

PROJECT DOCUMENT

(TÜRKİYE)



Project Title: Applied SME Capability Center – Model Factory Phase 2 Project

Project Number: 139001 Proposal ID

Implementing Partner: Ministry of Industry and Technology

Start Date: October 2022

End Date: 31 December 2024

PAC Meeting date: 28.09.2022

Brief Description

Improvements in productivity are the basis of economic growth and improved welfare. To ensure the structural transformation in the Turkish manufacturing industry, increasing productivity levels in SMEs has been targeted by Turkish government. In the 10th National Development Plan (NDP) of Turkey, transformation program based on increasing productivity in manufacturing industry is envisaged. Improving productivity levels, is also one of the strategic objectives of Turkey's SME Strategy and Action Plan (2015-2018) and Turkey's Productivity Strategy and Action Plan (2015-2018). This vision has also continued in 11th NDP as well as in 2023 Industry and Technology Strategy highlighting digital transformation as one of the main drivers of productivity policy.

To cope with productivity problems in the manufacturing industry, the enterprises should strengthen their infrastructure and core capabilities on lean manufacturing and digital transformation. SMEs can be supported in this process through some well-developed transformation programs to improve capabilities of their technical staff, engineers, and mid-level managers. One of the effective solutions applied in many developed countries in the last two decades is to build well-designed competency centers, so called Model Factories (MFs), which include a didactic manufacturing environment and specialized training programs to improve the manufacturing processes within a "transformation" context.

UNDP Turkey and Ministry of Industry and Technology (MoIT) have been collaborating since 2015 for the establishment of MFs in Turkey. A feasibility study was completed for appropriate models of MFs in Turkey in 2016 within the scope of Applied SME Capability Centre Project. Following the completion of this study, first Model Factory was established in Ankara in 2018. Followingly, MFs have been adopted as a policy tool and incorporated into 11th NDP and following Government Investment Plans. Additional funding from international resources have also been mobilized for replications in other target provinces. As of end of 2021, 626 SMEs were received services including learn and transform programs, experiential trainings and awareness raising activities.

Based on the lessons learned throughout this process and as wells the impressing results, it has been decided to scale up this program and replicate MFs in other target provinces. By increasing the number of MFs in the country, it is aimed to increase the outreach and provide services to as many SMEs as possible and support the structural transformation in the manufacturing industry. It is also targeted to expand MF services in green transformation and sustainability in order to support SMEs transformation throughout the EU green agenda.

The purpose of the Project is to coordinate and develop capacities of already established eight MFs, establish new MFs in target provinces and improve the institutional capabilities of MoIT (DG Strategic Research and Productivity) for the effective supervision and guidance of MFs established / to be established. This purpose will be achieved under three components where details are provided in detail.

Contributing Outcome (UNDAF/CPD, RPD or GPD):

UNSDCF (2021-2025) Outcome 2.1: By 2025, public institutions and the private sector contribute to more inclusive, sustainable, and innovative industrial and agricultural development, and equal and decent work opportunities for all, in cooperation with the social partners.

CPD Output with gender marker²: GEN 2

Output 2.1.1: Capacities at national and sub-national levels strengthened to promote inclusive local economic development

Total resources required (including GMS):	USD 8.717.502,01	
Total resources allocated (including GMS):	USD 8.717.502,01	
	UNDP TRAC:	USD 85.000
	Donor:	x
	Government (including GMS):	USD 8.632.502,01
	In-Kind:	x
	GMS (3%)	251.432,10
Unfunded:	N/A	

Agreed by (signatures)¹:

Ministry of Foreign Affairs (on behalf of Government)	UNDP	Ministry of Industry and Technology
	Louisa Vinton	Prof. Dr. İker Murat Ar
Date:	Date: 21/10/2022	Date:

¹ Note: Adjust signatures as needed

² The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principal objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender equality)

To ensure the structural transformation in the Turkish manufacturing industry, increasing productivity levels in SMEs has been targeted by Turkish government and reflected in policy and strategy documents. In the 10th National Development Plan (NDP) of Turkey, transformation program based on increasing productivity in manufacturing industry is envisaged. Besides, improving productivity levels, particularly in SMEs, is also one of the strategic objectives of Turkey's SME Strategy and Action Plan (2015-2018). In the same vein, Turkey's Productivity Strategy and Action Plan (2015-2018) pays a special attention to productivity levels of the SMEs in the manufacturing industry. Additionally, 2023 Industry and Technology Strategy approaches digital transformation as one of the main drivers of productivity policy.

Followingly, in the Eleventh NDP, it is aimed to achieve stable and strong growth, sustainable current account balance; to increase employment and boost competitiveness and productivity at all levels, including individuals, companies, sectors government; to reduce dependence on technology import; to transform the production structure; to prioritize large-scale investments and technology-intensive sectors by implementing more active industrial policies based on the manufacturing industry, which is critical for an economic growth based on Total Factor Productivity increases. "Competitive production and productivity" pillar in the 11th NDP cover policies to achieve competitiveness and productivity increase in the economy and to support the structural transformation in production as well as the improvement in welfare. A manufacturing industry-oriented approach is apparent in the 11th NDP due to tendency of manufacturing sectors to technological development, and productivity increase. As a result of the transformation envisaged in the Plan period, the increased value-added through productivity increases, which form the basis of economic growth and high welfare, will reflect as high profitability for companies, high wages for employees and low prices for consumers. To increase production and productivity, close cooperation, and coordination mechanisms with the private sector through strong and concrete public policies are emphasized.

II. STRATEGY

In order to cope with productivity problems and accelerate the digital transformation process in the manufacturing industry, as stated in the above-mentioned policy and strategy documents, the enterprises should strengthen their infrastructure and core capabilities on lean manufacturing, digitalization (within the context of Industry 4.0), quality management, innovative product development, energy efficiency etc. The enterprises and SMEs can be supported in this process through some well-developed transformation programs and practice-based trainings in order to improve capabilities of their technical staff, engineers and mid-level managers. One of the effective solutions applied in many developed countries in the last two decades is to build well-designed competency centers, so called Model Factories, which include a real didactic manufacturing environment (a real product, a real assembly line, real machines, real processes and real operators) and specialized training programs based on a series of hands-on and step-by-step exercises to improve the manufacturing processes within a "transformation" context. The model factory can be defined as a tool that enables the operational excellence principles to be disseminated in a scalable way by using experiential learning techniques. Model Factories (MFs) intent to change the existing mentality structure of SMEs and make them use human resources, machine / equipment, raw materials, time, and energy resources in the most efficient way and increase their competitiveness through training and consultancy services regarding continuous improvement, lean production, digital transformation etc. Through these business support services, MFs address productivity challenges of manufacturing industry and enable SMEs to be able to absorb higher levels of labor force as a results of expanded manufacturing base; support digital transformation at SMEs and increase their competitiveness.

UNDP Turkey and Ministry of Industry and Technology have been collaborating since 2015 for the establishment of MFs in Turkey. A feasibility study was completed for the appropriate models of Model Factories in Turkey in 2016 within the scope of Applied SME Capability Centre (aka Model Factory) Project. Following the completion of the feasibility study, Ankara Chamber of Industry and Ankara I. Organized Industry Zone joined the Model Factory Project both as funding agencies and implementing agents and first Model Factory was established in Ankara in 2018. Followingly, the Model Factories have been adopted as a policy tool and incorporated into Government Investment Plans. Additional funding from international resources (KfW and EU) have also been mobilized for replications in other target provinces. Chambers of Industry and Commerce in these target provinces have also allocated their resources for the establishment of Model Factories. Through these different funding mechanisms, 8 Model Factories have become operational in Ankara, Bursa, Konya, Kayseri, İzmir, Gaziantep, Mersin, and Adana, of which 7 of them, namely Ankara, Bursa, Konya, Kayseri, İzmir, Gaziantep and Mersin Model Factories, have been established through UNDP and Ministry of Industry and Technology Partnership. Adana Model Factory has been established by Çukurova Development Agency incentive.

Although the initial investments were financed by government funding, this initiative has turned into successful public-private sector partnership model, where Chambers of Industry and Commerce have also allocated

I. DEVELOPMENT CHALLENGE

Competitive pressure has increased at the global level as the transformative role of technological advancements and communication channels in economic and social life accelerate. To have a more competitive economic structure and to climb to higher echelons in global value chains, countries need to strengthen their physical and technological infrastructure. The elements of competitiveness at the global level are rapidly transforming and the roles between capital and labor in production are reallocated. While the intensity of the competition based on cheap labor is decreasing; high technology based, faster, flexible, and innovative production stand out as the main factors that increase the competitive advantages of countries.

Productivity gains in capital and labor is possible with the integration of technological progress into production processes and a competitive positioning in the global value chains. Improvements in productivity are the basis of economic growth and improved welfare in the long term. Increased added value due to productivity is reflected as high profitability for business owners, high wages for workers and low prices for consumers. The steam machine and electrification in the last century and innovations in the area of digitalization in the current age, have improved productivity by transforming production methods and have become the driving force for economic growth.

As a key driver of productivity and innovation, industry has always been a cornerstone of the economic prosperity. The productive industry enables countries to create high tech industry value added, build resilient infrastructure, promote inclusive and sustainable industrialization. Most importantly, strong, and high performing industry support countries to escape from middle income trap and ensures sustainable economic growth.

To better adjust to the challenges and reap the benefits of new industrial age shaped with accelerated pace of economic, societal, and environmental transformations as well as technological breakthroughs, industries need to undergo a structural transformation. Strengthening the industry by increasing productivity, upgrading technology base, future-proofing business models, internalizing sustainable development principles and embracing innovation are essential for the structural transformation of the economies, creation of jobs, competitiveness, and economic growth.

The European Green Deal, which is the new growth strategy of the EU, introduces a roadmap for making economies sustainable by turning climate and environmental challenges into opportunities across all policy areas and making the transition just and inclusive for all. In fact, it clearly identifies the paths to follow to transform the economic model for the well-being of the society and make the businesses innovative. Industry has the leading role in this new growth strategy. Globally competitive, green, and digital industry has been envisaged for maintaining global competitiveness and support SMEs.

Since achieving, resource efficient, agile and climate neutral digital economy requires the full mobilization of SMEs, SMEs are needed to be empowered to increase their productivity, engage in sustainable business practices integrated with digital innovations.

On the other hand, the outbreak of coronavirus pandemic, which has tested the resilience of the societies and economies, has shown that resilient industries and SMEs in particular will play a key role to cope with global challenges and measuring productive and innovative performance will be a key element of different policies in the upcoming period.

As is the case in the rest of the world, in Turkey as well, productivity gains especially in the industrial sector, play a dominant role in terms of sustainable growth. However, the value-added per employee in the industrial sector is about one third of the EU average. This difference is more apparent on a scale basis among enterprises operating in the manufacturing industry, and labor productivity differences between micro-enterprises (1-9) and large enterprises (250+) are measured as approximately 6 times.

On the other hand, Turkish economy is still weighing heavily on SMEs. As of 2020², there are 3.295.000 SMEs in Turkey and 99.8 percent of total enterprises, 72 percent of employment, 41.3 percent of value added, 436.4 percent of exports are composed of SMEs. In terms of increasing competitiveness in the economy, improving innovation and entrepreneurship and creating employment, the need to increase productivity and the need for growth and institutionalization of SMEs continues.

² KOSGEB Small and Medium Enterprise Statistics, 2020

(<https://www.kosgeb.gov.tr/site/tr/genel/detay/8044/kucuk-ve-orta-buyuklukteki-girisim-istatistikleri-2020>)

industry and development policies and improving collaboration opportunities will reinforce complementarity among industry policy tools. UNDP's close working practices, through its global centers, with Korea and Singapore as well as international organizations, such as Asian Productivity Organization, may develop MF capacities in terms of access to international networks and establishment of technical collaborations.

6. **Strengthening capacity of existing MFs:** In parallel to replication of MFs in new target provinces, it is of paramount importance to develop capacities of existing MFs. Therefore, measures will be taken to invest more on improving capabilities of trainers and increasing the number of competent trainers to successfully disseminate MFs services at the country level.
7. **Ensuring the diversity of the services offered by MFs:** The diversity of MF services is of critical importance in terms of sustainability strategy. Trainers of MFs should develop a range of services that can satisfy different needs not only in the field of lean and digital transformation, but in areas of green transformation, sustainability and other related fields the manufacturing industry needs. This dynamic structure for offering services will make a significant contribution to the sustainability of MFs. To ensure the diversity of the services, priority should be given to developing MF capacities in a way that they can offer services in various fields of productivity.

In line with development priorities and industrial and technology policies of Turkey, by integrating these sub-strategies to government led policy tool of MF, it is envisaged to support SMEs to increase their productivity, competitiveness, and resilience to facilitate structural transformation in the manufacturing industry. Through mobilizing public private sector partnerships, flagship MF program will target to contribute to more inclusive, sustainable, and innovative industrial development in Turkey.

Project will contribute directly to SDG 8 (Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all) and SDG 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation). Specific SDG targets that the project will contribute are:

Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors.

Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Target 9.b: Support domestic technology development, research, and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.

The success of the Project in terms of reaching its targets, will highly depend on internal and external factors, economic conditions, the degree of ownership and commitment of local actors, willingness of SMEs to participate to MF services and mechanisms established/to be established with ecosystem actors. However, project components and activities as well as project management, which are detailed in part III, have been designed in a way to mitigate risks and getting maximum use of existing capacities and available resources. Below is the Theory of Change (ToC) diagram demonstrating the result chain between the activity level and impact level.

additional funding for the establishment and operationalization of MFs. Additionally, to disseminate MF services in the manufacturing industry, financing support mechanism was put into place by KOSGEB for companies that benefit from these services. Up to 70.000 TL is provided to SMEs that enroll in MF learn and transform programs. Additionally, Development Agencies' incentives have been formulated for the cluster of firms that are benefiting from MF consultancy services. These incentives and support mechanisms not only have ensured the sustainability of MFs, but also have helped to increase the outreach of MFs.

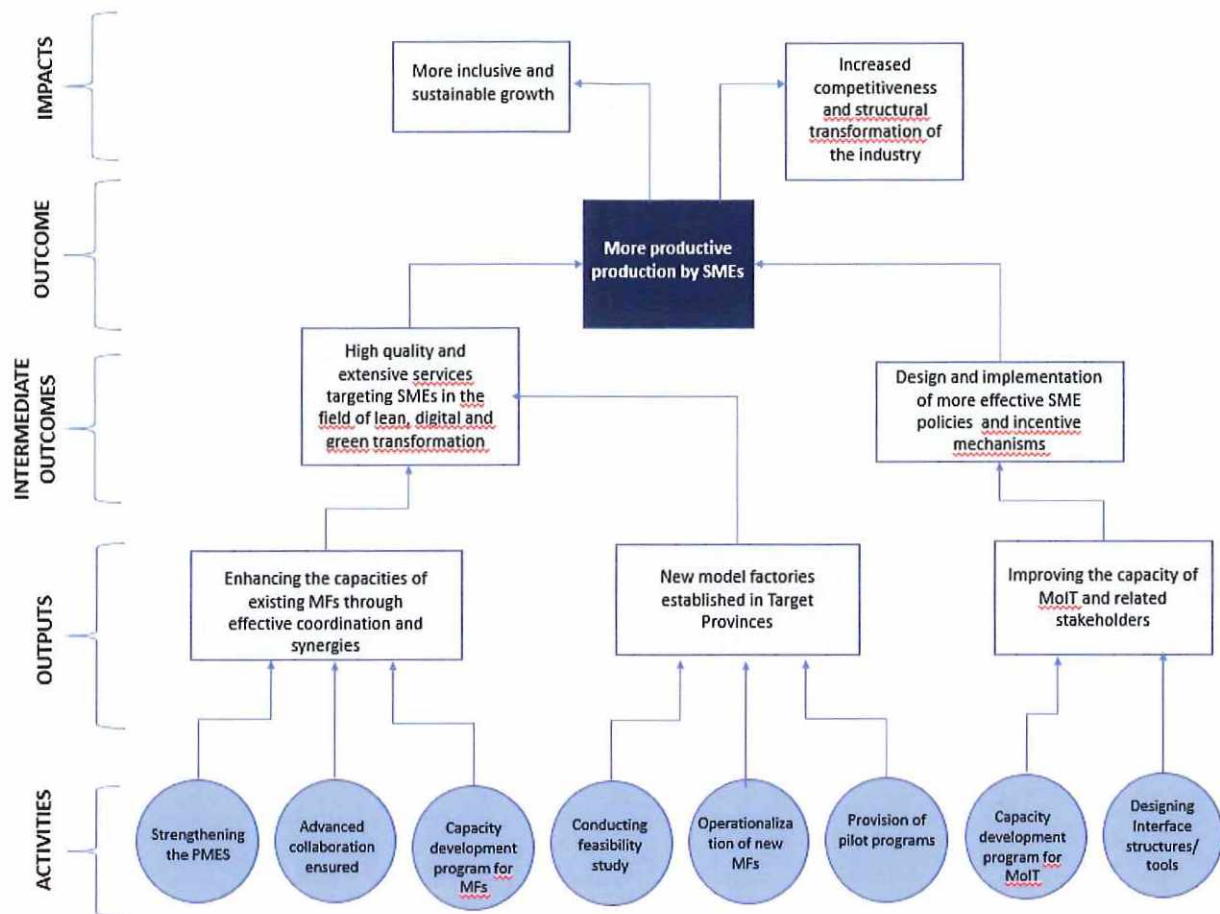
With MoIT's leadership and guidance, effective UNDP project implementation and available incentive mechanisms, MFs have reached more than three thousand (3000) beneficiaries, completed learn and transform programs in 138 companies and awareness raising trainings in more than 500 companies and provided more than 60.000 hours of consultancy and training services.

Based on the experience and lessons learned throughout this process and as well as the impressive results achieved at the companies benefiting from MF services, it has been decided by the government to disseminate MFs services at the country level by scaling up this program and replicating MFs in other target provinces under an effective coordination mechanism. By increasing the number of MFs in the country, it is aimed to increase the outreach and provide services to as many SMEs as possible and support the structural transformation in the manufacturing industry by providing trainings and consultancy at lean and digital transformation. In line with the needs of the manufacturing industry at the national and global level, it is also targeted to expand MF services in other fields such as green transformation and sustainability in order to support SMEs transformation throughout the EU green agenda.

Proposed Strategies benefiting Lessons Learned from the First Phase

UNDP have had important implementation experience since 2015 and has prepared a detailed lessons learned report on the establishment and operationalization of MFs and project management. By getting MoIT's final review and additional inputs, this project document has been prepared. The main strategies to be followed throughout the second phase have been listed below:

1. **Making use of know-how of existing Model Factories:** Model Factories that have already been established have important experience both on the establishment procedures and the services delivered to companies. It is particularly important to reap the benefits of accumulated knowledge and know-how of the current MFs while establishing new ones in target provinces. Regardless of the density and the form of the cooperation, new MFs will be established in collaboration with existing MFs under guidance of MoIT. Additionally, different mechanisms that enable lower initial investment costs will be considered for the establishment.
2. **Conducting feasibility studies before the establishment:** Ankara Model Factory was established based on the feasibility report developed at the beginning of the Project. In parallel to lessons learned throughout this process, while replicating new MFs, in collaboration with local partners, feasibility studies will be conducted for analyzing the current situation of the manufacturing industry and their needs in target provinces. This will facilitate the selection process of the model product and the scope of the training curriculum and most importantly the design of trainings and consultancy services in line with the need of potential beneficiaries.
3. **Galvanizing commitment and cooperation of local stakeholders:** During the operationalization of the existing MFs, in addition to allocating their resources for the establishment, the Chambers of Industry and Commerce have played a critical role in promoting services of Model Factories. Therefore, it is extremely critical to strengthen the cooperation from the very beginning, from the feasibility stage to get their highest commitment and important contribution on the design of establishment strategy for new MFs to the established.
4. **Strengthening Performance Monitoring and Evaluation System:** It was observed that, the implementation of Performance Monitoring and Evaluation System in the earlier stages and defining/choosing standardized data collection tools will increase the effectiveness of the monitoring mechanism. It is therefore important to implement this system at the very beginning while establishing new MFs. The performance system and data collection capacity can significantly contribute to conducting impact assessments where required. Additionally, strengthening the system in line with the needs of the Ministry and feedback gathered from MFs will enable MoIT and other related institutions to effectively measure the performance of MFs, check and balance the ongoing incentive mechanisms and review the overall MF strategy. The elaboration, and harmonization with the master policy of the Ministry, of the design of performance monitoring systems of MFs will be put on the agenda.
5. **Building collaborations within MFs and with ecosystem actors:** The establishment of collaboration between MFs as well as with various national and international industrial organizations will be a significant step taken for sustainability in the medium and long term. Establishment of platforms that will allow collaborations with main public stakeholders, agencies, techno parks, innovation centers, KOSGEB, OIZ administrations, etc. in this field will ensure integration of MFs with



III. RESULTS AND PARTNERSHIPS

Expected Results

In line with the strategy detailed above, the project has been designed and developed to cope with the development challenge explained in part 1. The project will have three outputs:

Output 1: Capacities of existing Model Factories enhanced

It is aimed to ensure coordination of existing Model Factories (Ankara, Bursa, Kayseri, Konya, Gaziantep, Mersin, İzmir and Adana) in alignment with Ministry's top policy and strategies; developing networks and cooperation among MFs; strengthening interaction and collaboration of MFs with regional, national and international actors in the innovation, entrepreneurship and technology development ecosystem; monitoring activities of MFs via annual work plans, programs and strategic plans collected within the scope of Performance Monitoring and Evaluation System (PMES) and updating and strengthening of PMES in accordance with the needs of MFs; in line with Ministry priorities and emerging needs of MFs capacity development of MFs through trainings and expanding trainers pool; digital and green transformation in the first place, supporting the expansion of MF services in different fields and dissemination of MF services at the country level, developing and implementing an active communication strategy for awareness raising and promotion of MF services

Following activities will be conducted to achieve this output.

1.1. Development of Coordination and Cooperation

- 1.1.1. Ensuring smooth coordination between MoIT and MFs in line with MoIT's policies and strategies
- 1.1.2. Development of collaboration and coordination among MFs
- 1.1.3. Development of collaboration between MFs and ecosystem actors
- 1.1.4. Development of collaboration with international networks

1.2. Implementation and Strengthening of PMES

- 1.2.1. Monitoring MFs' activities by collecting business plans and programs, strategic plans of MFs within the scope of PMES
- 1.2.2. Reviewing and updating Model Factory indicators and MF PMES portal
- 1.2.3. Updating and strengthening of PMES in alignment with PMES portal and in line with the needs of MFs
- 1.3. Development of Capacities of Existing MFs
 - 1.3.1. Expanding MF trainers' pool
 - 1.3.2. Design and implementation of MF capacity development program
 - 1.3.3. Improving administrative capacities of MFs in the fields of business development, accounting, etc.
- 1.4. Dissemination of MF Services at the country level and expansion of MF services
 - 1.4.1. Determination of expansion of service lines
 - 1.4.2. Integration of additional services lines to MF programs and services
 - 1.4.3. Promotion of MFs and technical expert support to increase service capacity and outreach
 - 1.4.4. Development and implementation of MF communication strategy

Expected Results:

- 1- Expansion of MF trainers' pool
- 2- Expansion and diversification of MF services (Digital transformation technological infrastructure of Model Factories in need, additional capacity in the field of digital transformation, green transformation, energy efficiency, etc.)
- 3- Dissemination of MF services at the regional/country level
- 4- Increasing awareness at the country level through an active MF communication strategy

Target Group: MF staff, directors/ managers, partners and local stakeholders and international stakeholders/networks.

While conducting these activities and trying to reach the expected results, in line with 11th NDP and 2023 Industry and Technology Strategy priorities women empowerment will be targeted. In expansion of MF trainers' pool, it will be aimed to increase the number of women trainers. Women trainers will be prioritized in the team composition of MF staff. In the dissemination of MF services at the country level, SMEs led by women leaders/ managers will be prioritized and targeted as well.

Output 2: New Model Factories established in Target Provinces

It is targeted to establish new MFs in Eskişehir, Denizli, Samsun, Kocaeli, Malatya, and Trabzon aligned with Public Investment Programme. For the operationalization of MFs in these target provinces, it is aimed to conduct feasibility studies in cooperation with local stakeholders for development of operationalization strategy for each MF; developing cooperation with local stakeholders; completion of deployment of machinery and equipment and preparation of training curriculum in line with the model product that will enable MFs to provide services to SMEs in the field of lean transformation; establishing mechanisms to ensure transferring experience and know-how of existing MFs to new MFs to be established; supporting provision of training and consultancy services to SMEs by MFs; preparing sustainability and exit strategies of MFs in particular and overall MF Program Strategy in general.

Following activities will be conducted to achieve this output.

- 2.1. Conducting feasibility studies in target provinces in cooperation with local stakeholders
 - 2.1.1. Current situation analysis of the manufacturing industry in target provinces
 - 2.1.2. Needs analysis of the manufacturing industry in target provinces
 - 2.1.3. Design of establishment strategy of each MFs by synthesizing the results of current situation and needs analysis
- 2.2. Forming Legal Cooperation with local stakeholders

- 2.2.1. Meetings and negotiations with local stakeholders for the establishment of MFs
- 2.2.2. Signing Cooperation Protocols with local stakeholders
- 2.3. Operationalization of MFs in the field of lean and digital transformation in target provinces
 - 2.3.1. Establishment of different mechanisms to ensure cooperation with existing MFs (i.e., peer support mechanisms, consultancy for the establishment process and pilot programs, mentor/mentee, joint marketing activities, branch/partnership alternatives)
 - 2.3.2. Procurement of machinery and equipment for MFs that will enable MFs to provide training and consultancy to SMEs in the field of lean and digital transformation
 - 2.3.3. Recruitment support for MF staff depending on the yearly budget limit to be decided by Ministry
 - 2.3.4. Completion of training of trainers
 - 2.3.5. Preparation of exit and sustainability strategy for each MF and overall MF strategy of MoIT
- 2.4. Provision of pilot training and consultancy programs
 - 2.4.1. Design of the scope and curriculum of training and consultancy programs
 - 2.4.2. Provision of pilot training and consultancy programs

Expected Results:

1. Developing establishment strategies for MFs
2. Operationalization of new MFs by deployment of infrastructure for lean and digital transformation
3. Ensuring sustainability of MF Network under the overall coordination of Ministry

Target Group: Companies, stakeholders in cooperation, related Ministry departments and other public institutions

Output 3: Capacity of MoIT and related stakeholders improved

Project will support capacity development actions at national and local level, initially for MoIT together with related institutions. For this end it is planned to develop a capacity building program that will enable the Ministry staff to proactively guide and direct MFs and monitor and evaluate the activities and performances of MFs; implement the capacity building program; design interface structures /tools/ software / platform in line with the needs of MoIT staff in project management and related training programs such as project management tools facilitating active project management and minimizing the errors that can be rise from manual monitoring and coordination and tools/programs/platforms providing online trainings, online library and analysis and reporting tools in different fields.

Following activities will be conducted to achieve this output.

- 3.1. Design of a capacity development program
 - 3.1.1. In line with the needs of MoIT and related stakeholder institutions design a capacity development program including awareness raising on women empowerment targeting manufacturing industry representatives
 - 3.1.2. Designing required tools and manuals within the scope of capacity development program
- 3.2. Implementation of Capacity Building Program
 - 3.2.1. Organization of and attendance to training programs, workshops, and conferences
 - 3.2.2. Organization of national and international study visits
- 3.3. Design of Interface Structures/ tools/ software for Project Management and Training Needs
 - 3.3.1. Design/ utilization of Project Management Tool
 - 3.3.2. Design of Capacity Development Interface/ Tool/ platform

Expected Results:

1. Capacity development programs are planned and implemented for MoIT staff as well as related public institutions
2. Project management, capacity development tools and a digital platform are designed.

Target Group: MoIT central and local staff, staff of public institutions and related stakeholders in cooperation

Resources Required to Achieve the Expected Results

The resources for achieving the expected results for the project will be allocated from Public Investment Program in an amount of TRY 154.996.573,59/USD 8.632.502,01 and UNDP resources in an amount of TRY 1.526.175,00/USD 85.000³.

Apart from this financial contribution MoIT will be leading project communication processes, assigning project staff and leading the process as the key responsible government entity. Moreover, each partner will be providing their policy design and research capacities, networks, institutional communication channels, human resources, and expertise for the success of the project. To implement this project, in addition to the financial contribution, UNDP will mobilize its international and local expertise/experience/network in the areas of productivity, economic growth and competitiveness, digital transformation, and women empowerment. UNDP will endeavor for finding alternative international funds to the Project through developing collaboration with its international network.

In terms of partnerships, UNDP in close collaboration with MoIT will establish partnerships with relevant NGOs working in the field, local stakeholders, representatives of academia and other relevant ecosystem actors where and when necessary. Regarding project management, UNDP will deploy its in-house experience (CO programme staff from Inclusive Sustainable Growth Portfolio (ISG-CEG)) while mobilizing other capacities from regional and global centers of UNDP. For this project, UNDP will avail the capacities of a Portfolio Manager (part-time), Projects Coordinator (part-time), Project Manager (full-time), 3 Project Associates (full-time), 2 Project Assistants (full time). Full-time positions to be mobilized will be working at the premises of the Ministry. Identification of job requirements with required skill set will be agreed with the Ministry and UNDP human resources policies and procedures will be followed for the recruitment of full-time Project staff. Ministry will be taking observer roles during the selection processes.

Using Portfolio 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.

UNDP's in-kind contribution: UNDP's vast experience in governance, strong relations with the actors in the ecosystem, impartial position and convening power will be strong assets to leveraged. Additionally, leveraging on UNDP's accumulated programmatic know-how on productivity, SMEs policy and competitiveness as well as its network-based assets; UNDP proposes a set of in-kind contributions to improve the effectiveness, efficiency and impact of the Project as categorized below:

- Knowledge Products: Utilization of UNDP generated tools, M&E tools, needs assessment tools etc.
- International, Regional and National Networks outreach capacity: Expertise and know-how to be accumulated/transferred to the project through the UNDP's already existing and emerging national and international networks in the fields and south-south/triangular cooperation etc.
- Additional Financial Resource Mobilization Activities: UNDP's programme level efforts to support/facilitate mobilization of additional/complementary financial resources to the project with external funding.
- Additional and Complementary Expert Support: UNDP will mobilize additional and complementary expertise through UNDP's Regional Hub and International Centre for Private Sector in Development, both of which are established in Istanbul, when deemed necessary. Training Programs on Women Empowerment: Designing and conducting training programs on women empowerment, gender equality, "gender gap", and "gender-responsive conduct/analysis" including terminologies, effects of women empowerment on social, economic and environmental issues, gender-responsive analyses,

³ August UN Operational USD exchange rate is used 17,955 TRY

planning and budgeting. These training programs will be delivered by UNDP team from internal capacity.

- Close working practices with UNDP global centers, South Korea, and Singapore: UNDP would request additional expertise from global centers for improvement of MF capacities in terms of access to international networks and establishment of technical collaborations.

MolT's in-kind contribution: In addition to its vast experience in its competency areas MolT also proposes a set of in-kind contributions to improve the effectiveness, efficiency and impact of the Project as categorized below:

- Ensuring alignment of MF program strategy with Turkey's industrial policy: MolT is the competent authority in Turkey for developing Turkey's industrial policy in line with global trends and technological needs, hence conducts studies and analysis to support the formulation and implementation of Turkey's industrial policy. As one of the tools of the industry policy, MolT will ensure alignment of MF program strategy with Turkey's industrial policy and will support and feed the project through the studies that have been /will be conducted within the Ministry capacity.
- Coordination among ecosystem actors: MolT is the main Ministry in ensuring development of coordination among ecosystem actors for the smooth implementation of Turkey's industrial policy. Therefore, MolT's vast network will provide important opportunities for the establishment of new collaborations between MFs and other ecosystem actors. The capacities KOSGEB and TUBİTAK as the related and affiliated institutions of MolT will also be benefited by the Project and support MF program implementation.
- PMES Portal: MolT has been working for the design and development of PMES portal since 2021. The portal will be opened to use of MFs in 2022 and support the smooth and effective implementation of PMES.
- Office: MolT will provide office space to Project Management Unit until the end of the Project.

Partnerships

The Project will build on the long-standing and close partnership of MolT and UNDP with the key national/ government partners, private sector, and local stakeholders as in the case of Applied SME Center Model Factory Project. For the establishment of new Model Factories, strong and deepened collaboration will be established with Offices of the Governors, Municipalities, Development Agencies, the Chambers of Industry and Commerce, Organized Industrial Zones, Technology Transfer Offices, Technology Development Zones, universities. These local stakeholders will provide support for conducting feasibility studies in target provinces before the establishment of Model Factories, allocate cash and in-kind support for the establishment, operationalization, and sustainability of MFs, promote dissemination of MF services at the region and country and support the capacity development of MFs. Construction of MF building and related costs will not be covered from the Project budget and will be under full responsibility of local stakeholders. Universities, will take critical role in the improvement of the MFs capacity such that they will work together with MFs to develop training curriculum, expand the trainers pool and support academic studies in MFs' field including digital and green transformation. The conditions and level of collaboration between local stakeholders and MolT will be well-established via cooperation protocols to be signed before the establishment during the negotiation stage. Apart from providing support for continuous development of MFs, local stakeholders will engage with each other to form cooperation and develop networks. For the establishment process of MFs and provision of pilot programs, the Ministry will prioritize making use of know-how of existing MFs. Therefore, the capacities of the existing MFs will be critical for the establishment of new MFs.

The actors in productivity, innovation, entrepreneurship, and technology development ecosystem are other partners that will be collaborated. During the project MolT and UNDP will establish mechanisms to facilitate cooperation between these actors and MFs and MF partners. Regular information and consultation meetings with main public stakeholders, agencies, techno parks, innovation centers, KOSGEB, OIZ administrations will be held on a regular basis., Integration of MFs with industry and development policies and collaboration opportunities will be sought to ensure complementarity among industry policy tools. The establishment of collaboration between MFs as well as with various national and international industrial organizations will be a significant step taken for sustainability in the medium and long term. Establishment of platforms that will allow collaborations in addition to current experience sharing events will serve to take relations one step further.

Collaboration with KOSGEB and Development Agencies will be important for the well-designed Model Factory incentive and support mechanisms. Both KOSGEB and Development Agencies have been providing incentive to companies benefiting from Model Factory services. It will be critical in the upcoming period to review the existing mechanisms and link with PMES. MoIT's role will be incremental to reflect lessons learned to enhance support mechanisms.

In line with the target of expansion of Model Factory services in the field of digital transformation, green transformation and sustainability, partnership with MEXT Technology Center will be explored as well as other relevant international actors. Digital Factory, Capability Building, Ecosystem and Digital Maturity Assessment embodied by MEXT services could help to improve capacities of MFs. Additionally, MEXT's international network of business & knowledge partners, which include World Economic Forum, Fraunhofer, Plug and Play, Microsoft, CISCO, Boston Dynamics, Google, Vodafone, and Massachusetts Institute of Technology could support MF's integration with international networks.

TUSSIĐE (Turkish Management Science Institute) which is the institute of TUBİTAK responsible for R&D studies of management sciences, will be another potential institution to develop partnership. TUSSIĐE's strategic partnership with MoIT and its recent work on the preparation of main strategy of Ministry of Industry and Technology and roadmaps of this strategy, makes TUSSIĐE a potential partner for developing MF strategy in line with MoIT's top policy and strategies.

In discussion and agreement with MoIT some of the selected activities could be delivered via these potential solution partners like TUSSIĐE, MEXT etc.

Risks and Assumptions

The main assumptions for the success of the overall Project and its implementation are:

- Relevant Government stakeholders continue their support to project activities,
- Local stakeholders continue their support to project activities,
- SMEs operating in the manufacturing industry are willing to participate project activities.
- Enabling political and economic environment for SMEs to participate to the program continues.
- Trained staff members of MF will remain in their posts

Identified risks and their mitigation measures are already spelled out in the Annex 3. Risk Analysis. to summarize, possibility of worsening economic conditions, unwillingness of local stakeholders and high mobility of trained staff are the main risks of the project.

Stakeholder Engagement

SMEs operating in the manufacturing industry, MF staff, MF managements and MF local stakeholders and MoIT staff will be the target group of the project. Other potentially affected groups will be related public institutions and ecosystem actors in cooperation.

The project, through the capacity of existing MFs and new MFs to be established will support provision of training and consultancy services to SMEs in lean and digital transformation and other service lines in line with the expansion strategy and hence will support awareness and productive capacities of SMEs. By designing and implementing capacity building programs, the project will invest in Model Factory staff and support to increase their capabilities and competencies in MF service lines. The capacity building programs will also support implementation capacity of MF management and local stakeholders in cooperation with target MF provinces. These programs will target to increase implementation capacity of MF Managements and local stakeholders and will be determined in line with their arising needs. The coordination mechanism that will be established within the scope of the Project will enable MFs to increase their networking activities among themselves and with regional, national, and international actors. This support and guidance will serve the sustainability of MFs in the medium and long-run. The project will support MoIT central and local staff in capacity building and enable them to proactively monitor, lead and guide MFs in line with the global trends and Ministry's overall policies and strategies.

In addition to these target groups, related public institutions such as KOSGEB and Regional Development Agencies will be potentially affected groups. They will be integrated with effective coordination mechanism established under MoIT and will benefit from capacity building programs. Their know-how, experience and expertise will be utilized while developing MF strategies and MF support programs. Ecosystem actors such as techno parks, organized industrial zones, innovation centers, incubation centers, etc. will also benefit through collaboration with Model Factories.

The Project will engage NGOs, Umbrella Organizations, national and local governmental organizations, which have a broad network that are working with MoIT, UNDP and Chambers of Industry. These networks will be fully utilized in terms of dissemination of the project and its activities.

South-South and Triangular Cooperation (SSC/TrC)

UNDP will establish/maintain networks and seek opportunities for inter-regional/inter-institutional collaboration and cooperation. The outputs of the Project will also be disseminated for the benefit of other countries through the networks to be established/maintained within the scope of the Project. The UNDP's Istanbul Regional Hub that serves for Eastern Europe and Central Asia along with other regional bureaus and HQ will support the CO in such efforts. Ministry's priorities and dissemination targets will be also considered, and sub-strategy could be created in collaboration UNDP's global units.

Knowledge

The project will produce several knowledge products including training materials and toolkits prepared for MFs and MoIT for capacity building and skills development. In parallel strategy documents for individual MFs, overall program results, reports, and analysis under PMES will be key knowledge products. The project will also have a media/communication strategy to communicate the achievements as well as the services made available to SMEs through MF services through the project.

All training content, manuals, guidelines, assessment and analysis reports, completion of deliverables will be reported in form of progress and final reports. All mentioned documentation and knowledge products to be prepared within the scope of the project will be shared with MoIT.

Within the scope of the visibility of activities short videos, project progress briefs and infographics will be prepared and shared with public. The results of MFs services and success stories will be shared within communication channels and additional awareness raising actions will be also carried out. The publications and visibility materials produced will also be shared with UNDP's relevant global teams and units as well as during relevant local, national, and international events.

UNDP will ensure common visibility principles underlining as the core policy owner and highlighting efficient collaboration. The visibility activities will focus on project impact and results using different means of communication such as press releases, photo stories and short videos together with joint events etc.

Sustainability and Scaling Up

As stated in part II, Model Factory Project was started as a feasibility study and later on concept has been adopted as a government policy tool under National Development Plans and related strategy documents of MoIT and replicated in 7 provinces following the establishment of first implementation in Ankara in close collaboration with UNDP. Sustainability of MFs were put on the agenda from the design stage and were integrated into MF overall program strategy of MoIT. Additionally, within the scope of the project, MoIT and UNDP worked on the sub-components of sustainability and exit strategy and shared with MF managements and local stakeholders. Partnership structure, the role of partners, target sectors of MFs, service lines and service diversity, methodologies adopted in service delivery, target groups, communication strategy, human resources policy of MFs and financial sustainability and the design of a performance monitoring and evaluation system have been determined as the fundamental issues for sustainability of MFs. Accordingly design of PMES has been completed in 2021 and preparations for the development of PMES portal are ongoing under the responsibility of Ministry relevant units.

Additionally, to ensure the sustainability of MFs and increase the outreach, incentive and support mechanisms have been announced by KOSGEB and Development Agencies as a result of active MoIT advocacy.

As was included in the first phase (Model Factory Project), in the second phase (through this project) the sustainability of MFs has been prioritized. The establishment of new MFs have been designed by considering the lessons learned from the first phase, practical feedback from field as well as from all related stakeholders through regular consultations. Strengthened coordination and performance monitoring and evaluation mechanism envisaged in the project document will support functioning of all MFs in line with national development priorities and MoITs overall industry policies and strategies. The incentive mechanisms that will be reviewed in coordination with KOSGEB and Development Agencies will also support the sustainability by considering the results of PMES analysis. Scaling up strategies and development of overall MF strategy will be built on recent mechanisms that will be strengthened in this Project period. As a policy tool sustainability of MF is already ensured and with the current intervention, replication and enhancement of network will be ensured.

The high-level ownership of all parties involved (i.e., Project Steering Committee) as well as the mechanisms and the capacities established at national and local level will also serve for sustainability of the actions.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

UNDP's workforce individually and collectively acts to consequentially promote the timely accomplishment of the organization's mission. With clear structural roles, policy manuals and guidelines UNDP have institutional capacity on provision of high caliber implementation support services through its competent human resources, rapid mobilization capacity, and institutional regulations on procurement, administration, finance and accounting, and contract management that ensure full transparency and impartiality. The technical competency and experience that UNDP accommodate are key factors for effective and successful achievement of targeted outcomes

UNDP also pursues the sustainability of its programmes and projects, through strong emphasis on local, regional, and national cooperation, exchange and networking as well as great focus on monitoring, evaluation and reporting. Identifying best practices and lessons learned and disseminating experience for replication and scaling-up of the practices fall within the mandate of UNDP Turkey.

Specifically, within the scope of the Project, UNDP monitoring and evaluation unit will support the Project in reviewing and updating PMES and will transfer its knowledge on this issue.

Project Management

The implementing partner of the Project will be the MoIT, General Directorate of Strategic Research and Productivity as the key beneficiary organization. While implementing the Project, MoIT will sign cooperation protocols with local stakeholders for the establishment of MFs in target provinces.

In addition to the proven experience of MoIT, UNDP will deploy its in-house experience (i.e., relevant programme and operations staff) as well as mobilize outside expertise. For this project, UNDP will mobilize a team while availing some capacities from Programme and Operations teams. Portfolio Manager and Projects Coordinator from Inclusive Sustainable Growth Competitiveness and Economic Growth will be serving for the Project part time basis ensuring relevant coordination between internal project team and other ongoing initiatives of UNDP CO. Full time project team to be mobilized in Ministry will be composed of a Project Manager, Project Associates (3), Project Assistants (2). Any change in the composition of the Project Team will be informed to MoIT and related changes in this composition will be made via prior approval of MoIT. UNDP Gender Specialist will be involved in project implementation and ensure the quality of the gender results of the Project. UNDP Quality Assurance team will support timely follow up of critical milestones together with UNDP corporate level reporting requirements.

Project Management Unit – PMU (coordination unit) will be composed of assigned Ministry team together with UNDP mobilized full time team. The team will be working to design/implement and monitor the project activities at MF provinces. PMU will conduct internal meetings on regular basis to ensure effective coordination and close follow up. As one of the key lessons learned from the first phase, weekly coordination meetings chaired by Head of Department from Ministry, assigned Ministry team between UNDP Portfolio Manager, Projects Coordinator and Project Manager will continue in this phase as well.

Similarly, high level coordination meetings will be held on monthly basis where Director General and/or Deputy Director General chairs with participation from Head of Department and assigned Ministry team and UNDP is represented via Assistant Resident Representative, Portfolio Manager (ISG-CEG) and Projects Coordinator to facilitate smooth implementation of the project.

A Project Steering Committee will be also established to ensure consistency and practicality of the activities to inform and involve key stakeholders of the Project. PSC composition will be decided between Ministry and UNDP. In the first phase representatives of local stakeholders, donor organizations (KfW) and as a natural partner Strategy and Budget Office were represented. Similar approach could be adapted, Due to increased number of local partners a leaner structure could be proposed to include other relevant actors from Ministry. SC will be a critical decision-making body to be responsible for the overall direction and management of the project.

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 regulations⁴.

The project shall be subject to independent evaluation according to UNDP's standard evaluation procedures. The organization, terms of reference and timing of such evaluation will be decided after consultation between MoIT and UNDP. Finally, as the project follows UNDP's NIM modality, audit will be made through the regular external (UN Board of Auditors) or internal audits (audits managed by UNDP's Office of Audit and Performance Review).

The intellectual property rights of all the outputs the project will vest in MoIT upon completion of the project. The name and emblem of UNDP can be used only in direct connection with the project and subject to prior written consent of the UNDP Resident Representative in Turkey.

⁴ Current Project Budget envisages the minimum cost recovery rate of 1% due to priorities of Ministry. In case of additional donor contribution is realized throughout the Project duration, this cost recovery rate could be subject to change with Project Management Team decision.

V. RESULTS FRAMEWORK⁵

Intended Outcome as stated in the UNDCSF/Country Programme Results and Resource Framework: Outcome 2.1: By 2025, public institutions and private sector contribute to a more inclusive, sustainable, and innovative industrial and agricultural development, and equal and decent work opportunities for all, in cooperation with the social partners.

Outcome indicators as stated in the Turkey Country Programme 2021-2025-Results and Resources Framework, including baseline and targets:

Output 2.1: Capacities at national and local levels strengthened to promote inclusive local economic development

Indicator 2.1.1 Number of inclusive local economic development partnerships at scale for accelerating sustainable economic growth

Baseline: 43 Target: 72

Applicable Output(s) from the UNDP Strategic Plan: Outcome 1 – Advance poverty eradication in all its forms and dimensions

Project title and Atlas Project Number: Applied SME Capability Center – Model Factory Phase 2 Project- Proposal ID: 139001

EXPECTED OUTPUTS	OUTPUT INDICATORS ⁴	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value ⁶	Year	Year	Year	Year	Year	
Output 1 Capacities of Existing Model Factories developed	1.1 A coordination unit under MoIT is operational	UNDP database	No	2021	Yes	Yes	Yes	Yes	Through project-based M&E tools and systems
	1.2 Number of MFs which started implementing the PMES ⁶	UNDP database	0	2021	8	11	14	14	Utilization assessment reports
			76	2021	84	92	92	92	

⁵ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

⁶ Completed year 2021 is taken as baseline

	1.3 Number of MF trainers in the pool of trainers (for 8 MFs established before 2022)	UNDP database	Women: 15	2021	(17 women, 67 men)	(19 Women, 73 men)	(19 women, 73 men)	Through project-based M&E tools and systems
			Men: 61					
			549 in total					
			ET:162 ART: 288 LT:99					
	1.4 Number of SMEs received MF services: -Experiential training (ET) -Awareness raising training (ART) -Learn and transform program (LT)	UNDP database	2021	799 in total	(19 Women, 73 men)	1472 in total	1472 in total	Through project-based M&E tools and systems
			ET:202 ART:432 LT:165					
			ET:245 ART: 603 LT:241					
	1.5 Number of dissemination activities to promote MF services	UNDP database	2021	20	25	30	30	Through project-based M&E tools and systems
			Opening Ceremonies:4 L&T Launches:4 Publicity Meetings: 8					
			1					
Output 2 New Model Factories established in Target Provinces	2.1 Number of feasibility studies conducted for the establishment of new MFs	UNDP database	2021	2	2	2	2	Through project-based M&E tools and systems
			8					
			11					
Output 3 Capacity of MoIT and related stakeholders improved	2.2 Number of MFs became fully operational	UNDP database	2021	8	8	14	14	Through project-based M&E tools and systems
			N/A					
			7					
	3.1 Satisfaction level of participants of MoIT and stakeholder institutions attended to trainings	UNDP database	2021	Minimum 70 percent	Minimum 70 percent	Minimum 70 percent	Minimum 70 percent	Through satisfaction surveys
			5					
			10					
	3.2 Number of study visits organized	UNDP database	2021	4 abroad	7	10	10	Through project-based M&E tools and systems
			5					
			10					

2 KR

LE

	3.3 Number of project management (PM) and capacity development (CD) tools designed	<u>UNDP database</u>	<u>0</u>	<u>2021</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>Through project-based M&E tools and systems</u>
	3.4 Number of awareness raising activities on women empowerment organized	<u>UNDP database</u>	<u>0</u>	<u>2021</u>	<u>1</u>	<u>2</u>	<u>4</u>	<u>4</u>	<u>Through project-based M&E tools and systems</u>

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Costs (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Annually	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Annually	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices, and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least once a year	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	At Design and Closure Stage	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	Annually	Performance data, risks, lessons, and quality will be discussed by the project board and used to make course corrections.		
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually and at the end of the project (final report)			

Handwritten signature/initials in blue ink.

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Costs (If any)
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Bi-annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

Evaluation Plan⁷

In line with the UNDP corporate policy, the first phase will cover an independent evaluation. The process is expected to be finalized during 3rdQuarter of 2022. This evaluation results will be also integrated into relevant activities after initial consultations with the Ministry. Due to the number of allocated resources second phase will also have a final evaluation. Since the project end date will be 31 December 2024 here will be no mid-term evaluation.

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Evaluation	MoIT	Outcome 1	2.1	2024 November	MoIT, Strategy Budget Office	Project Resources

⁷ Optional, if needed

VII. MULTI-YEAR WORK PLAN ⁸

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 related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES		Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		MoIT
			2022	2023	2024		Funding Source	Budget Description	
Output 1: Capacities of existing Model Factories enhanced	1.1.	Development of Coordination and Cooperation							
Developing the Capacities of Ankara, Konya, Kayseri, Bursa, Adana, Izmir, Mersin, Gaziantep MFs and Ensuring their Coordination	1.1.1.	Ensuring smooth coordination between MoIT and MFs in line with MoIT's policies and strategies					71200 International Consultants	43,860.00	Amount USD
Baseline: Capacity Development and Lack of Coordination Unit	1.1.2.	Development of collaboration and coordination among MFs	x			Ministry of Industry and Technology (DG for Strategic Research and Productivity) and UNDP	71300 Local Consultant	119,153.00	
	1.1.3.	Development of collaboration between MFs and ecosystem actors		x		Ministry of Industry and Technology (DG for Strategic Research and Productivity)	71400 NSPA Modality Personnel	176,727.27	
Indicators:	1.1.4.	Development of collaboration with international networks					71600 Travel	68,793.09	
	1.2.	Implementation and Strengthening of PMES					72100 Contractual Services	1,733,918.00	
1. A coordination unit under MoIT is operational		Monitoring MFs' activities, business plans and programs.	x				72200 Machine Equipment	0.00	
2. Number of MFs which started implementing the PMES									
3. Number of additional MF trainers added to the pool of trainers (for 8 MFs established before 2022)									
4. Number of SMEs received MF services: -Experiential training (ET) -Awareness raising training (ART) -Learn and									

⁸ 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

transform program (LT)
5. Number of activities to promote MF services

			strategic plans of MFs within the scope of PMES									
	1.2.2.		Reviewing and updating Model Factory indicators and MF PMES portal									81,818.18
	1.2.3.		Updating and strengthening of PMES in alignment with PMES portal and in line with the needs of MFs									17,818.18
	1.3.		Development of Capacities of Existing MFs									
	1.3.1.		Expanding MF trainers' pool									53,090.91
	1.3.2.		Design and implementation of MF capacity development program									31,390.91
	1.3.3.		Improving administrative capacities of MFs in the fields of business development, accounting, etc									
Expected Results:												
1-	Expansion of MF trainers' pool		Dissemination of MF Services at the country level and expansion of MF services									
2-	Expansion and diversification of MF services (Digital transformation technological infrastructure of Model Factories in need, additional capacity in the field of digital transformation, green transformation, energy efficiency, etc.)		Determination of expansion of service line									
3-	Dissemination of MF services at the regional/country level		Integration of additional services lines to MF									

Handwritten signature

programs and services	1.4.3.	Promotion of MFs and technical expert support to increase service capacity and outreach	1.4.4.	Development and implementation of MF communication strategy	Sub-Total for Output 1	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		MoIT
						2022	2023	2024		Funding Source	Budget Description	
4- Increasing awareness at the country level through an active MF communication strategy												2,326,569.55
EXPECTED OUTPUTS												
Target Group: MF staff, directors/ managers, partners and local stakeholders and international stakeholders/networks												
Output 2: New Model Factories established in Target Provinces	2.1.	Conducting feasibility studies in target provinces in cooperation with local stakeholders										
Operationalizing MFs in Eskişehir, Denizli, Samsun, Kocaeli, Malatya, and Trabzon	2.1.1.	Current situation analysis of the manufacturing industry in target provinces						Ministry of Industry and Technology (DG for Strategic Research and Productivity) and UNDP	71300 Local Consultant			59,211.00
	2.1.2.	Needs analysis of the manufacturing industry in target provinces						Ministry of Industry and Technology (DG for Strategic Research and Productivity) and UNDP	71400 NSPA Modality Personnel			176,727.27
Baseline: Lack of MFs in Targeted Cities	2.1.3.	Design of establishment strategy of each MFs by synthesizing the results of current situation and needs analysis						Ministry of Industry and Technology (DG for Strategic Research and Productivity) and UNDP	71600 Travel			68,793.09
Indicators:									72100 Contractual Services			1,637,426.91

LRV

1. Number of feasibility studies conducted for the establishment of new MFs	2.2.	Forming Legal Cooperation with local stakeholders				72200 Machine Equipment	3,500,000.00
2. Number of MFs became fully operational		2.2.1. Meetings and negotiations with local stakeholders for the establishment of MFs 2.2.2. Signing Cooperation Protocols with local stakeholders	x			75700 Training, Workshops, Conference	81,818.18
Expected Results:	2.3.	Operationalization of MFs in the field of lean and digital transformation in target provinces				74100 Audit	17,818.18
1. Developing establishment strategies for MFs		2.3.1. Establishment of different mechanisms to ensure cooperation with existing MFs (i.e., peer support mechanisms, mentor/mentee, joint marketing activities, branch/partnership alternatives)	x			74500 Other Costs	53,090.91
2. Operationalization of new MFs by deployment of infrastructure for lean and digital transformation		2.3.2. Procurement of machinery and equipment for MFs that will enable MFs to provide training and consultancy to SMEs in the field of lean and digital transformation	x			74598 Direct Project Costs	31,390.91
3. Ensuring sustainability of MF Network under the overall coordination of Ministry		2.3.3. Recruitment of MF staff composed of a director, two full-time trainers, one technician and					

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

This project will be implemented through a national implementation modality (NIM), with the MoIT (DG Strategic Research and Productivity) as the implementing partner and as beneficiary. UNDP's rules and regulations for programme management will apply throughout the project and UNDP will also provide direct project management support including procurement, financial management and strategic support in line with its rules and procedures.

A Project Steering Committee (PSC) with representation from MoIT, Presidency of Strategy and Budget, Ministry of Foreign Affairs and UNDP will be set up to guide and oversee the implementation of the project. Project Steering Committee will be met annually. Presidency of Strategy and Budget and Ministry of Foreign Affairs are natural members of all UNDP's Project Steering Committees. In previous phase local stakeholders were also represented in PSC. Due to increased number of stakeholders, the composition of PSC will be decided after initial consultations with Ministry on Industry and Technology.

The Project Steering Committee is the group responsible for consultation and consensus-based decision making and management for a development project/ when guidance is required by the Project Management including recommendations for plans and revisions. The Project Steering Committee is co-chaired by the Senior Executive and the UNDP. From MoIT side, Director General of Strategic Research and Productivity co-chairs the PSC Meetings. From UNDP side, the Assistant Resident Representative ARR-P co-chairs the PSC meetings as the Head of the UNDP programmes.

In order to ensure MoIT's and UNDP's ultimate accountability, Project Steering Committee decisions should be made in accordance with standards that shall ensure the best value for money, fairness, integrity, transparency, and effective international competition. Reviews by this group are made at designated decision points during the running of the development project/initiation plan, or as necessary when raised by the Project Manager in consultation with Projects Coordinator.

Additional partners/stakeholders can be invited as Observers to share relevant information as and when required. The Project Steering Committee will meet at least annually to review and approve the annual work plan and budget and to monitor its implementation, among others.

Based on the approved annual work plan (AWP), the Project Steering Committee may review and approve the annual plans when required and authorizes any major deviation from these agreed plans. It is the authority that signs off the completion of each annual plan as well as authorizes the start of the next annual plan. It ensures that required resources are committed and arbitrates on any conflicts within the development project/initiation plan or negotiates a solution to any problems between the project and external bodies. During the implementation of the project specific roles of the PSC will include:

- evaluation and assessment of project activities in advance and during implementation process.
- review of each completed stage and direction to the project, ensuring it remains within any specified constraints.
- review and approval of plans and any exception plans.

At the end of the project PSC will:

- assure that all products have been delivered satisfactorily
- approve the Project Final Report
- approve the Lessons Learned Report
- decide on the recommendations for follow-on actions and the passage of these to the appropriate authorities

Senior Executive (Executing/Implementing Partner): Ministry of Industry and Technology (DG/Deputy DG Strategic Research and Productivity)

The Executive is responsible for the project implementation, this authority could be delegated to Head of Department by Director General supported by the Senior Supplier/UNDP. The Executive' role is to lead achievement of Project's objectives and delivering outputs that will contribute to higher level outcomes.

Specific Authorities and Responsibilities:

- Follow-up and maintaining of all kinds of activities to be carried out within the scope of the project, as indicated in the AWP and in consultation with UNDP through the Project Manager and Projects Coordinator.
- Ensure coordination with the local authorities and partners where the project activities will be carried out within the scope of the project.

Senior Beneficiaries (Ministry of Industry and Technology (DG Strategic Research and Productivity)

These roles require representing the interests of the institutions who will benefit from the project. The Senior Beneficiaries' primary function within the Project Steering Committee will be to ensure the realization of project results from the perspective of project beneficiaries. Along with the Ministry all relevant local stakeholders, relevant Ministry departments as the key policy owner will be among senior beneficiaries

Senior Supplier (UNDP)

The Senior Supplier represents the interests of the parties which provide technical expertise to the design, development and implementation of the project. The Senior Supplier's primary function within the Project Steering Committee is to provide support and guidance during the implementation of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required.

Specific Responsibilities (as part of the above responsibilities for the Project Steering Committee)

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected output(s) from the point of view of supplier management
- Ensure that the supplier resources required for the project are made available
- Contribute supplier opinions on Project Steering Committee decisions on whether to implement recommendations on proposed changes
- Providing travel and accommodation costs only for the MoIT personnel within the scope of the project in ensuring coordination between provinces during the stages of project activities, monitoring, control and reporting etc.
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts

UNDP will provide direct country office support services (including for the functions of procurement, human resources, finance, resource management, administrative services, communication), and direct project costing will apply in line with UNDP's cost recovery policy. UNDP will be responsible for finance and human resources management of the Project and will provide quarterly financial reports (CDR) to the MoIT, for their acknowledgement that the funds are used for project purposes. UNDP will mobilize the Project team in line with its rules and procedures and in close consultation with the Implementing Partner. ToRs of relevant positions will be prepared in consultation with MoIT and MoIT will be involved in the recruitment process in observatory process.

Presidency of Republic of Turkey, Presidency of Strategy and Budget (PSB) & Ministry of Foreign Affairs

These two offices are natural members of each Project Steering Committee. PSB is the Government coordinating agency of the UNDP in Turkey and ensures that all UNDP programmes are designed/implemented in line with national priorities. Ministry of Foreign Affairs provides final approval to all UNDP implemented projects and signs the project document on behalf of the Government.

Project Assurance

The Project Assurance role supports the Project Steering Committee by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

Project Assurance must be independent of the Project Management Unit therefore, the Project Steering Committee cannot delegate any of its assurance responsibilities to the Project Manager and Projects Coordinator. At UNDP Project Assurance function belongs to ARR/P, Portfolio Manager and M&E Analyst, Portfolio M&E Expert with a clear mandate for oversight and monitoring functions.

Project assurance can also include key staff in Beneficiary institution that have a stake in the quality execution of the project. However, project assurance function cannot be assumed by Senior Executive since assurance function is to be carried out by an impartial party.

Project Management Team (PMT)

Project Management Team Meetings will be conducted weekly, chaired by Head of Department MoIT with Ministry assigned team with participation of UNDP (Portfolio Manager (ISG-CEG) and Project Coordinator and Project Manager). In addition, monthly high level management meetings will be held under the supervision of Director General/Deputy Director General, Head of Department to facilitate smooth implementation of the project. Monthly high level Project Management Team meetings will include, ARR (Programme) of UNDP, Portfolio Manager (ISG-CEG), Projects Coordinator and Project Manager and General Director and /or Deputy General Director / Head of Department from MoIT.

Project Management Unit

A Project Management Unit (PMU) will be mobilized by UNDP in close collaboration with Ministry. Portfolio Manager and Projects Coordinator will be serving on part-time basis. Project Manager, Project Associates (3), Project Assistants (2) will be on full time basis to be mobilized in Ministry premises. The PMU will assist and support to the Senior Executive in performing its role as an implementing partner. PMU members will be closely collaborating with Senior Executive leaders and members. PMU also includes any **technical expert/consultants** hired for the successful implementation of the project. PM will be responsible for close surveillance of performance of technical experts if any. The Project Management Unit will be preparing all activity related ToRs, Communication and Visibility Materials, Reports, Annual Workplans and critical documents for pre-approval of MoIT prior to the implementation. Technical experts will be mobilized in line with AWP and joint decisions of Project Management Team.

I. Project Manager and Team

The Project Manager recruited by UNDP in consultation with Ministry has the authority to run the project on a day-to-day basis on behalf of the Implementing Partner and work in close cooperation with the senior executive within the constraints laid down by the Steering Committee. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The Project Manager will be recruited in accordance with UNDP regulations in consultations with Ministry will be based in Ankara. S/he will report to UNDP Projects Coordinator. The PM will be responsible for overall project coordination and implementation, consolidation of work plans and project papers, preparation of quarterly progress reports, reporting to the project supervisory bodies, and supervising the work of the project experts and other project staff. The PM will also closely coordinate project activities with relevant Government institutions (if applicable) and hold regular consultations with other project stakeholders and partners. The Project associates and assistants will be responsible for administrative, financial and technical issues and will get support from UNDP CO administration. The Projects Coordinator will do the supervision of the Project Team in close coordination with the Implementing Partner.

ii. Project Support

The Project Support roles provide administrative and operational support to the Project Manager as required by Project needs. The provision of any Project Support on a formal basis is optional. In most projects, project support includes HR, finance, admin, procurement, and PSC (Program Service Center) services.

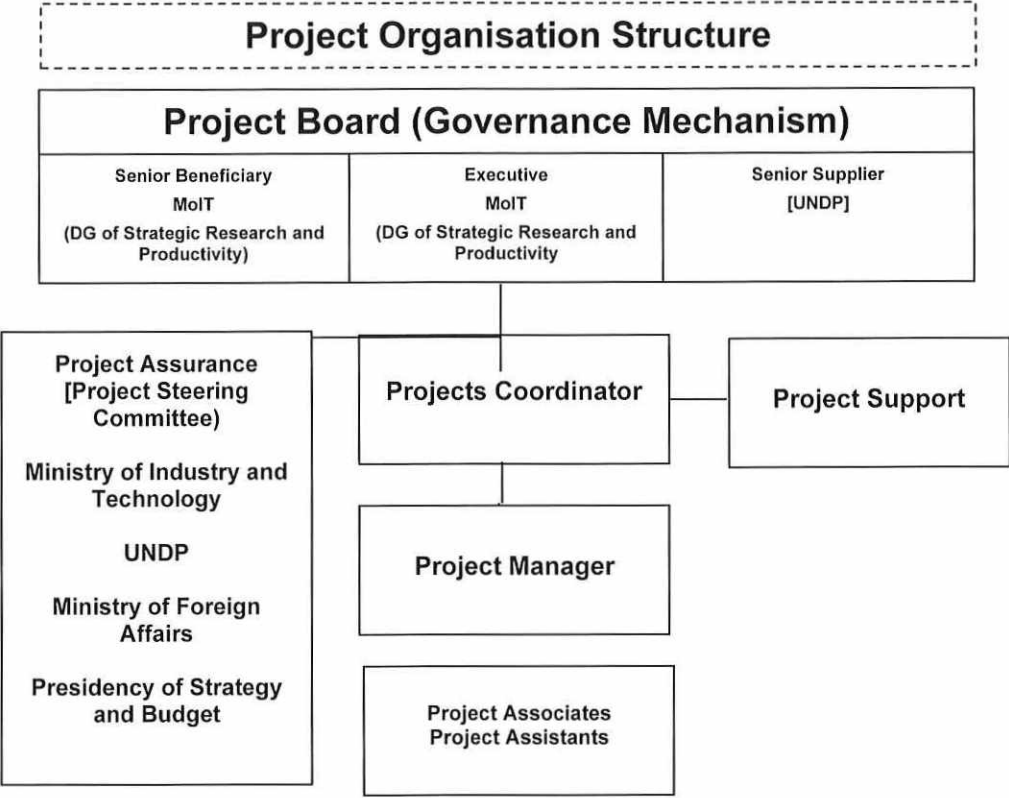
The Project oversight will be managed by the UNDP ISG-CEG Portfolio Manager with support from Projects Coordinator. In addition, the Project will be led by full time Project Manager who will be responsible for the day-to-day management of project implementation including administration and project finance. The Projects Coordinator will be responsible for overall team management and supervision.

Project's day-to-day implementation will be carried out by the Project Manager backed by Project Team as well as UNDP staff providing direct project support. Ministry will be allocating an office space for Project Team. Due to administrative responsibilities Project Team may adopt a flexible setting to carry out relevant duties at UNDP premises. Details will be set following the on boarding of the team in close cooperation with Ministry. The indicative/tentative staffing arrangements for the Project along with the duty stations are demonstrated below, not including the UNDP staff providing support to the project:

Project personnel	Duty Station(s)
Projects Coordinator	Ankara part-time
Project Manager	Ankara full time@ Ministry
Project Associates (3)	Ankara full time@ Ministry
Project Assistant (2)	Ankara full time@ Ministry

UNDP's direct costs will be charged in line with its rules and regulations, as outlined in the project document and budget. Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Regulations and Rules of UNDP.

Any surplus budget remaining at the end of the implementation period should be returned to MoIT.



IX. LEGAL CONTEXT

Turkey is a signatory of a basic agreement to govern the United Nations Development Programme's (UNDP) assistance to the country, being the provisions of the Revised Standard Agreement signed between the Government and the Technical Assistance Board, which is one of the predecessor entities of UNDP (the "Basic Agreement") on 21 October 1965.

In this regard, the project document shall be the instrument envisaged and defined in the [Supplemental Provisions](#), (to the Project Document, attached hereto and forming an integral part hereof, as "the Project Document").

This project will be implemented by Ministry of Industry and Technology ("Implementing Partner in accordance with its financial regulations, rules, practices, and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

1. Consistent with the Article III of the SBAA *[for the Supplemental Provisions to the Project Document]*, 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. To this end, 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.

2. 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 the Implementing Partner's obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>.

4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary

General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA.
- ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP.
- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof.
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.

10. In the implementation of the activities under this Project Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of then in force the UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.

11. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

12. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

13. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.



14. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, credible allegation of fraud or corruption or other financial irregularities with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

15. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors, and sub-recipients.

16. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

17. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover, and return any recovered funds to UNDP.

18. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor, and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

Special Clauses. In case of government cost-sharing through the project, the following clauses should be included:



1. The schedule of payments and UNDP bank account details.

Donor	Year	Date (Estimated) ^[1]	Budgeted Amount	Amount to be Deposited ^{[2], [3]}	Balance ^[3]
MoIT	2022	15.10.2022	TRY	TRY	TRY
			40.000.000	40.000.000	114.996.573,5
			USD	USD	9USD
			2.227.791,70	2.227.791,70	6.404.710,31
MoIT	2023 ^[4]	15.03.2023	TRY	TRY	
			114.996.573,59	114.996.573,59	0.00
			USD	USD	
			6.404.710,31	6.404.710,31	0.00
UNDP	2022	15.10.2022	TRY	TRY	0.00
			1.526.175,00	1.526.175,00	
			USD	USD	
			85.000,00	85.000,00	0.00
Grand Total			TRY	TRY	
TRY			156.522.748,59	156.522.748,59	0.00
Grand Total			USD	USD	0.00
USD			8.717.502,01	8.717.502,01	
United Nations Operational Rate of Exchange in effect as of August 2022: 17,955 TRY					

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

Note 2: Payment in TRY is to be made to the UNDP Account (indicating project number and title):

Account Title: UNDP Yöneticiliği
Name of Bank: Garanti Bankası
Address/Branch: Ankara Ticari Şube
Branch Code: 170
Account Number: 1201038
IBAN: TR53 0006 2000 1700 0001 2010 38
SWIFT Code: TGBATRIS

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.

Note 4: By end August 2023 with the finalization of the Phase I, unused government cost sharing amount shall be transferred to Phase II. Therefore, amount to be deposited in 2023 from Government Investment Budget shall be adjusted accordingly.

2. The value of the 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. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view

to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.

5. All financial accounts and statements shall be expressed in United States dollars.

6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.

7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 6 above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.

8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) [3%] cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

9. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

10. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, and directives of UNDP."

XI. ANNEXES

1. Project Quality Assurance Report

2. **Social and Environmental Screening** [English][French][Spanish], including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*

3. Risk Analysis.

4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)



5. Legal Context

6. Standard Letter of Agreement for Provision of Services Provided by UNDP

Annual Work Plan (2022- 2023-2024)
Project: Applied SME Capability Center - Model Factory Project Phase 2

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	FUNDING RESOURCE	BUDGET DETAILS	USD				TRY				USD				TRY								
					2022		2023		2024		2022		2023		2024		2022		2023		2024				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
					MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT
Output 1: Capacities of existing Model Factories enhanced	1.1. Development of Coordination and Cooperation			71300 Local Consultants	10965				196,876.58				21930				393,753.16				0			0.00	
Developing the Capacities of Ankara, Konya, Kayseri, Bursa, Adana, Izmir, Mersin, Gaziantep MFs and Ensuring their Coordination Background 1 Capacity Development and Lack of Coordination Unit Indicators # Coordination Unit # Coordination among MFs and Ecosystem Actors 4. PMES 5. Trainings concerning MFs # MF Trainer Pool # MF Service Areas # # of MF service providers Goals # Setting Up a Coordination Unit at Ministry # Developing MF Trainer Pool 7. Expanding MF Service Areas 8. Expanding MF Services Nationwide	1.1.1.	Ensuring smooth coordination between MoIT and MFs in line with MoIT's policies and strategies	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	71400 NPSA Modality Personnel	8,836.36				158,656.91				17,672.73				317,313.82				17,672.73			317,313.82	
	1.1.2.	Development of collaboration and coordination among MFs		71600 Travel	5,732.76				102,931.66					5,732.76				102,931.66				5,732.76			102,931.66
	1.1.3.	Development of collaboration between MFs and ecosystem actors		72100 Contractual Services	0.00				0.00					0.00				0.00				0.00			0.00
	1.1.4.	Development of collaboration with international networks.		72200 Machine and Equipment	0.00				0.00					0.00				0.00				0.00			0.00
					75700 Training, Workshops, Conferenc	6,818.18				122,420.45				6,818.18				122,420.45				6,818.18			122,420.45
					74100 Audit	1,484.85				26,660.45				1,484.85				26,660.45				1,484.85			26,660.45
					74500 Other Costs	4,424.24				79,437.27				4,424.24				79,437.27				4,424.24			79,437.27
					74598 Direct Project Costs	1,569.55				28,181.19				1,569.55				28,181.19				1,569.55			28,181.19
					71300 Local Consultants	4,873.33				87,500.70				4,873.33				87,500.70				4,873.33			87,500.70
					71400 NPSA Modality Personnel	8,836.36				158,656.91				8,836.36				158,656.91				8,836.36			158,656.91
				71600 Travel	5,732.76				102,931.66				5,732.76				102,931.66				5,732.76			102,931.66	
				72100 Contractual Services	0.00				0.00				0.00				0.00				0.00			0.00	
				72200 Machine and Equipment	0.00				0.00				0.00				0.00				0.00			0.00	
				75700 Training, Workshops, Conferenc	6,818.18				122,420.45				6,818.18				122,420.45				6,818.18			122,420.45	
				74100 Audit	1,484.85				26,660.45				1,484.85				26,660.45				1,484.85			26,660.45	
				74500 Other Costs	4,424.24				79,437.27				4,424.24				79,437.27				4,424.24			79,437.27	
				74598 Direct Project Costs	1,569.55				28,181.19				1,569.55				28,181.19				1,569.55			28,181.19	
				71200 International Consultants	14,620.00				262,502.10				14,620.00				262,502.10				14,620.00			262,502.10	
				71300 Local Consultants	4,386.00				78,750.63				4,386.00				78,750.63				4,386.00			78,750.63	
				71400 NPSA Modality Personnel	8,836.36				158,656.91				8,836.36				158,656.91				8,836.36			158,656.91	
			71600 Travel	5,732.76				102,931.66				5,732.76				102,931.66				5,732.76			102,931.66		
			72100 Contractual Services	77,972.67				1,399,999.23				77,972.67				1,399,999.23				77,972.67			1,399,999.23		
			72200 Machine and Equipment	0.00				0.00				0.00				0.00				0.00			0.00		
			75700 Training, Workshops, Conferenc	6,818.18				122,420.45				6,818.18				122,420.45				6,818.18			122,420.45		
			74100 Audit	1,484.85				26,660.45				1,484.85				26,660.45				1,484.85			26,660.45		
			74500 Other Costs	4,424.24				79,437.27				4,424.24				79,437.27				4,424.24			79,437.27		
			74598 Direct Project Costs	1,569.55				28,181.19				1,569.55				28,181.19				1,569.55			28,181.19		
			71300 Local Consultants	19,493.33				350,002.80				19,493.33				350,002.80				19,493.33			350,002.80		
			71400 NPSA Modality Personnel	8,836.36				158,656.91				8,836.36				158,656.91				8,836.36			158,656.91		
			71600 Travel	5,732.76				102,931.66				5,732.76				102,931.66				5,732.76			102,931.66		
			72100 Contractual Services	500,000.00				8,977,500.00				500,000.00				8,977,500.00				500,000.00			8,977,500.00		
			72200 Machine and Equipment	0.00				0.00				0.00				0.00				0.00			0.00		
			75700 Training, Workshops, Conferenc	6,818.18				122,420.45				6,818.18				122,420.45				6,818.18			122,420.45		
			74100 Audit	1,484.85				26,660.45				1,484.85				26,660.45				1,484.85			26,660.45		
			74500 Other Costs	4,424.24				79,437.27				4,424.24				79,437.27				4,424.24			79,437.27		
			74598 Direct Project Costs	1,569.55				28,181.19				1,569.55				28,181.19				1,569.55			28,181.19		
			GMS - General Management Support	22,433.22				402,768.51				22,433.22				402,768.51				22,433.22			402,768.51		
			Total	770,207.31				13,829,072.32				770,207.31				13,829,072.32				770,207.31			13,829,072.32		
			Total Amount excluding GMS	747,774.09				13,426,283.80				747,774.09				13,426,283.80				747,774.09			13,426,283.80		

UN August 2022 Operational Exchange Rate	17.955
August 2022	

Low

Annual Work Plan (2022-2023-2024)

Project: Applied SME Capacity Center - Model Factory Project Phase 2

EXPECTED OUTPUTS

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	FUNDING RESOURCE	BUDGET DETAILS	ABD DOLARI				TRY				USD				TRY	USD	TRY	USD	TRY				
					2022				2023				2024									2022-2023-2024 TOPLAM			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						Q1	Q2	Q3	Q4
Output 1: Capacities of existing Model Factories enhanced Developing the Capacities of Ankara, Konya, Kayseri, Bursa, Adana, Izmir, Mersin, Gaziantep MFs and Ensuring their Coordination	1.1. Development of Coordination and Cooperation	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	71200 International Consultants	14,620.00				262,502.10	14,620.00				262,502.10	14,620.00				262,502.10	43,860.00	787,506.30				
	1.2. Implementation and Strengthening of PIRES			71300 Local Consultants	39,717.67				713,130.71	50,662.67	39,717.67				810,007.28	28,752.67	516,254.13	119,153.03		1,191,153.03	2,139,392.12				
	1.3. Development of Capacities of Existing MFs			71400 NPSA Modality Personnel	35,345.45				634,627.64	70,690.91	35,345.45				1,269,255.27	70,690.91	1,269,255.27	176,727.27		1,767,227.27	3,173,138.18				
	1.4. Dissemination of MF Services at the country level and expansion of MF services			71600 Travel	22,931.03				411,726.65	22,931.03	22,931.03				411,726.65	22,931.03	411,726.65	68,793.09		1,235,179.95					
				72100 Contractual Services	577,972.67				10,377,499.23	577,972.67	577,972.67				10,377,499.23	577,972.67	10,377,499.23	1,733,918.00		31,132,497.69					
				72200 Machine and Equipment	0.00				0.00	0.00	0.00				0.00	0.00	0.00	0.00		0.00					
				75700 Training, Workshops, Conferen	27,272.73				489,681.82	27,272.73	489,681.82				489,681.82	27,272.73	489,681.82	81,818.18		1,469,045.45					
				74100 Audit	5,939.39				106,641.82	5,939.39	106,641.82				106,641.82	5,939.39	106,641.82	17,818.18		319,925.45					
				74500 Other Costs	17,696.97				317,749.09	17,696.97	317,749.09				317,749.09	17,696.97	317,749.09	53,090.91		953,247.27					
				74598 Direct Project Costs	6,278.18				112,724.75	12,556.36	6,278.18				12,556.36	225,449.51	31,390.91		563,623.77						
	Output 2: New Model Factories established in Target Provinces Operationalizing MFs in Eskisehir, Denizli, Samsun, Kocaeli, Malatya, and Trabzon			2.1. Conducting feasibility studies in target provinces in cooperation with local	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	71300 Local Consultants	16,447.50				293,314.86	16,447.50				293,314.86	16,447.50				293,314.86	59,211.00	1,063,133.51	
2.2. Forming Legal Cooperation with local stakeholders		71400 NPSA Modality Personnel	35,345.45						634,627.64	70,690.91	35,345.45				1,269,255.27	70,690.91	1,269,255.27	176,727.27		1,767,227.27	3,173,138.18				
2.3. Operationalization of MFs in target provinces		71600 Travel	22,931.03						411,726.65	22,931.03	22,931.03				411,726.65	22,931.03	411,726.65	68,793.09		1,235,179.95					
2.4. Provision of pilot training and consultancy programs		72100 Contractual Services	670,565.33						12,040,000.56	841,130.67	670,565.33				15,102,501.12	125,730.91	2,257,498.49	1,637,426.91		29,400,000.17					
		72200 Machine and Equipment	1,500,000.00						26,932,500.00	2,000,000.00	1,500,000.00				35,910,000.00	0.00	0.00	3,500,000.00		62,842,500.00					
		75700 Training, Workshops, Conferen	27,272.73						489,681.82	27,272.73	489,681.82				489,681.82	27,272.73	489,681.82	81,818.18		1,469,045.45					
		74100 Audit	5,939.39						106,641.82	5,939.39	106,641.82				106,641.82	5,939.39	106,641.82	17,818.18		319,925.45					
		74500 Other Costs	17,696.97						317,749.09	17,696.97	317,749.09				317,749.09	17,696.97	317,749.09	53,090.91		953,247.27					
		74598 Direct Project Costs	6,278.18						112,724.75	12,556.36	6,278.18				12,556.36	225,449.51	31,390.91		563,623.77						
Output 3: Capacity of MoI and related stakeholders improved Design and Implementation of Capacity Development Program of Ministry Personnel in line with the Ministry's policy and strategies		3.1. Design of a capacity development program	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)			71300 Local Consultants	0.00				0.00	0.00				0.00	0.00				0.00	0.00	0.00	
		3.2. Implementation of Capacity Building Program					71400 NPSA Modality Personnel	28,509.09				475,970.73	53,018.18	28,509.09				951,941.45	53,018.18	951,941.45	132,545.45		2,379,853.64		
	3.3. Design of Interface Structures/ tools/ software for Project Management and	71600 Travel			17,198.27				308,794.99	17,198.27	17,198.27				308,794.99	17,198.27	308,794.99	51,604.82		926,394.96					
		72100 Contractual Services			95,412.50				1,713,131.44	78,582.50	95,412.50				1,410,948.79	0.00	0.00	173,995.00		3,124,080.23					
		72200 Machine and Equipment			0.00				0.00	0.00	0.00				0.00	0.00	0.00	0.00		0.00					
		75700 Training, Workshops, Conferen			37,454.55				672,496.36	20,454.55	37,454.55				367,261.36	20,454.55	367,261.36	78,363.64		1,407,019.09					
		74100 Audit			4,454.55				79,981.36	4,454.55	79,981.36				79,981.36	4,454.55	79,981.36	13,363.64		239,944.09					
		74500 Other Costs			13,272.73				238,311.82	13,272.73	238,311.82				238,311.82	13,272.73	238,311.82	39,818.18		714,935.45					
		74598 Direct Project Costs			4,708.64				84,543.57	9,417.27	4,708.64				169,087.13	9,417.27	169,087.13	23,543.18		422,717.83					
	TOTAL																								

UN August 2022 Operational Exchange Rate	17.985
August 2022	

Handwritten signature/initials in blue ink.

Annual Work Plan (2022- 2023-2024)

Project: Applied SME Capability Center - Model Factory Project Phase 2

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	FUNDING RESOURCE	BUDGET DETAILS	USD				TRY				USD				TRY					
					2022				2023				2024				2025					
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
					MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT	MoIT		
Output 2: New Model Factories established in Target Provinces																						
Operationalizing MFs in Eskişehir, Denizli, Samsun, Kocaeli, Malatya, and Trabzon																						
Background																						
1 Lack of MFs in Targeted Cities																						
Indicators																						
# Current situation analysis																						
# Need Analysis																						
# Set-up Strategies																						
# MF Exit and Sustainability Strategies																						
# Model Factory Program Strategy																						
Goals																						
# Determining MF Establishment Strategies in Targeted Cities																						
2. Operationalization of MFs in Targeted Cities																						
3. Ensuring MFs' Sustainability																						
2.1.	Conducting feasibility studies in target provinces in cooperation with local stakeholders	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	71300 Local Consultants	16,447.50				295,314.86	16,447.50				295,314.86	0.00			0.00				
2.1.1.	Current situation analysis of the manufacturing industry in target provinces			71400 NPSA Modality Personnel	8,836.36					158,656.91	17,672.73	317,313.82				17,672.73				317,313.82		
2.1.2.	Needs analysis of the manufacturing industry in target provinces			71600 Travel	5,732.76					102,931.66	5,732.76	102,931.66				5,732.76				102,931.66		
2.1.3.	Design of establishment strategy of each MFs by synthesizing the results of current situation and needs analysis			72100 Contractual Services	0.00					0.00	0.00	0.00				0.00				0.00		
				72200 Machine and Equipment	0.00					0.00	0.00	0.00				0.00				0.00		
				75700 Training, Workshops, Conferenc	6,818.18					122,420.45	6,818.18	122,420.45				6,818.18				122,420.45		
				74100 Audit	1,484.85					26,660.45	1,484.85	26,660.45				1,484.85				26,660.45		
				74500 Other Costs	4,424.24					79,437.27	4,424.24	79,437.27				4,424.24				79,437.27		
				74598 Direct Project Costs	1,569.55					28,181.19	3,139.09	56,362.38				3,139.09				56,362.38		
2.2.	Forming Legal Cooperation with local stakeholders			Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	71300 Local Consultants	0.00				0.00	0.00				0.00				0.00		
2.2.1.	Meetings and negotiations with local stakeholders for the establishment of MFs					71400 NPSA Modality Personnel	8,836.36					158,656.91	17,672.73	317,313.82				17,672.73				317,313.82
2.2.2.	Signing Cooperation Protocols with local stakeholders					71600 Travel	5,732.76					102,931.66	5,732.76	102,931.66				5,732.76				102,931.66
						72100 Contractual Services	0.00					0.00	0.00	0.00				0.00				0.00
		72200 Machine and Equipment	0.00							0.00	0.00	0.00				0.00				0.00		
		75700 Training, Workshops, Conferenc	6,818.18							122,420.45	6,818.18	122,420.45				6,818.18				122,420.45		
		74100 Audit	1,484.85							26,660.45	1,484.85	26,660.45				1,484.85				26,660.45		
		74500 Other Costs	4,424.24							79,437.27	4,424.24	79,437.27				4,424.24				79,437.27		
		74598 Direct Project Costs	1,569.55							28,181.19	3,139.09	56,362.38				3,139.09				56,362.38		
2.3.	Operationalization of MFs in target provinces	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)			71300 Local Consultants	0.00				0.00	26,316.00				472,503.78	0.00			0.00		
2.3.1.	Establishment of different mechanisms to ensure cooperation with existing MFs (i.e. peer support mechanisms, mentor/mentee, joint marketing activities, branch/partnership alternatives)					71400 NPSA Modality Personnel	8,836.36					158,656.91	17,672.73	317,313.82				17,672.73				317,313.82
2.3.2.	Procurement of machinery and equipment for MFs that will enable MFs to provide training and consultancy to SMEs in the field of lean and digital transformation					71600 Travel	5,732.76					102,931.66	5,732.76	102,931.66				5,732.76				102,931.66
2.3.3.	Recruitment of MF staff during the establishment process (for one-year)					72100 Contractual Services	500,000.00					8,977,500.00	500,000.00	8,977,500.00				125,730.91				2,257,498.49
2.3.4.	Completion of training of trainers			72200 Machine and Equipment	1,500,000.00					26,932,500.00	2,000,000.00	35,910,000.00				0.00				0.00		
2.3.5.	Preparation of exit and sustainability strategy for each MF and overall MF strategy of MoIT			75700 Training, Workshops, Conferenc	6,818.18					122,420.45	6,818.18	122,420.45				6,818.18				122,420.45		
				74100 Audit	1,484.85					26,660.45	1,484.85	26,660.45				1,484.85				26,660.45		
				74500 Other Costs	4,424.24					79,437.27	4,424.24	79,437.27				4,424.24				79,437.27		
				74598 Direct Project Costs	1,569.55					28,181.19	3,139.09	56,362.38				3,139.09				56,362.38		
2.4.	Provision of pilot training and consultancy programs			Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	71300 Local Consultants	0.00				0.00	0.00				0.00				0.00		
2.4.1.	Design of the scope and curriculum of training and consultancy programs					71400 NPSA Modality Personnel	8,836.36					158,656.91	17,672.73	317,313.82				17,672.73				317,313.82
2.4.2.	Provision of pilot training and consultancy programs					71600 Travel	5,732.76					102,931.66	5,732.76	102,931.66				5,732.76				102,931.66
						72100 Contractual Services	170,565.33					3,062,500.56	341,130.67	6,125,001.12				0.00				0.00
		72200 Machine and Equipment	0.00							0.00	0.00	0.00				0.00				0.00		
		75700 Training, Workshops, Conferenc	6,818.18							122,420.45	6,818.18	122,420.45				6,818.18				122,420.45		
		74100 Audit	1,484.85							26,660.45	1,484.85	26,660.45				1,484.85				26,660.45		
		74500 Other Costs	4,424.24							79,437.27	4,424.24	79,437.27				4,424.24				79,437.27		
		74598 Direct Project Costs	1,569.55							28,181.19	3,139.09	56,362.38				3,139.09				56,362.38		
		GMS - General Management Support	59,074.30							1,240,229.02	91,229.45	1,638,024.72				8,484.55				152,340.08		
		Total	2,371,590.89							42,581,196.21	3,132,211.01	56,238,848.64				291,302.85				5,230,342.73		
		Total Amount excluding GMS	2,302,476.59							41,340,967.19	3,040,981.56	54,600,823.92				282,818.30				5,078,002.65		

UN August 2022 Operational Exchange Rate	17.955
August 2022	

Handwritten signature or initials.

Annual Work Plan (2022- 2023-2024)

Project: Applied SME Capability Center - Model Factory Project Phase 2

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	FUNDING RESOURCE	BUDGET DETAILS	2022		2023				2024				2022		2023				
					ABD DOLARI		TRY		ABD DOLARI		TRY		ABD DOLARI		TRY		ABD DOLARI		TRY		
					MoIT		MoIT		MoIT		MoIT		MoIT		MoIT		UNDP		UNDP		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Output 3: Capacity of MoIT and related stakeholders improved Design and Implementation of Capacity Development Program of Ministry Personnel in line with the Ministry's policy and strategies Background 1 Lack of Capacity Development Program Indicators # Capacity Development Program # Training manuals and toolkits # Training, Seminar, Conference and Other Events # Study Visits # Project Management Interface # Capacity Development Interface Goals # Developing Capacity of Ministry Personnel	3.1. Design of a capacity development program 3.1.1. Designing required tools and manuals within the scope of capacity development program 3.1.2. Designing required tools and manuals within the scope of capacity development program 3.2. Implementation of Capacity Building Program 3.2.1. Organization of and attendance to training programs, workshops and conferences 3.2.2. Organization of national and international study visits 3.3. Design of Interface Structures/ tools/ software for Project Management and Training 3.3.1. Design/Utilization of Project Management Tool 3.3.2. Design of Capacity Development Interface / Tool / Platform	Ministry of Industry and Technology (DG for Strategic Research and Productivity)	Ministry of Industry and Technology (DG for Strategic Research and Productivity)- UNDP	71300 Local Consultants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
				71400 NPSA Modality Personnel	8,836.36	158,656.91	17,672.73	317,313.82	17,672.73	317,313.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				71600 Travel	5,732.76	102,931.66	5,732.76	102,931.66	5,732.76	102,931.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
				72100 Contractual Services	9,137.50	164,063.81	9,137.50	164,063.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,666.67	406,980.00	0.00	0.00	
				72200 Machine and Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				75700 Training, Workshops, Conferen	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	5,666.67	101,745.00	0.00	0.00	
				74100 Audit	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	0.00	0.00	0.00	0.00	
				74500 Other Costs	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	0.00	0.00	0.00	0.00	
				74598 Direct Project Costs	1,569.55	28,181.19	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	0.00	0.00	0.00	0.00	
				71300 Local Consultants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				71400 NPSA Modality Personnel	8,836.36	158,656.91	17,672.73	317,313.82	17,672.73	317,313.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				71600 Travel	5,732.76	102,931.66	5,732.76	102,931.66	5,732.76	102,931.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				72100 Contractual Services	18,275.00	328,127.63	18,275.00	328,127.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,666.67	406,980.00	0.00	0.00	
				72200 Machine and Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				75700 Training, Workshops, Conferen	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	5,666.67	101,745.00	0.00	0.00	
				74100 Audit	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	0.00	0.00	0.00	0.00	
				74500 Other Costs	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	0.00	0.00	0.00	0.00	
				74598 Direct Project Costs	1,569.55	28,181.19	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	0.00	0.00	0.00	0.00	
				71300 Local Consultants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				71400 NPSA Modality Personnel	8,836.36	158,656.91	17,672.73	317,313.82	17,672.73	317,313.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				71600 Travel	5,732.76	102,931.66	5,732.76	102,931.66	5,732.76	102,931.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				72100 Contractual Services	0.00	0.00	51,170.00	918,757.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,666.67	406,980.00	0.00	0.00
				72200 Machine and Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				75700 Training, Workshops, Conferen	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	6,818.18	122,420.45	5,666.67	101,745.00	0.00	0.00	
				74100 Audit	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	1,484.85	26,660.45	0.00	0.00	0.00	0.00	
				74500 Other Costs	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	4,424.24	79,437.27	0.00	0.00	0.00	0.00	
				74598 Direct Project Costs	1,569.55	28,181.19	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	3,139.09	56,362.38	0.00	0.00	0.00	0.00	
				GMS - General Management Suppo	3,420.31	61,411.66	5,391.94	105,789.81	3,534.47	63,461.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
				Total	117,430.63	2,108,466.92	202,289.99	3,632,116.71	121,350.01	2,478,839.46	85,000.00	1,626,175.00	117,430.63	2,108,466.92	202,289.99	3,632,116.71	121,350.01	2,478,839.46	85,000.00	1,626,175.00	
				Total Amount excluding GMS	114,010.32	2,047,055.26	196,398.05	3,526,326.91	117,815.55	2,415,477.12	85,000.00	1,526,175.00	114,010.32	2,047,055.26	196,398.05	3,526,326.91	117,815.55	2,415,477.12	85,000.00	1,526,175.00	

UN August 2022 Operational Exchange Rate	17.955
August 2022	

Handwritten signature or initials in blue ink.

ACCOUNT DETAILS	1. COMPONENT			2. COMPONENT			3. COMPONENT			TOTAL			GENERAL TOTAL
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	
71200 International Consultants	14,620.00	14,620.00	14,620.00	0.00	0.00	0.00	0.00	0.00	0.00	14,620.00	14,620.00	14,620.00	43,860.00
71300 Local Consultants	39,717.67	50,682.67	28,752.67	16,447.50	42,763.50	0.00	0.00	0.00	0.00	56,165.17	93,446.17	28,752.67	178,364.00
71400 NPSA Modality Personnel	35,345.45	70,690.91	70,690.91	35,345.45	70,690.91	70,690.91	26,509.09	53,018.18	53,018.18	97,200.00	194,400.00	194,400.00	486,000.00
71600 Travel	22,931.03	22,931.03	22,931.03	22,931.03	22,931.03	22,931.03	17,198.27	17,198.27	17,198.27	63,060.33	63,060.33	63,060.33	189,181.00
72100 Contractual Services	577,972.67	577,972.67	577,972.67	670,565.33	841,130.67	125,730.91	95,412.50	78,582.50	0.00	1,343,950.50	1,497,685.83	703,703.58	3,545,339.91
72200 Machine and Equipment	0.00	0.00	0.00	1,500,000.00	2,000,000.00	0.00	0.00	0.00	0.00	1,500,000.00	2,000,000.00	0.00	3,500,000.00
75700 Training, Workshops, Conferenc	27,272.73	27,272.73	27,272.73	27,272.73	27,272.73	27,272.73	37,454.55	20,454.55	20,454.55	92,000.00	75,000.00	75,000.00	242,000.00
74100 Audit	5,939.39	5,939.39	5,939.39	5,939.39	5,939.39	5,939.39	4,454.55	4,454.55	4,454.55	16,333.33	16,333.33	16,333.33	49,000.00
74500 Other Costs	17,696.97	17,696.97	17,696.97	17,696.97	17,696.97	17,696.97	13,272.73	13,272.73	13,272.73	48,666.67	48,666.67	48,666.67	146,000.00
74598 Direct Project Costs	6,278.18	12,556.36	12,556.36	6,278.18	12,556.36	12,556.36	4,708.64	9,417.27	9,417.27	17,265.00	34,530.00	34,530.00	86,325.00
GMS - General Management Support	22,433.22	24,010.88	23,352.98	69,074.30	91,229.45	8,484.55	3,420.31	5,891.94	3,534.47	94,927.83	121,132.27	35,372.00	251,432.10
Total	770,207.31	824,373.61	801,785.71	2,371,550.89	3,132,211.01	291,302.85	202,430.63	202,289.99	121,350.02	3,344,188.83	4,158,874.60	1,214,438.58	8,717,502.01
Total Amount excluding GMS	747,774.09	800,362.73	778,432.73	2,302,476.59	3,040,981.56	282,818.30	199,010.32	196,398.05	117,815.55	3,249,261.00	4,037,742.33	1,179,066.58	8,466,069.91

WJ