

Project Progress Report

Applied SME Capability Building Center (Model Factory) Project

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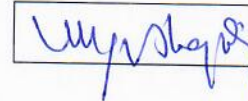
Acronyms and abbreviations

MoSIT:	Ministry of Science, Industry and Technology
MF:	Model Factory
UNDP:	United Nations Development Programme

For UNDP: Pelin Rodoplu, Portfolio Manager, ISG



For MoSIT: Dr. M. Kemal Akgül, Head of Department,
DG of Productivity



Synopsis

Award No	00097599
Business Unit	TUR10
Award ID	Applied SME Capability Building Center (Model Factory)
Description	<p>The purpose of the project is to identify an appropriate business model, complete with a business plan and cost estimates, for establishment of Applied SME Capability Centers (a.k.a. Model Factory) in Turkey, and improvement of the institutional capabilities of the Ministry of Science, Industry and Technology (DG of Productivity) for establishment and operationalization of such a center.</p> <p>"Improving Productivity in Manufacturing Industry" is one of the main objectives of the Government of Turkey as stated in the 10th National Development Plan. The project will contribute to the productivity-related objectives set forth in the national, regional and sectoral policy and strategy documents. 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. Thus, the Model Factory may contribute to improving manufacturing capabilities of SMEs.</p>
Implementing Partner	Ministry of Science, Industry and Technology (MoSIT, DG of Productivity)
Award Period	Start Date: Dec 2015 End Date: Dec 2016
Total Award Amount	450.000,00 USD

Section 1: Project Risks and Issues

Updated Project Risks

Type	Date Identified	Description	Comment or Management Response	Critical Flag
ORGANIZATIONAL	Nov 2015	Trained staff members do not remain in their posts during the entire duration of the Project.	The Ministry will be asked to assign staff members that can maintain continuity.	N

Updated Project Issues

Type	Date Identified	Description	Solution Date	Comment or Management Response	Solution Flag
Operational #1	2016	Project will be managed with current responsible PM with support from ISG assigned PA.	N/A	Close follow up on progress will be ensured by PM and if any problem occurs it will be solved by UNDP with corrective measures.	High

Section 2: Output Progress

Project ID	00097599 - Applied SME Capability Building Center (Model Factory)
Description	Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model Factory)
Implementing Partner	Ministry of Science, Industry and Technology (MoSIT, DG of Productivity)
Baseline	No SME Capability Center (2015)
Indicators	<ul style="list-style-type: none"> SME Capability Center Business Model and Plan Training Curriculum (ToT) Training modules Training materials
2017 Targets	<ul style="list-style-type: none"> SME Capability Center Business Model and Plan (1)

	<ul style="list-style-type: none"> • Training Curriculum (ToT) • Training modules (10) • Training materials (for 2 modules)
2017 Achievements as of June 31	<ul style="list-style-type: none"> • Preparations for the first extension started. • Needs Assessment Report completed. • Design report covers scenario analysis completed.

Section 3: Activity Performance

Activity ID	1
Description	Activity 1 is composed of 3 sub-activities that will collectively enhance Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model factory) Business Model.

Sub-activity 1.1

Purpose	Analysis towards establishment of a model factory	
Planned Actions	<p>As per the project document sub-activity 1.1 is composed of the following actions:</p> <p>1.1.1 Secondary research</p> <p>1.1.2 Primary research</p> <p>1.1.3 Development of Needs Assessment Report</p>	
Progress	<p>During the reporting period:</p> <p>1.1.1 Completed.</p> <p>1.1.2 Completed.</p> <p>1.1.3 Completed.</p>	
Additional Considerations		
Quality Criteria	Quality Method	Quality Assessment Due Date
Shortlist of provinces & target sectors	Shortlist of provinces & target sectors	January 2016 – completed.
Needs assessment report	Needs assessment report	January 2016 – completed.

Sub-activity 1.2

Purpose	Modelling towards establishment of a model factory	
Planned Actions	<p>As per the project document sub-activity 1.2 is composed of the following actions:</p> <p>1.2.1 Analysis of good practices</p> <p>1.2.2 Development of alternate models</p> <p>1.2.3 Scenario analysis</p> <p>1.2.4 Development of curricula (SME trainings and training of trainers)</p> <p>1.2.5 Training simulation</p>	
Progress	<p>During the reporting period:</p> <p>1.2.1 Completed - August 2016</p> <p>1.2.2 Completed - August 2016</p> <p>1.2.3 Completed - August 2016</p> <p>1.2.4 Completed- September 2016</p> <p>1.2.5 Completed -November 2016</p>	
Additional Considerations		
Quality Criteria	Quality Method	Quality Assessment Due Date
Good practice analysis report and international study visits report	Good practice analysis report and international study visits report	Completed.
Model Factory Design Report	Model Factory Design Report	Completed.
CBA and Scenario Analysis Report	CBA and Scenario Analysis Report	Completed.
Training and ToT Curricula (2 or 3 topics)	Training and ToT Curricula (2 or 3 topics)	Jun 2016 – not started.
Training simulation (1 topic)	Training simulation (1 topic)	August 2016 – not started.

Sub-activity 1.3

Purpose	Development of business models and training
Planned Actions	<p>As per the project document sub-activity 1.3 is composed of the following actions:</p> <p>1.3.1 Development of business plan</p> <p>1.3.2 Identification of physical investment needs and technical requirements</p> <p>1.3.3 Preparation of technical drawings (statement of works for the</p>

	model factory building) 1.3.4 Development of training modules and training materials for two modules	
Progress	During the reporting period: 1.3.1 Completed. 1.3.2 Completed. 1.3.3 Completed. 1.3.4 Completed.	
Additional Considerations		
Quality Criteria	Quality Method	Quality Assessment Due Date
Model factory business plan	Model factory business plan	Jun 2016 – completed.
Physical Investment Requirements Report	Physical Investment Requirements Report	Jun 2016 – completed.
Engineering and Construction Projects and Drawings	Engineering and Construction Projects and Drawings	Jun 2016 – completed.
Training modules (ca. 10)	Training modules (ca. 10)	Jun 2016 – not started.
Training materials (2 modules)	Training materials (2 modules)	August 2016 –not started.

Section 4: Budget and Financial Progress

Fiscal Year	Fund	Donor	Responsible Party	Budget (\$) of the Reporting Year	Encumbrances (\$)	Expenditure (\$)	Balance (\$)
2017	30071	00244	1981 4133	200,000.00		9,259.38	190,740.62

*The figures for the mentioned year are given on half year basis.

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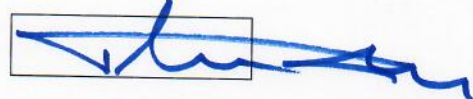
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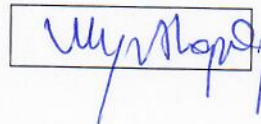
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For MoSIT: Dr. M. Kemal Akgül, Head of Department,
DG of Productivity



Synopsis

Award No	00097599
Business Unit	TUR10
Award ID	Applied SME Capability Building Center (Model Factory)
Description	<p>Following the completion of the feasibility stage of the project which aimed to identify an appropriate business model, complete with a business plan and cost estimates for establishment of Applied SME Capability Centers; the first extension of the project was realized in this reporting period. The extension included financial and substantial revision of the project aiming operationalization of the first SME Capability Center in Ankara in collaboration with ASO and ASO 1st OIZ Management.</p> <p>"Improving Productivity in Manufacturing Industry" is one of the main objectives of the Government of Turkey as stated in the 10th National Development Plan. The project will contribute to the productivity-related objectives set forth in the national, regional and sectoral policy and strategy documents. 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. Thus, the Model Factory may contribute to improving manufacturing capabilities of SMEs.</p>
Implementing Partner	Ministry of Science, Industry and Technology (MoSIT, DG of Productivity)
Award Period	Start Date: Dec 2015 End Date: Dec 2018
Total Award Amount	4.626.856.77 USD

Section 1: Project Risks and Issues

Updated Project Risks

Type	Date Identified	Description	Comment or Management Response	Critical Flag
STRATEGIC	Jul-17	A mismatch between the feasibility report findings and the expectations of the potential implementing agents.	Potential implementing agents will be informed through meetings and notes.	N

Updated Project Issues

Type	Date Identified	Description	Solution Date	Comment or Management Response	Solution Flag
Operational #1	2017	Staff mobilization process will start to support implementation.	Oct-17	Announcement for project associate will be processed.	High

Section 2: Output Progress

Project ID	00097599 - Applied SME Capability Building Center (Model Factory)
Description	Institutional Capabilities to Establish and Operationalize an Applied SME Capability Building Center (Model Factory)
Implementing Partner	Ministry of Science, Industry and Technology (MoSIT, DG of Productivity)
Baseline	No SME Capability Center
Indicators	<ul style="list-style-type: none"> Governance structure Physical investments for the center Training of trainers Pilot transformation programs Training materials
2017 Targets	<ul style="list-style-type: none"> SME Capability Center Governance Structure established Physical Establishment of SME Capability Center completed Selection of 10-12 Companies for Transformation Programs Training Materials Communication Materials on Pilot Schemes
2017 Achievements as of	<ul style="list-style-type: none"> First project extension process is completed with an official kick off

December 31	meeting including MoSIT, ASO and ASO 1. OIZ representatives. • Staff mobilization process started.
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Section 3: Activity Performance

Activity ID	1
Description	Activity 1 is composed of 3 sub-activities that will collectively enhance Operationalization of the First Applied Capability Center (aka MF) in Ankara.

Sub-activity 1.1

Purpose	Establishment of the Applied SME Capability Center	
Planned Actions	<p>As per the project document sub-activity 1.1 is composed of the following actions:</p> <p>1.1.1 Finalization of Governance Structure</p> <p>1.1.2 Completion of Physical Investments (refurbishment and machinery)</p> <p>1.1.3 Mobilization of Staff</p> <p>1.1.4 Inauguration of the Center</p>	
Progress	<p>During the reporting period:</p> <p>1.1.1 Not Started.</p> <p>1.1.2 Not Started.</p> <p>1.1.3 Started in November, ongoing.</p> <p>1.1.4 Not Started.</p>	
Additional Considerations		
Quality Criteria	Quality Method	Quality Assessment Due Date
Shortlist of provinces & target sectors	Shortlist of provinces & target sectors	January 2016 – completed.
Needs assessment report	Needs assessment report	January 2016 – completed.

Sub-activity 1.2

Purpose	Pilot Implementation
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Planned Actions	As per the project document sub-activity 1.2 is composed of the following actions: 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	
Progress	During the reporting period: 1.2.1 Not Started. 1.2.2 Not Started. 1.2.3 Not Started. 1.2.4 Not Started.	
Additional Considerations		
Quality Criteria	Quality Method	Quality Assessment Due Date
Good practice analysis report and international study visits report	Good practice analysis report and international study visits report	Completed.
Model Factory Design Report	Model Factory Design Report	Completed.
CBA and Scenario Analysis Report	CBA and Scenario Analysis Report	Completed.
Training and ToT Curricula (2 or 3 topics)	Training and ToT Curricula (2 or 3 topics)	Jun 2016 – not started.
Training simulation (1 topic)	Training simulation (1 topic)	August 2016 – not started.

Sub-activity 1.3

Purpose	Sustainability and exit strategy
Planned Actions	As per the project document sub-activity 1.3 is composed of the following actions: 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
Progress	During the reporting period: 1.3.1 Not Started. 1.3.2 Not Started. 1.3.3 Not Started.

Additional Considerations		
Quality Criteria	Quality Method	Quality Assessment Due Date
Model factory business plan	Model factory business plan	Jun 2016 – completed.
Physical Investment Requirements Report	Physical Investment Requirements Report	Jun 2016 – completed.
Engineering and Construction Projects and Drawings	Engineering and Construction Projects and Drawings	Jun 2016 – completed.
Training modules (ca. 10)	Training modules (ca. 10)	Jun 2016 – not started.
Training materials (2 modules)	Training materials (2 modules)	August 2016 –not started.

Section 4: Budget and Financial Progress

Fiscal Year	Fund	Donor	Responsible Party	Budget (\$) of the Reporting Year	Encumbrances (\$)	Expenditure (\$)	Balance (\$)
2017	30071 30072 30073	00244	1981 4133	200,000.00		12,517.61	187,482.39

*The figures for the mentioned year are given on half year basis.