

# Project Progress Report

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## Applied SME Capability Center (Model Factory)

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### Acronyms and abbreviations

MoSIT:	Ministry of Science Industry and Technology
MF:	Model Factory
MoD:	Ministry of Development
MoFA:	Ministry of Foreign Affairs
UNDP:	United Nations Development Programme

For UNDP: Pelin Rodoplu, Portfolio Manager, ISG

For MoSIT: Halil İbrahim Çetin, General Director, DG for Productivity



## Section 1: Project Risks and Issues

### Updated Project Risks

Type	Date Identified	Description	Comment or Management Response	Critical Flag
ORGANIZATIONAL	June 2019	Trained staff members through ToT program, do not remain in their posts during the entire duration of the Project.	To increase the potential trainers, the project team will create a pool of expert.	N
STRATEGIC	June 2019	Delay in the signature process of the protocol to be signed for Konya Model Factory may pose a risk on the utilization of KfW cost sharing and realization of its components.	Ministry of Industry and Technology will take necessary actions to speed up the process.	N
ORGANIZATIONAL	June 2019	Delay in acquiring legal entity status for Ankara MF may pose a risk on the financial sustainability of the Center.	ASO and ASO I. OIZ management will take necessary actions to speed up the process.	N
STRATEGIC	June 2019	Lack of interest from local companies to participate program activities (within the scope of Job Creation Component)	Project team and MoIT will work closely to engage with business partners and ensure close cooperation. Project team will also carry out comprehensive awareness raising activities.	N
STRATEGIC	June 2019	Lack of interest from business owners to employ SuTPs and host community members (within the scope of job creation activities)	Project team and MoIT will work closely to engage with business partners and ensure close cooperation to have formal commitments. Project team and MoIT will also ensure close linkages with other ongoing 3RP initiatives to enable synergies and positive results.	N
STRATEGIC	June 2019	Lack of Interest from local stakeholders regarding operationalization of MFs.	Project team and MoIT will work closely to engage with local stakeholders and ensure close cooperation.	N

### Updated Project Issues

Type	Date Identified	Description	Solution Date	Comment or Management Response	Solution Flag
Organizational #1	2019	A Digital Transformation Consultant was recruited to provide technical advisory services for digital transformation phase of the project.	N/A	Digital transformation consultant will provide support to the project team to determine the technical requirements of the digital capabilities to be deployed and	High

				to provide technical assistance to the evaluation, acceptance and quality monitoring procedures of the goods and services to be procured.	
<b>Organizational #2</b>	2019	A Training Expert for Learn and Transform Program and Office and Administrative Assistant for Ankara Model Factory were recruited to strengthen capacity of Ankara MF team.	N/A	Training expert will deliver high quality trainings for learn and transform program and provide assistance in analysis and business development services on various outcomes of the Project to facilitate more efficient and effective implementation.  Office and Administrative Assistant will organize, conduct, provide support services and assist daily activities of MF Team.	High
<b>Operational #1</b>	2019	Pilot implementation phase namely Learn & Transform Program launched in May 2019.	N/A	Selection of the pilot companies for Learn & Transform Program started.	High
<b>Operational #2</b>	2019	Protocols for Kayseri and Konya MF's are drafted and presented to comments of local partners.	N/A	Protocols are expected to be signed on July 2019 regarding the view of MoIT.	High
<b>Operational #3</b>	2019	Cooperation protocol between ASO-SEM and MoIT was signed within the scope of Job Creation Component of Activity 4.	N/A	Procurement of the machine and equipment of ateliers to be served for Job Creation component of KfW cost sharing agreement started. Vocational Trainings are expected to start in September 2019.	High

## Section 2: Output 1 Progress

<b>Project ID</b>	00097599 - Applied SME Capability Center (Model Factory)
<b>Description</b>	Institutional Capabilities to Establish and Operationalize Applied SME Capability Centers (Model factory)
<b>Implementing Partner</b>	Ministry of Science Industry and Technology (MoIT, DG for Productivity)
<b>Baseline</b>	<b>Activity 1, 2, 3, 5</b> No SME Capability Center (2019) <b>Activity 4</b>

	<ol style="list-style-type: none"> <li>1. SME Capability Center Operational</li> <li>2. Innovation Network for Ankara Operational</li> </ol>
<b>Indicators</b>	<p><b>Activity 1, 2, 3, 5</b></p> <ol style="list-style-type: none"> <li>1. Governance Structure</li> <li>2. Physical Investments for the Center</li> <li>3. Training of Trainers</li> <li>4. Pilot Transformation Programs</li> <li>5. Training Materials</li> </ol> <p><b>Activity 4</b></p> <ol style="list-style-type: none"> <li>1. # of additional services lines on innovation become operational</li> <li>2. Physical investments</li> <li>3. Training materials/services guidelines</li> <li>4. # of additional SMEs have received business advisory and innovation services</li> <li>5. # of additional SMEs are newly established focusing on innovation set up by Syrians/Syrian-Turkish Joint ventures</li> <li>6. # of Syrians and Turkish host community members have benefitted from awareness raising activities</li> <li>7. Jobs created in relation to Resilience Program Interventions</li> <li>8. # of cooperation between startups and industrialist</li> <li>9. # of collaborations events for networking</li> <li>10. # of policy recommendation papers</li> </ol>
<b>2019 Targets</b>	<p><b>Activity 1, 2, 3, 5</b></p> <ol style="list-style-type: none"> <li>1. SME Capability Center Governance Structure Established</li> <li>2. Physical Establishment of SME Capability Center completed</li> <li>3. Selection of 10-12 Companies for transformation program</li> <li>4. Training Materials</li> <li>5. Communication Materials on pilot Schemes</li> </ol> <p><b>Activity 4</b></p> <ol style="list-style-type: none"> <li>1. SME Capability Center services lines extended</li> <li>2. Physical Establishment of SME Capability Center Completed</li> <li>3. Innovation network/platform for Ankara formulised</li> <li>4. Benchmarking reports from global best practices in innovation ecosystem</li> </ol>
<b>2019 Achievements as of June 30</b>	<p><b>Activity 1</b></p> <ul style="list-style-type: none"> <li>- Staff mobilization process continued with mobilization of Digital Transformation Consultant, Training Expert for Learn &amp; Transformation Program and Office and Administrative Assistant.</li> <li>- Preliminary contract signed by ASO, ASO 1<sup>st</sup> OIZ and Consortium is transformed into a contract by Digital Transformation Consultant and expected to be signed in July 2019.</li> <li>- Coordination Meetings were held (with UNDP team and project board and KfW)</li> </ul>

	<ul style="list-style-type: none"> <li>- Two Steering Committee Meetings were held on 15.012.2019 and 28.03.2019.</li> <li>- Official Inauguration of Learn &amp; Transform Program was realized on 27 May 2019.</li> <li>- Selection of 15 companies for Learn &amp; Transform Program was completed and visits to these companies were realized. 8 companies will be shortlisted after the completion of evaluation process.</li> <li>- First draft of the Business Plan of Ankara MF was completed and presented to Project Board.</li> <li>- Meetings were held with academicians regarding awareness raising activities.</li> </ul> <p><b>Activity 2</b></p> <ul style="list-style-type: none"> <li>- Staff mobilization process of Bursa MF was completed.</li> <li>- Official Inauguration of Bursa Model Factory realized in 10 March 2019.</li> <li>- ToT program of Bursa MF completed.</li> <li>- Training Materials of Bursa MF produced.</li> <li>- Three study visits to Bursa MF realized.</li> <li>- Preparations of learn &amp; transform program of Bursa MF started.</li> </ul> <p><b>Activity 3</b></p> <ul style="list-style-type: none"> <li>- Construction of Kayseri MF was completed.</li> <li>- Two study visits to Kayseri realized.</li> <li>- First Working Group meeting was held in Kayseri regarding Job Creation Component.</li> </ul> <p><b>Activity 4</b></p> <ul style="list-style-type: none"> <li>- Within the scope of KfW Job Creation Component, a cooperation protocol was signed between ASO-SEM and Ministry of Industry and Technology</li> <li>- Procurement of Machine and Equipment required by ASO-SEM ateliers started.</li> <li>- Meetings with ILO, UNHCR, İŞKUR and Mahir Eller Project were held within the scope of Job Creation Component.</li> </ul> <p><b>Activity 5</b></p> <ul style="list-style-type: none"> <li>- Study Visit to Konya realized.</li> </ul>
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## Section 3: Activity Performance

<b>Activity 1</b>	
<b>Description</b>	Activity 1 is composed of 3 sub-activities that will collectively enhance operationalization of the first Applied Capability Center (aka MF) in Ankara.
<b>Sub-activity 1.1</b>	
<b>Purpose</b>	Establishment of Applied SME Capability Center

<b>Planned Actions</b>	As per the project document sub-activity 1.1 is composed of the following actions: 1.1.1 Finalization of Governance Structure 1.1.2 Completion of Physical Investments (refurbishment & machinery) 1.1.3 Mobilization of staff 1.1.4 Inauguration of the center.	
<b>Progress</b>	During the reporting period: 1.1.1 Continued. 1.1.2 Continued. 1.1.3 Completed. 1.1.4 Completed.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Quality Assessment Due Date</b>
<b>Shortlist of provinces &amp; target sectors</b>	Shortlist of provinces & target sectors	Completed in April 2017
<b>Needs assessment report</b>	Needs assessment report	Completed in April 2017
<b>Feasibility Report</b>	Feasibility Report	Completed in April 2017
<b>Material Inspection and Receiving</b>	Material Inspection and Receiving Report	Completed in May 2018
<b>Competitive Recruitment</b>	Notices on UNDP Websites	Completed in March 2019
<b>Physical Investment Requirements Report</b>	Physical Investment Requirements Report	Completed in December 2017
<b>Engineering and Construction Projects and Drawings</b>	Engineering and Construction Projects and Drawings	Completed in December 2017
<b>Completion of Engineering Construction</b>	Implementation of Engineering and Construction Projects	Completed in April 2018
<b>Operationalization of the Center</b>	Opening Ceremony of MF	Completed in December 2018

#### Sub-activity 1.2

<b>Purpose</b>	Pilot Implementation
<b>Planned Actions</b>	As per the project document sub-activity 1.2 is composed of the following actions: 1.2.1 Delivery of awareness raising programs 1.2.2 Identification of Pilot SMEs 1.2.3 Delivery of Train the Trainers Program

	1.2.4 Implementation of Learn and Transform Programs in selected companies	
<b>Progress</b>	During the reporting period: 1.2.1 Continued. 1.2.2 Started in May. 1.2.3 Completed. 1.2.4 Not started	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Quality Assessment Due Date</b>
<b>Good practice analysis report and international study visits report</b>	Good practice analysis report and international study visits report	Completed in March 2018
<b>Model Factory Design Report</b>	Model Factory Design Report	Completed in April 2017
<b>CBA and Scenario Analysis Report</b>	CBA and Scenario Analysis Report	Completed in April 2017
<b>Training and ToT Curricula (2 or 3 topics)</b>	Training and ToT Curricula (2 or 3 topics)	Completed in November 2018
<b>Training simulation (1 topic)</b>	Training simulation (1 topic)	Completed in January 2019
<b>Diagnosis Study for Pilot SME selection</b>	Diagnosis Study	Continued.

### Sub-activity 1.3

<b>Purpose</b>	Sustainability and Exit Strategy	
<b>Planned Actions</b>	As per the project document sub-activity 1.3 is composed of the following actions: 1.3.1 Development of a follow up performance plan after pilot programs 1.3.2 Identification of additional service lines 1.3.3 Preparation of a sustainability strategy	
<b>Progress</b>	During the reporting period: 1.3.1 Not Started 1.3.2 Continued. 1.3.3 Started.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Quality Assessment Due Date</b>
<b>Model factory business plan</b>	Model factory business plan	Completed in March 2018

### Activity 2

<b>Description</b>	Activity 2 is composed of 3 sub-activities that will collectively enhance operationalization of the first Applied Capability Center (aka MF) in Bursa.
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#### Sub-activity 2.1

<b>Purpose</b>	Establishment of Applied SME Capability Center
<b>Planned Actions</b>	As per the project document sub-activity 2.1 is composed of the following actions: 2.1.1 Finalization of Governance Structure 2.1.2 Completion of Physical Investments (refurbishment & machinery) 2.1.3 Mobilization of staff 2.1.4 Inauguration of the center.
<b>Progress</b>	During the reporting period: 2.1.1 Started 2.1.2 Continued. 2.1.3 Completed. 2.1.4 Completed.

#### Sub-activity 2.2

<b>Purpose</b>	Pilot Implementation
<b>Planned Actions</b>	As per the project document sub-activity 2.2 is composed of the following actions: 2.2.1 Delivery of awareness raising programs 2.2.2 Identification of Pilot SMEs 2.2.3 Delivery of Train the Trainers Program 2.2.4 Implementation of Learn and Transform Programs in selected companies
<b>Progress</b>	During the reporting period: 2.2.1 Started. 2.2.2 Started. 2.2.3 Completed. 2.2.4 Not started

#### Sub-activity 2.3

<b>Purpose</b>	Sustainability and Exit Strategy
<b>Planned Actions</b>	As per the project document sub-activity 2.3 is composed of the following actions:

	<p>2.3.1 Development of a follow up performance plan after pilot programs</p> <p>2.3.2 Identification of additional service lines</p> <p>2.3.3 Preparation of a sustainability strategy</p>
<b>Progress</b>	<p>During the reporting period:</p> <p>2.3.1 Not Started</p> <p>2.3.2 Continued.</p> <p>2.3.3 Not Started.</p>

<b>Activity 3</b>	
<b>Description</b>	Activity 3 is composed of 3 sub-activities that will collectively enhance operationalization of the first Applied Capability Center (aka MF) in Kayseri.

#### Sub-activity 3.1

<b>Purpose</b>	Establishment of Applied SME Capability Center
<b>Planned Actions</b>	<p>As per the project document sub-activity 3.1 is composed of the following actions:</p> <p>3.1.1 Finalization of Governance Structure</p> <p>3.1.2 Completion of Physical Investments (refurbishment &amp; machinery)</p> <p>3.1.3 Mobilization of staff</p> <p>3.1.4 Inauguration of the center.</p>
<b>Progress</b>	<p>During the reporting period:</p> <p>3.1.1 Not started.</p> <p>3.1.2 Not started.</p> <p>3.1.3 Not started</p> <p>3.1.4 Not started.</p>

#### Sub-activity 3.2

<b>Purpose</b>	Pilot Implementation
<b>Planned Actions</b>	<p>As per the project document sub-activity 3.2 is composed of the following actions:</p> <p>3.2.1 Delivery of awareness raising programs</p> <p>3.2.2 Identification of Pilot SMEs</p> <p>3.2.3 Delivery of Train the Trainers Program</p> <p>3.2.4 Implementation of Learn and Transform Programs in selected companies</p>

<b>Progress</b>	<p>During the reporting period:</p> <p>3.2.1 Not started.</p> <p>3.2.2 Not started.</p> <p>3.2.3 Not started.</p> <p>3.2.4 Not started</p>
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### Sub-activity 3.3

<b>Purpose</b>	Sustainability and Exit Strategy
<b>Planned Actions</b>	<p>As per the project document sub-activity 3.3 is composed of the following actions:</p> <p>3.3.1 Development of a follow up performance plan after pilot programs</p> <p>3.3.2 Identification of additional service lines</p> <p>3.3.3 Preparation of a sustainability strategy</p>
<b>Progress</b>	<p>During the reporting period:</p> <p>3.3.1 Not Started.</p> <p>3.3.2 Not Started.</p> <p>3.3.3 Not Started.</p>

<b>Activity 4</b>	
<b>Description</b>	Activity 4 is composed of 4 sub-activities that will support the expansion of Ankara Applied Capability Center (aka MF) services.

### Sub-activity 4.1

<b>Purpose</b>	Assessment on alternative service lines	
<b>Planned Actions</b>	<p>As per the project document sub-activity 4.1 is composed of the following actions:</p> <p>4.1.1 Finalization of services lines</p> <p>4.1.2 Completion of required physical investments (refurbishment &amp; machinery)</p>	
<b>Progress</b>	<p>During the reporting period:</p> <p>4.1.1 Not started</p> <p>4.1.2 Not Started</p>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Quality Assessment Due Date</b>

Digital Transformation Use Case Scenarios	Detailed Digital Transformation Use Case Scenarios	Completed in July 2018.
Contractual Arrangement for Digital Transformation	Pre-Contract and Contract	Completed in July 2019.
Installation of Machinery and Equipment of Digital Transformation Service Line	Material Inspection and Receiving Report	Continued.

#### Sub-activity 4.2

Purpose	Implementation
<b>Planned Actions</b>	As per the project document sub-activity 4.2 is composed of the following actions: 4.2.1 Delivery of awareness raising programs/outreach of services 4.2.2 Delivery of Services 4.2.3 Delivery of Capacity Building Programs
<b>Progress</b>	During the reporting period: 4.2.1 Not started. 4.2.2 Not started. 4.2.3 Not started

#### Sub-activity 4.3

Purpose	Sustainability and Exit Strategy
<b>Planned Actions</b>	As per the project document sub-activity 4.3 is composed of the following actions: 4.3.1 Development of a follow up performance plan after pilot programs 4.3.2 Identification of additional service lines
<b>Progress</b>	During the reporting period: 4.3.1 Not Started. 4.3.2 Not Started.

#### Sub activity 4.4

Purpose	Capacity Building of ASO-SEM
<b>Planned Actions</b>	As per the project document sub-activity 4.4 is composed of the following actions: 4.4.1 Development of Business Plan for Capacity Building

	4.4.2 Installation of Machinery and Equipment for Ateliers 4.4.3 Provision of Vocational Trainings	
<b>Progress</b>	During the reporting period: 4.4.1 Completed. 4.4.2 Continued. 4.4.3 Not started.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Quality Assessment Due Date</b>
<b>Business Plan</b>	Business Plan and Timetable	Completed in March 2019
<b>Sustainability of the Action</b>	Cooperation Protocol with MoIT	Completed in June 2019
<b>Machinery and Equipment Requirement Report</b>	Business Plan	Completed in March 2019
<b>Installation of Machinery and Equipment</b>	Material Inspection and Receiving Report	Continued.

#### Activity 5

<b>Description</b>	Activity 5 is composed of 3 sub-activities that will collectively enhance operationalization of the first Applied Capability Center (aka MF) in Konya.
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#### Sub-activity 5.1

<b>Purpose</b>	Establishment of Applied SME Capability Center
<b>Planned Actions</b>	As per the project document sub-activity 5.1 is composed of the following actions: 5.1.1 Finalization of Governance Structure 5.1.2 Completion of Physical Investments (refurbishment & machinery 5.1.3 Mobilization of staff 5.1.4 Inauguration of the center.
<b>Progress</b>	During the reporting period: 5.1.1 Not started. 5.1.2 Not started. 5.1.3 Not started 5.1.4 Not started.

#### Sub-activity 5.2

<b>Purpose</b>	Pilot Implementation
<b>Planned Actions</b>	As per the project document sub-activity 5.2 is composed of the following actions: 5.2.1 Delivery of awareness raising programs 5.2.2 Identification of Pilot SMEs 5.2.3 Delivery of Train the Trainers Program 5.2.4 Implementation of Learn and Transform Programs in selected companies
<b>Progress</b>	During the reporting period: 5.2.1 Not started. 5.2.2 Not started. 5.2.3 Not started. 5.2.4 Not started

#### Sub-activity 5.3

<b>Purpose</b>	Sustainability and Exit Strategy
<b>Planned Actions</b>	As per the project document sub-activity 5.3 is composed of the following actions: 5.3.1 Development of a follow up performance plan after pilot programs 5.3.2 Identification of additional service lines 5.3.3 Preparation of a sustainability strategy
<b>Progress</b>	During the reporting period: 5.3.1 Not Started. 5.3.2 Not Started. 5.3.3 Not Started.

### Section 4: Budget and Financial Progress

Fiscal Year	Fund	Donor	Responsible Party	Budget (\$)	Encumbrances (\$)	Expenditure (\$)	Balance (\$)
2019	30000 30071 30072 30073	10283 00244	1981 4133	4,726,736.50	225,260.58	745,030.75	3,981,705.75

\*The figures for the mentioned year are given on half year basis.