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1. PROJECT SYNOPSIS

Project Title	GAP GIDEM PROJECT
Project Number	02-0008.00
Country	Turkey

Project Objectives	<p>Regions' competitiveness on national and international markets improved GDP of the Region increased Environmental awareness improved Employment in the region and number of women in business increased Number of new investments increased Access to financial resources improved</p>
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Planned outputs	<ol style="list-style-type: none"> 1. GIDEMs become efficiently functioning offices and gain a sustainable status 2. Soft infrastructure for the provision of services built and maintained 3. Co-operation and working relations with potential partners established 4. Business development services provided 5. Specific interventions for micro-enterprises & special groups for project development 6. Visibility of the EU and the Project ensured
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Project activities	<ol style="list-style-type: none"> 1. 1. Recruit staff and build physical capacity 2. 1. Establish GIDEM organisational and operational structures 2. 2. Analyse current situation & specify general problems and needs 2. 3. Determine service strategy 2. 4. Establish AC and PACs 2. 5. Improve the capacity of GIDEM staff 2. 6. Promote GIDEM 2. 7. Monitor services rendered 2. 8. Make proposals regarding needs for GIDEM services in the GAP Region 3. 1. Identify relevant projects & programmes & establish working relations 3. 2. Identify relevant organisations & establish working relations 3. 3. Establish or participate in relevant networks 4. 1. Provide information services 4. 2. Prepare & publish provincial & regional investor's guide 4. 3. Provide sectoral analysis, identify and promote selected projects 4. 4. Promote GIDEM Business Development Services 4. 5. Disseminate business co-operation requests 4. 6. Provide training services 4. 7. Provide consultancy services 4. 8. Diagnose selected target group companies 5. 1. Identify & assess projects for micro-enterprises and special groups 5. 2. Prepare project documents 5. 3. Develop projects 6. 1. Follow the EuropeAid guidelines on visibility and take necessary actions
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Project starting date	Date of contract signature: 30 April 2002 Start of Project Activities: 01 September 2002
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Project duration	5 years
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2. IMPLEMENTATION ENVIRONMENT AND ARRANGEMENTS

2.1. Implementation Framework

2.1.1. Background

GAP GIDEM Project (Project, hereafter) may be perceived as the continuation of the previous GAP GIDEM Project (first phase of the Project, hereafter), which was inaugurated in March 1997, and ended in March 2002. The previous project was one of the projects under UNDP's umbrella programme titled "Strengthening Integrated Regional Development and Reducing Socio-economic Disparities in the GAP Region" which covers 29 sub-projects and involves substantial financial contribution of the Turkish Government.

GIDEM offices established during the first phase of the Project, were inaugurated in September 1997 in the five provincial capitals of the GAP Region, namely in Adiyaman, Diyarbakir, Gaziantep, Sanliurfa and Mardin. All of the offices except for the one in Diyarbakir, which continued its operations with the support of local initiatives led by the Governor of State of Emergency Region, were closed in March 2002.

2.1.2. Context:

Small and Medium Size Enterprises (SMEs) constitute by far the largest segment of the economy in Turkey in general and in the GAP Region in particular. In this region, however, SMEs' scope for growth and contribution to development is more limited than those in western parts of Turkey, due to lack of capital accumulation, strict collateral requirements for credits, and shortcomings in entrepreneurship and managerial capacities as well as lack of access to national and international markets. Thus SMEs in the GAP Region experience the same problems that other Turkish SMEs face, but on a more acute level.

Exacerbating limited market/capital access situation is the lack of associational activities and relatively weak entrepreneurship among SME community. Sectoral and other networking required for access to markets and capital is also very limited.

Though potential for trade with neighbouring countries (mainly Syria and Iraq) exists, the overall political environment does not encourage enterprises in the GAP Region for intensifying trade relations with these countries. The trade limitations with Syria and the embargo on Iraq continue to limit opportunities for external trade.

The SME sector in the GAP Region faces additional difficulties of integration with global markets because their production / manufacturing practices are not aligned to the EU norms and international standards. Environmental concerns are not mainstreamed into SME sector policies and practices in the GAP Region.

Finally, in the GAP Region entrepreneurship among women and youth is severely limited, and virtually non-existent across many parts of the Region. Accordingly, the GAP Region is one of the least developed regions of Turkey and the figures below provide sufficient evidence that the Region's economy lags quite behind the Turkish economy.

Table 1 GDP Per Capita (1987 Prices in TL)

	1990	1995	2000
Adiyaman	1.035.453	783.250	793.351
Diyarbakir	1.029.661	923.766	882.901
Sanliurfa	545.598	690.868	714.095
Mardin	602.836	717.702	879.557
Turkey	1.487.082	1.587.954	1.760.856

Source: State Planning Institution's WEB Site

2.1.3. Objectives (summary)

Project's purpose is to **improve the entrepreneurial, managerial and operational capacities of entrepreneurs, and existing small, medium and micro scale enterprises**. This purpose will contribute to the realisation of the Project's overall objectives, which can be summarised as follows:

- Improve the Region's competitiveness in national and international markets,
- Increase GDP and/or GDP per capita in the Region,
- Improve environmental awareness,
- Increase employment and number of women in business in the Region,
- Improve access to financial resources.

The purpose and thus the general objectives of the project are somewhat different, at least in wording, from the purpose and objectives stated in the Description of Operation (DoO) of the Project. As such, Project's overall developmental objective, in the DoO, is set as "... *the project targets to increase the number of new and innovative investments in the Southeastern Anatolia Region and to improve the efficiency, market access, capital accumulation and labour absorption capacity of existing small, medium, and micro scale enterprises.*"

We believe that all the considerations stipulated in the preceding statement are also addressed in the new purpose statement. Improving entrepreneurial, managerial and operational capacities will eventually lead to an increase in investments and improvement in the efficiency, market access, capital accumulation and labour absorption capacity of existing small, medium, and micro scale enterprises. The original statement on the other hand, does not place entrepreneurs in the target group. As we define entrepreneur as "A person who organizes, operates, and assumes the risk for a business venture" entrepreneurs may be "potential" enterprises rather than "existing" enterprises. On another level, increasing the number of "innovative" investments is too assertive with respect to the limited budget of the Project, we believe. Hence, increasing the number of investments and encouraging innovative investments, when possible, would be a more modest yet financially viable objective of the Project.

The objectives stated in the DoO and the proposed ones all serve for the same goals, thus we propose no change in the spirit of objectives and the rationale that they are founded upon. However; the objectives defined in the DoO are too comprehensive, in the sense that it is difficult to find objectively verifiable indicators, and to measure the Project's performance in reaching these objectives.

2.1.4. Institutional set-up and overall project organisation

GAP GIDEM Project is the "SME Development Component" of the EC's GAP Regional Development Programme. The project constitutes a part of EC's large scale programming in Turkey in order to support Turkey's accession to the EU. The EC fully finances the GIDEM project with EURO 5,590,000. The United Nations Development Programme (UNDP) Country Office in Turkey executes the project under contract with the EC. The UNDP executes the project as per its contract provisions and is responsible to the EC for the delivery of project activities. The UNDP carries out its function in close cooperation with its national institutional counterpart, the South-eastern Anatolia Regional Development Administration (GAP RDA).

Since the 1950's, the UNDP in Turkey has been a close partner of the government of Turkey and numerous national and international institutions, including NGOs, academia and the business community. These partnerships have been shaped and consolidated through development co-operation initiatives and projects as well as

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regional development programmes aiming at supporting Turkey's development needs in selected priority areas.

Functioning under the auspices of the Office of Prime Minister, GAP RDA provides or causes to be provided such services as planning, infrastructural services, services related with licenses, housing, industry, mining, energy and transport, to ensure a rapid development of the regions under the South-eastern Anatolia Project.

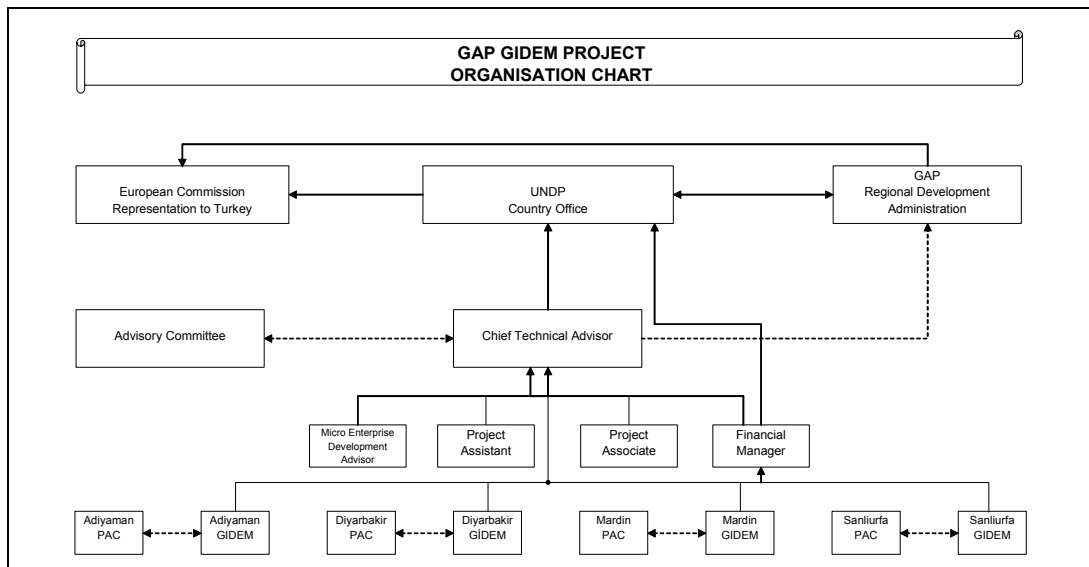
UNDP, in close co-ordination with the EC Representation to Turkey and GAP RDA, has recruited Chief Technical Advisor (CTA), Financial Manager, Project Associate, four office co-ordinators, five field officers, and eight support staff.

Project Co-ordination and Management Unit (PMCU), which is comprised of a Chief Technical Advisor, Financial Manager, Project Associate and Micro Enterprise Development Advisor, is responsible for planning, organising, coordinating, controlling and monitoring the activities of the Project.

The DoO also foresees establishment of five consultative bodies; an Advisory Committee and four Provincial Committees, whose members are defined in the DoO:

- The Advisory Committee (AC) is the body, which sets the overall direction for and policy framework of the Project. The AC will examine, review and make recommendations on the annual work plans. The GAP RDA will be the Secretariat of the AC and the committee will be chaired by the GAP RDA President. The members of the committee are; GAP RDA Vice President, GAP RDA Regional Director, UNDP Resident Representative, and a representative from the State Planning Organisation, TOBB, KOSGEB and the EC Representation to Turkey (as an observer).
- The Provincial Advisory Committees (PACs) will be established by each GIDEM by no later than the end of first year of operations and will meet biannually. The PACs will be composed of a representative from GAP RDA, a representative from the Chamber of Commerce and Industry, a KOSGEB representative from the GAP Region, a representative from the Governorship and Municipality of the province centre, and other relevant business representatives as relevant to the trajectory and scope of the Project's operations. PACs will advise on and support each GIDEM office to develop its provincial GIDEM annual work plans.

The following chart summarises the institutional structure:



2.1.5. Staff and qualification

2.1.5.1. Project Staff

UNDP, in close co-ordination with the EC Representation to Turkey and the GAP RDA, and abiding by the EC rules has recruited the Chief Technical Advisor (CTA), Financial Manager, Project Associate, four office co-ordinators, five field officers, and eight support staff.

All staff carries the requirements that are stated in the DoO and are quite experienced in providing business development services, and are knowledgeable of SMEs.

2.1.5.2. Short-term Experts

The project also foresees to make use of a pool of international and national short term experts in a number of areas including; Trade and Investment, Financial management with special emphasis on project appraisal techniques, Marketing and market access, Operations management with special emphasis on production planning and control, Environment and gender issues, Quality, Business management, Business opportunities and trends with special emphasis on e-business and e-commerce, State incentives, Project management, and Information systems.

Moreover, international and national experts will be utilised to;

- improve the capacity of the Project staff by transferring their experience and know-how through training events and/or workshops in a number of areas including; Starting up and Improving a Business, EU Project Cycle Management, Foreign Trade, Project Appraisal Techniques, Fundamentals of E-business, Opportunities in 6FP for SMEs, Financial Management, Quality, Marketing, Opportunities in MAP for SMEs, SME and Micro-enterprise support practices in the EU and candidate countries,
- prepare sectoral and country analysis reports,
- improve the capacity of the Project by both developing and/or improving the Project's information technologies infrastructure (MIS, Website etc.) and consulting with the Project staff to review and shape the Project's service strategy and ensuring its self-sustainability.

The exact nature and duration of the short-term expertise will be identified by the business plans for the GIDEM offices and will be revised as needs arise.

2.1.6. Monitoring and co-ordination arrangements

Close coordination with the GAP RDA is deemed crucial for the success of the Project. The CTA, GAP RDA Project Coordinator, who is to be a national civil servant responsible for ensuring GAP RDA's successful monitoring of the project activities, will ensure this coordination. The GAP RDA Project Coordinator also coordinates the GAP RDA's relations with the EC Representation to Turkey, including but not limited to the contribution of the GAP RDA to the Project.

Moreover, to maintain close co-ordination among other related institutions and bodies regular meetings will be held as shown in the following table:

Meetings	Timing	Location	Regular Attendees
GAP-EU Regional Development Programme Meetings	Monthly	Ankara or GAP Region	EC Rep., GAP RDA, reps of related Projects
AC meetings	Annually	GAP RDA, Ankara	Committee members

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PAC Meetings	Biannually	GIDEM Provinces	Committee members
Project Staff Meetings	Monthly	GIDEM Provinces or Ankara	Project Staff
UNDP Meetings	Fortnightly	GAP RDA or Ankara	UNDP, PMCU

EU-GAP Regional Development Programme Meetings which are organised by the GAP RDA and are chaired by the GAP RDA Vice President as the National Co-ordinator of the EU-GAP Regional Development Programme. UNDP and PMCU participate to these meetings upon invitation of the GAP RDA and thus far have regularly participated to the meetings. In these meetings developments since the preceding meeting are discussed and solutions are generated for the problems that may be encountered during implementation.

Monthly staff meetings will be held in either Ankara or at one of the GIDEM provinces. All GIDEM staff will be invited to the meeting for most of the time, however on some special occasions only one staff member from each office may be invited. In these meetings, the CTA will monitor activities of the offices with respect to the annual work plans. Issues related to the upcoming activities will also be discussed.

The meetings –stated above– that are held for maintaining coordination will, also serve as means for monitoring the activities of the Project. Further monitoring tools are as follows;

- UNDP will submit to the EC and the GAP RDA annual work plans, budgets and expenditure reports pertaining to the preceding years for approval.
- UNDP will submit biannual progress reports and work plans to the GAP RDA and EC for monitoring purposes only.
- The project activities will be regularly monitored by the EC and the GAP RDA on the basis of annual work plans, regular progress/financial reports by site visits and meetings with the beneficiaries. AC Meetings will also serve as a sound platform for monitoring.
- Performance of the Project will be evaluated by the “Interim Evaluation Team”, that will be established by the EC.

In addition to the reporting channels among UNDP, the EC and the GAP RDA, the project will maintain several lines of formal reporting from the GIDEMs to the CTA and via CTA to the project management at UNDP. In addition to these formal lines of reporting, the GIDEM CTA (and the GIDEM staff, as necessary) will establish smooth day to day working and correspondence relations with representatives of the EC, the GAP RDA and UNDP.

Currently, GIDEM staff fills monthly timesheets and prepares mission reports for missions/travels and submits them to the CTA regularly. Moreover each office e-mails their weekly activities at the end of each week. These instruments provide the CTA with the opportunity to closely monitor the activities of the local offices.

Monitoring activities should be based on a Management Information System (MIS) and this system should be parallel to the system utilised by the EU Business Centres. The CTA has met with Michael Dorsman, co-director of the EU Business Centres Project, and discussed this issue. At the end of the meeting it was agreed, in the presence of EC Representation task managers Ms. Melek Erman and Mr. Mustafa Fazlioglu, that the Gaziantep Business Centre in coordination with the GIDEM staff appointed by the CTA will take the necessary actions to build an MIS for both projects.

I n c e p t i o n R e p o r t

The system will provide the CTA with the opportunity to actively monitor GIDEMs' activities and take necessary actions when needed.

3. OVERALL WORK PLAN (Entire Duration)

3.1. Project Description:

The Project will support the operation of 4 Entrepreneur Support Centres (GIDEMs) that will provide business development and investment promotion services to local and national entrepreneurs, micro, small and medium level enterprises with the aim of contributing to local economic and social development in Turkey’s South-eastern Anatolia Region. The Project will be implemented in four provinces of the Region: Adiyaman, Diyarbakir, Mardin and Sanliurfa, and will be coordinated from Ankara.

3.1.1. Objectives to be achieved

The objectives of the Project are as follows and can also be found in the logical framework of the Project (Annex 1), which includes main activities, results, purpose and objectives of the Project.

Objective	Objectively Verifiable Indicator(s)	Source
Improve Region’s competitiveness on national and international markets	Increase in Region’s exports and sales to other regions in Turkey	State Institute of Statistics, Undersecretariat for Foreign Trade Monitoring Reports
Increase GDP and/or GDP per capita in the Region	Increase in GDP and/or GDP per capita in the Region	State Institute of Statistics Monitoring Reports
Improve environmental awareness	Environmental violations in assisted enterprises and/or projects at zero or reduced level	Consultant Reports Monitoring Reports
Increase employment and number of women in business in the Region	Increase in number of new investments, base employment and women employment	State Institute of Statistics Monitoring Reports
Improve access to financial resources	Increase in amount of incentives received or credits used	Treasury State Institute of Statistics Monitoring Reports

At the outset, we should state that determining objectively verifiable indicators for the Project’s overall objectives and purpose is a quite challenging task. It may be argued that the objectives of the Project are extremely demanding for a project of this magnitude. However, as stated in the “Project Cycle Management Handbook¹” of the European Commission “...The Overall Objectives will not be achieved by the project alone, it will only provide a contribution to the achievement of the Overall Objectives.”

Hence, we believe that Project’s objectives are set correctly, yet it is hard, for some objectives, to measure the Project’s contribution. For example, calculation of the GDP is a sophisticated process, which is built on many assumptions. Furthermore, in the

¹ European Commission, EuropeAid Co-operation Office, March 2002, Version 2, page 43 - 44

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case of the GAP Region, lack of sufficient data and large scale informal economy may cast doubt on the accuracy of the GDP calculations that are made by the State Institute of Statistics. In such an environment, putting a numerical value to measure the Project's success, in contributing to the increase in the GDP/GDP per capita, is quite hard. The same argument is also valid for measuring the Project's contribution to the increase in exports from the GAP Region.

Accordingly, the success of the Project in reaching its overall objectives can and shall be measured by using the outcomes of the monitoring reports. To that end, the GIDEMs will be in close contact with their clients to monitor the changes in their sales, production, production capacities, exports and number of employees. These figures, in turn, is expected to cast light on how successful has the Project been in reaching its objectives.

3.1.2. Activities and means planned

The following part of this section includes expected results and activities that will contribute to the realisation of the outputs. The timings of the activities are stated in the plan of operations attached to this report as Annex 2. In the following tables, you will also find explanations and considerations for some activities, the ones without any explanation or consideration are assumed self-explanatory, however additional information can be provided when and if demanded.

Output 1: GIDEMs become efficiently functioning offices and gain a sustainable status at the end of the Project.

Expected Result 1: Staff recruited and physical capacity built

1. 1.	Recruit project staff: Project staff has been recruited by UNDP in coordination with the EC Representation to Turkey and the GAP RDA in accordance with the EC rules.
1. 2.	Transfer title of existing equipment to the Project: The title of the equipment which was used during the first phase of the GAP GIDEM Project will be transferred to the new Project.
1. 3. 1.	Assess the needs of the GIDEMs (premises, equipment, software), prepare specifications and tender documents:
1. 3. 2.	Procure and/or rent equipment, premises for the GIDEMs
1. 4. 1.	Assess ICT needs of the Project (internet access, web site, intranet etc) prepare specifications and tender documents
1. 4. 2.	Establish the Project's web site and intranet

Expected Result 2: Self-sustainability structure established

1. 5.	Build the model and shape the strategy for self-sustainability of GIDEMs and implement the model and strategy: This activity includes all the activities of the Project.
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Output 2: Soft infra structure for the provision of services built and maintained.

Expected Result 3 : GIDEM's organisational and operational structures established

2. 1.	Prepare detailed organisational structure complete with a responsibility and communication chart
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2. 2.	Set up financial management and fund transfer procedures
2. 3.	Review options and choose legal structure, finalize establishment: GIDEMs currently do not possess a legal identity that would enable them to generate revenues, thus a legal structure needs to be chosen. This activity will be completed no later than by the 4 th quarter of 1 st year of operations.
2. 4.	Establish operational rules for GIDEMs including guidelines for charging fees: After the establishment of the legal structure, operational rules for charging fees will be determined. However, this does not necessarily mean that GIDEMs will start charging fees for the provision of services straightaway. First of all, the clientele should be persuaded of the benefits of services they receive from GIDEMs. At the beginning stages, the price of each service will be indicated either on the publications that are delivered, or on the service contracts that will be signed between the GIDEM and the client. However, we will not charge any fees.
2. 5.	Identify and establish key software to be used in rendering services and evaluating the Project's performance: As mentioned in other parts of this report, the Project needs software that is critical to monitoring operations. MIS is deemed the most important one, and will be developed by the joint effort of the European Union Business Centres (BCs) and GAP GIDEM Projects.
2. 5. 1.	Develop and establish quality assurance system: Accrediting GIDEMs to a recognised quality standard is crucial, yet would be too expensive. The quality assurance system will be built by a joint effort of BCs and GAP GIDEM Projects.
2. 5. 2.	Develop and implement an internal operations monitoring system: The internal operations monitoring system, is a part of the MIS. Thanks to this internal system the CTA will be able to effectively monitor the activities of GIDEM.
2. 5. 3.	Design diagnostics and follow-up model: We believe that the BCs and GIDEMs should use similar, if not same, diagnostics and follow-up model. This system will be developed by a joint effort of BCs and GAP GIDEM Projects.
2. 6.	Design the process for support to select local initiatives and to develop projects for micro-enterprises: The DoO foresees support to select local initiatives. Due to the nature of the support only a limited number of initiatives will be able to receive the support. Accordingly, we plan to design a transparent selection process that will ensure the effectiveness of the support without casting any doubt, whatsoever, on the overarching principle of non-discrimination.
2. 7.	Set up reporting structure: As mentioned earlier, in addition to the reporting channels among UNDP, the EC and the GAP RDA, the project will maintain several lines of formal reporting from the GIDEMs to the CTA and via CTA to the program management at UNDP and the GAP RDA.
2. 8.	Define the processes for utilising short-term expertise:
2. 9.	Establish a database and/or use existing databases for short term experts: The Project will use the expert pool of the BCs and UNDP, as well as, pools that other organisations have established.

Expected Result 4: Current situation analysed, and general problems and needs specified

2. 10.	Analyse current situation of the Region (special emphasis on the GIDEM Provinces)
2. 10. 1.	Analyse stakeholders: The stakeholders have been analysed in accordance with the format presented in EC's Project Cycle Management Manual.

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2. 10. 2.	Analyse problems (concerning business environment) in the Region: The problems have been analysed both during the “needs analysis visit” of PMCU and by the local GIDEM staff during meetings and interviews with the target groups. The reports of GAP RDA and of other organisations have also been utilised.
2. 10. 3.	Prepare profiles of stakeholders and SMEs:

Expected Result 5: Service strategy determined

2. 11.	Determine service strategy, review Project's purpose and objectives: Determining the service strategy is a continuous process rather than an activity that takes places at a certain point of time. After the establishment of AC and PACs the service strategy may be tailored to cover the inputs of the members of committees and developments during the course of the Project.
2. 11. 1.	Review project related practices in the EU member and candidate countries: As part of determining and reviewing the service strategy, we will review the project related practices in the EU member and candidate countries.
2. 11. 2.	Organise workshops on best practices: European experts will be hired to brief the project staff on best practices regarding business development and support services, and other relevant practices.
2. 11. 3.	Prepare reports and strategy papers: European experts will also be utilised to prepare strategy reports for the GAP GIDEM Project.
2. 12.	Prepare business plans for each office

Expected Result 6: AC and PACs established

2. 13.	Secure nominations from concerned organisations and set up AC and PACs
2. 13. 1.	Hold first AC meeting
2. 13. 2.	Hold first meetings of PACs

Expected Result 7: Capacity of GIDEM staff improved

2. 14.	Prepare staff training plan
2. 14. 1.	Provide Induction
2. 14. 2.	Provide Training on Fundamentals of the Project, and it's internal operations
2. 14. 3.	Provide training on Trade and Investment
2. 14. 4.	Provide training on Management Techniques

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2. 14. 5.	Provide training on Quality and Standards
2. 14. 6.	Provide training on Business Opportunities and Trends
2. 14. 7.	Provide training on Sector Specific Capacity Improvement
2. 14. 8.	Examine and assess the GIDEM Final Evaluation Report (by UNIDO) and compiled data of surveys
2. 14. 9.	Examine and assess all records and reports available at each GIDEM

Expected Result 8: GIDEMs promoted

2. 15.	Promote GIDEM Services locally and nationwide: GIDEM services should be promoted locally, nationally and to a certain extent internationally. GIDEMs web page and providing a link to this web page on some commonly visited business websites (DEIK, KOBINET, IGEME, and YASED etc.) would be an efficient and cost-effective way to pursue this activity. Yet GIDEM services will also be promoted by directly contacting and sending out descriptive materials to relevant organisations.
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Expected Result 9: Services monitored

2. 16.	Monitor the rendered services: The services that GIDEMs render will be monitored for ensuring the conformity of the activities to the overall objectives of the Project and for evaluating the effectiveness of the services.
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Expected Result 10: Need for the GIDEM Services in the GAP Region Identified

2. 17.	Analyse the business environment of the GAP Region and make proposals:
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Output 3: Co-operation and working relations with potential partners established

Expected Result 11: Relevant projects & programmes identified and working relations established

3. 1.	Identify relevant projects and programmes with which the Project can partner
3. 1. 1.	Establish working relations with the identified projects and programmes
3. 1. 2.	Establish closer working relations with the EU BC in Gaziantep: Since the operations of BCs and GIDEMs are quite parallel, placing special emphasis on establishing working relations with the Gaziantep Business Centre is deemed crucial.
3. 1. 3.	Establish co-operational links with private/public entrepreneurship development initiatives
3. 2.	Participate in national and regional SME development programmes

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Expected Result 12: Co-operational links with relevant organisations established

3. 3.	Identify relevant local, national and international organisations for cooperation in investment promotion
3. 3. 1.	Establish co-operational links with local, national and international organisations (such as ISO, ITO, DEIK, EBSO etc.)
3. 3. 2.	Identify and approach potential investors from outside the region by utilising the established links
3. 3. 3.	Conduct study tours for GIDEM staff to selected organisations, agencies etc. (for promotion and cooperation purposes)

Expected Result 13: Networks established

3. 4.	Build local private-public networks to promote local identity as a marketable commodity in the integration with the EU and rest of the world
3. 5.	Contribute to establishment or participate in established Networks of Intelligence

The national and international study tours will be utilised to build and maintain national and international co-operational links and working relations with both national and international organisations, projects and programmes. Our strategy and costs to pursue the strategy can be found in Annex 10.

Output 4: Business development services provided

Expected Result 14: Information services provided

4. 1.	Provide information services
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Expected Result 15: "Provincial and Regional Investors' Guides" prepared and published

4. 1. 1.	Prepare Provincial Investors' Guide: Investors' guides for each GIDEM province will be prepared by utilizing short-term expertise.
4. 1. 2.	Publish Provincial Investors' Guide
4. 1. 3.	Prepare Regional Investors' Guide: By integrating the Provincial Investors' Guides and adding some regional issues, a Regional Investors' Guide will be prepared and updated every two years to reflect the changes in the business environment.
4. 1. 4.	Publish Regional Investors' Guide

Expected Result 16: In depth sectoral analysis made, and potentially attractive projects identified and promoted

4. 1. 5.	Collect and disseminate sectoral analysis reports of other institutions: In the first year of operations, sectoral analysis reports of other institutions will be collected and distributed to potential investors in the Region.
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4. 1. 6.	Prepare Sectoral Analysis Reports for select industries: In addition to the reports that will be collected from other organisations, in-depth reports for selected industries will be prepared and updated, when and if needed.
4. 1. 7.	Publish Sectoral Analysis Reports for select industries
4. 1. 8.	Collect and update existing project profiles: Project profiles that have been published by other institutions will be collected and some of the selected profiles will be updated.
4. 1. 9.	Screen and identify potentially attractive and marketable projects: The DoO, implicitly (...promote local identity as a marketable commodity...) requires that GIDEMs market the projects in the Region and attract investment from outside the Region. Activities 4.1.8. and 4.1.9 serve to this end.
4. 1. 10.	Promote selected projects via already established links with local, national and international organisations

Expected Result 17: GIDEM Business Development Services promoted

4. 1. 11.	Prepare and publish GIDEM posters
4. 1. 12.	Prepare and publish GIDEM brochures and other descriptive materials

Expected Result 18: Business cooperation requests disseminated

4. 1. 13.	Collect and disseminate business cooperation requests: Currently, there are a number of organisations (Exporters' Unions, KOSGEB, IGEME etc.) that disseminate business cooperation requests. However, our target groups' access to this information is quite limited. GIDEMs will be in constant communication with these organisations to regularly receive business cooperation requests and disseminate them to the target groups.
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Expected Result 19: Target groups are trained on various topics to develop / improve their businesses

4. 2.	Provide training services: The exact schedule of the trainings, either in the form of a seminar or a workshop, can be found in the attached work plan (Annex 2). The scopes and contents of specific training activities have been determined by taking into consideration the feedback received from the target groups during the needs analysis visit (07-11.10.2002), field experiences of GIDEM staff and the outcomes of stakeholder analyses which had been made by GIDEM.
4. 2. 1.	Provide training seminars on Trade and Investment: Target groups will be trained on incentives offered by various governmental agencies in Turkey, namely incentives provided by the Undersecretariat of Treasury, state aids offered by the Undersecretariat for Foreign Trade and incentives offered by KOSGEB. Moreover, seminars and workshops will be conducted on foreign trade procedures and access to national and international (Middle Eastern countries and the EU) markets.
4. 2. 2.	Provide training seminars on Management Techniques: Training activities under this category will be geared towards improving managerial capacities of the target groups and will include topics such as cost accounting, human resources management etc.

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4. 2. 3.	Provide training seminars on Quality and Standards: Training activities on quality and standards will include topics such as CE mark, EU and Turkish environmental standards etc.
4. 2. 4.	Provide training seminars on Business Opportunities and Trends: Trainings under this category will include introducing new market opportunities and leveraging on new business trends such as e-commerce.
4. 2. 5.	Provide training seminars on Sector Specific Capacity Improvement: Some sectors, such as textile, clothing, tourism etc. carry utmost importance for the Region. Consequently; some training events, specifically geared towards improving the capacity in these sectors, will be held.
4. 2. 6.	Provide training seminars or organize workshops for NGOs²: NGOs will receive training on project management techniques, especially on Project Cycle Management.

Expected Result 20: Consultancy services to a limited number of enterprises provided

4. 3.	Provide consultancy services: Due to the limited budget of the Project, we neither have funds nor enough number of employees to provide full-fledged consultancy services. Accordingly, we will be quite selective in the provision of consultancy services.
4. 3. 1.	Provide planned special services to selected companies: We have determined areas where GIDEM staff will receive in-depth training and will become qualified enough to provide consultancy services. These services will be “planned special services” and will not be provided on demand due to the limited number of local staff.
4. 3. 2.	Provide ad hoc short term assistance and advisory services
4. 3. 3.	Organize meetings to assist clients & their prospective partners in establishing direct contacts & participate in similar undertakings: GIDEMs will help local enterprises participate to international fairs and conduct business visits.
4. 3. 4.	Assist clients in their negotiations with potential business partners

Expected Result 21: Selected parts of the target group diagnosed

4. 4.	Identify (in consultation with AC and PACs) sectoral priorities in diagnostics studies: A full-fledged diagnostics study is quite time consuming and goes far beyond preparing profiles of enterprises. Thus, in consultation with AC and PACs, we will determine sectors that should be diagnosed as soon as possible and start diagnostics studies of enterprises in such sectors.
4. 5.	Conduct visits to existing enterprises to carry out basic diagnostics studies in selected sectors

Output 5: Specific Interventions for micro-enterprises and special groups for project development

With a view to create success stories in the short-term, and thereby increase the knowledge of the target group, GIDEMs will undertake a set of specific interventions that will lead to development of coherent small-scaled projects. Detailed information on the rationale of the development of the projects and financing of them are presented in annex 12. All the activities under this output are provision of consultancy, training and/or information services. Therefore, expenses will be charged

² Throughout this report the term “NGOs” refer to the business related NGOs and Civil Society Organisations such as Associations of Industrialists and Businessmen, Chambers of Trade and Industry, Union of Chambers of Craftsmen and Tradesmen etc. This issue is also discussed in section 4.1. Participation and ownership by beneficiaries.

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to relevant budget lines such as human resources (local consultant salaries and per diems) and travel.

Expected Result 22: Projects identified and assessed

5. 1.	Identify and propose projects to be developed by GIDEMs: Each GIDEM will develop project(s) specifically for micro-enterprises and/or special groups.
5. 2.	Assess the projects' relevance to the GAP GIDEM Project's purpose and objectives: The proposed projects should be in conformity with the GAP GIDEM Project's purpose and overall objectives.

Expected Result 23: Project documents prepared

5. 3.	Prepare project documents
5. 3. 1.	Identify partners: Each project should be conducted jointly with partner organisation(s) that will contribute to the self-sustainability of GIDEMs.
5. 3. 2.	Identify projects' purpose and objectives
5. 3. 3.	Identify main activities
5. 3. 4.	Identify financing options and budget

Expected Result 24: Projects developed

5. 4.	Secure commitment of partners
5. 5.	Implement projects
5. 6.	Monitor the operations and evaluate the outcomes of the projects

Output 6: The EU's and Project's visibility Ensured

Expected Result 25: Projects identified and assessed

6. 1.	Official inauguration of the Project
6. 2.	Prepare press release for the official inauguration
6. 3.	Review the visibility guidelines of the EU and follow the guidelines in the course of the Project
6. 3. 1.	Design project stationary
6. 3. 2.	Order new signage, placards, banners, etc.

6. 3. 3.	Prepare and disseminate Project's newsletters
6. 3. 4.	Prepare and order vehicle panels: Please see annex 14
6. 4.	Contract a Public Relations company to pursue activities for ensuring visibility: In addition to the already established media networks of the GAP RDA, a professional public relations company will be contracted in order to ensure the visibility of the EU, the GAP RDA and the Project. Please see annex 14 for details.

3.1.3. Assumptions and risks at different levels

Project’s success hinges heavily on the realisation of a series of assumptions, which are stated briefly in the logical framework (Annex 1). First and above all, we assume that overall political and social stability will be sustained in the Region and that EU accession maintains priority in the national agenda for development.

We also assume that during the lifespan of the Project there will be no shocks or crisis in the world that would lead to a global recession.

The Project’s purpose is determined as **“improve the entrepreneurial, managerial and operational capacities of entrepreneurs, and existing small, medium and micro scale enterprises.”** To that end we assume that the regulatory framework for SMEs and entrepreneurs will be improved by Turkish authorities. Without an improved regulatory framework the room for improvement is limited.

One of the main results of the Project is that GIDEMs function efficiently and develop into self-sustaining BDS providers. Thus, we assume that trained local staff will remain in their posts after the completion of the Project and that target groups and beneficiaries acknowledge that GIDEMs’ services are beneficial to the socio-economic development of the Region.

3.1.4. Respect of and contribution to overarching policy goals

As far as the Project is concerned there are three overarching policy goals:

1. Turkey’s policy towards accession to the EU,
2. The EU’s and Turkey’s regional development policies,
3. Improving SMEs contribution to the socio-economic development of Turkey.

In this respect, the Project’s objectives and activities fully respect and contribute to the overarching policy goals. Raising environmental awareness and improving the role of women and youth in the business environment is consistent with Turkey’s policy to meet the requirements of EU membership.

By improving competitiveness, the GDP/GDP per capita of and the employment in the Region, the Project will contribute to Turkey’s regional development policies. Finally, by improving the entrepreneurial, managerial and operational capacities of entrepreneurs and of existing small, medium and micro scale enterprises in the Region, the Project will also support the SMEs’ contribution to the socio-economic development of Turkey.

Finally; the activities of the Project, to the extent possible, take into account the principles set in the European Charter for Small Enterprises. To that end the project takes due consideration in the *“Education and training for entrepreneurship”*, *“Availability of skills”*, *“Improving online access”*, *“Develop stronger, more effective representation of small enterprises’ interests at national level”* and to certain extent *“Financial Matters”*.

3.1.5. Linkage with other projects, programmes and organisations

3.1.5.1. Relations with Local Partners and Stakeholders

During the needs analysis visit of the Project Management and Co-ordination Unit (PMCU), it was observed that in the first phase of the Project GIDEMs have worked very closely with the Provincial Governors and have set up close working relations with the relevant NGOs in their provinces. GIDEMs will continue their fruitful relations with the local stakeholders and leverage on these relations when needed.

The Project's success necessitates cooperation with/between a variety of partner institutions (governmental, private- and public-sector institutions) at both the policy making and implementation phases. To that end, during the inception phase, initial meetings were held with some partners, and similar meetings will be held with other partners during the implementation of the Project.

Finally, GAP GIDEM Project will build or improve already establish links with the projects that GAP RDA pursues. GAP RDA's projects³ with which the GAP GIDEM Project may cooperate are as follows:

- Improvement of Rural Women's Status and Enhanced Participation in Local Development Process,
- Increasing Employment and Job Creation Potential in Urban Informal Sector,
- Study for Updating and Revising GAP Master Plan,
- Establishment of an Economic Development Agency in GAP,
- Eco-City Planning Approach for Adiyaman and Local Agenda 21,
- GAP Regional Environmental Management Study (Biodiversity),
- Social Development Programme for Youth,
- New Horizons in Southeast,
- Income Generating Activities in Non-irrigate Areas,
- Improving Animal Husbandry in the GAP Region (GAP Halkalari),
- Urban Plans
- Sub-regional Development Plans

3.1.5.2. EC Funded SME Projects in Turkey

EC provides financial support to a number of projects which aim at improving the SMEs in Turkey. The following projects and/or programmes that are currently being implemented or will soon begin implementation have been found relevant, for cooperation purposes, to the GAP GIDEM Project.

3.1.5.2.1. Rural Development and Micro Credit Component of the GAP Regional Development Programme

The overall objective of the Rural Development and Micro Credit Component of the GAP Regional Development Programme is to support income generating activities for the rural population in the GAP Region. The contribution of the EC to the Rural Development Component is Euro 24,180.000.

Expected results include can be summarised as follows:

- New and expanded agricultural activities and farmer productivity increased,
- Ownership by farmers of productive assets such as capital goods,

³ As in cooperation with all other projects and/or programmes, the GAP GIDEM Project will cooperate with GAP RDA's projects with the understanding and under the principle that cooperation serve to the realisation of the GAP GIDEM Project's objectives.

- Formal jobs created in the formal economy increased,
- Environmental hazards due to salination and incorrect use of fertilizer reduced,

3.1.5.2.2. Development of Cultural Heritage Component of the GAP Regional Development Programme

The overall objective of the Development of Cultural Heritage Component of the GAP Regional Development Programme is to renovate and restore important cultural heritage sites and to promote their cultural and touristic potential. The contribution of the EC to the Rural Development Component is Euro 15,000,000.

Expected results include can be summarised as follows:

- Number of jobs created in restoration/renovation, tourism and tourism related activities in the GAP Region increased,
- Audio-visual material on cultural heritage sites are produced and are available,
- Number of sites renovated/restored, and number of visitors to the cultural heritage sites increased,
- The average yearly income per house hold thus in the quality of life increased,
- Awareness of the importance of cultural heritage sites raised.

3.1.5.2.3. European – Turkish Business Development Centres (BCs) Project

The project envisages establishment of three sustainable business centres (BCs) in Izmir, Gaziantep and Kocaeli. The BCs will ensure support for economic growth through providing advice and information to SME business operations, increasing employment opportunities, contributing to economic/social development and contributing to the EU-Turkish business relations in the frame work of the Customs Union. The centres will support SMEs in all major areas of management-related needs, either through direct assistance or through provision of linkages with appropriate private or public service providers in Turkey or in the EU. The support provided will be demand-driven, based on the needs of individual enterprises approaching the Centre. The direct support activities of the BCs will cover business support and internationalization.

3.1.5.2.4. Shoemaking Training Institution Project

The project envisages creation of a shoemaking training centre in Ankara (Ostim) for training of trainers, information dissemination and seminars etc. as well as a training unit in Istanbul (Ikitelli) for training of professionals (120) and vocational training (90). To help overcome the lack of skilled labour for modern technology in the shoemaking industry, this project will establish/improve two training centres to offer comprehensive and specialised courses in different working techniques as well as supervisor and manager training. The two major components of this project are a) to equip the training centres to run the courses and b) training of trainers support. The training institution will offer SMEs in the sector training and basic information in the latest technologies and management technique of their sector.

The two specific objectives of the project are to train the trainers and the first generation of professionals in the sector and to teach the application of latest technologies, particularly in production, quality control and management. With these objectives in mind the project will create: (1) a sustainable Training Centre in Ankara which will aim at supporting the activities of all future training units in the sector. It will train 20 trainers; and (2) a sustainable training unit in Istanbul, which will continue apprentices' vocational training already undertaken in Istanbul. The number of apprentices trained each year will be increased from a current level of 30 to 90 a year.

The unit will also provide 120 high level professionals with further education and offer seminars to 500 professionals in the sector.

3.1.5.2.5. Vocational Training in the Clothing Sector Project

The project will set up a programme of work training (use of sewing machines, cutting repairs, supervision management etc) in the clothing sector. It is aimed primarily at young workers, and particularly at young women already working in the sector and wanting to improve their skills. The project will be implemented jointly by KOSGEB and TMCA (Textile Manufacturer's Association), with assistance from the Ministry of Education with regard to its infrastructure. The project will upgrade the facilities and resources available in existing vocational training institutions. International trainers will run training of trainer courses. Local trainers will then provide the vocational training to workers.

The project aims to train 5,900-6,000 workers in the clothing sector. The three major components of this project are to; (1) equip the training centres to run the courses, (2) train the trainers, and (3) provide training in new/improved techniques to local trainees

Training in this project will focus on "supervisory training (by local and EU trainers)", "middle management training (by local and EU trainers)", "sewing machine training by local trainers" and "training for computerised pattern preparation and cutting by local trainers".

3.1.5.2.6. Pilot Project to Set Up a Network of Business and Innovation Centres (BICs) in Turkey Project

The objective of the project is the establishment of four BICs in accordance with the EC BIC model, which consists of integrated services including three components: strategic guidance services in all areas of business planning; financial advisory services; industrial premises with common services.

Two of these BICs will be created through the conversion of existing technological development centres and two will be created from scratch. The aim is to assist around 40 business start-ups (5 each by the new centres and 15 each by the converted centres) over two years and create approximately 200 full-time jobs. One operational incubator will be established within each BIC, to host up to 3 companies by centre (i.e. a total of 12 companies to be hosted).

3.1.5.2.7. Environmental Standards in the Textile Sector Project

The project's general objective is to ensure that materials used in the Turkish textile industry meet recognised environmental standards and to develop Turkish capacity in this field. More specifically, the project will establish an accredited laboratory in Izmir. The laboratory will test and certify the materials used by SMEs according to the international standards.

3.1.5.2.8. Supporting Women Entrepreneurs Project

The overall objective of this project is to promote entrepreneurship especially among Turkish women playing an active part in setting up and/or running small family businesses. The Project's objective is to encourage, through the provision of training, consultancy, small family businesses in which women play a key role as well as women willing to start up a business. Five training centres will be located in Ankara, Bursa, Corum, Denizli, and Mersin.

3.1.5.2.9. Small Enterprise Loan Programme

The aim of the programme is to make available loans to small enterprises with fewer than 50 employees and assets of less than € 1.1 million. A special attention will be given to innovative SMEs, with potential for job creation and internationalisation.

3.1.5.2.10. Extension of SME Finance Facility to Turkey

The project's overall objective is to induce Turkish banks to expand and maintain in the long term their financing operations towards SMEs. The specific objective of the project is to provide sustainable access to financial services (medium and long term loans) to the SMEs at market conditions by providing selected banks with adequate funding and incentives so as to induce to expand and maintain in the long term their financing operations to SMEs.

3.1.5.2.11. Strengthening the Vocational Education and Training System in Turkey

The objective of the programme is to assist the Turkish Government, through the Ministry of National Education, in the process of innovation of the vocational education and training system (VET) in Turkey and in its adaptation to the needs of the country and the priorities of local industries.

A technical assistance team is needed for the development, in cooperation with key economic and social stakeholders, of the VET strategy and policy including support for the set up of a new system of occupational standards and qualifications.

3.1.5.2.12. Supporting the Participation of Turkey to the Community Programme for SMEs (Multi-annual Programme (MAP) for 2001-2005)

Turkey has recently participated to the new MAP for SMEs in the 2nd half of the 2002. The total budget of the programme is € 450.000.000. 42 actions were planned in the WP of MAP in 2002.

3.1.5.2.13. EU KOBİ-NET Online Information Network

The objectives of the project are: (1) to become leading sustainable Internet Portal for the Turkish SME Sector for use by both local and foreign enterprises connecting to qualified existing EU networks and to key EU Partners; (2) to guarantee integration and synergy with the Turkish eCommerce and eGovernment strategies which are included in the eTurkey program as well as ensuring that ICT instruments are included in the SME strategy paper; and (3) to provide standardised, quality assured, system for main SME development and promotion initiatives and SME services in Turkey under one brand name, forming an accelerator for innovation and competitiveness.

3.1.5.3. Possible Collaboration Areas with EC funded SME support projects

We believe that a number of collaboration areas exist between the projects/programmes stated above and the GAP GIDEM Project. The following table presents the collaboration areas that we have detected thus far. These areas will be expanded as the projects evolve.

Project	Possible Collaboration Area
EU BCs Project	<ul style="list-style-type: none"> ▪ Expert pools ▪ MIS ▪ Joint promotional activities ▪ Joint training activities
EU KOBI-NET Online Information Network	<ul style="list-style-type: none"> ▪ Promotion of GIDEMs ▪ Exchange of information (reports etc.) and knowledge through KOBINET ▪ Enterprise database
Supporting Women Entrepreneurs Project	<ul style="list-style-type: none"> ▪ Joint training activities
Small Enterprise Loan Programme & Extension of SME Finance Facility to Turkey	<ul style="list-style-type: none"> ▪ Selection of SMEs in the GAP region
Strengthening the VET system in Turkey Project	<ul style="list-style-type: none"> ▪ GIDEMs may contribute to the context of VET Project by providing information on needs and priorities of local industries
GAP Rural Development Project	<ul style="list-style-type: none"> ▪ Selection of SMEs in the GAP region for micro credits ▪ Joint training activities

3.1.5.4. World Bank’s Community Development and Heritage Project

The project is expected to demonstrate that enhancement and appropriate management of cultural sites can develop the economies of the local host areas. The project will pilot the investment options and management approaches needed to protect and operate sites to ensure that they are conserved, appropriately used, and integrated into the local economy. The project developmental objective is thus to establish conditions that facilitate community-based socio economic development at project sites by leveraging the country’s abundant natural and historic heritage resources to improve local socio-economic conditions while promoting the sustainable use of cultural and natural assets.

GIDEM offices, especially Mardin GIDEM, will be in close contact with the staff of Community Development and Heritage Project and engage in activities including feasibility studies, investment forums etc.

4. SUSTAINABILITY PROSPECTS

4.1. Participation and ownership by beneficiaries

As mentioned earlier in this report the Project may be perceived as the second phase of the GAP GIDEM Project, implemented in March 1997 - March 2002. The developments during and after the first phase of the project cast light on the participation and ownership issues. First of all, the GAP RDA financed the operations of all GIDEMs, except Diyarbakir GIDEM which had been supported by the beneficiaries in Diyarbakir led by the Governor of the State of Emergency, from the completion of the first phase of the Project in March 2002 till the Project resumed operations with the support of the EC. Secondly, during PMCU's "needs analysis visit" to the GIDEM provinces, most of the beneficiaries ranging from public institutions to NGOs clearly stated that they were ready to help GIDEMs continue their operations after EC's financial support finish at the end of the Project.

Beneficiaries' commitment is a key criterion for the success of the Project and to that end; the PACs, which will consist of key beneficiary organisations, will have a key role in ensuring the participation and ownership by beneficiaries. The PACs, along with AC, will be a part of the decision-making process; hence their active involvement is considered to ensure their long-term commitment. It is hard to convey the benefits of GIDEMs to each enterprise in the Region; however during the PAC meeting GIDEM staff will devote considerable effort in proving the longer term benefits of GIDEMs' services to the socio-economic development of the provinces.

Last but not least, GIDEMs will co-operate with relevant local NGOs and Civil Society Organisations (CSOs) in the provision of the Project's services. As stated in the Stakeholder Analysis (Annex 6), we have identified Chambers of Trade and/or Industry, Associations of Industrialists and Businessmen, Unions of Chambers of Tradesmen and Craftsmen, and universities as the Project's core stakeholders that fall into NGO or CSO categories. The Project also aims at developing relations or improving already established relations with other NGOs or CSOs, however cooperation with these organisations will always base upon the Project's overall objective. To that end, some of the training services will be joint activities of the GIDEMs and relevant NGOs and/or CSOs.

4.2. Policy support

Recent elections (November 2002) resulted in a single-party Government. The new Government's program is encouraging in terms of the sustainability prospects of the Project. The new Government, like the preceding one, places significant emphasis on Turkey's accession to the EU and seems committed to pursue policies that are parallel to those of the EU's. Had it not been the case, the Project should still be consistent with the Government's policies, in that socio-economic policy towards the South-eastern Anatolia and SMEs are considered as a State policy, which should be implemented permanently regardless of the changes in the political environment.

Presence of the GAP RDA, which was incepted in 1989, with a statutory decree, is a clear indication of Turkey's commitment to the socio-economic development of the Region. Executives, as well as the employees of GAP RDA perceive GIDEMs as an appropriate tool and model for the development and promotion of business environment in the Region.

According to the Financing Agreement GAP RDA is to provide Euro 225.000 for the operations of the Project. Besides, GAP RDA and Regional Directorate in Sanliurfa also provide human resources on demand.

On the SME front, the Turkish Government endorsed the European Charter for Small Enterprises, hence has committed itself to undertake necessary actions and pursue appropriate policies to develop a better business environment for Turkish SMEs.

Finally, the Undersecretariat for Foreign Trade pursues a policy that is geared towards strengthening Turkey's trade relations with neighbouring countries. This policy also supports GIDEM activities in that more trade with Turkey's Middle Eastern neighbours will contribute to the economic development in the Region.

4.3. Appropriate technology

Due to the nature of the Project there is no specific technology that will be utilized in the Project. However, this does not mean that the Project has no technology aspects. On the contrary, the Project team is committed to address the acute problems of low use of technology and lack of access to new technologies in the Region. In this regard, the Project staff, mainly during the feasibility studies, diagnostics studies/visits will try to determine the technological needs of enterprises. The technological problems and suggested solutions will also be presented in the sectoral reports. Accordingly, GIDEMs will encourage the use of new, affordable, environment-friendly technologies.

4.4. Environmental protection

The Project is a multi-sectoral project and may have environmental impacts on a number of fronts. First of all, new investments in the Region may have negative environmental impacts such as air and water pollution. Secondly, new techniques that will be presented to the agricultural industry may also have negative environmental impacts. The Project team is aware of the importance of raising environmental awareness and has set it as one of the general objectives of the Project.

Accordingly, to mitigate the environmental impacts GIDEM staff will be trained on the environmental policies of the EU and will be asked to address environmental concerns in their activities. For example, the feasibility studies will have sections that address environmental issues, and diagnostics studies will also highlight environmental impacts of the related enterprises' operations.

It should be noted that raising environmental awareness is one of the most challenging tasks of the Project. As environmental awareness is a far step in the evolution of business culture, as negative environmental impacts are usually not immediately visible, and as environmental protection is sometimes costly, it will be hard to persuade the Region's enterprises, whose immediate objective is to reach higher levels of income.

4.5. Socio-cultural issues

The needs analysis visit, stakeholder analysis and the existence of PACs all aim at taking into account the local perceptions of needs and ways of producing and sharing benefits. Thus the design of the project and service strategy is in tune with local perceptions.

Besides, due to the nature of the Project, most services will be directly used by the indigenous people of the Region. Thus it is safe to suggest that the project takes into account local socio-cultural norms and attitudes. Furthermore, most of the GIDEM staff's homeland is the Region, which paves the way for assuring due consideration for socio-cultural issues.

4.6. Gender equality

Women, unfortunately, have a minor role in the business environment in the Region. The project takes measures to ensure that it will meet the needs of both women and men, and will lead to equitable access by men and women to the services provided by the Project.

In the course of the Project, a GIDEM office will develop a special project that is, specifically, geared towards women. This diligently selected project, in turn, will be utilised as a "success story", and will be promoted region-wide to draw the attention of the women to the services of GIDEMs. In addition of the aforementioned "pull" strategy, GIDEMs will pursue a "push" strategy by identifying and approaching potential women entrepreneurs and women oriented NGOs in the Region.

4.7. Institutional and management capacity

Each GIDEM office is responsible for the implementation of the Project in their respective provinces. GIDEM staff has been selected diligently and has the capacity to render business development services. Some of the local staff have also worked during the first phase of the Project and have not only sufficient experience in the field but also wide knowledge of the Region. The “*newcomers*”, on the other hand, have strong backgrounds in related business fields (e.g. finance, marketing etc.)

Although the capacity of the GIDEM staff is quite encouraging with regards to the sustainability prospects, they will be further trained by experts on mission critical topics.

4.8. Economic and financial viability

The project will definitely justify the costs involved, however it is hard to put a numeric value on the outcomes and present a quantitative justification. Problems in presenting a quantitative justification stem mainly from two reasons; firstly, the project will produce a visible financial improvement, however spill-over effects are expected to be larger than the immediately visible ones. Thus a classical net present value analysis will be insufficient to correctly measure the economic benefits generated by the Project. Secondly, the budget of the Project is limited to pursue full-fledged business development services (e.g. design of the Project does not foresee any direct financial support to the target groups.). Thus the Project should be perceived as a catalyst in the establishment of business development services industry in the Region.⁴

⁴ This issue is also discussed in the conclusions and recommendations section.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions and recommendations

5.1.1. Overall conclusion on implementation for the entire duration of the Project

The broad strategic framework of the Project is founded upon the SME and regional development policies of the EU and the regional development policy of the GAP RDA. EU's SME policy aims at increasing the contribution of SMEs' to the socio-economic development by improving the conditions of business environment and by supporting SMEs in various fields ranging from training to consultancy. GAP RDA's policies set some strategic priorities to the socio-economic development of the Region. Accordingly, the Project's overall purpose and general objectives, which are geared towards increasing the managerial, entrepreneurial and operational capacities of the entrepreneurs, and existing micro, small and medium scale enterprises, and thereby increasing their contributions to the socio-economic development of the Region; are determined by taking into account the aforementioned broad policies of the EU and the GAP RDA.

The operational level of the strategic framework, on the other hand, is drawn up considering the need analysis study carried out in the Region, as well as the stakeholder and problem analyses made in consultation with the local stakeholders and members of target groups. The DoO and budget accompanying it also served as a guide for us to align the outcomes of our analyses with the design of the Project's activities.

To sum up, our strategic approach is based upon two broad policies – those of the EU and GAP RDA – and is tailored with respect to the DoO and, more importantly, to the budgetary constraints. For example, Business Development Services (BDSs) to be delivered to enterprises are mostly planned under the topics of "information" and "training" services. "Consultancy" as an important BDS could be taken into consideration partially because of the budgetary constraints of the project. "Incubation" and "financing" services, which are also regarded as main categories of BDSs, are not covered in the project work plan, as they are not included in the Project's DoO and there are not enough funds to finance these services.

Besides, Project's strategy is designed in compliance with the action items of the European Charter for Small Enterprises, endorsed also by Candidate Countries in 2002. Operations of GIDEMs are therefore planned by taking into account action items of the aforementioned Charter. More specifically, the services of GIDEMs, which will be delivered in collaboration with KOSGEB and other stakeholders, will be in line with the following items of the European Charter for Small Enterprises;

- i. Education & training for entrepreneurs,
- ii. Availability of skills,
- iii. Improving on-line access,
- iv. More out of the single market,
- v. Strengthening the technological capacity of small enterprises,
- vi. Top Class Business Development Services,
- vii. Develop stronger and more effective representation of small enterprises' interests at the European Union and Member State levels.

We also had to set sectoral priorities to efficiently provide our services to the groups that have the potentials to get the most out of the services. This is where GAP RDA's

regional development policy and local perceptions of needs guided us to focus on three sectors: agriculture, tourism and textile. We believe that focusing on these sectors will maximise the medium/long term economic and social returns.

Self-sustainability of GIDEMs is a key part of our strategic framework. The Project team is dedicated to leave 4 (or 5) self-sustainable GIDEMs at the end of the Project. We believe that self-sustainability of GIDEMs can only be ensured by delivering efficient and effective BDSs to the target group. GIDEMs will then be able to establish stronger relationships with the local stakeholders like business chambers, unions etc.

The evolution of similar projects in the EU and candidate countries, as apart of the EU's Regional Development Policy, is encouraging. Over the last decades, central governments of the EU Countries have set up some local business centres in order to support local socio-economic development. These centres function like "one stop shops" and carry significant resemblance to GIDEM offices. Thus we regard GIDEM as a proven technique to support local socio-economic development rather than as an experiment that may or may not produce the expected results. However, it should also be noted that GIDEM and its European Counterparts have some differences. As explained earlier in this section, GIDEMs will provide a limited part of the conventional BDSs. The service strategy of the GIDEMs should be continuously revised and updated, and finally include currently excluded services to GIDEMs' service portfolio. Without these services the value added of GIDEMs will lag far behind those of their European counterparts and such limitations on the value added would jeopardise their self-sustainability.

We believe that provision of "information", "training" and "consultancy" services is of great importance not only for improving capacities of the local entrepreneurs and enterprises but also for building a sound base for the delivery of services that are not currently covered (e.g. "incubation" and "finance"). However, the current service portfolio of GIDEM may not be sufficient to demonstrate to target groups that they "desperately" need GIDEMs. Naturally, inclusion of more service categories in later stages will call for additional funds.

On another level, initiatives that provide business development services to SMEs in the EU, almost unanimously, possess tools and funds to improve the use new technologies and promote innovative businesses and investments. We believe that these tools are the core elements of the EU's goal to become the most competitive economy of the world by 2010. As mentioned earlier in this report (Section 4.3. Appropriate Technology), *"the Project team is committed to address the acute problems of low use of technology and lack of access to new technologies in the Region. In this regard, the Project staff, mainly during the feasibility studies, diagnosis studies/visits will try to determine the technological needs of enterprises"*. However, most of the Project's efforts to this end will remain in theory because the Project does not have sufficient funds to take one step further and bridge the gap between the theory and practice. The Project team will try to be the gateway between the organisations (such as KOSGEB, TTGV etc.) that provide such incentives and the target group. However, instead of relying on other organisations, developing a project that merely focuses on promoting new technologies and innovative investments in the Region would be the best way to increase the use of new technologies in the Region.

The lack of healthy statistical information concerning the economic indicators of the Region is another difficulty in measuring the efficiency of GIDEM services. Although the Project envisages quantifying the value-added created by GIDEM services in the Region, the lack of data depicting the existing situation might constitute an obstacle. However, since the purpose is set as to increase the entrepreneurial, operational & managerial capacities of entrepreneurs in the Region, monitoring and evaluation

reports will be prepared on the basis of surveys to be conducted on the GIDEM target group.

5.1.2. Overall recommendations for the next implementation period

As mentioned earlier, determining the service strategy is a continuous process, hence the service strategy should be tailored by utilising the inputs of the Advisory Committee and Provincial Advisory Committees. Besides, we plan to hire short-term experts for generating new ideas and making strategic proposals.

GIDEMs have a favourable reputation in the Region; however we believe that GIDEMs' image still needs to be improved. We would like to create a strong brand name that would effectively promote and thus would contribute to the sustainability of the GIDEMs. We plan to utilise professional public relations companies that will both work on the image of the GIDEMs and ensure the visibility of the EU's contribution and the Project. Please see annex 14 for further explanation.

The operations of the Project, thus far, have highlighted some issues that call for some changes in the budget of the Project.

Our initial understanding was that some expense categories⁵ under the heading "7. Other" were designed and formulated to reflect all the costs of related activities. For example, if we had followed this understanding, salaries and per diems of the short-term experts and travel expenses would have been charged to "Capacity Building for GIDEM Coordinators/Experts".

UNDP contacted with the Representation for European Commission to Turkey (the Representation) about this specific issue. In its letter, dated 6 November 2002 (5D-883), the Representation kindly informed us that "... per diems and travel expenses of the trainees and trainers have to be charged to the relevant budget items, i.e.:

- Per diems and travel expenses of the trainees, namely the project staff, to be charged to "local per diems" and "local travel"; and
- Fees, per diems and travel costs of the trainers to the following budget items respectively: "local and international consultants", "local/international per diems" and "local/international travel".

Representation's clarification on the aforementioned issue, also suggests that whenever a short-term expert is hired, a travel is made or a Project staff receives per diem, relevant budget lines will be charged regardless of the purpose of the related activity. For example, when Project staff conducts a national study tour, per diems and air travel expenses will be charged to "Per diems for missions/travel" and "Travel", respectively.

We think that this procedure will not only place significant pressure on budget lines under "1.Human Resources" and "2.Travel" but also leave considerable amounts of funds under some budget lines under "7.Other".

⁵ Referred expense categories are; "Capacity Building for GIDEM coordinators/experts", "Study Tours", and "Sectoral Workshops for Clients".

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The following table is generated to demonstrate the Project's needs in selected budget lines, when Representation's mentioned clarification is followed.

Expenses	Budgeted		Planned		Difference	
	Unit Rate	# of Units	# of Units	Costs	# of Units	Costs
1.1. Salaries						
Local Consultants	€ 350	700	753	€ 263.550	53	€ 18.550
Internat. Consultants	€ 600	225	303	€ 181.800	78	€ 46.800
1.3 Per diems for missions/travel						
Local	€ 50	1.500	2.252	€ 112.600	752	€ 37.600
International	€ 136	225	400	€ 54.400	175	€ 23.800
Subtotal Salaries (STEs) and Per diems				€ 612.350		€ 126.750
2. Travel						
Domestic Air Travel	€ 140	500	658	€ 92.120	158	€ 22.120
International Air Travel	€ 1.000	40	58	€ 58.000	18	€ 18.000
Subtotal Travel				€ 150.120		€ 40.120

Accordingly, these budget lines should be increased so as to allow us to organise the activities that we have planned.

On another level, as mentioned in the third section of this report, we plan to utilise a number of tailor-made software to ensure the quality of our services and to effectively monitor the operations of the Project. Current budget does not allow us procure these kinds of software and thus we are using home-made programmes that cannot meet our needs in the long run.

The budget also does not allocate enough funds for the procurement of ready-made software that we need. Some software, which we believe the Project team needs, are "Microsoft Office XP Professional (20 licenses)", "Adobe Acrobat 5.0 or newer version that is compatible with MS Office XP (5 licenses)", "COMFAR III Expert 2.2.a – COmputer Model For Analysis and Reporting (5 licenses)", "Microsoft Project (5 licenses)", "Virus Protection (20 licenses)", "Web site establishment and maintenance software" etc.

In the following parts of this section we will present our proposals that call for amendments in the Project's budget.

I. Capacity Building for GIDEM Coordinators/Experts

The strategy that we plan to follow in improving capacities of the Project's staff is three-fold; first of all each of the staff will be trained on the fields that are critical to the provision of business development services. These fields are; "starting up and improving a business", "financial management", "marketing", "foreign trade", "quality", "environmental standards", "project cycle management", "6th Framework Programme of the EU" and "Multi Annual Programmes of the EU".

We plan to subcontract the "financial management", "marketing", "project cycle management" and "starting up and improving a business" trainings to professional consultancy companies, which are capable of providing such training events. The contracts will cover all the expenses (fees, per diems, accommodation, travel etc.) of trainers and training materials. Costs of these activities will be charged to "Capacity Building for GIDEM Coordinators/Experts". The trainings will take place either in Sanliurfa or Diyarbakir, hence air travel expenses of GIDEM staff will be minimised. The per diems payable to Project staff will be charged to "1.3 Per diems for missions/travel".

All the expenses of other training fields ("foreign trade", "quality", 6th Framework Programme of the EU" and "Multi Annual Programmes of the EU" for which, we think,

contracting short-term experts will be more convenient and cost efficient) will be charged to relevant budget items. For example; per diems and travel expenses of the project staff, will be charged to “local per diems” and “local travel”; and fees, per diems and travel costs of the trainers will be charged to the “local and international consultants”, “local/international per diems” and “local/international travel”.

Secondly, GIDEM staff will attend to third-party training events according to their specialisation areas. The training fees of these events will be charged to “Capacity Building for GIDEM Coordinators/Experts” and per diems and travel expenses of the project staff, will be charged to “local per diems” and “local travel”.

Thirdly, we plan to organise a series of workshops for GIDEM staff on the best SME support practices of the EU and candidate countries, micro enterprise support policies and practices in the EU and candidate countries and the EU’s regional development policies. For these activities; per diems and travel expenses of the project staff, will be charged to “local per diems” and “local travel”; and fees, per diems and travel costs of the trainers will be charged to the “local and international consultants”, “local/international per diems” and “local/international travel”.

According to our estimations we will need approximately Euro 80.000 in “Capacity Building for GIDEM Coordinators/Experts”. The following table presents the breakdown of estimated expenses.

7.1 Capacity building for GIDEM coordinators and experts (needed)	€ 80.000
Specialisation areas (training fees to be paid to the third parties such as consulting companies etc.)	€ 60.000
Trainings to be contracted (“Finance”, “Marketing”, “PCM”, and “Start-up and Improve a Business”, at € 4.000 for each	€ 16.000
Safety Margin	€ 4.000

II. Study Tours (National / International)

The rationale and strategy of study tours is expounded in annex 10. As far as the study tours are concerned, there will be three kinds of expenses; air travel, per diems and logistics (registration fees, visas, other customs expenses etc.). According to our estimation we will need Euro 16.500 for the logistics expenses, which we propose to leave under “7. Other”. The remaining Euro 28.500 should be transferred to relevant “per diems” and “travels” accounts.

III. Sectoral Workshops for Clients

The budget allocates Euro 225.000 for “Sectoral Workshops for Clients”. We plan to organise two types of sectoral workshops. For the first type, the Project staff will organise the workshops; whereas for the second type, the organisation will be totally outsourced. We have projected the following expenses for the first type of sectoral workshops:

	Expenses	Relevant Budget Line
1	Salaries (short-term experts)	Salaries
2	Per diems (short-term experts)	Per diems for missions
3	Travel (domestic air travel)	Travel
4	Premise (rent)	Sectoral Workshops for Clients
5	Equipment (rent)	Sectoral Workshops for Clients
6	Publications	Booklets, information kits, sector reports

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The sectoral workshops and expected expenses are listed in the following table:

Office	Sectoral Workshop Title	NSTE ⁶ (sd ⁷)	NSTE (pdd ⁸)	NFSTE ⁹ (pdd)	Dom. AT ¹⁰	Premise	Equip- ment	Pub.	Other
A	Tourism Sector	6	9	0	3	€ 400	€ 0	€ 90	€ 50
A	Ecological Agriculture	5	10	0	5	€ 400	€ 100	€ 500	€ 90
A	New Trends in the textile industry	5	10	0	5	€ 400	€ 100	€ 500	€ 50
A	New Trends in the Textile Industry	5	10	0	5	€ 400	€ 100	€ 500	€ 90
D	Tourism Sector	4	6	6	5	€ 0	€ 0	€ 150	€ 0
D	Ecological Agriculture	8	12	6	6	€ 0	€ 100	€ 150	€ 0
D	Flour Sector	1	2	4	3	€ 0	€ 0	€ 150	€ 0
D	Tourism Sector	5	10	8	9	€ 200	€ 0	€ 150	€ 0
D	E-business	5	10	8	9	€ 200	€ 0	€ 150	€ 0
M	E-Business	5	10	0	5	€ 400	€ 100	€ 500	€ 0
M	Tourism Related Issues & Trends	3	6	0	3	€ 400	€ 0	€ 90	€ 0
M	Warehousing technologies	5	10	0	5	€ 400	€ 100	€ 500	€ 0
M	Ecological Agriculture	5	10	0	5	€ 400	€ 100	€ 500	€ 0
U	SMEs in textile sector	5	10	0	5	€ 200	€ 0	€ 500	€ 0
U	New Production tech.s in Agr. Ind.	2	4	0	2	€ 200	€ 0	€ 500	€ 0
U	EU Infrastructure funds	4	8	0	4	€ 100	€ 50	€ 250	€ 0
U	E-business / e-marketing	2	4	0	2	€ 100	€ 0	€ 500	€ 0
U	Opportunities in Tourism Sector	4	8	0	4	€ 200	€ 0	€ 500	€ 0
U	Ecological Agriculture	5	10	0	5	€ 200	€ 0	€ 500	€ 0
Total		84	159	32	90	€ 4.600	€ 750	€ 6.680	€ 280

As far as the second type of sectoral workshops is concerned, at this stage, we plan to hold two workshops, which will focus on the opportunities for SMEs in the UN system. In 2001 UN system procured Dollar 851 million of goods. We believe that promoting the UN system in the Region would open new windows of opportunities for the regional SMEs.

These and similar organisations will be outsourced and the Project will receive a single bill for all the expenses related to the organisation of relevant events. These expenses, for which we have allocated Euro 70.000, will be charged to "Sectoral Workshops for Clients". Accordingly, we will need Euro 78.500, instead of Euro 225.000, in "Sectoral Workshops for Clients", as explained in the following table:

	Expense	Planned	Safety Margin	Total
1	Premise (rent)	€ 4.600	€ 3.900	€ 8.500
2	Equipment (rent)	€ 750	€ 750	€ 1.500
3	Outsourced workshops	€ 60.000	€ 10.000	€ 70.000
Total:				€ 78.500

Thus far we have presented the expenses that will be accrued during the realisation of activities in the three sub-lines under the budget line of "7. Other". The following table summarises our calculations that we have made thus far.

Expenses	Needed ⁽⁴⁾	Budgeted	Remaining
Capacity Building for GIDEM Coordinators/Experts	€ 80.000	€ 180.000	€ 100.000
Study Tours (national/international)	€ 16.500	€ 45.000	€ 28.500

⁶ National Short-term Expert

⁷ Salary days

⁸ Per diem days

⁹ National Short-term Expert (civil servant)

¹⁰ Domestic Air Travel

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Sectoral Workshops for Clients	€ 80.000	€ 225.000	€ 145.000
TOTAL	€ 176.500	€ 450.000	€ 273.500
(*) Needed amounts include safety margins.			

We plan to use Euro 80.000 of the remaining Euro 273.500 in the procurement of tailor-made software that we are going to use in the establishment of the Project's website and management information systems. Finally, we propose to transfer the remaining Euro 193.500 to the "1.Human Resources" and "2.Travel".

These amendments would not only solve our problems in the "Human Resources" and "Air Travel" budget lines but also enable us to procure tailor-made software that is needed for building an MIS and establishing the Project's website.

Finally we would like to propose some modifications in the budget lines under "3.Equipment and Supplies" and "4.Local Office/Projects Costs". When and if these modification proposals are accepted, we will be able to procure the ready-made software which has been listed at the beginning of this section.

First of all, our calculations demonstrate that "Car rental + Mileage / Gas for local site visits (4 vehicles)", for which Euro 108.000 is currently budgeted will undoubtedly cause bottlenecks in the future. (Please see Annex 13)

Secondly, the budget for "Office rent (Heating / Electricity) (4 Provincial Offices)" is far above our projections. (Please see Annex 13)

Thirdly, the budget for "Communication Costs (Fax/ Internet/Telephone etc) 4 Provincial Offices" is strikingly higher than our calculations of actual requirements. Our experience from the past couple of months demonstrate that each office will spend approximately Euro 300, even if communications costs increase due to heavier workload in the future. Accordingly, allocating Euro 72.000 for communication costs instead of the budgeted Euro 168.000 would meet our needs.

Fourthly, allocating Euro 48.000 (Euro 200 per month) for office maintenance expenses instead of Euro 57.600 would meet our needs.

Fifthly, the budget allocates Euro 24.000 for upgrading office automation (wiring/connections and procurement of software for 5 provincial offices). We plan to leave Euro 20.000 for "upgrading office (wiring/connections for 4 provincial offices) and add another budget line to cover the expenses of ready-made software procurement.

Last but not least, we think that expenses concerning car rentals should be moved to "3.Equipment and Supplies", as clearly identified in the European Commission's budget template for "Standard Grant Agreement with an International Organisation - External Aid".

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The following table presents the original and proposed budgets of “3.Equipment and Supplies” and “4.Local Office/project costs”.

Budgeted				
Expenses	Units	# of Units	Unit Cost	Cost
3. Equipment and supplies				
Upgrading Office Furnishings (4 Provincial Offices)	Per Office	4	3.000 €	12.000 €
Upgrading Office Automation	Per Office	4	6.000 €	24.000 €
Subtotal Equipment and supplies				36.000 €
4. Local office/project costs				
Car rental + Mileage / Gas for local site visits (4 vehicles)	Per month	240	450 €	108.000 €
Office rent (Heating / Electricity) (4 Provincial Offices)	Per month	240	500 €	120.000 €
Consumables (4 provincial offices)	Per month	240	100 €	24.000 €
Other services				
Communication Costs (Fax/ Internet/Teleph.etc...) 4 Offices	Per month	240	700 €	168.000 €
Office Maintenance (4 Provincial Offices, Wear and Tear)	Per Month	240	240 €	57.600 €
Subtotal Local office/project costs				477.600 €

Proposed				
Expenses	Units	# of Units	Unit Cost	Cost
3. Equipment and supplies				
3.1 Purchase or rent of vehicles	Per Month	180	385 €	69.300 €
3.2 Upgrading Office Furnishings (4 Provincial Offices)	Per Office	4	3.000 €	12.000 €
3.3 Upgrading Office Automation (Wiring/connections 4 Provincial offices)	Per Office	4	5.000 €	20.000 €
3.4 Procurement of Ready-made software	Per Year	5	11.640 €	58.200 €
Subtotal Equipment and supplies				159.500 €
4. Local office/project costs				
4.1 Vehicle costs (insurance, gas for local site visits, MV tax)	Per month	240	320 €	76.800 €
4.2 Office rent (includes utilities)	Per month	240	395 €	94.800 €
4.3 Consumables (office + medical supplies)	Per month	240	100 €	24.000 €
4.4 Other services				
4.4.1 Communication Costs (Fax/ Internet/Teleph.etc) 4 Offices	Per month	240	300 €	72.000 €
4.4.2 Office Maintenance (4 Provincial Offices, Wear and Tear)	Per month	240	200 €	48.000 €
4.4.3 Subscription fees (Periodicals, newspapers, books, rep.s)	Per Year	5	1.120 €	5.600 €
Subtotal Local office/project costs				321.200 €

Please find Annex 13 titled “Budgetary Proposals”, which includes both all the tables that we have presented thus far and presents our proposal for amendments in the Project’s budget.

Finally, we would like to restate that our proposals are based on the experience that we have gained during the implementation of the Project and are geared towards using the available funds in the most efficient way possible.

5.2. Detailed work plan for the next implementation period

5.2.1. Results to be produced

Majority of the project staff has started working as of September 2002 – 4 months after the signature of the agreement between the EC and UNDP. Besides, thus far we have dedicated most of our time to plan for the entire duration of the Project, which left us with only four months to produce results in the first year of operations. Hence in the next implementation period we will be able to produce fewer results than anticipated in the DoO. Results that we plan to produce in the remaining part of the first year of operations are as follows:

- Activities related to building and maintaining physical infrastructure of GIDEMs have been realised. We plan to establish project's web site by April 2003.
- AC and PACs will be established.
- Projects, programmes and organisations, with which we will establish co-operational links and working relations, will be identified.
- Members of target groups will be trained on several fields.
- Some projects among the currently identified projects for micro enterprises will be implemented.

5.2.2. Activity schedule

A detailed activity schedule for the next implementation period can be found in the annexed Plan of Operations.

5.2.3. Special activities to ensure sustainability

The most important activities towards ensuring sustainability will be securing nominations from relevant organisations and setting up AC and PACs. We will then hold the first meetings of these committees. We will also implement some projects (please see Annex 12) and organise training activities in cooperation with local stakeholders.

5.2.4. Assumptions and risks

During the preparation of this report, the tension between the USA and Iraq has grown significantly and could lead to a war in the region. Even the possibility of such a war is negatively affecting the business environment of GIDEMs. Hence, if a war begins in Iraq, the Project's activities will be considerably distressed.

5.2.5. Resource schedule

Please see Annex 3 for a detailed resource schedule for both next implementation period and following periods.