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Resilient nations.

10 April 2018

**Ref:** UNDP-TUR-20180410-

**Subject:** No-cost Time Extension of Project within the scope of "Developing a Model to Improve Technology Use in OIZs"

Dear Mr. Öztürk

As you would kindly recall, Developing a Model to Improve Technology Use in OIZs Project has successfully been implemented in strong collaboration with the Ministry of Science, Industry and Technology and United Nations Development Programme (UNDP) with strong support from Ministry of Development.

Through this official letter, we propose to extend the duration of the Project in line with the decision taken in Project Steering Committee. In this sense, Multi-Year Work Plan provided in proposed amendment is revised and submitted to your kind information as attachment of this letter. The end of project implementation duration is requested to be revised from 01.05.2018 to 31.12.2018 for your kind approval.

We would appreciate, if you could kindly review the enclosed extension package and endorse the extension request, sign the two copies of the Project Extension Cover Page, and return the documents to us for further processing at your earliest convenience.



**Mr. Yaşar Öztürk**

Directorate General for Industrial Zones, Head of Department  
Ministry of Science, Industry and Technology

**Claudio Tomasi**  
Country Director

**Encl. 1 :** Project Extension Cover Page (two copies)

**Encl. 2 :** Project Steering Committee Meeting Minutes and Participant List (two copies)

**Encl. 3 :** Amendment No:1 (two copies)



## UN Development Programme Turkey - Ankara

**Award ID:** 00098690  
**Award Title:** Developing a Model Improve  
Technology Use in OIZs  
**Start Year:** 2016  
**End Year:** 2018

Donor	Fund	Amount in USD
TUR	30071 Programme Cost Sharing	500,000.00
<b>Total Budget (2016 to 2018)</b>		500,000.00
<b>Total Expenditure (as of 26 March 2018)</b>		138,283.07
<b>Remaining Budget</b>		361,716.93
<b>Total Budget (2016 to 2018)</b>		500,000.00

**Responsible Parties:**

(Executing Agency): UNDP

(Implementing Agency): Ministry of Science, Industry and Technology

**Revision Type:** No Cost Time Extension

**Brief Description:**

As it is agreed by the Steering Committee Members, the project will be extended with no cost until 31 December 2018 for the related activities in the Multi Year Workplan. Revised Multi Year Workplan and related Steering Committee meeting minutes are attached.

**Agreed by the Ministry of Science, Industry and Technology**

Claudio Tomasi  
Country Director

**Agreed by the United Nations Development Programme**



**AMENDMENT NO:1**

**TO THE PROJECT DOCUMENT**

**BETWEEN**

**UNITED NATIONS DEVELOPMENT PROGRAMME  
AND  
MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY**

Reference is made to the Project Document dated 29 September 2016 signed between the UNITED NATIONS DEVELOPMENT PROGRAMME and MINISTRY OF SCIENCE, INDUSTRY AND TECHNOLOGY; referred to as MoSIT.

- Pursuant to “**Article VII. Multi-Year Work Plan**” of the above mentioned Project Document; the agreement is hereby amended to reflect the following changes:

**1) Article VII. Multi-Year Work Plan**

## VII. MULTI-YEAR WORK PLAN 89

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	PLANNED BUDGET*					
			2016	2017	2018	All Years		
Output 1: A model that institutionalizes OIZs' contribution to the national technology development ecosystem thru enhancing entrepreneurship and innovation developed	A.1. Baseline Analysis & Model A.1.1. Review legislative, organizational, institutional set up A.1.2. Field analyses A.1.3. Analysis of international successful practices A.1.4. Presentation of models relying on synthesis and successful practices	MoSIT	<b>Costs</b>					<b>Total Cost (in USD)<sup>1</sup></b>
			Human Resources (inc. Project/programme staff and consultants)	15000	75000	0	0	90000
			Travel (air, ground)	2000	18000	0	0	20000
			Equipment and supplies	10000	0	0	0	10000
			Professional Services	1500	55000	0	0	56500
			Evaluation costs	0	0	10000	0	10000
			Translation, Interpreters	400	2000	0	0	2400
			Indirect costs (3%)	867	4500	0	0	5367
			<b>Total Budget</b>	<b>28,767</b>	<b>164,600</b>	<b>0</b>	<b>0</b>	<b>184,287</b>
			B.1. Piloting Phase		MoSIT	<b>Costs</b>		
B.1.1. Identify OIZs and pilots in line with recommendations of synthesis report		2016	2017	2018		All Years		
B.1.2. Piloting Phase		0	10000	55000		65000		

\* Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>1</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	PLANNED BUDGET						
			2016	2017	2018	In Years			
Evaluation (as relevant)	EVALUATION	MOSIT	Travel (air, ground)	0	3900	13000	16000		
			Professional Services	0	10000	42000	52000		
			Translation, interpreters	0	0	4300	4300		
			Indirect costs (3%)	0	690	3429	4119		
			<b>Total Budget</b>	<b>0</b>	<b>24,690</b>	<b>117,729</b>	<b>164,738</b>		
			<b>Costs</b>						
			Human Resources (inc. Project programme staff and consultants)	0	13000	44000	57000		
			Travel (air, ground)	0	5000	22400	27400		
			Professional Services	0	4300	70628	75128		
			Indirect costs (8%)	0	699	4118.84	4785.84		
<b>Total Budget</b>	<b>0</b>	<b>22,699</b>	<b>147,346</b>	<b>164,346</b>					
Total GMS (3%)									
Total									
10,009									
14,272									
599,499									

\* Please refer to the annexed budget of the Project for detailed costing

is amended to read as:

## Multi-Year Work Plan

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

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Evaluation (as relevant)	EVALUATION	Indirect cost of evaluation (3%)	Human Resources (inc. Project/programme staff and consultants)	0	0	48000.00	48000.00
			Travel (air, ground)	0	0	35334.00	35334.00
			Equipment and supplies	0	0	5000.00	5000.00
			Professional Services	0	0	40000.00	40000.00
			Translation, interpreters	0	0	7000.00	7000.00
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						<b>10,000.00</b>	
						<b>300.00</b>	
			<b>14,563.08</b>				
			<b>500,000.0</b>				
<b>TOTAL</b>			<b>Total</b>	<b>Total GMS (3%)</b>			

**Developing a Model Improve Technology Use in OIZs**  
**02 February 2018 Project Steering Committee Meeting Notes**

<b>Date / Place</b>	02.02.2018 / Ministry of Science, Industry and Technology	
<b>Time</b>	14:30 – 16:30	
<b>Meeting Type</b>	Project Steering Committee	
<b>Participants</b>	Yaşar Öztürk, MoSIT Metin Demirtürk, MoSIT Uğur Özdemir, MoSIT Mehmet Cansız, MoD Seher Alacacı, UNDP Pelin Rodoplu, UNDP Ceyda Alpay, UNDP Pınar Engin, UNDP	
<b>Agenda</b>	SUBJECT	PRESENTER
	Current Situation in Project Activities	UNDP
	Project Fieldwork Outputs	UNDP
	Recommendations for Future Steps	UNDP, MSIT, MD
	Other Subjects	UNDP, MSIT, MD
<b>Meeting Flow</b>	<ul style="list-style-type: none"> <li>➤ The meeting started with Yaşar Öztürk's good wishes and Seher Alacacı's offering her appreciation to Ministry of Science, Industry and Technology (MoSIT) and Ministry of Development (MoD) for their participation and contributions to the Project. The importance of this meeting for determining the next steps in meeting the needs of Organized Industrial Zones (OIZs) was emphasized.</li> <li>➤ Mehmet Cansız stated that the project and meetings are important because they will be a positive contribution to the effectiveness of OIZs and project studies in the coming period.</li> <li>➤ Based on the needs of OIZs mentioned in the meeting, Seher Alacacı stated that continuing the partnership with MoSIT and MoD carries major importance. Needs that UNDP can possibly support were discussed.</li> <li>➤ Pelin Rodoplu, firstly, thanked MoSIT and MoD for their contributions to the project all year round. Then, she emphasized that in order to develop a model, the needs assessment component of the project should provide data about effectiveness, technology and innovativeness. Findings were established through impact and needs assessments using mentioned data in qualitative econometric analysis.</li> <li>➤ Ceyda Alpay shared the data and preliminary findings of the field visits, which were done to 12 OIZs, with the meeting participants.</li> <li>➤ According to the findings, services offered in OIZs can be grouped in two: conventional services (infrastructure, urgent service, etc.) and innovative services. It was found that firms were pleased with conventional services, whereas they were unpleasant with innovative services. When the necessity of these needs were asked, firms stated that both services are very necessary. Based on the findings that firms do not benefit from the OIZ administration in terms of innovation, the necessity of raising awareness on technology use in OIZs were discussed.</li> <li>➤ Among all needs the need for technical high school and day care in the OIZ was emphasized.</li> <li>➤ OIZ models that will be redesigned with respect to workshops and focus group studies were shared with the meeting participants. As current OIZ management structure is not subject to Turkish Trade Law and has a flexible structure, Model 3 which claims the evolving OIZs to joint stock companies was found to be worrisome.</li> </ul>	

	<ul style="list-style-type: none"> <li>➤ Suggestions were made about having model discussion sessions with 12 OIZ administrations that were visited and designing a synthesis workshop with the participation of OIZ administrations, firm representatives and ecosystem actors.</li> <li>➤ Seher Alacacı stressed the importance of integrating the empowerment of women.</li> <li>➤ It was stated that the pilot study, the second component of the project, could be done on a model to be determined and/or on alternatives involving facilitators in each 4 models. It was emphasized that determining the road map to the project according to the needs defined at the end of the workshops would be more accurate.</li> <li>➤ Mobilization of an expert, in the scope of capacity building component of the project, in order to write 3 different project documents on the evaluations of different financial mechanisms was mentioned.</li> <li>➤ Ministry of Development stated that the project can be improved and in the future can be used for support model using the same method.</li> <li>➤ It was emphasized that the model to be specified might not be suitable for every OIZ and constructing a classification mechanism could be helpful to categorize OIZs. Taking into consideration that not every OIZ may be willing to be included in the conversion process, it is discussed that an incentive mechanism that OIZs can benefit from could facilitate the implementation process.</li> <li>➤ MoSIT stated that the OIZ model and all outputs of the project should be finalized by the end of October 2018, and MoD supported this statement by emphasizing the importance of finalizing the outputs in determining the next implementation stages. Therefore, extension of the project from 31 May 2018 to 31 October 2018 was brought to the agenda.</li> <li>➤ The meeting was concluded with agreement on determining the model to be developed according to the capacity development studies would be more beneficial.</li> </ul>												
<b>Decisions</b>	<ul style="list-style-type: none"> <li>➤ For the synthesis workshop, a concept note, including the information of expected participants, date, expected results and other details, will be shared with MSIT.</li> <li>➤ A presentation explaining the field studies and findings will be done to the Permanent Undersecretary. The location and the date of the study tour will be determined after this presentation.</li> <li>➤ The road maps for capacity building and pilot study components will be determined according to the OIZ model specified after the workshops.</li> <li>➤ The Project will be extended until 31 October 2018.</li> </ul>												
<b>Things to do</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">Sorumlu Taraf</th> <th style="width: 15%; text-align: center;">Calendar</th> </tr> </thead> <tbody> <tr> <td>The concept note of synthesis workshop will be shared with MoSIT.</td> <td style="text-align: center;">UNDP</td> <td style="text-align: center;">February 2018</td> </tr> <tr> <td>A short summary of workshops and the findings will be presented to the MoSIT, and an appointment will be requested for the presentation to the Permanent Undersecretary.</td> <td style="text-align: center;">UNDP</td> <td style="text-align: center;">February 2018</td> </tr> <tr> <td>Workshops and the findings will be presented to the Permanent Undersecretary on the date determined by MoSIT.</td> <td style="text-align: center;">UNDP</td> <td style="text-align: center;">February 2018</td> </tr> </tbody> </table>		Sorumlu Taraf	Calendar	The concept note of synthesis workshop will be shared with MoSIT.	UNDP	February 2018	A short summary of workshops and the findings will be presented to the MoSIT, and an appointment will be requested for the presentation to the Permanent Undersecretary.	UNDP	February 2018	Workshops and the findings will be presented to the Permanent Undersecretary on the date determined by MoSIT.	UNDP	February 2018
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## Appendices

### 1. Participants List

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