

MDG-F - 2067: Harnessing Sustainable Linkages for SMEs in Turkey's Textile Sector

1. Cover Page

Country: TURKEY

UNDAF Outcome 2.1: Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all.


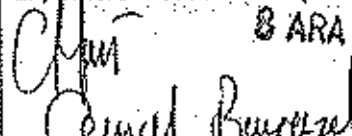

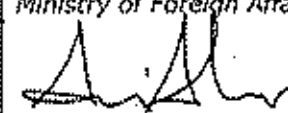
Joint Programme Outcomes:

1. Productivity and innovation capacities of the SMEs in the Turkish textile industry especially in poor and vulnerable areas strengthened through enhanced collaboration and networking for increased competitiveness.
2. Sustainable development, CSR principles and gender equality are integrated into the business processes and practices of the Turkish SMEs in textile sector for increased competitiveness.

<p>Programme Duration: 30 Months</p> <p>Anticipated start/end dates: 1 October 2009 to 31 March 2012</p> <p>Fund Management Option(s): Pass-through</p> <p>Managing or Administrative Agent: UNDP</p>	<p>Total estimated budget*: 2,698,477.50 USD</p> <p>Out of which:</p> <p>1. Funded Budget: 2,698,477.50 USD</p> <p>2. Unfunded budget:</p> <p>* Total estimated budget includes both programme costs and indirect support costs</p>
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• Allocation of funded budget per agency:	
UNDP:	1,428,922.50 USD
UNIDO:	858,675.00 USD
ILO:	410,880.00 USD

Names and signatures of (sub) national counterparts and participating UN organizations

UN organizations	National Coordinating Authorities
<p>UNDP</p> <p>Ulrika Richardson-Golinski Resident Representative a.i.</p>  <p>18 NOV 2009</p>	<p>The General Secretariat of Istanbul Textile and Apparel Exporters' Associations (ITKIB)</p> <p>8 ARA 2009</p>  <p>M. Anaf Yurtkan</p>
<p>UNIDO</p> <p>Suleyman Yilmaz - UNIDO Director</p> 	<p>Ministry of Foreign Affairs Republic of Turkey</p>  <p>Ankara</p>
<p>ILO</p> <p>Gülşah ASLANTEPE DIRECTOR</p> <p>25 11. 2009</p>	<p>H. Avni AKSOY Head of Department Multilateral Economic Affairs</p> <p>16 Kasım 2009</p>

2. Executive Summary

The Turkish "Textile and Clothing Sector" is one of the most critical sectors in Turkey in terms of contribution to the gross domestic product (GDP), employment generation and net exports. There are approximately 40,000 companies in the sector, which employ an estimated 2 million workers, including the unregistered work-force.¹ The registered employment rate for women in this sector is around 35%, which is above the national average rate of women employment (23.5%).² In 2007 the sector accounted for \$22.7 billion worth of exports. The abolishment of the Agreement on Textile and Clothing (ATC) in 2004, liberated the global trade and thereby exposed Turkish companies to low-cost competition from Asian countries.

The sector also suffers from increased input costs and cannot compete in international markets unless a strategy is adopted towards utilization of technological tools to establish supply chain coordination and raise awareness of the impact of corporate social responsibility. On top of an already decreasing market share, the current global financial crisis creates further challenges for the Turkish textile and clothing manufacturers³.

The Government of Turkey has taken a number of measures to transform the national textile and clothing sector, within the framework of the World Trade Organization rules. The recently adopted National Textile, Clothing and Leather Sector Strategy (Textile Strategy) foresees that the manufacturing capacity in the western (and more developed) regions of the country would move to the eastern (less developed) regions, creating "regions" that specialize on different segments of the textile and clothing value chain. This strategy has recently been supported by a new incentives scheme, announced on 4 June 2009 by the Prime Minister. This new scheme encourages companies to move their manufacturing to or set up new companies in less developed regions of Turkey, specially the southeast, and further specifies textiles and clothing sector as a prioritized sector for investment in this region.

Furthermore, multinational retailers and brand companies in the textile and clothing sector take responsibility for the labour conditions and the environmental impact in their supply chains and they impose strict conditions on their suppliers. This is further augmented by Turkey's accession to the EU, which imposes new regulations that also need to be strictly followed. However, a great majority of SMEs in Turkey and even most of the large enterprises do not have adequate knowledge about how they will be affected and, therefore, what measures they need to take in order to become and/or remain competitive.

Under these circumstances, the textile and clothing industry needs to be more productive, innovative and responsive to the requirements of consumers in developed and emerging markets. Failure to demonstrate progress in these areas would lead to catastrophic socio-economic problems, such as loss of hundred thousands of jobs, increasing levels of poverty, gender discrepancy and larger current account deficits.

The operationalization of the above mentioned national Textile Strategy requires a holistic approach based on three inter-connected pillars: (a) productivity, (b) innovation, and (c) corporate social responsibility (CSR) and sustainability.

- i. **Productivity:** Turkish textile and clothing companies must improve their productivity by adopting modern business management practices, forming clusters and utilizing Information and Communication Technologies (ICT) that would ensure integration of the textile and clothing value chain and facilitate better linkages with the global markets.

¹ "The number of registered employees in the sector is around 590,000", National Textile, Clothing and Leather Strategy (September 2008), <http://www.stb.gov.tr/download/busin/tekstilstrateji.pdf>

² As per February 2009 (ILO).

³ Performance of textile sector in comparison with other key industry sectors is given in Annex C.

- ii. Innovation: Turkish textile and clothing companies must be open to innovative business models that would create unique value propositions for their buyers and differentiate them from low-cost producers.
- iii. Corporate social responsibility and sustainability: Abiding by the CSR principles has become the "rule of the game", demanded all through the value chain particularly by the global brands, retailers and sourcing offices.

It is in this context and with a view to address these issues given in the Textile Strategy that, the present Joint Programme (JP) has been developed. The JP aims to "enhance the international competitiveness of SMEs in textile and clothing sector of Turkey, especially those located in poor and vulnerable regions, in order to integrate them into the global and domestic value chains." The JP will help the local business community reach a state of "responsible competitiveness" and "decent work environment", involving both upgrading the productivity and market access of firms in poor regions, as well as benefiting local disadvantaged communities and populations, especially women who have registered labour participation rate lower than 5% in the target region of the JP.

To achieve the above overarching objective, the JP focuses on two interrelated and complementary outcomes;

1. Productivity and innovation capacities of the SMEs in the Turkish textile industry especially in poor and vulnerable areas strengthened through enhanced collaboration and networking for increased competitiveness.

SMEs in textile and apparel sector from poor areas of Turkey, with a special focus on poor women entrepreneurs, are equipped with knowledge and tools to integrate into national and international value chains through capacity building efforts on clustering, business linkage development and effective use of ICTs; as well as through activation of an innovative ICT based Value Chain Management Platform (VCMP).

2. Sustainable development, CSR principles and gender equality are integrated into the business processes and practices of the Turkish SMEs in textile sector for increased competitiveness.

A wider uptake of CSR amongst textile and apparel companies and in relevant government policies is promoted through sector assessments, the development of tools, guiding materials and case studies and sector specific CSR trainings on gender sensitive, social and environmental conduct, sustainable development and MDGs.

The JP focuses on the textiles and clothing value chain as a whole with special emphasis on the manufacturers located in a less developed region in Turkey. The methodology of the JP is based on an innovative and inclusive "clustering and networking approach", which is needed for improving the interaction between the various actors of the Turkish textile and clothing industry.

This strategy will help SMEs adopt an efficient, highly qualified and responsible management structure, attain gender equality and establish decent work environments and hence raise the competitiveness of Turkish business in the national and global markets, as well as to bring benefits to disadvantaged men and women who are involved in this value chain as entrepreneurs, workers, consumers, as well as communities directly impacted by the businesses' operations.

The impact of the JP will immediately trickle down to the vulnerable and poor segments of the society and contribute to the progress towards the achievement of the MDGs (MDG target 1.B.6, MDG target 3.2, MDG 8.F). The JP will enable SMEs in poor regions to benefit from the enabling power of ICT help them benefit from new technologies in collaboration with private sector⁴ (MDG 8). The VCMP will foster better linkages between SMEs in the less developed eastern parts of

⁴ "MDG 8, target 18: In cooperation with the private sector, make available the benefits of new technologies - especially information and communications technologies" Turkey MDG Report 2005

Turkey and the advanced western parts, as well as their integration into global value chains paving the way to business opportunities for SMEs in vulnerable regions resulting in more employment. It will also allow both sides to better plan their integrated business processes and improve the visibility of the value chain, which will contribute to increased attainment of gender equal and fair labor practices and ensure decent work in a market-oriented manner. The SMEs, which will benefit from the capacity building activities on CSR, will have better access to global value chains, as they upgrade their CSR capacities and fulfill the requirements of major global buyers on social and environmental conduct.

One of the core outputs of the JP will be a CSR strategy for Turkish textiles and clothing sector developed together with ITKIB, which will be submitted to Ministry of Industry and Trade (MoIT) for consideration and hence help integration of CSR principles within the overall policy framework of the sector.

The overall strategic framework of the JP will be operationalised by targeting the entire value chain, while focusing on regions, in which replicable business models will be created. In this way, the holistic nature of the intervention modality will be kept intact while securing achievement of concrete results in underdeveloped regions. The JP will focus primarily on Kahramanmaraş with certain activities reaching also the three neighboring provinces Adiyaman, Gaziantep and Malatya. The rationale for focusing primarily on this region is three-fold:

- i. Kahramanmaraş is an underdeveloped textile-intensive province, which is in need of support for improving industry specific processes as well as livelihoods;
- ii. the province is located conveniently between other provinces specialized in the manufacture of "clothing", thus the dissemination of best practices will be quick and efficient; and
- iii. the depth of the textile and clothing value chain in Kahramanmaraş would allow for the introduction of innovative practices in different segments of the value chain, thus representing an excellent pilot case that could potentially incite faster achievement of similar concrete results also in other parts of Turkey.

The geographical focus of the JP, as well as the focus on the poor, especially women, employed as workers in the textiles sector and living in the surrounding communities, will contribute to reducing the income disparities among the regions, which correspond to the UNDAF Country Programme outcome 2.1 "Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all". These two focus areas will also assist the integration of SMEs in local and global chains by means of clustering, entrepreneurship and business development services. The present JP can be regarded as the UN system's effective implementation of this UNDAF commitment.

The national implementing partner for the JP will be the "General Secretariat of the Istanbul Textile and Apparel Exporters' Associations" (ITKIB) (tied to Prime Ministry Undersecretariat for Foreign Trade), who will implement the actions proposed in the JP with the support of participating UN agencies, i.e. UNDP, UNIDO and ILO, and in collaboration with national and local stakeholders, including government institutions at national and local levels, NGOs and private sector representatives.

3. Situation Analysis

a. Global Context

Liberalization of Global Trade in Textile and Clothing

For a considerably long period of time, the international trade of textile and clothing products has been subject to regulations and restrictions under the various agreements, implemented within the scope of World Trade Organisation (WTO). The last multilateral agreement that regulated the international trade of textile and clothing products was the Agreement on Textile and Clothing (ATC), implementation of which ended in December 31, 2004.

Despite these restrictions the global trade of textiles and clothing increased at annual rates of 5.42% and 8.05% respectively between 1980 and 2004. However, with the elimination of restrictions annual growth rates of international trade of textile and clothing products increased to 6.82% and 9.85% respectively between 2004 and 2007. At the end of 2007, the global trade of textiles and clothing reached US\$ 538.42 billion, combined. In 1980, exports of textile and clothing products from China constituted 4.00% and 4.62% of the global exports respectively, as opposed to 33.37% and 23.50% in 2007⁵. As such, the gradual liberalization of the global trade in textile and clothing has increased the dominance of low-cost suppliers such as China, India and Bangladesh.

Proliferation of Fast Fashion

The price-based competition combined with advances in information technologies (IT) and ever-changing consumer demands have radically changed the functioning of the global textile and clothing industry. The technological developments not only changed the manufacturing practices, but also paved the way for facilitation of almost "real-time" supply chain collaboration for the companies that possess the required IT skills and infrastructure. Buyers (i.e. global retailers) want to see the status of their orders in real time. The notion of "fast-fashion", championed by the Spanish retailer Zara, proliferated rapidly, making time-to-market a critical success factor for the textile and clothing industry. Thus, advanced IT skills and infrastructure are fast becoming an industry standard.

Increasing Emphasis on Socially and Environmentally Responsible Manufacturing

Textile and clothing consumers, especially in the developed countries, are more sensitive than they were ever before to fair labor practices and protection of environment. Thus, global retailers, such as Inditex (parent company of Zara), Nike, Gap Inc., Marks and Spencer, Levi's etc, pay increasing attention to corporate social responsibility (CSR) with a view to ensure consumers that their products have been produced in a socially and gender sensitive and environmentally sustainable manner.

With the globalization of production networks, corporations are expected to extend the reach of their environmental, gender sensitive and social policies not only internally to their subsidiaries but also to their suppliers. Global supply chains encompass contractors and subcontractors in a multi-tier trading system. Compliance with social, gender sensitive and environmental standards has, thus far, usually monitored up to first-tier suppliers, but stakeholders are increasingly demanding assurances on application of business ethics further down into the second and third tiers, and eventually covering the entire supply chain. This tendency will be reinforced once the new international standard on social responsibility (i.e. ISO 26000) is published in 2010.

Currently, many brand companies use their own corporate code of conduct on social responsibility to be implemented also in their overseas workplaces and by suppliers. An OECD study, carried out in year 2000, discovered the existence of 246 different codes of conduct, 37 of which applied to the textile and clothing sector only (this number is expected to be even higher today). Some of these big companies also participate in international standards like SA8000, ETI and FLA⁶.

⁵ All calculations are based on WTO's statistical databases.

⁶ Made by China: Social accountability and civil rights in nowadays - Chinese textile industry, 2005, By Foundation and Solidaridad.

Global Financial Crisis

The global financial crisis has had a serious impact on the global demand for all sorts of merchandise; textile and clothing products are no exception. According to the WTO, global trade will decline by 9% in 2009⁷. The poorer segments of the society will be ones that will be most affected. Unemployment rates have already started to soar, showing strong messages on the risk of increasing poverty levels and disparities. As a highly labour-intensive industry, the clothing sector has been hit seriously by the contraction in global demand.

b. National Context

The Turkish "Textile and Clothing Sector" operates within the global context, summarized above, and is one of the most critical sectors in Turkey in terms of contribution to the gross domestic product (GDP) and employment generation. In the aftermath of the liberalization of the national economy in early 1980s, Turkey's exports of clothing products increased from US\$131 million in 1980 to US\$14 billion in 2007. The exports of textile products increased from US\$342 million in 1980 to US\$8.7 billion in 2007. Today there are more than 40,000 textile and clothing manufacturers, employing more than 2 million women and men in Turkey mostly working for the minimum wage, which roughly corresponds to net daily income of 10 USD. Turkey cannot afford a weak or weakening textile and clothing sector, as such trend will immediately be translated into serious and insurmountable economic and social problems. A 9% decrease in global demand may correspond to the loss of more than 200,000 jobs.

The global context, which worked in favor of the Turkish textile and clothing industry between 1980 and 2004, is now working against it. Turkey is not in a position to compete against the low-cost competition such as from China and India. The plans, programmes and strategies developed by the Government of Turkey confirm the importance of the textile and clothing industry for Turkey's development; together with the challenges awaiting the industry.

Within the above context, the intervention modality of the proposed JP is based on three main issues summarised below:

Lack of supply chain coordination and collaboration

The specialized committee on textile, clothing and leather industries that convened in 2007 to provide inputs for the elaboration of the Ninth Development Plan of Turkey for 2007-2013 (NDP)⁸ noted that one of the most important weaknesses of the sector is the lack of coordination and collaboration between the sub-sectors.⁹ Turkey is a large country with textile and clothing supply chains scattered across several regions, making it very difficult to respond to the requirements of the markets with traditional approaches and tools.

Although there is no publicly available study, the interviews that have been conducted during the elaboration of the present JP indicates that the awareness of the textile and clothing SMEs of the benefits of clustering and networking is rather low. This conclusion is also supported by the NDP, which identifies clustering and networking as one of the areas where material progress needs to be achieved¹⁰.

In order to improve the supply chain coordination and collaboration, the industry needs a cluster-based approach that would improve the interaction between the players. This should be coupled with tools such as online value chain management platforms, which would facilitate the process of clustering.

Basic ICT infrastructure in Turkey is fairly well developed, with high-speed internet access available across the country in all urban areas, including the less developed regions of Turkey. However the ratio of enterprises using ICT tools for their operational activities such as resource

⁷ Source: WTO Press Release on 25 March 2009

⁸ <http://ekutup.dpt.gov.tr/plan/is/9developmentplan.pdf>

⁹ The report of the specialized committee on textile, clothing and leather industries on Ninth National Development Plan, p. 135, <http://www.dpt.gov.tr/DocObjects/Download/3273/oik668.pdf>

¹⁰ The Ninth National Development Plan of Turkey (2007-2013), p. 95.

planning, customer relations management, or supply chain management is less than 3%, mainly due to limited availability of affordable and localized online tools and content.¹¹ Thus once an Inclusive Value Chain Management Platform is established, scaling up the operations will be relatively smooth with the working relations that will be established within the proposed JP.

Inability to compete merely on cost

The sector suffers from increased input costs and experiences difficulties in competing in international markets, especially in the commoditized segments (e.g. basic t-shirts etc). It is acknowledged by the sector that Turkish textile and clothing industry needs to become more innovative and more CSR-compliant in order to be able to compete globally.

As highlighted during the presentation of the global context, there is an increasing emphasis on gender equal and socially and environmentally responsible manufacturing. However, the awareness of the SMEs of the impact of CSR is very low. Nor do the SMEs share many of the concerns underlying calls for enhanced ethical business standards of larger companies. Many suppliers in Turkey operate on thin margins and almost universally within short-term business horizons. In addition, they face considerable human, technical and financial resource constraints. The foremost concern has always been meeting the price and quality requirements of the immediate buyers.

Therefore, there is a need to modify approaches in a way that those SMEs fit their respective needs and capacities, and do not adversely affect the economic viability of those firms, while still maintaining the ethical standards of the sector. While some supply chain partners are beginning to appreciate the opportunities for greater market access provided by responsible business standards, most are sellers of intermediate or generic final goods, where social, gender equal and environmental compliance is not a visible attribute, associated with their own brand. Hence ~~most of the sub-contractors, especially in the less developed regions of Turkey have not been~~ threatened by risks to their [brand] reputation for non-compliance with those standards.

On the other hand, traditional values appraise social contributions and many employers make regular or improvised donations and support the society but they are not aware that these activities could be a part of a CSR activity, which deserves promotion and visibility. Therefore, companies need to be offered assistance in applying integrated concepts to ensure progressive socially gender equal responsible and environmentally sound development, based on private sector-led productivity gains and competitiveness considerations.

Despite recent efforts by various institutions in Turkey for increasing awareness on the subject, many difficulties still appear when smaller textile firms are asked to implement 'highly sophisticated' CSR concepts, in particular if linked to substantial investments. Hence, the enthusiasm accompanying the considerable potentials of engaging these SMEs into the CSR movement is linked to a whole set of new problems and challenges that results mainly from the fact that general approaches to CSR cannot be simply transferred to (or imposed on) smaller firms.

In order to compete on elements other than cost, the Turkish textile and clothing industry must identify new comparative advantages. The geographical proximity to one of the largest markets (i.e. the EU) is a significant advantage, which the industry can fully exploit, if it manages to decrease the time-to-market. Decreasing time-to-market, again, calls for utilisation of ICT tools in business processes, innovative business models and presence of a scalable value chain management platform something which does not exist in Turkey.

Finally, the textile and clothing industry in the less developed regions in Turkey is not immune to general competitiveness issues affecting all SMEs at local and global level. Foremost being the unfair competition with the informal economy, low level of entrepreneurship and lack of innovation.

¹¹ A more detailed profile of SMEs in Turkey and background information on textile and clothing sector is given in Annex C.

Regional and Gender Disparities

A comparative study by OECD indicates that Turkey has the worst position among the OECD countries in terms of regional GDP dispersion (see Annex C for the comparison of regional Gini indices). Regional development plans and establishment of regional development agencies in the last decade intends to address this issue. Plans and policies of the State Planning Organisation and the Ministry of Industry and Trade, including the recently announced incentives scheme, aim to reduce the development gap between the regions.

Socio-economic indicators also point out disparities between genders. Based on 2006 data, there are still 3.9 million illiterate women in Turkey constituting more than 10% of all women population. Only 12% of the women population have a high school diploma and 4% is a college or university graduate. Women labour force participation rate is 25% nationally but the rate goes as low as 5% in underdeveloped regions. See further Annex E and the comparative charts of the provinces in the target region of the Joint Programme.

c. Conclusion

Turkey is a middle income country, which is ranked at 76th place among 179 countries in the UNDP Human Development Index of 2008¹² and is endowed with many favorable factor conditions, such as land, labor force and natural resources. Turkey's progress towards full membership to the European Union offers an important opportunity for Turkish society, in general and Turkish businesses in specific. Although many of the indicators of sustainable development have demonstrated a positive trend in the past, there is still considerable room for progress. For instance, gender and the regional disparities still exist and are huge. Although most of the macroeconomic indicators have demonstrated a remarkable performance until the break of the global economic, the unemployment levels resisted to decline, and soared above 15% in 2009.

Accordingly, it can be argued that although the Turkish textile and clothing sector has gained strength over the last decade, it has not gained the resilience to fend off the impact of the economic downturns to the poor and most vulnerable segments of the society.

Although the Government of Turkey has taken a number of measures to protect the most vulnerable segments of the society from the economic down turns, there is still a need for a strong policy framework that empowers the industries in Turkey to remain competitive in times of economic crisis. The present JP, by creating a replicable model of improving competitiveness of a labour intensive sector through establishment of pro-poor and gender sensitive business models, will be a showcase, from which policy-level lessons can easily be drawn. Particularly, the JP will contribute to policies and strategies related to textiles sector, including preparation of a national CSR Strategy for Turkish textiles and clothing sector to be developed and submitted to MoIT for consideration to be included in the Textile Strategy and related policies.

One of the potential impacts of the present JP will be the raised profile of the Turkish textile and clothing industry, transforming into a more responsible industry, which attains internationally recognized norms and standards on CSR. The Turkish textile and clothing industry is in need of a major transformation and a paradigm shift. There are not many options; either the industry will be left on its own, and will gradually disappear, causing loss of hundreds thousands of jobs or it will transform itself into a competitive and gender equal, socially and environmentally-responsible industry, providing more and qualified decent jobs for millions.

¹² <http://hdr.undp.org/en/statistics/>

4. Strategies, including lessons learned and the proposed joint programme

a. Background and Context

The Ninth National Development Plan (NDP) envisages Turkey, as "a country of information society, growing in stability, sharing more equitably, globally competitive and fully completed her coherence with the European Union".¹³ The NDP is built on five Development Axes, namely (1) Increasing Competitiveness, (2) Increasing Employment, (3) Strengthening Human Development and Social Solidarity, (4) Ensuring Regional Development, and (5) Increasing Quality and Effectiveness in Public Services. JP's coherence with the NDP is a strong assurance of the sustainability of the impact of the JP and its potential to create policy level impact.

The medium-term programme of Government of Turkey casts further light on the national priorities by indicating that entrepreneurship, quality, productivity, innovation and effective utilization of technology by enterprises will be supported, particularly in SMEs. The JP addresses this by establishing a replicable model, which will demonstrate the means through which the priorities of the government can be achieved through adopting a pro-poor and gender sensitive policy approach that not only enables the Turkish industry to be more competitive but also ensures equitable distribution of national wealth.

As for the textile industry, the NDP emphasizes the importance of the sector for the economy and envisions a shift from an efficiency-driven towards an innovation-driven industry. With a view to operationalise this overall strategy, the Government of Turkey appointed the Ministry of Industry and Trade (MoIT) to develop a Strategy Document for Textiles, Clothing and Leather,¹⁴ which was prepared together with all stakeholders and made public in September 2008. According to this strategy the more developed regions in Turkey will specialize on fashion and design, leaving the labor-intensive manufacturing to the less developed regions. This strategy is expected to contribute to the competitiveness of the national textile and clothing industry and to elimination of regional disparities. The very presence of this sector-specific strategy provides the JP with a solid rationale.

The proposed Joint Programme addresses the UNDAF Country Programme outcome 2.1 "Pro-poor policies developed through partnership with civil society and private sector for social and economic development at all levels of society to achieve the MDG targets for all". In this context, the programme targets SMEs in textile industry, which is the largest and most labor-intensive sector in Turkey that provides jobs for the poorer segments of the society and thereby affects the poorest livelihoods in Turkey.

b. Lessons Learned

Efforts towards boosting competitiveness of underdeveloped regions can contribute to reduction of poverty: In 2007, UNDP developed a Competitiveness Agenda for Southeast Anatolia Region.¹⁵ The Southeast Anatolia Region is the second least developed region in Turkey, and most of the developmental indicators are well below the national averages. The said Agenda went well beyond the conventional interpretation of competitiveness, and placed "sustainable development" into the core of the Region's strategy towards enhanced competitiveness.

The Agenda, which has been almost instantly adopted by the Government of Turkey, envisages turning the Southeast Anatolia Region - known as the cradle of civilizations - into the cradle of sustainable civilizations through more effective utilization of renewable energy resources,

¹³ The Ninth National Development Plan of Turkey (2007-2013), p. 116

¹⁴ <http://www.sanayi.gov.tr/download/basiv/tekstilstrateji.pdf>

¹⁵ Competitiveness Agenda for Southeast Anatolia Region,

http://www.undp.org.tr/povRodDocuments/Competitiveness_Agenda_Report_en.pdf

"greening" the regional value chains, and ensuring socially-responsible manufacturing. This strategy and the value proposition have generated a considerable amount of interest, and have been critically acclaimed by the international business and research communities. As such competing on "sustainability" rather than merely on costs is a strategy that would not only boost regional competitiveness but also improve the local livelihoods.

Establishing a broad vision is essential for economic development of disadvantaged regions and populations: UNDP's experience in Southeastern Anatolia working with SMEs and women to improve their socio-economic development shows that a comprehensive approach including development of a vision, branding and institutional strengthening is needed while working with the poor and disadvantaged populations. Since 2005, UNDP works closely with women in Southeastern Anatolia to support institution building and the empowerment of women through capacity development activities as well as production and marketing support. This experience shows that establishing market and project linkages with other regions of the country is crucial for increased and sustainable income. With this approach, UNDP and the women of Southeastern Anatolia, with support from ITKIB, have been able to develop a brand and market the design textile products to fashion retailers across the country. This experience and lessons learned is relevant to the JP mainly through the value chain management platform to be established.

The room of improvement without an efficiently functioning value chain is limited: Previous projects, implemented in Turkey, have demonstrated the vital importance of an efficiently functioning textile and clothing value chain. The absence of such a platform not only decreases the overall efficiency of the sector but also precludes adoption of fair labour practices, especially in the poorer regions of Turkey. The need for such a platform can be better appreciated through the following case, which is derived from the interviews with the SME owners both in Istanbul and poorer regions of Turkey.

ABC Ltd. is a company that has production facilities in Istanbul. When ABC Ltd. receives a large order from an international buyer, it, in most cases, would need to outsource a certain portion of the production to other manufacturers to catch with short deadlines. In order to do that, the ABC Ltd. needs to know the production capacities of the manufacturers in different regions of Turkey, and their availability. Conventionally, this is done by phone calls, which does not provide ABC Ltd. with all the options available to it.

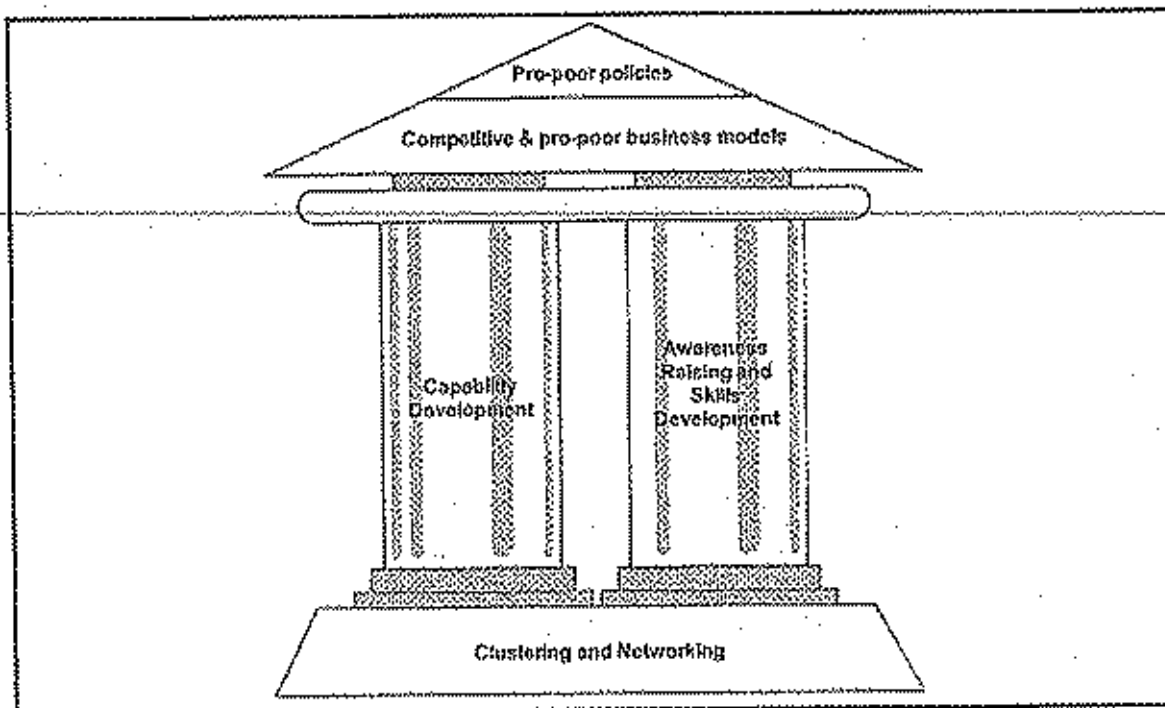
In the meantime, the XYZ Ltd. in Kahramanmaraş (an underdeveloped province of Turkey) is not connected to international and national markets. It has all the capacity needed to support ABC Ltd. for fulfillment of the order, however the two are not linked. Furthermore, XYZ Ltd. does not want to register its employees, because the company has no information regarding the upcoming orders. The company employs unregistered workforce, pays less than minimum wage etc.

A value chain management platform would eliminate the aforementioned problems. Provided that both companies are registered to the platform, both will be visible to each other. Increased orders received through the value chain management platform will encourage XYZ to register its employees. This will improve its visible capacity on the platform and hence result in increased possibility of receiving more orders.

Establishing an online Value Chain Management Platform is essential and viable: UNDP's existing partnership with Cisco and ITKIB developed a value chain analysis of the different segments of the textile sector in close consultation with Mavi Jeans and Talu Textile, and their suppliers. As a result, it was concluded by the participating companies that an online value chain management platform would be useful to increase the efficiency of production and collaboration with the suppliers.

UNIDO Subcontracting and Partnership Exchange Programming established within the Istanbul Chamber of Commerce¹⁶ facilitates integration of domestic subcontractors into the supply chains of transnational corporations but does not include the textile industry, and maximizes the positive spill-overs and development impact of foreign direct investment (FDI) on the local economy through deepening of local supply chains. This implies that similar models have already been developed and tested and offer a solid basis for further refining and development. Consequently, the present JP will be able to benefit from readily available experiences and lessons learned.

Clustering efforts are mature enough to yield solid outcomes: The "Development of a Clustering Policy for Turkey (DCP)" project,¹⁷ financed by the European Commission, aimed to develop a comprehensive and visionary clustering policy that contributes to the sustainable social, environmental and economic development in Turkey. Cluster analysis and roadmap development studies of DCP Project analyzed the dynamics and needs of different types of clusters in Turkey, and reflect all relevant stakeholders' expectations and roles activating the clusters through a participatory approach. However, there is still a need to bring the various assessments and methodologies applied under one common framework and to demonstrate the practical application in the field with a special social inclusive and gender sensitive approach - otherwise, opportunities for an efficient replication of efforts/models will not be given.



In order to achieve benefits from a cluster-based approach the cluster actors should possess the required tools, and the skills to use those tools: UNDP has launched three cluster initiatives in Southeast Anatolia Region of Turkey. One of these initiatives (textile and clothing) generated very favorable results, paving the way for increased investments and creating employment for hundreds. An ex-post comparative evaluation of these initiatives have revealed that the more successful clustering initiative has provided the cluster actors with the required tools (i.e. a common-use vocational education centre, a governance system) for fostering competitiveness. As such, it is essential that cluster-based approaches include development of required tools that would encourage collaboration among the cluster actors.

CSR is an instrument that benefits both sustainable development and business in Turkey: In partnership with the CSR Association and the European Commission, a comprehensive baseline analysis on the current situation of the concept of Corporate Social

¹⁶ <http://www.its-istanbul.com/resources.php?p=sub-contracting>

¹⁷ <http://www.clusteratourkey.com/proje>

Responsibility in Turkey has been published.¹⁰ The study is the result of the regional CSR project Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonization, competitiveness, and social cohesion in the EU. This analysis highlights the potentials of CSR as a tool which could benefit the private sector besides creating the opportunity for sustainable development.

CSR efforts failed to address the poor: So far, CSR related support activities in Turkey have mainly targeted the more advanced and larger enterprises. Particularly in the textile sector the focus has so far been on identifying the already better structured and managed companies and to support them in their efforts to achieve certification (SA 8000, ISO 14001, etc.). By sensitizing this segment of firms in terms of CSR based management approaches, the poorer segments of society that are often represented as women and men workers or community stakeholders in the smaller less advanced local firms have been left aside to a large extent by these initiatives. The JP will therefore focus on CSR practices within SMEs as well as across supply chains, and engage textile firms in the development of pro-poor and gender sensitive business models that have a positive impact on the communities where they operate.

Materials and tools are available from joint ILO UNIDO Programme on CSR in Textile Sector in China: Under the auspices of SECO, the joint UNIDO-ILO pilot project aimed to facilitate sustainable value growth of the Chinese textile industry by promoting Corporate Social Responsibility. It supported the creation of a viable industry-wide framework for high quality business management (labour-management cooperation, productivity and quality up-grading, environment, human resources management, working conditions and occupational safety and health). As for the development of the service package, ILO and UNIDO developed an approach based on the ILO Factory Improvement Programme and the UNIDO Cleaner Production programme. Relevant Turkish business support institutions such as ITKIB or IGEME have already indicated their support in making available their database of already qualified trainers, which will facilitate and speed up the process. Also, training materials that have been developed for the Chinese Textile Sector are made available for this project to facilitate the work of the experts and avoid timely and costly duplications of efforts.

c. The Proposed Joint Programme

Methodology and Rationale

At the policy level, the JP aims at creating a replicable model, which can form the basis and rationale for competitiveness-oriented, pro-poor and gender sensitive industrial policies in Turkey. More specifically, JP aims at enabling the local business communities to reach a state of "responsible competitiveness". This involves improvements not only in the conventional aspects of competitiveness, such as increased innovative capacity, advanced ICT skills and capabilities, but also in the newly recognized elements of competitiveness, such as community-based development, providing benefits for disadvantaged communities, promoting gender equality and protecting environment.

These objectives can only be reached through operationalisation of a holistic strategy, which benefits from the combined capacities of UNDP, ILO and UNIDO, while at the same time leverages on existence of a strong national partner, such as Istanbul Textile and Apparel Exporters' Association (ITKIB), which is also designated as the implementing agency of this JP. The participating UN agencies will collaborate with national stakeholders, such as the Ministry of Industry and Trade (MoIT), Ministry of Labour and Social Security (MoLSS), Undersecretariat of Foreign Trade (UFT), Export Promotion Centre (IGEME), representative organizations of employers and workers, and NGOs actively involved in corporate social responsibility and sustainability issues.

The JP's primary target is the less developed regions through improving the capacities of the SMEs in textiles and clothing sector and related CSOs in those regions, and connect these regions to the developed regions of Turkey with a view to create concrete opportunities for the

¹⁰ Turkey Corporate Social Responsibility Baseline Report, March 2008, http://www.undp.org.tr/publications/Documents/CSR_Report_en.pdf

poor regions. The JP will focus primarily on the province of Kahramanmaraş and its three neighbouring provinces Adıyaman, Gaziantep and Malatya. While some exporters and main manufacturers in Istanbul already source from the subcontractors in this region, more exporters and global companies are willing to source from this region if the SMEs develop their capacities and meet required standards. The rationale for the selection of these provinces and relevant socio-economical indicators are given in Annex E.

The JP directly addresses five basic international competitiveness issues identified by the competitiveness survey conducted in 12 selected provinces in Turkey within the framework of Expansion of EU Turkey Business Centres Programme of the EU in 2008. These five major obstacles for improving competitiveness of SMEs were identified as:

1. Lack of cooperation among SMEs
2. Difficulties in accessing international markets
3. Unfair competition with informal economy
4. Lack of entrepreneurship
5. Lack of innovation

The Joint Programme covers components to address all of these obstacles. Cooperation and collaboration among SMEs will be improved by the Cluster and Networks Development Initiative and the Value Chain Management Platform. The VCMP will also support SMEs in becoming part of global supply chains and hence accessing international markets. Another tool for accessing international markets is the improvement of CSR practices. The Outcome 2, which covers CSR Assessment, Awareness and Action component of the programme, will enable SMEs in textile industry to access to new markets. Improved and widely accepted CSR practices will also help the shrinking of the informal economy forming fair grounds of competition among the SMEs.

The proposed support scheme will encourage SMEs to utilize innovative business processes and will both boost entrepreneurship and motivate SMEs for being innovative. The innovation activities of SMEs will be furthermore supported by the Innovation Research and Advisory Centre.

In order to deal with the obstacles impeding competitiveness the proposed JP has 2 outcomes and total 8 outputs grouped under the respective outcomes:

Outcome 1: Productivity and innovation capacities of the SMEs in the Turkish textile industry especially in poor and vulnerable areas strengthened through enhanced collaboration and networking for increased competitiveness.

Output 1.1 *A Value Chain Management Platform (VCMP) that disseminates affordable productivity enhancing technologies is established and approved by ITKIB and accessible by sector companies and all relevant parties:*

The objective of the VCMP is to ensure seamless collaboration between the actors of the national textile value chain. Achievement of this objective will increase the responsiveness, efficiency, productivity, Business to Business (B2B) relations and overall competitiveness of the SMEs in the textile and clothing industry. VCMP will be the expansion of an existing pilot platform application developed by Cisco and ITKIB and tested in two major exporting companies of Turkey and their suppliers within the context of a Cisco-ITKIB-UNDP joint partnership initiative during 2007 – 2008. With the present JP, the pilot application will be scaled up to accommodate 1,000 companies. Once completed the VCMP will be owned and managed by ITKIB, which has the resources and national outreach to promote, improve and sustain the platform. Although the VCMP will be tailored to the specific needs of the textile and clothing industry, its overall model will be replicable, creating opportunities for development of similar platforms for other industries in Turkey as well.

The drive for benefit from VCMP will also have a direct effect on launching training programmes and establishing partnerships with companies in the ICT sector for the improvement of SMEs' ICT capabilities and infrastructure. UNDP's ongoing partnerships with ICT companies and NGOs will

be utilized to develop and implement an ICT training programme for the 1,000 SMEs, especially targeting female employees.

The VCMP will also benefit from the experiences and lessons learned from the UNIDO Subcontracting and Partnership Exchange (SPX) Programme, which is a similar model, established successfully within the Istanbul Chamber of Commerce¹⁹. SPX does not cover the textile industry at the moment. The JP will analyze feasibility of establishing a virtual connection between the VCMP and SPX, through an interface to be created within the VCMP. The preliminary assessments and interviews with the concerned stakeholders revealed that such a connection may further facilitate the integration of domestic textile SMEs into the supply chains of larger transnational corporations, and to maximize the positive spill over effect and development impact of foreign direct investment (FDI) on the local economy through deepening local supply chains.

Output 1.2 *The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces:*

Cluster and Networks Development Initiative will be developed by UNIDO's technical assistance, which will focus on: exchange of experiences about the activities implemented in the field with the support of UNIDO experts; development and analysis of case studies on the basis of the testimony of experts of national partners such as ITKIB and other cluster/network development actors. The Initiative will make sure that the activities under this component complement the already existing clustering initiatives undertaken both in the pilot region as well as those pursued by ITKIB, UFT and MoIT. Ongoing national cluster policy development activities will be supported with a special pro-poor and gender sensitive approach. The programme will have a specific role in drawing attention to the use of ICT tools in building sustainable clusters.

At the end of this initiative the national textile and clothing "cluster" will be provided with a clear roadmap for institutionalization of the cluster and networks development initiative. This roadmap will be owned and implemented by ITKIB, which has already some experience on and the required resources and institutional capabilities for implementation.

Output 1.3 *An SME Innovation Research and Advisory Centre (IRAC) is established and activated in Kahramanmaraş S. University:*

IRAC will be located at the Sutcu Imam University in Kahramanmaraş. The University has already established "Centre for University, Industry and Public Cooperation (USKIM)" and received approximately USD 5,160,000 in 2007 (excluding construction) from the State Planning Organisation. In addition to the funding, University resources were utilised to build a high quality building of 6000 sq. m. The construction was recently completed and procurement of laboratory equipment is in progress. The centre is expected to be operational in October 2009. The centre will act as a research centre on 8 disciplines including textiles. Altogether, around 50 graduate students from different disciplines will initially be working in the centre. The number is expected to reach 120 within three years.

By utilizing this existing framework, the SME Innovation Research and Advisory Centre (IRAC) will be established within the textile branch of USKIM. The IRAC will be co-owned and co-managed by the University and the Kahramanmaraş Chamber of Industry and Trade for an effective business - academia collaboration. The IRAC will provide consultancy services to textiles and clothing SMEs for improving their business processes. The consultancy services will cover, but will not be limited to process innovation through integrating ICT tools to business processes, innovative methods for better serving customers, effective management of workflows, management and business excellence, and establishing mobile work environments. The IRAC will also organize workshops with innovative textile companies to broaden the business perspectives of the SMEs in the region. Three educators from the university will be trained in

¹⁹ SPX Istanbul has around 2000 members receiving more than 3000 inquiries each year.

Spain on Innovation in textile manufacturing processes and business management. Although the primary target of the IRAC will be Kahramanmaraş, the IRAC will have a regional coverage. The three provinces, which the JP targets are only 1-2 hours driving distance from Kahramanmaraş. Thus it is feasible to extend services to these provinces as well.

Output 1.4 *Innovation in pro-poor and gender sensitive business models is encouraged and achieved (through a Support Scheme):*

The Support Scheme will be implemented by ITKIB. The scheme will support minimum 10 maximum 12 selected SMEs on their innovative projects for improvement of business processes that utilizes the VCMP to connect with other businesses in supply chain and complies with CSR related standards, in order to create sound, pro-poor and gender equal business models. Preference will be given to SMEs who became or have a potential to become a part of an international value chain. Membership to VCMP will be promoted during the application process for the competition. The operational procedures including the application, contracting, expenditure verification, M&E and results reporting of the support scheme is given in Annex L.

Outcome 2: Sustainable development, CSR principles and gender equality are integrated into the business processes and practices of the Turkish SMEs in textile sector for increased competitiveness.

Output 2.1: *An assessment report on sustainable development and MDGs awareness as well as on gender sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by ITKIB and consequently shared with MoIT, UFT and SMEs other national stakeholders:*

Assessment of CSR awareness in Textile Sector will be conducted. The baseline information available at Turkey CSR Baseline Report²⁰ will be utilised together with the findings and results of the situation analysis to be conducted under outputs 2.1.1, 2.1.2, 2.1.3 and other desk based research. A survey that will cover around 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations is foreseen. The study will focus on current perception and status of development, the CSR related standards demanded from and applied in the sector, issues pertaining to MDG, social and environmental conduct, climate change, gender equality as well as CSR practices. This output will also result in identification and harmonization of prevailing CSR standards and norms for Turkey textiles and clothing sector (including international conventions such those of ILO and other UN bodies, national legislation, international standards, major codes, etc.) and will be reported in the CSR assessment report. This will then be submitted to MoIT for consideration to be integrated into national textiles strategy. Local chambers of commerce and industry, BSOs and universities will assist in the collection and processing of data.

Output 2.2: *Awareness building strategy on sustainable development, and gender sensitive, social and environmental conduct of selected SME enterprises is implemented:*

After assessment of CSR in Turkey textiles sector, awareness and capacity building strategy will be implemented; intensive training programmes targeting around 200 managers and 1,500 workers with a focus on young people and women, as well as 100 experts of local business support and advisory institutions will be undertaken. At least 50% of the trainees will be women. The training will include information on the business benefits of CSR compliance and how to develop and mainstream a CSR strategy to the business processes for increased competitiveness particularly in Europe, where the CSR norms are maintained high. The trainees will be guided on how to conduct responsible business as a means of risk and efficient resources management, motivation, reduced costs and increased profits.

UNDP, UNIDO and ILO will collaborate with relevant Spanish institutions, such as the ASEPM (Asociación Española del Pacto Mundial de Naciones Unidas), Forética (Foro para la Evaluación de

²⁰ , EU-UNDP-CSR Association, April 2008

la Gestión Ética) and local institutions in Turkey, to provide an intense training on the core principles of CSR. The topics will include, among others, social and environmental impact of doing business, harassment at work place and domestic violence, women's empowerment and gender equality, labor rights, consumer rights, energy efficiency, cleaner production, responsible sourcing, corporate governance, business ethics and anti-corruption.

Trainings will be held both in Kahramanmaraş and neighbouring provinces as well as in Istanbul which is the centre of exporters and sourcing offices of multinational clothing brands and retailers that are potential buyers or are currently sourcing goods from the manufacturers located in the focus region. The trainings in Istanbul will be held in ITKIB premises and alternatively the trainings can be done in cooperation with the CSR Association of Turkey in the CSR Institute at Kadir Has University (KHU). In the target region the trainings will be held in collaboration with the local partners such as chambers of commerce and industry and Kahramanmaraş Sutcu Imam University.

Output 2.3 *A CSR Strategy for textiles and clothing sector is developed, implemented in selected firms and submitted to MoIT for consideration to be integrated into Textile Strategy:*

UNIDO will develop a CSR strategy for textiles and clothing sector and implement the strategy and the tools in selected companies. Under this output, UNIDO will localize and launch a CSR-based management and reporting tool that supports SMEs in implementing CSR concepts, thereby aligning economic, social –including gender equal - and environmental aspects of business (also referred to as "Triple Bottom Line Approach"). This output will result in a CSR strategy for Turkish textiles and clothing sector developed together with ITKIB and other relevant national partners, which will then be submitted to MoIT for consideration to be integrated into the Textile Strategy and be part of the national policies for textiles and clothing. The findings from the respective outputs of UN agencies under output 2.1 will be utilized for this output as well.

Based on the Ten Principles of the UN Global Compact, as well as international standards in the social and environmental domains, such as ISO 14001, SA 8000, or OHSAS 18001, UNIDO will provide training on gathering, processing, evaluating and reporting data to track progress in implementing CSR in SMEs. The reporting will be based on GRI reporting instructions and support the production of the Communication on Progress for the UN Global Compact. The developed strategy and tools will be implemented in selected SMEs.

Output 2.4: *Awareness of national authorities on the impact of textile and clothing sector on environment is developed and strengthened:*

The EU environmental standards and their effects on the textile industry will be discussed at an Environment and Textile Congress in May 2011, co-organized by UNDP, ITKIB, Ministry of Environment and Forestry and Regional Environment Center. UNIDO will also be involved in the preparations of this Conference especially with the findings of output 2.1.3 and 2.2.3. The proceedings of the conference will be promoted among stakeholders and government institutions to create an impact on future policies.

d. Cross-cutting Issues and Relevance to MDGs

The JP addresses one of the poorer regions of Turkey (see Annex E for socio-economic indicators of the region), supporting small businesses and their women and men workers to attain higher levels of incomes in a decent work environment. In that sense, the JP is contributing to the MDG 1: Eradicate extreme poverty and hunger and MDG 3: Promote gender equality and empower women. The textile industry has the highest women employment rate (~36%) and the actual rate is more than 50% which means a significant number of women are unregistered workers. Consequently, JP will especially follow a gender sensitive approach with the aim to promote gender equality, and aim at creating socially responsible and gender sensitive enterprises. Equal participation in decision making activities will be promoted and priority will be given to the training of women entrepreneurs and young women employees in a country where, despite of its

growing economic dynamism, gender disparities stubbornly linger on (localized MDG Target 1.B.6 and Target 3.2).

The JP will contribute to increasing the ICT capacities and ICT usage of SMEs in poor regions, which will help these SMEs benefit from enabling power of ICTs and Internet (localized MDG Target 8.F). The VCMP component of the programme will facilitate the SMEs in vulnerable regions in Turkey to become part of global value chains by utilizing ICTs. ICT trainings, particularly targeting women, will be delivered to SMEs participating to VCMP and their capacity will be increased. This will also contribute to the achievement of targets under Turkey's Information Society Strategy.²¹

Training activities will create awareness about sustainable development and climate change amongst SMEs, employers and workers, which will result in a healthier work environment and better treatment of the industrial discharges. It is expected that the awareness and capacity building in the field of sustainable development, environmental conduct and productivity will, in the medium to long run, create a change in the business practices of the textile sector companies, which will then establish or improve environmental management systems. In this respect it is envisaged that the program in the long-run can make a valuable contribution to ensuring environmental sustainability (MDG 7).

Coordination with other MDG-F funded programmes and UNCT

This JP will benefit from the technical capacity analysis study and the public awareness trainings on adaptation to climate change, which will be conducted by UNEP as a part of the MDG-F Joint Programme on "Enhancing the Capacity of Turkey to Adapt to Climate Change." Furthermore, this Joint Programme will be closely associated with the activities of the MDG-F Joint Programme on "Growth with Decent Work For All: A Youth Employment Program in Antalya", which aims to develop employment policies benefiting the unemployed youth, with particular emphasis on young women and those from migrant families in the labour market; and piloting these policies within the framework of paid decent work at the local level. Common communication and visibility is foreseen with other MDG-F funded JPs in Turkey.

In addition, close coordination with existing UN Thematic Groups on Poverty Alleviation and Rural Development, Gender and Youth will be ensured.

e. Sustainability of Results

The sustainability of the JP results will be ensured by its integration into strategies relating to the textile sector. Under output 2.3 A CSR Strategy for the Turkish textiles and clothing sector will be developed together with ITKIB and other relevant national stakeholders and implemented at the pilot level in selected companies. This Strategy will then be submitted to MoIT for consideration to be integrated into Textile Strategy and other national policies related to the sector. The results of the output 2.4 for advocacy on the impact of textiles and clothing sector on environment will be shared with the Ministry of Environment and Forestry and MoIT for consideration to be a part of sector policies.

The sustainability of the JP will be secured by increased capacities of the national and local institutions especially in the fields of CSR, sustainable development, gender sensitive social and environmental conduct, clustering, networking, as well as increased ICT capabilities and the availability of tools. These institutions, especially ITKIB and its local partners, will continue to support SMEs after the completion of the programme, since the tools and trainings will be integrated into the service portfolios of these institutions.

ITKIB will be the main stakeholder responsible for the operation and maintenance of the results of the program following its completion. The VCMP will be operated by ITKIB. Upon the completion of the funding, subscription to VCMP will be fee based to recover operating expenses

²¹ Turkey's Information Society Strategy (2006-2010), State Planning Organization, May 2006, http://www.bilgitoplamu.gov.tr/bstrateji/BilgiToplamuStratejisi_22062006.pdf

and establish ownership among SMEs. Alternatively, sponsorship of service providers or major IT suppliers could be considered.

ITKIB will pursue the outputs of the CSR assessment and awareness building components of the JP and continue to implement the CSR awareness components of the programme accordingly to increase competitiveness of the sector. The capacity of ITKIB and other national partners will be increased in the field of CSR training and consultancy during the JP and the sustainability of the training program and mechanisms of consultancy for relevant certification will be under the responsibility of ITKIB. ITKIB will continue to provide training and consultancy services upon completion of the program.

Capacity to be developed by the Cluster and Networks Development Initiative will be utilized by ITKIB, UFT, MoIT and IGEME as well as local partners in order to provide support to sector initiatives in the field of clustering. Clustering activities to be carried out in Kahramanmaraş and/or the three neighbouring provinces will form a basis for future projects of the Chambers of Commerce and Industry in the region.

The SME IRAC will be established within the recently established "Centre for University, Industry and Public Administration Cooperation (USKIM)" at the Sutcu Imam University. Starting 2010, USKIM will provide services to private sector in 8 disciplines. IRAC will initiate USKIM's activities for the textile industry. IRAC is expected to act as a model for the activities of USKIM in other sectors and for the establishment of such centres in other textile intensive regions in Turkey.

The impact of the awarded projects will be promoted to other SMEs as commercially viable, responsible, pro-poor and gender equal business models, which utilize ICT to integrate into value chains.

5. Results Framework

The overall objective of the programme is consistent with the UNDAF (2.1), as well as localized MDG targets and national priorities. The Joint Programme targets SMEs in textile industry located in vulnerable regions. The main geographical focus of the JP is Kahramanmaraş and neighbouring three provinces (Adiyaman, Gaziantep and Malatya). The JP will have direct effect on around 1,000 SMEs, 1500 workers, 200 managers and 100 experts, with a gender sensitive focus. In order to augment the expected impact, the intersection of the groups of SMEs and individuals (workers, managers, experts) targeted by different components of the program will be kept at the possible maximum level. Existing networks of the participating organisations will be utilised and the benefits of the programme will be promoted by media in order to attract a maximum number of SMEs to participate in the programme activities. The JP will have results both at national and local level in the target region.

Main outcomes of the JP are:

Outcome 1. Productivity and innovation capacities of the SMEs in the Turkish textile industry especially in poor and vulnerable areas strengthened through enhanced collaboration and networking for increased competitiveness. (UNDP/UNIDO/ITKIB)

SMEs in textile and apparel sector from poor areas of Turkey, with a special focus on poor women workers, are equipped with knowledge and tools to integrate into national and international value chains through capacity building efforts on clustering, business linkage development and effective use of ICTs; as well as through activation of an innovative ICT based Value-Chain-Management Platform (VCMP).

A collaboration medium among SMEs will be established for joining their forces to access global and domestic markets. Both the VCMP and Clustering Support will establish sustainable effective mechanisms for collaboration. The urge for being part of the VCMP will motivate SMEs to make more benefit from ICT tools and products. Support will be provided to selected SMEs through the support scheme of innovative projects and with the establishment of Innovation Research and Advisory Centre encouraging SMEs to be more innovative, gender sensitive and pro-poor in their business models. In the first year of the JP, implementation of VCMP (Output 1.1) and clustering support mechanisms (Output 1.2) will be to a large extent completed. The assessments done under output 2.1 will also be used for the VCMP component.

The IRAC (Output 1.3) will be established in the first year. Training, consultancy services and scalability of these outputs will continue until the end of the programme.

Support Scheme activities (Output 1.4) will be launched and finalised in the second year, after the IRAC (Output 1.3) becomes fully operational.

Outcome 2. Sustainable development, CSR principles and gender equality are integrated into the business processes and practices of the Turkish SMEs in textile sector for increased competitiveness. (UNDP/UNIDO/ILO/ITKIB)

A wider uptake of CSR amongst textile and apparel companies is promoted through sector assessments, the development of tools, guiding materials and case studies and sector specific CSR trainings on social, gender sensitive and environmental conduct, sustainable development and MDGs and development of a CSR strategy for Turkey's Textile and Clothing Sector to be submitted to MoIT for consideration to be integrated into Textile Strategy.

In the first year of the programme, an assessment study will be conducted to evaluate the current status and perception of the industry on sustainable development, MDGs, gender sensitive, social and environmental conduct, climate change as well as CSR practices in general and an assessment report will be prepared, published and distributed (output 2.1). The survey

under 2.1.1, 2.1.2 and 2.1.3 will be conducted jointly and reports under these outputs will be published as one Assessment Report and 2000 copies will be printed and distributed.

Awareness building strategy on sustainable development, MDGs, gender sensitive and social and environmental conduct of selected SME enterprises will be implemented (output 2.2): Based on the findings of the assessments under output 2.1, trainings preparations will be done in the last quarter of the first year and training programmes will start to be delivered and will continue until the end of the programme. Capacity development strategies will be developed and training programmes will be held to raise awareness and to increase capacities of SMEs and SME support institutions on these issues (output 2.2). Agencies will follow a common approach.

In parallel to these activities, under output 2.3 a CSR strategy will be developed for the textile and clothing sector. The preparation phase of the CSR strategy for Turkish textiles and clothing sector will be completed in the first year and CSR capacity building tools and training materials will be prepared. CSR trainings targeting 40 national experts will start in the second year and the trainings will be delivered simultaneously with the trainings of output 2.2.

Output 2.4 "Awareness of national authorities on the impact of textile and clothing sector on environment is developed and strengthened" will be implemented in the second year of the JP and will also benefit from the assessment and activities under Outputs 2.1.3 and 2.2.3 followed by the sharing of results with the MoIT and MoEF for consideration to be integrated into sector policies. The dissemination of conference outcomes to create a policy level impact will continue until the rest of the programme

Below Table 1 and Annex B provide further information on the outcomes, outputs and activities of the JP.

Table 1 – Joint Programme Results Framework

School Program Outcome 1: Productivity and innovation capacities of the SMEs in Turkey's textile industry are strengthened through enhanced collaboration and networking for increased competitiveness	Outcome Indicators	1.1. Share of SMEs in exports - base (1997) 25% (2001) 27.7% (2005) 29.1% (2007) 30.1% (2008) 30.8% (2009) 31.1% (2010) 31.4% (2011) 31.7% (2012) 32%	1.2. Share of SMEs in total value added in the textile industry (2008) 41% (2009) 41.5% (2010) 42% (2011) 42.5% (2012) 43%	1.3. Share of SMEs in total value added in the textile industry (2008) 41% (2009) 41.5% (2010) 42% (2011) 42.5% (2012) 43%	Outcome Indicators	1.1.1 An internet based value chain management portal is operational and accessible for all companies in textile, clothing sector and related industries throughout Turkey, including the targeted 1,000 SMEs in Karamanmaraş, Adıyaman, Gaziantep and Malatya provinces.	Participating UN Organizations: UNDP	Implementing Partner: ITKIB	Subsector: Textile Research Output	Resource Allocation and Distribution (in %)					
										1.1.1.1 Selection of members for the expansion of the existing pilot application. Existing contacts and partners in ongoing activities are the priority candidates for this activity.	1.1.1.2 Identification of system requirements. System requirements documents will act as a technical contract between the developers of the platform and its owners. An online survey will be conducted with a gender sensitive approach at the end of each year to measure the level of satisfaction of the VCMP members.	1.1.1.3 Design and implementation of software. Based on the system requirements agreed in activity 1.1.2 the software will be designed and implemented.	1.1.1.4 Launch of the platform and its promotion through existing networks of implementing agency and through media and business platforms.	1.1.1.5 Management and maintenance of the platform.	1.1
Output 1.1: A Value Chain Management Platform (VCMP) that disseminates affordable productivity enhancing technologies is established and approved by ITKIB and accessible by sector companies and all relevant parties.	Indicators: Number of SMEs registered. Percentage of registered members benefiting. No. of persons trained. % of women trainees									5,600	0	0	0	0	5,600
										5,100	0	0	0	0	5,100
										92,250	0	0	0	0	92,250
										37,400	0	0	0	0	37,400
										0	50,400	25,200	0	0	75,600
Baseline: 0															

<p>Targets: 1,000 SMEs will be registered promoting equal participation of women and men. Annual online surveys indicate that mini. 70% of the members benefited from the platform. 1000 representatives trained where gender equal participation will be promoted.</p>	<p>1.1.2. Capacity development strategy on ICT is implemented and delivered to 1,000 SMEs, promoting equal participation of women and men.</p>	<p>UNDP</p>	<p>IKIB in collaboration with Digital Opportunity Trust, Youth for Habitat</p>	<p>18,700</p>	<p>0</p>	<p>0</p>	<p>18,700</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.1.2.1 Identification of gender sensitive training needs. In order to ensure the maximum benefits of SMEs from the platform, their training needs for utilizing ICT tools will be determined through a survey to be conducted on selected SMEs.</p> <p>1.1.2.2 Designing programs and the relevant materials. Based on the identified needs, training programmes and training materials will be designed and prepared.</p> <p>1.1.2.3 Deliver training to the target group employees with a special focus on promoting equal participation of women and men.</p>	<p>UNDP</p>	<p>IKIB in collaboration with UFT, and IGEME</p>	<p>37,400</p>	<p>0</p>	<p>0</p>	<p>37,400</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.1 A needs assessment for the support in the fields of cluster, export consortia & business linkages development in the textile sector has been elaborated in a gender sensitive and participatory manner.</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, and IGEME</p>	<p>14,000</p>	<p>0</p>	<p>0</p>	<p>14,000</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.2 Organization of a gender balanced focus group meeting hosting representatives of the identified core institutions with the objective to (a) discuss the findings and recommendations outlined in the mapping; (b) gather feedback and suggestions from the stakeholders; (c) define the concrete role/involvement of each participating institution in this project component; (d) present the UNIDO Cluster Methodology and Programmes (including Export Consortia); (e) discuss potential approaches and applicability for the Turkish textile sector; and (f) discuss the implementation of a pilot cluster for demonstration and training purposes in Kahramanmaraş and/or neighbouring provinces.</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, IGEME, Chambers of Commerce and Industry in target provinces, Sütçü İmam</p>	<p>9,300</p>	<p>0</p>	<p>0</p>	<p>9,300</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.2.1 Adaptation of UNIDO training material to the textile industry and local specificities</p> <p>1.2.2.2 Organization of 2 training courses for selected experts on the UNIDO Cluster Development and Export Consortia Methodology</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, IGEME, Chambers of Commerce and Industry in target provinces, Sütçü İmam</p>	<p>18,700</p>	<p>0</p>	<p>0</p>	<p>18,700</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.1.3 Preparation of a set of recommendations as regards on what groups of SMEs future cluster / business linkages / export consortia development initiatives of national public and private support institutions should focus.</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, IGEME, Chambers of Commerce and Industry in target provinces, Sütçü İmam</p>	<p>9,300</p>	<p>0</p>	<p>0</p>	<p>9,300</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.2.1 Adaptation of UNIDO training material to the textile industry and local specificities</p> <p>1.2.2.2 Organization of 2 training courses for selected experts on the UNIDO Cluster Development and Export Consortia Methodology</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, IGEME, Chambers of Commerce and Industry in target provinces, Sütçü İmam</p>	<p>18,700</p>	<p>0</p>	<p>0</p>	<p>18,700</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.2.1 Adaptation of UNIDO training material to the textile industry and local specificities</p> <p>1.2.2.2 Organization of 2 training courses for selected experts on the UNIDO Cluster Development and Export Consortia Methodology</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, IGEME, Chambers of Commerce and Industry in target provinces, Sütçü İmam</p>	<p>18,700</p>	<p>0</p>	<p>0</p>	<p>18,700</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.2.1 Adaptation of UNIDO training material to the textile industry and local specificities</p> <p>1.2.2.2 Organization of 2 training courses for selected experts on the UNIDO Cluster Development and Export Consortia Methodology</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, IGEME, Chambers of Commerce and Industry in target provinces, Sütçü İmam</p>	<p>18,700</p>	<p>0</p>	<p>0</p>	<p>18,700</p>
<p>Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p> <p>Indicators: Number of experts from business support institutions received trainings Baseline: 0</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to KCEME, IKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 Business support organisations on clustering developed.</p>	<p>1.2.2.1 Adaptation of UNIDO training material to the textile industry and local specificities</p> <p>1.2.2.2 Organization of 2 training courses for selected experts on the UNIDO Cluster Development and Export Consortia Methodology</p>	<p>UNIDO</p>	<p>IKIB in collaboration with UFT, IGEME, Chambers of Commerce and Industry in target provinces, Sütçü İmam</p>	<p>18,700</p>	<p>0</p>	<p>0</p>	<p>18,700</p>

	clustering and export consortia formation are reinforced and / or developed	University and other training institutions	18,700	0	0	18,700
	1.2.2.3 Formulation of a gender sensitive and participatory diagnostic study for Kahrarammaras and neighbouring provinces to identify strengths, weaknesses, opportunities and threats, and establishment of a baseline for monitoring and evaluation with gender disaggregated data when available.		0	18,700	0	18,700
	1.2.2.4 Formulation and participatory validation, by local stakeholders, of action plans entailing the development vision of the cluster and a road map for its achievement. These action plans also include institutional capacity building activities.		0	22,400	28,000	50,400
	1.2.2.5 Support in the implementation of the cluster action plan within the time frame of this project. Under this component, training programmes on cluster development will be organized with local institutions (e.g. universities, vocational schools or alike) based on identified needs.		0	0	15,000	15,000
	1.2.2.6 Formulation of gender sensitive policy recommendations for the integration of the cluster approach into existing private sector development policies to enable a wider application of the cluster approach.		0	0	15,000	15,000
			2,300	0	0	2,300
	1.3.1.1 Establishment of administrative infrastructure. Basis of collaboration will be founded by signing a protocol with the university administration.	ITRIB in collaboration with Suceo Imam - University and Kahrarammaras Chamber of Trade and Industry	2,300	0	0	2,300
	1.3.1.2 Installation of facilities and equipment; Office space and furniture will be provided by the university.		9,300	0	0	9,300
	1.3.1.3 Capacity development of academic members. Three selected academic members who are already working on business models in textile industry will receive training in Suceo.		70,100	0	0	70,100
	1.3.1.4 Design and delivery of an operational program for the delivery of consultancy services. With the completion of training of three academic members the centre will start to provide consultancy services to industry wishing to invest in process innovation. Coaching of SMEs in the region about their preparation for the best practices in support scheme		2,300	28,000	28,000	58,300
			2,300	0	0	2,300
			2,300	0	0	2,300
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			2,300	0	0	2,300
			2,300	0	0	2,300
			2,300	0	0	2,300

and achieved.	10 maximum 12 selected SMEs on innovative projects for improvement of business processes that utilizes the VCMF to connect with other businesses in supply chain and complies with CSR related standards	and industry	2,400	2,400	0	2,400
Indicators: Number of SMEs supported for their successful projects. No. Of SMEs applied for support Baseline: 0 Target: 20 applications received for support and min. 10 SMEs supported, with special focus to women's SMEs.	1.4.1.2 Publish and promote call for proposals in sector media and through the networks of the stakeholders. Applicants will be given at least two months to prepare their proposals. Support will be provided by IRAC 1.4.1.3 Evaluation of the applications by gender balanced independent committee following the evaluation criteria previously announced. Utmost care will be taken to ensure the transparency of the selection procedure.		0	0	0	157,250
	1.4.1.4 Monitoring of the supported actions and expenditure verification		0	0	0	18,250
		Total	0	0	0	187,250
<p>Joint Program Outcome 2: Sustainable Gender Equality are integrated into the business processes and practices of the Turkish SMEs. Results refer to the total commitment.</p> <p>Change Indicators:</p> <ul style="list-style-type: none"> 1. Higher female employment in textile and clothing sector (Baseline: 0/15) 50% (Target: 2017: 15%) 2. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 3. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 4. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 5. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 6. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 7. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 8. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 9. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 10. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 11. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 12. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 13. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 14. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 15. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 16. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 17. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 18. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 19. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 20. 100% of women employed in textile and clothing sector (Baseline: 0/100%) (Target: 2017: 80%) 						
Output 2.1: An assessment report on sustainable development and MDGs awareness as well as on gender sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by IKIB and consequently shared with MoT, UFT and SMEs other national stakeholders	2.1.1 An assessment of the awareness on sustainable development, and MDGs for SMEs in textile and clothing sectors is elaborated in a gender sensitive and participatory manner and submitted for consideration to MoT	Participating Organizations inside country	28,000	28,000	0	28,000
Output 2.1: An assessment report on sustainable development and MDGs awareness as well as on gender sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by IKIB and consequently shared with MoT, UFT and SMEs other national stakeholders	2.1.1.1 implementation of a survey covering 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations.	Implementing Partner	18,700	18,700	0	18,700
Output 2.1: An assessment report on sustainable development and MDGs awareness as well as on gender sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by IKIB and consequently shared with MoT, UFT and SMEs other national stakeholders	2.1.1.2 Completion of a Situation Analysis for SMEs in textile and clothing sectors.	Implementing Partner	14,700	14,700	0	14,700
Output 2.1: An assessment report on sustainable development and MDGs awareness as well as on gender sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by IKIB and consequently shared with MoT, UFT and SMEs other national stakeholders	2.1.1.3 Presentation of five business models from the sector to be collected, analyzed, edited and published within the report as case stories	Implementing Partner	0	0	0	0

<p>sensitive, social and environmental conduct of selected SME enterprises is implemented</p> <p>Indicators: Number of women and men who received training and able to apply their knowledge in their workspace.</p> <p>Baseline: Limited training offered to tertiary sector which do not cover all issue areas.</p> <p>Target: 100 managers, 1500 workers and 100 experts trained. Equal participation of women and men will be promoted and gender disaggregated data collected.</p>	<p>training programs on gender sensitive sustainable development and MDGs is implemented and delivered to 200 managers, as well as 100 workers, as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation.</p>			<p>Pacto Mundial de Naciones Unidas and Foro para la Evaluación de la Gestión Ética, Regional Environment Center & CSR Association</p>	<p>2.2.1.2 Designing and developing the relevant training materials</p>	<p>10,200</p>	<p>0</p>	<p>0</p>	<p>10,200</p>
					<p>2.2.1.3 Delivering trainings to 200 managers and 1,500 workers with a focus on young people and women, as well as 100 experts of local business support and advisory institutions</p>	<p>32,500</p>	<p>74,700</p>	<p>67,300</p>	<p>179,500</p>
<p>2.2.2 Capacity development strategy containing 100 intensive training programs on social and gender sensitive conduct is implemented and delivered to 200 managers and 1,500 workers, as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation.</p>	<p>U.I.O</p>			<p>IFXIB in cooperation with Kadiri Has U, Sirtu Imam U, Asociación Española del Pacto Mundial de Naciones Unidas and Foro para la Evaluación de la Gestión Ética, Regional Environment Center & CSR Association</p>	<p>2.2.2.1 Designing training programs on social conduct, and the business benefits of CSR compliance as well as how to develop and mainstream a CSR strategy to the business processes for increased competitiveness</p> <p>2.2.2.2 Designing and developing the relevant training materials</p>	<p>39,300</p>	<p>0</p>	<p>0</p>	<p>39,300</p>
					<p>2.2.2.3 Delivering trainings to 200 managers and 1,500 workers with a focus on young people and women, as well as 100 experts of local business support and advisory institutions (Delivered by IFXIB, Tufin)</p>	<p>39,600</p>	<p>83,200</p>	<p>93,600</p>	<p>216,400</p>
<p>2.2.3 Capacity development strategy containing 100 intensive</p>	<p>UNIDO</p>			<p>IFXIB in cooperation with Kadiri Has U, Sirtu Imam U, Asociación Española del</p>	<p>2.2.3.3 Designing training programs on environmental conduct and productivity aspects</p>	<p>29,400</p>	<p>0</p>	<p>0</p>	<p>29,400</p>

<p>training programs on environmental conduct and productivity aspects is implemented and delivered to 200 managers and 1,500 workers as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation.</p>	<p>Facto Mundial de Naciones Unidas and Foro para la Evaluación de la Gestión Ética, Regional Environment Center & CSR Association</p>	<p>2.2.2.2 Designing and developing the relevant training materials</p>	<p>18,600</p>	<p>0</p>	<p>0</p>	<p>18,600</p>
<p>Output 2.3: A CSR Strategy for textiles and clothing sector is developed, implemented in selected firms and submitted to MoIT for consideration to be integrated into Textile Strategy</p> <p>Indicators:</p> <p>Availability of a CSR strategy for the sector. Availability of a CSR management & reporting tool in local language.</p> <p>Number of firms/experts participating in expert group and focus group meetings, number of SMEs participating in study, number of national experts participating in training program.</p> <p>Baseline: 0</p> <p>Target: A CSR Strategy for Textile sector prepared and submitted to</p>	<p>UNIDO</p> <p>ITKIB, in cooperation with UFT, CSR Association and MoIT</p>	<p>2.2.3.3 Delivering trainings to 200 managers and 1,500 workers with a focus on young people and women, as well as 100 experts of local business support and advisory institutions</p>	<p>33,600</p>	<p>58,600</p>	<p>57,000</p>	<p>148,600</p>
<p>2.3.1 A CSR based management and reporting tool for Turkish SMEs in the textile and clothing sectors piloted and made available to the local private sector</p>	<p>UNIDO</p>	<p>2.3.1.1 Organizing one expert group meeting, gathering interested multinational firms (MNCs) sourcing from Turkey, as well as large national textile firms and representatives of the local private sector to identify the importance of responsible business practices in the supply chain and identify potential partners for this project component</p> <p>2.3.1.2 Organizing a gender balanced small focus group meeting with selected partners TNCs/large firms, international/national experts and potential local business support institutions</p> <p>2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool</p> <p>2.3.1.4 Selection of pilot SMEs</p>	<p>23,900</p>	<p>0</p>	<p>0</p>	<p>23,900</p>
<p>2.3.1.5 Implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 Integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>UNIDO</p>	<p>2.3.1.2 Organizing a gender balanced small focus group meeting with selected partners TNCs/large firms, international/national experts and potential local business support institutions</p> <p>2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool</p> <p>2.3.1.4 Selection of pilot SMEs</p> <p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>18,500</p>	<p>0</p>	<p>0</p>	<p>18,500</p>
<p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>UNIDO</p>	<p>2.3.1.2 Organizing a gender balanced small focus group meeting with selected partners TNCs/large firms, international/national experts and potential local business support institutions</p> <p>2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool</p> <p>2.3.1.4 Selection of pilot SMEs</p> <p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>40,500</p>	<p>28,600</p>	<p>0</p>	<p>68,500</p>
<p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>UNIDO</p>	<p>2.3.1.2 Organizing a gender balanced small focus group meeting with selected partners TNCs/large firms, international/national experts and potential local business support institutions</p> <p>2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool</p> <p>2.3.1.4 Selection of pilot SMEs</p> <p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>0</p>	<p>3,700</p>	<p>0</p>	<p>3,700</p>
<p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>UNIDO</p>	<p>2.3.1.2 Organizing a gender balanced small focus group meeting with selected partners TNCs/large firms, international/national experts and potential local business support institutions</p> <p>2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool</p> <p>2.3.1.4 Selection of pilot SMEs</p> <p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>0</p>	<p>74,000</p>	<p>53,900</p>	<p>127,900</p>
<p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>UNIDO</p>	<p>2.3.1.2 Organizing a gender balanced small focus group meeting with selected partners TNCs/large firms, international/national experts and potential local business support institutions</p> <p>2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool</p> <p>2.3.1.4 Selection of pilot SMEs</p> <p>2.3.1.5 implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts</p> <p>2.3.1.6 integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.</p>	<p>0</p>	<p>0</p>	<p>20,000</p>	<p>20,000</p>

	Indirect Support Cost (7 %)	34,401.50	41,405.00	15,365.00	92,172.50
UNIDO	Programme Cost	288,500.00	316,700.00	187,800.00	802,500.00
	Indirect Support Cost (7 %)	20,195.00	22,134.00	13,846.00	56,175.00
ILO	Programme Cost	180,100.00	140,300.00	93,600.00	384,000.00
	Indirect Support Cost (7 %)	12,607.00	7721.00	6,552.00	25,880.00
TOTAL	Programme Cost	360,690.00	318,690.00	525,200.00	2,203,250.00
	Indirect Support Cost (7 %)	57,203.50	31,750.00	26,756.00	115,177.50
(GRAND TOTAL (Programme Costs + Indirect Support Costs + Formulation/Advanced)		417,893.50	350,440.00	551,956.00	2,318,427.50

As per POPP, "When UNDP is the Administrative Agent (AA), a 1% AA fee is earned upfront on the entire contribution. Funding passed through to participating UN organizations is not recorded as UNDP's income. Project budget is subject to revision and reallocation between categories and activities as needed/required. UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct implementation support costs

*Excludes Agency Management Support Costs

6. Management and Coordination Arrangements

The management and coordination arrangements will follow the guidelines of the Multi Donor Trust Fund Operational Guidance Note for the Participating UN Organizations (MDG-F, March 2009 version).

Role of Resident Coordinator

The UN Resident Coordinator (RC) is ultimately responsible for facilitating collaboration among participating UN agencies to ensure that the Joint Program (JP) is on track and that its results are being delivered:

The Resident Coordinator will exercise his authority over the programme by taking leadership of the overall programme design, ongoing programmatic oversight of the Fund's activities by chairing the National Steering Committee meetings. To ensure proper checks and balances, the RC will establish committees at two levels:

- National Steering Committee
- Programme Management Committee

National Steering Committee (NSC) is already established in Turkey within the context of other MDG-F and other joint programs operating in Turkey. The NSC membership is small, consisting of non-implementing parties to allow for independence. The NSC includes a representative of the Turkish Government, a representative from the Government of Spain and the UN Resident Coordinator (RC). The RC and the representative from the Government co-chair the NSC, and may invite other members from civil society and appropriate institutions. The NSC meets semi-annually and makes decisions by consensus. The detailed composition and responsibilities of the NSC are presented in Annex I.

Programme Management Committee (PMC) will be established to provide operational coordination to the JP. The PMC's role is to provide operational coordination to the Joint Programme. The membership of the PMC consists of participating UN agencies of the JP, i.e. UNDP, UNIDO and ILO, Ministry of Industry and Trade (MoIT), Undersecretariat for Foreign Trade (UFT), ITKIB, GAP (Southeast Anatolia) Regional Development Administration (GAP RDA), Kahramanmaraş Chamber of Industry and Commerce (KMTSO) and Chambers of Commerce and Industry from Gaziantep, Adiyaman and Malatya. The RC or *his/her designate* will chair the PMC. The Joint Programme Manager and experts will be invited to the PMC meetings as needed. The PMC will normally meet quarterly, but may have to meet more often depending on the need to address issues related directly to management and implementation of the programme. The TOR for the PMC is presented in Annex I.

Technical Advisory Committee (TAC) will also be established to provide technical advice to support project implementation. Members of the PMC will not serve on the TAC, but TAC membership may be open to technical experts from the relevant organizations represented in the PMC. TAC will be jointly coordinated by the PMC and the JP Programme Manager, and will consist of about 8-10 subject matter experts. These experts will be elected according to their expertise and experience in one or more of the following topics; textiles and clothing sector in Turkey, value chains and clustering, competitiveness, sustainable development and corporate social responsibility, human rights, information and communication technologies (ICTs) topics. The experts will be drawn from the national stakeholders of the Joint Programme and from other relevant institutions. Also representatives from multinational textiles and clothing companies, global brands and sourcing offices that source from Turkey may be invited to the TAC to provide their expertise. A sample TOR is provided for the TAC in Annex J. The TOR for the TAC will be prepared during the inception phase of the JP.

Participating UN Agencies

Each output of the JP will be managed by a designated UN agency and each designated UN agency will be responsible for the achievement of their respective output and implementation of their respective activities. Participating UN agencies of the JP are responsible for:

- Ensuring professional and timely implementation of the activities and delivery of the reports and other outputs identified in this project document;
- Contracting and supervising qualified local and international experts; managing and being responsible for all financial administration, monitoring, reporting and procurement to realize the targets envisioned in the activities for which the respective UN agencies are responsible;
- Carrying out all the necessary tasks and responsibilities to assist the UN Resident Coordinator;
- Appointing a responsible Joint Program Focal Point from its own agency (who is not paid from the project) who will co-manage the project on behalf of the relevant UN agency.

Administrative Agent

By way of support to the UN RC's facilitation of collaboration among the participating UN agencies and with its role as the Administrative Agent (AA), UNDP will assist the oversight and coordination of the outputs and management of administrative, financial and procurement issues related to project implementation. This support includes staffing of a Joint Program Manager who will be responsible for the coordination of different outcomes/implementing agencies and support staff as relevant. ~~UNDP will ensure that the participating UN agencies are fully involved in the~~ recruitment of these posts. Furthermore, Joint Program review, monitoring and evaluation missions will be hosted by UNDP.

In addition, coordination with already ongoing MDGF JPs and existing UN Thematic Groups on Poverty Alleviation and Rural Development, Gender and Youth will be ensured.

Joint Programme Manager

The Joint Programme Manager, with appropriate support, will facilitate project implementation at the national level and ensure coherence among different components of the project. S/he will update the Annual Work Plans as necessary and oversee the execution of activities, be responsible for technical and methodological issues, carry out any reporting functions required for monitoring and evaluation of the project, and coordinate with governmental institutions, NGOs, business community, private sector partners and other relevant local stakeholders. The Joint Programme Manager will service all participating UN agencies and all JP components. His or her place of duty will be the Joint Programme Coordination Office in ITKIB headquarters in Istanbul. Also a JP Site Officer will be located in the premises of the main local partner Kahramanmaraş Chamber of Commerce and Industry to undertake day-to-day activities in the selected region composed of four provinces. Short term expert(s) will be contracted for the evaluation and monitoring of the support scheme. To provide support to the JP, one JP support finance/administrative staff will be recruited.

Leading Implementing Agency

The Istanbul Textile and Apparel Exporters' Association (ITKIB), under the Prime Ministry Undersecretariat for Foreign Trade, will be the leading implementing agency for the technical components of the programme, both at the national and local level. The State Planning Organization (SPO), which is the national agency mandated with planning and monitoring of MDG strategies and outcomes in Turkey, will be responsible for overall coordination and alignment to national strategies.

Risks

Full commitment and dedication of the implementing agency ITKIB and its supervisory organisation UFT were secured during the consultation meetings held in the course of the drafting phase of this Project Document. Also MoIT showed strong interest in the Joint Programme and became a member of the PMC. Therefore, a major risk from the active involvement of national government is not foreseen. The current global financial crisis has been negatively influencing SMEs, especially those in the textile industry. Many companies decided to shrink or temporarily cease their production. It could be estimated that, continuation of severe economic conditions may impede SMEs' participation to programme activities.

The programme activities, especially those directed at "Outcome 1: Business linkages strengthened among SMEs in the Turkish textile industry especially in poor and vulnerable areas by means of enhanced collaboration and networking environment and increased innovation capacities", aim at increasing international competitiveness of SMEs via increase in productivity of SMEs by introducing innovative ways of doing business. The programme presents an opportunity for reducing costs and getting access to new markets and therefore will be attractive for SMEs looking for ways of improving their business. Nevertheless, during the inception period of the programme, local economic conditions and global trends will be reviewed to make adjustments in the implementation plan to ensure the achievement of the targeted outcomes. Risks and assumptions and output level are given in Table 2: Joint Programme Monitoring Framework.

7. Fund Management Arrangements

The fund management arrangements will follow the guidelines of the MDG-F Operational Guidance Note for the Participating UN Organizations (MDG-F, March 2009 version). The administration of the programme follows the "Pass-Through" fund management option, in accordance with the planning and financial procedures as explained in the UNDG Guidance Note on Joint Programming. As per these guidelines, the arrangements for management, review and coordination should be documented, including the roles and responsibilities of the Administrative Agent (AA).

UNDP will act as Administrative Agent in accordance with the policy of 26 June 2007 on "Accountability when UNDP is acting as Administrative Agent in UNDP Multi-Donor Trust Funds and/or UN Joint Programmes". (<http://www.undp.org/mdtf/docs/UNDP-AA-guidelines.pdf>). As per this policy, accountability for UNDP's Administrative Agent function rests with the Executive Coordinator of the MDTF Office. However, specific tasks related to the Administrative Agent role can be performed by UNDP Resident Representatives with explicit delegation from the Executive Coordinator of MDTF Office.

In the performance of Administrative Agent tasks at the country level under delegated authority the UNDP Resident Representative will be accountable to the Executive Coordinator of the MDTF Office. Detailed agreements on the delegated performance of specific Administrative Agent tasks will be established by the MDTF Office on a case-by-case basis ensuring that capacity requirements are met.

The AA is responsible for:

- Disbursing approved resources to the participating UN agencies;
- Consolidating the Joint Program narrative report with financial reports from participating UN Agencies (including analysis of financial and narrative data);
- Providing narrative reports to the National Steering Committee;
- Providing the Consolidated Joint Program Progress Reports, and other reports as appropriate to the donor, i.e. the Fund Steering Committee through the Secretariat;
- Streamlining the reporting systems and harmonizing reporting formats based on joint programming best practices;
- Facilitating the work of the participating UN agencies to ensure adherence to a results based reporting structure around outcomes and outputs;
- Ensuring that fiduciary fund management requirements are adhered to.

This notwithstanding, each participating UN Agency assumes complete programmatic and financial responsibility for the funds disbursed to it by the AA and can decide on the execution process with its partners and counterparts following the organization's own applicable regulations. Each participating agency establishes a separate ledger account for the receipt and administration of the funds disbursed to it by the AA. The participating agencies will provide certified financial reporting according to the budget template provided in the MDG-F Operational Guidance Note and are entitled to deduct their indirect costs on contributions received not exceeding 7 % of the JP budget. Subsequent instalments will be released in accordance with the Annual Work Plans approved by the National Steering Committee. The release of funds is subject to meeting a minimum commitment threshold of 70% of the previous fund release to the participating agencies combined. If the 70% threshold is not met for the program as a whole, funds cannot be released to any organization, regardless of the individual organization's performance. On the other hand, the following year's advance can be requested at any point after the combined commitment against the current advance has exceeded 70% and the work plan requirements have been met. If the overall commitment of the program reaches 70% before the end of the 12 month period, the participating UN agencies may after the

endorsement by the National Steering Committee, request the MDTF Office through the UN RC to release the next instalment ahead of schedule.

Cash Transfer Mechanism:

UNDP, ILO and UNIDO are the participating UN agencies for this Joint Program. UNDP is the only Ex-Com Agencies. Among the cash transfer mechanisms stated through Harmonized Approach to Cash Transfer (HACT), namely "Direct Cash Transfer to Implementing Partner", "Direct Payment to Vendors", "Reimbursement of Costs Advanced by Implementing Partner", "Direct Agency Implementation", UNDP shall opt for "Direct Payment to Vendors" or "Direct Agency Implementation" as appropriate.

Based on reviews and micro-assessment, different cash transfer approaches may be adopted during the course of implementation as needed.

Upon receipt of the Fund Steering Committee's final approval of the Joint Programme Document, the Fund Secretariat will release funds for the implementation of the full Joint Programme to the MDTF Office. On receipt of a copy of the signed Joint Programme document, the MDTF Office will transfer the first annual instalment to each Participating UN Organization. To request the fund transfer, the RC must submit the Fund Transfer Request Form (http://www.undp.org/mdtf/mdgf/docs/Fund_Transfer_Request.doc) to the MDTF Office. The transfer of funds will be made to the Headquarters of each Participating UN Organization. Each organisation assumes complete programmatic and financial responsibility for the funds disbursed to it by the administrative agent and can decide on the execution modality, and method of fund transfer to its partners and counterparts following the organisation's own regulations.

Each participating UN agency establishes a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. Participating UN organisations are requested to provide certified financial reporting according to the budget template in Annex 1. Participating UN Organizations are entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme. However, indirect costs cannot exceed 7 % of programme expenditure.

Subsequent instalments will be released in accordance with Annual Work Plans approved by the NSC. The release of funds is subject to meeting a minimum commitment threshold of 70% of the previous fund release to the participating UN agencies combined (Commitments are defined as legally binding contracts signed, including multi-year commitments which may be disbursed in future years). If the 70% threshold is not met for the programme as a whole, funds will not be released to any organization, regardless of the individual organization's performance.

On the other hand, the following year's advance can be requested at any point after the combined commitment against the current advance has exceeded 70% and the work plan requirements have been met. If the overall commitment of the programme reaches 70% before the end of the twelve-month period, the participating UN agencies may upon endorsement by the NSC request the MDTF to release the next instalment ahead of schedule. The RC will make the request to the MDTF Office on NSC's behalf.

Any fund transfer is subject to submission of an approved Annual Work Plan and Budget to the MDTF Office.

8. Monitoring, Evaluation and Reporting

Programme monitoring, evaluation and reporting procedures will follow the UN MDG-F operational procedures and will be provided by the PMC. At the initialisation of the programme a joint reporting format will be adapted to harmonise the reports produced by different partner organisations.

Monitoring

Day-to-day monitoring of the implementation progress will be the responsibility of the JPM, who will inform the JPSC of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely manner.

The Program Monitoring Framework Matrix provides a summary of outcomes, outputs, activities, indicators, and means of verification to be performed by the project. These form the basis on which the project's monitoring and evaluation system will be built and will be further refined during the inception phase of the Joint Program.

The PMC, led by the JPM, will be responsible for monitoring the progress of the activities in the log-frame and of overseeing the collection of information against indicators. These will be reported on annually to the NSC. These annual reports will include a collection of lessons learned, risks and a mitigation plan (adaptive management) for activities that are not on track.

A revised project implementation plan will be submitted upon the completion of the inception period.

Evaluation

The JP will also undergo both a mid-term as well as a final evaluation to assess the achievement of results of the programme in view of the overall development objective and outcomes identified. As Administrative Agent, UNDP will procure the services of a qualified external consultant(s) who will review the Program Monitoring Framework. This will include reviewing the Program Monitoring Framework (specifically the indicators, and means of verification), imparting additional detail as needed, and on the basis of this exercise finalizing an AWP with precise and measurable performance indicators that are consistent with the expected outcomes for the project. The monitoring of the Joint Program is devised to follow the programme performance and achievement of expected results, and provide external input. The Joint Program will also undergo a final evaluation to assess the achievement of results and impact of the program in view of the overall development objective and outcomes identified. The evaluative functions required for the Joint Program are split at least into two parts to ensure that corrective evaluative knowledge can benefit the second year of program operations.

Reporting

The MDTF Office is ultimately responsible for the annual Consolidated Joint Program Progress Report which will consist of three parts:

- 1) Administrative Agent Management Brief: The Management brief consists of analysis of the certified financial report and the narrative report. The Management brief will identify key management and administrative issues, if any, to be considered by NSC.
- 2) Narrative Joint Program Progress Report: This report is produced through an integrated Joint Program reporting arrangement. The report will be reviewed and endorsed by the PMC before it is submitted to the MDTF Office at end February of each year.
- 3) Financial Progress Report at end March 2009 and 2010, prepared by each participating agency.

Each participating agency is responsible for providing inputs into these three components of the Joint Program report. Each participating agency will be responsible also for completing the common format for reporting based on results-based annual program level reporting

At the initialisation of the programme a joint reporting format will be adapted to harmonise the reports produced by different partner organisations.

The Joint Programme Monitoring Framework is provided below:

Table 2: Joint Programme Monitoring Framework (JPMF)

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
<p>JP Outcome 1: Production and innovation capacities of the SMEs in the Turkish textile industry especially in poor and vulnerable areas strengthened through enhanced collaboration and networking for increased competitiveness</p>	<p>1.1: Share of SMEs in exports. Baseline (2008): 50% Target (2012): 53%</p> <p>1.2: Share of textile and clothing sectors in total exports. Baseline (2008): 11% Target (2012): 19%</p> <p>1.3: Share of south-eastern Turkey based textile and clothing companies in total textile and clothing exports: Baseline (2008): 1.5% Target (2012): 5%</p>	<p>UFT and MoIT reports and statistics</p> <p>TURKSTAT statistics</p>	<p>2010 - 2012 mid-term evaluation</p>	<p>UN participating agencies will collaborate with and support national implementing partner.</p>	<p>Assumption: The macro-economic conditions and political climate remains stable. The government and other partners remain committed to Program priorities. Government stays committed to the competitiveness of SMEs especially in poor regions and adopts a pro-poor and pro-women approach</p>
<p>JP Output 1.1: A Value Chain Management platform (VCMP) that disseminates affordable productivity enhancing technologies is established and approved by ITKIB and accessible by actor companies and all relevant parties.</p>	<p>Indicators: Number of SMEs registered. Percentage of registered women and men members benefitting from the system.</p> <p>Baseline: Pilot application has been developed for two big manufacturers / exporters (Meni Jeans and Tatu Textile) and their suppliers. The application is currently operative and covers data of subcontractors and suppliers of these two companies. The platform also serves as an electronic communication and information-sharing medium among the members.</p> <p>Targets: 1,000 SMEs will be registered in the platform at the end of the third year. At least 50% of the members are from RCOOP provinces. Annual online surveys indicate that minimum 70% of the members benefitted from the platform. (Equal participation of women and men will be promoted).</p>	<p>Members database of the VCMP. The database will include name and location of the corporate members and some basic data about the size, structure and capacity of the company</p>	<p>SMEs visiting benefit from VCMP will be obliged to register and provide data about themselves. Data will be accumulated continuously during the implementation of VCMP.</p>	<p>UNDP will support the implementing agency, ITKIB for the expansion of the current application, establishing cooperation platform with relevant ICT companies, assistance in the identification of system requirements and training needs assessment are under the responsibility of UNDP</p>	<p>Benefits of registering to the platform will be promoted through existing networks and media. SMEs, especially those in vulnerable regions will show interest in the platform.</p>
<p>JP Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces</p>	<p>Indicators: Number of women and men experts (eventual future Cluster Development Agents) associated to IGEME, ITKIB and other key institutions participating in the training. Number of business support institutions received trainings</p> <p>Baseline: Number of experts from business support institutions received trainings</p> <p>Targets: 25 Experts (potential future Cluster Development Agents) associated to IGEME, ITKIB, UFT and/or other key institutions trained with equal participation of women and men. Capacities of min. 4 business support organisations on clustering</p>	<p>Participants lists of the information meetings and training sessions</p>	<p>Participants will be registered at each information meeting and training session.</p>	<p>UNIDO will support the implementation agency, ITKIB, and other selected local institutions, in the identification of needs and providing expertise for capacity development</p>	<p>It is assumed that the agencies working on clustering will cooperate for the harmonisation of the clustering efforts.</p>

<p>Output 1.3: An SME Innovation Research and Advisory Centre (IRAC) is established and activated in Kabramanmaraos S. University.</p>	<p>developed.</p> <p>Indicators: Number of SMEs receiving advisory / consultancy services from IRAC</p> <p>Baseline: A research centre has been established and expected to be operational in October 2009. Currently, consulting and training services to industry is very limited.</p> <p>Targets: At the end of the first operational year: Minimum 20 SMEs received consultancy services. 50 SMEs at the end of 2nd year, with a special attention to women's SME.</p>	<p>Registers of IRAC. Submitted projects for support.</p>	<p>Database of the companies requiring support will be kept by IRAC.</p>	<p>UNDP will support the selected institution for the establishment of office facilities. Three selected academics will receive training in Spain.</p>	<p>The institution will allocate USKIM facilities to IRAC, selected academics will devote considerable portion of their time to training to be held in Spain and for consultancy services to be provided.</p>
<p>JP Output 1.4: Innovation in pro-poor and gender sensitive business models is encouraged and achieved.</p>	<p>Indicators: Number of applications for the support scheme. Number of SMEs supported for their successful projects</p> <p>Baseline: support programmes for innovation exist in national schemes but are not targeted to pro-poor or gender sensitive social innovation projects.</p> <p>Targets: Minimum 20 SMEs applied for the support of best practices in innovation. Min. 10 SMEs supported for their successful projects with special focus to women's SMEs.</p>	<p>Registers of IRAC Support scheme application registers.</p>	<p>Database of the companies requiring support will be kept by IRAC. Application process will be monitored by UNDP in coordination with implementing agency.</p>	<p>The selection committee to be established will support ITRIB for selecting SMEs to be supported and awarding of competition.</p>	<p>There will be sufficient number of qualified applications for the support scheme in order to ensure this, the support scheme will be promoted through existing networks and through (local) media.</p>

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
<p>Outcome 2: Sustainable development, CSR principles and gender equality are integrated into the business processes and practices of the Turkish SMEs in textile sector for increased competitiveness.</p>	<p>Outcome Indicators: 2.1: Ratio of registered employment in textile and clothing sector. <u>Baseline</u> (2008): 30% <u>Target</u> (2012): 35% 2.2: Ratio of registered women employment in textile and clothing sector. <u>Baseline</u> (2008): 35% <u>Target</u> (2012): 38% 2.3: The number of Global Compact signatory Turkish textile and clothing companies. <u>Baseline</u> (June 2009): 4 <u>Target</u> (2012): 100 2.4: The number of Turkish textile and clothing companies reporting on CSR and/or sustainability. <u>Baseline</u> (June 2009): 1 <u>Target</u> (2012): 5</p>	<p>MolSS statistics and reports Global compact network signalories information (UNDP) and GC Steering committee ITKIB and other sector reports</p>	<p>MolSS website and other data sources. GC local network information available via UNDP Private sector</p>	<p>UN participating agencies will collaborate with and support national implementing partner.</p>	<p>Assumptions: The macro-economic conditions and political climate remains stable. The government and other partners remain committed to Program priorities. Government adopts CSR and sustainable development principles as part of Textile & clothing sector strategies.</p>
<p>JP Output 2.1: An assessment report on sustainable development and MDGs awareness as well as on gender sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by ITKIB and consequently shared with MoIT, UFT, sector SMEs and other national stakeholders</p>	<p>Indicators: The (CSR) Assessment Report in Textile and Clothing Sector is prepared. Number of copies printed and distributed. No. of companies participated in surveys. Baseline: 0. no report covering all CSR issues for textiles. Target: The assessment report is prepared and 2000 copies of the report are printed and distributed to SMEs and to related governmental institutions. At least 20 large scale companies, 100 SMEs and 10 business organisations surveyed. (sampling plan will cover poor regions) Acceptance of the findings by stakeholders.</p>	<p>Registers of survey and resulting situation analysis and report. Report and situation analysis available</p>	<p>Survey results will be converted to electronic format for analysis. Reports will be printed and also will be made available electronically and disseminated via existing networks.</p>	<p>Participating UN agencies (UNDP, UNIDO, ILO) will support the implementing agency ITKIB for the execution of the situation analysis and report.</p>	<p>SMEs will cooperate in the surveys and be willing to provide data.</p>
<p>JP Output 2.2: Awareness building strategy on sustainable development and gender sensitive social and environmental conduct of selected SME enterprises is implemented</p>	<p>Indicators: Number of women and men who received training and able to apply their knowledge in their workspace. Baseline: Limited trainings offered to textiles sector which do not cover all issue areas. CSR Association Turkey, ITKIB and Kaldar are engaged in activities on awareness raising, training and developing booklets on the subject. A survey conducted at the conclusion of the training program organized by ESCI, ITKIB and SAI concluded that the awareness on the issue is not at desired Target: 200 managers, 1500 workers and 100 experts trained. Equal participation of women and men will be promoted and gender disaggregated data collected.</p>	<p>Registers of training programmes and feedback surveys with participants. Training Reports</p>	<p>Survey results will be converted to electronic format for analysis. Attendance sheets for the training programmes will be kept by the implementing agency. Training Reports will be kept by the implementing partner.</p>	<p>Participating UN Agencies (UNDP, UNIDO, ILO) will support the implementing agency ITKIB for the execution of the trainings and related preparatory activities.</p>	<p>SMEs will be interested in and attend the training programs.</p>
<p>Output 2.3: A CSR Strategy for textiles and</p>	<p>Indicators: Availability of a CSR strategy for the sector. Availability of a CSR management & reporting tool in local</p>	<p>Minutes of expert group and focus group</p>	<p>Minutes of meetings will be prepared and</p>	<p>UNIDO will support the implementing agency</p>	<p>SMEs will show interest in group meetings and</p>

<p>clothing sector is developed, implemented in selected firms and submitted to MoIT for consideration to be integrated into Textile Strategy</p>	<p>language. Number of firms/experts participating in expert group and focus group meetings, number of SMEs participating in study, number of national experts participating in training program Baseline: None Target: A CSR Strategy for Textile sector prepared and submitted to MoIT for consideration. CSR management and reporting tools in local language made available to the sector. Min. 20 large firms participating in expert group meeting, 10 large companies attending in focus group meeting. At least 15 SMEs participating in pilot phase, 40 national experts participating in training seminars. Equal participation of women and men will be promoted.</p>	<p>meetings. Attendance sheets of training sessions.</p>	<p>distributed to participants after each meeting. Attendance will be registered for each training session.</p>	<p>ITKIB, and other local institutions, in the organisation of the CSR strategy, meetings and training programmes.</p>	<p>training programmes.</p>
<p>Output 2.4: Awareness of national authorities on the impact of textile and clothing sectors on environment is developed and strengthened.</p>	<p>Indicators: A gender sensitive policy advocacy note on the impact of textile and clothing sectors on environment is elaborated. No. of industry representatives attending conference Baseline: 0 Targets: 1 gender sensitive policy note on environmental impact is prepared and submitted to Ministry of Industry and Trade and Min. of Environment and Forestry. Min. 80 representatives from the industry (firms) attend the conference where equal participation of women and men will be promoted.</p>	<p>Conference registers. Adoption of policy note by MoIT and/or other national bodies to be incorporated in national policies related to textile and clothing sector</p>	<p>Conference registers will start at least one month prior to the convention.</p>	<p>UNDP will support ITKIB in organising the conference. UNDP will organise meetings with relevant national organisations to advocate for incorporation of policy note in national textile strategy.</p>	<p>Relevant parties will show interest in the conference and the subsequent meetings.</p>

9. Legal Context or Basis of Relationship

The cooperation or assistance agreements, which are the legal basis for the relationships between the Government and each of the UN Organizations participating in this Joint Programme, will apply. Each agency's activities under this Joint Programme will be governed by their respective applicable basic and other agreements.

UNDP: This Project Document shall be implemented within the legal framework of *inter alia* the Revised Standard Agreement concerning technical assistance between the Government of Turkey and the UNDP signed by the parties on 21 October 1965. In particular, the provisions of Article V paragraph 1 obligating the government to apply the provisions of the Convention of Privileges and Immunities shall be deemed to apply *mutatis mutandis* to technical assistance carried out in accordance with this project.

ILO: Official ILO presence in Turkey is based on Law 5947 dated 13/06/1952 which established the ILO Manpower Field Office for the Near and Middle East. In 1976 the ILO Governing Body changed country office responsibilities to cover only Turkey and moved the office to Ankara.

UNIDO: The UNIDO field office in Ankara was established in 1967 aimed at providing technical assistance to Turkey which then became a UNIDO Centre for Regional Cooperation in accordance with the Agreement signed between UNIDO and the Government of Turkey on 9th of February 1999. Turkey's relatively well-developed economic and technical capabilities, along with its strategic location, made it a suitable site for a UNIDO regional centre.

The Implementing Partners/Executing Agency²² agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to this Joint Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

²² Executing Agency in case of UNDP in countries with no signed Country Programme Action Plans

UNDP Development Administration Sector	UNDP Component	Activity	TIME PERIOD				PLANNED BUDGET Source of Funds	Budget Amount		
			Q1	Q2	Q3	Q4				
									TOTAL OUTPUT	
1.4.1 Support Scheme is implemented and has awarded to minimum 10 maximum 12 selected SMEs on innovative projects for improvement of business processes that utilizes the VCMP to connect with other businesses in supply chain and complies with CSR related standards	UNDP	1.4.1.1 Preparation of support scheme guidelines. Basic rules for eligibility of applications, and the evaluation procedures will be determined and documented					MDG-F	No activities in this year	0	
			1.4.1.2 Call for proposals will be published and promoted in sector media and through the networks of the stakeholders. Applicants will be given at least two months to prepare their proposals. Support will be provided by IRAC					MDG-F	No activities in this year	0
			1.4.1.3 Evaluation of the applications will be made by a gender balanced independent committee following the evaluation criteria previously announced. Utmost care will be taken to ensure the transparency of the selection procedure.					MDG-F	No activities in this year	0
			1.4.1.4 Monitoring of the supported actions and expenditure verification					MDG-F	No activities in this year	0
			TOTAL OUTPUT							0

UNDP Development Administration Sector	UNDP Component	Activity	TIME PERIOD				PLANNED BUDGET Source of Funds	Budget Amount		
			Q1	Q2	Q3	Q4				
									TOTAL OUTPUT	
2.1.1 An assessment of the awareness on sustainable development, and MDGs for SMEs in textile and clothing sectors is elaborated in a gender sensitive and participatory manner and submitted for consideration to MoT	UNDP	2.1.1.1 Implementation of a survey covering 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations.					MDG-F	Personnel Travel Miscellaneous	18,000 8,000 2,000	
			2.1.1.2 Completion of a Situational Analysis for SMEs in textile and clothing sectors.					MDG-F	TOTAL Personnel	28,000 18,700
			2.1.1.3 Presentation of five business models from the sector to be collected, analyzed, edited and published within the report as case studies					MDG-F	Personnel	14,700
			2.1.1.4 Elaboration of a gender analysis report.					MDG-F	Personnel	31,700
			2.1.1.5 Publishing of the report as 2,000 copies and made publicly available. (As part of the CSR Assessment Report)					MDG-F	No activities in this year	0

2.1.2 Assessment of social conduct for SMEs in textile and clothing sectors elaborated in a gender sensitive and participatory manner.	ILO	2.1.2.1 Implementation of a survey covering 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations. Gender equal participation will be promoted.	X						Personnel Travel Miscellaneous	14,500 6,000 2,000	
			2.1.2.2 Completion of a Situation Analysis for SMEs in textile and clothing sectors.		X				TOTAL	21,500	
			2.1.2.3 Presentation of five business models from the sector to be collected, analyzed, edited and published within the report as case studies.		X					Personnel	23,400
			2.1.2.4 Preparation of a gender analysis report.			X				Personnel	17,500
			2.1.2.5 Publishing of the Report as 2,000 copies and made publicly available. (As part of the (CSR) Assessment Report)							No activities in this year	0
2.1.3 Assessment of environmental conduct of SMEs in textile and clothing sectors elaborated in a gender sensitive and participatory manner.	UNIDO	2.1.3.1 Implementation of a survey covering 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations.	X						Personnel Travel Miscellaneous	13,500 6,000 2,000	
			2.1.3.2 Completion of a Situation Analysis for SMEs in textile and clothing sectors.		X				TOTAL	21,500	
			2.1.3.3 Presentation of five business models from the sector to be collected, analyzed, edited and published within the report as case studies		X					Personnel	5,000
			2.1.3.4 Preparation of a gender analysis report.			X				Personnel	10,000
			2.1.3.5 Publishing of the Report as 2,000 copies and made publicly available. (As part of the (CSR) Assessment Report)							No activities in this year	0
TOTAL OUTPUT									227,500		

Joint Program Outcome 2: Sustainable Women, CSB employees and gender equality are integrated into the business processes of the Turkish and Lebanese sectors for increased productivity										
SDG Target	Component	Activity	Output	INDICATOR			Source of Funds	Budget Description	Amount	
				Q1	Q2	Q3				
Pillar 2: Sustainable building strategies at local level - development and delivery of social and environmental contracts and services in Lebanon										
2.2.1 Capacity development strategy containing intensive training programs on gender sensitive sustainable development and delivered to 200 managers and 1,500 workers, as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation.	UNDP	2.2.1.1 Designing training programs on sustainable development and MDGs	X				MDG-F	Personnel Miscellaneous Travel	12,000 6,000 10,000	
				X			MDG-F	TOTAL Contracts	28,000 10,200	
					X		MDG-F	Personnel Miscellaneous Travel	21,500 6,000 10,000	
							MDG-F	TOTAL	37,500	
	ILO	2.2.2 Capacity development strategy containing 100 intensive training programs on social and gender sensitive conduct is implemented and delivered to 200 managers and 1,500 workers, as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation.	2.2.2.1 Designing training programs on social conduct, and the business benefits of CSR compliance as well as how to develop and mainstream a CSR strategy to the business processes for increased competitiveness	X				MDG-F	Personnel Miscellaneous Travel	22,300 6,000 10,000
								MDG-F	TOTAL Contracts	38,300 18,700
						X		MDG-F	Personnel Miscellaneous Travel	23,600 6,000 10,000
							MDG-F	TOTAL	39,600	
	UNWFP	2.2.3 Capacity development strategy containing 100 intensive training programs on environmental conduct and productivity aspects is implemented and delivered to 200 managers and 1,500 workers as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation.	2.2.3.1 Designing training programs on environmental conduct and productivity aspects	X				MDG-F	Personnel Miscellaneous Travel	15,000 2,000 7,400
								MDG-F	TOTAL Contracts	23,600 18,600
					X		MDG-F	Personnel Miscellaneous Travel	25,600 2,000 7,400	
						MDG-F	TOTAL	33,600		
TOTAL Output 2.2									247,900	

Annex 10: Outcome 2: Sustainable Enterprise CSR Implementation and Reporting in the Textile and Clothing Sectors in Turkey												
Activity	Objective	Applicable UN Sustainable Development Goals	Activities	Output	Quality	Time Frame	Impact	Priority	Amount			
										MDG-F	MDG-F	MDG-F
2.3.1 A CSR based management and reporting tool for Turkish SMEs in the textile and clothing sectors piloted and made available to the local private sector	UNIDO	8, 12, 13, 17	2.3.1.1 Organizing a one expert group meeting, gathering interested multinational firms (MNCs) sourcing from Turkey, as well as large national textile firms and representatives of the local private sector to identify the importance of responsible business practices in the supply chain and identify potential partners for this project component	X						Contracts Travel 13,900 TOTAL 10,000 23,900		
			2.3.1.2 Organizing gender balanced a small focus group meeting with selected partner TNCs/large firms, international experts and potential local business support institutions		X						Contracts Travel 11,000 TOTAL 7,500 18,500	
			2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool		X	X					Personnel 30,500 Contracts 10,000 TOTAL 40,500	
			2.3.1.4 Selection of pilot SMEs								No activities in this year 0	
			2.3.1.5 Implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts								No activities in this year 0	
			2.3.1.6 Integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.								No activities in this year 0	
			2.3.2.1 Designing and implementing training seminars on institutional development for 40 selected national experts (including representatives of interested partner TNCs) on the adapted UNIDO CSR methodology and its implementation in local textile SMEs (promoting equal participation of women and men)							ITKIB	No activities in this year 0	
			2.3.2 The capacity of selected 40 experts from participating institutions in terms of CSR training and counselling of SMEs in the textile sector is strengthened (promoting equal participation of women and men)	UNIDO								0
			TOTAL QUERIES									53,900

Annex B: Joint Programme Results

The overall objective of the Joint Programme is to enhance the international competitiveness of SMEs in textile and clothing sector of Turkey, especially those located in poor and vulnerable regions, in order to integrate them into the global and domestic value chains.

To achieve this objective the JP focuses on two interrelated and complementary outcomes;

Joint Programme Outcome 1: Productivity and innovation capacities of the SMEs in the Turkish textile industry especially in poor and vulnerable areas strengthened through enhanced collaboration and networking for increased competitiveness

Baseline

The textiles and clothing experts group report for the ninth development plan states that:

Considering both textiles and clothing, the industry is the largest sector in Turkey with total sales of 35 billion USD in 2004. One of the most crucial weaknesses of the sector is the lack of coordination and collaboration between the sub-sectors. The sector generally suffers from increased input costs and experience difficulties in competing in international markets. Therefore, the sector has to go through a transformation in order to survive and be able to provide sustainable and decent employment opportunities.

In order to transform from a supplier to a market maker country in textiles, the enterprises need to develop new business models to increase productivity, be innovative, utilise technology, have flexible production capabilities and develop marketing and sales channels.

Alternative Scenario with MDG-F Funding

The proposed Joint Programme will address the issues stated in the experts' group report for the 9th national development plan, namely lack of collaboration and coordination among the sub-sectors and the necessity of adopting new business models to boost competitiveness in international markets.

SMEs in poor regions in Turkey will be provided a medium of collaboration among themselves and with the actors of the national textile and clothing value chain where they will have new opportunities for business at national and international level. The basis of collaboration at institutional and policy level will be established by the Cluster and Networks Development Initiative component of the Joint Programme.

The ICT capabilities of SMEs will be improved to enable them to actively participate in the VCMP. Active membership to VCMP will be encouraged by the support scheme. The support scheme will also challenge SMEs to develop new business models for improved competitiveness. For that purpose, SMEs will receive institutional support from the SME Innovation Research and Advisory Centre for their transformation into innovative and technology using enterprises with increased productivity, flexible production capabilities, and developed marketing and sales channels.

Outputs to be produced by the Joint Programme and the activities to achieve these outputs are listed below:

Output 1.1: A Value Chain Management Platform (VCMP) that disseminates affordable productivity enhancing technologies is established and approved by İTKİB and accessible by sector companies and all relevant parties.

Output 1.1.1 An Internet based value chain management portal is operational and accessible for all companies in textile, clothing sector and related industries throughout Turkey, including the targeted 1,000 SMEs in Kahramanmaraş, Adiyaman, Gaziantep and Malatya provinces (UNDP).

1.1.1.1 Selection of members for the expansion of the pilot application. Existing contacts and partners in ongoing activities are the priority candidates for this activity.

1.1.1.2 Identification of system requirements. System requirements document will act as a technical contract between the developers of the platform and its owners. An online survey will be conducted with a gender sensitive approach at the end of each year to measure the level of satisfaction of the VCMP members

1.1.1.3 Design and implementation of software. Based on the system requirements agreed in activity 1.1.2 the software will be designed and implemented.

1.1.1.4 Launching of the platform and its promotion through existing networks of implementing agency and through media and business platforms.

1.1.1.5 Management and maintenance of the platform.

Output 1.1.2 Capacity development strategy on ICT is implemented and delivered to 1,000 SMEs, promoting equal participation of women and men (UNDP).

1.1.2.1 Identification of gender sensitive training needs. In order to ensure the maximal benefit of SMEs form the platform, their training needs for utilising ICT tools will be determined through a survey to be conducted on selected SMEs.

~~1.1.2.2 Designing training programs and the relevant materials. Based on the identified needs, training programmes and training materials will be designed and prepared.~~

1.1.2.3 Delivering training. Training will be delivered to the target group employees with a special focus on promoting equal participation of women and men.

Output 1.2: The capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced. Clustering & networking case study is conducted in Kahramanmaraş and neighbouring provinces

1.2.1 A needs assessment for the support in the fields of cluster, export consortia & business linkages development in the textile sector has been elaborated in a gender sensitive and participatory manner (UNIDO).

1.2.1.1 Undertake a gender sensitive needs assessment including (a) a mapping of all stakeholders, (b) their respective strengths and weaknesses, (c) number of firms in the clusters, size of firms, their location, products / services, internal/export market, (d) analysis of the respective production/ distribution chains, and (e) past/ongoing/planned initiatives related to cluster and business linkages development.

1.2.1.2 Organization of a gender balanced focus group meeting hosting representatives of the identified core institutions with the objective to (a) discuss the findings and recommendations outlined in the mapping; (b) gather feedback and suggestions from the stakeholders; (c) define the concrete role/involvement of each participating institution in this project component; (d) present the UNIDO Cluster Methodology and Programmes (including Export Consortia); (e) discuss potential approaches and applicability for the Turkish textile sector; and (f) discuss the implementation of a pilot cluster for demonstration and training purposes in Kahramanmaraş and/or neighbouring provinces.

1.2.1.3 Preparation of a set of recommendations as regards on what groups of SMEs future cluster / business linkages / export consortia development initiatives of national public and private support institutions should focus.

1.2.2 Capacities of minimum 4 selected business support institutions on business linkage development, clustering and export consortia formation are reinforced and / or developed (UNIDO)

1.2.2.1 Adaptation of UNIDO training material to the textile industry and local specificities

1.2.2.2 Organization of 2 training courses for selected experts on the UNIDO Cluster Development and Export Consortia Methodology

1.2.2.3 Formulation of a gender sensitive and participatory diagnostic study for Kahramanmaraş and neighbouring provinces to identify strengths, weakness, opportunities and threats, and establishment of a baseline for monitoring and evaluation with gender disaggregated data when available.

1.2.2.4 Formulation and participatory validation, by local stakeholders, of action plans entailing the development vision of the cluster and a road map for its achievement. These action plans also include institutional capacity building activities.

1.2.2.5 Support in the implementation of the cluster action plan within the time frame of this project. Under this component, training programmes on cluster development will be organized with local institutions (e.g. universities, vocational schools or alike) based on identified needs.

1.2.2.6 Formulation of gender sensitive policy recommendations for the integration of the cluster approach into existing private sector development policies to enable a wider application of the cluster approach.

Output 1.3: An SME Innovation Research and Advisory Centre (IRAC) is established and activated in Kahramanmaraş S. University.

Output 1.3.1 A SME Innovation Research and Advisory Centre (IRAC) is established and activated (UNDP)

1.3.1.1 Establishment of administrative infrastructure. Basis of collaboration will be founded by signing a protocol with the university administration.

1.3.1.2 Installation of facilities and equipment; Office space and furniture will be provided by the university.

1.3.1.3 Capacity development of academic members. Three selected academic members who are already working on business models in textile industry will receive training in Spain

1.3.1.4 Operational program for the delivery of consultancy services. With the completion of training of three academic members the centre will start to provide consultancy services to industry willing to invest in process innovation. Coaching of SMEs in the region about their preparation for the best practices in social innovation support scheme

Output 1.4: Innovation in pro-poor and gender sensitive business models is encouraged and achieved.

Output 1.4.1: Support Scheme is implemented and has awarded to minimum 10 maximum 12 selected SMEs on innovative projects for improvement of business processes that utilizes the VCMP to connect with other businesses in supply chain and complies with CSR related standards (UNDP).

1.4.1.1 Preparation of support scheme guidelines. Basic rules for eligibility of applications, and the evaluation procedures will be determined and documented

1.4.1.2 Call for proposals will be published and promoted in sector media and through the networks of the stakeholders. Applicants will be given at least two months to prepare their proposals. Support will be provided by IRAC

1.4.1.3 Evaluation of the applications will be made by gender balanced Independent committee following the evaluation criteria previously announced. Utmost care will be taken to ensure the transparency of the selection procedure.

1.4.1.4 Monitoring of the supported activities and expenditure verification.

Joint Program Outcome 2: Sustainable development, CSR principles and gender equality are integrated into the business processes and practices of the Turkish SMEs in textile sector for increased competitiveness.

Baseline

As stated in the textiles and clothing experts' group report for the ninth development plan, public awareness has started to build up in Corporate Social Responsibility. However, enterprises regard CSR as a volunteer action rather than a legal or social obligation. Being the top exporting industry in Turkey, textile and clothing sector is under pressure from transnational companies about their social and environmental practices. Furthermore, international organisations as well as the Government of Turkey are developing new regulations about socially responsible work environment. As expressed by Istanbul Textile and Apparel Exporters Association (ITKIB) during the consultation visits, main complaint of the industry is the lack of harmonisation among different requirements, regulations and standards.

ITKIB has been working on raising awareness and building capacity in textile exporters and their suppliers. They are social partner of BCI since their establishment. They have organised seminars for suppliers and printed handbooks. They prepared detailed "how to" manuals for the applications of CSR including topics like health security, labour health, etc. In response to demand from their members ITKIB is feeling the pressure for developing tools and materials which will help their members to meet requirements of different organisations.

Alternative Scenario with MDG-F Funding

Sustainable development, MDGs of UN, social and environmental conduct, gender equality, productivity and corporate social responsibility are the main areas to be covered for the improvement of business practices of SMEs in textile industry. Following the assessment of the current status, training programmes will be developed on above topics. Trainings will be delivered in Kahramanmaraş and in Istanbul. Trainings in Kahramanmaraş will mainly target the manufacturers in those provinces. On the other hand, trainings in Istanbul will target both small manufacturers and exporters. Upon the completion of the programme, 200 managers, 1500 workers and 100 experts will be trained for attaining decent work environment in their workplaces.

Outputs to be produced by the Joint Programme and the activities to achieve these outputs are listed below:

Output 2.1: An assessment report on sustainable development and MDGs awareness as well as on gender sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by ITKIB and consequently shared with MoIT, UFT, sector SMEs and other national stakeholders

Output 2.1.1 An assessment of the awareness on sustainable development, and MDGs for SMEs in textile and clothing sectors is elaborated in a gender sensitive and participatory manner and submitted for consideration to MoIT (UNDP)

2.1.1.1 Implementation of a survey covering 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations.

2.1.1.2 Completion of a Situation Analysis for SMEs in textile and clothing sectors.

2.1.1.3 Presentation of five business models from the sector to be collected, analyzed, edited and published within the report as case stories

2.1.1.4 Elaboration of a gender analysis report.

2.1.1.5 Publishing of the Report as 2,000 copies and made publicly available. (As part of the (CSR) Assessment Report)

Output 2.1.2 Assessment of social conduct for SMEs in textile and clothing sectors elaborated in a gender sensitive and participatory manner(ILO).

2.1.2.1 Implementation of a survey covering 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations will be conducted. Gender equal participation should be promoted.

2.1.2.2 Completion of a Situation Analysis for SMEs in textile and clothing sectors will be carried out

2.1.2.3 Preparation of five business models from the sector to be collected, analyzed, edited and published within the report as case stories

2.1.2.4 Preparation of a gender analysis report

2.1.2.5 Publication of the report as 2,000 copies and made publicly available. . (As part of the (CSR) Assessment Report)

Output 2.1.3 Assessment of environmental conduct of SMEs in textile and clothing sectors elaborated in a gender sensitive and participatory manner (UNIDO).

2.1.3.1 Implementation of a survey covering 20 large scale national or transnational companies, 200 SMEs and at least 10 relevant business organizations .

2.1.3.2 Completion of a Situation Analysis for SMEs in textile and clothing sectors.

2.1.3.3 Presentation of five business models from the sector to be collected, analyzed, edited and published within the report as case stories

2.1.3.4 Preparation of a gender analysis report.

2.1.3.5 Publishing of the Report as 2,000 copies and made publicly available . (As part of the (CSR) Assessment Report)

Output 2.2: Awareness building strategy on sustainable development, and gender sensitive, social and environmental conduct of selected SME enterprises is implemented

2.2.1 Capacity development strategy containing intensive training programs on gender sensitive sustainable development and MDGs is implemented and delivered to 200 managers and 1,500 workers, as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation (UNDP).

2.2.1.1 Designing training programs on sustainable development and MDGs

2.2.1.2 Designing and developing the relevant training materials

2.2.1.3 Delivering trainings to 200 managers and 1,500 workers with a focus on young people and women, as well as 100 experts of local business support and advisory institutions

2.2.2 Capacity development strategy containing 100 intensive training programs on social and gender sensitive conduct is implemented and delivered to 200 managers and 1,500 workers, as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation (ILO).

2.2.2.1 Designing training programs on social conduct, and the business benefits of CSR compliance as well as how to develop and mainstream a CSR strategy to the business processes for increased competitiveness

2.2.2.2 Designing and developing the relevant training materials

2.2.2.3 Delivering trainings to 200 managers and 1,500 workers with a focus on young people and women, as well as 100 experts of local business support and advisory institutions (Delivered by ITC-ILO, Turin)

2.2.3 Capacity development strategy containing 100 intensive training programs on environmental conduct and productivity aspects is implemented and delivered to 200 managers and 1,500 workers as well as 100 experts of local business support and advisory institutions, with special focus on young people and gender balanced participation (UNIDO).

2.2.3.1 Designing training programs on environmental conduct and productivity aspects

2.2.3.2 Designing and developing the relevant training materials

2.2.3.3 Delivering trainings to 200 managers and 1,500 workers with a focus on young people and women, as well as 100 experts of local business support and advisory institutions

Output 2.3: A CSR Strategy for textiles and clothing sector is developed, implemented in selected firms and submitted to MoIT for consideration to be integrated into Textile Strategy

2.3.1 A CSR based management and reporting tool for Turkish SMEs in the textile and clothing sectors piloted and made available to the local private sector (UNIDO)

2.3.1.1 Organizing a one expert group meeting, gathering interested multinational firms (TNCs) sourcing from Turkey, as well as large national textile firms and representatives of the local private sector to identify the importance of responsible business practices in the supply chain and identify potential partners for this project component

2.3.1.2 Organizing of gender balanced a small focus group meeting with selected partner TNCs/large firms, international/national experts and potential local business support institutions

2.3.1.3 Adapting existing UNIDO training material and other CSR tools to the local contexts and the requirements of the textile sector, as deemed appropriate, to develop the CSR tool

2.3.1.4 Selection of pilot SMEs

2.3.1.5 Implementation of CSR in the target firms and development of case studies with the support of the trained/qualified national experts

2.3.1.6 Integration/compilation of all outcomes/results of the above project activities into a CSR strategy for the textile sector in collaboration with ITKIB and partner UN agencies and submitting the CSR strategy to MoIT for consideration to be integrated into Textile Strategy.

2.3.2 The capacity of selected 40 experts from participating institutions in terms of CSR training and counselling of SMEs in the textile sector is strengthened (promoting equal participation of women and men) (UNIDO)

2.3.2.1 Designing and implementing training seminars on institutional development for 40 selected national experts (including representatives of interested partner TNCs) on the adapted UNIDO CSR methodology and its implementation in local textile SMEs (promoting equal participation of women and men)

Output 2.4: Awareness of national authorities on the impact of textile and clothing sector on environment is developed and strengthened.

2.4.1 Awareness on gender sensitive environmental issues and climate change among ITKIB, Ministry of Environment and Forestry (MoEF), MoIT and Under-secretariat for Foreign Trade is promoted through a major congress (UNDP)

2.4.1.1 Organise one Environment and Textile Congress for increased environmental standards in textile sector

2.4.1.2 Develop promotional materials on Environmental and climate change awareness in textile sector.

2.4.2 Policy note is prepared and submitted to the relevant authorities for advocacy on the impact of textile and clothing sector on environment (UNDP)

2.4.2.1 Present the outputs of the Congress to ITKIB, the ministries of Environment and Forestry, Trade and Industry and Prime Ministry's Under-secretariat for Foreign Trade

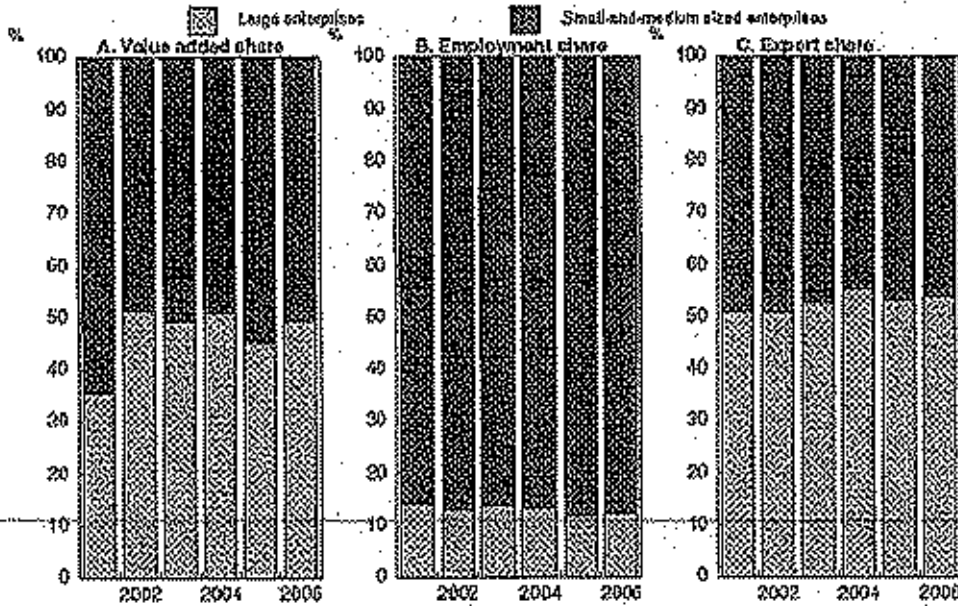
2.4.3 UN Agency support and monitoring system is established (UNDP)

2.4.3.1 Periodically monitoring progress and evaluation

Annex C: Background Information on SMEs and Textile & Clothing Sector in Turkey

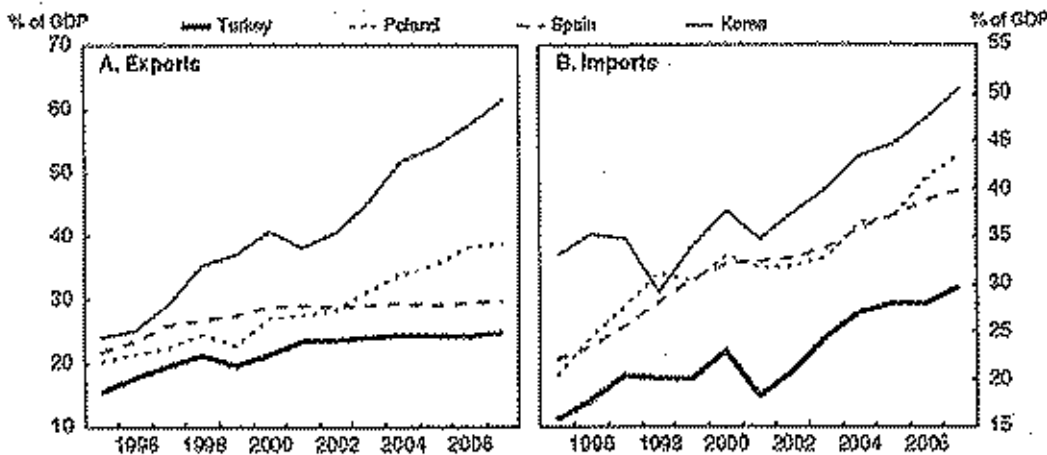
1. SME Profile in Turkey: Opportunities for exports

Official statistics indicate that there are nearly 2 million SMEs in Turkey. According to a recent report by the OECD²⁴, SME employment reaches 90%, but only constitutes about 50% of exports.



Turkish Large Enterprise vs. SME Market Shares.

Statistics show that Turkey, in general, is facing challenges in increasing its exports as a percentage of GDP, relative to several other transition and emerging economies. The growth in imports to Turkey is far outpacing its relative share of exports, which can represent an opportunity for its vast number of SMEs if they were to become better-organized and positioned for export market opportunities.

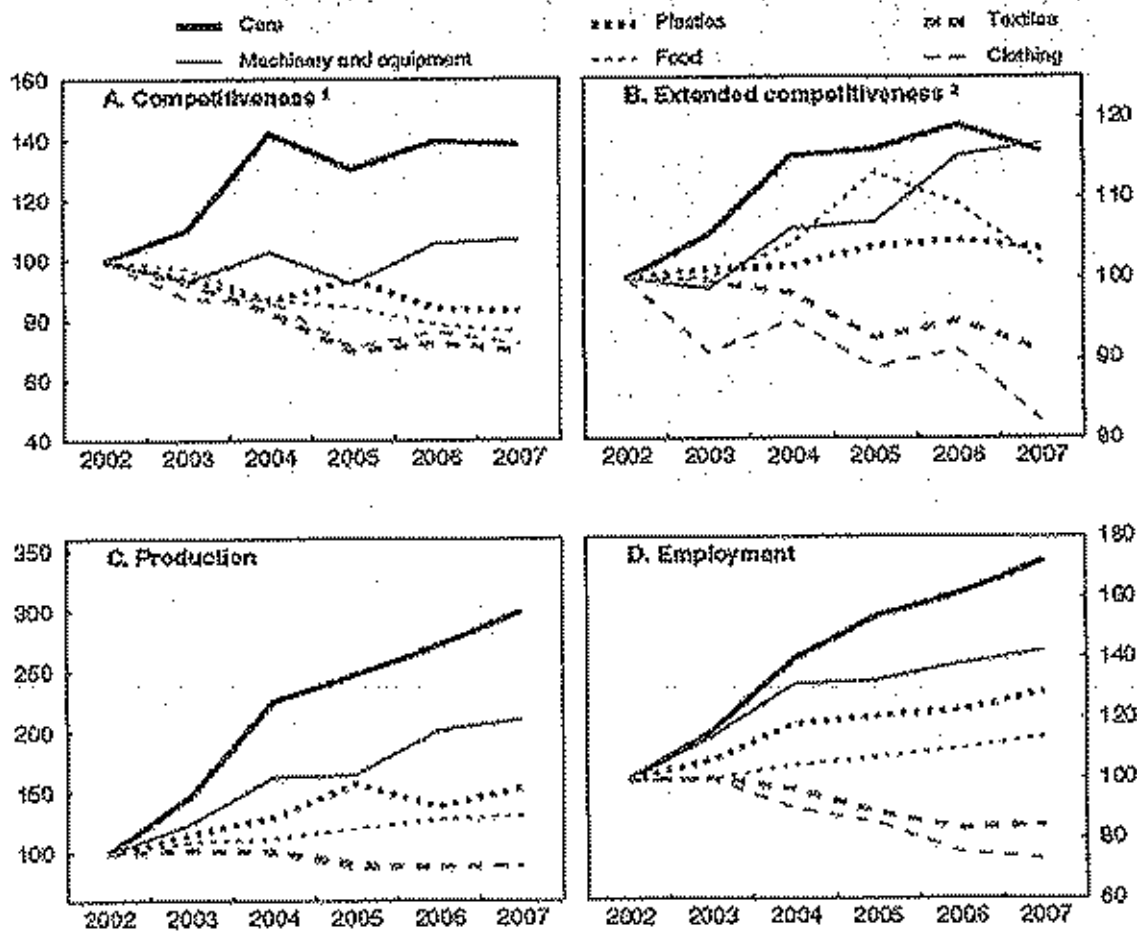


Globalization of the Turkish Economy: Lagging Exports vs. Growing Imports

²⁴ OECD Economic Surveys: Turkey 2008, OECD (Volume 2008/14, July 2008), page 26.

2. Performances of Key Industry Sectors in Turkey, 2002-07

Turkey's industrial output increased by some 50% between 2002-07, representing the strongest pace of growth among OECD countries. However, despite this robust expansion, Turkey's GDP per capita is still comparatively low at about 30% that of the Euro Zone. "The root of continued underperformance is low overall productivity, reflecting dismal efficiency levels in the sector of small and micro firms. In contrast, large and medium-sized firms, benefiting from international partnerships and competition, are highly efficient. This points to a highly skewed distribution of productivity performance across business categories."²⁵ Upon closer examination it is noteworthy that the industrialisation of the Turkish economy in favour of manufacturing and heavy industry is occurring, seemingly at the expense of traditional sector performance in textiles, food and clothing production.



1. On basis of unit labour costs.

2. On basis of unit labour, capital, energy and imported input costs.

2002 = 100

Based on the charts above, the sectors can be grouped as follows:

- i) **Well performing sectors:** These include enterprises which do consistently well along most determinants of competitiveness. In the 2000s, they included car manufacturing, consumer durables, industrial machinery, chemicals and steel production. They did clearly better than national averages in terms of productivity growth, wage setting in line with normal profitability, product differentiation and the reduction of their capital and input costs. On this basis, they achieved outstanding output, export and employment growth – despite strong real currency appreciation.
- ii) **Squeezed activities:** These include enterprises which tend to under-perform in most dimensions of competitiveness. Traditional specialisation areas of the Turkish economy

²⁵ Fostering Entrepreneurship for Innovation, OECD STI Working Paper 2008/5, (12 Jan. 2009), p. 105.

drawing on low-skilled labour and cheap local inputs recently faced this situation on a grand scale. *These include textile and clothing, which represent nearly one third of total manufacturing output and employment.* Many firms in these sectors failed to raise their productivity, moderate their wages or differentiate their products at a sufficient pace to preserve their competitiveness against low-cost country competition and strong currency appreciation. Their output, export and employment performance have significantly suffered.

- iii) **Sectors in an intermediary situation:** these activities experienced varying paces of price pressures, productivity and wage growth, and partial gains on their capital and input costs. The manufacture of electronic goods, furniture, plastics and food products is in this category. Their output, export and employment performance have been generally average.

(OECD Economic Surveys: Turkey 2008, OECD (Volume 2008/14, July 2008), pages 137-38.)

3. Shortcomings in the industrial structure of Turkey

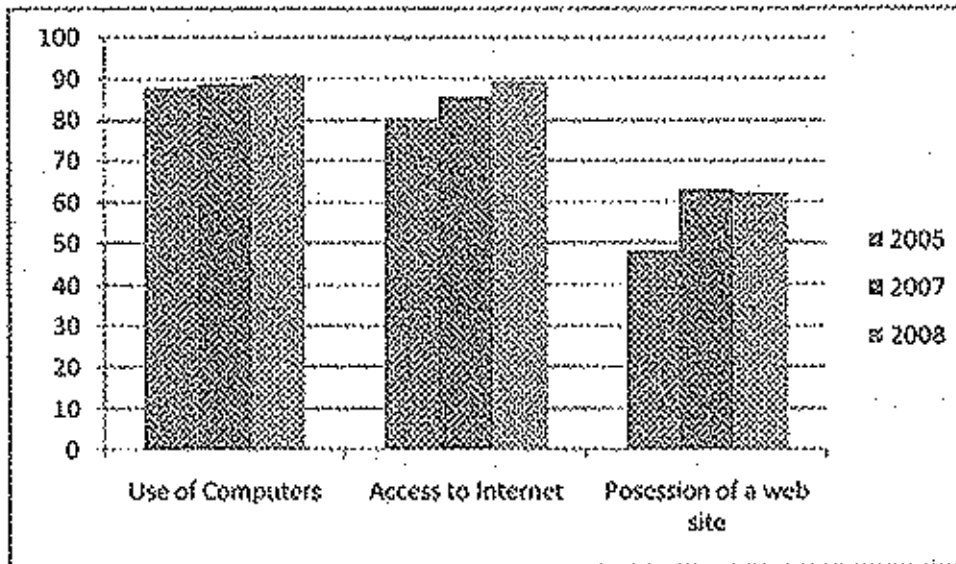
The Regional Competitiveness Operational Programme (RCOP) developed by the Ministry of Industry and Trade in 2007 is based on a situation analysis with below selected findings:

- Institutionalisation and cooperation networks have not been used at the level of firms in order to exploit economies of scale.
- There are deficiencies in the physical and social infrastructure which are the main determinants for regional development and the creation of the competitiveness.
- Productivity and value added produced by SMEs are low compared to the EU member countries, the number of SMEs providing qualified goods and services in compliance with the standards and using modern marketing tools is insufficient.
- SMEs, which can/cannot compete, have not been supported sufficiently taking into account their regions, sector and conditions, supports to the starts-up are insufficient
- Clusters aiming at the development of cooperation networks among SMEs and between SMEs and large firms have not been broadened.
- Enterprises face difficulties in complying with the environmental, work safety, and hygiene regulations of the EU.
- Usage of ICT cannot be supported sufficiently to increase the economic development and competitiveness of the SMEs.
- In order to contribute to the participation of the SMEs to the global markets, e-business and ecommerce practices have not been highly introduced to the enterprises and awareness in this field has not been developed."

4. Use of ICT

As stated above, usage of ICT by SMEs is not at the desired level. With the expansion of the ADSL network in the last few years, Internet and IT penetration increased rapidly. However, the effective integration of ICT products to daily business processes will take some time. The data presented below applies to companies employing more than 10 employees. The chart indicates that the use of computers and access to the Internet is at the level of 90% and increasing. However, as shown in the table, utilisation of ICT tools for business purposes is still extremely low.

Use of ICT in Enterprises



Source: Turkstat: ICT Usage in Enterprises Survey 2008.

Some indicators for the utilization of ICT in business processes

Main Indicator*	State of Play
Ratio of e-trade sales to total turnover	% 0 - % 3
Ratio of enterprises using resource planning management	% 0 - % 3
Ratio of enterprises using supply chain management	% 0 - % 1
Ratio of enterprises using customer relations management	% 0 - % 0.5

Source: Turkey's Information Society Strategy

* For Small, Medium and Large Sized Enterprises (10 and more employee).

In the light of the above-mentioned issues, the main bottlenecks and shortcomings of Turkey in the field of information society with regard to SMEs can be summarized as follows:

- The usage of the ICT has not been supported sufficiently to increase the economic development and competitiveness of the SMEs.
- In order to contribute to the participation of the SMEs in the global markets, e-business and e-commerce practices have not been well introduced to the enterprises and awareness in this field has not been sufficiently developed.

In this respect, according to the 9th Development Plan, diffusion of ICT is seen as one of the major factors in increasing competitiveness. In order to ensure an intensive usage of ICT by enterprises, institutions and citizens, improvement of ICT infrastructure, increasing the competitiveness within the electronic communication sector, provision of alternative infrastructure and services which ensure effective, rapid and secure access to information with reasonable costs and expansion of broadband communication infrastructure, are foreseen in the 9th Development Plan.

5. Textiles and Clothing Industry in Turkey: Relocation to poor regions.

The chart below provides an overview of the internationalisation of Turkish industry by sectors. With the size of net exports, textiles industry is still the leading industry with a big margin and with room for Foreign Direct Investment (FDI).²⁶

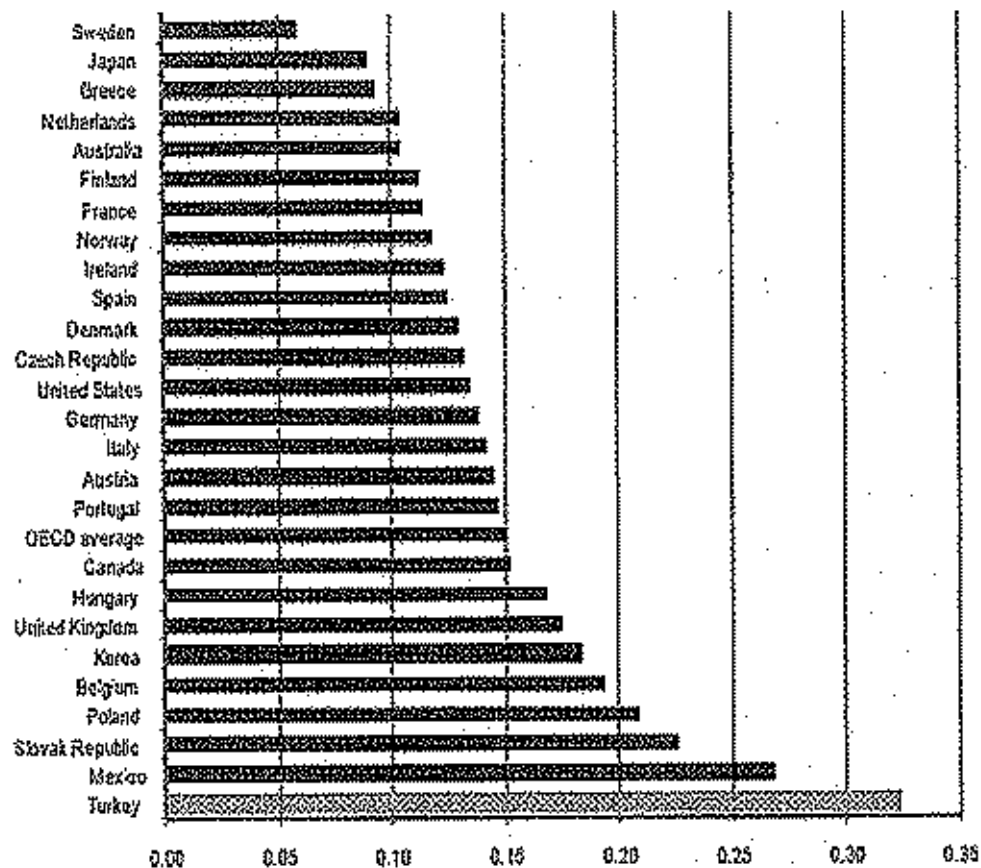
	Exports	Imports	FDI stocks
Food beverages	5.6	2.3	2.3
Textiles	24.3	4.8	0.8
Leather	0.5	1.0	0.0
Wood	0.4	0.6	0.0
Paper and publishing	0.9	2.5	0.3
Refined petroleum products	4.3	6.8	0.1
Chemicals	4.4	17.9	2.9
Rubber and plastic	3.8	2.4	0.3
Oth. Non-metallic mineral pr.	3.5	1.3	0.6
Metal products	15.8	17.0	0.8
Machinery and equipment	-7.5	13.3	0.4
Electrical equipment	7.8	14.3	0.3
Transport equipment	18.3	13.6	1.5
Furniture, manufacturing n.e.c.	2.9	1.7	0.0
Total manufacturing	100	100	10.3
Electricity, gas, water supply	-	-	1.2
Construction	-	-	2.3
Wholesale, retail trade	-	-	6.5
Transportation & Communications	-	-	35.7
Finance, Insurance,	-	-	39.8
Real Estate & Business Services	-	-	-
Others (Agriculture, Mining, Social & Business Services)	-	-	4.3

Chart 1: Turkey's Trade Flows and FDI by Sector (% on Total)

Turkey's 9th Development Plan presents a strategy for the country to have stable growth, fair distribution of income and be globally competitive in order to be an information society in the light of being a member to the EU. Moreover, in the medium-term program, it is stated that entrepreneurship, quality, productivity, innovation and effective utilization technology by enterprises will be supported, particularly in the SMEs. As for the textile industry, the 9th Development Plan emphasises the importance of the sector for the economy and envisions a shift towards design and innovative products. In line with this strategy, the Strategy Document for Textiles, Clothing and Leather as well as the draft Industrial Strategy Document of the Ministry of Industry and Trade (MIT) foresees the relocation of the textile manufacturers to less developed regions of the country while Istanbul and Izmir where the textile industry reached a degree of sophistication to be converted into more fashion and design oriented industries. This strategy targets Turkey's regional dispersion of per capita GDP which Turkey has the worst position among OECD countries as shown in Figure 3²⁷.

²⁶ Competitiveness Report Turkey, Unicredit Group, CFE Research Department (April 2007), p. 12.

²⁷ Fostering Entrepreneurship for Innovation, OECD, STI Working Paper 2008/5, (12 Jan. 2009), p. 47.



Regional Dispersion in GDP Per Capita in OECD Countries (Index of Gini 2001)

Note: Gini coefficient with GDP per capita in territorial units weighted by population. 2000 data for Mexico, Norway, Poland and Turkey.

The latest investment incentives package which was announced in June 4th, 2009 includes direct supports for the relocation of textile and clothing industry to less developed regions in Turkey. Relocated companies will be entitled for tax exemption and their social security payments will be subsidised. Furthermore, the cost of transportation of the facilities will be reimbursed by the government.

6. SMEs are not prepared to withstand ever increasing pressures from the global markets

Turkey's potential accession to the EU imposes new opportunities and threats on the economy. A survey conducted in 2008²⁸ reveals that a great majority of SMEs and most of the large enterprises have low to moderate knowledge on how they would be affected as a result of implementation of the acquis. The textile industry is labour intensive, and uses and discharges water throughout the manufacturing process. Being the lead sector in Turkey, the textile industry is expected to be affected the most as the result of the accession process.

Not only for integration into the EU but in order to exist in the global arena, requirements for the integration of environmental concerns, human rights issues, fair labour conditions and good governance in industrial development are significantly affecting SMEs in the Turkish textile sector, both through direct supply chain relationships, where international customers are

²⁸ Corporate Preparations in Turkey for EU Membership: The View of the Turkish Private Sector 2008, EU-Turkey Chambers Forum, (Eurochambers and TOBB, 2008).

demanding it, as well as through the development of national legislation, and international standardization and certification schemes.

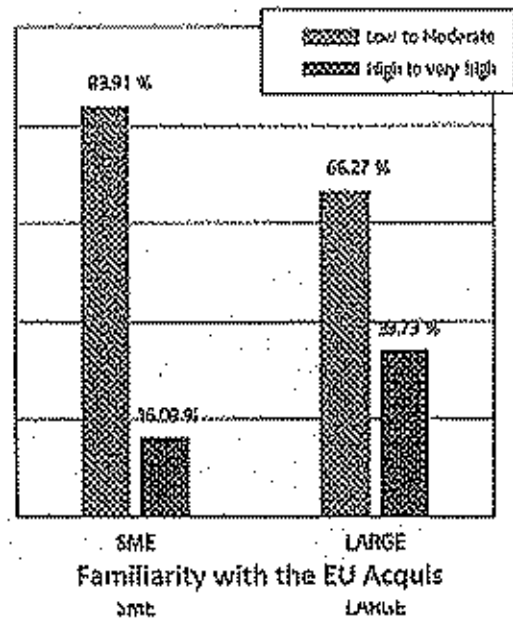
With globalization of production networks, corporations are expected to extend the reach of their environmental and social policies not only to their overseas subsidiaries but also to suppliers. Global supply chains encompass contractors and subcontractors in a multi-tier system of intermediaries. Compliance with social and environmental standards is usually monitored up to first tier suppliers, but stakeholders are increasingly demanding assurances that business ethics codes are being applied further down the supply chain. This tendency will even be reinforced once the new international standard on social responsibility - ISO 26000 - will be published in 2010.

Currently, many brand companies use their own corporate code of conduct on social responsibility to be implemented also in their overseas workplaces and by suppliers. An OECD study carried out in 2000 discovered the existence of 246 codes of conduct, 37 of which applied to the textile and clothing sector only (this number is expected to be even bigger today). Some of these big companies also participate in international standards like SA8000, ETI and FLA29. As a result, many textiles firms in Turkey experience this increasing pressure and feel themselves sandwiched between tight production orders and a diversity of different codes and standards on CSR to comply with.

Many suppliers in the country operate on thin margins and short-term business horizons. Compounded by low barriers to entry in labour-intensive industries leading to overcapacity in the supply chain, and the enormous efforts involved in adopting different standards for several clients, they are often sceptical about so-called business ethics concepts. While some supply chain partners are beginning to appreciate the opportunities for greater market access provided by responsible business standards, most are sellers of intermediate or generic final goods, where social and environmental compliance is not a visible attribute associated with their own brand, and hence they are less likely to feel threatened by challenges to their reputation for non-compliance with those standards. On the other hand, traditional values appraise social contributions and many employers make regular or improvised donations and support the society but they are not aware that these activities could be a part of a CSR activity which deserves promotion. Therefore, companies need to be offered assistance in applying integrated concepts to ensure progressive socially responsible and environmentally sound development, based on private sector-led productivity gains and competitiveness considerations.

Despite of recent efforts by various institutions in Turkey for increasing awareness on the subject, many difficulties still appear when smaller textile firms are asked to implement 'highly sophisticated' CSR concepts - in particular if linked to substantial investments. Hence, the enthusiasm accompanying the enormous potentials of engaging these SMEs into the CSR movement is linked to a whole set of new problems and challenges. Those result mainly from the fact that general approaches to CSR cannot be simply transferred to (or imposed on) smaller firms. SMEs do not share many of the concerns underlying calls for enhanced ethical business standards of larger companies, and in addition they face considerable human, technical and financial resource constraints. Therefore, there is a need to modify approaches in a way that they fit their respective needs and capacities, and do not adversely affect the economic viability of those firms.

Familiarity with the Accession Negotiations by company size (Number of employees)



²⁹ Made by China: Social accountability and civil rights in nowadays-Chinese textile industry, 2005, Made-by Foundation and Solidaridad.

Annex D: Institutional Framework

National development policies in Turkey are reviewed and implemented through development plans. These plans are authored by the State Planning Organization (SPO) in consultation with relevant state and civil society actors. The current ninth development plan is prepared as a basic strategic document to facilitate the EU accession process for Turkey covering a period of seven years (2006-2013), different from previous development plans for five years.

Ninth National Development Plan

The 9th National Development Plan presents a strategy for the country to have stable growth, fair distribution of income and be globally competitive in order to be an information society in the light of being a member to the EU. Moreover, in the medium-term program it is stated that entrepreneurship, quality, productivity, innovation and effective utilization technology by enterprises will be supported; particularly in the SMEs.

The main objectives of the Medium Term Program in the Ninth Development Plan are to improve the competitiveness of enterprises, ensure regional development and decrease the disparities. The major thematic intervention areas of the Medium Term Program are:

- Supporting entrepreneurship;
- Supporting innovation, productivity and effective usage of technology;
- Diversification of financial instruments;
- Improvement of physical and technological infrastructure of enterprises and increasing the cooperation between enterprises;
- Wide spreading of institutionalization.

Furthermore, the development plan underlines the necessity to implement integrated approaches, improve the coordination mechanisms and to improve the capacity of the governmental institutions through trainings of experts to facilitate the EU accession process of Turkey. In general, the development plan underlines the necessity of integrated approaches, improvements in education, employment, health and social security policies; overcoming the lack of coordinated and cooperative efforts; clarification of authorities and overlapping issues of responsible organizations as well as regular arrangements.

Regional Competitiveness Operational Plan (RCOP) of the Ministry of Industry and Trade

Turkey-EU relations entered into a new process with the recognition of Turkey as a candidate country in the Helsinki European Council of December 1999. Within this new process, the financial cooperation mechanism for Turkey was restructured and thus Turkey fully benefited from the pre-accession funds during the 2002 – 2006 period. After 2006, the EU restructured its external aid mechanisms to candidate countries and introduced the Instrument for Pre-Accession Assistance (IPA) scheme which aims to prepare candidate countries for Structural Funds and thus to support them in their preparation for EU membership. In this framework, Turkey is one of the beneficiary countries which are eligible for the all components under IPA. Programming, implementation, monitoring and evaluation of the IPA assistance processes are considered as the main tool for the preparation of Turkey to Structural Funds. The institutional mechanisms and preparation process that are designed for the Strategic Coherence Framework (SCF) and the Operational Programmes will be the main start up point for the Structural Funds. In this respect, one of the most important axes of the IPA process is programming. The concrete outputs of the programming phase of the IPA Process are the Operational Programmes. One of the Operational Programmes under IPA is the *Operational Programme for Regional Competitiveness (RCOP)* under the Regional Development component.

The objectives, strategy and areas of intervention of the Operational Programme correspond to Turkey's 9th Development Plan for the period 2007-2013. The main development axes of the Plan are to "Increase the Competitiveness" and to "Ensure Regional Development". In the Plan, a

balanced regional development policy has been introduced which aims to decrease regional development disparities as well as to increase competitiveness of the regions.

GOVERNMENT MINISTRIES AND OTHER ORGANISATIONS:

Government ministries and other organisations who are the stakeholders of the JP are given below:

The Under-Secretariat of the State Planning Organization (SPO) attached to the Prime Ministry prepares five-year national development plans, its annual programs and annual investment plans. Turkey is currently implementing its Ninth National Development Plan (2007-2013). The SPO also prepares sectoral plans with due emphasis on economic and social policy issues, and approves all investment projects requiring public financing, and external finance (credit, grant and technical assistance). SPO has the responsibility for ensuring the necessary coordination for the preparation and realization of yearly investment programs with direct implications for local administrations. In line with the National Program for EU Accession, the SPO has also prepared the Pre-National Development Plan (2004-2006) that incorporates targets according to Nomenclature of Territorial Units for Statistics (NUTS) classification criteria of the EU.

The Ministry of Industry and Trade (MOIT) is responsible for developing industrial policies for Turkey, taking account of economic and technological developments. It plays an important role in implementation of EU industrial sector legislation and policies. Strengthening of Small and Medium Enterprises (SME's) and role of women in the industrial sector are some of its sustainable development initiatives.

The Prime Ministry Undersecretariat of Foreign Trade (UFT) was established in 1994 for development of foreign trade policy, regulating international trade, support of exports, and construction services abroad. Implementation, monitoring and revision of these policies are also under the responsibility of UFT. UFT has been actively involved in projects that will support the international competitiveness of Turkish industry last one being the Development of a Clustering Policy in Turkey supported by the European Commission.

The Ministry of Labour and Social Security (MLOSS) is established in 1983 by unification of Ministries of Labour and Social Security. MLOSS' mission is to regulate the labour market, ensure peaceful, healthy and secure working environment, take measures for providing social security to all citizens, develop policies for increasing employment, and protect the rights of Turkish citizens working abroad.

The Ministry of Environment and Forestry (MoEF) was established in 2003 by merging the Ministry of Environment and the Ministry of Forestry. The alliance of the two former ministries unites their powers to protect and improve the environment and forestlands in the country. The Ministry holds a particular importance regarding the protection of environment and improvement of environmental conditions, ensuring appropriate utilisation of land, natural resources and water in urban and rural areas, protection of wildlife and natural heritage, and protection of forests. MoEF is the implementing agency of the ongoing MDG-F joint programme titled Enhancing the Capacity of Turkey to Adapt to Climate Change

The Prime Ministry General Directorate of Women's Status (PMGDWS) is responsible for the development and implementation of gender policies on the basis of CEDAW (Convention on the Elimination of All Forms of Discrimination against Woman) and Beijing Platforms.

Small and Medium Size Enterprise Development and Support Administration (KOSGEB) was established in 1990. The objectives of the administration are to increase the share and effectiveness of the Small and Medium Size Enterprises in national economy, and realise industrial integration in line with economical development. KOSGEB delivers direct financial support to SMEs, establishes incubation centres and provide training and consultancy services.

Export Promotion Centre (IGEME) is established in 1960 for supporting Turkish entrepreneurs in their efforts to export and assisting foreign enterprises in doing business with Turkey. With its branch offices home and abroad, IGEME offers a rich variety of activities to the use of Turkish and foreign business circles. As the world business environment evolves, the Center flexibly diversifies its core services and activities in the interest of its target groups.

Istanbul Textile and Apparel Exporters Association (ITKIB) is established in 1986. ITKIB assists its members to improve their export performance, increasing market share of textile, apparel, leather and carpet exports of Turkey in international markets and protecting the common interests of these sectors at national and international level. In order to realize these functions, ITKIB carries out the following activities:

- Export Registration
- Trade Promotion and Development
- Economic Research and Reporting
- Consulting
- Coordination and Public Relations
- Training
- Publication

Turkish Textile Employers' Association (TUTSIS) was established in 1962 to legally and professionally protect the social and financial rights of its members. The main objectives of the Association are to create unity in the industry by facilitating collaborations among members, to financially support their professional activities and to invest in business ventures to raise the level of productivity and efficiency in the industry. In addition the Association provides legal representation for its members and negotiates labour agreements, providing various domestic and international services for textile employers to maintain the best performance at their workplace.

Disk Tekstil is an independent union of workers working mainly in weaving industry. Protection of workers rights, solidarity among members, defending universal human rights are the major objectives of the union. The union gives importance on collaboration with their counterparts in other countries.

Teksif is an union of workers in weaving and clothing industry. The union is established in 1963 and fights with unregistered employment, child labour and gender inequality.

Oz Iplik-Is All Weaving, Yarn, Tricot and Garments Industry Workers Trade Union was established in 1980 and works for the protection of the rights of labour working in all sub sectors of the textile industry.

Quality Association (KALDER) was founded in 1991 in Istanbul by representatives of prominent Turkish Industrialists' Groups. KalDer is an independent, non-profit organization, aiming to enhance the awareness of management quality in industry, public sector, and non-governmental organizations, briefly in every aspect of life. Due to the increasing demand, KalDer has four branch offices in Ankara, İzmir, Bursa and Eskişehir.

Since 1993, KalDer has been managing the "National Quality Award" process based on the criteria of European Foundation for Quality Management (EFQM) Excellence Model for the all sectors as the National Partner Organization of EFQM. Since 2006, KalDer has a world partner with ASQ (American Society for Quality) and at the same time founding member of MEQA (Middle East Quality Association).

KalDer has started the "National Quality Movement" with the cooperation and support of role model companies throughout the country. Main activities of KalDer, aside from general promotion of TQM throughout Turkey, are organization of common interest groups, quality related trainings and publications, Quality Congress, and benchmark activities.

Corporate Social Responsibility Association of Turkey (CSR TURKEY) is an independent NGO formed by the efforts from academics, businesses and other civil society organizations,

aiming to promote the ideas of CSR not only in business world but also to other stakeholder groups such as government and non-governmental organizations. The association believes CSR and the values behind it, provides an important insight to enrich social development.

PARTICIPATING UNITED NATIONS ORGANISATIONS:

United Nations Development Programme

The United Nations Development Programme (UNDP) in Turkey established a strong partnership with the government of Turkey and a wide range of technical and civil society organizations and international partners involved in development cooperation in Turkey, including in the context of EU accession. In the field of Sustainable Development, UNDP enjoys years of cooperation with government partners such as the State Planning Organization, the Ministry of Environment and Forestry, Ministry of Energy and Natural Resources and Ministry of Agriculture. UNDP was a lead actor in Turkey's preparation for the WSSD. Through advocacy tools such as the global and national Human Development Reports, UNDP supports the analysis of Turkey's development policies and their impacts. UNDP is one of the core UN Agencies for the UN Global Compact.

With respect to Turkey's commitment at the Millennium Summit, UNDP Turkey together with the UN Country team also worked with the Government (in particular SPO and TUIK), research institutions and civil society organizations to prepare Turkey's first MDG Report as the principal tool for monitoring the status and performance towards attaining the MDGs in Turkey, and provides support to projects to this end.

United Nations Industrial Development Organisation

The United Nations Industrial Development Organization (UNIDO) is one of the core UN Agencies for the UN Global Compact. UNIDO's mandate is to promote Sustainable Industrial Development in developing and transition countries in three priority areas, namely, i) Poverty Alleviation Through Productive Activities, ii) Trade Capacity Building and iii) Environment and Energy.

What was previously a UNIDO field office in Ankara (established in 1967) aimed at providing technical assistance to Turkey, became a UNIDO Centre for Regional Cooperation in accordance with the Agreement signed between UNIDO and the Government of Turkey on 9th of February 1999. Turkey's relatively well-developed economic and technical capabilities, along with its strategic location, made it a suitable site for a UNIDO regional centre.

Since 1967, technical support projects of UNIDO in Turkey varied from genetic engineering to metrology, protecting the environment to assisting SMEs. Small and Medium Sized Industry Development Organization (KOSGEB) and GAP-GIDEMS (Entrepreneur Support Centres in the Southeast of Turkey) were established with the technical assistance of UNIDO. UNIDO also played an active role, since early 1990's, in implementing Montreal Protocol Projects (MP) in Turkey aiming at phasing out Ozone Depleting Substances (ODS).

UNIDO conducted In Plant Group Training Programs (IPGTPs) in Turkey in previous years in the fields of Iron & Steel, Small Scale Foundry, Fruit and Vegetables, Medicinal Plants, Sugar Industry, Cement Industry, Textiles, and Industrial Pollution Assessment & Control.

Since 2000, international workshops, study tours and seminars have been organized in Turkey in agro-industries, textiles and Technology Foresight, in cooperation with the Ministry of Industry and Trade, TUBITAK and TIKA (Turkish International Cooperation and Development Agency).

A regional project funded by the Government of Turkey aimed at development of SMEs in Azerbaijan, Kyrgyzstan and Uzbekistan was implemented by UNIDO using Turkish expertise in the area. Establishment of International Centre for Hydrogen Energy Technologies in Istanbul, Implementation of Stockholm Convention on Persistent Organic Pollutants (POPs), participation in the joint UN Project funded by the Government of Spain on "Enhancing the Adaptation

Capacity of Turkey to Climate Change” and GEF funded projects on Industrial Energy Efficiency, all aiming at strengthening SMEs in Turkey, are among the ongoing UNIDO projects in Turkey.

International Labour Organisation

The International Labour Organization (ILO) is devoted to advancing opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue in handling work-related issues. In promoting social justice and internationally recognized human and labour rights, the organization continues to pursue its founding mission that labour peace is essential to prosperity. In this context, the ILO Turkey Office has acquired a great deal of experience in promoting international labour standards and developing, implementing and monitoring of technical cooperation programmes and projects since its establishment in Turkey in 1952. Based on its solid field experience, the ILO has gained a high level of credibility among its national counterparts. The ILO brings tripartite constituents for social dialogue and consensus building. This firmly establishes the central role of employers' and workers' organizations, co-operatives, and business membership organizations. It also underpins dialogue and collaboration at the workplace. The ILO has a natural entry point through business associations associated to employers as well as workers organizations.

The ILO's comparative advantage in entrepreneurship and enterprise development is the ability to conceptualize and articulate the employment dimension of enterprise development – to design policies, strategies and programme interventions that place productive and decent work at the heart of enterprise growth and productivity. This dimension includes the fundamental principles and rights at work, socially responsible enterprise-level practices, and extends the decent work concept to vulnerable and marginalized groups. The ILO is the only agency of UN system that promotes enterprise development not as an end in itself, but as a means towards the creation of decent work.

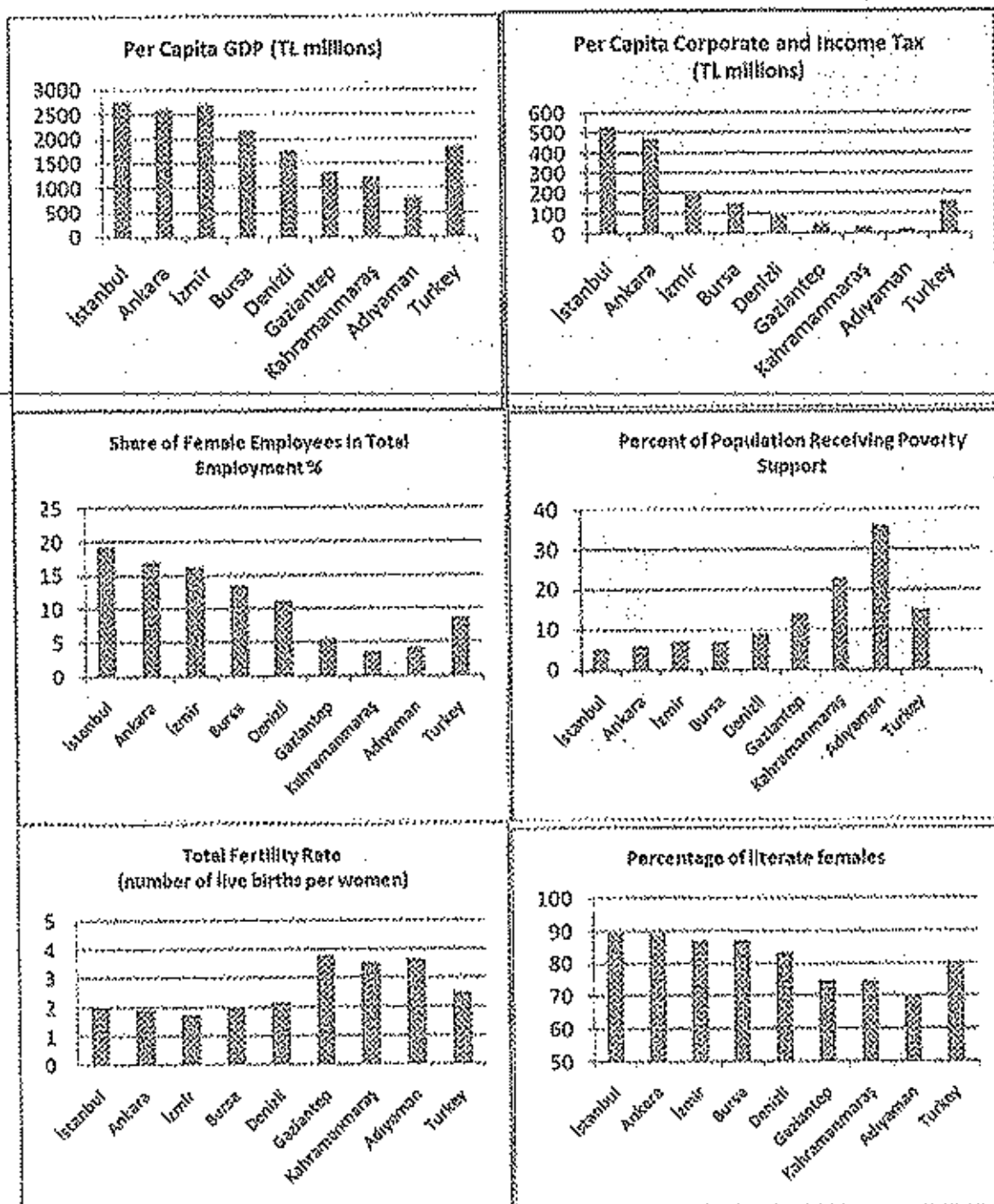
Through its capacity and the specialized skills in training design and delivery of the International Training Centre of the ILO in Turin, the ILO provides tailored programmes to participants worldwide. This is a unique Training Centre in the UN System that other UN Agencies already make use of for the delivery of training relating to the world of work.

Previous ILO work in Turkey, which has implemented to address similar issues include, a worker-management education project for supply chain factories on productivity and working conditions; a research project on auditing and certification programmes in Bulgaria, Romania and Turkey; and a project to promote employment and address unregistered employment in Turkey as a follow up to the ILO resolution concerning tripartism and social dialogue.

Annex E: Rationale for the Selection of the Region of Implementation

Indicator Analysis: Development Performances of Selected Provinces (SPO 2003 based on 2000 data)

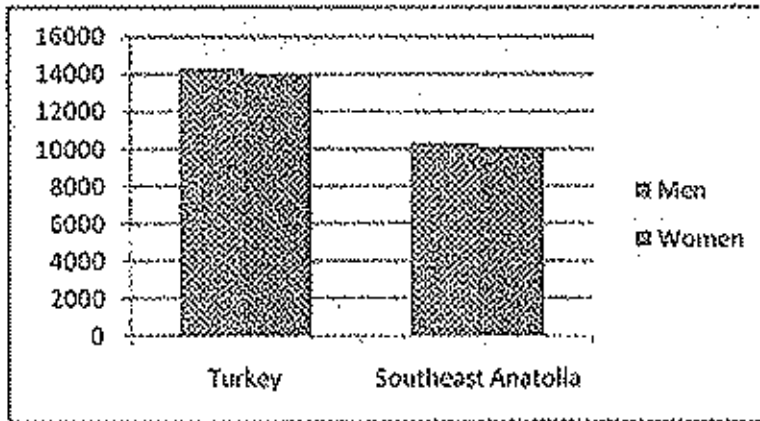
Following charts of indicators compare selected socio-economic indicators for selected provinces, which were mentioned to be alternative locations for the focus of JP during the formulation of the programme and in consultation meetings. More up-to-date province based data are not available. Although the data is somewhat outdated it still gives an indication for socio-economic ranking of alternative provinces.



Source: Development Performances of Selected Provinces (SPO 2003 based on 2000 data)

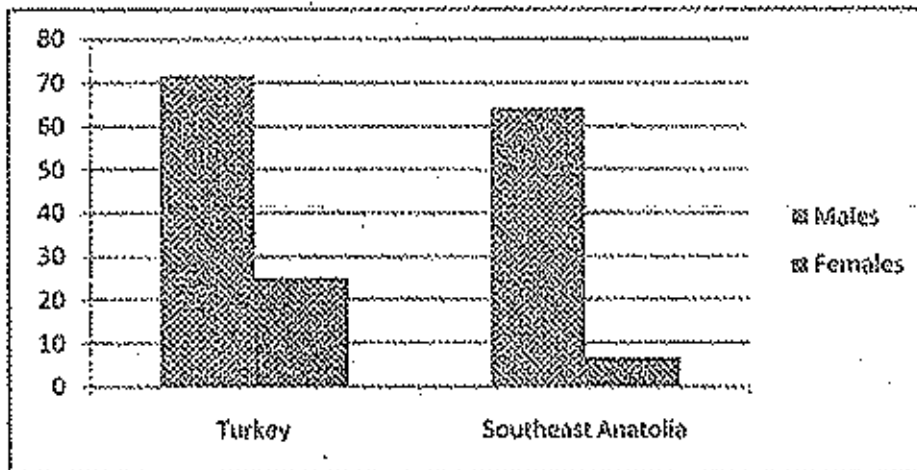
Although not available on province basis, the following recent statistics also underline the socio economic gap between southeast Anatolia and rest of Turkey.

2006 wages survey indicates that average earnings in the Southeastern Anatolia covering the target provinces are about 40% lower than the national average.



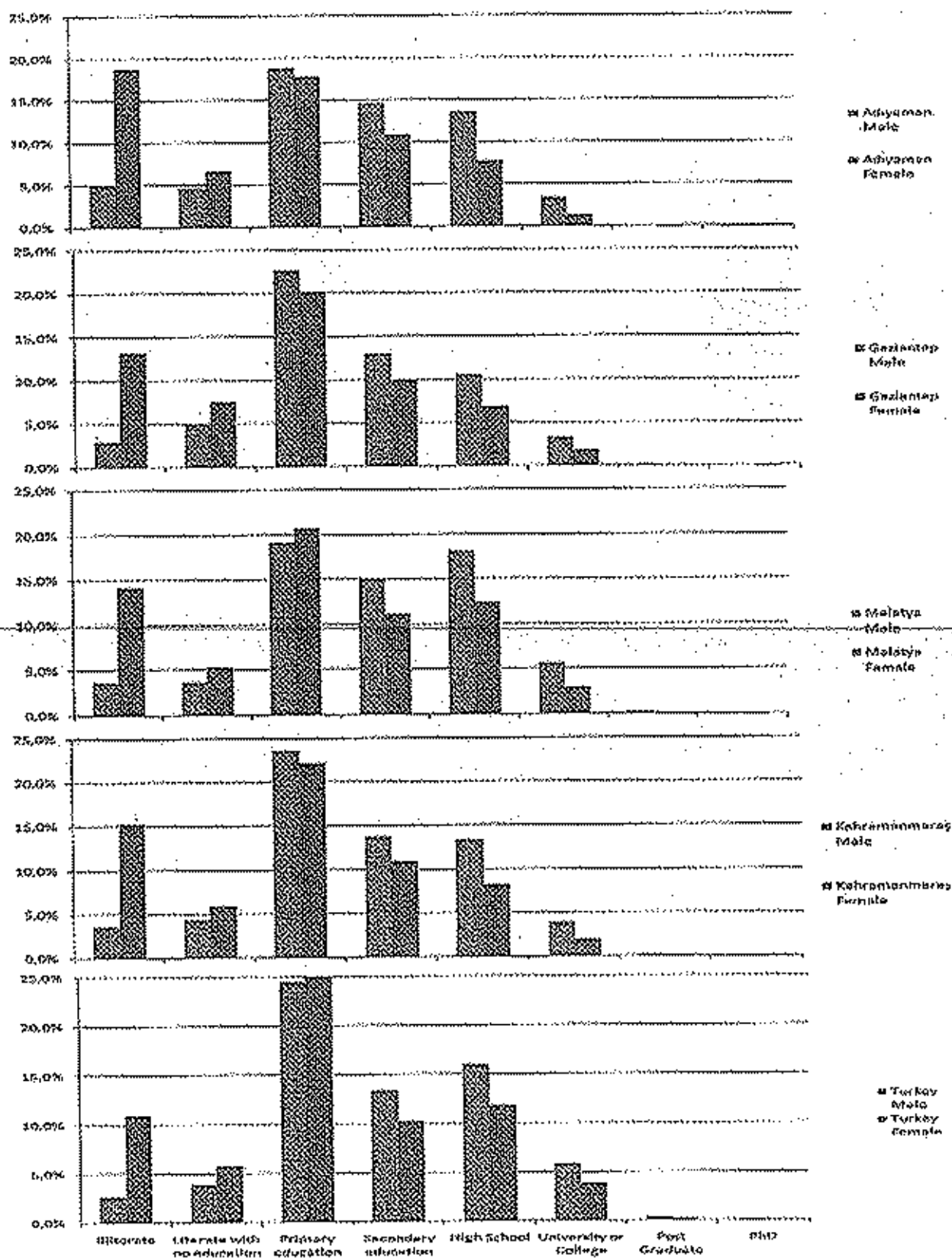
Gross Annual Earnings (TRY, 2006) TURKSTAT Wages Survey 2006

In terms of participation to labour, the difference is huge between the genders. Turkey's average labour participation rate among men is around 70%, the ratio is less than 65% in southeast Anatolia. For women, the labour participation rate is around 25% for whole Turkey and less than 10% in southeast Anatolia



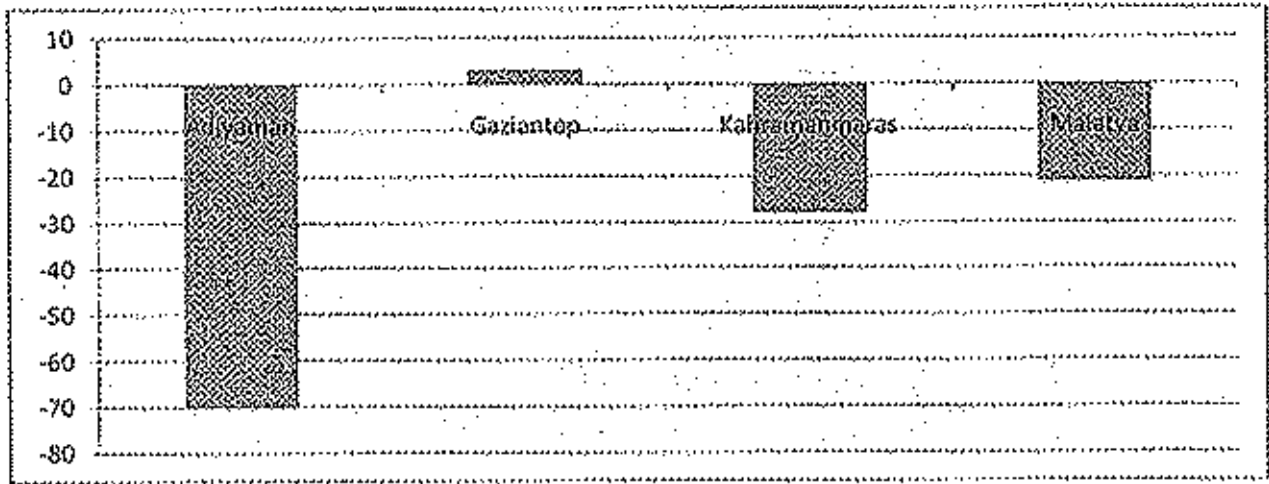
Labour force participation rate (% , 2006) TURKSTAT Labourforce Survey 2006

Education level of the population of the selected provinces and their comparison with Turkey's average is given in Figure below. Majority of the population is primary school graduate disparity between the genders increase as the education level increases.



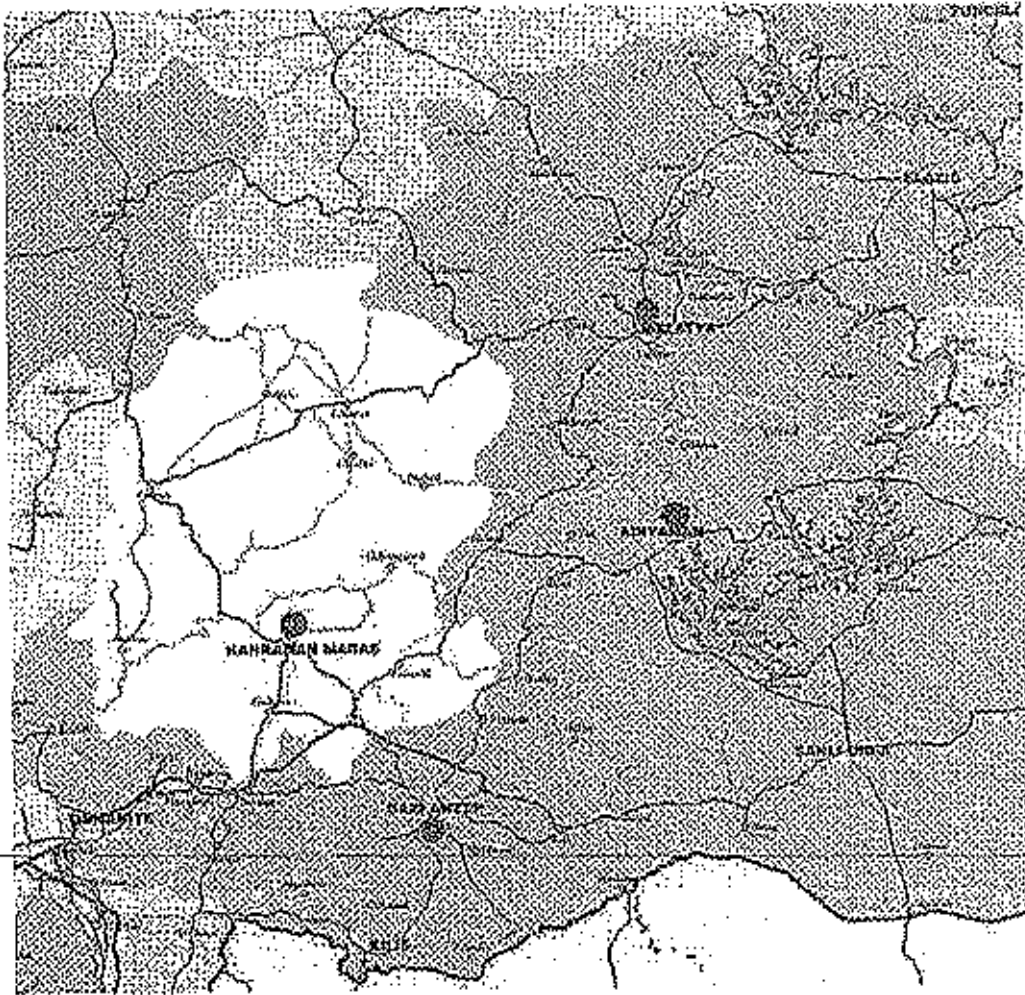
Education Level in Selected Provinces and in Turkey, TURKSTAT Address Based Population Registers Database

The target region faces serious problems of migration. Based on 2000 census data, the annual migration rate for Adiyaman is around 7%. These figures are estimated to be decreased in recent years but three of the four selected provinces are still losing their population to other regions.

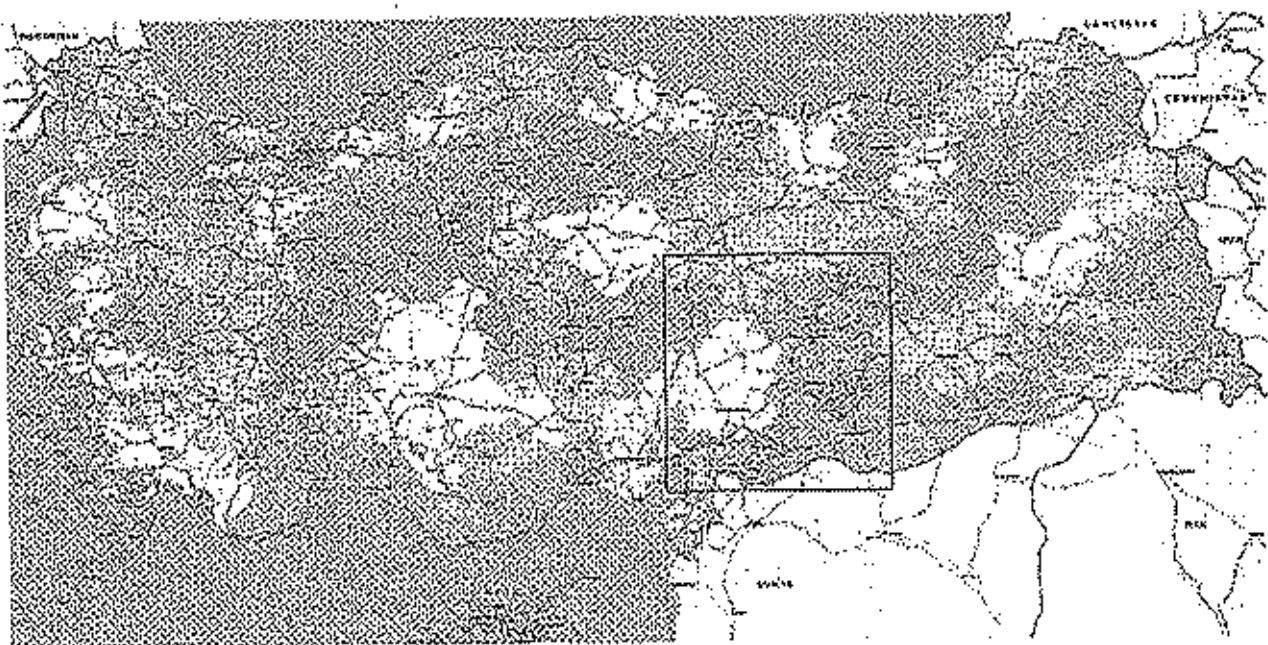


Annual migration ratio (in thousands, 2000) TURKSTAT Population Census 2000

Above indicators show that the target provinces (Kahramanmaraş, Adiyaman, Gaziantep and Malatya) are clearly separated from the rest of the group in terms of socio-economic development. Considering the fact that the textile industry is fairly mature in Kahramanmaraş and its structure encompasses different components of the value chain, Kahramanmaraş is selected as the primary focus of the joint programme. For the sake of reaching critical mass of textile industries, textile producing neighbouring provinces Adiyaman, Gaziantep, and Malatya, which were proposed by stakeholders during the consultation meetings will also benefit from the outcomes of the joint programme. The map of the region covering those provinces is shown below together with a map of Turkey indicating the location of the target region. Administrative centre of the provinces are indicated with red dots.



Target Region primarily focuses on Kahramanmaras. Three neighbouring provinces are also within the scope of the programme



Location of the selected in region on a smaller scale map

Distance Chart for the Target Provinces

The Sectoral Concentration in Manufacturing Industry in 15 Growth Centres

15 Growth Centres	The Number of Enterprises (Thousand)	The Value Added (Million US Dollars)	Sectoral Concentration	Major Export Items
Diyarbakir	1712	1113	Food, Beverages, Tobacco, Meat Goods	Food, Beverages, Tobacco
Elazığ	1412	1131	Other mining and quarrying products, Textiles, Plastics and articles thereof	Manufacture of machinery and equipments
Erzurum	1252	793	Manufacture of Basic Metals, Food, Other mining and quarrying products, Chemistry	Chemicals and chemical products
Gaziantep	1391	599	Food Products and Beverages, Textiles, Furniture, Products of Wood, furniture, Chemistry	Leather and clothing, Food Products and Beverages, Rubber and plastic products
Kayseri	1767	1500	Textiles, Furniture, Manufacture of Machinery and Equipments, n.e.s., Food Processing	Textiles, Furniture, Manufacture of Machinery and Equipments, n.e.s.
Malatya	1676	1692	Food Products and Beverages, Wearing Apparel	Vegetal production, Textiles
Samsat	1412	1512	Food Products and Beverages, Chemistry, Manufacture of Basic Metals, Manufacture of Machinery and Equipments, n.e.s., Products of Wood and Cork	Vegetal production, Manufacture of Machinery and Equipments, n.e.s.
Sivas	1722	1647	Food Products and Beverages, Other Non-Metallic Mineral Products, Other mining and quarrying products, Manufacture of Machinery and Equipments, n.e.s.	Manufacture of Machinery and Equipments, n.e.s., Furniture
S. Urfa	1655	2826	Textiles, Food Products and Beverages, Other mining and quarrying products, Manufacture of Metal Products	Vegetal production, Textiles, Manufacture of Machinery and Equipments, n.e.s.
Tatvan	1296	918	Food Products and Beverages, Plastics and articles of plastic, Products of Wood and cork	Vegetal production, Food Products and Beverages
Van	657	423	Food Processing, Other mining and quarrying products, Textiles	Furniture
Rize	263	431	Other Non-Metallic Mineral Products, Food Products and Beverages, Products of Wood and cork	Other Non-Metallic Mineral Products, Plastic and articles of plastic, Vegetal production
Banaz	307	2130	Food Processing, Vegetal production, Other Non-Metallic Mineral Products	Other Non-Metallic Mineral Products, Vegetal production, Food Processing
K. Maras	1779	1853	Textiles, Food Products and Beverages, Fabrication of Metal Products	Textiles, Metal Goods, Food Processing
Kozluk	1853	573	Manufacture of Wood and Wood products, Manufacture of Wearing apparel, Manufacture of food products and beverages, Mining and quarrying	Food Products and Beverages, Vegetal production, Manufacture of Machinery and Equipments, n.e.s., Textiles
The total number of manufacturing enterprises, the sectoral concentration and exporting sectors in 15 Growth Centres	14700	26020	Food Products and Beverages, Textiles, Other mining and quarrying products, Manufacture of Machinery and Equipments, n.e.s.	Food Products and Beverages, Vegetal production, Manufacture of Machinery and Equipments, n.e.s., Textiles

Source: MIT, SPO

Annex F: Indicative Training Programmes

Course Title	Target Group ³⁰	Duration	Provider
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³⁰ Equal participation will be promoted for all target group beneficiaries.

The labour/social dimension of Corporate Social Responsibility: From principles to practice	Managers (Representatives of government and enterprise staff dealing with CSR) Workers	3 days	ITC – ILO
Implementing labour principles in global supply chains	Managers (labour inspectors, managers of international buyers and also suppliers, organisations involved in audit and verification)	3 days	ITC – ILO
Employment-intensive investment for sustainable development	Policy makers	1 week	ITC – ILO
Sustainable enterprise promotion through good workplace practice and human resource management	Managers	2 weeks	ITC – ILO
Creating an enabling environment for sustainable small enterprise development	Policy makers	2 weeks	ITC – ILO
Cluster and networks development	Experts of local support institutions, cluster development brokers and policy makers	4 weeks in total	UNIDO
Environmental management and productivity enhancement training	Managers and workers	3 days	UNIDO
Implementation of CSR base management and reporting tools in textile SMEs	Experts of local support institutions, consultants and selected entrepreneurs	1 week	UNIDO
ICTs trainings for SMEs	Managers and workers of SMEs	1 week	UNDP
Gender sensitive sustainable development and MDGs (tailor made to textiles and clothing sector)	Managers, workers and experts of Support Organisations	3 days	UNDP

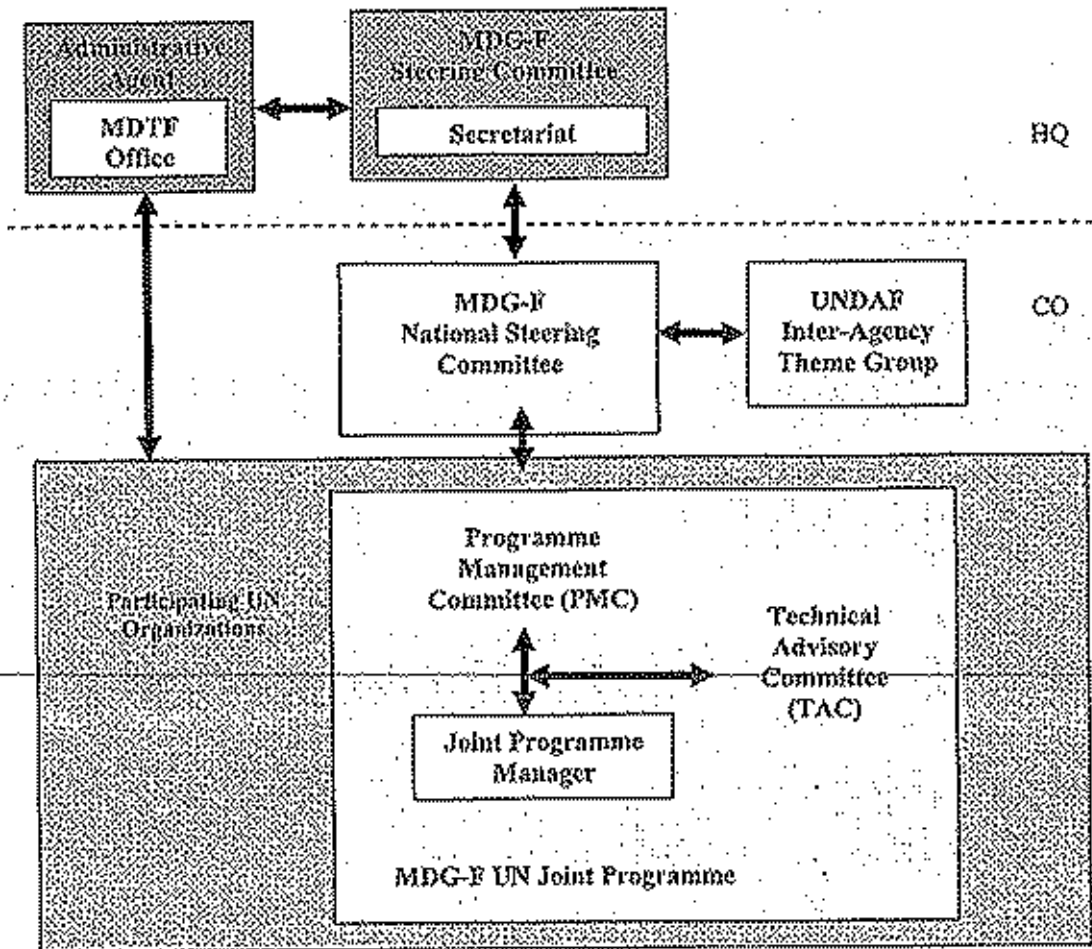
Annex G: List of Acronyms

AA	Administrative Agent
ASEPAM	Asociación Española del Pacto Mundial de Naciones Unidas
B2B	Business to Business
BSCI	Business Social Compliance Initiative
CSR	Corporate Social Responsibility
DCP	Development of Clustering Policy in Turkey
ETI	Ethical Trading Initiative
EU	European Union
FDI	Foreign Direct Investment
FLA4	Fair Labour Association 4
GDP	Gross Domestic Product
GDWS	General Directorate of Women's Status
GRI	Global Reporting Initiative
HACT	Harmonized Approach to Cash Transfer
ICT	Information and Communication Technologies
IGEME	Export Development Centre of Turkey
ILO	International Labour Organisation
IRAC	Innovation Research and Advisory Centre
ISO	International Standards Organisation
ITKIB	Istanbul Textile and Apparel Exporters Association
JP	Joint Programme
JPSC	Joint Programme Steering Committee
KHU	Kadir Has University
KOSGEB	Small and Medium Size Enterprise Development and Support Administration
KSU	Kahramanmaraş Sutcu Imam University
MDG	Millennium Development Goals
MDG-F	Millennium Development Goals Achievement Fund
MDTF	Multi Donor Trust Funds
METEM	Vocational Technical Education Centre
MoEF	Ministry of Environment and Forestry
MOIT	Ministry of Industry and Trade
MOLSS	Ministry of Labour and Social Security
NGO	Non-Governmental Organisation
NSC	National Steering Committee

NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Cooperation and Development
PMC	Programme Management Committee
RCOP	Regional Competitiveness Operational Programme
REC	Regional Environmental Centre
SAS8000	Social Accountability 8000 Standard
SAI	Social Accountability International
SECO	State Secretariat for Economic Affairs, Switzerland
SME	Small and Medium Size Enterprises
SPO	State Planning Organisation
SPX	Subcontracting and Partnership Exchange
TAC	Technical Advisory Committee
TBCSD	Business Council for Sustainable Development, Turkey
TBMM	Grand National Assembly of Turkey
TNC	Transnational Company
TORs	Terms of Reference
TOT	Training of Trainers
TUTSIS	Textile Employers Association
UFT	Undersecretariat of Foreign Trade
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organisation
VCMP	Value Chain Management Platform

Annex H: Implementation Framework

Generic Management Structure of MDG-F Joint Programmes



Annex I: Terms of Reference and Rules of Procedure for the National Steering Committee and Terms of Reference for the Programme Management Committee

Part I: Terms of Reference - National Steering Committee

1. Introduction

The National Steering Committee in Turkey (the "NSC") is established to oversee and coordinate the operations of MDG-F supported Joint Programs. Until present, this includes the MDGF 1680: Enhancing the Capacity of Turkey to Adapt to Climate Change in and MDGF 1792: Alliances for Culture Tourism in Eastern Anatolia' In and MDGF 1928: Growth with Decent Work for all: A Youth Employment Program in Antalya in accordance with the Terms of Reference of the Fund.

2. Role of the NSC

The NSC will have overall responsibility for Program activities. It will provide strategic guidance and oversight and approve the Program Document including subsequent revisions and Annual Work Plans and Budgets. The NSC will be co-chaired by the UN Resident Coordinator (RC) and a Government Representative. To the extent possible, the NSC will use existing coordination mechanisms in Turkey to undertake the process of planning and stakeholder consultation that the programme operations will require.

3. Structure and Composition

■ **Membership:** The members of the NSC will include:

- A representative of the Government of Turkey as Co-chairperson
- The United Nations Resident Coordinator, (RC), as Co-chairperson
- A local representative from Government of Spain

■ **Frequency of meetings:** The NSC will normally meet semi-annually. Additional meetings based on the requirements of the Programme may be convened exceptionally. The meetings will be convened by the Chairperson. For emergency issues the NSC may conduct its business electronically.

■ **Agenda:** The agenda and supporting documentation will be prepared and disseminated by the Resident Coordinator's office. NSC members may make requests for items to be included on the agenda.

■ **Quorum:** A quorum of the NSC will consist of all the committee members.

■ **Observers:** Non-governmental, civil society and other organizations may be invited to participate in NSC meetings as observers, based on the following two primary criteria: (a) Involvement of the organization in projects financed or to be financed from the Programme; and (b) Impact of projects financed from the Joint Programme on the activities of the organisation. Decisions to invite observers or representatives of the relevant participating UN organisation will be made by the Co-chairs.

4. Responsibilities of the NSC

The primary responsibilities of the NSC will be to:

- Review and approve these Terms of Reference (TOR) and Rules of Procedure, based on the generic TOR, and amend them, as necessary, in consultation with the AA.
- Review and endorse the Programme Document and Annual Work Plan and Budget submitted by participating UN organisations; ensure their conformity with the

requirements of the Fund and in particular decisions of the MDG-F Steering Committee; ensure the quality of programme documents to receive funding from the Fund. Minutes of meeting to be sent to MDG-F Secretariat with final programme submission.

- Discuss the Joint Programme requirements and priorities concerning, *inter alia*:
- programme management, including consistent and common approaches to project costing, cost recovery, implementation modalities, results-based reporting and impact assessment,
- Information management, including appropriate Fund and donor visibility,
- Ensure that appropriate consultative processes take place with key stakeholders at the country level in order to avoid duplication or overlap between the Fund and other funding mechanisms.
- Approve the reporting mechanism for the programme.
- Review findings of the summary audit reports consolidated by the Administrative Agent; highlight lessons learned and periodically discuss follow-up by participating UN organisations on recommended actions with programme-wide impact.
- Approving the strategic direction for the implementation of the Joint Programme within the operational framework authorized by the MDG-F Steering Committee
- Approving the documented arrangements for management and coordination
- Approving the annual work plans and budgets as well as making necessary adjustments to attain the anticipated outcomes
- Reviewing the Consolidated Joint Programme Report from the Administrative Agent and provide strategic comments and decisions and communicate this to the Participating UN Organizations
- Suggesting corrective action to emerging strategic and implementation problems
- Creating synergies and seeking agreement on similar programmes and projects by other donors
- Approving the communication and public information plans prepared by the PMCs.

5. Decisions

The NSC should make decisions by consensus. The decisions of the NSC will be duly recorded. Prior to presenting a position on an issue to the NSC, the participating UN organisation will ensure that this is in line with their regulatory requirements. Any decision by the NSC which deviates from a previously endorsed position has to be referred back to the participating UN organisation for endorsement in order to be binding.

Decisions on programme documents, including revisions and Annual Workplans and Budgets will only be taken upon completion of a review by the Programme Management Committee (PMC).

6. Support to the NSC

The NSC will establish a support function, which reports to the Chairpersons of the NSC. The support function will facilitate the work of the NSC. The RC's office will provide the primary support to the NSC.

Under the direct supervision of the Chairpersons of the NSC, the NSC Support Office will be responsible for, *inter alia*:

- Periodically reviewing the Rules of Procedure of the NSC, and in consultation with the Co-chairs, recommend changes or revisions to the NSC.
- Liaising with the PMC on programme review and analysis.
- Calling and organising meetings of the NSC.
- Developing and circulating meeting agendas and minutes.
- Documenting, communicating and ensuring follow-up of the NSC's decisions particularly ensuring the submission – no later than one business day after the NSC meeting – of appropriately signed and complete documentation on approved programme related documents to the Administrative Agent (the UNDP Multi-Donor Trust Fund Office in New York).

7. Public Disclosure

The NSC will ensure that decisions regarding programme approvals, periodic reports on the progress of implementation of the programme and associated external evaluations are made available for public information. Such reports and documents may include: records of decisions, summary sheets of approved Joint Programmes, annual financial and progress reports, summary of internal and external programmatic evaluation reports.

The NSC will take all reasonable steps to ensure the accuracy of such documents and that confidential materials are not disclosed.

The participating UN organisations will also take reasonable steps to ensure the accuracy of their postings on their respective websites regarding their programme operations and activities, in consultation with the NSC.

8. The Role and Accountability of the Resident Coordinator

The Fund will rely on UN Resident Coordinator (RC) to facilitate cooperation between Participating UN Organizations to ensure that the programme is on track and that promised results are being delivered.

Part II: Rules of Procedure - National Steering Committee

1. Review of Strategy

The NSC will review the progress of the Joint Programme to ensure coherence and collaboration with the Programme and other national programmes, maintaining close collaboration with national authorities to ensure flexible adaptation of MDG-F funded activities.

2. Funding release

- Based on the approval of the NSC and the receipt of duly signed Submission Form and relevant Project Document, the Administrative Agent will transfer approved funds to the particular participating UN organisations, after ensuring consistency with programme document signed by the participating UN organizations.
- The first instalment of funds will be transferred within three to four business days from receipt of documentation from the NSC. Instalments are annual and the first release will be made in accordance with the budget of year one.
- Subsequent instalments will be in accordance with Annual Work Plans approved by the NSC. The release of funds is subject to meeting a minimum expenditure threshold of 70% of the previous fund release to the participating UN organisations combined.
- If the 70% expenditure threshold is not met funds will not be released to any agency, regardless of the threshold being met by an individual Participating UN Organization.
- If the overall expenditure of the programme reaches 70% before the end of the twelve-month period, the participating agencies may upon endorsement by the NSC request the MDTF Office to release the next instalment ahead of schedule.

3. Reporting

- In line with the Memorandum of Understanding (MOU) between the Administrative Agent and participating UN organisations, the latter will submit, on an annual basis, financial and progress reports to the Administrative Agent. The Administrative Agent is responsible for consolidated reporting to the NSC at the country and the Fund Steering Committee at the global level, respectively.
- The PMC will sign off on the Narrative Joint Programme Progress Report before it is submitted to the Administrative Agent.
- The Office of the Resident Coordinator will ensure that the AA's Consolidated Joint Programme Progress Reports are distributed to NSC members and other relevant parties.

- Decisions and comments by the NSC will be shared with all stakeholders in order to ensure the full coordination and coherence of MDG-F efforts.
- The MDTF Office will issue an annual AA Management Brief for each programme, which contains analysis of fiduciary requirements and key management achievements and challenges as well as recommendations for improvements or corrective action as required. The assessment, takes into account latest policy direction from the Secretariat and Steering Committee; best practices observed throughout Fund activities; audit recommendations; MTR observations; and adherence to Rules and regulations. The AA Management Briefs will be written in English.
- At the Fund-wide level, the MDTF Office designs reporting systems and mechanisms to facilitate that fiduciary requirement can be met by the Participating UN Agencies. The MDTF office will provide the Consolidated Joint Programme Progress Report for each programme and other reports as appropriate to the Fund Steering Committee through the Secretariat.
- Participating UN Organizations will be encouraged to provide Quarterly Updates. The Quarterly Updates would be provided at the outcome level. The Quarterly Update is designed to satisfy basic information requirements to serve as a high level management tool for the Fund, while still being easy for the Country Teams to comply with. The MDTF Office will design and role out an online system to capture the Quarterly Updates.
- Consolidated annual reports should include a section on the activity of the NSC.
- Timeline for submission of reports is shown in the chart below.

Report Name	Coordinating Author /Consolidator	Approving Authority	Dead-Line (reporting period: 1 Jan - 31 Dec)	Required Language
Consolidated Joint Programme Progress Report (including AA Management Brief, JP Narrative Report and Financial Reports)	MDTF Office	MDTF Executive Coordinator	31 May	AA Management Brief in English
Narrative Joint Programme Report	Participating UN Organizations jointly at Country Level	PMC	31 March	Working Language of CO
Financial Progress Reports	Participating UN Organizations HQ Level	Financial Officer/ Comptroller	30 April	English

Annex J: Terms of Reference for TAC & PM

Technical Advisory Committee (TAC)

The Technical Advisory Committee (TAC) provides technical oversight for the Joint Programme. One of the important roles of the TAC will be to review and evaluate the training programmes to be held under Outcome 2. The TAC will be composed of experts from national stakeholders MoIT, UFT, IGEME, MOLSS, ITKIB, TUTSIS, DISK TEKSTIL, TEKSIF, Oz Iplik Is, Kalder, and CSR Turkey and other relevant stakeholders including major multinational clothing companies and retailers

The Committee members should attend all meetings. Any absence must be recorded and explained in the progress reports, and Evaluation Report. Any TAC member who withdraws from the TAC for whatever reason must be replaced following the standard procedure for appointing members of the TAC. The chairman of the evaluation committee determines to what extent the evaluation process must be restarted. Such a decision as well as any decision relating to the replacement of a committee member must be recorded and justified in the evaluation report. All voting members of the TAC have equal voting rights. The names and functions of all those involved in the evaluation process must be recorded in the Evaluation Report. The TAC should be formed early enough to ensure the availability of the designated members (and any observer nominated by the PMC, in the case of decentralized ex-ante control) during the period necessary to prepare and conduct the evaluation process. The evaluation of proposals should be completed as soon as possible.

Joint Programme Manager (JPM) (30 w-m/m, Local / International Experience)

The Joint Programme Manager (JPM) will be available for the whole contract period and should have a solid background in development of integrated action/implementation plans, integrated management approaches, SME development, policy formulation, and coordinating/facilitating working groups, stakeholder relations including central and local governmental and non-governmental institutions and communities as well as private sector and maintaining integrity of the outputs.

The Joint Programme Manager should have similar project experience (i.e. SME development, CSR promotion and training, sustainable development; integrated policy development etc.) in Turkey and abroad with EC member state or accession country experience an asset. Proven negotiation skills at ministerial and local level are required.

Qualifications and Skills

The Joint Programme Manager should have:

- Graduate level qualification in related field (social sciences, business administration and/or engineering, economics, natural sciences and/ or planning (education and/or experience on textile industry is an asset).
- Excellent communication and proven leadership skills as a team leader
- Excellent mediating and facilitating skills
- Full computer literacy and excellent fluency in English

Professional experience:

- Minimum of 10 years professional experience
- Minimum 5 years proven experience in the management of international projects in similar fields
- Experience in administration, programme planning, monitoring and reporting

Specific experience:

The Joint Programme Manager should have specific experience in at least four (4) of the following key areas:

- Minimum 5 years experience in programme execution with relation to implementation of SME development and/or CSR promotion
- Understanding of the issues of textile industry in Turkey

- Awareness and understanding of value chain management (VCM), clustering, CSR in the international level
- Minimum of 5 years experience relating to coordinating integrated planning projects
- Minimum of 5 years experience in Project Cycle Management
- Minimum 3 years of experience in organising training programmes for industry
- Minimum of 3 years practical experience on working with local communities
- Minimum of 3 years practical experience on working with central and local decision makers
- Good understanding of the MDG, Global Contract, EU strategy on socially responsible competitiveness and sustainable development
- Experience in global and international meetings on various VCM, Clustering, and CSR topics
- Experience with UN/UNDP system and procedures (i.e., procurement, contracting, communication and other financial issues).
- Solid level of understanding on Gender Equity, Equality and Diversity issues

Specific tasks and responsibilities:

- Coordinating and managing the project in liaison with ITKIB; the State Planning Organization; other governmental counterparts; partner UN organizations; Project Management Committee (PMC), and other stakeholders and private sector contributors.
- Managing the Project Team and coordinating the Consultants and Trainers
- Supervising the management of the projects budget
- Checking that the project outputs are in accordance with the Project Document and the work plan
- Checking the translations of all reports and deliverables
- Ensure the preparation and delivering of all project management related reports and other deliverables
- Informing and advising the project counterparts through (PMC) on any issue likely to affect the financial resources or the scope of the activities foreseen
- Defining measurable indicators for subsequent programme monitoring and evaluation.
- Ensuring the harmonization and coherence of central and regional/local activities and project outputs together with the PMC.
- Ensure that ToRs, Annual Work Plans and Annual Appraisals of all staff cover responsibility and performance in regard to gender sensitivity

The JPM shall ensure that the project team complies with all the procedural and contractual obligations of this contract. In this context, it is his/her responsibility to establish the internal management procedures required, particularly as regards procurement, tendering, contracting, awarding of the contestants, reporting, editing and accounting requirements in compliance with UNDP procedures. The JPM will be responsible for establishing the accounting, budgeting and reporting procedures in accordance with UNDP procedures. S/he shall co-ordinate, supervise, manage, monitor and evaluate all aspects of the project's implementation including financial administration. The JPM will, if necessary, identify and recruit additional short-term experts and/or replacements for approved members of the project team. S/he will be responsible for submitting suitable CVs to the UNDP for final approval before the appointment is confirmed and/or the new member of the project team carries out any work (or incurs any other costs) under the contract.

The JPM will have overall responsibility for the project, including primary contact with the stakeholders and the PMC concerning whether project activities are meeting the agreed objectives. The Joint Programme Manager will be responsible for ensuring that all institutional stakeholders are kept informed of the activities carried out under the project, and of project results. It is of particular importance to keep all relevant stakeholders informed, through the project management process and otherwise, in order to ensure optimum cooperation. The Joint Programme Manager will play a major role in all activities.

Annex K: Summary of Consultation Meetings with key Stakeholders

DATE	MEETING WITH [ORGANISATION(S)]	VENUE	PERSON(S) MET	MEETING TOPIC
29.04.2009	Stakeholders & UN participating organizations	UN House, Ankara	See attached meeting minutes & participants list	Joint Stakeholders Meeting
07.05.2009	TUTSIS – Textile Employers Association	TUTSIS, Istanbul	See attached meeting minutes & participants list	Review of JP proposal, possible contributions.
07.05.2009	KalDer – Turkish Society for Quality	KalDer, Istanbul	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
08.05.2009	UNIDO	UN House Ankara	Mr. Celal Armangil, UNIDO Turkey Director	Briefing about the JP.
08.05.2009	Ministry of Industry and Trade (MoIT) & KOSGEB – Small and Medium Industry Development Organisation	KOSGEB, Ankara	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
08.05.2009	IGEME – Export Promotion Center of Turkey	IGEME, Ankara	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
11.05.2009	DISK Tekstil-Is Textile Labour Union	DISK Tekstil-Is Istanbul	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
11.05.2009	Undersecretariat for Foreign Trade & ITKIB - Istanbul Textile and Apparel Exporters Association	ITKIB, Istanbul	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
22.05.2009	ILO	ILO, Ankara	Ms. Gulay Aslantepe, ILO Director	Briefing about the JP.
22.05.2009	CSR Association of Turkey	Ankara	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
22.05.2009	UNDP C.O.	UN House, Ankara	Ms. Ulrika Richardson Golinski, Resident Representative a.i.	Briefing about the JP.
25.05.2009	Cisco Systems Turkey	UNDP Office Istanbul	Mr. Ahmet Hasanbeseoglu, Cisco – Director & Mr. Ugur Terzioglu, Cisco Project	To discuss Cisco-ITKIB – UNDP integrated SME Value Chain Project

			Manager	
28.05.2009	SPO – State Planning Organisation	SPO, Ankara	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
28.05.2009	DISK TEKSTİL-İS LABOUR UNION	DISK Tekstil-İS Office	Mr. Ridavn Budak, President	Contribution and involvement of TUTSIS.
29.05.2009	TUTSIS Textile Employers' Assoc.	TUTSIS Head Office	Mr. Başar Ay, General Secretary and 4 experts	Contribution and involvement of TUTSIS.
03.06.2009	L. Project Appraisal Committee: SPO, MFA, Spanish Embassy, UN Agencies, MoIT, KOSGEB, UFT, İTKİB, CSR Association	UN House, Ankara	Please see minutes of the meeting and participants list annexed to Cover Letter by RC.	Appraisal of the Project.
04.06.2009	Kahramanmaraş Sutcu Imam University	KSU Campus, Kahramanmaraş	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
05.06.2009	Kahramanmaraş Chamber of Commerce and Industry	Chamber Headquarters, Kahramanmaraş	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
05.06.2009	Kahramanmaraş Governorate	Governor's Building, Kahramanmaraş	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
05.06.2009	Matesa Textile	Matesa Headquarters, Kahramanmaraş	See attached meeting minutes & participants list	Review of JP proposal, possible contributions
05.06.2009	Chamber of Tailors and Garment Manufacturers	Chamber Headquarters, Kahramanmaraş	See attached meeting minutes & participants list	Review of JP proposal, possible contributions

Note: Minutes of key Consultation Meetings are attached below.

**Minutes of the First Stakeholders Meeting of
"MDGF PSD Turkey Textile Sector UN Joint Programme" Formulation Process**

Date: 29.04.2009
Venue: UN House, Ankara, Turkey
Present: (please see the attached participants list for details)

UN PARTICIPATING AGENCIES

UNDP Ms. Ulrika Richardson-Golinski (chair)
 Ms. Halide Caylan
 Mr. Hansin Dogan (via teleconference)
 Ms. Ozlem Caliskan
 Ms. Gulum Eralp
 Mr. Murat Gursoy
 Ms. Orria Goni Delzangles

ILO Ms. Gulay Aslantepe
 Ms. Ayse Seicuk Gencer

UNIDO Mr. Celal Armangil

STAKEHOLDERS

MIT Ms. Ümmühan Yokuş / Engineer
UFT Mr. Cumhuriş İğbirakmaz / Head of Department -Textiles&Apparel
 Ms. F. Derya Koç / Foreign Trade Expert
 Ms. Filiz Kayacı Boz / Foreign Trade Expert
SPO Mr. Nuri Duman / Planning Expert
ITKIB Ms. Nilgün Özdemir / Board Member - İHKİB
 Ms. Erbil Cihangir / Head of Education Department
KOSGEB Ms. Selma Tezyetiş / Director of Foreign Relations
 Ms. Kına Yurdayol Arcak / Consultant
CSR Turkey Mr. Serdar Dinler / President
Öziplik-İş Trade Union Mr. Engin Doğan/ General Finance Secretary
 Mr. Kadir Erkan/ Organization Expert
IGEME Mr. Ümit Sevim/ Expert

The first Stakeholders Meeting of MDGF TW Private Sector Development Turkey Textile Sector UN Joint Programme was held on the 29th of April 2009.

Meeting Agenda:

- Brief explanation of the UNDP Spain MDG Achievement Fund (MDG-F)
- Presentation of the proposed UN Joint Programme and its objectives
- Explanation of the formulation process, Next Steps and Timelines
- Consultations with invited stakeholders about the proposed programme focus and their involvement in the programme.

After an introduction of the proposed UN Joint Programme and explanation of the UNDP-Spain MDG Achievement Fund, Ms. Ulrika Richardson-Golinski, provided a summary of the MDGs and underlined the MDG-F's overall objective to contribute to the achievement of the MDGs at country level. Consequently, the formulation of the proposed UN Joint Programme needs to take this into consideration. She also explained that the proposed programme has only been

approved in principle and that final approval will be provided only upon successful review of the final Joint Programme by the MDG-F Secretariat.

The proposed UN Joint Programme was then presented to the stakeholders and the formulation process was explained together with below mentioned next steps and timelines.

- Next Steps of the Formulation Process and Timelines communicated to the Stakeholders:
 - Stakeholders Meeting: 29 April 2009
 - Bilateral Consultations with Stakeholders: 4 - 8 May 2009
 - First Draft of JP Document will be ready: 18 May 2009
 - Final Draft of the JP Doc. will be ready: 1 June 2009
 - Submission of the JP Doc. to MDG-F Secretariat: 10 June 2009

After the presentation of the proposed UN Joint Programme, consultations were made with the stakeholders present and their comments were received which are as follows:

CONSULTATIONS WITH STAKEHOLDERS:

- **Ministry of Industry and Trade (MIT):**

MIT mentioned that they attach utmost importance to the textile industry. Due to Chinese products and products of the other far eastern countries, Turkish textile and clothing industry is losing its competitive power in the international markets. To this end, last year MIT prepared a "Textile Strategy and Action Plan" in collaboration with all relevant stakeholders both in public and private sector. The strategy entered into force in September 2008 and covers not only textile products but also clothing/apparel and leather industry. After that, a monitoring and evaluation committee was established, which meets quarterly. There is also an action plan of this strategy which constitutes the backbone of the Strategy.

The Textile Strategy is based on two priorities:

- 1) Improvement of Business Environment
- 2) Increase the competitive power of enterprises by strengthening their capacity.

Under these priorities, there are a number of measures, such as legal and administrative arrangements as regards clustering, development of needed standards, activating the market surveillance system, standardisation of capacity reports, environmental issues, export-import related issues etc.

The other measure is improvement of infrastructure with respect to clusters, R&D and innovation, product development, brand - design, marketing issues, university-industry cooperations. Moreover, improvement of financial instruments, human resources, production and infrastructure issues are also covered in the strategy document.

Furthermore, MIT is the Operating Structure of the EU IPA supported "Regional Competitiveness Operational Programme" (RCOP) and is responsible for the coordination and implementation of this programme. RCOP also aims at increasing the competitiveness of Turkish economy especially in the lagging behind regions. The textile sector is one of the sectors supported under this programme in the target region. The priorities and measures of both RCOP and textile strategy are consistent with each other.

In order to achieve the goals of the textile strategy, MIT believes that implementation of the proposed UN JP will be very beneficial. The UN JP ensures complementarity and consistency with national textile strategy. For that reason MIT mentioned that they fully support the UN joint programme, and that they would be pleased to contribute to the preparation and implementation of the project.

MIT expressed below points for improvement or further consideration in the proposed JP:

As regards the establishment of SME Innovative Investments Research and Advisory Centre (IIRAC) mentioned in the JP; MIT mentioned that they avoid the duplication of such centres, that's why they suggest UN agencies to investigate this issue in detail for IIRAC. Instead of establishing new centres MIT wants the utilization and improvement of existing capacities.

MIT mentioned that there are very competent textile experts and know-how in Turkey, because of the strength of Turkey in textiles industry in the world. For this reason, MIT commented suggested the use of national expertise as experts in the JP to the extent possible, preferably in team with International experts.

Ms. Ulrika Richardson-Golinski thanked MIT for excellent feedback and suggestions. She also confirmed that when preparing the concept note for this Joint Programme, the participating UN agencies paid attention to and ensured alignment with relevant national strategies and priorities, such as textiles strategy of September 2008, Ninth Development Plan (2007-2013), SME Strategy and Action Plan, etc.

• **Undersecretariat for Foreign Trade (UFT)**

UFT gave information about their multi-annual EU funded "Development of a Clustering Policy for Turkey Project" (DCP) which has recently been completed at the end of March 2009 and will be followed by a second project focusing on local work. UFT expressed that the proposed UN Joint programme is in line with their initiatives.

As a result of the DCP Project a Strategy paper was developed and UFT mentioned that the UN JP can benefit from this Strategy Paper. In the DCP project cluster analysis was undertaken and roadmaps were developed for 10 selected clusters including Denizli Home Textiles cluster in the textiles sector for which they proposed to establish an R&D centre as well, which can be similar to the IIRAC component of the UN JP. UFT mentioned that they can share the strategy paper and roadmap developed under the DCP project with the UN agencies of the JP.

With respect to the objective of the proposed JP to integrate SMEs especially those in poor areas to global value chains and improve market access, UFT also mentioned that one of the most important problems of SMEs is difficulties in internationalization. And added that UFT is the main governmental institution responsible for internationalization of enterprises and they suggested the UN to work with UFT in this JP for internationalization of SMEs.

Also, UFT is a partner of the MIT in the Regional Competitiveness Operational Programme funded by the EU, which has a clustering component as well.

UFT wanted to learn the actual start of the joint programme after the Joint Programme Document is approved by the MDGF Secretariat.

• **Istanbul Textile and Apparel Exporters' Association (ITKIB)**

ITKIB representatives pointed to the demands of the global buyers and sourcing offices from Turkey's textile and clothing sector and expressed that there is a convergence between the focus of the proposed Joint Programme and the needs of the sector as well as the global buyers' demand from the sector.

ITKIB has recently had a meeting with global buyers and sourcing offices that source goods from Turkish textiles and clothing sector; global buyers mentioned the need to upgrade and scale up the SMEs in Turkish textile sector especially those located in poor regions in a number of topics which are covered in this UN JP. Global buyers mentioned that they are willing to purchase more from Turkey if the capacity of SMEs is upgraded. One of the most important areas of capacity enhancement for SMEs was social and environmental conduct and compliance which is the focus of the proposed JP. As a result, ITKIB expressed the convergence of the UN JP and the demands they heard, and they found the JP to be very relevant and beneficial.

ITKIB said that from where they stand social and environmental compliance and audit is very important and it is needed and this can be an important output of the Joint Programme. Certification of social and environmental compliance is crucial. And in Turkey there is no national Certifying body or company in this field, there are a few multinational certification companies. National capacity building is required in this area.

The SMEs have problems about the reporting of their social and environmental conduct as well, even if their capacity is increased in the field of social and environmental conduct, the SMEs lack the ability to report.

Recently ITKIB was in Brussels for a meeting about the project they completed with SAI (Social Accountability International) and BSCI (Business Social Compliance Initiative) focusing on social standards training in Turkish textile factories for managers and workers.

ITKIB suggested integrating youth education into the Joint Programme. In addition to the focus of the proposed UN JP on textile and clothing factories and the workers and managers in manufacturing, ITKIB pointed to the importance of educating the new generation. ITKIB suggested developing a curriculum for social and environmental responsibility to be taught to students especially in vocational schools. ITKIB said that they have 7-8 vocational high schools for textile & clothing and they are willing to make a pilot in their schools about social and environmental responsibility teaching to students within the UN JP. ITKIB has a special protocol with the Ministry of Education allowing them to develop any curriculum deemed necessary for the sector and so they can implement the pilot easily in their schools.

At the moment ITKIB is collaborating with the UNDP's project in the GAP (Southeastern Anatolia) Region focusing on women's empowerment. ITKIB has mobile education units and now one of these units (vehicles) is located in Batman where they are collaborating with the UNDP project about training of women for textiles and clothing related jobs and skills, also ~~ITKIB helps bring these women producers with international buyers under this project.~~

ITKIB expressed their strong commitment to the proposed Joint Programme and their willingness to cooperate with the UN agencies in this Joint Programme.

Ms. Ulrika Richardson Gofinski referred to the already approved MDG-F Youth Employment and Migration JP and mentioned that linkages can be sought with this JP about integration of youth, in particular young women, and CSR education.

• **CSR Association of Turkey**

CSR Association of Turkey mentioned that the proposed JP is very important. CSR Turkey explained their activities in Turkey and referred to the projects they undertook together with UNDP Turkey such as assessment of Corporate Social Responsibility practices in Turkey (CSR Baseline Report).

CSR Turkey expressed that the choice of textiles sector for this UN JP is very correct and that there are right partners around the table. CSR Turkey mentioned that they are willing to work with the UN in this project.

• **Spanish Embassy**

Spanish Embassy representative on behalf of Spanish Government mentioned their continued support for the MDGF JPs and trust in the UN capacity in Turkey and UNDP's overall leadership. She expressed that they are very pleased to see the involvement of the stakeholders from the beginning of the process something which the Spanish Government is paying great attention to. She mentioned that the joint programme is well focused and is focusing on the needs of the sector. The representative mentioned that they are very pleased with the regional focus in other MDGF JPs in Turkey and asked whether the UN agencies thought about regional focus for this JP.

• **State Planning Organisation (SPO)**

SPO expressed their support to the JP as well and mentioned that they are ready to participate in the JP. SPO wanted to learn who will be the main governmental counterpart and executing agency of the project. SPO mentioned that this can be decided during the consultation process.

Ms. Ulrika Richardson-Golinski mentioned that national ownership and leadership is crucial and that the national executing agency will be selected during the consultation process. And the programme management committee will be composed of the main stakeholder, ie. the institutions and organizations around the table.

OVERALL CONCLUSION:

Overall the proposed joint programme (JP) received strong support and commitment from the meeting participants who underlined the need and demand that exist for the programme activities and their expected results. They also re-confirmed the JP's relevance, timeliness and its proposed outcomes and outputs. It was agreed that the consultation process, which will take place from 4-8 May with the present stakeholders, will define targets, indicators, beneficiaries and geographical focus. A consultant will be recruited by the UN to facilitate this consultation process.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
KalDer – Turkish Society for Quality**

Date: 07.05.2009

KalDer offices, Istanbul

Venue:

Present:

UN MDGF PSD

Ms. Özlem Çalışkan – UNDP Turkey Project Manager
Mr. Melih Aral – Consultant

KALDER

Mr. İrfan Onay – General Secretary & Executive Committee Member
Ms. Ömür Yapıcı – Publicity and Resource Development Manager

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 7th May 2009. The Joint Programme was explained and then the following comments were received.

Summary of consultations:

1. The theme of this year's KalDer Quality Congress is Transformation into a Sustainable Society with special emphasis on Restructuring of Enterprises for a Crisis-Free World which covers topics like competitiveness and CSR. Although timing is not right, some achievements of the programme could be presented in the congress.
2. Support policies in Turkey mostly targets the average. However, Kalder believes that special programmes should also be developed for those who are already demonstrated some success such as the ones who are already competitive.
3. KalDer has been cooperating with UNDP Turkey Private Sector Office about Global Compact in Turkey. Kalder collaborated with UNDP Turkey about the expansion of Global Compact local Network in Turkey. In the Quality Congress of 2008, a two day Progress and Value workshop was held in collaboration with UNDP Turkey and Barcelona Centre for Global Compact.
4. Decent Work Environment was one of the topics of the last year's Congress. A CSR Toolbox was developed for enterprises willing to develop their CSR business culture and practices.
5. Gender equality is one of the topics Kalder is working on. In March 2009
6. Support to SMEs should not only concentrate on clusters. Support of collaborative networks is also important. Therefore the value chain management platform is very important.
7. However, demonstrating a successful cluster will have a positive impact on all clustering efforts
8. Establishing a centre of competitiveness could be an outcome of the programme
9. Kalder is interested in the proposed Joint Programme. They will be providing relevant reports and information after the meeting.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with**

TUTSIS – Turkish Textile Employers' Association

Date: 07.05.2009

Venue: TUTSIS offices, Istanbul

Present:

UN MDGF PSD

Ms. Özlem Çalışkan – UNDP Turkey Project Manager
Mr. Melih Aral – Consultant

TUTSIS

Ms. İrem Adakale - Research Specialist Assistant

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 7th May 2009. The Joint Programme was explained and then the following comments were received.

Summary of consultations:

1. TUTSIS is preparing project towards promotion of registered employment in Kayseri. The project will be submitted to the European Union funded grant scheme for Promoting Registered Employment under the Human Resources Operational Programme (IPA). The approximate budget of the project would be max. 400.000 Euros. In this project they will be collaborating with Central Anatolia Development Union and selected firms from Kayseri as participating firms.
2. CSR Desk of İTKİB could provide valuable inputs. TUTSIS is also represented in the Social Standards Roundtable hosted by İTKİB.
3. The union operates vocational education schools known as METEM in Kayseri, Adana and Cerkezkoy.
4. TUTSIS can provide any relevant sector information and reports for the JP.
5. Ms. Adakale will inform President, General Secretary and textile sector experts about the proposed JP and will give us their comments.

Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme"
with
KOSGEB - Small and Medium Industry Development Organisation
&
Ministry of Industry and Trade (MoIT)

Date: 08.05.2009

Ventre: KOSGEB

Present:

UN MDGF PSD

Mr. Celal Armangil - UNIDO Turkey Director
Ms. Özlem Çalışkan - UNDP Turkey Project Manager
Mr. Melih Aral - Consultant

KOSGEB

Mr. Tayfun Öner - Head of SME Researches Department
Mr. Ahmet Alperen - Head of İGEM (Business Dev. Centres)
Coordination Dept.
Ms. Kına Yurdayol - Consultant at SME Researches Department
Mr. Murat Erderen - Consultant at SME Researches Department
Mr. Dilaver Ekinci - SME Expert

MoIT

Mr. Serdar Atayeter - Textiles Department Manager
Ms. Ümmühan Yokuş - Expert

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 8th May 2009. The Joint Programme was explained and then the following comments were received.

Summary of consultations:

1. Within the Vocational Education Project of KOSGEB which mainly targets apparel industry, a training centre was established in Istanbul. Ministry of National Education (MoNE) was the main partner in the project. TGSD (Turkish Clothing Manufacturers Association) was also a partner. Within the framework of the project, training programmes were delivered for white collar and blue collar workers in the industry. Database of the trainees were kept for their employment. KOSGEB has a good database of trainers as well. Another activity of the project was the establishment of two physical quality testing laboratories for textiles in Adana and İkitelli, Istanbul. Upon the completion of the project, the training centre was transferred to MoNE. Testing laboratories are operating under KOSGEB.
2. Another project of KOSGEB was the Environment Project (Eko tekstil?) A chemical analysis laboratory was established in Izmir. The laboratory is still operated by KOSGEB. There was no training programme in the project.
3. KOSGEB co-operates with Business Angels programmes of various countries. They had very good experience with the Government of Netherlands. GTZ is also one of the collaborating partners
4. Ministry of Industry and Trade's (MoIT) Textile strategy and Action Plan document, which was prepared with the participation of relevant government institutions and sector organisations, suggests Istanbul and Izmir to be centres of Fashion & Design as well as marketing and suggests moving manufacturing / production to Anatolia and to other provinces

5. As mentioned by MoIT representative, Value Chain Management Platform will be the most important outcome of the programme. It by itself deserves to be a separate project.
6. The clustering component of the programme should also contribute to the Fashion and Textile Clustering efforts. In that respect previous clustering projects in the textiles and clothing sector need to be taken into account.
7. Advisory centre should not only concentrate in innovation. The enterprises need some general guidance. The Enterprise Development Centres (ISGEM) of KOSGEB serves for this purpose.
8. KOSGEB conducted a study with the state Planning Organisation (SPO) and Undersecretariat of Foreign Trade (UFT) on a global value chain analysis, the pilot of this project was conducted in Bartın. Based on this study, KOSGEB will issue a call for proposals for supporting clustering activities.
9. KOSGEB was a partner in Fashion-Net, an FP6 project for apparel industry for capacity building in enterprises for applying R&D grants of the European Commission, a similar output could be targeted for the MDG-F programme.
10. The joint workshop programme of KOSGEB (Ortka) have some successful samples which is encouraging for the IIRAC component of the programme.
11. ISGEMs and TEKMERs (Technology Centres) operated by KOSGEB provide training to SMEs but they experience difficulties in attracting trainees. KOSGEB has a very good database of trainers and consultants which can be utilised in the programme. KOSGEB mentioned that they can share their database of consultants and trainers with the JP UN participating agencies.
12. IIRAC to be established within the programme could utilise one of the TEKMERs. Denizli TEKMER could be a good candidate.
13. Overall, MoIT and KOSGEB are willing to co-operate with the UN Participating agencies in this Joint Programme and they would like to contribute to the formulation and implementation of the joint programme.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
IGEME – Export Promotion Centre of Turkey (Prime Ministry UFT)**

Date: 08.05.2009

IGEME Head Office - Ankara

Venue:

Present:

UN MDGF PSD

Ms. Özlem Çalışkan – UNDP Turkey Project Manager
Mr. Melih Aral – Consultant

IGEME

Dr. Sevim Yalçın - Head of Industry Department
Mr. Ümit Sevim - Expert (Textile sector)

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 8th May 2009. The Joint Programme was explained and then the following comments were received.

Summary of consultations:

- ~~1. IGEME is not directly involved in CSR activities however covers compliance to standards, decent work environment issues and their role in accessing international markets in their training programmes.~~
2. Between 2001-2007, IGEME delivered training to 40,000 individuals under 591 organisations. Especially in Anatolia most of the trainees were students. IGEME is not happy with the participation rate, especially in less developed regions.
3. Based on the industry census conducted in 2002, there are 240,000 enterprises in manufacturing industry and 42,000 of them are exporting. IGEME's estimation on the number of firms in textiles is 40,000. Reaching 10% of those within the programme would be an outstanding achievement.
4. There are many efforts of bringing together SMEs in virtual environment. Kobinet, web sites of Organised Industry Zones or export unions all target promotion of SMEs and their products to international markets. The VCMP to be established within the programme should have distinctive and innovative features. For example, a B2B e-trade site is needed. Platforms that will incorporate the buyers into the network will be successful.
5. Since some processes in the textile industry involves chemical processing or use of chemicals, confirming to REACH compliance of the industry could provide competitive advantage over the competitors in Eastern Asia. REACH compliance would be an advantage for Turkish companies because already for many years the use of hazardous azo-dyes in textiles manufacturing is restricted in Turkey.
6. The textiles companies in Turkey have developed over the years in the field of environmental compliance, at the moment there is a considerable number of firms that have eko-tex certification, especially the firms manufacturing baby wear. Many companies are aware of the opportunities in ecological textiles.
7. IGEME was not involved in clustering activities but could take part in clustering activities targeted for export promotion.
8. Izmir RDA (Regional Development Agency) and EBSO (Aegean Region Chamber of Industry) are willing to establish a cluster for the manufacturing of wedding dresses, suits and evening gowns.

9. State Planning Organisation (SPO) is developing a policy paper on clustering
10. Textiles industry in Turkey is competitive but it cannot compete with its far eastern counterparts under these unfair conditions. Some countries are not bound by some regulations imposed on companies in Turkey. Global buyers are applying double standards, and they do not require suppliers / subcontractor in Far Eastern countries to comply with the same norms and standards required from Turkey and similar countries. This unfair competition must be solved.
11. Some companies are working on innovative products. They should be supported. Some companies in Gaziantep are working on manufacturing anti -bacterial carpets. Innovation support should not only focus on manufacturing of innovative products but innovation in the processes as well.
12. Izmir Textile Technology Centre is not active anymore. Bursa, Istanbul and Tekirdag could be considered for the IIRAC to be established.
13. Some targets of the programme are ambitious, given the budget. IGEME recommend either Increasing the budget or lowering targets.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
PRIME MINISTRY UNDERSECRETARIAT FOR FOREIGN TRADE (UFT)
ISTANBUL TEXTILE & APPAREL EXPORTERS' ASSOCIATION (ITKIB)
Date: 11.05.2009**

Venue: ITKIB Head Offices, Istanbul

Present:

UN MDGF PSD	Ms.Özlem Çalışkan – UNDP Turkey Project Manager Mr. Melih Aral – Consultant
UFT	Mr. Cumhur Isbirakmaz (Head, Textile & Apparel Department)
ITKIB	Mr. Cemal Beyazıt (ITKIB, Deputy Secretary General) Ms. Nilgun Ozdemir (Member of Board, IHKIB -one of 4 exporters associations of ITKIB) Ms. Erbil Cihangir (Training Department Manager / <i>Social standards roundtable secretary</i>) Ms. Emine Aclan (R&D and Regulations Department Manager) Mr. Burak Unaldi (Advisor to the President of IHKIB) Ms. Sadiye Sevimli (Training Department)

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 11th May 2009. The Joint Programme was explained and then the following discussions were made.

Summary of consultations:

1. Statistics underestimate the number of exporting SMEs since some SMEs export through a Foreign Trade Capital Company (FTCC) which they are member of. Therefore, terms like exporting manufacturer, non-exporting manufacturer are started to be used.
2. ITKIB showed great interest in the project and UFT mentioned their support as well. The project activities fully coincide with ITKIB's mission and their ongoing or planned activities. They can obtain the management approval as long as the programme does not require direct (cash) financial commitment. They have managed joint projects with UFT. ITKIB represents the exporters in Istanbul but virtually covers, directly or indirectly, majority of the manufacturers throughout the country. ITKIB is the coordinator exporters association for textiles and clothing in Turkey
3. ITKIB is already working on a IT based value chain project with Cisco. ITKIB will provide the latest report about this project.
4. CSR is one of ITKIB's training priorities. They have pool of trainers/experts on the subject. They are working on a comprehensive CSR initiative for the sector but it is not yet announced. They believe that it is important for the industry to "internalise" CSR principles rather than using them as labels. Therefore, ITKIB believes that this programme could strongly contribute in the internalisation of CSR principles. There is a common belief among the entrepreneurs that adopting CSR will have a negative effect on their competitiveness. It is quite the contrary. CSR will help the manufacturers to open to new markets. The programme could be utilised to create awareness on the issue. Awareness should be created not among the manufacturers but also in general public.

5. ITKIB has valuable experience in working with international and foreign institutions. In the field of CSR, AVE which is the representative organisation of main brands in Germany started to work with ITKIB 8 years ago. Their goal was to identify suppliers in Turkey which are eligible to supply goods to Germany. With partners from the Netherlands, Portugal and Spain, the organisation then became a Europe-wide organisation and is now called BSCI (Business Social Compliance Initiative) with 300 members. ITKIB has been their social partner since their establishment. They have organised seminars for suppliers and printed handbooks. They prepared detailed "how to" manuals for the applications of CSR including topics like health security, labour health, etc. Together with BSCI and SAI (Social Accountability International) within the context of Social Standards training in textiles factories in Turkey project supported by the EU, ITKIB organised a 3 day training for 80 major suppliers and their subcontractors. The participants were then prepared for audits and they are at the auditing stage. The training materials are up-to-date and they can be used within this programme. Contributions of ITC-ILO are also welcomed.
6. There is an increasing demand for acquiring SA8000. Yesim Tekstil acquired the certificate but it should not be considered as a typical Turkish firm. Turkey has a target of 500 billion USD for exports in 2023 but the pathway to this target is not clearly defined. SA2008 is one of the tools to reach this target. Its importance should be explained very well to industry. Not only major manufacturers but their subcontractors should also be considered.
7. Major brands used to have their own manual for CSR practices. Now, they are all after a single manual which covers all of their requirements. This programme is a good opportunity of developing and promoting one. Turkish textile industry is trying very hard to persuade major brands that they have a decent work environment. Manufacturers are now aware about the importance of the subject. The timing is right. They are now aware that in order to have a foreseeable business they have to comply with it. Workers' membership to the labour union or at least having a spokesperson on behalf of workers is required. Labour unions should also cooperate.
8. Most people call the recent recession as the crisis of the greedy. The working environment will change as a result. This could be a good opportunity for SMEs in textile industry to reposition themselves.
9. ITKIB has internationally accredited fully equipped testing laboratory, Ekoteks, which is also used for training purposes. The laboratory's contribution to the industry reached 10 million USD last year.
10. It is common belief that Turkey is being exposed to double standards in terms of exporting its textiles. Some regulations do not apply to Asian manufacturers which are the main competitors for Turkey.
11. UFT recommends to include during the implementation of the programme the Ministry of Labour among the stakeholders. As the result of international competition CSR applications are manipulated to develop trade barriers. MoL should make CSR principles an indispensable requirement of the work environment.
12. VCMP is the most complicated component of the programme. The details like ownership, data security, privacy issues, physical platform where the data will be stored should be addressed. Privacy is especially important otherwise it will not be possible to attract SMEs to participate. In the current study, jointly conducted with Turk Telekom and Cisco, the infrastructure is provided by these companies where ITKIB has the ownership of the database. Sustainability of the system is critical. Continuation of funding should be considered.
13. A rating mechanism for CSR needs to be established. With this programme ITKIB can be able to show that the rating of its members will be very high which mean they are eligible as suppliers.

14. The structure to be formed as a result of the programme should be a basis for Social Auditing mechanism. In cooperation with SAI ITKIB undertook training of auditors for SA8000 not only for Turkey but neighbouring countries as well.
15. ITKIB is the secretariat of the Round Table for Social Standards in Textile Industry initiative. Almost all components of the programme are on the agenda of this initiative. Major international buyers and global brands want to participate in the initiative (some are already participating). The potential of this initiative should be leveraged not only to build capacity but make that capacity a part of international market.
16. Mobile training centre of ITKIB has been delivering training to women and their children. ITKIB also established 7 vocational high schools for textiles and clothing in Istanbul and other selected cities in Turkey. 80% of the enrolment is allocated to girls, orphans and handicapped children.
17. ITKIB proposes the training programme to be held to target managers, human resources managers and workers. Critical details in designing a training programme are how to reach the target group and what will be the criteria for certification.
18. Unfortunately, universities are behind the industry and they are not aware of real life problems. ITKIB is willing to cooperate with universities and developed approaches for joint degree programmes with the industry, graduation projects, and innovation contests that will attract academia to industrial problems. In that sense they said Innovation Advisory Centre of the JP aiming to increase the capacity of university researchers / academicians will be very good.
19. There are different standards as far as CSR is concerned. Brands have different requirements, there are ILO norms and guidelines, local regulations and codes demanded by buyers. A study is needed to harmonise all these requirements and establish a non-compulsory accreditation mechanism in textile industry. The programme is a good opportunity for achieving this goal. ITKIB's infrastructure is more than ready for such a task. Declaration text and training materials are already available. ITKIB already completed a programme with ILO for bringing 5 manufacturing companies accredited for their CSR practices. The harmonisation is not only required for Turkey but for all countries. Such an effort in Turkey could be model for a world-wide harmonisation and could even be proposed to WTO.
20. The demand from the industry puts ITKIB in an indispensable position for initiating actions that will contribute to the competitiveness of the industry. There is still room for improvement in their capacity. They are willing to position ITKIB as an expert agency in the field of CSR and later the certifications can be issued by their subsidy Ekoteks.
21. MIT is working on the textile strategy and action plan for industry but it might need to be updated with a view of recent issues incurred by the global recession. The action plan covers around 28 items, 19 of which involve UFT as the responsible institution. Priorities of the industry changed with the current recession. Only four companies participated in the latest information meeting organised by exporters union about government incentives. MIT considers to move /dislocate the manufacturers to less developed regions and keep Istanbul and Bursa as fashion and design centres but ITKIB has doubts whether other regions have sufficient infrastructure, especially in terms of logistics, for industry.
22. MIT is overloaded with EU accession added on top of their routine work. Some work groups were not properly convened. No development has been made. As a result Textile strategy and action plan remained as a declaration.
23. Fashion academy gives more design oriented trainings. It is now acting as an open education institute operating under Ministry of Education (a course under MoNE).

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
CSR Turkey – Corporate Social Responsibility Association Turkey**

Date: 22.05.2009
Ankara

Venue:

Present:

UN MDGF PSD

Ms. Özlem Çalışkan – UNDP Turkey Project Manager
Mr. Melih Aral – Consultant

CSR Turkey

Serdar Dinler - President

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 22nd May 2009. The Joint Programme was explained and then the following discussions were made

Summary of consultations:

1. Similar associations elsewhere are funded by companies and they only serve their members. CSR Turkey is independent and open to members from academia, media, NGOs, and industry. They have 60 members and they are at equal distance to all parties. CSR Turkey does not compete with PR companies organising CSR projects.
2. In 2007 CSR Turkey prepared an evaluation report for the status of CSR in Turkey. They are in the process of preparing the second report. Every two years they intend to issue a report on the subject.
3. The association is very active nationally and internationally. They have close relations with CSR Europe. They are the only member from a non EU country. They received funding from Dutch Embassy for supporting designers to comply with Ekodesign. They also have working experience with Foretica. They have participated in CSR round table meetings in Turkey organised by GTZ. The association also utilises EU grants on social dialogue.
4. CSR Turkey provides consultancy services to neighbouring countries on CSR Reporting. Companies from Ukraine, Iran and Armenia are among their clients.
5. CSR Turkey organises training programmes together with Kadir Has University which has now a joint programme on CSR with Nottingham University.
6. CSR awareness among big companies in Turkey is very high. SMEs need support. Textile industry in particular is the most conscious industry about CSR. It is a tool for them to increase their competitiveness.
7. The association visions CSR as:
 - a. Fulfilling obligations to shareholders and employees
 - b. Acting within legal framework
 - c. Being ethical
 - d. Social interaction and supportive activities within the field of activities of the company
8. They have established a good model with Teknosa, the Teknosa Academy. The academy was established to train unemployed young people on retail sales with employment

guarantee. The project provides a solution of high employee turnover of Teknosa and helps employment of young people throughout Turkey.

9. CSR association is willing to take part in the programme. They have working experience with UN institutions. They can engage Kadir Has University for allocation of their training facilities, they can deliver training on how to prepare an evaluation report and provide real life case studies.
10. The association sees reporting as an effective communication tool of CSR. Advertising on a newspaper should be regarded as PR not as CSR.
11. One recommendation would be to develop a communication strategy during the implementation of the programme to increase motivation of the project team and stakeholders.
12. Decision makers want to see comparative studies. Evaluation reports on Turkey should also include comparisons with other countries.
13. Culturally, companies are not far from CSR. They traditionally provide support to employees, their families, neighbours, etc. and they are not aware that some of these activities are really within CSR.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
State Planning Organisation - SPO**

Date: 22.05.2009

SPO Headquarters , Ankara

Venue:

Present:

UN MDGF PSD

Ms. Özlem Çalışkan – UNDP Turkey Project Manager
Mr. Melih Aral – Consultant

CSR Turkey

Mr. Nuri Duman / Planning Expert
Mr. Emre Eser / Assistant Planning Expert, Industry
Ms. Ayşe Hanım/ Assistant Planning Expert, SME department

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 28th May 2009. The Joint Programme was explained and then the following discussions were made

Summary of consultations:

1. Ministry of Industry and Trade should have volunteered for the implementation of the programme.
2. Regional Development Agencies (RDA) should not be excluded during the implementation of the programme. However, the establishment dates of the RDAs in the target region are not clear yet.
3. Textile investments moved to Kahramanmaraş and Adıyaman mainly from Gaziantep after the introduction of Law 5084 which granted some incentives for investments in selected provinces. Whether these factories remain in the same province after the expiry of the incentives is still a question. In any case, selection of only one province is not recommended. The region can cover neighbouring provinces. Adıyaman, Gaziantep, Kahramanmaraş and Malatya cover sufficient number of SMEs in textile industry.
4. Even if a less developed region is selected, Innovation Research and Advisory Centre could be located somewhere else. The training centre in İzmir is a good candidate. Precautions should be taken on the sustainability of the Centre. Textile Training Centre in Adıyaman is also an alternative.
5. For grants, \$ 10,000 is very little. It is like micro-credit for the firms. Increasing the amount by decreasing the number of beneficiaries could be an alternative. Solid targets should be set for the grant beneficiaries, such as acquiring a certain certification upon the completion of their project.
6. Target of the grants should be defined more clearly. Stating that innovative business models will be supported is not sufficient. Specific information should be provided about the types of activities.
7. Scope of the programme is not well focused. It should be revised to make it more coherent.
8. Current clustering efforts need some coordination. It is not easy to build trust among SMEs. Small scale collaborations should be supported. Models that decrease costs and

increase productivity should be promoted. Most sectors are geographically diverse. This also imposes difficulties.

Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
Sutcu Imam University, Kahramanmaras, KSU

Date: 04.06.2009
Sutcu Imam University, Kahramanmaras

Venue:

Present:

UN MDGF PSD

Mr. Melih Aral – Consultant

KSU

Assoc. Prof. Dr. Ozer Cinar, Advisor to Rector for Research Affairs

Dr. Hikmet Marasli, Tecnopark Coordinator

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 4th June 2009. The Joint Programme was explained and then the following discussions were made

Summary of consultations:

1. The University established "Centre for University, Industry and Public Administration Cooperation (USKIM)" and received 8 Million TL funding (excluding construction) from State Planning Organisation. A high quality building of 6000 sq.m has been built from university resources. The construction is recently completed. Procurement of laboratory equipment is in progress. The centre is expected to be operational in October 2009. The centre will act as a research centre on 8 disciplines including textiles. Altogether, around 50 graduate students from different disciplines will initially be working in the centre. The number is expected to reach 120 within a few years. The centre management is in close collaboration with the Kahramanmaras Chamber of Commerce and Industry (KATSO). KATSO is a member of the advisory board of USKIM.
2. Cooperation of industry and academia has always been a challenge. Creating awareness about innovation in industry should be one of the outputs of the programme.
3. The university is willing to take part in the joint programme. The new established centre USKIM is a good candidate for the Innovation Research and Advisory Centre to be established. The university is not expecting direct financial support, taking part in such projects is regarded as prestige and will help the university in being involved other international programmes.
4. University management is expecting to be informed formally about their contribution and their benefits once the programme is submitted for approval.

Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
Kahramanmaras Chamber of Trade and Industry, KMTSO

Date: 05.06.2009
KMTSO Headquarters, Kahramanmaras

Venue:

Present:

UN MDGF PSD

Mr. Melih Aral – Consultant

KSU

Mr. Sahin Balcioglu, President of Assembly
Mr. Eyyup Ozan, Deputy Secretary General
Mr. Yilmaz, Ulker, EU Expert

The Consultation Meeting for the **"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"** was held on the 5th June 2009. The Joint Programme was explained and then the following discussions were made

Summary of consultations:

1. KMTSO is very active in developing local business and has very good relations with local and national government agencies and business circles. KMTSO management is highly respected by local administrations and businesses.
2. The textile industry in Kahramanmaras spans various activities on the value chain. Companies in spinning, yarn dyeing, finishing, weaving, knitting, printing, and clothing are located in Kahramanmaras. Factories mostly operate using latest technology. 92,3% of all equipment is less than 10 years old. This means that most manufacturers work with energy saving and environment friendly equipment. About 30% of all yarn manufacturing, 9,8% of weaving, 15,9% of knitting in Turkey is made in Kahramanmaras. Certain level of industrial culture has been built up in Kahramanmaras especially in textile industry. As a consequence of the recently announced incentives package the province will attract new investments in textile sector.
3. The effect of global financial crisis has been limited in Kahramanmaras. It could even be converted into an advantage. Purchasers in Europe prefer to make last minute orders and require fast delivery in order to work with minimum inventory. Consequently Turkey's geographical advantage over China becomes critical. Manufacturers in Turkey are able to respond faster to purchase orders from Europe.
4. KMTSO is experienced in implementing projects for the support of textile business in the region. Within the scope of the Support of Economy in Anatolia Project financed by German Technical Cooperation Organisation GTZ, the project office established in KMTSO provided support services to SMEs in Textiles and Steel Kitchenware manufacturers and pepper producers. The project covered SMEs in some of the neighbouring provinces and now will be further extended to other provinces upon the release of funding for the second phase. One of the outcomes of the project was the organisation of Young Fashion Days which brought together the local manufacturers and their European buyers. The event is first organised in 2007 and repeated in 2008.
5. KMTSO is working with Sutcu Imam University in establishing a technological development zone in the university. Textile is among the priority sectors to be supported by the technological development zone.
6. KMTSO is currently implementing an EU funding project for development of labour market in the region and increasing the employment rate for women and youth.

7. KMTSO is also a member of the consortium responsible for the Business Support Network in the Mediterranean Region (BSN MED). BSN MED is a member of Enterprise Europe Network EEN and acts as a broker for support and advice to businesses across Europe and helps them make the most of the opportunities in the European Union.
8. KMTSO is eager to take part in the project and considering their capacity and well established relations, is a good candidate for the management of implementation of JP in the region.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
Kahramanmaras Governorate**

Date: 05.06.2009

Venue: Kahramanmaras Governor's Building

Present:

UN MDGF PSD

Mr. Melih Aral – Consultant

Governorate

Kursat Kirbiyik, Deputy Governor

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 5th June 2009. The Joint Programme was explained and then the following discussions were made

Summary of consultations:

1. The governorate gives very much importance on implementing development projects. They have established a project office within the governorate for development of projects and pursuing funding opportunities for economic development.
2. The governorate has good working relations with the Kahramanmaras Chamber of Commerce and is ready to support any activities they undertake for the sake of economic development of the region.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
MATESA Textile Factory**

Date: 05.06.2009

MATESA Head Quarters

Venue:

Present:

UN MDGF PSD

Mr. Melih Aral – Consultant

Governorate

Talat Erayman, Member of the Board

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 5th June 2009. The Joint Programme was explained and then the following discussions were made

Summary of consultations:

1. The factory was established in 1989 for yarn production and now it has production line for spinning, weaving, dyeing, finishing, denim, knitting and clothing covering 200 acres of land. Currently the factory has 2100 employees and there had been times where the employment went as high as 3000. In 2006, it was the 360th highest industrial company in Turkey, 48th among textile manufacturers.
2. The company exports its products to all major international markets through their agents. They are continuously audited for their CSR practices. In their clothing plants they had to reduce the employment from 1000 to 700.
3. It is true that the auditors do not apply the same criteria in all countries but it is not up to them which criteria to apply. What the auditors check is that whether the company is complying with local laws and regulations. They cannot impose something that does not exist in local regulations.
4. Their most competitive production is clothing. It is not possible to compete in international markets with yarn only. Therefore they need good designers, which is very hard to find. Graduates of universities or vocational high schools are not very qualified.
5. The company does not receive much support from universities. Most of their testing is done in their own laboratories. They also utilise the laboratories in Istanbul and Izmir. Their industrial discharges are analysed in Ankara.
6. Yarn production in Kahramanmaraş is almost naturally clustered. Clustering in clothing is required. For establishing sustainable clusters, awareness raising for business ethics is required. For example, when a subcontract attempts to directly sell to the international purchaser, he or she may both harm his own business and the contractor. They prefer to work with subcontractors as long as they follow business ethics.
7. The new incentives package is not clear yet, the details on how it will be applied should be announced before making any comments on it.
8. The company does not have any difficulty in using ICT products to reach international markets.

9. Under current circumstances the future of textile industry in Turkey is not very bright. All manufacturers work with small profit margins.
10. Kahramanmaraş needs clothing manufacturers for casual wear.

**Minutes of the Consultation Meeting for
"MDG-F PSD Turkey Textile SMEs Joint Programme Formulation"
with
Chamber of Tailors and Garment Producers**

Date: 05.06.2009

Chamber Head Quarters

Venue:

Present:

UN MDGF PSD

Mr. Melih Aral – Consultant

Governorate

Ihsan Kurtar, President

The Consultation Meeting for the "MDG-F PSD Turkey Textile SMEs Joint Programme Formulation" was held on the 5th June 2009. The Joint Programme was explained and then the following discussions were made

Summary of consultations:

1. The chamber has 600 members including retail sellers. About 200 of their members have manufacturing capacity and around 90 is continuously manufacturing. About 25% of their members are women. Members, on the average, hire 25-80 employees including the unregistered. Altogether they have capacity of manufacturing 10,000 items/day.
2. Because of the textile potential in Kahramanmaras they have demand directly from international markets or through exports unions but cannot meet the demand because almost all members are producing in basements of apartment buildings and their working environment is not good. The chamber established a union for construction of a Small Industrial Site (Terkonsan) and entitled for government support. Regularly, the law of Small Industrial Sites does not cover garment producing sector but as a result of personal efforts they have managed to get approval from the government leveraging Kahramanmaras' reputation in textile and cloth manufacturing. The Site which will be the first in Turkey is being constructed over 160,000 square meters. UFT is aware of the construction of the Site and regards it as a good basis for formalising a cluster on clothing. The site has place for 90 workshops. They have already established relations with big manufacturers in Kahramanmaras to receive sub-contracting from them once the site is established. The site is expected to become operational in 2010.
3. They have difficulty in finding qualified personnel. Vocational high schools students do not have opportunity for practice during their education. The students usually prefer to work in big factories for their internships where they do not receive much training. They also need white collar professionals. After the Site becomes operational they will collectively hire such personnel. In the Site, they will also have facilities for common requirements like ironing.
4. The idea for value chain management platform is very welcomed by the chamber president. They are willing to become a subscriber / member as a chamber.

5. The chamber members do not have much information on CSR. It has not been on their agenda yet. But they prefer to have all their workers registered as long as it is feasible for them.
6. The chamber is aware about the advantages of small manufacturers. They have flexibility and can respond to changing market demands easily.
7. It is true that they do not produce casual outfits because all of their equipment is for shirts, coats and trousers.
8. They do not have relations with the university. For the services they required, the university asked for irrational prices. They think that the equipment used for teaching in universities is outdated.
9. With their capacity and enthusiasm for manufacturing, the chamber is ready to serve as a test bed for various purposes during the implementation of JP. They are ready to become a part of a global value chain or a sample site for clustering. They also need support for creating awareness about CSR among their members.

Annex L: Operational Procedures of the Support Scheme

Application

Application will be open to all SMEs active in the textile industry. Activities that will initiate innovative business processes to enable the implementing SME to be engaged in the VCMP and comply with CSR standards will be supported. At least 50% of the beneficiaries will be from the target region (Kahramanmaraş, Gaziantep, Adıyaman, and Malatya). A short term consultant will be contracted to establish the basis of the conditions for support, to draft guidelines for applicants, application and evaluation forms. Rules of eligibility, activities to be supported, eligible costs, mechanisms for the disbursement of the funding, reporting requirements, method of evaluation of the proposals and scoring scheme to be utilised will be determined at this stage and will be announced to all potential applicants. Applicants will be given at least 60 days to prepare and submit their proposals.

Contracting

Each awarded beneficiary will sign a contract with ITKIB . Any amendments required by the evaluation committee will be reflected to the contract. Beneficiaries will be required to complete their activities within six months. One day training will be delivered to all beneficiaries. The training programme will cover the basic rules of the grant implementation and reporting requirements.

Expenditure verification

A procurement expert will audit the expenditures for each project and verify that the incurred costs are eligible for funding and complies with the UN procurement procedures. The verification will cover the examination of financial documents (price quotations, invoices, receipts, etc.) and ~~procedures followed for the procurement of goods and services.~~

Monitoring

A short term consultant will be contracted for the monitoring of the activities. The consultant will visit the beneficiaries at least twice during the implementation of the projects. The first visit will be made at the initiation phase of the projects. The consultant will discuss the details of the implementation plan and will ensure that the beneficiary is informed how the expenditures will be made in order to comply with the grant rules and procedures. The consultant will continue to provide distant support to the beneficiaries for the administrative issues that may arise during the implementation of their projects. The second visit will be made when the project activities are finished. The consultant will observe the outcomes of the projects and will assist the beneficiaries to correctly report the activities, expenditures and results. The consultant will submit a brief report about her/his observations for each project.

Evaluation

An evaluation committee will be formed from among the PMC members including UNDP, UNIDO ILO, Ministry of Industry and Trade (MoIT), Undersecretariat for Foreign Trade (UFT), ITKIB, GAP (Southeast Anatolia) Regional Development Administration (GAP RDA), Kahramanmaraş Chamber of Industry and Commerce (KMTSO) and Chambers of Commerce and Industry from Gaziantep, Adıyaman and Malatya. Two short term experts will be contracted to process the applications, eliminate the ineligible proposals and rank the ones that score above the threshold value. The outstanding proposals will be presented to the evaluation committee for their decision of funding.

Results Reporting

Detailed case studies will be prepared for each of the awarded projects, which will be promoted as business models to SMEs as commercially viable, responsible, pro-poor and gender equal business models, which utilize ICT to integrate into value chains. The case studies will also be shared with IRAC and other educational/training institutions for learning purposes and to be included in textbooks and other training materials.

Ideally those case studies will demonstrate how (1) the business case for CSR, (2) to what extend small investments in design development can actually provide a competitive advantage

on export markets; (3) how small changes of the factory layout or in production processes can increase the productivity of a firm, etc. The rationale behind this could be that very often those case studies are not available at all, or only taken from MNCs or foreign companies, and Turkish SMEs cannot relate to these contexts.