



**UN Development Programme  
Turkey Ankara**

<b>Award ID</b>	00097599	<b>Budget (as of September 30, 2021)</b>		
<b>Award Title</b>	Applied SME Capability Center (aka Model Factory)	<b>Donor</b>	<b>Fund</b>	<b>Amount (USD)</b>
<b>Start Year</b>	December 2015	TUR	30071 Programme Cost MoIT	4,991,561
<b>End Year</b>	December 2022		30072 ASO & 30073 ASO 1. OIZ Management	2,110,802 <sup>1</sup>
<b>Implementing Partner</b>	MoIT Directorate General for Strategic Research and Productivity		30000 KfW	5,688,124
<b>Responsible Parties (Implementing Agents)</b>	Ankara Chamber of Industry, Ankara Chamber of Industry 1. OIZ Management	<b>Award Total (As of September 30, 2021)</b>		
		<b>Total Expenditure (As of September 30, 2021)</b>		
		<b>Total Available Budget (As of September 30, 2021)</b>		
<b>Revision Type</b>	<b>Substantive</b>			

This revision will amend the (i) duration of the Project as detailed below:

- a. Project was originally designed to complete a feasibility study on SME Capability Center (Model Factory) in December 2015. In 2017, ASO and ASO 1. OIZ were joined as implementation partners for the establishment of Ankara Model Factory (*1<sup>st</sup> extension*). Then, in 2018 to add the additional resource allocated by both the MoIT and the German Development Bank (KfW) (through the UNDP agreement) to the project budget, the project was extended until 30 June 2020 (*2<sup>nd</sup> extension*). Through this extension, operationalization of Bursa, Kayseri, Konya Model Factories, expansion of Ankara Model Factory service lines on digital transformation, establishment of Ankara Innovation network and job creation component have been included into the scope of the Project. In 2020 Government channelled additional funding to the project and project was extended until 31 December 2021 (*3<sup>rd</sup> extension*). In the meantime, no cost extension request of the Project Team was approved by KfW in 2020 and the Financing Agreement between UNDP and KfW was amended until 30 June 2021. Finally, in 2021 additional resource from the unused 2020 Public Investment fund has been allocated to the Project budget (*4<sup>th</sup> extension*) for supporting the expansion of the service lines of the Centers with a focus on digital transformation, improvement of service provision capacity and the effectiveness of lean implementations and supporting the development of the sustainability strategy and establishment of a sound performance-based monitoring and evaluation system for these Centers.

- b. Accordingly, the budget, expenditures and award total as of 3 September 2021 are presented below:

	Revenue Collected (USD)	Total Expenditures (USD)	Remaining Budget (USD)	Revenue to Be Collected (USD)	Award Total (USD)
30000	5.688.124,00	4.510.781,00	1.177.343,00		5.688.124,00
30071	4.991.561,00	3.031.675,00	1.959.886,00		4.991.561,00
30072 & 30073	2.110.802,00	1.916.187,00	194.615,00		2.110.802,00
<b>TOTAL</b>	<b>12.790.487,00</b>	<b>9.458.643,00</b>	<b>3.331.844,00</b>	<b>0,00</b>	<b>12.790.487,00</b>

- c. Within the scope of the Digital Transformation Component of the Project, activities for the digitalization of Ankara, Bursa, Kayseri and Konya Model Factories were initiated in January 2020. By adopting a standard and holistic approach, an extensive market research was conducted, and a comprehensive technical specification was prepared within the scope of a comprehensive study regarding the activities to be conducted under digital transformation component. The expected outcome is to establish integrated and standardized technological infrastructure providing the digitalization of lean

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manufacturing lines for Ankara, Bursa, Kayseri and Konya Model Factories to enable them delivering theoretical and experiential trainings to SMEs on digital transformation alongside the lean production services and showcasing state-of-art technology to SMEs.

- d. It has been acknowledged that a longer period than previously envisaged is needed for the digital transformation component to be finalized in this context. It has been decided by MoIT and UNDP to extend the duration of the project until 31 December 2022 to complete the aforementioned framework of activities within the scope of digital transformation component in Ankara, Bursa, Konya and Kayseri Model Factories as well as to conduct related activities under sustainability and exit strategy of Model Factories. Additionally, KfW approved to extend the respective financial agreement until 30 June 2022 which will enable the use of KfW funds for digital transformation component before 30 June 2022.
- e. In line with the official communication and e-mail correspondence between Ministry of Industry and Technology and UNDP it is decided to:
- extend the Project duration until 31 December 2022*
  - complete the aforementioned digital transformation activities within the extended time period*
  - complete the signature process of this no cost extension with the signatories MoIT, ASO and ASO I. OIZ and UNDP and inform the Ministry of Foreign Affairs and Presidency of Strategy and Budget and Ankara industrial partners accordingly*

List of attachments for the extension:

- Annual Work Plans for 2021 and 2022*
- The first, second, third and fourth extension documents*
- The meeting minutes between Ministry of Industry and Technology and UNDP regarding the extension of Project duration dated 13<sup>th</sup> October 2021.*

**Agreed by the Ministry of Industry and Technology:**



**Date:** 21/10/2021

**Agreed by Ankara Chamber of Industry (ASO)**

**Date:**

**Agreed by Ankara Chamber of Industry I. OIZ**

**Date:**

**Agreed by United Nations Development Programme:**



**Louisa Vinton**  
Mukim Temsilci

**Date:**

<sup>1</sup> In line with the Steering Committee decision dated 12.02.2020 regarding the delinking of Ankara Model Factory from the Project, 105,338.09 USD remaining from the funds 30072 (ASO) and 30073 (ASO I.OIZ) was transferred to Ankara Model Factory. Accordingly, this amount has been deducted from 30072 and 30073 funds and hence from award total.