strategy	39.202,48	59.618,18	0,00	<b>98.820,66</b>
Operationalisation of the first Applied Capability Center in <b>Kayseri</b>	0,00	0,00	0,00	<b>0,00</b>
1.1 Establishment of Applied SME Capability Center	78.404,97	119.236,36	0,00	<b>197.641,33</b>
1.2 Pilot Implementation	176.411,17	268.281,81	0,00	<b>444.692,99</b>
1.3 Sustainability and Exit Strategy	39.202,48	59.618,18	0,00	<b>98.820,66</b>
<b>6. Expenditure verification/audit</b>	2.032,52	2.032,52	2.032,52	<b>6.097,56</b>
<b>7. Evaluation costs</b>	0,00	2.322,88	5.807,20	<b>8.130,08</b>
<b>8. Translation, interpreters</b>	2.322,88	2.322,88	4.645,76	<b>9.291,52</b>
<b>9. Costs of conferences/seminars</b>	11.614,40	34.843,21	23.228,80	<b>69.686,41</b>
<b>10. Visibility actions (Including CSR initiatives)</b>	0,00	17.421,60	17.421,60	<b>34.843,21</b>
<b>11. Subtotal</b>	<b>1.831.249,75</b>	<b>3.477.264,89</b>	<b>202.949,22</b>	<b>5.511.463,85</b>
12. Indirect costs (8% as per UNDP cost recovery policy)	146.499,98	278.181,19	16.235,94	<b>440.917,11</b>
<b>13. Total Eligible Costs</b>	<b>1.977.749,73</b>	<b>3.755.446,08</b>	<b>219.185,15</b>	<b>5.952.380,96</b>

**CONVERSION of BUDGET CODES FROM KFW to UNDP REPORTING FORMATS**

<b>KFW BUDGET LINES</b>	<b>UNDP BUDGET LINES</b>	
1. Human Resources (incl. project/programme staff and consultants)	71400 Service Contracts	74598 Direct Project Cost
2. Travel (air, ground)	71600 Travel	
3. Equipment and supplies	72200 Equip & Furniture	
4. Project office	74500 Other Costs	
5. Professional services	74100 Professional Services	72100 Contracted Services
6. Expenditure verification/audit		
7. Evaluation costs		
8. Translation, interpreters	74100 Audit	74500 Other Costs
9. Costs of conferences/seminars		
10. Visibility actions (including CSR Initiatives)		

  
 UNDP-  
 X/audit  
 CT

## **1<sup>st</sup> Extension Documents**



2017/17610526-ÇEGY/12665059

The Ministry of Foreign Affairs of the Republic of Turkey presents its compliments to the United Nations Development Programme (UNDP) Representation in Turkey and with reference to the Latter's letter dated 12 June 2017, has the honour to enclose herewith two signed copies of Cover Page regarding the project cost extension together with annual work plans for 2017 and 2018 of the project of "Applied SME Capability Building Center (Model Factory)".

The Ministry of Foreign Affairs of the Republic of Turkey avails itself of this opportunity to renew to the United Nations Development Programme Representation in Turkey the assurances of its highest consideration.



Encl: As stated

**United Nations Development Programme Representation in Turkey**  
**ANKARA**



\* 2 0 1 7 / 1 2 6 6 5 0 5 9 \*



UN Development Programme  
Turkey - Ankara

**Award ID:** 00097599  
**Award Title:** Applied SME Capability Center  
(Model Factory)  
**Start Year:** 2016  
**End Year:** 2018

**Budget (US\$) as of 09.06.2017**

Donor	Fund	Amount
TUR	30071 Programme Cost MoSIT	USD 1.975.383,20
	30072 Programme Cost ASO	USD 2.216.140,00
<b>Total Budget (2017-2018)</b>		USD 4.191.523,20
<b>Total Expenditure as of 31.12.2016</b>		USD 435.333,57
<b>Award Total</b>		USD 4.626.856,77

**Implementing Partner**  
(Executing Agency): Ministry of Science Industry and  
Technology General Directorate of Productivity

**Responsible Party**

(Implementing Agent): Ministry of Science Industry and Technology General Directorate of Productivity in cooperation with Ankara Chamber of Industry, Ankara Chamber of Industry Sincan OIZ Management

**Revision Type:** Substantive and Financial

**Brief Description:**

This revision will amend the (i) duration and the (ii) budget of the Project, (iii) the management arrangements of the implementation of select project components/activities and (iv) the scope and the intervention modality of the Project as detailed below:

- a. Project was originally designed to complete a feasibility study on SME Capability Center to improve efficiency of Turkish SMEs in line with the priorities of Turkish Government. The process progressed positively and feasibility study was resulted with an investment decision by the Government in 2017 to establish and operationalize the first center in Ankara under the auspices of MoSIT GD of Productivity and Ankara Chamber of Industry.
- b. Extension of the Project Duration till 31.12.2018 with a view to better monitor the outcomes of the operationalization of the Applied SME Capability Center and ensure sustainability measures are comprehensively taken to contribute scaling up the results to national policy level while contributing to sustained institutional capacity development.
- c. Increase of the Project Budget from the initial project budget of USD 450.000 to USD 4.626.856,77 through additional USD 4.191.523,20 as detailed below:
  - i. Incorporation of an additional component on operationalization of the Applied SME Capability Center as per the completed feasibility study completed in March 2017 and approved by Ministry of Development in April 2017. Operationalization of the Center will be realized in collaboration with Ankara Chamber of Industry where co-financing will be ensured from MoSIT GDP and ASO, respectively as outlined in the approved feasibility study.



- ii. MoSIT, GD of Productivity will be providing fixed investment costs (machinery and equipment) together with costs for the training of the trainers and development of training materials in total of USD1.870.000. With additional costs on project implementation arising from UNDP Direct Project Costing, as well as General Management Services Cost arising from UNDP's Standard Operating Procedures will also be borne by MoSIT in 2017.
- iii. ASO will be providing refurbishment costs of the center together with the operational costs like staff to be recruited, awareness raising programs, collaboration activities with Universities etc. ASO will also cover the first implementation of the pilot program to be implemented on selected SMEs in Ankara, if time permits this program could be carried out in 2017 or in 2018 at the latest. The total cost will be borne by ASO to be transferred to UNDP Project budget for 2017 will be USD 2.116.140 until the end of 2018. ASO will be signing a separate cost sharing agreement with UNDP as previously shared by ASO management.
- d. Incorporation of Ankara Chamber of Industry within the scope of the management arrangements of the Project as the Implementing Partners of the UNDP in addition to the MoSIT GD of Productivity. ASO will act as the Implementing Partner and will have respective roles in both activities but specifically under Activity 1.3 to own and sustain the Center to be established. As per the feasibility study and the decision of Project Steering Committee, ASO will be providing physical space, will undertake refurbishment costs and will establish the necessary governance mechanism to own and manage the Center in collaboration with MoSIT GD of Productivity.

Agreed by the Government

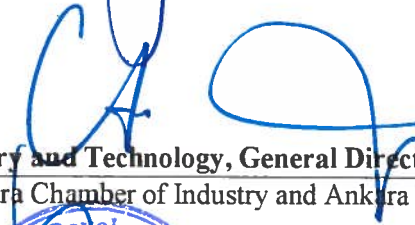


Mustafa Osman TURAN  
Elçi  
Çok Taraflı Ekonomik İşler  
Genel Müdür Yardımcısı

2/8/2017

Agreed by the Ministry of Science Industry and Technology, General Directorate of Productivity

(In agreement and collaboration with Ankara Chamber of Industry and Ankara Chamber of Industry Sincan OIZ Management)



ANIL YILMAZ  
Director  
Directorate of General Productivity



Agreed by the United Nations Development Programme

Claudio Tomasi  
Country Director







EXPECTED OUTCOMES	PLANNED ACTIVITIES	BUDGET CODES	COVERAGE and Explanation
<p>OUTPUT 1</p>	<p>1.1 Establishment of Applied SME Capability Center</p>	<p>72200 Equip &amp; Furniture</p>	<p>Direct investment costs to be borne by MoSIT will include relevant equipment on experiential learning sets this will include but will not be limited to: etc. a. Digitalization hardware includes sensors, predictive maintenance devices, electronic tablets, 3D printer, software and other automation tools b. Machines, which are able to produce large/small lids and piston rods, including - 1 turning lathe - 1 milking machine - 1 saw machine c. Assembly cell for pneumatic cylinders which includes - 5 work stations - 2 supermarkets for raw material storage - 1 milk-run wagon - pallets and bins for material storage and handling - pneumatic pans - visualisation items such as Kanban-cards, labels etc. - fixtures and devices - 4 whiteboards - rubber floor mats - 3 pneumatic saw drivers d. 500 pneumatic cylinders in 8 variants e. Setup of the workstations, tools and devices for the assembly line and training of the operators</p>
<p>Operationalisation of the first Applied Capability Center (aka MF) in Ankara</p>	<p>1.1 Finalisation of Governance Structure</p>	<p>72100 Contracted Services</p>	<p>Through benefiting from UNDP's service providers some of the consultancy work, training programs, organisational activities could be compensated under this budget heading</p>
<p>Goals</p>	<p>1.1.2 Completion of Physical Investments 1.1.3 Mobilisation of Staff 1.1.4 Inauguration of the Center</p>	<p>74500 Other Costs</p>	<p>Some of the costs from operational activities like training materials, training related costs, meeting expenses etc could be compensated from this line</p>
<p>1 SME Capability Center Governance Structure Established</p>	<p>1.2 Pilot Implementation</p>	<p>71400 Service Contracts</p>	<p>Full time staff costs for center director, assistant, business development director etc. Will be realised from this budget line</p>
<p>2 Physical Establishment of SME Capability Center completed</p>	<p>1.2.1 Delivery of awareness raising programs</p>	<p>74598 Direct Project Cost</p>	<p>Costs covering time invested from UNDP Programme and Operations Staff for the Project will be budgeted from this budget line.</p>
<p>3 Selection of 10-12 Companies for transformation programs</p>	<p>1.2.2 Identification of Pilot SMEs</p>		
<p>4 Training materials</p>	<p>1.2.3 Delivery of Train the Trainers Program</p>		
<p>5 Communication Materials on pilot Schemes</p>	<p>1.2.4 Implementation of Learn and Transform Programs in selected companies</p>		
<p>6 Delivery of transformation programs in selected 10-12 Companies</p>			
<p>7 Update on Training materials (if required)</p>			
<p>8 Sustainability Plan</p>			
<p>9 Updated Communication Materials on pilot Schemes</p>			

On behalf of the MoSIT GD of Productivity

Name: Anil Yilmaz, General Director  
Date: June 9, 2017  
Signature: Anil YILMAZ

Director General  
Directorate General for Productivity

On behalf of the UNDP  
Name: Claudio Tomasi, Country Director  
Date: June 9, 2017  
Signature: Claudio Tomasi



Claudio Tomasi  
Country Director



Empowered lives.  
Resilient nations.

REF: UNDP TUR20170613 - 0001769

12 June 2017

Dear Mr. Turan

**Subject:** Cover Page for Project Cost Extension – Applied SME Capability Building Center (Model Factory)

Please find cost-extension letter form Award ID: 97599, Applied SME Capability Center Project, with the decision of the Project Steering Committee. Minutes of the steering committee is attached with the original project document, as well as the feasibility report completed within first implementation year.

We would appreciate, if you could kindly review and sign the two copies of the Cover Page together with annual work plans for 2017 and 2018. We remain at your disposal.



**Mr. Mustafa Osman Turan**  
Deputy General Director  
Multilateral Economic Affairs  
Ministry of Foreign Affairs

**Encl.:**

1. Cover Page (2 original copies)
2. Annual Work Plans for 2017 and 2018 (2 original copies)
3. Original Project Document (1 Copy)
4. Completed Feasibility Study (1 Copy)
5. Minutes of Steering Committee Meeting (2 original copies)

United Nations Development Programme (UNDP)

**Country: TURKEY**  
**Project Document**

**Project Title:** Applied SME Capability Building Center (Model Factory)

**UNDCS Outcome(s):** 1.1. By 2020, relevant government institutions operate in an improved legal and policy framework, and institutional capacity and accountability mechanisms assure a more enabling (competitive, inclusive and innovative) environment for sustainable, job-rich growth and development for all women and men.

**Expected Country Programme Action Plan Outcome:**  
**Outcome 1**

**Expected Output(s):** 1.1.1. Systems and institutions enabled to achieve structural transformation towards sustainable equitable employment and productivity growth.

**Implementing Partner:** Ministry of Science Industry and Technology (MoSIT, DG for Productivity)

**Brief Description**

The purpose of the project is to identify an appropriate business model, complete with a business plan and cost estimates, for establishment of an Applied SME Capability Center (a.k.a. Model Factory) in Turkey, and improvement of the institutional capabilities of the Ministry of Science, Industry and Technology (DG for Productivity) for establishment and operationalization of such a center. This will be achieved through:

- Identification of the sectors that a model factory (MF) should target, the type of capability building services that an MF should render and possible location(s) (i.e. provinces) where an MF (or MFs) could be established in Turkey.
- Identification of an appropriate model(s) for establishment of a model factory in Turkey.
- Development of a detailed business plan, complete with estimated investment costs, and preparation of training modules (incl. training materials for 2 modules), required for operationalization of the model factory.

Programme Period	2016-2020
Key Result Area (Strategic Plan):	
Poverty Reduction	
ATLAS Award ID	
Start date	December 2015
End date	December 2016
PAC Meeting Date	4 December 2015
Management Arrangement:	NIM

2015-2016 AWP Budget (including GMS)	450.000,00 USD
Total resources required:	450.000,00 USD
Total allocated resources	450.000,00 USD
Government (MoSIT, 2015-2016)	450.000,00 USD
GMS (3%)	13.410,00 USD

Agreed by the Government of Turkey:

Agreed by the Ministry of Science Industry and Technology:

Agreed by UNDP

Kerem DİVANLIOĞLU  
Elçi  
Çok Taraflı Ekonomik İşler  
Genel Müdür Yardımcısı



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## I SITUATION ANALYSIS

Economic growth strategy of Turkey's 10<sup>th</sup> Development Plan prioritizes two critical concepts: industrialization and productivity. In due course, the Plan includes a transformational program, geared towards "Enhancing Productivity in Manufacturing Industry". National data shows that the productivity levels of the SMEs and the value added they create are significantly lower than those of the large enterprises (e.g. the value added created at factor costs by large enterprises is twice as much as that of SMEs). Thus, increasing the productivities of the SMEs is not only an important means for enhancing economy-wide productivity, but also one of the primary objectives of the Plan.

Improving productivities of SMEs is also one of the strategic objectives of Turkey's present SME Strategy and Action Plan (2015-2018). SME-SAP defines five strategic areas, first of which aims at improving competitiveness of the SMEs and facilitating their growth. The first strategic objective under this strategic area focuses on institutionalization, branding and productivity of the SMEs. Similarly, Turkey's Productivity Strategy and Action Plan (2015-2018) pays a special attention to productivity levels of the SMEs in the manufacturing industry. The sixth objective of the P-SAP includes, among others, measures geared towards improving productivities of SMEs, falling under the fourth transformation area, defined in the P-SAP.

The present project, which aims at identification of an appropriate business model for establishment of an Applied SME Capability Development Center, will contribute to the productivity-related objectives set forth in the SME-SAP and P-SAP. Applied SME Capability Centers deploy experiential learning techniques to improve capabilities the SMEs. SMEs (owners, managers and employers) can be trained on a wide variety of issues ranging from lean manufacturing to energy efficiency. The unique value proposition of such centers is that trainees can directly deploy their learnings at their manufacturing facilities.

UNDP CO in Turkey has implemented **several projects to improve competitiveness of the SMEs in Turkey, and hence has accumulated significant know-how on the challenges faced by the SMEs.** This will be quite important in identification of services to be rendered at an Applied SME Capability Center. In addition to projects targeting SMEs, UNDP CO has cooperated with the Ministry of Science, Industry and Technology on matters related to organized industrial zones, regional competitiveness and clustering. As such, **UNDP has privileged and unmatched experience in defining the ecosystem in which Applied SME Capability Centers in Turkey may operate. During UNDP's support to the Ministry on development of the cluster support program, comparative assessments have been made across regions and clusters in Turkey.** This knowledge and experience will be instrumental in identification of the most appropriate location for an Applied SME Capability Center in Turkey. Another important **contribution that UNDP will make concerns identification of alternate governance models for Applied SME Capability Centers. UNDP's vast experience in governance, strong relations with the actors in the ecosystem, and impartial position and convening power will be strong assets to be leveraged.** UNDP's ongoing work on energy efficiency in industry, and electric motors are also important elements that will significantly improve the efficiency of project implementation. **Finally, UNDP's strong international network and outreach capacity will facilitate international analysis to be conducted within the scope of the Project. In short, UNDP's involvement in the Project is expected to improve the efficiency and effectiveness of the Project through deployment of UNDP's rich experience in Turkey and international network.**

In addition, the knowledge and experience in establishment of an applied SME Capability Development Center is **highly specialized and available in the international markets. UNDP's strong international networking capabilities and means for accessing specialized knowledge will help Ministry access such information as well in a cost efficient manner.**

## II ANNUAL WORK PLAN

Year: 2015-2016<sup>1</sup>

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and Actions)	TIMEFRAME				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET		
		Q1	Q2	Q3	Q4			Budget Description	Amount (\$)	
<p><b>Output 1: Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model factory) Business Model</b></p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>No SME Capability Center</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>SME Capability Center Business Model and Plan</li> <li>Training Curriculum (ToT)</li> <li>Training modules</li> <li>Training materials</li> </ul> <p><b>Targets (2015):</b></p> <ul style="list-style-type: none"> <li>-</li> </ul> <p><b>Related CP outcome:</b> Systems and institutions enabled to achieve structural transformation towards sustainable equitable employment and productivity growth.</p>	<p>1. Analysis towards establishment of a model factory</p> <ol style="list-style-type: none"> <li>Secondary research</li> <li>Primary research</li> <li>development of a needs assessment report</li> </ol>				x	Ministry of Science Industry and Technology (DG for Productivity)	Government - Ministry of Science Industry and Technology (DG for Productivity)	71200 Int'l Consultants	-	
	<p>2. Modelling towards establishment of a model factory</p> <ol style="list-style-type: none"> <li>Analysis of good practices</li> <li>Development of alternate models</li> <li>Scenario analysis</li> <li>Development of curricula (SME trainings and training of trainers)</li> <li>Training simulation</li> </ol>						Ministry of Science Industry and Technology (DG for Productivity)	Government - Ministry of Science Industry and Technology (DG for Productivity)	71200 Int'l Consultants	-
	<p>3. Development of business models and training</p> <ol style="list-style-type: none"> <li>Development of business plan</li> <li>Identification of physical investment needs and technical requirements</li> <li>Preparation of technical drawings (statement of works for the model factory building)</li> <li>Development of training modules (10) and training materials (2)</li> </ol>						Ministry of Science Industry and Technology (DG for Productivity)	Government - Ministry of Science Industry and Technology (DG for Productivity)	71200 Int'l Consultants	-
									71300 Local Consultants	-
									71600 Travel	-
									72100 Contractual Svc	-
									72500 Supplies	-
									74100 Professional Svc.	-
									74500 Misc. Expenses	2,500,00
									71200 Int'l Consultants	-
									71300 Local Consultants	-
									71600 Travel	-
									72100 Contractual Svc	-
									72500 Supplies	-
									74100 Professional Svc.	-
								74500 Misc. Expenses	-	
								71200 Int'l Consultants	-	
								71300 Local Consultants	-	
								71600 Travel	-	
								72100 Contractual Svc	-	
								72500 Supplies	-	
								74100 Professional Svc.	-	
								74500 Misc. Expenses	-	
								GMS (3%)	3,000,00	
<b>TOTAL</b>									103,000,00	

\* Project budget is subject to revision and reallocation between categories and activities as needed/required. UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct implementation support costs.

<sup>1</sup> Due to possible delays in the signature process these activities could be transferred to 2016 Q1.



Year: 2016

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and Actions)	TIMEFRAME				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET		
		Q1	Q2	Q3	Q4			Budget Description	Amount (\$)	
<b>Output 1: Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model factory) Business Model</b>  <b>Baseline:</b> <ul style="list-style-type: none"> <li>No SME Capability Center</li> </ul> <b>Indicators:</b> <ul style="list-style-type: none"> <li>SME Capability Center</li> <li>Business Model and Plan</li> <li>Training Curriculum (ToT)</li> <li>Training modules</li> <li>Training materials</li> </ul> <b>Targets (2016):</b> <ul style="list-style-type: none"> <li>SME Capability Center</li> <li>Business Model and Plan (1)</li> <li>Training Curriculum (ToT)</li> <li>Training modules (10)</li> <li>Training materials (for 2 modules)</li> </ul> <b>Related CP outcome:</b> Systems and institutions enabled to achieve structural transformation towards sustainable equitable employment and productivity growth.	1. Analysis towards establishment of a model factory a. Secondary research b. Primary research c. development of a needs assessment report	x				Ministry of Science Industry and Technology (DG for Productivity)	Government - Ministry of Science Industry and Technology (DG for Productivity)	71200 Int'l Consultants	-	
	2. Modelling towards establishment of a model factory a. Analysis of good practices b. Development of alternate models c. Scenario analysis d. Development of curricula (SME trainings and training of trainers) e. Training simulation	x	x			Ministry of Science Industry and Technology (DG for Productivity)	Government - Ministry of Science Industry and Technology (DG for Productivity)	71200 Int'l Consultants 71300 Local Consultants 71600 Travel	10,000.00 132,500.00	
	3. Development of business models and training a. Development of business plan b. Identification of physical investment needs and technical requirements c. Preparation of technical drawings (statement of works for the model factory building) d. Development of training modules (10) and training materials (2)		x	x	x	Ministry of Science Industry and Technology (DG for Productivity)	Government - Ministry of Science Industry and Technology (DG for Productivity)	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 74100 Professional Svc. 74500 Misc. Expenses	2,500.00 15,000.00 15,000.00 145,000.00 5,000.00 10,000.00 1,590.00	
	<b>TOTAL</b>							GMS (3%)		10,410.00
										347,000.00

\* Project budget is subject to revision and reallocation between categories and activities as needed/required.  
 UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct implementation support costs.

### III MANAGEMENT ARRANGEMENTS

A Project Board (PB) is going to be established. PB will be responsible for the overall direction and management of the project. The Project Board will approve all major plans and authorize any major deviation from agreed plans. PB will ensure that required resources are committed, will arbitrate on conflicts (if any) within the project, and will negotiate a solution to any problems between the project and external bodies.

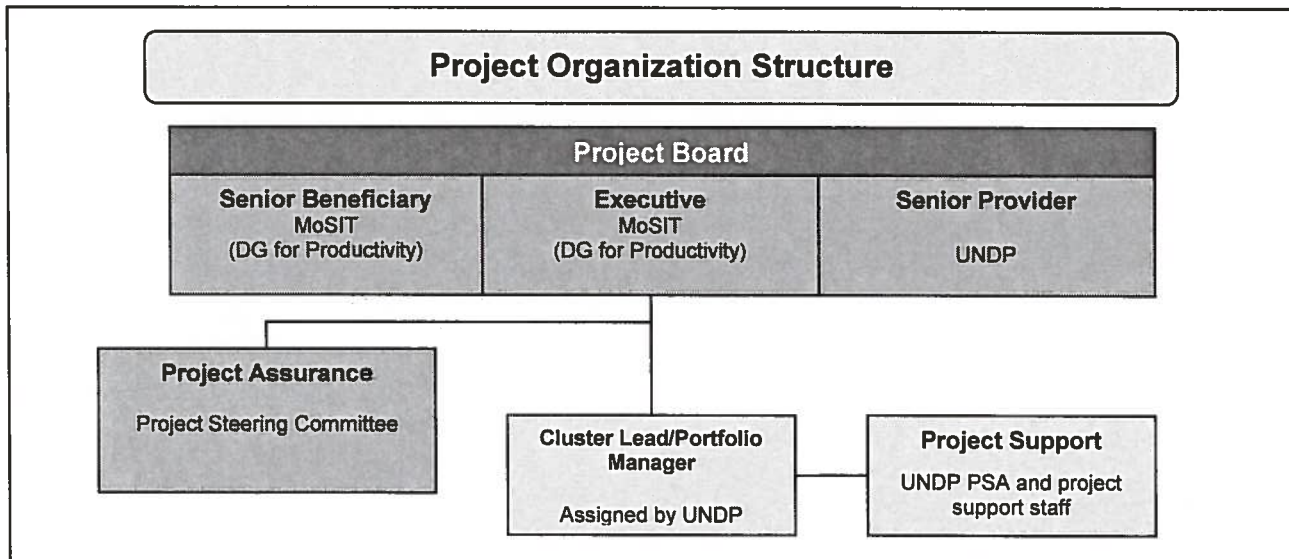
During the implementation of the project specific roles of the PB will include:

- provision of overall guidance and direction to the project, ensuring it remains within any specified constraints
- review of each completed stage and approval of progress to the next
- review and approval of plans and any **exception plans**

At the end of the project PB will:

- assure that all products have been delivered satisfactorily
- approve the **End Project Report**
- approve the **Lessons Learned Report**
- decide on the recommendations for **follow-on actions** and the passage of these to the appropriate authorities
- approve, where appropriate, of a Post-Project Review Plan

The PB will be composed of the Ministry of Science Industry and Technology (as the Executive and the Senior Beneficiary), Ministry of Development and Ministry of Foreign Affairs (Advisory Members) and the UNDP (as the Senior Provider). The Executive is the key decision maker with advice and commitment from UNDP. MoD and MFA takes an advisory role in the Project Management Board.



The PB will convene within 10 days upon signature of the present project document. At its first meeting the PB will decide on the members of the project steering committee (i.e. project assurance), and the functions and working principles of the Project Steering Committee (PSC).

The Intellectual Property Rights of all the outputs of the project will vest in the Ministry of Science Industry and Technology upon completion of the project. The name and emblem of the UNDP can be used only in direct connection with the Project, and subject to prior written consent of the UNDP Resident Representative in Turkey.

The Project will be subject to NIM audit, and related costs will be charged against the project budget.

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## IV MONITORING AND EVALUATION FRAMEWORK

### **Within the annual cycle**

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management tables below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### **Annually (i.e. at the end of the first year)**

- Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

## Quality Management for Project Activity Results

<b>OUTPUT 1:</b> Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model factory) Business Model			
<b>Activity Result 1</b> (Atlas Activity ID)	Analysis towards establishment of a model factory	<b>Start Date:</b> <b>End Date:</b>	12.2015 02.2016
<b>Purpose</b>	The purpose of the first activity is to identify (a) the sectors that a model factory (MF) should target, (b) the type of capability building services that an MF should render and (c) the possible location(s) (i.e. provinces) where an MF (or MFs) could be established in Turkey. The studies to be conducted within the first activity will facilitate Ministry's future decisions on where to establish a model factory (or model factories) in Turkey.		
<b>Description</b>	<p>"Improving Productivity in Manufacturing Industry" is one of the main objectives of the Government of Turkey (Source: 10<sup>th</sup> National Development Plan). A model factory may contribute to improving manufacturing capabilities of SMEs.</p> <p><b>a. Secondary research:</b> Quantitative and qualitative secondary resources, incl. the national development plan, other relevant national plans, programs, action plans, sectoral strategies, regional development plans will be reviewed. A shortlist of three provinces will be developed. On average five target sector will be identified for each shortlisted province. A report justifying the shortlisted provinces and the target sectors will be produced.</p> <p><b>b. Primary research:</b> Primary research will be conducted in the shortlisted provinces/sectors. Interviews will be conducted with top 10 companies (i.e. highest turnover) among the target sectors and 30 SMEs in each sector. Focus group meetings will be held in each province with the universities, private sector, civil society and public sector representatives. Face-to-face interviews will be held with the organizations which may partake in the governance structure of a model factory.</p> <p><b>c. Development of Needs Assessment Report:</b> Based on the primary and secondary research and analyses, a needs assessment report will be produced. This report will demonstrate the provinces where a model factory (or model factories) can be established; the target sectors; and the types of services to be rendered at a model factory.</p>		
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Timeframe</b>	<b>Date of Assessment</b>
Shortlist of provinces & target sectors	Shortlist of provinces & target sectors	12.2015 - 01.2016	January 2016
Needs assessment report	Needs assessment report	12.2015 - 01.2016	January 2016

## Quality Management for Project Activity Results (*continued*)

<b>OUTPUT 1:</b> Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model factory) Business Model			
<b>Activity Result 2 (Atlas Activity ID)</b>	Modelling towards establishment of a model factory	<b>Start Date:</b>	01.2016
		<b>End Date:</b>	03.2016
<b>Purpose</b>	The purpose of this activity is to identify the model appropriate model(s) for establishment of a model factory in Turkey.		
<b>Description</b>	<p>Model factories are applied SME capability building centers that can be established and operated in different ways. Accordingly, different options and scenarios for establishing such centers in Turkey need to be reviewed. This activity result will be achieved through 5 actions, as described below:</p> <p><b>a. Analysis of good practices:</b> The "key success factors (KSFs)" of a model factory will be identified by analyzing the good practices in other countries. The analysis of good practices will cover management model, service delivery mechanisms, curricula, results etc. The KSFs may include inter alia the organizational structure, partnership structure, SME relations, sectoral scope, financial and institutional sustainability, national and international partnerships. Two model factories will be identified as good practices, and 2-day study visits will be organized with the participation of a 5 representatives from the Ministry. A good practice analysis report and international study visits report will be prepared.</p> <p><b>b. Development of alternate models:</b> Based on the secondary research to be carried out within the scope of the first activity result and analysis of good practices, scenario analyses will be conducted and alternate "Applied SME Capability Building Centers" models will be produced. The KSFs to be identified during analysis of good practices will be analyzed thoroughly for each alternate model, and advantages and disadvantages of each model will be identified. These will culminate in a Model Factory Design Report that discusses at least three alternate models.</p> <p><b>c. Scenario analysis:</b> A macro cost-benefit analysis will be conducted for each of the models to be identified, and short-, medium- and long-term economic and social impact expected to be accrued will be estimated. The CBAs will be transformed in the scenario analysis, and a scenario analysis report will be prepared.</p> <p><b>d. Development of curricula (SME trainings and training of trainers):</b> Based on the outcomes of the analyses two (or at most three) SME capability building areas (topics) will be determined. Curricula for trainings and training of trainers will be developed for these two (or at most three areas). This may involve identification of special-purpose software to be used at these training programs.</p> <p><b>e. Training simulation:</b> For one area (topic) a training simulation will be prepared as an example.</p>		
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Timeframe</b>	<b>Date of Assessment</b>
good practice analysis report and international study visits report	good practice analysis report and international study visits report	01.2016 – 01.2016	Mar 2016
Model Factory Design Report	Model Factory Design Report	02.2016 – 02.2016	Mar 2016
CBA and Scenario Analysis Report	CBA and Scenario Analysis Report	02.2016 – 03.2016	Mar 2016
Training and ToT Curricula (2 or 3 topics)	Training and ToT Curricula (2 or 3 topics)	02.2016 – 03.2016	Mar 2016
Training simulation (1 topic)	Training simulation (1 topic)	02.2016 – 03.2016	Mar 2016

## Quality Management for Project Activity Results (*continued*)

OUTPUT 1: Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model factory) Business Model			
<b>Activity Result 3 (Atlas Activity ID)</b>	Development of business models and training	<b>Start Date:</b>	03.2016
		<b>End Date:</b>	08.2016
<b>Purpose</b>	The purpose of this activity result is to produce a detailed business plan, estimate investment costs and to identify 10 training modules (incl. training materials for 2 modules), required for operationalization of the model factory.		
<b>Description</b>	<p>Within the scope of Activity Result 2, the Ministry will identify a preferred model. This activity result builds on the Ministry's decision, and is composed of 3 actions, as described below:</p> <p><b>a. Development of business plan:</b> A 3-year business plan will be produced for the model to be chosen by the Ministry. The business plan will include detailed estimations of revenue and expenditures, and identify possible sources of income to ensure financial sustainability of the model factory. The business plan will also detail the services to be rendered at the MF, and the target groups, business development strategy, governance and management structure of the MF. This action will culminate in a business plan for the MF.</p> <p><b>b. Identification of physical investment needs and technical requirements:</b> The physical (infrastructure, superstructure, machinery, equipment and software) needs of the model factory will be determined. The infrastructure and superstructure costs will be determined based on the approximate construction costs, determined announced by the relevant government authorities. The requirement of machinery and equipment will be identified in detail through a market research which will also include estimated costs of such machinery, equipment and software. These studies will be conducted in such a way to fulfill requirements of a potential future Public Investment Proposal to be submitted by the Ministry to secure funding for establishment of the model factory. This action will culminate in Physical Investment Requirements Report.</p> <p><b>c. Preparation of technical drawings (statement of works for the model factory building):</b> Following action 2.c, the location of the model factory will be determined by MoSIT and based upon this decision, detailed engineering and construction projects and blueprints will be prepared.</p> <p><b>d. Development of training modules and training materials for two modules:</b> Training modules (ca. 10) that will satisfy the needs of the model factory will be produced. The training modules will determined in accordance with the business plan of the model factory. For two of the modules training materials will also be produced. Additionally, training of trainers program will be delivered for 10 prospective trainers (to be identified by the Ministry) on the two modules, for which training materials will be produced.</p>		
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Timeframe</b>	<b>Date of Assessment</b>
Model factory business plan	Model factory business plan	03.2016 – 04.2016	Jun 2016
Physical Investment Requirements Report	Physical Investment Requirements Report	03.2016 – 04.2016	Jun 2016
Engineering and Construction Projects and Drawings	Engineering and Construction Projects and Drawings	03.2016 – 04.2016	Jun 2016
Training modules (ca. 10)	Training modules (ca. 10)	04.2016 – 05.2016	Jun 2016
Training materials (2 modules)	Training materials (2 modules)	05.2016 – 08.2016	August 2016

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## V LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article I of the SBAA between the Government of Turkey and UNDP, signed on 21 October 1965.

Consistent with the attached Supplemental Provisions, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

### **Annexes**

Annex 1: Risk Log

Annex 2: Payment Schedule

Annex 3: Supplemental Provisions to the Project Document

**Annex 1: Risk Log**

<b>Project Title:</b> SME Capability Center (Model Factory)		<b>Award ID:</b>	<b>Date:</b> November 2015
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#	Description	Date Identified	Type	Impact (I) & Probability (P)	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Trained staff members do not remain in their posts during the entire duration of the Project.	Nov 2015	Organizational	Potential effect: The long-term impact of the project will decrease. Probability = 2 Impact = 3 (on Scale of 5, 5 being the highest)	The Ministry will be asked by the project manager to assign staff members that can maintain continuity	Portfolio Manager	Portfolio Manager	(In Atlas, automatically recorded)	No change



## Annex 2: Schedule of Payments

**Project Title:** SME Capability Center (Model Factory)  
**Source of Funds:** Ministry of Science, Industry, and Technology  
**Implementing Agency:** Ministry of Science, Industry, and Technology (DG for Productivity)  
**Responsible Parties:** Ministry of Science, Industry, and Technology (DG for Productivity) and UNDP

Donor	Year	Date (Estimated) <sup>[1]</sup>	Budgeted Amount	Amount to be Deposited <sup>[2], [3]</sup>	Balance <sup>[3], [4]</sup>
MoSIT	2015	20.12.2015	USD 340.000	USD 340.000	110,000.00
MoSIT	2016	30.05.2016	USD 110.000	USD 110.000	0.00
<b>Grand Total</b>			USD 450.000	USD 450.000	0.00

**Note 1:** Project activities are aligned with the Payment Schedule.

**Note 2:** Payment in US\$ is to be made to the UNDP Account (indicating project number and title):

Bank Name: Bank of America  
 Address: 1401 Elm St., Dallas TX 75202  
 Account Number: 3752207404  
 Account Title: UNDP Representative in Turkey (USD) Account  
 ACH Routing Number: 111000012 [to be used only by US-based banks using ACH payment type]  
 Wire Routing Number: 026009593  
 SWIFT Code: BOFAUS3N

**Note 3:** The value of a contribution-payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment and reflected into the Project Budget accordingly.

Payment in TRL is to be deposited to the UNDP Account:  
 Garanti Bankası  
 Ankara Ticari Branch,  
 Branch Code: 170,  
 Account No: 1201038,  
 IBAN: TR53 (0006 2000 1700 0001 2010 38, SWIFT Code: TGBATRIS indicating project number and title).

**Note 4:** The management arrangement is NIM (National Implementation Modality). The utilization of project resources (e.g. budget) and authorization of payments to be made to the service providers, vendors etc. are subject to the NIM principles. The NIM Principles will be exchanged between UNDP and the MoIT through an official correspondence within the scope of the Project.

## Uygulamalı KOBİ Yetenek Geliştirme Merkezi (Model Fabrika) Projesi Yönlendirme Komitesi Toplantısı

<b>Tarih / Yer</b>	14.04.2017 / ANKARA Verimlilik Genel Müdürlüğü
<b>Zaman</b>	10:30 – 12:00
<b>Katılımcılar</b>	Anıl Yılmaz, Genel Müdür, Verimlilik Genel Müdürlüğü Doç.Dr.Yavuz Cabbar, Genel Sekreter, Ankara Sanayi Odası Prof.Dr.Caner Testik, Hacettepe Üniversitesi, Yrd.Doç.Dr. Şener Karabulut, Hacettepe Üniversitesi, Doç.Dr.Özgür Hakkı Ünver, TOBB-ETU Üniversitesi, Dr.Mustafa Kemal Akgül, Daire Başkanı, Verimlilik Genel Müdürlüğü, Şakir Karakaya, Uzman, Verimlilik Genel Müdürlüğü, Dr.Yücel Özkara, Uzman, Verimlilik Genel Müdürlüğü, Aytunç Ayhan, Uzman, Verimlilik Genel Müdürlüğü, Pelin Rodoplu, Portföy Yöneticisi, Birleşmiş Milletler Kalkınma Programı.

Gündem	KONU	SUNAN	SURET TAHHÜTÜ
Mevcut Durum	- Fizibilite Yönetici Özeti - Sonraki Adımlar için Öneriler	VGM, UNDP	
Proje Uzatımı	- Proje uzatımı ile ilgili kararın alınması - ASO'nun Proje ortağı olarak proje dokümanına dahil edilmesi - Ortakların rol dağılımı - Tahmini takvim	VGM, ASO, HÜ, TOBB ETU, UNDP	
Diğer Konular		VGM, UNDP	

<b>Tartışmalar</b>	<ul style="list-style-type: none"><li>Proje kapsamında tamamlanan fizibilite raporunun özet bir sunumu gerçekleştirilmiştir. Sunum ihtiyaç analizlerini ve izlenen yöntemi özetleyerek önerilen modeli paylaşmış ve uygulama planı hakkında bilgi vermiştir. Sunumun tam hali toplantı notlarının eki olarak Yönlendirme üyelerince paylaşılmaktadır.</li><li>Fizibilite için Kalkınma Bakanlığı tarafından istenen ekleme ve revizyonlar tamamlanarak, son hali Kalkınma Bakanlığı ile paylaşılmıştır. Bu toplantı notlarının dağıtımına sunulduğu tarih itibariyle Verimlilik Genel Müdürlüğü, fizibilitenin onaylandığını bildirmiştir.</li><li>Önerilen model gereği ilk KOBİ Yetkinlik Merkezi – Yalın Dönüşüm yapısı ile BSTB ve Ankara Sanayi Odası işbirliği içinde BSTB ve UNDP ile yürütülmekte olan mevcut projenin uzatılması suretiyle hayata geçirilecektir. Fiziki yatırım maliyetleri ve eğitimcilerin eğitimi BSTB tarafından karşılanacak, merkezin yenileme inşaatı ASO'nun aynı katkısı, Merkez için görevlendirilecek ekibin maaşları ve Merkezin idari giderleri ASO'nun nakdi katkısı ile karşılanacaktır.</li><li>Mevcut proje uzatması kapsamında ASO ve ASO Sincan OSB Yönetimi, Proje ortağı olarak proje yapısına dahil edilecektir.</li><li>ASO, merkezin kurumsal yapısını, BSTB Küme Destek programı kapsamında daha önce kullandığı "iktisadi işletme" seçeneğini değerlendirerek, ASO ve ASO Sincan OSB yönetiminin ortaklaşa kuracağı "KOBİ Yetkinlik Merkezi (Model Fabrika) İktisadi İşletmesi" olarak hayata geçirecektir.</li></ul>
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- Kurulacak yeni iktisadi işletmenin yönlendirme kurulunda BSTB Verimlilik Genel Müdürlüğü ve Kalkınma Bakanlığı da temsil edilecek olup, kurulacak merkezin faaliyetlerine ilişkin kritik kararlar Yönlendirme Kurulu kararının onayına tabi olacaktır.
- ASO Yönetimi, iktisadi işletmenin kurulumu, merkez inşaatının yapımı ve Uygulamalı KOBİ Yetkinlik Merkezi'nin hayata geçirilmesi ile ilgili Meclis kararlarını çıkartmıştır.
- Hacettepe Üniversitesi Endüstri Bölüm Başkanlığı ve Sincan OSB Meslek Yüksek Okulu ile TOBB Üniversitesi de Kasım 2016'da yapılan eğiticilerin eğitimi programına katılım sağlamış olup, merkezin kurulmasına istinaden merkez için eleman desteği sağlayacaklarını bildirmişlerdir.
- Ayrıca Kasım 2016'da Almanya Darmstadt'ta gerçekleştirilen "Eğiticilerin Eğitimi" programının diğer katılımcılarının da merkezin eğitimci kadrosuna destek olmaları beklenmektedir.

## Kararlar

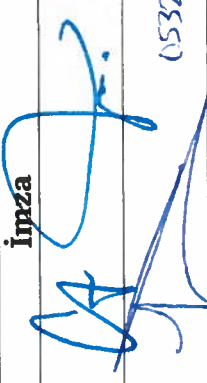









- Proje revizyonu UNDP tarafından yapılarak önce BSTB Verimlilik Genel Müdürlüğü sonra Kalkınma Bakanlığı onayına sunulacaktır **(En geç Mayıs 3. Hafta)**
- ASO ve ASO I.Organize Sanayi Bölgesi Proje ortakları olarak Proje aktivite planına eklenecektir **(En geç Mayıs 3. Hafta)**
- Proje revizyonu 2017-2018 dönemini kapsayacak, BSTB tarafından kurulabilecek diğer KOBİ Yetkinlik Merkezleri için de opsiyonlu bir gerekçe notunu kapsayacaktır. **(En geç Mayıs 3. Hafta)**
- İhtiyaç halinde Verimlilik Genel Müdürlüğü, ASO ve üniversiteler arasında ikincil protokoller yapılarak işbirliği olanakları güçlendirilecektir **(İhtiyaç halinde)**

## Summary

Steering Committee of SME Applied Capability Center Project convened on April 14th 2017 with the above mentioned participants and agreed on the following decisions:

- Upon the approval of feasibility study by Ministry of Development, UNDP will be preparing Project extension and will include ASO and ASO I. Organised Industry Zone Management as implementing partners of the Project. **(Deadline May 3rd Week)**
- Project extension will cover 2017 and 2018 and an optional clause will be included for other SME Applied Capability Centers to be established by GDP in other regions of Turkey. **(Deadline May 3rd Week)**
- ASO and ASO Sincan OIZ Management will be establishing a separate entity to govern the Center where GD of Productivity and Ministry of Development will be on the Steering Committee.
- General Directorate of Productivity and ASO Management and university partners could sign bilateral protocols in order to ensure smooth implementation of the joint activities. **(if needed)**

Uygulamalı KOBİ Verimlilik Eğitim Merkezi (Model Fabrika) Projesi Yönlendirme Kurulu Toplantısı  
14 Nisan 2017-Verimlilik Genel Müdürlüğü

Sıra No:	Ad Soyad	Kurum	Unvan	İmza
1	Amil Yılmaz	VGM	Genl. Müd.	
2	Doç. Dr. Yavuz Cuhbar	ASO	Genl. Sekr.	
3	Dr. Mustafa Kemal AKSİL	Verimlilik Gen. Müd. VGM	Denet. B.Ş.İ.	0532 227 6041 
4	<del>Dr. Mustafa Kemal AKSİL</del>	Verimlilik Gen. Müd. VGM	ST Üzmanı	532 333 0908 
5	Salih Karakaya	VGM	ST Üzmanı	532 772 9600 
6	Velin Rodoplu	UNDP	Projt. Manager	532 277 2054 
7	Prof. Dr. Murat Coşar TESTİK	Hacettepe Üniv.	"öğretim üyesi/Prof. Dr.	533 433 9790 
8	<del>Doç. Dr. Hakkı Özgür ÖZDEK</del>	TOBB ETC	öğretim üyesi/Doç. Dr.	
9	Y. Doç. Dr. Sener Kurabülte	Hacettepe Üniv.	öğretim üyesi/ Y. Doç. Dr.	0505562 0991 
10	İ. Kemal ÖZKAYA	VGM	ST Üzmanı	
11	Murat Coşar TESTİK			
12				
13				
14				

## Uygulamalı KOBİ Yetenek Geliştirme Merkezi (Model Fabrika) Projesi Yönlendirme Komitesi Toplantısı

<b>Tarih / Yer</b>	14.04.2017 / ANKARA Verimlilik Genel Müdürlüğü		
<b>Zaman</b>	10:30 – 12:00		
<b>Katılımcılar</b>	Anıl Yılmaz, Genel Müdür, Verimlilik Genel Müdürlüğü Doç.Dr.Yavuz Cabbar, Genel Sekreter, Ankara Sanayi Odası Prof.Dr.Caner Testik, Hacettepe Üniversitesi, Yrd.Doç.Dr. Şener Karabulut, Hacettepe Üniversitesi, Doç.Dr.Özgür Hakkı Ünver, TOBB-ETU Üniversitesi, Dr.Mustafa Kemal Akgül, Daire Başkanı, Verimlilik Genel Müdürlüğü, Şakir Karakaya, Uzman, Verimlilik Genel Müdürlüğü, Dr.Yücel Özkara, Uzman, Verimlilik Genel Müdürlüğü, Aytunç Aylan, Uzman, Verimlilik Genel Müdürlüğü, Pelin Rodoplu, Portföy Yöneticisi, Birleşmiş Milletler Kalkınma Programı,		
<b>Gündem</b>	KONU	SUNAN	SÜRE (TAHMİNİ)
	Mevcut Durum - Fizibilite Yönetici Özeti - Sonraki Adımlar için Öneriler	VGM, UNDP	
	Proje Uzatımı - Proje uzatımı ile ilgili kararın alınması - ASO'nun Proje ortağı olarak proje dokümanına dahil edilmesi - Ortakların rol dağılımı - Tahmini takvim	VGM, ASO, HÜ, TOBB ETU, UNDP	
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## **Steering Committee Meeting Minutes**

Yönlendirme Komitesi Toplantısı

<b>Tarih / Yer</b>	26.07.2018 / VGM		
<b>Zaman</b>	17:15-18:00		
<b>Toplantı Türü</b>	Yönlendirme Komitesi Toplantısı		
<b>Katılımcılar</b>	Sayın Anıl Yılmaz, VGM Sayın Nurettin Özdebir, ASO Sayın Niyazi Akdaş, ASO 1. OSB Sayın Doç.Dr.Yavuz Cabbar, ASO Sayın Serdar Tütek, ASO 1. OSB Sayın Dr. Mustafa Kemal Akgül, VGM Sayın Dr. Yücel Özkara, VGM Sayın Serkan Ulu, VGM Sayın Gözde Bosnalı, VGM Sayın Aytunç Ayhan, VGM Sayın Pelin Rodoplu, UNDP Sayın Ufuk Kaya, UNDP MF Sayın Kübra Gürtaş Türktekin, UNDP Sayın Selçuk Sertesene, UNDP		
<b>Gündem</b>	<b>KONU</b>	<b>SUNAN</b>	<b>SÜRE (TAHMİNİ)</b>
	Proje bütçesindeki son durum, Öğren dönüş programı KfW Desteği Önümüzdeki aşamalar		
<b>Tartışmalar</b>	<p>Yönlendirme komitesi toplantısının idari bölümünde bölümünde proje bütçesindeki son durum değerlendirildi. Bugüne kadar yapılan harcamalar ve kalan bütçe hakkında bilgiler paylaşıldı. Bakanlık tarafından projenin bundan sonraki aşamasında en önemli harcama kalemlerinin Öğren &amp; Dönüş programı ve dijital dönüşüm yatırımları olacağı hatırlatıldı.</p> <p>Buna ek olarak uzatma dokümanının hazırlanıp Dışişleri Bakanlığı tarafından onaylanmasını takiben KfW bütçesinin de projenin kullanımına açılacağı belirtildi. KfW desteğinin hem Ankara için özellikle dijital dönüşüme yönelik eklenecek hizmet kalemleri için hem de istihdama yönelik hedefleri karşılamak için kullanılacağı tartışıldı.</p> <p>Proje ortakları hem projenin uzatma kararını hem de KfW kapsamında Projeye dahil olan kaynak kullanımını onayladı.</p> <p>İlk öğren dönüş aşamasında da müdahale mantığının bozulmaması ve bilgi-deneyim transferinin Ankara Model Fabrika için sağlıklı yapılabilmesi için aynı danışmanlık firması ile ilerlenmesine karar verildi. Kontratın Proje ortaklarını koruyacak pazarlık şartlarını sağlayacak şekilde Ankara Sanayi Odası tarafından yapılmasına karar verildi. Hizmet alım sürecinin hızla sonuçlandırılması için teknik şartnamenin hazırlanmasında UNDP'nin destek sağlaması konusunda uzlaşıldı.</p> <p><b>MF'nin tüzel kişiliği</b></p> <p>Tüzel kişilik konusuna yönelik ASO'nun yaptığı ve Bakanlık ile paylaştığı hazırlıklara Bakanlık'ın yorum yapmasının ardından tüzüğün son haline getirileceği ve sürecin sorunsuz yürütülmesi halinde en geç Eylül 2018 tarihinde tüzel kişiliğin kurulmuş olacağı ifade edildi.</p> <p><b>Resmi açılış ve dijital yetkinlikler</b></p>		



## Uygulamalı KOBİ Yetenek Geliştirme Merkezi (Model Fabrika) Projesi

Bakanlık tarafından Ankara 100 günlük eylem planına yetişecek şekilde, Kasım ayı başına kadar resmi açılışın yapılması ve bu süreye kadar MF'ye dijital yetkinliklerin de eklenmesinin (en azından bir kısmının) planlandığı hatırlatıldı.

Bu aşamada bağışlar üzerinden birkaç dijital uygulamanın hızla devreye sokulabileceği aktarıldı. Bakanlık ASO ve ASO 1. OSB yetkililerinden dijital dönüşüm aşamasında teknik destek alınacak firma önerileri beklendiğini dile getirdi. Bu konu Bakanlık, UNDP ve danışman firma ile yakından takip edilerek tüm ortaklara ara bilgilendirmelerin yapılacağı kararlaştırıldı.

### SUMMARY

- Partners are briefed on the progress of the Project and agreed to continue for train the trainers and learn&transform programs as planned in the original design.
- KfW funding will be added to the Project both supporting Ankara and replicating SME Capability and Transformation Centers in Konya and Kayseri in line with their needs.
- Additional service lines in Ankara will include digital transformation services and innovation type of services.
- Collaboration with ASOSEM will be ensured for placement targets as set in KfW.
- Partners agreed to submit budget and duration extension for the Project. UNDP will be submitting extension documents to Government.

Yapılacaklar		Sorumlu Taraf	Takvim
	Öğren dönüş aşaması için şartnamenin hazırlanması	<b>UNDP ve ASO işbirliğiyle</b>	<b>Eylül 2018</b>
	Öğren dönüş danışmanlık hizmeti için satın alma sürecinin yürütülmesi	<b>ASO, UNDP katkısıyla</b>	<b>Eylül 2018</b>
	MF tüzel kişiliğinin tescil edilmesi	<b>ASO ve ASO 1. OSB, Bakanlık katkısıyla</b>	<b>Eylül 2018</b>
	Dijital dönüşüme yönelik teknik danışmanlık firma önerilerinin paylaşılması	<b>ASO ve ASO 1. OSB işbirliğiyle</b>	<b>Eylül 2018</b>

## **Steering Committee Participant List**

KOBİ Yetkinlik ve Dönüşüm Merkezi (Model Fabrika) Yönlendirme Kurulu Toplantısı

26 Temmuz 2018 – Verimlilik Genel Müdürlüğü

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## **KfW – UNDP Cost Sharing Agreement Annex I**

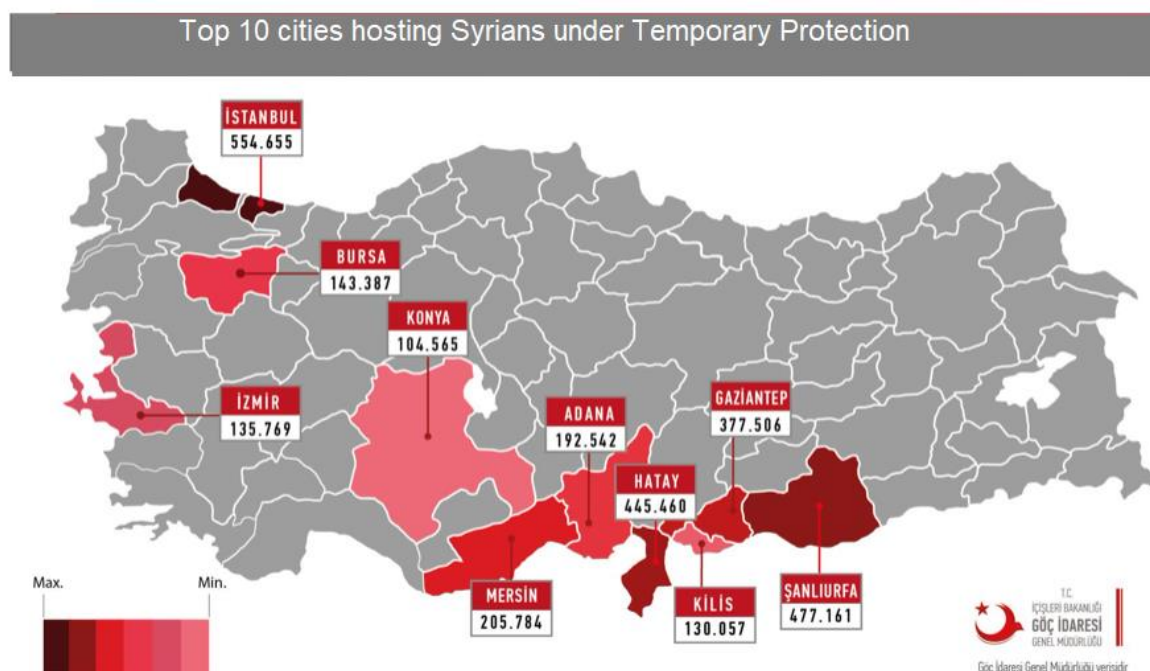
## Employment and Skills Development Programme Turkey

### Introduction

This Concept Note is developed in response to a request from KfW to expand and complement UNDP’s ongoing activities in the area of livelihoods and job creation, with specific focus on and the strengthening of institutional capacities of ISUR and job creation in partnership with the Ministry of Science, Industry and Technology (MoSIT).. Both components complement each other, even though implemented with two different partner institutions.

### Current Situation

Turkey is currently the country with the highest number of refugees in the world. more than **3.5 million** registered Syrians under Temporary Protection (*DGMM, June 2018*). **94 percent** of the Syrians live within host communities. Only 6% is hosted in temporary accommodation centers. The majority of the Syrians are concentrated around the border provinces (below). The large concentration of Syians has a significant impact on the local labour market and creates additional demand for services to be delivered by service providers at both local and national levels. Syrians are mainly located **in the Southeast Anatolia region** bordering Syria, but as the crisis is prolonged, the population expands to other regions as well. It is estimated that over 500,000 refugees are living in Istanbul making it the largest refugee hosting city in Turkey. Substantial populations are also found in Izmir, Ankara and other large cities in Turkey.



Source: Directorate General of Migration Management Figures 29 March 2018

Since the beginning of the crisis in Syria, the Government of Turkey provided exemplary support to the Syrians-particularly its temporary protection regulation providing Syrians under temporary protection

for basic services- **health, education, social services and employment**. However, as the number of Syrians entering Turkey increased and expanded, the needs of both Syrians and host communities went well beyond humanitarian, and call for **longer term, resilience based solutions**. Potential return of Syrian refugees is expected to take much longer than initially expected and current planning is rather geared towards the harmonization of Syrians into national and local services and development plans. This requires significant support and investments in institutional capacities at national and local levels in order to be able to respond to the increase in demand for services and ensure services are equipped to respond to both Turkish and Syrians.

In January 2016, the Regulation on Work Permits of Refugees under temporary protection (hereafter Work Permit Regulation) was adopted, granting all beneficiaries of temporary protection the right to apply for work permits and access formal employment. This is expected to enable the Syrians under temporary protection to become more self-reliant and resilient. To date (May 2018) 37,000 work permits have been granted to Syrians under temporary protection and Syrians with residency in Turkey. While work regulations are becoming less restrictive and jobs are more accessible, challenges remain in terms of the implementation of the Work Permit Regulation. Job prospects among Syrians under temporary protection and host communities continue to be challenged by administrative and social barriers as well as increasing levels of unemployment. Across Turkey, the unemployment rate in the formal sector reached 10.2 per cent (3.25 million people without work) by June 2017. Therefore, income levels among Syrians remain insufficient and social assistance programmes are still needed for those who barely make ends meet as well as those with specific needs.

### **UNDP Turkey**

UNDP Turkey has worked in Turkey for more than 50 years in close partnership with the Turkish Government and numerous national and international institutions, including NGOs, academics and the business community. UNDP Turkey aims to find practical solutions to Turkey's development challenges and manages projects together with the Turkish Government and other partners to address them. In addition, UNDP has played a major role in response to crises and disasters in Turkey and the surrounding region. UNDP's key partner include the Ministry of Foreign Affairs, Ministry of Development, GAP Regional Development Administration, AFAD, Ilbank, Ministry of National Education, Ministry of Interior, Ministry of Science, Industry and Technology and municipalities as well as selected NGOs. In addition to its direct project partnership, UNDP also partners with agencies such as Turkish Employment Agency (ISKUR), National SME Support Agency (KOSGEB), relevant units of Ministry of Food Agriculture and Livestock as well as think tanks in its ongoing programmes.

UNDP Turkey has recently repositioned itself to be in line with the new UNDP Strategic Plan 2018-2021 and changing needs and developmental priorities of Turkey as depicted through the Tenth National Development Plan, in order to target development challenges and priorities of the country in a more holistic and focused manner.

As such, UNDP Turkey currently contributes to Turkey's development challenges through three core areas: 1) Inclusive and Democratic Governance (IDG); 2) Inclusive and Sustainable Growth (ISG); and 3) Climate Change and Environment (CCE). In addition, UNDP implements the Syrian Crisis Response and Resilience Programme in Turkey building on its experience in these three major areas. UNDP Turkey also has a leadership role in promoting resilience based development approach for overall Syria crisis response in Turkey as co lead agency with UNHCR of the Regional Refugee and Resilience Plan (3RP).

UNDP has a long standing Inclusive and Sustainable Growth Portfolio providing support to the Government of Turkey on addressing structural economic problems, such as productivity, innovation, the middle-income trap, multi-dimensional poverty, regional disparities, as well as challenges with inclusive social, environmental and economic development. UNDP’s Syria response programme builds on this experience where relevant, including the current proposal focussing on job creation.

### **UNDP’s development support in Southeast Anatolia Region**

UNDP’s programmatic presence in the Southeast Anatolia Region expanded in the mid-90s, especially with the Government’s willingness to cooperate with UNDP in addressing the socio-economic development gaps in this region, making UNDP the only international organization with an uninterrupted presence of more than 15 years in Turkey’s most economically, socially and politically distressed region. The poverty reduction lens of UNDP Country Office’s (CO’s) work in the field was most relevant in the mid-90s; in 2000s, this approach was transformed into a more competitiveness-oriented approach as a result of the changing and emerging needs of the country.

Entrepreneurship, competitiveness, renewable energy and energy efficiency in agriculture and industry, cluster based sectoral development and women’s empowerment have turned out to be the main thematic areas where UNDP had the opportunity to design and implement and prototype regional and local socio-economic development programmes and projects in collaboration with the Regional Development Administration responsible for this particular region (aka GAP RDA). The portfolio of projects directly implemented with GAP RDA amounts to an approximately US\$ 25 million, where UNDP played a catalytic role for other local initiatives run by local actors. This figure does not include the Syrian crisis response related interventions.

### **UNDP Syria Crisis Response and Resilience Programme in Turkey**

The UNDP Syria Crisis Response and Resilience Programme in Turkey expanded significantly and has a current budget of 75 million USD for 2018-2019. The programme has three main pillars: i) livelihoods and job creation (including adult language skills training, vocational training, strengthening capacities of relevant institutions, job creation); ii) municipal service delivery (i.e. solid waste and waste water management, fire-fighting services, technical support to municipalities); iii) social cohesion, empowerment and protection (women’s empowerment, social cohesion and access to justice and legal aid). UNDP Turkey builds on its experience of the Syria response and its long-standing engagement with national and local partners on local economic development, sustainable growth as well as access to justice. The overall programme uses a resilience based development approach and increasingly focuses on strengthening capacities of the relevant institutions at both national and local levels.

KfW’s support will be implemented by UNDP as part of this broader Syria response programme, in particular the livelihoods pillar of the programme. This means that project results will be enabled and leveraged where possible through linkages with other support provided. At the same time, activities proposed for KfW support are building on UNDP Turkey’s long-standing partnerships with the Ministry of Science, Industry and Technology and the Chambers of Commerce under its Inclusive and Sustainable Growth portfolio. For example:

<b>Activities proposed for KfW support</b>	<b>Activities supported through other projects</b>	<b>Linkages</b>
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	<p>EUTF MADAD C3- adult language training (15 Million EUR)</p>	<p>benefit from job opportunities (50-50%). KfW’s support to the Ankara SME Capability Center will build on the experience from EUTF MADAD funded project in ensuring Syrians will benefit from the job opportunities.</p> <p>The Model Factory in Ankara is already established through an ongoing partnership between UNDP and the Ministry of Science Industry and Technology and the Ankara Chamber of Industry (cost sharing agreement). KfW’s support will therefore directly build on this through expansion of services.</p> <p>In 2018 and 2019, UNDP will train 52,000 adult Syrian refugees in 11 provinces. UNDP will primarily target ‘employable Syrians’ and will facilitate the registration of those beneficiaries with ISKUR of offices. KfW’s support to job creation through the expansion of the Model Factory can benefit from this ‘pool’ of beneficiaries who have successfully completed the language skills training courses.</p>
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**Overview of project proposal**

The objective of UNDP Turkey’s work to the Syria crisis response in Turkey is to contribute to creation of an enabling environment and opportunities for the Syrians under temporary protection and impacted host communities alike.

UNDP’s approach will continue to be in conjunction with the Turkey Chapter of the 3RP, which foresees UNDP involvement in strengthening livelihoods for impacted communities-supporting local

economies and employability of impacted communities, providing infrastructure and service delivery support in host communities and supporting initiatives to strengthen social cohesion.

Regarding employability and access to livelihoods, UNDP addresses the challenges at both labour supply and labour demand side. Labour supply interventions include active labour market measures such as skills profiling, vocational training and job matching. These interventions include direct implementation of such training as well as institutional capacity development of service providers, aiming a more systematic and sustainable result. Labour demand side measures include enterprise level interventions to increase productivity and capacities in the short term for new employment opportunities in addition to longer term approaches to upgrade existing, high potential value chains for higher productivity. The ultimate aim is to strengthen the skills and employability of the labour supply and increasing the potential of the local economy to absorb higher level of labourforce. As such, the interventions under this project are clustered under 2 main headings, the details of which are provided below under Proposed Programme and Activities:

- Component 1: Institutional Capacity Assessment and Roadmap Development for İSKUR to design and implement active market labour services
- Component 2: Job creation through enhancing Ankara SME Capability Center (a.k.a. Model Factory) capacity and replication of the Center in Kayseri and Konya

**Component 1** will mainly address the design and implementation of active labour market policies,. As such, this project will provide institutional support for active labour market policies to be designed and implemented by İŞKUR. Considering the integrated nature of the labour markets as well as potential sensitivities with regard to labour market competition, the project activities will serve impacted communities as a whole, i.e. from both Syrians under temporary protection and the host communities.

In addition, **Component 2** will address productivity challenges of manufacturing industry through replicating the Government led policy tools on Applied SME Capability Centers. Support under this component will invest in local capacities to be able to absorb higher levels of labourforce through as a results of a expanded manufacturing base.

With respect to the systems and institutional capacity aspects (Component 1) UNDP will work with the Turkish Employment Agency (İŞKUR) to strengthen capacities to respond to the additional demand in services and to be well equipped to provide services for both Turkish nationals and Syrians under temporary protection. This capacity development initiative will build on a detailed capacity needs assessment including the digital transformation of İSKUR services, looking into the capacity challenges of both central and local İSKUR offices. This component is closely coordinated with the World Bank, which also provides support to İSKUR focusing on strengthening of institutional capacities. Project activities are ensures to complement and not overlap, including with respect to profiling.

For the Job Creation (Component 2) UNDP work with the Ministry of Science Industry and Technology (MoSIT) General Directorate of Productivity as the main implementing partner. UNDP has been working with MoSIT in several areas since 2009 covering cluster development, competitiveness, industrial restructuring etc. The current partnership with the SME Capability Centers started in late 2015 to complete a feasibility study and progressed to cover first implementation in Ankara.

UNDP already established partnerships with the central government actors responsible for policy development, as well as local government actors responsible for development of policy responses and implementation. Throughout this period, UNDP developed a broad understanding of the existing capacities and challenges in the field, as well as the need for further capacities and established its

interventions strategy accordingly. Consultations at the central and local level as well as field experience confirm the need for all components of this intervention, highlighting the need for a systematic response.

UNDP Turkey will continue to partner with relevant line ministries, local authorities i.e. Development Agencies at the sub-regional level, provincial directorates of relevant line ministries, etc.), municipalities of the pilot provinces as well as business community (i.e. chambers, associations and private sector companies) in the selected locations.

UNDP will do this in two phases, where the first phase will start in 2017 and address the most urgent capacity needs of the Employment Agency ISKUR. . The second phase may serve to further expand capacities of relevant institutions and scale up support to job and employment creation. The specifics of Phase II will be discussed in due time between UNDP, KfW and relevant partners.

<b>Component</b>	<b>Timeframe</b>	<b>Definition</b>	<b>Indicative Budget/Phase 1 (EUR)</b>	<b>Indicative Budget/Phase 2<sup>1</sup> (EUR)</b>
<b>Institutional Capacity Development of ISKUR (Component 1)</b>	Phase 1: Sept-2017 <sup>2</sup> June -2020	Strengthening of ISKUR’s Institutional capacities at national and local levels targeting Syrians in Gaziantep, Şanlıurfa, Hatay and Kilis	3.65 million EUR Covering Hatay, Gaziantep, Şanlıurfa and Kilis	
<b>Job creation (Component 2)</b>	June 2018 <sup>3</sup> - June 2020 24 months	Cross sectoral productivity and innovation type of interventions identified for job creation to achieve highest possible labor absorption and interventions implemented	5.15 million EUR targeting Ankara, Kayseri	
	24 months		8.8 million EUR	6.7 million EUR

While the Table above presents the broad 2-phased approach planned for this project, the content of this Concept Note and the project document covers the interventions planned with ISKUR and MoSIT under Phase I.

### **Proposed programme activities**

<sup>1</sup> Implementation realization of Phase II of the program will be subject to availability of respective. BMZ funding and all related approvals to be obtained from BMZ and KfW. The substance and amounts of the Phase 2 interventions will be subject to discussion and final approval by KfW based on the concept note to be submitted by UNDP in 2018.

<sup>2</sup> The start date is the date of the signature of the Project Document by all parties.

<sup>3</sup> The official start date of the Project will be the date of the signature of the Project Document by all parties.

**COMPONENT 1- Institutional Capacity Assessment and Roadmap Development for ISKUR to design and implement active market labour services**

**Implementing partners:** ISKUR

**Duration:** 24 months

**Budget:** 3,65 million EUR

**Main objective:** To strengthen ISKUR’s institutional capacities to design and implement active labor market services for Syrians and Turkish host community members

**Location:** Gaziantep, Kilis, Şanlıurfa and Hatay

Strengthened institutional capacities for İŞKUR and its partners to be able to better address the needs of Syrians under temporary protection and affected host community members through active labour market policies (including counselling, digitilization , and job matching).

There is a need for a systematic assessment of the needs with a short and medium-term capacity development roadmap. In response to such assessments, the proposed project will include capacity-building activities both at the central and local İŞKUR offices to enhance the efficiency and effectiveness of case management services. Building on the needs assessment and process diagnosis of the İŞKUR offices, the project in four provinces will develop the capacity of local İŞKUR offices with more advance and up-to date services and their Job Counsellors to provide inclusive and targeted employment services to the Syrians under temporary protection, in line with the 2016 Work Permit Regulation.

Two comprehensive roadmaps laying out the short, medium and long term capacity development and digital transformation roadmap will be developed as the one of the main outcomes of the project. The roadmaps will include a list of actions categorised based on the priorities agreed with all parties. With the capacity assessment conducted and the roadmaps developed, interventions on both capacity development and digital transformation will be designed and implemented at ISKUR headquarters and four pilot provinces.

As an integral part of the capacity development programme targeting both the central and the local ISKUR offices, the already available tools (e.g. online M&E tools) used by ISKUR offices will be examined and a roadmap for digital transformation will be prepared within the scope of the project. To use the power of digital technology and transfer it to ISKUR processes to improve the performance of corporate systems, it is important to meet the demands of the active labour market. This will also lead to more sustainable results considering the fact that the future is digital.

Therefore, there is a need to digitise ISKUR systems in order to enhance institutional capacities in a sustainable manner through equipping ISKUR with new generation capacities. One of the important activities to be conducted under the digital transformation roadmap is the analysis of ISKUR capacities to provide it’s multi – channel services to both Syrians and host community members. A review will be carried out of the ISKUR channels ( İŞKUR, İŞKUR+, Web, mobile, call center, etc.) to clarify which services would be best to reach out to the beneficiaries from which ISKUR channels. On the other hand, in line with the identified needs and suggested models, new softwares or tools will also be developed as needed.

Digitisation is all the more important considering that ISKUR has a modest pool of human resources compared to equivalent public employment agency. Assuming that its human resources, particularly job and vocational counsellors, will not quantitatively grow rapidly in the short run.

While any intervention lacking such perspective is likely to bring about certain improvements in institutional and physical capacities of ISKUR, it will hinder and/or delay ISKUR becoming a new generation public employment agency.

Considering the fact that Turkey is among the countries with the highest mobile phone ownership and many employment agencies have already moved their services to the mobile environment for both Employers and Jobseekers, ISKUR also needs to take its position according to the requirements of the new age and to provide digitalised service channels which would ease the access to both Syrians and host community members. Even more importantly, digitised service channels would enable ISKUR to reach specific policy groups (young people, women and etc.) more easily.

In these provinces (Gaziantep, Kilis, Şanlıurfa and Hatay), in close cooperation with the local actors, such as İŞKUR offices in the target regions, UNDP will help improve job-matching and placement mechanisms to ensure transparency and efficiency of job-matching processes through the digitalisation of ISKUR services based on the capacity assessment outcomes. Consultations held with İŞKUR so far (including the General Directorate and Provincial Directorates) confirm the urgent need for specialized assistance to improve the efficiency and inclusiveness of the active labour market services extended to the impacted communities, specifically to Syrians.

On the other hand, discussions at the Provincial level (e.g. Gaziantep and Şanlıurfa) revealed the need for an improvement in terms of stronger coordination and guidance between local offices and central İŞKUR management. At the technical level, ISKUR Provincial Offices raised the need for technical skills with respect to the establishment of a database of Syrian beneficiaries (of employment services), identification of service provision needs for the Syrian community as well as stronger capacities of various ISKUR units such as Active Labor, job counselling and matching. The consultations also revealed the need for a stronger capacity and strategy for the Provincial Employment and Vocational Training Boards (IIMEK), which are the main provincial level governance mechanisms for employment policy implementation, to better identify the needs for employment services and respond with a comprehensive and integrated approach.

As the lead agencies for the Livelihood Sector for 3RP, UNDP is in close contact with the implementers of the projects and has a coordination role amongst the implementers partners (i.e. agencies and NGOs). The interest in this sector is expanding and partners are increasingly aiming to find solutions to create jobs and provide opportunities to impacted communities to enhance their self-reliance for long-term and sustainable solutions. UNDP will be in close communication with relevant partners, mainly the ones working with ISKUR in order to prevent the overlaps of project activities and inefficiencies in the implementation. To this end, UNDP is in close cooperation with Worldbank in particular to take certain measures to prevent two projects duplicating one another, instead complement one another for greater impact.

ISKUR is currently implementing a project with Worldbank to improve the employability of Syrians under Temporary Protection as well as of Turkish citizens residing in selected host communities with high presence of Syrians. Both projects have activities to enhance ISKUR’s institutional capacities. The key objectives of both projects include developing ISKUR’s institutional capacities, improving service

quality through making more effective the public employment services delivered to labour / job-seekers both local and Syrians under temporary protection (job and vocational counselling, active labour services, employment services etc.). Separate meetings were held with ISKUR and with stakeholder institutions in order to design both projects in a manner to supplement one another and to have a setup where the outputs from one project might be inputs for the other, avoid potential duplications and coordinate activities

While it is true that the two projects do not directly focus on the same area, since the project to be implemented in cooperation with the World Bank includes activities to develop a new skill-based profiling system, it was agreed to remove profiling activities from the project to be implemented in cooperation with UNDP. It was also agreed to reallocate those resources for new activities considering that potential duplications should be ruled out right from the beginning, addressing the issue in a single focused project that will be effective in producing more efficient outcomes, and such basic principles of optimal use and re-planning of financial resources, time management and efficient use of human resources. To this end, below mentioned activities have been proposed to implement the projects in cooperation with World Bank and UNDP in a complementary manner and without duplication.

New activities proposed under the digital transformation of ISKUR will support the following results;

- ISKUR will be equipped with new generation competencies which would enhance its institutional capacity in a sustainable manner which would have a greater impact in the short-run for the specific employment services (ie. placement, job matching, registry etc.) to be provided to both Syrians and host community members
- Digitalisation provides more efficient services with less costs and also increases both employers and jobseekers’ satisfaction from the institutional services
- Digitalised service channels would enable ISKUR to reach both Syrians and host community members and specific policy groups (young people, women and etc.) more easily.
- Digital systems would facilitate both internal and external information flows amongst public institutions relevant to employment services ( i.e. MoLSS, MoFSA, SSI and etc ) in a more accurate and active way.
- There would be no overlap of activities from different source of funding but coordinated outputs which are complimenting each other in a holistic approach for a greater impact.

*Theory of change*

***If** ISKUR’s institutional capacities are strengthened, then Syrians and Turkish host community members will both benefit from better active labor market services and have better opportunities to enter the labor market.*

Planned activities in ISKUR Headquarters and the local offices in Gaziantep, Şanlıurfa, Kilis and Hatay for systems support will indicatively include:

- **A detailed targeted capacity assessment of the İŞKUR** office from a perspective of their ability to cater for the additional Syrian population will be made. This will be an institutional capacity assessment/functional and organizational review, looking into the various work streams including outreach, collection of applications, registration, identification of the profiles

and need for services, job counselling, matching and placement , as well as existing capacities with regard to human resources, IT/physical infrastructure and processes of ISKUR headquarters as well as its local offices operating in the four target provinces. The assessment will result in a capacity gap analysis and a roadmap laying out the short, medium and long term interventions to strengthen ISKUR capacities for more effective employment service delivery targeting the Syrian population, to be shared with ISKUR for prioritization of the needs and the main tool for implementation;

- **A Roadmap for Digital Transformation of ISKUR** which includes an analysis of core business processes of ISKUR will be outlined. An analysis will be conducted of the digital maturity of ISKUR and a roadmap will be drawn up indicating specifically how to digitize which business processes. The roadmap will also include items such as multi-channel management and will quantify the gains obtainable through ISKUR digitization, constituting a basis of scientific analyses for later studies of cost-benefit and feasibility. Digitilisation is the first priority of many institutions nowadays since it provides more efficient services with less costs and also increases both employers and jobseekers’ satisfaction from the institutional services

Examples of Digital Competencies that İŞKUR can achieve are listed below;

- **Skill profiling with enhanced and virtual reality technologies:** Beyond traditional paper-based or computer-based tests, its a technology that allows job seekers to demonstrate their skills in a virtual environment.
  - **Continuous improving matching system with machine learning:** An artificial intelligence algorithm is being developed instead of the static matching algorithm of the machine. This algorithm is not only institutionalized, but also constantly learns from the Social Security Institution (SGK) data and the other data on the internet when it is available and can better match vacancies with job seekers.
  - **Mobile games for skill measurement:** Especially designed for young unemployed, Job seekers' personal skills are measured using mobile applications rather than traditional, tedious and costly tests.
- **Design of Capacity Development Interventions** (including improved digital processes. ToRs, training roadmap etc., outreach and advocacy): This is related with the activities of the proposed capacity development and digital transformation systems targeting İŞKUR Headquarters and the local offices in the target provinces. Once the priorities are agreed with ISKUR, priority short term actions will be selected and pilot projects will be designed. Especially, the interventions on digital transformation will enhance the institutional development process from a linear and static structure to a dynamic process that creates impact exponentially in the short run.
  - Each **pilot project** will, on the one hand produce tangible outputs in the labour market and ensure, on the other hand, ensure that technical aspects of ISKUR’s institutional development are tested, improved to perfection and applicable (scalable) across the country. Moreover, detailed training programs coupled w/ other complementary means for capacity development (technical study visits, exchange programmes etc.), process optimization/improvement interventions in select key functions such as registry, counselling, ALMPs etc. will be developed in close cooperation with ISKUR headquarters and local offices, to be further implemented through the activities under capacity development and digital transformation.

**Implementation of Capacity Development targeting Local ISKUR Offices and HQ:** These are activities focussed on implementing the capacity development program as well as pilot projects, responding to the physical, digital and IT infrastructure needs, human resource capacity needs through trainings and study tours as needed (ideally to the Employment Agency of Germany, the experience of which on providing employment services to migrants is much appreciated) as well as process optimization support.

### **COMPONENT 2- Job creation through enhancing Ankara SME Capability Center (i.e. Model Factory) capacity**

**Implementing partners:** Ministry of Science Industry and Technology, Directorate General of Productivity and the Ankara Chamber of Industry, Ankara 1<sup>st</sup> Organized Industry Zone Management, Kayseri Chamber of Industry, Konya Chamber of Industry

**Duration:** 36 months

**Budget:** 5,15 million EUR

**Main objective:** to create at least 2,000 jobs for Syrians and Turkish host community members through the expended capacity of Ankara SME Capability Center and Kayseri and Konya SME Capability Center.

**Locations:** Ankara, Kayseri and Konya

UNDP Turkey has long standing experience under its Inclusive and Sustainable Growth portfolio in terms of SME development and competitiveness. UNDP Turkey has an ongoing partnership with the Ministry of Science, Industry and Technology (MoSIT) for the design, establishment and operationalization of an SME Capability Center in Ankara. This Project has started as a feasibility study Project and extended its current scope and budget in 2017 to cover implementation on the adopted model by the Government. At same time, the Ankara Chamber of Industry and the Ankara 1<sup>st</sup> Organised Industry Zone Management also joined as implementing partners and agreed to invest considerable amount of time and resources for this private public partnership model. This current project with MoSIT has a total budget of 4,26M USD and planned to end in December 2018. However there is a recent request from Government to further extend the budget and time to enlarge the scope with an additional budget and scope. This is mainly in relation to Government plans to adopt SME Capability Centers as an overarching policy tool to support transformation in manufacturing sector via improving productivity. Productivity problems are at the core of policy intervention since 10<sup>th</sup> Development Plan and Ministry will be enriching its capacity by adopting efficient tools like SME Capability Centers. Following the establishment of the first center in Ankara, Ministry will be replicating and enhancing the capacity of these centers. While extending the ongoing Project document the scope of services are planned to be enhanced with the additional support from KfW contributing to already agreed priorities of the Government.

In response to the Syria Crisis, UNDP also expanded its partnership with MoSIT for additional SME capability and Innovation Centers and the transformation of industrial zones in the South East of Turkey, by building on its experience from the Ankara SME Capability Center Project. The initiatives in the South East have specific targets in terms of job creation for both Syrians and Turkish nationals. This project builds on outcomes and experiences so far from the establishment of the Ankara Model Factory and has a total budget of 12M EUR and ends in February 2020. The project is funded by the



EU Regional Trust Fund for the Syria Crisis (MADAD) and has an agreed target to create 2,000 jobs for Syrian refugees and Turkish host communities.<sup>4</sup>

Both projects are well embedded within Turkish national development plans and have strong commitment and ownership from MoSIT and local stakeholders like Chambers of Industry and Commerce, Organised Industry Zone Managements, Regional Development Agencies etc. Turkey’s economic growth priorities within the 10<sup>th</sup> Development Plan and relevant strategies and action plans prioritize productivity as the key issue to achieve industrial transformation. This Project is directly serving as an important policy tool on productivity for Government and already embedded into short term action plan of the MoSIT which is also reflected to upcoming 11<sup>th</sup> Development Plan preparations<sup>5</sup>. As of May 24, 2018, Ankara hosts more than 98,643 Syrian refugees. Additional locations proposed by MoSIT to extend is Kayseri and Konya and they host 74,449 and 107,382 Syrian refugees, respectively.

The background work for Ankara SME Capability Center has progressed since 2016 and key milestones are achieved with growing support from Ministry and local partners. The first extension of the Project is completed with the inclusion of Ankara Chamber of Industry and Ankara I.Organised Industry Zone Management into the current partnership as implementing partners where cost sharing principle is agreed to ensure sustainability of the initiative. As of writing the refurbishment is about to be completed in Ankara I.Organised Industry Zone, necessary machinery and equipment are purchased and the first wave of “train the trainers” programme is already started as of June, 1<sup>st</sup> 2018 in Ankara.

Current costs sharing agreements and investments made by MoSIT and the Ankara Chamber of Industry as well as Ankara Ist Organised Industry Zone indicates strong ownership and commitment from partners- which will serve as a critical basis for KfW’s investments and ensure sustainability. Lessons learned from Ankara experience will be critical and beneficial for the future activities.

*Theory of change*

*If SMEs receive business development support focusing on productivity and competitiveness and if business owners, managers and employees are trained, **then** SMEs will expand resulting in additional job opportunities.*

*If such efforts are connected to available job seekers in similar locations (through registrations and employment services provided by ISKUR and close linkages with business community), **then** Syrians and Turkish host community members will benefit from sustainable job opportunities.*

The proposal is to build on and expand support provided to the Ankara SME Capability Center, through scale-up of services provided to SMEs in the form of training programs and business advisory services and expand the SME capability center with an Innovation center. The Innovation center will serve existing SMEs on product development and innovation. The project will include actual job placements for at least 2,000 Syrians and Turkish host communities, through cooperation with ISKUR, linking job opportunities created with job seekers. It is estimated that half of those job placements will be in Ankara

<sup>4</sup> At least 2,000 Syrians under Temporary Protection and host community members will be placed in formal jobs through the EUTF MADAD funded project under the UNDP Syria Crisis response and Resilience Programme. Out of this total, 1750 will be jobs created through SME transformation, innovation programmes and self-employment through innovation driven initiatives (İzmir, Manisa, Adana, Hatay, Mersin). 250 will be the jobs which will be created through industrial transformation in Gaziantep. It is estimated that at least 25% of the 2,000 jobs will be self-employment, at least 40% (1,500) of the beneficiaries will be women. At least 50% (1,000) of the beneficiaries will be Syrians under Temporary Protection.

<sup>5</sup> 11th Development Plan preparations is led by MoD and started in December 2017 with a consultative and participatory process. UNDP participated to several specialised sector commissions and contributed to discussions reflecting experiences via ongoing initiatives. Draft reports are finalised in the first quarter of 2018 and final plan will be launched before fall 2018. Transformation in the manufacturing industry and priority for achieving higher productivity rates will remain as the key priorities of MoSIT.

and its surroundings while the remaining 1000 jobs will be equally shared between Konya, Kayseri and their surroundings. Strong relations with industry partners will create a leverage in job placements as well as entrepreneurship initiatives. This proposal would be carried out alongside the existing project with ISKUR (3,65M EUR).

Support from KfW will be utilized first for the ongoing partnership with MoSIT and the Ankara Chamber of Industry and Ankara I.Organised Industrial Zone Management which would allow to leverage results and impact of ongoing investments. In addition KfW support will be utilized to replicate this policy tool in Kayseri and Konya where local partners (Kayseri and Konya Chamber of Industry etc.) participation will be again ensured.

**a. Support to Ankara SME Capability Center**

The SME Capability Centre in Ankara will adopt experiential learning principles to promote lean production principles and to ensure lean transformation in the SMEs. The method is adopted from McKinsey&Company where they have initially set up the first Model Factory in 2006 in collaboration with Darmstadt University in Germany with industry partners. Model factories provide a wide range of services and have a dynamic structure to respond changing needs of the industry. Therefore in Ankara initial set up is configured to focus on lean transformation but in the medium term Center will be expanding its service capacity including digital transformation services to the companies. The trainings that will be provided by the SME centers will include an experiential phase (i.e. training for SME owners in the centers), and on the job training (in their own SMEs) and one-on-one consultancy services. As said the types of services provided by these centres could be expanded in line with the specific requirements of the manufacturing base.

The SME Capability Centre will increase the productivity levels of local SMEs, including export potential. This technical support provided to local demand side of the employment market targets to generate additional employment opportunities for Syrians under Temporary Protection and host community members, complementing broader SME support currently provided by relevant Government Institutions. For instance, per the WIOD (World Input Output Database),<sup>6</sup> each TL 1 million increase in the textile sector’s output would create 26.7 jobs, of which 8.2 is direct and the rest is either indirect (e.g. employment in upstream such as textile etc. and downstream such as logistics, retail etc.) or induced. While this confirms that productivity creates jobs in the medium to long term, the present action will have a short-term employment creation result through both productivity increase as well as other forms of support to the enterprises (e.g. access to markets, increasing access to incentives, supply chain management, lean manufacturing).

Through current action, Ankara SME Capability Center service capacity will be enhanced to improve the impact of the Center, creating stronger capacity in Ankara at the heart of a strong industrial base, to enhance job creation potential. The progress achieved in Ankara so far will pave the way for a smooth implementation during replication of the centers in Konya and Kayseri. In addition the available capacity owned by Ankara Chamber of Industry and Ankara I.Organised Industry Zone Management in terms of vocational training will be complementing the efforts to reach targets of the Action.

Priority service lines to be added to Ankara along with the lean transformation programs, in accordance with current studies include product development, digital transformation use cases for ongoing capacity, design to value show cases, prototyping services, market development type of services etc.. The final concept will be decided with ongoing partners under the leadership of Ministry of Science Industry and Technology. Contributions from key ecosystem actors in innovation and entrepreneurship will be

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<sup>6</sup> <http://www.wiod.org/database/wiots16>

needed. Since innovation type of activities lies within the mandate of MoSIT this additional guidance will be easy to reach<sup>7</sup>. The target of this additional service line is to contribute the current ecosystem through;

- i. Enabling services/space for stimulating product development for existing SMEs
- ii. Creating space/services for potential entrepreneurs to develop new products or innovative solutions to increase value added in manufacturing sector.

Specific activities under this sub-component will include but will not be limited to;

- Identification/finalisation of focus areas (product development, business development etc.)
- Delivery of related capacity building programs.
- Delivery of related consultancy services to complement capacity building programmes.
- Procurement of required equipment/materials for the agreed services.
- Delivery of outreach activities to end-users to increase impact.
- Establishing cooperation protocols/partnerships to benefit best practices from Germany in terms of productivity, innovation etc.(like Fraunhofer Institute, universities, Government entities etc.)
- Supporting complementary vocational training services in ASOSEM (aka.Ankara Chamber of Industry Continuous Learning Center)

**b. Replication of the SME Capability Center to Kayseri and Konya**

Current action will also enable replication of Ankara SME Capability Center to Kayseri and Konya. The same model adopted for Ankara will be used in Kayseri and Konya. Both business model and governance model will be copied. Preliminary correspondence with Kayseri and Konya Chamber of Industry managements also held by MoSIT and their contribution will be also ensured in order to guarantee ownership and sustainability of the actions. Together with replication in Kayseri and Konya all central Anatolia will be covered as the hinterland of these Centers. Ankara will be serving Eskişehir and Afyon, Konya will be serving Aksaray and Kırşehir where Kayseri will cover Niğde, Kırşehir and Nevşehir..

Inclusion of Konya and Kayseri into MoSIT expansion plan is directly connected with the industrial outlook of these two cities. As previously mentioned MoSIT targets to replicate this tool within the macro development plan and already selected priority areas.

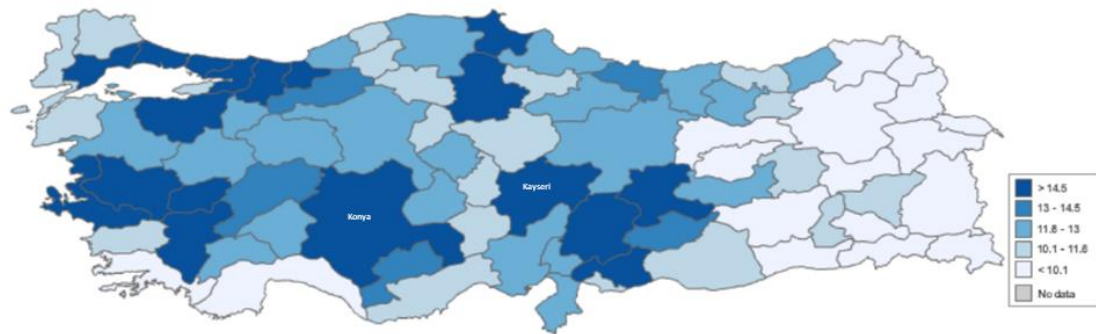
Considering the distribution of industrial activity Turkey has a long history of unequal development. Marmara region and especially Istanbul has always been an attraction point for population and capital. However, around the 1980s, some other cities in Anatolia started to rise in terms of their industrial structure. Konya and Kayseri are among those cities. Today, Konya is the 7th, Kayseri is the 15th

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<sup>7</sup> A recent focus group meeting participated by leading ecosystem actors is led by MoSIT. A detailed action document is being developed as of writing. This document will be serving as an action document for the identification/finalisation of this additional service lines.

populated city of Turkey and substantial amount of this population growth is due to their growing industrial bases.

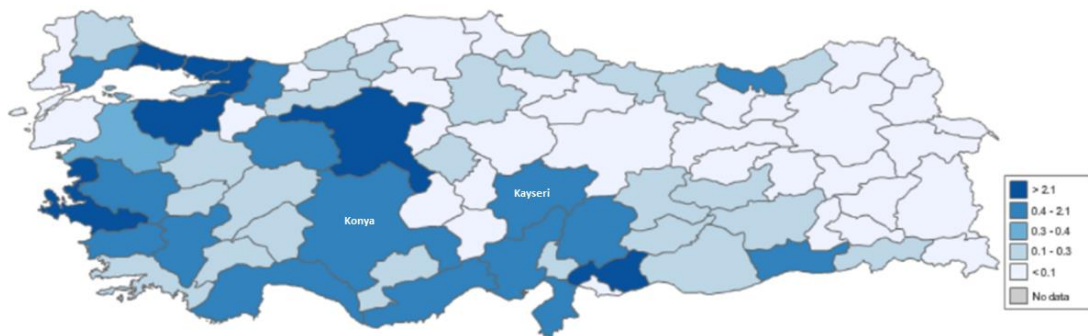
### **Ratio of Manufacturing Sector Firms in Total Number of Firms in 2016**



Source: Social Security Institution

As seen in the map above, Konya and Kayseri are among the top 10 cities in Turkey in terms of ratio of manufacturing firms in total number of firms. 18 percent of Konya firms are in manufacturing sector while it is 15 percent in Kayseri. In accordance with this Konya have nine industrial zones and one technology zone while Kayseri hosts three industrial zone and one trade zone. In the list of 500 biggest industrial firms of Turkey Kayseri and Konya have 14 and 9 firms respectively (ASO,2016). Kayseri is the 6<sup>th</sup> biggest textile exporter city in Turkey in return Konya has five clusters in the sectors including automotive and ICT.

### **Share in Total Exports of Turkey in 2016**



Source: Turkish Statistics Institute

The characteristics of the two cities that stated above not surprisingly positions them in the league of exporters where Istanbul has a very dominant lead. The share of Kayseri in total exports is 1,07 percent where Konya has a share of 0,92 in 2016. Europe and MENA region are the main export destinations for both cities.

Therefore the growth potential in these cities justifies MoSIT intervention to replicate SME Capability Centers and provides a spectrum to enable job opportunities for host communities and Syrians. Though the numbers of the Syrians are relatively low when compared to the south eastern provinces, the industrial potential to reach out is higher.

Specific activities will include but will not be limited to:

- Provision of relevant equipment for the Center (layout materials, production equipment etc.)

- Delivery of a Training of the Trainers course
- Adoption of training curricula
- Delivery of training courses for additional specific service areas if needed.
- Delivery of business development services on operations (e.g. sourcing, supply chain management, stock management, quality assurance, etc.), marketing and sales, digitalization and cross cutting issues (e.g. performance management).
- Development of promotional programmes for the centres to increase SME participation in the pilot programmes
- Development and delivery of awareness raising activities for Syrians under Temporary Protection and host communities (i.e. information about job placement services) along with the promotional programmes to attract interest from SME community.

Cooperation with ISKUR will be sought for the facilitation of job placements, for the Syrians and Turkish host community members registered by ISKUR and who received job counselling services. ISKUR will be asked to consider support to their local Ankara, Kayseri and Konya office under the existing KfW cooperation with ISKUR.

The Project will develop a comprehensive **sustainability strategy** with a view to maintain political, financial and institutional sustainability of the Project’s intervention modality and outcomes. In addition, a road map to scale up activities will be formulated based on the findings and experiences from the Project. This road map shall also include the relevant documents and required activities that can increase and sustain the Project’s contributions and impacts.

MoSIT will be taking the lead role at the central level for dissemination of the intervention modality. Specifically, sustainability of the Project will be ensured in amongst others the following ways:

- The Project will be implemented in close cooperation with the Ministry of Science Industry and Technology and the Ministry of Development, ensuring full ownership at national level of the project activities beyond project duration;
- The Project will establish and maintain formal cooperation models (protocols) with the local partners (i.e. Organized Industrial Zones, Chambers of Industry etc.) for maintaining the financial, institutional and operational sustainability of the SME Capability Centre. Local partners will also be provided with dedicated institutional capacity development programs (i.e. trainings, networking activities, business models etc.) throughout the project.

This Project will support job creation for Syrians under Temporary Protection and host communities. In doing so, the Project will strengthen the resilience and self-reliance of Syrians under Temporary Protection and host communities after the end of the project. A reliable income through employment will reduce reliance on external support and provide resources for health, housing, education and other basic needs.

### **Targetting Syrian refugees to benefit from job opportunities**

Expanded support to the Model Factory in Ankara aims to create job opportunities for both Syrians and Turkish host community members. The factory will service Ankara and its region, including Ankara, Eskisehir and with the expansion in Konya and Kayseri the service scope will be extended to all central Anatolia. In total, more than 200,000 Syrian refugees living in this area. In line with Government policy and UNDP practice, the project will target 50% Syrians and 50% Turkish nationals for the job placements. The project will take specific measures to make sure that the Syrians are reached and benefit from the project. The specifics of the measures will be discussed and expanded on during the

inception phase of the project. However, the following arrangements and connections are identified at this point, based on discussions so far under the EUTF MADAD funded project on job creation.

*Contractual arrangements and conditionality*

- The agreement with MoSIT and Ankara Chamber of Industry and Ankara I.Organised Industry Zone Management will include a commitment to ensure that 50% of the jobs created will benefit Syrians. This project level agreement will also be signed at the local level with relevant partners as needed. The investment will therefore be conditional on the availability of jobs for Syrians as a key part of the project
- Collaboration with ASO also creates additional outreach in terms of placement capability. ASO hosts and manages a training center in Ankara (ASOSEM) in the same campus of Ankara SME Capability Center. Close coordination with these center will also enable additional opportunities for job creation for host communities as well as Syrian refugees.
- It could be considered to include grant support in the project for companies hiring a certain quota of Syrians, for instance through covering first x months of salary or pay for on the job trainings

*Identification and outreach to Syrian refugees*

- ISKUR - companies to submit their job offers through İSKUR and refugees to be referred by ISKUR to those job offers. As referred to above, UNDP in cooperation with the Ministry of National Education will training 52,000 Syrians adults in Turkish language. UNDP will select those beneficiaries based on ‘employability’ as much as possible. UNDP will facilitate the registration of those beneficiaries with local ISKUR offices, to benefit from job counselling services and where possible job placements;
- Cooperation with NGOs / INGOs and other local partners which are based in field locations and already access to the Syrian refugees to disseminate information regarding the Model Factory or any related services and job opportunities. For Ankara in particular there are a number of partners that could be considered, including the Kecioren Municipality Migrant Services Center, TRC Community Center, ASAM Multi-Service Center and Child and Family Support Center that covers Keçiören, Mamak and Altındağ districts hosting majority of the refugee population in Ankara;
- Cooperation with the Social Assistance and Solidarity Foundations (SASFs) where refugees submit their Emergency Social Safety Net (ESSN), Conditional Cash Transfers for Education (CCTE) or any other financial/in kind assistance requests;
- Syrian community leaders / support groups /associations to identify beneficiaries and advocacy;
- Mukhtars (especially Onder Neighbourhood in Altındağ district)

*Outreach to private sector*

- Cooperation with Industrial zones and sites management to inform companies about the potential refugee employees that they can hire and also refugees approaching these sites to

find - Public Education Centers where refugees get language and vocational trainings and ask them to refer those refugees for potential job opportunities

- UNDP will carry out a private sector analysis to identify concrete bottlenecks and opportunities from the private sector point of view to employ Syrians. And what support is needed to facilitate this process. UNDP will carry out this survey in close cooperation with its Connecting Business Initiative (a.k.a. CBI) and with for instance TURKONFED. This includes existing networks of for instance the 6,000 Syrians entrepreneurs already operational in Turkey;
- CBI has an established network of amongst others 6,000 Syrian owned SMEs. This network could serve well to identify suitable SMEs to be connected to and benefited from the business advisory services. Furthermore, CBI’s available tools and training modules, could be used in the training centers;

### **Management Arrangements and Monitoring**

**Implementation capacity:** To implement this project, UNDP will mobilize expertise in the area of institutional capacity building, employment service delivery and active labor market services. In terms of contract management and partnerships, UNDP will arrange partnerships with individual and institutional experts as well as relevant local organizations such as NGOs working with the Syrians under temporary protection. Regarding contract and project management, UNDP will deploy its in-house experience (CO staff and Syria programme staff) as well as mobilize other capacities in the form of Service Contracts and individual contracts. For this project, UNDP will avail the capacities of Field Coordinator, Project Associate and Driver in the field, in addition to Project Manager, Project Associate, and Communications Specialist (part time). Project Associate and Consultants (based in Ankara) will work at the premises of İŞKUR Headquarters in Ankara. While same principles apply to all components, previous engagement with MoSIT will create synergies and appropriate staff allocation will be ensured in agreement with all partners in the best possible way.

Using programme and country office staff allows UNDP to build on the existing mechanisms and exploit synergies with other ongoing projects, leading to increased efficiencies in project and budget management and procurement. The direct cost of such support will be included in the project budget and pro-rated as per UNDP’s regulations.

UNDP rules and regulations will be used for all procurement processes.

**Partnership and Governance:** UNDP projects are traditionally implemented by a government agency/line ministry (implementing partner), meaning that the overall ownership and accountability rests with that agency on behalf of the Turkish government. All project documents are approved/signed by three parties: (1) Ministry of Foreign Affairs (in consultation with the Ministry of Development as the key coordinating ministry for UNDP work), (2) relevant implementing partner/government agency and (3) UNDP. A Project Board composed of these 3 agencies, Ministry of Development, UNDP and KfW representatives will be established to monitor the progress of the project and guide the implementation.

On the other hand, UNDP will also establish working relations and partnerships with local actors such as Chambers, Production Unions, Commodity Exchanges, Development Agencies etc. to ensure that there is local ownership and sustainability of interventions proposed. Such partnership can also include programmatic partnership whereby UNDP will use the local systems for implementation (e.g.

Development Agency support programs) to ensure quick action and stronger complementarities with other local interventions.

This project will be nationally implemented (NIM) and the implementing agency of the Component 1 will be ISKUR and Ministry of Science, Industry and Technology (MoSIT) for the Component 2 with UNDP's technical and administrative support. This action will build on the ongoing and longstanding partnership of UNDP with MoSIT as well as with ISKUR on employment services. MoSIT General Directorate of Productivity is responsible for providing sustainable solutions for Turkish manufacturing industry to establish systems to improve current productivity levels and to achieve transformational change for a stronger and inclusive economy. MoSIT has institutional knowledge and know-how building on the long standing presence at the local level working with individual companies as well as relevant local partners.

ISKUR is the key institution mandated to develop and implement active labour market policies for all populations and their mandate includes Syrians under temporary protection with the legislation on work permits adopted in January 2016. İŞKUR has issued some circulars and secondary legislation to include Syrians under temporary protection in their target groups, and is further working on developing their capacities and their Job and Vocational Counsellors to extend services to Syrians under temporary protection. UNDP support and this project will provide direct technical support for this action, through identification of the needs and development/implementation of a roadmap for capacity development for providing better employment services to the Syrians under temporary protection as well as skills profiling and segmentation for the target group. The initial implementation will start in four target provinces, with an objective to expand and scale up.

Among other, UNDP will provide contract management services including procurement and finance. Indicative roles and responsibilities are listed below:

MoSIT ISKUR:

- Will be responsible and accountable for the results of this project on behalf of the Government of Turkey
- Will establish close working relationship with local partners.i.e. business unions, private sector and vocational training providers. Such relationship will be established through agreements/MoU's to be signed between ISKUR/MoSIT and those agencies if not yet present and if needed
- Will facilitate the dialogue with the national and local partners
- Will provide timely inputs and comments to the prepared studies

UNDP

- Will provide technical support for implementation of the project. This support includes provision of human resources and consultancies, project management/monitoring and implementation support services such as contract management. UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct costs for implementation support services.
- Will conduct procurement of selected machinery, equipment and services as per its own rules and regulations for the procurement made by UNDP. The cases where procurement can be made by local partners will be agreed jointly with ISKUR for C1 and MoSIT for C2, and in those cases UNDP shall monitor, do quality assurance and ensure effectiveness in line with its regulations.



**Annex 1** *Revised Concept note “Employment and Skills Development Programme Turkey”, June 2018*

- Will ensure that the project is managed in line with UNDP’s Programme and Operations Policies and Procedures (POPP) as well as it benefits from broader UNDP work in Turkey and in this particular region. Further, as leading UN agency on the resilience response to the Syria crisis, UNDP will ensure that the intervention is coordinated and works in synergy with the efforts of other UN agencies and other 3RP partners.
- Will ensure visibility of the activities and acknowledgement of the contribution of the Government of Germany/KfW.

Project’s day-to-day implementation will be carried out by the Project team (composed of Ankara and field based project staff) as well as UNDP staff providing direct project support.

**I. Risk Log**

#	Description	Date Identified	Type	Impact (I) & Probability (P)	Countermeasures/ Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Lack of a common understanding within İSKUR on the capacity needs for strengthened Syrian crisis response	April	Strategic	Probability: 1 Impact: 4	<ul style="list-style-type: none"> <li>• UNDP works to mitigate this risk from the onset. The planned needs assessment will be conducted in close cooperation with relevant units, ensuring the senior management’s ownership/commitment and guidance to relevant departments. Interest of İSKUR is very high as of May 2016.</li> </ul>	Portfolio Manager	Portfolio Manager		
2	The interest of the local İŞKUR offices in cooperating with the UNDP in the scope of capacity development programmes	April	Strategic	Probability: 1 Impact: 5	<ul style="list-style-type: none"> <li>• Local İŞKUR offices will diligently be approached by the Project Management as well as İSKUR General Directorate during project formulation phase and will be provided with detailed scope of the proposed programme and the</li> </ul>	Portfolio Manager	Portfolio Manager		

**Annex 1 Revised** Concept note “Employment and Skills Development Programme Turkey”, June 2018

#	Description	Date Identified	Type	Impact (I) & Probability (P)	Countermeasures/ Mngt response	Owner	Submitted, updated by	Last Update	Status
	of the Project are low				<p>expectations of the project management from the management of the local İŞKUR offices.</p> <ul style="list-style-type: none"> <li>• A working group within ISKUR will be established to ensure engagement and continued support of relevant units throughout prioritization and implementation</li> </ul>				
3	Delays in the procurement process for Capacity Assessment and Development for Labor Market Services	April	Operational	Probability: 2 Impact: 5	<ul style="list-style-type: none"> <li>• In order to mitigate this risk, the Project Management will closely work with UNDP Procurement Unit and ISKUR at every stage of the procurement in a comprehensive, consistent and transparent manner</li> <li>•</li> </ul>	Portfolio Manager	Portfolio Manager		
4	Quality Assurance of	August	Operational	Probability: 2 Impact: 5	<ul style="list-style-type: none"> <li>• Monitoring and Evaluation structure will</li> </ul>	Portfolio Manager	Portfolio Manager		

**Annex 1 Revised** Concept note “Employment and Skills Development Programme Turkey”, June 2018

#	Description	Date Identified	Type	Impact (I) & Probability (P)	Countermeasures/ Mngt response	Owner	Submitted, updated by	Last Update	Status
	the Service Provider for Capacity Assessment and Development for Labor Market Services				<p>be clearly established in the procurement documents and revisited during the implementation of the project in a timely manner</p> <ul style="list-style-type: none"> <li>• Payments to the service provider will be made based on the approval of the both UNDP and ISKUR management after ensuring the quality of the outputs</li> </ul>				
5	Security related incidents on the border increase, impeding project activities	April	Political/security	Impact: 5 Probability: 3	<ul style="list-style-type: none"> <li>• Security related risk will be diversified by designing interventions in a number of provinces including Şanlıurfa and Gaziantep, receiving high number of Syrian population, with varying level of security concern</li> <li>• UNDP will strictly follow UNDSS (UN Department of Security</li> </ul>	Portfolio Manager	Portfolio Manager		

**Annex 1 Revised** Concept note “Employment and Skills Development Programme Turkey”, June 2018

#	Description	Date Identified	Type	Impact (I) & Probability (P)	Countermeasures/ Mngt response	Owner	Submitted, updated by	Last Update	Status
					and Safety) advice, and will increase security measures as per guidance provided.				
6	Lack of interest from local companies to participate program activities	May	Strategic	Impact: 5 Probability: 2	<ul style="list-style-type: none"> <li>• Project will carry out timely comprehensive awareness raising and communication activities</li> <li>• Project team and MoSIT will work closely to engage with business partners and ensure close cooperation</li> </ul>	Portfolio Manager	Portfolio Manager	Portfolio Manager	
7	Lack of interest from business owners to employ SuTPs and host community members	May	Strategic	Impact: 5 Probability: 2	<ul style="list-style-type: none"> <li>• Project team and MoSIT will work closely to engage with business partners and ensure close cooperation to have formal commitments.</li> <li>• Project team and MoSIT will ensure close linkages with other ongoing 3RP initiatives</li> </ul>	Portfolio Manager	Portfolio Manager	Portfolio Manager	

**Annex 1 Revised** Concept note “Employment and Skills Development Programme Turkey”, June 2018

#	Description	Date Identified	Type	Impact (I) & Probability (P)	Countermeasures/ Mngt response	Owner	Submitted, updated by	Last Update	Status
					to enable synergies and positive results				
8	Change in policy priorities due to election priorities	May	Strategic	Impact: 5 Probability: 2	Strong collaboration with MoSIT will be ensured to raise urgency of the action. High level commitment will be provided to establish necessary mechanisms for healthy implementation	UNDP Management	Portfolio Management		

<b>Results Framework</b>								
<b>Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: 1.1. By 2020, relevant government institutions operate in an improved legal and policy framework, and institutional capacity and accountability mechanisms assure a more enabling (competitive, inclusive and innovative) environment for sustainable, job-rich growth and development for all women and men.</b>								
<b>Project title and Atlas Project Number: Employment and Skills Development Programme</b>								
<b>EXPECTED OUTPUTS</b>	<b>OUTPUT INDICATORS</b>	<b>DATA SOURCE</b>	<b>BASELINE</b>		<b>TARGETS (by frequency of data collection)</b>			<b>DATA COLLECTION METHODS &amp; RISKS</b>
			<b>Value</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>	
<b>Output 1</b> Systems are strengthened for active labour market policies that target Syrian population implemented by İŞKUR	1.1. # of local Employment Agency (İŞKUR) Offices supported for better and more inclusive delivery of active labour market services and employment services	Project Progress Reports	0		4 (Gaziantep Şanlıurfa Kilis Hatay)	4 (Gaziantep Şanlıurfa Kilis Hatay)	4 (Gaziantep Şanlıurfa Kilis Hatay)	Thru project based M&E tools and systems
	1.2. # of additional Syrians under temporary protection benefitted from the counseling services provided by the local İŞKUR offices (i.e. counseling, placement, matching etc.) disaggregated for services	İŞKUR database(s)	0		500	3000	3500	Thru project based M&E tools and systems

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	1.3. # of additional impacted host community benefitted from the counseling services provided by the local İŞKUR offices (i.e. counseling, placement, matching etc.) disaggregated for services	İŞKUR database(s)			500	3000	3500	Thru project based M&E tools and systems
	1.4. # of Syrians under temporary protection registered and screened through local İŞKUR Offices	İŞKUR database(s)	0		1500	3000	4500	Thru project based M&E tools and systems
	1.5. # of impacted host community members registered and screened through local İŞKUR offices	İŞKUR database(s)			1500	3000	4500	
<b>Output 2:</b> Sustainable job opportunities created for Syrians and Turkish host community members in Ankara and in Kayseri and in Konya	<b>OUTPUT INDICATORS</b>	<b>DATA SOURCE</b>	<b>Baseline</b>		<b>TARGETS (by frequency of data collection)</b>			<b>DATA COLLECTION METHODS &amp; RISKS</b>
			<b>2017</b>		<b>2018</b>	<b>2019</b>	<b>TOTAL</b>	
	# of additional service lines on innovation are identified	MoSIT database Project Reports	0		1	-	1	Thru project based M&E tools and systems
	# of additional service lines on innovation became operational for Ankara	MoSIT database Project Reports	0		-	1	1	Thru project based M&E tools and systems
	#of existing SME Capability Centers replicated in Kayseri and Konya	MoSIT Database Project Reports	0		-	2	2	Thru project based M&E tools and systems



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	<p># of additional SMEs have received <u>business advisory and innovation services</u>, (women entrepreneurs and women empowerment will be also targeted)</p>	<p>Project Reports</p>	<p>0</p>		<p>10 SMEs 20 people w/business ideas</p>	<p>90 SMEs 130 people w/business ideas</p>	<p>100 SMEs 150 people w/ business ideas</p>	<p>Thru project based M&amp;E tools and systems</p>
	<p># of additional SMEs have received SME Capability Center Services, as well as ASOSEM</p>	<p>Project Reports</p>	<p>0</p>		<p>-</p>	<p>150</p>	<p>150</p>	<p>Thru project based M&amp;E tools and systems</p>
	<p># of additional SMEs are <u>newly established</u> focusing on innovation (set up by Syrians or Syrian/ Turkish joint ventures)</p>	<p>Project Reports TOBB Registration database</p>	<p>0</p>		<p>-</p>	<p>100</p>	<p>100</p>	<p>Thru project based M&amp;E tools and systems</p>
	<p># of Syrians and Turkish host community members have benefitted from <u>awareness raising</u> activities (including networking, match making event, capacity building training programmes, entrepreneurship training programmes)</p>	<p>Project Reports</p>	<p>0</p>		<p>30</p>	<p>470</p>	<p>500</p>	<p>Thru project based M&amp;E tools and systems</p>

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	# of Syrians and Turkish host community members have been placed in jobs	ISKUR Database Project Reports	0		-	2000	2000	Thru project based M&E tools and systems
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NB: For baseline calculations: the nature of interventions are directly linked with MoSIT initiative and no direct numbers are achieved as of writing due to ongoing preparations. Therefore all targets have adopted baseline figures as “0”, zero