



**UNDP LOCAL PROJECT APPRAISAL COMMITTEE (LPAC)
MINUTES OF THE MEETING**

Date & Time	30 July 2015, 14.30 – 16.30
Venue	UN House, Ankara
Project Title	Support to Development of a Policy Framework for Total Factor Productivity
Chair	Matilda Dimovska (MD), Deputy Resident Representative, UNDP
Participants	Mustafa A.Fazlıoğlu (MAF), Sector Manager, European Union Delegation to Turkey (EUD) Mahmut Arslan (MA), Expert, Development Ministry (DM) Pınar Yaşar (PY), Expert, Development Ministry Mehmet Hondur (MH), Expert, Development Ministry Pelin Rodoplu (PR), Portfolio Manager, UNDP Arif Mert Öztürk (AMÖ), Portfolio Administrator, UNDP Esra Ulukan Fettahoğlu (EUF), RBM Associate, UNDP Gökçe Yörükoğlu (GY), Programmatic Partnerships Associate, UNDP
Agenda	(1) Opening (2) Presentation of the proposed project, expected outputs and activities (3) Other (implementation modality, implementation period, budget etc.) (4) Closing

Item 1	Opening
Discussions	<p>MD: The objective of the proposed project is in line with the overall objectives of United Nations Development Cooperation Strategy (UNDCS) and new UNDP Country Programme Document (CPD). Competitiveness economic growth scope also contributes to new CPD priorities and fits very well into new structures after CO repositioning.</p> <p>The project responds to the first priority transformation program in the 10th National Development Plan, “enhancing productivity in manufacturing industries” through development of a policy framework to improve total factor productivity. The overall objective is to improve the contribution of total factor productivity to growth. Specific objective is to improve the institutional capacities to formulate and implement sector policies and strategies that contribute to national competitiveness. The Project will target to reach and interact with a wide range of stakeholders from public sector to private sector covering policy makers and business actors including think tanks, business service organisations etc.</p>
Comments	None

Item 1	Opening
Conclusion	Agreed
Action	None required

Item 2	Presentation of the proposed project, expected outputs and activities
Discussions	<p><u>PR</u>: The proposed project has two outputs:</p> <p>In Turkey, productivity is the main obstacle of the growth. The purpose of the Project is to produce a policy framework, which is shaped by a forward-looking analysis, based on economic convergence scenarios, and which at the same time takes into account the fundamental differences between manufacturing industries in terms of Total Factor Productivity (TFP) constraints.</p> <p>In order to craft an effective policy framework, it is important to start with an understanding of the fundamental differences between manufacturing industries, as well as the global trends that affect how such industries function. This requires company-level assessments to identify TFP constraints, as well as an international benchmarking exercise that would produce scenarios from a convergence perspective. The analysis of convergence scenarios is critical for identifying the interplay between different components of TFP. Such an approach will provide the policy makers with the opportunity to “quantify” impact of various TFP determinants on long-term growth trajectories. Therefore the first output of the Project targets to identify factors limiting Total Factor Productivity in Turkey through detailed field analysis with specific research objectives. In addition a detailed benchmarking exercise will be carried out to identify several best practices which can be utilised in our analysis. Finally field analysis and benchmarking results will be integrated in a synthesis report to identify the main obstacles and opportunities for Turkish context.</p> <p>Second output will be focusing on development and operationalization of a macro-level policy framework that would boost total factor productivity. Activities here will be informed by the findings of the first output and concerns (1) development of a national policy framework for boosting TFP in Turkey, (2) operationalization of the said policy framework through pilot initiatives, and (3) enhancement of the institutional capabilities to ensure sustainable implementation of the policy framework. As such, this output is composed of 3 activity groups: 2.1: Development of the Policy Framework 2.2: Piloting the Operationalization of the Policy Framework, and 2.3: Strengthening the Institutional Framework.</p>
Comments	<p><u>MAF</u>: Action was developed with MoD, EUD and UNDP. EUD is extremely keen to move forward and very interested to have the outputs and supporting tools which will be developed within the Action. Since these will be key to sustain the results and contribute national priorities. It took quite a long time to come to this stage and EUD is looking forward to see the Project moving as planned.</p> <p><u>PY</u>: The project document has been prepared in close cooperation with the</p>

Item 2	Presentation of the proposed project, expected outputs and activities
	Development Ministry. The activities and results will not only contribute to transformation programme #1 but also will be implemented throughout for improving national competitiveness. MoD prioritizes this Action and look forward to working closely with the team.
Conclusion	Agreed
Action	None required

Item 3.a	Other: Implementation modality
Discussions	<u>PR</u> : Project is proposed to be executed under NIM Modality with the MoD as the National Implementing Partner. CFCU will be contracting authority for the Action.
Comments	None
Conclusion	Agreed
Action	None required

Item 3.b	Other: Implementation Period
Discussions	<u>PR</u> : 30 months to begin by the contract signature by UNDP as the last party.
Comments	<u>MH</u> : Considering the intensity of the activities and the Project management structures 30 month period may not be enough for the implementation. What can be the consequences for this? <u>MAF</u> : EUD has set a very clear target for implementation period extensions. As per the recent communication no extension will be exercised for any of the Projects and this can be no exception. <u>MD</u> : We have already started recruitment and other preparations. So all actions will be taken in order to ensure that no extension will be required.
Conclusion	The implementation period will be 30 months
Action	Utmost importance will be given to ensure timely implementation.

Item 3.c	Other: Management arrangements
Discussions	<u>PR</u> : A technical team, Team Leader and Deputy Team Leader will be mobilized with a full time project coordinator. Also UNDP Portfolio Manager and Portfolio Administrator will ensure UNDP's inputs are incorporated. Also short term experts will be mobilized.
Comments	<u>MA</u> : Project management arrangement looks very complicated and crowded. Justification for the reasoning will be required. <u>MD</u> : Since this is a complicated project requires very close follow up more frequent steering committee meetings would be useful.
Conclusion	<u>PR</u> : In line with the formulation of the activities, technical team which will be supported by STEs will be needed. The scope of the activities requires several expertise areas, macro- economic analysis and policy work will be TL's responsibility area. Identification of micro determinants and sectoral inputs will be

Item 3.c	Other: Management arrangements
	<p>DTL's area of work. Loaded schedules will require high level project management skills. Therefore project coordinator role will also be needed. The scope of the activities require technical inputs as well as strong communication and participatory governance systems in place through working groups, scientific committee etc. All components should be run in coherence and will need iterative processes. Therefore strong management team will be needed to ensure healthy communication flow as well as strong technical inputs in a timely manner.</p> <p>Action already covers flexibility on the frequency of the steering committee meetings. Therefore more frequent meetings can be arranged upon the decisions of the committee.</p>
Action	None required

Item 3.d	Other: PD format
Discussions	<u>PD</u> format was shared with the invitation of LPAC
Comments	<p><u>MA</u>: There are some mistakes in the format needs to be corrected. Team cost should be reflected. GMS amount should be included in the cover page. Also other changes should be done according to the format.</p> <p><u>MD</u>: The organization chart will also be updated_project assurance mechanism should reflect the role of portfolio manager, not only the steering committee and scientific committee.</p>
Conclusion	Necessary format changes will be completed.
Action	Updated Project document will be sent to LPAC members along with the minutes of meeting.

Item 4	Closing
Discussions	Parties endorsed project document, subject changes (Item 3.d.) to be made in accordance with the discussions, held at the LPAC meeting. The Project Document needs some editing.
Comments	None
Conclusion	Agreed
Action	UNDP will make the necessary revisions and submit the Project Document and the LPAC MoM to the MFA for approval, as per the established formal signature process.

LPAC Meeting for
"Support to Development of a Policy Framework on Total Factor Productivity"

30 July 2015; 2:30 p.m.

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