

Project Progress Report

Developing a Model to Improve Technology Use in OIZs

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Acronyms and abbreviations

MoSIT:	Ministry of Science Industry and Technology
OIZ:	Organized Industrial Zone
MoD:	Ministry of Development
UNDP:	United Nations Development Programme

Synopsis

Award No	00094576
Business Unit	TUR10
Award ID	Developing a Model to Improve Technology Use in OIZs
Description	<p>The overall objective of the Project is to contribute to competitiveness of Turkey through developing models that will enable Organized Industrial Zones (OIZs) to assume an active role in entrepreneurship, innovation and technology ecosystem. The purpose of the Project is to clearly identify how OIZs can contribute to the technology development ecosystem of Turkey in entrepreneurship, innovation and technology and assess how such contributions will be institutionalized. The Project consists of the following three main components:</p> <p>(1) Component A. Baseline Analysis and Model: This component involves a general overview of current situation of all actors within the technology development and use ecosystem. The assessment will culminate in a synthesis report that includes the review of current legislation, field analyses and comparative review of international successful practices in OIZ like environments. A model will be proposed with an implementing roadmap in this component.</p> <p>(2) Component B. Piloting Phase: This component will design a pilot framework to test enabling factors of the proposed model based on the baseline and findings of the synthesis (i.e. such incentivizing mechanisms as development of OIZ technology index will be designed both to disseminate successful pilots and engage OIZ administrations more effectively in technology development)</p> <p>(3) Component C. Development of Institutional Competence: Under this component, awareness raising and competence building programs will be developed for the relevant institutions including mainly the Ministry of Science, Industry and Technology (MoSIT) and OIZs in line with the analyses and proposed model.</p>
Implementing Partner	Ministry of Science Industry and Technology (MoSIT, DG for Industrial Zones)
Award Period	Start Date: Nov 2016 End Date: May 2018
Total Award Amount	500.000,00 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
ORGANIZATIONAL	April 2017	Not enough attention from the OIZ companies to be selected to be interviewed	The Ministry will be asked to contact to the OIZ administrations	N

Updated Project Issues

Type	Date Identified	Description	Solution Date	Comment or Management Response	Solution Flag
Organizational #1	May 2016	Trained staff members do not remain in their posts during the entire duration of the Project.	N/A	The Project Manager will request Project partners (MoSIT basically) to ensure staff continuity in their organization through appointments.	High
Economic #1	May 2016	OIZs not interested in the project, reluctant to participate	N/A	It is assumed that the information meetings and the support tools to be developed will constitute adequate motivators for OIZs. The Project Steering Committee will ensure that assessments on this matter will be included in the "Recommendations on Methods to Follow Report".	High

Section 2: Output Progress

Project ID	00098690 - Developing a Model to Improve Technology Use in OIZs
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Description	Project is to contribute to competitiveness of Turkey through developing models that will enable Organized Industrial Zones (OIZs) to assume an active role in entrepreneurship, innovation and technology development.
Implementing Partner	Ministry of Science Industry and Technology (MoSIT, DG for Industrial Zones)
Baseline	Limited clearly defined roles for OIZs in entrepreneurship, innovation and technology
Indicators	<ul style="list-style-type: none"> - Number of Qualitative and Quantitative Analyses for defining OIZ's role in TD&U ecosystem - Analysis of successful practices in other countries - Synthesis Report with a model and a roadmap - Pilot implementation framework - Assessment reports on activities - Development of implementation tools
2017 Targets	<ul style="list-style-type: none"> - Analyses in at least 6 OIZs - At least 40 in depth interviews in each OIZ to be selected - At least 10 in depth interviews w/ ecosystem actors for each OIZ - At least 100 structured survey in each OIZ to be selected - At least 1 focus group meeting w/ SMEs and/or ecosystem actors in each OIZ - Development of concept notes to focus on capacity building of OIZs for different funding streams - At least 1 study visit to successful practices to cover at least 2 destination (At least 10 MoSIT staff) - Model report and the roadmap
2017 Achievements as of December 31	<ul style="list-style-type: none"> - Desk research was conducted by the project consultants - Institution interviews were conducted with Organized Industrial Zones Supreme Board Meeting (OSBUK), Ministry of Economy, Technology Development Foundation of Turkey (TTGV) - OIZs to be included in the study was selected according to certain criteria - 2 Project Board Meetings were conducted - 12 OIZs were visited and interviews were conducted with company owners, OIZ managements and ecosystem actors - 218 survey data were collected from companies that located each selected OIZs - 229 interviews were realized with company owners from each selected OIZs - 18 interviews were realized with selected OIZs' top management - 45 interviews were realized with ecosystem actors - Totally 293 interviews were conducted with company owners, OIZ managements and ecosystem actors - Survey company was contracted to conduct structured surveys in targeted group - 4 models were developed as hypotheses

	- Quantitative data analysis was initiated. Analysis results will support developed OIZ models
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Section 3: Activity Performance

Output ID	1
Description	A Model that institutionalizes OIZ's contribution to the national technology development/use ecosystem thru entrepreneurship and innovation developed.

Activity A.1

Purpose	Baseline Analysis & Model
Planned Actions	<p>As per the project document activity A1.1 is composed of the following actions:</p> <p>A.1.1 Review legislative, organizational, institutional set up</p> <p>A.1.2 Field analyses</p> <p>A.1.3 Analysis of international successful practices</p> <p>A.1.4 Presentation of models relying on synthesis and successful practices</p>
Progress	<p>During the reporting period:</p> <p>A.1.1 "Turkey OIZ Ecosystem Map" was prepared and shared. "OIZ Database Inception Report" was prepared and shared. conducting the implementation screening, conducting the Examination of legislation, screening of press and discourse, establishing a database; Data analysis included but not limited to conducting the screening of the OIZ data received from the Ministry of Science Industry and Technology.</p> <p>A.1.2 Institution interviews were conducted with Organized Industrial Zones Supreme Board Meeting (OSBUK), Ministry of Economy, Technology Development Foundation of Turkey (TTGV). The OIZ selection was conducted according to the data gathered from the different departments of the MoSIT. 12 OIZs were selected to conduct the field analysis. The questionnaires to be answered by the companies were prepared. The interview questions for OIZ administrations, companies in OIZs and for the ecosystem actors were prepared separately. The pilot OIZ to conduct the field analysis was selected to be the ASO 1. OIZ in Ankara. 12 OIZs were visited during the reporting period which are; ASO 1. OIZ, OSTİM OIZ, Eskişehir OIZ, Konya OIZ, Gaziantep OIZ, İzmir Atatürk OIZ, Manisa OIZ, Gebze OIZ, TAYSAD OIZ, Bursa OIZ, Demirtaş OSB and Hacı Sabancı OIZ. Project team visited each OIZ consisting of 2 UNDP project staff, 1 representative from MoSIT, 2 Project experts and for İzmir OIZ, 1 representative from MOD participated in the field visits. Below findings can be summarized from the field:</p> <p>The effort to develop the clusters in OSTİM also differs from the resources it has gained and the achievements it has achieved.</p> <p>It is understood that both government investments and large-scale private sector investments have a negative impact on the development of</p>

	<p>entrepreneurship while making Eskisehir an industrial city and making a positive impact on human resource development. Although the university has a limited direct effect on the production processes, its positive impact on the quality of life in the city cannot be denied in terms of the competitive power of the industry.</p> <p>Apart from some exceptional achievements, it is seen that the university-industry collaboration in Konya is still in its infancy. It can be said that Konya is still experiencing the pain of transition from agricultural society to industrial society; "Industrial discipline" has not yet fully settled in the work-force.</p> <p>In Manisa OIZ, the presence of very large-scale companies such as Vestel in the region not only enhances commercial opportunities for small firms but also functions as a school for the labor force.</p> <p>For İzmir Atatürk OIZ; migration of well-educated and skilled workforce from İstanbul and Ankara to İzmir is a trend that should be followed. Continuation of this tendency with strength can make an important contribution to the city's competitive power.</p> <p>In Eskişehir OIZ, clustering activities were initiated. However, joint venture practices are not very common among the OIZ companies.</p> <p>Konya OIZ, division of firms during the transition to the second generation is a critical problem which impedes the performance of the industrial companies in Konya OIZ.</p> <p>Gebze and TAYSAD OIZ, traffic, lack of qualified worker and inadequacy of expansion space are common problems of these OIZs.</p> <p>Hacı Sabancı OIZ provides logistic advantages arising from OIZ's geographical location and cheaper infrastructure services. Especially proximity to ports is an important advantage of the Adana OIZ.</p> <p>In OSTİM and ASO 1. OIZ, proximity to the city center and residential area is an advantage for finding workers for companies.</p> <p>Gaziantep OIZ, is an important actor in the city, but the recent rapid development of the urban economy has reduced the dominance of the OIZ over the city.</p> <p>In Bursa and Demirtaş OIZ, multinational automotive companies have chosen Bursa as their investment location in the past and this has been a turning point in the development of the Bursa industry.</p> <p>A.1.3 Analysis of successful practices was conducted.</p> <p>A.1.4 Not started</p>	
Additional Considerations		
Quality Criteria	Quality Method	Quality Assessment Due Date
Turkey OIZ Ecosystem Map to be developed	Turkey OIZ Ecosystem Map	January 2017
Database Inception Report to be developed	Database Inception Report	February 2017
Interviews in OIZs	Field Reports	December 2017
Study visit	Study visit report	March 2018

Activity B.1

Purpose	Piloting Phase	
Planned Actions	<p>As per the project document activity B.1 is composed of the following actions:</p> <p>B.1.1 Identify OIZs and pilots in line with recommendations of synthesis report</p> <p>B.1.2 Piloting Phase</p> <p>B.1.3. Implementation and Assessment of Pilots</p>	
Progress	<p>During the reporting period:</p> <p>B.1.1 Screening of the OIZs was conducted and the OIZs to be included in the field studies were determined.</p> <p>B.1.2 Not started</p> <p>B.1.3 Not started</p>	
Additional Considerations	<p>Within the scope of Activity Result B1, the Ministry will identify a preferred model. This activity result builds on the Ministry's decision.</p>	
Quality Criteria	Quality Method	Quality Assessment Due Date
Pilot Selection	Proposed Models Report	March 2018
Pilot OIZs Needs Framework	Pilot OIZs Needs Framework	April 2018

Activity C.1

Purpose	Development of Institutional Competence	
Planned Actions	<p>As per the project document activity C.1 is composed of the following actions:</p> <p>C.1.1 Design competence building programs for pilot OIZ administrations and MoSIT personnel</p> <p>C.1.2 Implement competence building programs for pilot OIZ administrations and MoSIT personnel</p> <p>C.1.3 Development of high level guidelines for the competence building programs</p>	
Progress	<p>During the reporting period:</p> <p>1.3.1 Not Started</p> <p>1.3.2 Not Started</p> <p>1.3.3 Not Started</p> <p>1.3.4 Not Started</p>	
Additional Considerations	<p>This activity result builds on the Ministry's model selection.</p>	

Quality Criteria	Quality Method	Quality Assessment Due Date
Need Analysis	Need Analysis Report	April 2018
Competence Building	Training Modules	July 2018

Section 4: Budget and Financial Progress

Fiscal Year	Fund	Donor	Responsible Party	Budget (\$)	Encumbrances (\$)	Expenditure (\$)	Balance (\$)
2017	30071	00244	001981	201,159.00	0	114,435.12	86,723.88

Subject to revision. Final figures will be provided through CDR. *The figures for the mentioned year are given on annualy basis.