

- Establishment (where necessary) and/or contribution of capital to credit guarantee funds, micro-loan funds and equity finance mechanisms like venture capital funds including seed and start-up capital and other forms of financial instruments.
- Where necessary, promotion of financing mechanisms through publicity instruments and awareness raising campaigns as a component of the project in order to facilitate access to the funds supported.
- Where appropriate, the projects under this measure will include advisory services to the beneficiaries, publicity and networking.

### ***Admission Criteria***

Projects will be analyzed in terms of interventions, project maturity and readiness eligibility of actions, eligibility of region, budgetary limitations, eligibility of applicant or beneficiaries, etc. as defined in the relevant parts of the RCOP and ineligible projects will be eliminated prior to the qualification and grading process which will be carried out in accordance with the selection principles.

- Contribution of IPA to the financing instruments will be allocated to SMEs established in the 12 NUTS II Regions, particularly the ones in the Growth Centres.

The project proposals which pass the admission process successfully will be graded in accordance with the below mentioned selection principles,

### ***Strategic Criteria for Selection***

*The Strategic Criteria for Selection indicated for the priority will be applied.*

### ***Other Criteria for Selection***

In addition to the criteria for selection indicated for the priority, the following measure specific criteria will be applied for the prioritization of the project proposals:

- Project maturity and readiness
- Supporting the existing market-oriented funds where they pursue objectives compatible with the objectives of the RCOP
- Where necessary, establishing new market oriented funds to pursue the objectives of the RCOP
- Existence of adequate administrative and technical capacity of the beneficiary to implement the project.
- Involvement of TOBB, TESK, sectoral foundations and associations, regional chambers of industry and commerce, craftsmen and artisans.
- Projects seeking complementarity and synergy with the other Community Programmes
- Projects supporting women and young entrepreneurs, disadvantaged persons and start-ups.

### ***Final Beneficiaries***

Credit guarantee funds, micro-loan funds and equity finance funds like venture capital funds, seed capital funds and start-up capital funds.

## Monitoring Indicators

Total Public Expenditure : 48,415,734 (euro) (2007-2009)

EU Funding : 36.311,800 (euro) (2007-2009)

Maximum Intervention Rate : 75%

Indicators	Base Line	Target	Definition and assumptions
<b>Outputs</b>			
1-Amount of credit guarantee supplied for enterprises	63.842 Million EUR. awarded from credit guarantee fund	30 Million EUR. (additional)	Base line data is from Credit Guarantee Fund Operating and Research J.S.C. (KGF)
2-Amount of micro-loans supplied for enterprises	2.9 Million EUR.	5 Million EUR. (additional)	Data is collected from the statistics of Provinces which has allocated micro-credit schemes
<b>Results</b>			
1-Number of new enterprises setting up a business via new financial instruments	57 new SMEs set up a business thanks to the credit guarantee fund  Around 1000 people awarded by the micro-credits in the target regions of the RCOP	60 new SMEs (additional) (start-ups will have priority in allocation of the fund)  500 (additional)	Credit Guarantee for Start-ups constitutes 22%, the rest for the existing firms.
2-Amount of credit guarantee allocated for the investments	13.267 Million EUR.	8 Million EUR. (additional)	The rate of credit guarantee for the investments is 43%

### **Measure 1.3: Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure**

The purpose of this measure is to promote R&D, Innovation and usage of technology and transfer of knowledge to improve productivity and built a dynamic knowledge based economy.

Developing convenient infrastructure for R&D, creating a supportive environment for innovation, promoting technology transfer and creating incentives for business to use new technologies and the commercialization of research particularly by developing stronger links between business and Universities, R&D Centres, etc. in the target regions are the principal issues focused under this measure.

#### **Specific Objectives**

The specific objectives of the measure are,

- To contribute the commercial-oriented R&D activities of public and non-profit making organizations and increase the utilization of shared R&D, Innovation and Technology Infrastructure providing advanced environment and high quality services to enterprises,
- To promote the collaboration on R&D and innovation, transfer of technology through establishment, development and operation of corporate networks and clusters among the public sector, universities, R&D Centres and enterprises and connecting them to international networks.
- To contribute to the creation of new R&D jobs and products for commercial purposes, increase investments of enterprises on R&D, innovation, technology and knowledge.
- To improve the capacity of enterprises to utilize R&D results, innovation and technology commercially for products, processes and services.

#### **Rationale**

One of the most effective tools to enhance business competitiveness and its sustainability is to support R&D, innovation and technology due to their multiplication effect on the added value produced. Developing a convenient infrastructure for R&D, creating a supportive environment for innovation, promoting technology transfer, and commercialization of research particularly by developing stronger links between Universities, R&D Centres and Business, and transfer of these capacities into the lagging behind regions are the crucial areas to be focused on by policymakers in countries engaged in technology-related development.

Establishment of a knowledge-driven and competitive business environment based on R&D, innovation and technology through enhancing the physical infrastructure and cooperation activities like networking/clustering and supporting technology based innovative enterprises aimed in that measure will lead to a higher stream of revenue, productivity and profitability of enterprises and thus contribute to increase competitiveness, employment creation, new technology generation, improvement in living standards and long-term economic growth.

As described in chapter 2 in the research and innovation part and in the SWOT analysis, the capacity of private and public sector for R&D, innovation and technology based activities is relatively low and the number of enterprises, public and private institutions/agencies/research centres/universities etc. carrying high-tech activities is insufficient in the target regions. Most of the R&D activities are performed by universities and public research institutions.

Inadequate infrastructure and low number of enterprises engaged in R&D activities lead to low participation of SMEs in Community Programmes such as 7<sup>th</sup> FP. On this account, supporting the establishment of R&D and innovation infrastructure is of the utmost importance to provide complementarity among different Community Programmes implemented in Turkey.

Similarly, cooperation between universities and enterprises are low and usually university and other scientific institutions intensify their studies on theoretical subjects rather than commercially applicable ones. Correspondingly, commercialization of research studies and joint projects are not supported properly to obtain maximum profits. Another problem is that in the target regions there are not enough R&D, innovation and technology infrastructure, human capital and enterprises using technology. The enterprises in the target regions are very much depended on classic production methods.

Therefore, establishment of networks and cooperation between the western regions where relatively developed infrastructure exists and the target regions so as to transfer existing experiences, knowledge and capacity to the lagging behind regions is of the utmost importance. Certain R&D and innovation projects supported outside the target regions, which contribute to building networks between different capacities and potentials of different regions to the benefit of the target regions should be supported.

### **Description**

The interventions within the context of this measure will mainly focus on the industrial sites operating on the base of high technology, R&D and innovation like Technology Development Zones (TDZs) and Technology Development Centres (TDCs) and other special supportive structures established inside or outside of those sites like Technology Incubators without Wall (DTI), Incubation Centres, Technology Transfer Centres, Excellence Centres, Innovation Relay Centres, etc.

Broadening, improving and rehabilitation of the infrastructure in these sites and supportive structures and enhancing the quality of the services supplied through infrastructure and refurbishment investments will be supported.

Establishment and modernization of technical facilities (like labs, workshops, etc.) not only inside these sites but also in other possible locations (like Universities, etc.) will also be supported.

Support for cooperation mechanisms like clusters of excellence and networks of R&D, innovation and technology among business and between businesses and public research/higher education institutions in regional, national and international level will be eligible within the scope of this measure.

Infrastructure and refurbishment investments and activities supporting cooperation mechanisms, clusters and networks and other possible interventions will be applied outside the target regions provided that the activity is a cooperation, networking or joint project supporting the competitive position of the target regions.

Support under this measure will consist mainly of investments in infrastructure and equipment like establishment, improvement and refurbishment of buildings and purchase of laboratory devices, machinery, ICT and office equipment and networks etc. However, in order to increase the impact of the intervention, advisory/consultancy services and publicity activities related with the implementation of the project itself will also be eligible to a certain proportion of the project budget.

Establishment, improvement and refurbishment of training and education facilities in order to provide necessary trainings on the development of entrepreneurial knowledge and skills like innovation, technology and R&D for SMEs will be supported in coordination and close cooperation with HRD OP through a Technical Committee which has been established with the participation of the Operating Structures of both OPs.



## **Eligible Actions**

This measure will include the following indicative activities:

- Establishment, improvement and modernization (including refurbishment and ICT infrastructure) of R&D, technology and innovation facilities like Technology Development Centres (TDC), Technology Development Zones (TDZ), technology incubators without wall (DTI), incubation centres, technology transfer centres, excellence centres, etc.
- Supporting activities of public and non profit making institutions regarding commercial-oriented R&D as well as collaboration on technology transfer, R&D and ICT usage through establishment (including infrastructure, refurbishment), development and operation of corporate networks and technology platforms among public sector, universities, R&D Centres and enterprises and connecting them to international networks.
- Establishment and modernization of social, technical and production facilities like labs, workshops, machinery, training/education facilities, etc. in Technology Development Zones and Technology Development Centres, Universities and in other possible locations.
- Establishment of one stop shops, information, consultancy, patent offices and other possible common service facilities in Technology Development Zones, Technology Development Centres, Universities, and other possible locations.
- Operations and investments outside the target regions provided that the activity is a networking or joint project supporting the competitive position of the target regions.

## **Admission Criteria**

Projects will be analyzed in terms of interventions, project maturity and readiness, eligibility of actions, eligibility of the region, budgetary limitations, eligibility of the applicants or beneficiaries, etc. as defined in the relevant parts of RCOP. Ineligible projects will be eliminated prior to the qualification and grading process which will be carried out in accordance with the selection principles.

The project proposals which passes the admission process successfully will be graded in accordance with the below mentioned selection principles,

## **Strategic Criteria for Selection**

*The Strategic Criteria for Selection indicated for the priority will be applied*

## **Other Criteria for Selection**

In addition to the criteria for selection indicated for the priority, the following measure specific criteria will be applied for the prioritization of the project proposals:

- Project maturity and readiness,
- Projects supporting facilities intended to be used commonly by a wider range of beneficiary enterprises
- Projects enhancing the occupancy ratio inside sites like TDZs and TDCs, particularly the establishment of common technical, social and production facilities inside the sites
- Projects having high commercialization potential and joint projects between private sector, universities and public institutions for R&D, innovation and technology transfer

- Projects with environmental sustainability namely contributing to energy efficiency and use of renewable energy
- Projects supporting women and young entrepreneurs, disadvantaged persons and start-ups.
- Involvement of TOBB, TESK, TUBITAK, TTGV, universities, public research institutions, foundations and associations for R&D, innovation and technology, regional chambers of industry and commerce, craftsmen and artisans.
- Administrative and technical capacity of the beneficiary to achieve the targets and the risks faced by the project.
- Projects seeking complementarity and synergy with other Community Programmes like 7<sup>th</sup> FWP and CIP

### Final Beneficiaries

Public institutions/agencies, managing authorities of Technology Development Centres and Technology Development Zones, universities, scientific institutes and research centres, national and regional chambers of industry and commerce, sector associations, foundations.

### Monitoring Indicators

**Total Public Expenditure : 34,582,668 (euro) (2007-2009)**

**EU Funding : 25,937,000 (euro) (2007-2009)**

**Maximum Intervention Rate : 75%**

Indicators	Base Line	Target	Definition and assumptions
<b>Outputs</b>			
1- Number of R&D and innovation related business sites rehabilitated or supported	4 TDZs,	2	Technology Development Zones (TDZs) are established by the assistance of MoIT
2- Number of R&D related service facilities rehabilitated or supported	3 TDCs	2	Technology Development Centres (TDCs) by the assistance of KOSGEB
3-Number of Enterprises involved in assisted projects	-	60	Data can be detected from the project reports
4-Number of joint projects realized by R&D institutions and enterprises	-	15	-
<b>Results</b>			
1- Number of R&D and innovation related new enterprises established inside business sites supported.	0	70	-
2-Number of patent applications resulted from assisted projects	-	10	The data can be followed from the statistics of Turkish patent Institute

#### **Measure 1.4: Improvement of Tourism Infrastructure, Promotion and Marketing Activities.**

This measure aims to develop competitiveness and employment and to decrease regional disparities through diversification of tourism activities, revitalising and landscaping of tourism attraction areas for commercial use and support for promotion and marketing activities.

##### **Specific Objectives**

The specific objectives of this measure are:

- To contribute to the competitiveness of Turkey through diversification of tourism
- To contribute to the employment rate, added value produced and the overall business stock by creating a convenient environment for tourism enterprises
- To decrease regional disparities and enhance socio-economic development by creating a favourable environment for tourism enterprises
- To provide a social and economic interaction inside and among the regions

##### **Rationale**

Geographical, thematic and seasonal diversification of tourism, particularly by enhancing the alternative tourism activities and creating a consumer demand for regions having tourism potential other than and in parallel with the Mediterranean and Aegean coastal line is of great importance for increasing the overall competitiveness of Turkey and convergence of the less developed regions.

Tourism is a cross-cutting sector, involving a large diversity of services and professions, linked to many other economic activities. It impacts on sectors such as transport, construction, retail and on numerous sectors that produce holiday products or provide leisure and business travel related services. Although some large international companies contribute to this sector, it is mainly dominated by SMEs.

Utilization of the tourism potential of Turkey particularly in the lagging behind regions will contribute to a balanced regional development and decrease the regional disparities significantly. Due to its unique nature in terms of high employment generation capacity and social interaction effect within and outside the region, the tourism sector is an effective and efficient tool to create a multiplier effect on the economical and social development of the lagging behind regions.

However, public intervention is of great importance for preparing the potential tourism areas for commercial use and developing their basic infrastructure, taking in to account the sustainability and environmental aspects and creating a core entrepreneurial environment.

##### **Description**

This measure will have two main components, consisting of supply side and demand side interventions.

Establishment and development of basic tourism infrastructure, revitalising and commercialization of selected areas having potential for tourist attraction in terms of natural and historical values, eco-tourism, health and sports activities, etc. will be supported on the supply side. This component will include preparation of these attraction areas for sustainable commercial utilization taking care of environmental aspects. This intervention will have a significant impact to increase the touristic

attractiveness of the regions and this supply side support will lead to an increase in touristic arrivals and as a consequence of this the business stock and employment in the tourism sector will broaden. However, under this measure activities like archaeological infrastructure works, restoration of historical ruins and buildings and similar activities which do not have direct impact on the competitiveness of the target regions are ineligible.

Competitiveness-oriented infrastructure activities having a direct impact on the tourism attraction of the region and having a substantial effect to increase tourist arrivals will be supported. Sound evidence to achieve these goals will be important criteria for the selection of tourism infrastructure projects.

The second component, on the demand side, includes support for promotional and marketing activities to create a public awareness and tourist attraction regarding natural and historical values, eco-tourism, health and sports facilities, etc. of the target regions in national and where possible international level. Demand side measures will be carried out mostly outside the target regions where the tourist demand is strong however; the target regions will still remain the beneficiaries of such actions.

Where appropriate, as a complement, the projects under this measure will include advisory services to the beneficiaries, publicity and networking activities in order to increase the impact of interventions under this measure.

During the implementation of this measure, the projects will be prioritised in accordance with the priorities and long term plans of the Ministry of Culture and Tourism.

#### **Eligible Actions**

This measure will include the following indicative activities,

- Improvement of tourism attraction areas through revitalisation and landscaping and other relevant infrastructure investments.
- Establishment and refurbishment of tourism information facilities and centres.
- Support for promotion and marketing activities of public authorities and non-profit making organizations including the utilization of all possible information and communication tools.
- Support for the organization of local tourist events like festivals, exhibitions, fairs, etc.
- Support for the organization of national and international seminars, congress, etc. and participation in national and international fairs.

#### **Admission Criteria**

Projects will be analyzed in terms of interventions, project maturity and readiness, eligibility of actions, eligibility of the region, budgetary limitations, eligibility of applicants or beneficiaries, etc. as defined in the relevant parts of the RCOP. Ineligible projects will be eliminated prior to the qualification and grading process which will be carried out in accordance with the selection principles.

Project proposals which pass the admission process successfully will be graded in accordance with the below mentioned selection principles,

#### **Strategic Criteria for Selection**

*The Strategic Criteria for Selection indicated for the priority will be applied. (The sectoral strategy is not applicable for this measure)*

### ***Other Criteria for Selection***

In addition to the criteria for selection indicated for the priority, the following measure specific criteria will be applied for the prioritization of the project proposals:

- Project maturity and readiness,
- Competitiveness-oriented infrastructure and promotion/marketing activities having direct impact on the tourism attraction of the region and having a substantial effect to increase the tourist arrivals.
- Taking into account of the priorities and long term plans of the Ministry of Culture and Tourism
- The existence of adequate administrative and technical capacity of beneficiary authorities.
- Projects with environmental sustainability namely contributing to energy efficiency and use of renewable energy.
- Projects supporting women and young entrepreneurs, disadvantaged persons and start-ups.

### **Final Beneficiaries**

Ministry of Tourism and Culture, public institutions/agencies, national and regional chambers of industry and commerce, sector associations, foundations.

### **Monitoring Indicators**

**Total Public Expenditure : 20,749,600 (euro) (2007-2009)**

**EU Funding : 15,562,200 (euro) (2007-2009)**

**Maximum Intervention Rate : 75%**

Indicators	Base Line	Target	Definition and assumptions
<b>Outputs</b>			
1-Number of tourism attraction points enhanced	0	3	Tourism attraction points/areas are excluding historical and archaeological sites
<b>Results</b>			
1-Number of tourists visited the tourism attraction points enhanced.	2. 233. 673	1000 (additional per tourism attraction points enhanced)	Base line is the number of arrivals in Qualified Establishments Licensed by the Municipalities in the target regions
2-Number of new tourism enterprises established in the region thanks to supplying support	0	10 per tourism attraction points enhanced	Number of tourism SMEs established in the city or cities as a result of increased touristic attraction through supporting touristic aspects in those city or cities.

## **Priority 2: Strengthening of enterprise capacity and foster entrepreneurship**

### **Aim**

This Priority aims to improve the efficiency and added value produced by enterprises, enhance their entrepreneurial capacity and increase the employment rate and overall competitiveness of the regions through the provision of basic information support and consultancy activities to SMEs, particularly start ups and strengthening the clustering and networking activities in the target regions.

### **Specific Objectives**

- Strengthening entrepreneurial culture and skills of enterprises and start-ups in a wide range of themes by providing information support and consultation systems and organizing direct information supply activities like seminars, workshops and business oriented specific trainings.
- Encouraging and strengthening cooperation in industry corporate sector through basic information support, consultation activities and clustering and other possible forms of cooperation.
- Improvement of R&D and innovation capabilities of enterprises and ICT usage in business process through basic information and consultancy supports.
- Creating new jobs, increasing the business stock and added value in the target regions through supporting SMEs particularly start-ups.

### **Rationale**

The diagnosis, reached as an outcome of the socio-economical analysis and the SWOT analysis shows a quantitative and qualitative insufficiency in utilization of technology and innovation in the management and production processes, insufficient access to basic information support and consultancy services, insufficient access and use of financial instruments due to inappropriate financial conditions, low level of start-ups due to insufficiency in entrepreneur culture and business skills, low level of cooperation, clustering and networking opportunities within and among the regions.

Information support and consultancy services are effective tools which create a leverage effect and concrete outputs for increasing the efficiency and added value produced by enterprises and enhancing their entrepreneurial and institutional capacities. Thus, public interventions to provide basic information support and commercial consultancy services to individual enterprises will contribute to the achievement of the global and specific objectives of the RCOP.

The studies on the needs assessment for Basic Information Support and Consultancy Services for SMEs conducted by the National Productivity Centre in some of the provinces of the target regions (Rize, Kahramanmaraş, Ordu, Batman, Mardin, Diyarbakır, Şanlıurfa, Yozgat, Malatya, Elazığ and Adıyaman) comprising 353 SMEs and according to the Field Study conducted by KOSGEB covering 50.000 companies throughout the country have shown that training and consultancy needs of SMEs concentrate on the areas of: production planning and control, sales-marketing and consumer satisfaction analysis, productivity, quality management systems, human resources management, foreign trade, health and security at the work place, institutionalisation, management skills, CE marking, standardisation, certification and accounting.

The role of the state in cluster development initiatives is quite important and the state may play a catalytic role, to create an enabling environment/framework condition, and to facilitate exchange of information between companies, universities, R&D institutes and NGOs. Cluster-based initiatives

provide governments with a better perspective on the economic reality of their territory as well as: a better understanding of the industry needs and direct dialog channels with the cluster firms. They also represent a new way to create awareness of existing support programs to firms, business representative organizations and associations in industrial sector, designing tailor made support for the industry, involving private sector in their financing and management and coordination within different Government departments to support the industry.

According to the intervention strategy of the Operational Programme, designed in line with the outputs of the socio-economic analysis including the SWOT analysis and the strategic priorities, this priority consists of two measures on strengthening of enterprise capacity and foster entrepreneurship. They addresses the problems identified in the diagnosis on the target themes and sectors of the OP and are intended to provide a synergy among the priorities by means of micro scale interventions of this priority and the macro scale interventions of the first priority.

Activities under this priority will enhance the ability of businesses in the targeted regions to successfully deal with market competition, by providing management, technological advice and investment support. Activities under this priority will aim to foster innovation and modernization, entrepreneurship and business culture, expand existing business information and thus improve the competitiveness of local companies, increasing job supply and incomes as well as to play a catalytic role for clustering and networking activities of groups of enterprises.

### **Description**

This priority consists of two measures, “Providing Basic Information and Consultancy Support for Enterprises” and “Strengthening of Cooperation in Industry Corporate Sector”. They are composed of two main types of interventions, basic information support and consultancy interventions. These supports will be available to individual SMEs under Measure 2.1 and to clusters, networks and business representative organizations under Measure 2.2.

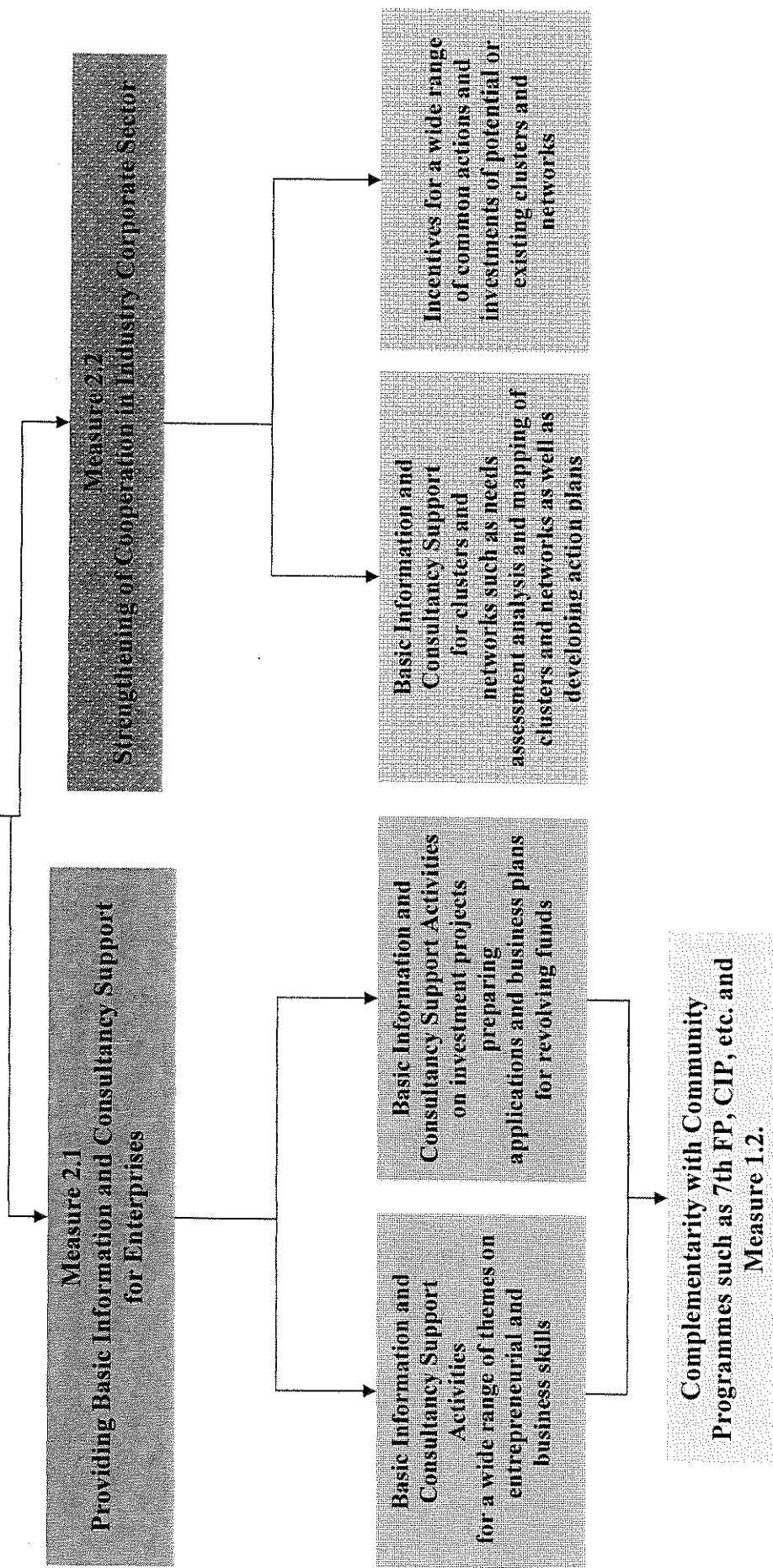
This priority will serve the creation of an entrepreneurial culture among SMEs and help them to take advantage of external support on the basis of solid projects and work plans in their daily and future business. These supports will contribute to higher participation rates of SMEs in other Community and National Programmes.

Basic information support and consultancy support under this priority will focus on a wide range of themes (an indicative list is given under the description of the measures). However, an extensive importance will be given to,

- financial management, access to finance, development of investment projects, preparing applications and business plans to access financial support, Community and national Programmes and revolving finance instruments, screening possible financing sources negotiating terms, etc. for individual SMEs in case of Measure 2.1 and
- successful clustering and networking practices, clustering and networking analysis, preparation of action plans and preparation of the clustering and networking projects including investment components, etc. for groups of SMEs in case of Measure 2.2

These themes for basic information support and consultancy will enhance enterprises’ utilization rate of available public support as well as other Community Programmes. Thus, an extensive complementarity among different components of this priority and the RCOP in a broader sense will be provided as shown in the flowchart below.

## Priority 2: Strengthening of Enterprise Capacity and Foster Entrepreneurship





## Targeting

This priority is targeted at the SMEs operating particularly in the:

- Manufacturing industry and
- Tourism sector

located in the 12 NUTS II regions having a GDP per capita (PPP) below 75 % of the national average and particularly in the 15 Growth Centres.

Joint projects and networking activities implemented outside the target regions which support the competitiveness of the target regions will also be eligible within the scope of this priority.

The concentration strategy for interventions, sectors and regions described in the Chapter on Strategic Priorities will be utilized as a strategic base for establishing selection criteria.

## Measures

### 1. Providing Basic Information and Consultancy Support for Enterprises

The aim of this measure is to strengthen the entrepreneurial culture and skills through consultancy and information support activities for SMEs, particularly start-ups, on a set of themes.

### 2. Strengthening of Cooperation in Industry Corporate Sector.

The aim of this measure is to strengthen horizontal and vertical cooperation in industry corporate sector through consultancy and information support activities for clustering, networking and cooperation activities, carried out by public institutions, business representative organizations and sector associations.

## Delivery of the Priority

The measures under this priority will be implemented through calls for proposals and/or procurement contracts. As described in Article 158 of IPA Implementing Regulation, projects submitted by national public bodies and project proposals submitted following calls for proposals will be assessed or selected in accordance with the below mentioned admission and selection principles.

### *Strategic Criteria for Selection*

- Intervention Strategy - Projects will be assessed and graded in accordance with the concentration strategy and limitations for interventions as described in ***Table 46 of the Chapter on Strategic Priorities***.
- Sectoral Strategy - Projects will be assessed and graded in accordance with the concentration strategy for industrial sectors as described in ***Table 47 of the Chapter on Strategic Priorities***.
- Regional Strategy - Projects will be assessed and graded in accordance with the regional concentration strategy as described under the heading "***Regional Concentration Strategy***" of ***the Chapter on Strategic Priorities***.
- Inter-Regional Cooperation Strategy - Projects will be assessed and graded in accordance with the Inter-Regional Cooperation Strategy as described under the heading "***Inter-Regional Cooperation Strategy***" of ***the Chapter on Strategic Priorities***.

### Other Criteria for Selection

- Project maturity and readiness
- Projects and applications from the Growth Centres will be given priority in order to achieve the strategic target of the SCF to allocate 70-80 % of the total budget of OP Regional Competitiveness for Growth Centres.
- Actions on networking activities and joint actions between the target regions and the rest of the country and operations taking place outside the target regions will also be financed provided that the target regions, particularly Growth Centres, directly benefit from these actions and operations.

Measure specific criteria for selection are given under each measure.

### Targets and Indicators

The indicators for this priority are the sum of the indicators identified for the measures under this priority.

**Total Public Expenditure: 37,386,668 (euro) (2007-2009)**

**EU Support : 28,040,000 (euro) (2007-2009)**

Indicators	Base Line	Target	Definition and assumptions
<b>Outputs</b>			
1-Number of basic information support events held	27 (held in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	15 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TRA2, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
2-Number of interested people participated in basic information support events	1886 (in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	500 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TRA2, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
3-Number SMEs assisted through consultancy supports	162 (in the target regions of the RCOP)  Around 55 SMEs per year (in the target regions of the RCOP)	100 (additional)	Base line is from the KOSGEB's data only for the year 2006.  Base line is from the National Productivity Centre's data

4-Number of interested people from Unions, Business Representative Organisations and NGOs participated in basic information support events	1737 (in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	500 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TRA2, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
5-Number of consultancy activities for existing or potential clusters/networks, and Business Representative Organisations.	-	3	
<b>Results</b>			
1- Number of SMEs prepared business and investment plans through information and consultancy support	-	100 business and investment plans prepared each year	-
2-Number of start-ups set up their businesses after participating in information support and consultancy services	-	50	-
3- Number of networks/ clusters started to operate thanks to provided support	0	2	---
4- Number of enterprises participating in the supported or newly established networks and clusters	-	40	

## **Measure 2.1: Providing Basic Information and Consultancy Support for Enterprises**

The aim of this measure is to strengthen the entrepreneurial culture and skills through consultancy and information support activities and to increase the investment capacity through facilitating access to finance for SMEs, particularly start-ups, on a set of themes.

### **Specific Objectives**

- To support and improve the entrepreneurial skills of SMEs so as to assist them in the establishment of new business and expanding existing businesses, increasing the added value they produce and thus strengthening their competitiveness.
- To improve the services and capacity of public institutions and non-profit making organizations supplying information and consultancy services to SMEs.
- To promote the investments of SMEs in order to enhance their production, marketing, standardisation, branding, etc.
- To support enterprises to participate in Community Programmes so as to provide consistency and complementarity with other Community Programmes and to increase the abilities of enterprises for developing and implementing EU funded projects.

### **Rationale**

As mentioned in the socio-economic analysis and in the SWOT analysis entrepreneurial and business skills of enterprises are low. Most of them are family business suffering from quantitative and qualitative insufficiency in utilization of technology and innovation, in management and production processes, insufficient access to basic information support and consultancy services, insufficient access and use of financial instruments due to inappropriate financial conditions, leading to a low level of start-ups due to insufficiency in entrepreneur culture and business skills.

This measure addresses the above mentioned shortcomings and uses basic information support and consultancy services for SMEs in order to tackle these problems.

Information support and consultancy services are effective tools which create a leverage effect for increasing the efficiency and added value produced by enterprises and enhancing their entrepreneurial and institutional capacities. Thus, public intervention for providing basic information support and commercial consultancy services for individual enterprises will contribute to the achievement of the global and specific objectives of the RCOP.

SMEs in the target regions face financial problems including, inadequacy of funds for productive sectors (illustrated in terms of the low bank deposits per capita and credits per capita compared to the national figures), inadequacy in financial management of SMEs and lack of access to various sources of funds and foreign financial markets. Therefore it is essential for the SMEs in these regions to receive adequate support for improvement of their standing in terms of access to finance.

Facilitating access to finance will increase the investment capacity of small and medium sized and micro scale enterprises, namely through training and practical experience in generating and conducting projects, improve their access to information sources and consultancy services. It will also stimulate entrepreneurial activity by supporting start-ups through training and providing privately owned small businesses with resources for physical investment and business support packages, including marketing, management, technology transfer and innovation.

## **Description**

As explained in the intervention strategy in the Chapter on Strategic Priorities, under this measure basic information support and consultancy support will be extensively used in the target regions of the RCOP

Within the context of basic information and consultancy support intervention, the activities of public institutions, SME support and development agencies and non profit making organizations will be supported. Supply of equipment and external expertise related with the implementation of projects for these institutions and non-profit organizations will also be provided.

This basic information support (seminars, workshops, awareness raising activities, etc.) and consultancy activities will focus on a wide range of themes. Special emphasis will be given to the activities on obtaining finance, development of investment projects, preparing applications, business and investment plans for participation in Community Programmes and access to revolving finance instruments, to increase the internal consistency of the RCOP.

The awareness and knowledge of SMEs about Community and National Programmes as well as their participation is intended to be enhanced through basic information support and consultancy activities regarding those programmes.

An indicative list of eligible themes for the basic information support and consultancy activities is given below:

- Obtaining finance, development of investment projects, preparing applications, business and investment plans for accessing Community Programmes and revolving finance instruments, screening possible financing sources negotiating terms, etc. for individual SMEs
- R&D, intellectual property rights, innovation, technology transfer and usage, access to finance, business plan preparation, strategic planning, management skills, marketing and market development, branding, joint image, market research, access to market, advertising strategy (including product placement in foreign markets), product design and development, EU technical legislation and free movement of goods, preparation of applications to EU projects/programmes/schemes, business planning (notably for business start-ups and new enterprises), completion of audits and preparation of feasibility studies, exporting, new technologies, introduction of quality assurance, quality infrastructure, and certification systems, conformity assessment and certification, e-business, ICT Usage in Business Process, environment, efficiency awareness, productivity, quality management, standardization, innovative human resources management, legal requirements on workers' safety and health, obtaining certificates of conformity for products, raw material, machines and equipment, control-measurement apparatus and personnel, finance and all kinds of engineering applications for manufacturing industry, etc and tourism as well.

These main activities will be carried out independent from each other and the execution of one activity will not be a prerequisite for the execution of the other activity. Also at implementation level, participating in the basic information support activities or getting consultancy support is not a precondition for an SME to get investment support under measure 1.2.

## **Eligible Actions**

This measure will include the following indicative activities,

- Supporting projects of public institutions and non-profit making organizations to supply basic information support for SMEs and particularly start-ups.
- Providing consultancy support for individual SMEs and particularly start-ups

- Facilitate direct investment support for SMEs and particularly start-ups through consultancy assistance for accessing financing schemes under measure 1.2 (advice with money).

### ***Admission Criteria***

Projects will be analyzed in terms of interventions, project maturity and readiness, eligibility of actions, eligibility of the region, budgetary limitations, eligibility of applicants or beneficiaries, etc. as defined in the relevant parts of the RCOP. Ineligible projects will be eliminated prior to the qualification and grading process which will be carried out in accordance with the selection principles. Project proposals which pass the admission process successfully will be graded in accordance with the below mentioned selection principles,

### ***Strategic Criteria for Selection***

*The Strategic Criteria for Selection indicated for the priority will be applied*

### ***Other Criteria for Selection***

In addition to the criteria for selection indicated for the priority, the following measure specific criteria will be applied for the prioritization of the project proposals:

- Project maturity and readiness.
- Basic information support projects contributing the overall employment capacity and supporting the innovative and high technology sectors.
- Involvement of the Union of Chambers and Commodity Exchanges of Turkey, TUBITAK, TTGV, universities, the foundations and associations for R&D, innovation and technology, the sectoral associations and regional chambers of industry and commerce in the basic information support projects.
- Consistency and complementarity of the basic information support projects with other Community Programmes and OPs.
- Projects having high commercialization potential and joint projects between private sector, universities and public institutions for R&D, innovation and technology transfer.
- Basic information and consultancy support projects will particularly focus on the below mentioned enterprises, entrepreneurs and aspects:
  - Enterprises operating in the Growth Centres in order to achieve the strategic target to allocate 70-80 % of the total budget of the OP Regional Competitiveness for Growth Centres.
  - Start-ups
  - Enterprises established inside the industrial sites
  - Enterprises using high technology having R&D and innovation potential
  - Projects having high employment generating capacity
  - Women, young and disadvantaged entrepreneurs and other disadvantaged persons

- Projects having elements/components for the environmental sustainability namely contributing to energy efficiency and use of renewable energy will have priority.
- The administrative and technical capacity of the beneficiary enterprise to implement the project will be taken into account

### Final Beneficiaries

Public institutions, agencies, research centres, universities, non-profit organizations, national and regional chambers of industry and commerce, unions, associations and foundations, etc. and SMEs.

### Monitoring Indicators

**Total Public expenditure : 22,432,000 (euro) (2007-2009)**

**EU Funding : 16,824,000 (euro) (2007-2009)**

**Maximum Intervention Rate : 75%**

Indicators	Base Line	Target	Definition and assumptions
<b>Outputs</b>			
1-Number of basic information support events held	27 (held in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	15 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TRA2, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
2-Number of interested people participated in basic information support events	1886 (in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	500 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TRA2, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
3-Number of SMEs assisted through consultancy supports	162 (in the target regions of the RCOP)  Around 55 SMEs per year (in the target regions of the RCOP)	100 (additional)	Base line is from the KOSGEB's data only for the year 2006  Base line is from the National Productivity Centre's data
<b>Results</b>			
1- Number of SMEs prepared business and investment plans through information and consultancy support	-	100 business and investment plans prepared each year (additional)	-
2-Number of start-ups set up their businesses after participating in information support and ensuring consultancy services	-	50	-

## **Measure 2.2: Strengthening of Cooperation in Industry Corporate Sector**

The aim of this measure is to strengthen horizontal and vertical Cooperation in Industry Corporate Sector through consultancy and information support activities for clustering, networking and cooperation activities.

### **Specific Objectives**

- Promoting the establishment of services and counselling activities assisting the launching and development of sectoral and regional clusters and networks among enterprises.
- To enhance the productivity and added value of the enterprises and business representative organisations through horizontal and vertical cooperation among the firms manufacturing similar or complementary products inside the business sites
- Supporting and stimulating the establishment of cooperation and networks among public and private institutions/universities/NGOs/Unions serving SMEs.
- Providing services and counselling activities to follow-up and mentoring of networks, extension of existing networks as well.
- Providing information on networking and clustering to increase the awareness and knowledge of enterprises, private and public institutions.

### **Rationale**

Clustering and networking activities are not highly developed in Turkey as mentioned in the socio-economic analysis and in the SWOT analysis. Enterprises are not aware of the benefits of sectoral and regional clusters. There is no efficient mechanism to stimulate networking among enterprises and institutions. Although particularly in the 15 Growth Centres there are sectoral concentrations in OIZ and SSIEs within enterprises located in the same area, the networking among these enterprises has not been stimulated. Similarly, there are some universities in the 12 NUTS II regions, but their cooperation with each other and with other universities outside the target regions is too weak. Likewise, cooperation between universities and institutions serving SMEs need to be developed. Even networking between large companies and SMEs and also between suppliers and producers need to be improved to increase the added value they produce.

The impact of clusters on the performance of SMEs is one of the issues that are extensively studied in the literature on SMEs. The advantages of having similar enterprises at the same location are considered as motivating information exchange and subcontracting relations, transfer of experiences, exchange of qualified personnel, and opportunities for provision of production inputs. In case that the location is an industrial estate, these advantages will also include a better infrastructure, cheaper energy usage and lower rents offered for workplaces.

Clustering and networking activities, as described in the inter-regional cooperation strategy in the Chapter on Strategic Priorities, between the target regions and rest of the country as well as the networking activities between the growth centres and their hinterlands will also be supported under this measure.

Therefore, by means of this measure cooperation in industry corporate sector will be promoted. The launching, establishment, continuity and extension of networks with other regions and countries, notably with EU networks will be supported through providing consultancy services and investment supports. The awareness of the enterprises and institutions on the advantages and importance of clusters and networking activities to develop their business and to have power in policy making processes will be promoted.



## **Description**

The main type of operations for this measure will be basic information support, consultancy services and incentives to stimulate the establishment and improvement of networks and clusters among enterprises, business representative organisations, universities, public and non-profit making organizations serving SMEs including supporting and organizing seminars and workshops to increase awareness and knowledge of enterprises, private and public institutions on the importance of networking and on Community networking programmes.

Support will be provided to encourage public and non-profit making organizations both at national and regional level as well as groups of enterprises through chambers of industry and trade, exporters' unions sectoral enterprise associations and other possible collaborative organizations, to establish and/or participate in the clustering and networking activities for common investments.

In addition to basic information support and consultancy services for identified potential and existing clusters and networks, external expertise will be supplied for activities like identification, need assessment, analysis and mapping of clusters and networks as well as developing roadmaps under the projects.

These soft actions will be complemented with other incentives for a wide range of common actions and investments of potential or existing clusters or networks like (indicatively) collaborative promotion and marketing activities, branding activities, publishing catalogues and preparing websites, participation in fairs, investments for software, equipment and common utility facilities, etc.

## **Eligible Actions**

This measure will include the following indicative activities:

- Supporting activities of public institutions and non-profit making organizations to supply basic information support and consultancy on clustering, networking and collaborative activities.
- Supporting activities of public institutions and non-profit making organizations on surveys and identification, need assessment, analysis and mapping of clusters and networks as well as developing cluster and networking roadmaps under the projects.
- Direct incentives for common actions and investments of potential or existing structures of business and industrial collaboration like clusters, networks and business representative organisations etc.

## **Admission Criteria**

Projects will be analyzed in terms of interventions, project maturity and readiness, eligibility of actions, eligibility of the region, budgetary limitations, eligibility of applicants or beneficiaries, etc. as defined in the relevant parts of the RCOP. Ineligible projects will be eliminated prior to the qualification and grading process which will be carried out in accordance with the selection principles. Project proposals which pass the admission process successfully will be graded in accordance with the below mentioned selection principles.

## **Strategic Criteria for Selection**

*The Strategic Criteria for Selection indicated for the priority will be applied*

### Other Criteria for Selection

In addition to the criteria for selection indicated for the priority, the following measure specific criteria will be applied for the prioritization of the project proposals:

- Project maturity and readiness.
- Projects aiming at establishment and improvement of networks and clusters between the target regions and the rest of the country as well as between the growth centres and their hinterland .
- Projects aiming at establishment and improvement of networks and clusters in the Growth Centres in order to achieve the strategic target of SCF to allocate 70-80 % of the total budget of OP Regional Competitiveness for Growth Centres.
- Basic information support projects which support the sectors showing a high geographical concentration in the target regions.
- Involvement of the Union of Chambers and Commodity Exchanges of Turkey, TUBITAK, TTGV, universities, sectoral associations and regional chambers of industry and commerce in basic information support projects.
- Projects seeking complementarity and synergy with the other Community Programmes.
- Projects targeting the establishment and extension of networks with EU Networks.
- Projects with environmental sustainability namely contributing to energy efficiency and use of renewable energy.
- Projects including women and young enterprises and disadvantaged persons.

### Final Beneficiaries

Public institutions, agencies, research centres, universities, non-profit making organizations, national and regional chambers of industry and commerce, unions and associations, etc. as well as clusters, networks for enterprises and organisations of SMEs.

### Monitoring Indicators

**Total Public expenditure** : 14,954,668 (euro) (2007-2009)  
**EU Funding** : 11,216,000 (euro) (2007-2009)  
**Maximum Intervention Rate** : 75%

Indicators	Base Line	Target	Definition and assumptions
<b>Outputs</b>			
1-Number of interested people from Unions, Business Representative Organisations and NGOs participated in basic information support events	1737 (in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	500 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP), TRA2, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
2-Number of consultancy activities for existing or potential clusters/networks, and Business Representative Organisations.	-	3	

<b>Results</b>			
1-Number of networks/ clusters started to operate thanks to provided support	0	2	—
2-The number of enterprises participating in the supported or newly established networks and clusters	-	40	

### Aim

The main aims of the Technical Assistance priority of the RCOP are to ensure the sound and efficient implementation of the RCOP in accordance with IPA Implementing Regulation and to improve the administrative capacity of the Operating Structure and the other institutions involved in the implementation of the RCOP by supporting the preparation, management, implementation, monitoring, evaluation, control, publicity and communication of the RCOP as well as to prepare sector studies and a project pipeline necessary for planning interventions and future OPs.

### Specific Objectives

- Provision of technical assistance in the preparation, management, implementation, monitoring, control and evaluation of the RCOP,
- Preparation of a project pipeline both to be implemented under the present RCOP and the preparation of OPs for the next programming period,
- Creating capacity of the Operating Structure and beneficiaries to manage and implement the OP,
- Providing IT infrastructure necessary for the management, implementation, monitoring and controlling of the RCOP,
- Carrying out necessary activities to publicise the RCOP.

### Rationale

The institutions in charge of the programme preparation, management, implementation, monitoring, evaluation and control must be sufficiently prepared to ensure effective implementation of the RCOP measures. The development of human resources to carry out tasks at all stages of management and implementation is of paramount importance.

On the other hand, in order to be prepared for the next programming period and to increase project absorption capacity particularly for the target regions, the preparation of sectoral studies and a concrete project pipeline is crucial. Within this framework, under this priority, the establishment of systems of management, implementation, monitoring, control and evaluation of the RCOP including soft and hard IT infrastructure will be supported and concrete project pipeline will be prepared.

### Description

This priority will consist of two measures and three main types of interventions: establishment and maintenance of the systems necessary for management, implementation, monitoring, controlling and evaluation of the RCOP including soft and hard IT infrastructure, provision of training, consultancy and expertise, and covering the costs incurred during the programme and/or project promotion and implementation processes.

As is mentioned in the Rationale, human resources, administrative and technical capacity of the Operating Structure and other institutions involved in the implementation of the RCOP and solid project pipeline should be developed in order to ensure the effective implementation of the RCOP.

Within this framework, support for the activities of the Operating Structure and other institutions involved in the RCOP implementation will be the core of this priority. Training, consultancy and

expertise support and where necessary equipment supply for the institutions involved in the RCOP implementation will be provided.

### **Measures**

**Measure 3.1:** Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation

**Measure 3.2:** Publicity, Information and Promotion of the OP Measures

### **Delivery of the Priority**

This priority will be delivered by the provision of training, consultancy and expertise, support for the setting up of a computerised system for the Operating Structure and the other institutions involved in Programme implementation, expert support for thematic selection and evaluation of applications, financing the activities of the Monitoring and Project Selection Committees, providing funds for information and promotion activities and expert support for the Evaluation Team established within the Operating Structure.

<b>Total Public Expenditure</b>	<b>: 11,216,000 (euro) (2007-2009)</b>
<b>EU Funding</b>	<b>: 8,412,000 (euro) (2007-2009)</b>
<b>Maximum Intervention Rate</b>	<b>: 75 % (2007-2009)</b>

### **Measure 3.1: Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation**

#### **Specific Objectives**

The specific objectives of this measure are to provide technical and financial support for the preparation, implementation, monitoring, control and evaluation processes of the RCOP in order to ensure effective implementation of the programme and effective use of the IPA resources.

This measure will also aim to develop a concrete project pipeline, which will be eligible for financing under the RCOP, in accordance with the demand and needs of the SMEs (bottom-up approach) and to increase the project absorption capacity especially for the target regions.

Furthermore, this measure will support the accreditation preparations of the Operating Structure which will be carried out after the transition period.<sup>20</sup>

#### **Rationale**

One of the major barriers in the preparation process of the RCOP is the lack of a solid and concrete project pipeline, which contributes to determine intervention areas and measures of the RCOP and corresponds to the actual needs of SMEs.

On the other hand, local public and private institutions, sectoral associations, NGOs do not have the necessary capacity in the development and implementation of the projects. Enhancement of the capabilities of the future beneficiaries to meet the requirements concerning the preparation of projects eligible for co-financing under the RCOP measure is of significant importance.

The implementation, management, monitoring, evaluation and control of the IPA Funds utilisation require an extensive and professional administrative framework. This applies both to the RCOP Operating Structure within the MoIT, and to the other institutions involved in the RCOP implementation. Furthermore, effective tasks fulfilment connected with the implementation, monitoring and control of IPA assistance within RCOP depends substantially on providing institutions being in charge of the RCOP management and implementation with complete IT office equipment including software as well as typical office equipment.

On the other hand, after the transition period, tendering, contracting and payment functions will be carried out by the Operating Structure. In this respect, a Unit responsible for the implementation of these functions will be established within the Operating Structure. In order to properly implement these functions, the utmost importance should be given to the establishment of required institutional capacity and development of skilled human resources as well as the reaccreditation of the Operating Structure following the transition period.

#### **Description**

Within the framework of this measure, comprehensive support activities with regard to the preparation, management, implementation, monitoring, control and evaluation of the RCOP as well as the reaccreditation of the Operating Structure following the transition period will be provided particularly focusing on the strengthening administrative, technical and human resources capacity of the Operating Structure and other institutions involved in the implementation of the RCOP as well as the national, regional, local and sectoral stakeholders of the RCOP.

Furthermore, purchase and installation of complete IT devices and the other office equipment together with the suitable software is planned within this measure.

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<sup>20</sup> Transition period covers the first programming period (2007-2009)

## Eligible Actions

- **Support to the preparation of a project pipeline**, in particular aiming at providing:
  - Consultancy and training in project preparation and implementation
  - Support to project formulation and development
  - Appraisal of project proposals received in terms of their eligibility under the RCOP
  - Implementation of studies as may be necessary for the implementation of the current OP and for the preparation of future OPs,
  - Preparation of a list of projects eligible for financing under the RCOP
- **Carrying out researches, studies, surveys etc.** with link to the strategic priorities of the RCOP to support the implementation process of the RCOP
- **Providing assistance in the management process**, in particular aiming at providing:
  - Assistance in appraisal of operations
  - Assistance in projects' selection and verification process
  - Preparation of tender documents
  - Advice to the Operating Structure on improvements to the OP management and correctness of operations,
  - Exchange of experience for the staff involved in OP management through study visits and internships,
  - Support to the preparation of training need analyses and development of training plans,
  - Remuneration costs for civil servants transferred to the Operating Structure to implement the tasks relating to preparation, selection, verification, implementation, audit and monitoring of measures, and other employees dealing with performance of the above mentioned tasks,
- **Monitoring process**, in particular focusing on supporting:
  - Activities of the RCOP Monitoring Committee (including administrative costs, organisation of meetings and other costs related to the Committee activities),
  - Providing expert services and training for the Monitoring Committee,
  - Providing expertise on improving the effectiveness of the monitoring system,
  - Preparation of the RCOP implementation reports by the Operating Structure,
  - Collecting data from monitoring sources.
- **The Control process**, in particular aiming at:
  - Carrying out an external audit (organisational and financial) by independent auditors,
  - Carrying out on-site checks.
- **Evaluation:**
  - Covering eligible administrative costs for the operations of the Evaluation Team within the Operating Structure,
  - Costs related to the evaluations carried out by external evaluators,
  - Providing necessary trainings to the staff of the Evaluation Team.
- **Purchase and installation of hardware, software and other office equipment** required for management, implementation, monitoring, control and evaluation of the RCOP.
- **Providing assistance to the Operating Structure after the transition period**, in particular aiming to support:
  - Establishment of necessary structures ,

- Preparation and updating of necessary documents for accreditation,
- Providing expert assistance and trainings for the staff of the Operating Structure.

### Final Beneficiaries

The responsible institutions for the implementation of this measure are the RCOP Operating Structure (TA Team for RCOP within the MoIT) as well as the national, regional, local and sectoral stakeholders of the RCOP.

Final beneficiaries of the measure are given below:

- RCOP Operating Structure,
- RCOP Monitoring Committee,
- Project Selection Committees,
- MoIT
- Other institutions involved in the implementation of the RCOP
- Public Institutions,
- Universities,
- Local and regional authorities,
- Chambers of Commerce and Industry,
- OIZs, SSIEs, TDZs, TDCs etc.,
- NGOs,
- Sectoral Associations,
- SMEs

### Monitoring Indicators

**Total Public Expenditure** : 9,366,000(euro) (2007-2009)

**EU Funding** : 7,024,500 (euro) (2007-2009)

**Maximum Intervention Rate** : 75 %

Type of indicators	Indicator	Baseline value (2006)	Target (2009)	Source of verification
OUTPUT INDICATORS	Number of trainings organised for project preparation, formulation and implementation	0	24	MoIT, Monitoring System, project and programme reports
	Number of Monitoring Committee's meetings assisted	0	6	MoIT, Monitoring System, programme reports
	Number of controls on the place of realisation of projects	0	45	MoIT, Monitoring System, project and programme reports
	Number of commissioned expertise, analyses and studies	0	10	MoIT, Monitoring System, final beneficiary, project and programme reports
	Number of study visits and internships	0	6/3	MoIT, Monitoring System
	Number of purchased and installed Work Stations*	0	255	MoIT, Monitoring System, programme reports

\* Work Stations includes at least computer, printer, access to Internet, software, copier, fax, audiovisual conference equipment, etc.



## **Measure 3.2: Publicity, Information and Promotion of the OP Measures**

### **Specific Objective**

The objective of this measure is the implementation of the obligations arising from Articles 62 and 63 of IPA Implementing Regulation concerning the promotion of the RCOP and its operations and informing entities interested in receiving support from the RCOP, as well as the general public, about the opportunities provided by the assistance and its outcomes.

### **Rationale**

In order to make the public more aware about the assistance given under the RCOP, information about the Programme should be disseminated to the all interested parties and effective information distribution channels should be established by the Operating Structure.

### **Description**

Under this measure, potential and final beneficiaries of the RCOP operations will be informed about the content, selection criteria and eligibility rules of the assistance offered by the RCOP through the information events (such as conferences, seminars, fairs and exhibitions), publications (such as booklets, leaflets and newsletters), electronic means (websites, databases for potential beneficiaries) and/or audio-visual materials.

### **Eligible Actions**

- Issuing and distributing information, promotional and educational material,
- Establishing a system for an on-going information about OP implementation, the changes made and reallocations,
- Organising conferences, training and workshops,
- Setting up an information exchange system (through the Internet, media, brochures, folders, CD etc.) for potential beneficiaries, economic, commercial, professional and other institutions on the contents of the assistance and accessibility of the IPA funds for implementation of specific projects.

### **Final Beneficiaries**

Final beneficiaries of the measure are given below:

- RCOP Operating Structure,
- Other institutions involved in the RCOP implementation,
- Public and private institutions,
- Local and Regional Authorities,
- Universities,
- OIZs, SSIEs, TDZs, TDC, etc.
- Chambers of Commerce and Industry,
- Sectoral Associations,
- NGOs,
- SMEs
- Media,
- General public etc.

Monitoring Indicators  
 Total Public expenditure : 1,850,000 (euro) (2007-2009)  
 EU Funding : 1,387,500 (euro) (2007-2009)  
 Maximum Intervention Rate : 75 %

Type of indicators	Indicator	Baseline value (2006)	Target (2009)	Source of verification	
				OUTPUT INDICATORS	RESULT INDICATORS
	Number of publicity events (seminars, conferences, meetings, workshop etc.)	0	50	MoIT, Monitoring System, programme reports	MoIT, Monitoring System, project and programme reports
	Number of project proposals received	0	1,500		

### 3.3. Horizontal Issues

The horizontal issues which will be integrated into all the priority axis and measures of the RCOP are: equal opportunities for men and women, environmental protection, participation of civil society, and geographic and sectoral concentration. The priorities and measures defined in the RCOP contribute to the attainment of these horizontal objectives.

#### Equal Opportunities for Men and Women

In recent years, Turkey has accomplished an important progress towards improving women's rights, especially in the legal framework. However an environment in which legislation can be implemented has not been fully created. The legislation should be backed up through concrete action plans, strong institutions and sufficient resources.

Despite the positive developments and the legal guarantee provided by the Constitution and relevant laws, the situation of women in Turkey, particularly in the 12 NUTS II regions, remains a source of concern especially in the fields of access to education and low participation rate in to the labour market. Women are vulnerable to discriminatory practices due to their low level of educational attainment. Full respect of women's rights remains a major problem, particularly in the poorest areas of the country.

Compared to the EU averages, in Turkey labour force participation rate and employment rate of women is quite low. According to 2005 TURKSTAT data for the 15-64 age group, the male labour force participation rate of 76.2 % is very close to EU25 average of 77.9 %, whereas female labour force participation rate of 26.5 % is substantially lower than the EU25 average of 62.9 %.<sup>21</sup>

The major reasons of this huge gap between men and women in terms of employment and labour force participation rates are:

- Long term and high unemployment rates in the country,
- The decrease in agricultural employment,
- Insufficient qualifications of women previously employed in the agricultural sectors to be employed in non-agricultural sectors in urban areas,
- Lack of opportunities to access child-care and elderly-care services.

Within this framework, women's participation in the labour force should be encouraged and substantial reduction in gender gaps in employment and unemployment rates should be achieved through measures that facilitate their access to new jobs, financial instruments and consultancy services. Women entrepreneurship will be encouraged via start-ups support and consultancy services.

Equal opportunities for men and women are addressed by all the measures of the RCOP and all the measures of the RCOP will contribute directly or indirectly to increase the employment rates of women.

The below mentioned measures will specifically address this horizontal theme:

- Measure 1.2: Creation and Development of Financing Instruments
- Measure 2.1: Providing Basic Information and Consultancy Support for Enterprises
- Measure 2.2: Strengthening of Cooperation in Industry Corporate Sector

During the implementation of the RCOP, equal opportunities for men and women will be ensured through preference points in projects evaluation and selection processes. In this respect, a selection criterion towards ensuring equal opportunities for men and women will be added under each measure. Besides, the potential beneficiaries requesting financial assistance from the RCOP will be obliged to

<sup>21</sup> TURKSTAT, 2005 (for Turkish male and female labour force participation rates.)

demonstrate that their projects do not infringe this horizontal theme, and special attention will be paid to women entrepreneurship and employment.

Furthermore, the Operating Structure for the RCOP shall also consider a gender balanced participation in the composition of the Monitoring Committee and Project Selection Committees.

Implementation of this horizontal issue will be monitored by the Operating Structure and the Monitoring Committee for the RCOP during all the phases of the RCOP implementation.

### **Environmental Protection and Sustainable Development**

One of the main sources of environmental pollution is industrial enterprises. Due to the industrialisation and development, a substantial amount of industrial enterprises pollute the environment by giving solid, liquid and gas wastes to air, water and soil without taking enough precautions especially in production activities. Besides that, miscellaneous waste, residue and emission charges which are given by various sectors show many differences. Nonetheless, produced pollution shows differences according to the labour intensity, geographical concentration and the kind of used energy of the sectors in their production process.

Most of the firms working in the manufacturing industry in Turkey are located in or nearby the big cities, nearby the most suitable harbours, sea sides, river and lakeside that provide them to get rid of industrial wastes with low cost. Although Turkey had also put into operation various international and EU environmental regulations, because of the absence of sufficient waste treatment and storage plants, the implementation of legal arrangements cannot be effective.

Other main problems of Turkey with respect to protection of environment which is the main condition for sustainable development are the growth rate of Turkey, usage of relatively old technologies, the weight of labour intensive pollutant sectors like textile, leather, and chemistry in production.

One of the main tools for solving these environmental problems is to provide for the development of industrialization in controlled Organized Industrial Zones (OIZs) and Small Scale Industrial Estates (SSIEs). OIZs and SSIEs, which cover nearly 50% of the manufacturing industry enterprises in Turkey, have important functions for controlled development of industry, protection of environment and production practices compatible with EU environmental norms.

Besides, OIZs, which are important in terms of regulating the relations between urbanisation and industrialisation, offer considerable opportunities for controlling the negative effects of industry upon environment, allowing for easier and less costly production and for benefiting from less costly infrastructure services.

93 OIZs have been completed by 2006. In these zones, it is necessary to develop Environmental Management Systems based on scientific data in order to prevent the environmental pollution generated from the OIZ's wastewater.

Supporting OIZs, which are important production and investment areas, in the direction of producing environment management systems and taking into operation by establishing waste water treatment plants is essential and important for removing unfavourable effects of development of manufacturing industry to environment, effective usage of environmental norms and assuring sustainable development.

In this respect, the "Environmental Protection and Sustainable Development" concept will be taken into account in the implementation of all measures of the RCOP. Every action, which will be taken under the RCOP, will be compatible with environmental norms and standards and negative effects of industrialisation over environment will be reduced. Furthermore, under the second priority of the RCOP, enterprises and projects implementing environment friendly production methods and meeting

environmental standards will be given priority, including in improving energy efficiency and use of renewable energy.

Furthermore, during the implementation of the RCOP, especially at the project selection phase, compliance with the relevant environment acquis such as EIA, and avoiding negative impact on potential Natura 2000 Sites will also be taken into account. According to the By-law on Environmental Impact Assessment (EIA) which is in compliance with the provisions of the EIA Directive (85/337/EEC), under no circumstances, the projects that are subject to EIA receive any incentive, approval, permit, license (construction and utilization), credit or financial support unless the decision "EIA Positive" is obtained from the Ministry of Environment and Forestry. Within this framework, the projects that are subject to EIA will only be financed by the RCOP with the decision of "EIA Positive". During the implementation of the projects particularly in the implementation of the tourism development projects under Measure 1.4 (Improvement of Tourism Infrastructure, Promotion and Marketing Activities), the utmost importance will be given to the EIA and protection of potential Natura 2000 sites.

Furthermore, under Measure 2.1, the RCOP will also promote the implementation of EMAS (Environmental Management and Audit Scheme) on a voluntary basis by providing basic information and consultancy support to the enterprises in the fields of environmental issues including EMAS.

### Civil Society Involvement

Civil society has been involved in the preparation process of the RCOP from the very beginning. The list of the civil society organisations involved in the drafting process of the RCOP is given below:

- The Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- Turkish Artisans and Craftsmen Confederation (TESK)
- Technology Development Foundation of Turkey (TTGV)
- Trade Unions (Management Board of the OIZs and TDZs, etc.)
- Sectoral Assemblies via TOBB
- Regional and Sectoral NGOs (See Annex-1)

The above mentioned organisations have taken place in the RCOP Working Group which functions to steer the OP's preparations. Furthermore, Management Boards of Organised Industrial Zones and the companies operating in the Technology Development Zones have been consulted during the preparation of the RCOP.

Furthermore, during the programming phase of the RCOP, local and regional stakeholders have been also consulted. In order to give the opportunity to the local and regional partners in the 12 NUTS II regions as well as the whole public in all over Turkey to take part in the preparation process of the OP, a consultation process has been launched by the MoIT.

During this consultation process, formal letters have been sent to all local and regional stakeholders with the template Questionnaire on the RCOP. In order to support this consultation process and to give necessary information on IPA process and the RCOP, a web page, which contains all relevant information such as executive summary of the RCOP, Turkish translation of the draft RCOP, frequently asked questions, final text of the MIPD, MIEF, SCF and IPA Regulations etc., has been established within the main web page of the MoIT. Questionnaires and contact points from each stakeholder have been received. The opinions proposed by these partners were analysed by the MoIT and relevant ones were reflected to the RCOP.<sup>22</sup>

<sup>22</sup> For the list of the local and regional stakeholders and the response of the MoIT, See Annex 1 – 2.

Wider involvement of civil society and local and regional partners will be ensured in the implementation of the RCOP. In this respect, relevant civil society organisations and regional partners which will participate in the RCOP Monitoring Committee are also given below:

- The Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- Turkish Artisans and Craftsmen Confederation (TESK)
- Technology Development Foundation of Turkey (TTGV)
- South Eastern Anatolia Project (GAP) Regional Development Administration

### Geographic, Sectoral and/or Thematic Concentration

According to the geographical concentration principle in the MIPD, the RCOP will concentrate the resources on the 12 NUTS II Regions having a per capita income below 75% of Turkish national average. According to the SCF, the majority of geographical concentration will be on 15 Growth Centres which are selected among the 12 NUTS II Regions.

In terms of the sectoral concentration principle, manufacturing industry and tourism sectors are taken into account by the RCOP because of their employment generation capacity, contribution to the business stock and foreign revenues of the country as well as their importance in the SME development in the country. Thematic concentrations of the RCOP are the SMEs operating in the manufacturing industry and tourism sectors, R&D, innovation and knowledge society. These themes are regarded as the major driving forces to increase the regional competitiveness of Turkey.

However, the volume of funds available under the RCOP is not sufficient to have a direct macro-economic impact on the regional development of the targeted region. Thus, it is essential to ensure a further sectoral and geographical concentration to achieve the highest impact in the areas of intervention.

Therefore, the RCOP attaches significant importance to ensure a strong selectivity on the interventions, sectors and regions to be supported in order to reinforce the efficient and effective use of funds through sustainable measures.

In this regard, the regional, sectoral and thematic concentration strategy of the RCOP is based on three pillars namely, the "*Competitiveness Map*", the "*Sectoral Concentration Tables*" and "*Growth Centre Classification*" which set out the principles for identification of criteria to be used in the selection of projects.

In addition to these three pillars, the RCOP attaches extensive importance to *inter-regional cooperation* and identifies two principles to prioritize this issue in the project selection phase: the interaction of Growth Centres with their hinterland and the interaction of the target regions with the rest of the country particularly on R&D, innovation and networking issues.

As is stated in the MIPD, while the RCOP measures will be mainly implemented in the 12 NUTS II regions giving particular importance to the 15 Growth Centres, this concentration shall not preclude the implementation of measures supporting national policies and institutions or projects which have regional dimension and which contribute to enhance the competitiveness of the less developed regions. In this context, during the project selection phase, priority will be given to integrated regional development projects aiming to improve co-operation, networking and clustering between the target regions and the relatively developed regions of the country especially in the fields of R&D, innovation and technology usage under the RCOP measures: "Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure", "Providing Basic Information and Consultancy Support for Enterprises", "Strengthening of Cooperation in Industry Corporate Sector".

For all the measures under the RCOP, the calls for project proposals will be non-restrictive and open to all regions in the target area. However, during the project selection phase, projects will be

prioritized according to the detailed project selection criteria based on the concentration strategy of the RCOP.

### Good Governance

This horizontal principle will be respected during the implementation, monitoring and evaluation of the RCOP. In this respect, transparent, objective and impartial implementation of IPA funds in the RCOP, particularly in the selection of project proposals, will be ensured.

### Non-Discrimination and Concern of Disadvantaged Persons

Non-discrimination and equal opportunities for each individual are basically guaranteed in the Constitution. In the Article 10 of the Constitution, it is stated that "All individuals are equal without any discrimination before the law, irrespective of language, race, colour, sex, political opinion, philosophical belief, religion and sect, or any such considerations. Men and women have equal rights and the State is responsible to implement these rights."

In this respect, the utmost importance will be given to this horizontal principle in all stages of the implementation of the RCOP and the Operating Structure will guarantee the accessibility of all disadvantaged persons to the information and support to be given under the RCOP without any discrimination.

Participation of the disadvantaged persons to the implementation of the RCOP will be facilitated in the all measures of the RCOP in the same way as the equal participation of men and women.

People with disabilities will also be taken into account in all actions under the RCOP in order to facilitate their participation in full equality with all other beneficiaries and to ensure they are not discriminated because of their disability. In particular during the project selection phase, the projects taking into account the disabled persons will be graded extra score.

### Horizontal Indicators

Monitoring mechanisms foreseen in the RCOP, where appropriate, will also assess the results achieved with regard to the relevant horizontal issues. In order to monitor the progress attained, the following horizontal indicators will be used:

Type of indicators	Indicator	Baseline value (2006)	Target (2009)	Source of verification
RESULT INDICATORS	Share of enterprises and start-ups receiving financial support owned by women	0	15%	MoIT, Monitoring System, final beneficiary, project and programme reports
	Share of enterprises and start-ups owned by women using services provided by granted business support institutions	0	15%	MoIT, Monitoring System, final beneficiary, project and programme reports
	Number of projects presented by the civil society	0	60	MoIT, Monitoring System, programme reports
	Share of the RCOP budget allocated to the Growth Centres	0	75%	MoIT, Monitoring System, programme reports

**3.4. Complementarities and Synergies with Other Forms of Assistance**

Considering the limited budget allocated from the IPA funds, it is essential to develop a selective approach while determining the regions to implement the major intervention areas of the RCOP.

Overlapping avoidance and complementarities of interventions between the RCOP and other OPs as well as the national and Community programmes are essential in ensuring coherence and efficiency in the management of financial assistance to be given under the RCOP.

### 3.4.1. Complementarities and Synergies with Other Operational Programmes

Within the framework of the above considerations, creating a synergy with the OP Transport, the OP Environment, the OP Human Resources Development (OP HRD) and with the OP Rural Development (OP RD) is particularly essential in order to increase the effectiveness of the interventions of the RCOP. Major areas, which will ensure the complementarity and synergy between the RCOP and other OPs are given in the Figure 17 and Table 48.

**Figure 17: Complementarity of the RCOP with Other OPs**

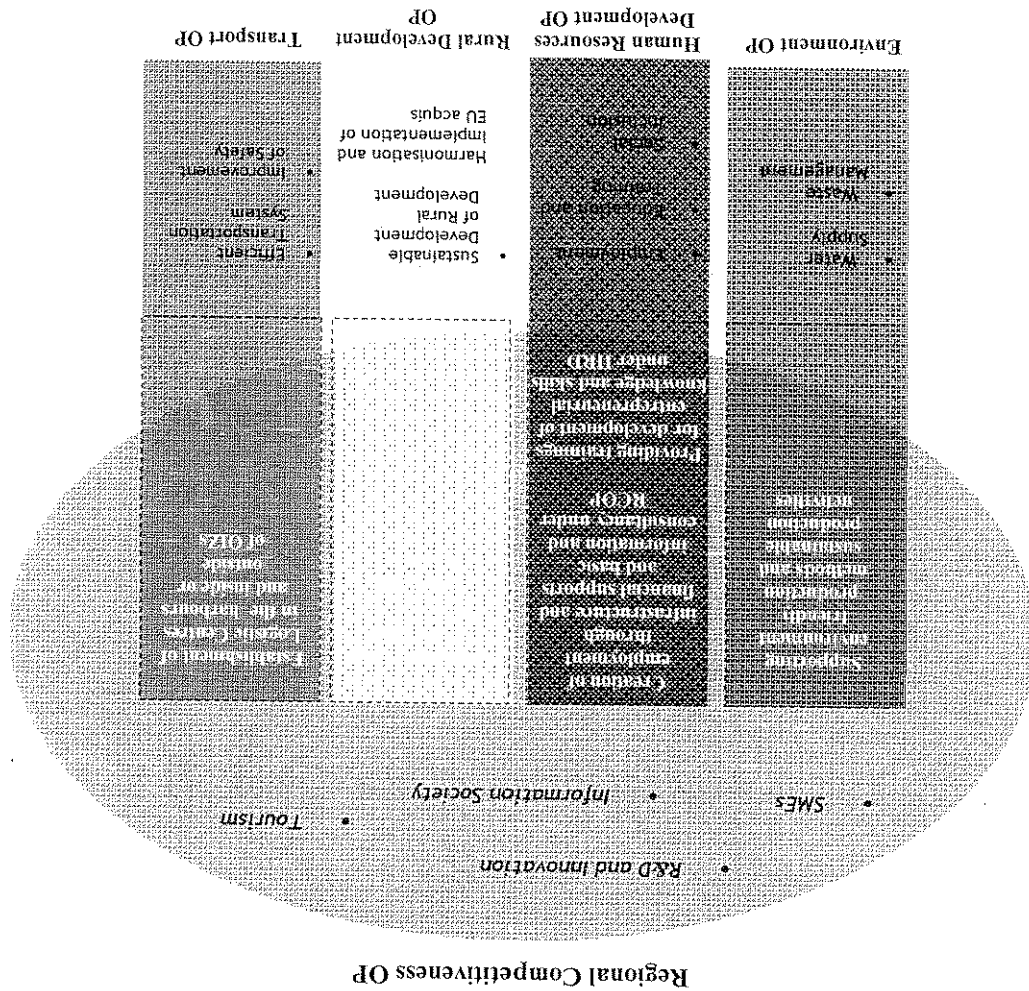




Table 48: Complementarity with Other Operational Programmes

Other Operational Programmes	Regional Competitiveness Operational Programme	Priority Axis 1: Improvement of Business Environment	Priority Axis 2: Strengthening of Enterprise Capacity and Foster Entrepreneurship
	<p>Establishment of Logistic Centres in the harbours and inside or outside of OIZs will be supported under <b>Measure 1.1</b> of the RCOP. This will ensure complementarity with <b>Transport OP</b>.</p> <p>Food industry will be supported in the fields of research and development under <b>Measure 1.3</b> of the RCOP. This will ensure complementarity with the <b>Rural Development OP</b>.</p> <p><b>Rural Development OP</b> will provide supports for the diversification of the rural economy which focus on micro enterprises, with special emphasis on rural tourism and to develop micro enterprises and entrepreneurship based on local knowledge and experience possessed in the context of crafts and handicrafts. On the other hand, revitalising and landscaping, promotion and marketing of the tourism attraction sites, which are not in the rural settlements and establishment of the Tourism Information Centres will be supported by the RCOP under <b>Measure 1.4</b>.</p> <p>In order to provide necessary trainings on the development of entrepreneurial knowledge and skills of SMEs by the <b>Human Resources Development OP</b>, training and education infrastructure for SMEs will be established, improved and refurbished under the <b>Measure 1.2</b> and <b>1.3</b> of the RCOP in close coordination with Human Resources Development OP.</p>	<p>Under the <b>Human Resources Development OP</b>, training services for the development of entrepreneurial knowledge and skills will be provided at start up and development stages in order to obtain required skilled labour force. Furthermore, the HRD OP will also promote women and young entrepreneurship.</p> <p>Supporting human resource capacity of the enterprises by providing necessary trainings from <b>Human Resources Development OP</b> in cooperation with the information and consultancy support provided under <b>Measure 2.1</b> of the RCOP will create a synergy and effectiveness as well.</p>	<p>Based on the bilateral agreement with the Ministry of Agriculture and Rural Affairs, the food industry including meat, milk, fruit and vegetable and fishery sectors will be supported by the RCOP in the fields of basic information and consultancy support under <b>Measure 2.1</b> of the RCOP. On the other hand, investment support for the SMEs operating in the meat, milk, fruit and vegetable and fishery sectors will be provided by the <b>Rural Development OP</b>.</p> <p>Under the <b>Rural Development OP</b>, information and consultancy support will not be provided to the food industry.</p> <p>Supporting environment friendly production methods and sustainable production activities of the enterprises within the scope of RCOP will have a positive effect for achieving the targets of <b>Environment OP</b>.</p>





In order to ensure complementarity and to avoid overlapping among the OPs, coordination mechanisms have been established between the MoIT and relevant Ministries responsible for other OPs.

In this framework, a *Technical Committee* has been established with the *Ministry of Labour and Social Security* to ensure regular dialogue and exchange of information on the interventions of the RCOP and the HRD OP which require close cooperation. Within the framework of the Technical Committee, three meetings have been organised to date (on 5<sup>th</sup> of October 2006, 3<sup>rd</sup> of November 2006 and 29<sup>th</sup> June 2007). This Committee will also be responsible for ensuring coordination during the implementation phase of the two OPs. In this respect, special attention will be given to ensure coordination in the implementation of Measure 1.1 and Measure 1.3 of the RCOP and Measure 3.2 of the HRD OP. Training and education infrastructure for SMEs will be established, improved and refurbished under Measure 1.1 and Measure 1.3 of the RCOP, while Measure 3.2 of the HRD OP will provide necessary trainings for SMEs. During the implementation of the OPs, coordination of these actions will be provided by the Technical Committee.

The further interaction and synergy with the HRD OP are given under **Table 49**.

Table 49: Complementarity between RCOP and HRD OP

RCOP	HRD OP
<p>P1: Improvement of Business Environment M1.1: Development of Industrial Infrastructure</p> <p>The measure will serve to improve employment by increasing the occupancy ratio inside the business sites. Women, young unemployed and disadvantaged persons are mentioned under the project selection criteria and will be favoured.</p>	<p>P1: Improvement of Business Environment M1.2: Creation and Development of Financing Instruments</p> <p>The measure will enable the start up of new business and increase the employment capacity of the existing ones by providing the necessary financial instruments. As a result it will impact positively on the increase of employment.</p>
<p>P1: Improvement of Business Environment M1.3: Improvement of R&amp;D, Innovation and Technology and ICT Environment and Infrastructure</p> <p>The measure will strengthen the links between business and universities, while creating skill demanding jobs. As a result will contribute to the HRD OP which aims to establish better links between the labour market and education and increase the employment.</p>	<p>P1: Attract and retain more people in employment (M1.1.2) P 2: Improve the linkage between education and labour market (M 2.2) P 3: Increase adaptability of workers, enterprises and entrepreneurs (M 3.2)</p> <p>One of the main target groups under the employment priority of the HRD OP is the young unemployed. Figures show that the labour market is not creating sufficient qualified jobs. Measure 1.3 of the RCOP will help to create more qualified jobs in that sense and will meet the needs of the university graduates. Priority 2 of the HRD OP aims to improve the linkage between education and labour market and will enable the necessary basis to train the labour force needed in the field of R&amp;D, Innovation and Technology and ICT.</p> <p>The target group for Priority 3 Measure 3.2 will also benefit by the activities carried out for ICT in the sense of adaptability.</p>

<p><b>P2: Strengthening Enterprise Capacity &amp; Foster Entrepreneurship</b>  <b>M2.1: Providing Basic Information and Consultancy Support for Enterprises</b></p>	<p><b>P1: Improvement of Business Environment</b>  <b>M1.4: Improvement of Tourism Infrastructure</b></p>
<p>The measure aims to improve the entrepreneurial skills of SMEs to foster the creation of jobs; this will create more employment opportunities which will contribute to the HRD OP.</p>	<p>The measure will contribute to increase the employment opportunities in the tourism sector in the targeted regions. Thus will serve the HRD OP which will provide vocational trainings in the tourism area for the unemployed target groups.</p>
 	 
<p><b>P1: Attract and retain more people in employment (M 1.1, 1.2, 1.3)</b>  <b>P3: Increase adaptability of workers, enterprises and entrepreneurs (M 3.2)</b></p>	<p><b>P1: Attract and retain more people in employment (M 1.1, 1.2, 1.3)</b></p>
<p>The HRD OP includes entrepreneurship trainings for the target groups under the employment priority. The trained target groups would be able to be supported by the RCOP to start up their business, namely on the development of business plans etc. In order to avoid duplication, the HRD OP will only provide entrepreneurship trainings to the specific unemployed target groups and will not carry out any activities such as seminars etc. The activities under P3 M3.2 aiming at the improvement of adaptability of workers, enterprises and entrepreneurs will support the RCOP on improvement of entrepreneurial skills of SMEs.</p>	<p>Measure 1.1, 1.2, 1.3 under P1 enable vocational training for the target groups. Vocational trainings on tourism sector will be focused on the regions where RCOP improves the tourism infrastructure.</p>

The MoIT also participates in the meetings of the Working Committees of the Transport and Environment OPs and is involved in the Steering Committee of the Rural Development OP, in order to contribute to the preparation process of these OPs in a way to ensure complementarity and to define demarcation between the RCOP and these OPs.

In order to ensure complementarity and to avoid overlapping with the Rural Development OP, a meeting was held with the Ministry of Agriculture and Rural Affairs on 5th of March 2007. The following decisions were taken during the meeting:

- Although there seem to be similarities between the two programmes with regard to the processing and marketing of agricultural and fishery products, *there are certain differences in terms of beneficiaries and investment types*. Under the Rural Development OP, aid schemes will be provided to the SMEs, whereas under the RCOP, there will be no support to individual enterprises.
- *The food industry* including meat, milk, fruit and vegetable, and fishery sectors will be supported by the RCOP in the fields of “*research and development activities*” and “*basic information and consultancy services*” under *Measure 1.3* and *Measure 2.1* respectively. On the other hand, purchase of equipment, modernisation type investment support for these sectors will be provided by the Rural Development OP.

- *In the field of tourism*, revitalising and landscaping, promotion and marketing of the tourism attraction sites which are not in the rural settlements and establishment of Tourism Information Centres will be supported by the RCOP under *Measure 1.4*. The Rural Development OP will provide support for the diversification of the rural economy which focus on micro enterprises, with special emphasis on rural tourism and to develop micro enterprises and entrepreneurship based on local knowledge and experience possessed in the context of crafts and handicrafts. Besides, under the *Measure 2.1* of the RCOP, there will be no support to the rural tourism enterprises as it is covered under the Rural Development OP and there will be no grant scheme for enterprises under the RCOP.

Furthermore, close coordination will be ensured with the Institution Building component of IPA. Where appropriate, institution building activities supporting the implementation of the RCOP, apart from Technical Assistance measures of the RCOP, will be financed under the Institution Building component of IPA.

During the implementation of the RCOP, where possible, complementarities and synergies with the relevant cross-border programmes, particularly the “Black Sea” cross-border programme financed under the European Neighbourhood Policy Instrument, will be sought.

### 3.4.2. Complementarities and Synergies with National Strategy Documents

Within the scope of the major intervention areas of the RCOP, there are four national strategy documents, the objectives of which are in full compliance with the objectives of the RCOP and the implementation period of which coincides with the RCOP. These national programmes are given below.

#### 9<sup>th</sup> Development Plan (2007-2013)

The objectives, strategy and areas of intervention of the Operational Programme correspond to the 9<sup>th</sup> Development Plan for the period 2007-2013. The main development axes of the Plan are to “Increase the Competitiveness” and to “Ensure Regional Development”. In the Plan, a balanced regional development policy has been introduced which aims to decrease regional development disparities as well as to increase competitiveness of the regions.

In this framework, in the Plan, the Growth Centres approach has been developed. The main idea of this approach is to define certain Growth Centres having high potential in terms of growth and serving

their surrounding especially in less developed regions. The major priorities set out in the Plan for these Centres are to improve their accessibility, to strengthen their physical and social infrastructure and to form new industrial focal points by stimulating investments in the Centres. This approach was also reflected to the SCF and the RCOP.

#### Medium Term Program (2007-2009)

The main objectives of the Medium Term Program are to improve the competitiveness of enterprises, to ensure regional development and decrease disparities.

The major thematic intervention areas of the Medium Term Program are given below:

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

The RCOP is in line with these thematic intervention areas. Furthermore, in terms of regional approach, there is also compliance between the RCOP and the Programme. In the Program, regional growth centres are foreseen in order to steer interregional emigration tendency to these regions.

#### SME Strategy and Action Plan (2007-2009)

The main objective of the SME Strategy and Action Plan is to increase the competitiveness of Turkish SMEs. The major interventions set out in the SME Strategy and Action Plan for the whole country in order to reach these objectives are given below:

- Entrepreneurship Development
- Enterprise Development
- Integration of SMEs into the International Market
- Improvement of Business Environment
- Development of Technological and Innovation Capacity

These thematic interventions are in compliance with the RCOP.

#### Information Society Strategy (2006-2010)

Another guiding document, which was taken into account during the preparation of the RCOP, is the Information Society Strategy (2006-2010).

The implementation of the Strategy document and its Action Plan which are a road map to an information society will contribute to the development of an information society in Turkey. The major intervention areas of the RCOP in the field of ICT have been developed pursuant to the Information Society Strategy.

In the Strategy, the major strategic priorities in the transformation process of Turkey to the Information Society were determined. These strategic priorities are given below:

1. Social transformation
2. Diffusion of the ICT Technologies to the business
3. Citizen focused service transformation
4. Modernisation in the public administration
5. Competitive ICT sector in the global market
6. Competitive, accessible and cheap communication infrastructure and services

The major aim of the second strategic priority is to provide competitive advantage to the enterprises through ICT Technologies. This strategic priority is also covered by the RCOP.

Within this framework, ICT infrastructure for enterprises will be improved under measure 1.3 of the RCOP, while information and consultancy support to the individual SMEs, start-ups, spin-offs and knowledge intensive micro enterprises in the field of ICT and e-commerce will be provided under Measure 2.1.

### **3.4.3. Complementarities and Synergies with the Community Programmes**

Regarding the participation in Community Programmes, as a principle, the RCOP will be implemented in order to get maximum benefit from the Community Programmes in which Turkey will participate.

Within this framework, projects aiming to increase the utilization rate of enterprises from the relevant Community Programmes, particularly Competitiveness and Innovation Programme - CIP (2007-2013) and the 7<sup>th</sup> Framework Programme, will be also supported under the RCOP. In this respect, Under Measure 1.3, convenient infrastructure for R&D, innovation and technology transfer will be established and strengthened, while under Measure 2.1 innovative and high technology oriented individual enterprises will be supported for their R&D investments, and direct informative activities like congresses, seminars and workshops, and consultancy services will be provided to individual enterprises. Furthermore, same type of support will be provided to clusters under Measure 2.2 in order to increase their capacity.

In order to ensure complementarity between the relevant Community Programmes and the RCOP, a cooperation mechanism will be established when the official decision regarding the participation of Turkey to these programmes is taken.

4. FINANCIAL TABLES (eligible expenditure with reference to total public expenditure)

Year 2007	Total Public Expenditure (1)=(2)+(3) (Eur)	Public Expenditure		IPA co-financing rate (4)=(2)/(1) (%)	For Information Other (IFI, etc.) (Eur)
		Community Contrib.(IPA)(2) (Eur)	National Public Contrib.(3)(Eur)		
<b>Priority Axis 1</b>	<b>41.341.335</b>	<b>31.006.000</b>	<b>10.335.335</b>	<b>75%</b>	<b>0</b>
Measure 1.1	10.335.334	7.751.500	2.583.834	75%	
Measure 1.2	14.469.467	10.852.100	3.617.367	75%	
Measure 1.3	10.335.334	7.751.500	2.583.834	75%	
Measure 1.4	6.201.200	4.650.900	1.550.300	75%	
<b>Priority Axis 2</b>	<b>11.173.334</b>	<b>8.380.000</b>	<b>2.793.334</b>	<b>75%</b>	<b>0</b>
Measure 2.1	6.704.000	5.028.000	1.676.000	75%	
Measure 2.2	4.469.334	3.352.000	1.117.334	75%	
<b>Technical Assistance</b>	<b>3.352.000</b>	<b>2.514.000</b>	<b>838.000</b>	<b>75%</b>	<b>0</b>
Measure 3.1	2.681.600	2.011.200	670.400	75%	
Measure 3.2	670.400	502.800	167.600	75%	
<b>Total Year 2007</b>	<b>55.866.669</b>	<b>41.900.000</b>	<b>13.966.669</b>	<b>75%</b>	<b>0</b>

Please note: (1) financial data provided under column 5 "Other (IFI, etc)" is for information only and does not constitute a legal commitment  
(2) financial data provided at measure level is indicative (Article 155.2 (h) of Commission Regulation (EC) No. 718/2007)



Year 2008	Total Public Expenditure (1)=(2)+(3) (Eur)	Public Expenditure		IPA co-financing rate (4)=(2)/(1) (%)	For Information	
		Community Contrib.(IPA)(2) (Eur)	National Public Contrib.(3)(Eur)		Other (IFI, etc.) (Eur)	
<b>Priority Axis 1</b>	<b>42.920.000</b>	<b>32.190.000</b>	<b>10.730.000</b>	<b>75%</b>		<b>0</b>
Measure 1.1	10.730.000	8.047.500	2.682.500	75%		
Measure 1.2	15.022.000	11.266.500	3.755.500	75%		
Measure 1.3	10.730.000	8.047.500	2.682.500	75%		
Measure 1.4	6.438.000	4.828.500	1.609.500	75%		
<b>Priority Axis 2</b>	<b>11.600.000</b>	<b>8.700.000</b>	<b>2.900.000</b>	<b>75%</b>		<b>0</b>
Measure 2.1	6.960.000	5.220.000	1.740.000	75%		
Measure 2.2	4.640.000	3.480.000	1.160.000	75%		
<b>Technical Assistance</b>	<b>3.480.000</b>	<b>2.610.000</b>	<b>870.000</b>	<b>75%</b>		<b>0</b>
Measure 3.1	2.958.000	2.218.500	739.500	75%		
Measure 3.2	522.000	391.500	130.500	75%		
<b>Total Year 2008</b>	<b>58.000.000</b>	<b>43.500.000</b>	<b>14.500.000</b>	<b>75%</b>		<b>0</b>

Please note:

- (1) financial data provided under column 5 "Other (IFI, etc.)" is for information only and does not constitute a legal commitment  
(2) financial data provided at measure level is indicative (Article 155.2 (h) of Commission Regulation (EC) No. 718/2007)

Year 2009	Total Public Expenditure (1)=(2)+(3) (Eur)	Public Expenditure		IPA co-financing rate (4)=(2)/(1) (%)	For Information Other (IFI, etc.) (Eur)
		Community Contrib.(IP A)(2) (Eur)	National Public Contrib.(3)(Eur)		
<b>Priority Axis 1</b>	<b>54.069.335</b>	<b>40.552.000</b>	<b>13.517.335</b>	<b>75%</b>	
Measure 1.1	13.517.334	10.138.000	3.379.334	75%	0
Measure 1.2	18.924.267	14.193.200	4.731.067	75%	
Measure 1.3	13.517.334	10.138.000	3.379.334	75%	
Measure 1.4	8.110.400	6.082.800	2.027.600	75%	
<b>Priority Axis 2</b>	<b>14.613.334</b>	<b>10.960.000</b>	<b>3.653.334</b>	<b>75%</b>	
Measure 2.1	8.768.000	6.576.000	2.192.000	75%	0
Measure 2.2	5.845.334	4.384.000	1.461.334	75%	
<b>Technical Assistance</b>	<b>4.384.000</b>	<b>3.288.000</b>	<b>1.096.000</b>	<b>75%</b>	
Measure 3.1	3.726.400	2.794.800	931.600	75%	0
Measure 3.2	657.600	493.200	164.400	75%	
<b>Total Year 2009</b>	<b>73.066.669</b>	<b>54.800.000</b>	<b>18.266.669</b>	<b>75%</b>	0

Please note:

- (1) financial data provided under column 5 "Other (IFI, etc)" is for information only and does not constitute a legal commitment  
(2) financial data provided at measure level is indicative (Article 155.2 (b) of Commission Regulation (EC) No. 718/2007)

Year 2007-2009	Total Public Expenditure (1)=(2)+(3) (Eur)	Public Expenditure		IPA co-financing rate (4)=(2)/(1) (%)	For Information Other (IFI, etc.) (Eur)
		Community Contrib.(IPA)(2) (Eur)	National Public Contrib.(3)(Eur)		
<b>Priority Axis 1</b>	<b>138.330.670</b>	<b>103.748.000</b>	<b>34.582.670</b>	<b>75%</b>	<b>0</b>
Measure 1.1	34.582.668	25.937.000	8.645.668	75%	
Measure 1.2	48.415.734	36.311.800	12.103.934	75%	
Measure 1.3	34.582.668	25.937.000	8.645.668	75%	
Measure 1.4	20.749.600	15.562.200	5.187.400	75%	
<b>Priority Axis 2</b>	<b>37.386.668</b>	<b>28.040.000</b>	<b>9.346.668</b>	<b>75%</b>	<b>0</b>
Measure 2.1	22.432.000	16.824.000	5.608.000	75%	
Measure 2.2	14.954.668	11.216.000	3.738.668	75%	
<b>Technical Assistance</b>	<b>11.216.000</b>	<b>8.412.000</b>	<b>2.804.000</b>	<b>75%</b>	<b>0</b>
Measure 3.1	9.366.000	7.024.500	2.341.500	75%	
Measure 3.2	1.850.000	1.387.500	462.500	75%	
<b>Total Year 2007- 2009</b>	<b>186.933.338</b>	<b>140.200.000</b>	<b>46.733.338</b>	<b>75%</b>	<b>0</b>

Please note:

(1) financial data provided under column 5 "Other (IFI, etc)" is for information only and does not constitute a legal commitment

(2) financial data provided at measure level is indicative (Article 155.2 (n) of Commission Regulation (EC) No. 718/2007)

## 5. IMPLEMENTATION PROVISIONS

This chapter of the Operational Programme describes the systems and arrangements in place as they are known at the time of the drafting of the Operational Programme. However, a number of critical decisions regarding structures and responsibilities as well as management and information systems will be taken in the context of the accreditation for conferral of decentralised management, which follows a different timing from the adoption of the Operational Programme. To this end, the Framework Agreement, as well as the Financing Agreement to be signed after conferral of decentralised management, will set out detailed provisions regarding management and control systems. The provisions in this chapter must therefore be understood as subject to latter adaptations by the applicable provisions of these agreements, where required.

In accordance with Council Regulation No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) and Commission Regulation No 718/2007 of 12 June 2007 implementing Council Regulation No 1085/2006 (IPA Implementing Regulation), the Prime Ministry Circular of... (date) designated the main structures and authorities for IPA management and implementation tasks. This Chapter lays down the implementation arrangements for the Regional Competitiveness Operational Programme (RCOP).

This chapter also regulates the general framework for the management, monitoring, evaluation, financial management and control, and information and publicity of the RCOP.

According to Article 10 of IPA Implementing Regulation, IPA assistance will be implemented through decentralised management, initially with ex-ante controls by the Commission for Component III and IV. However, the ultimate aim is the conferral of decentralised management to national authorities without ex-ante controls by the Commission. After a transition period, during which the Commission can verify that all the necessary management and control systems are functioning effectively in accordance with the relevant Community and national rules, decentralised management without ex-ante controls may be conferred to the national authorities by the Commission.

### 5.1. Management and Control Structures

#### 5.1.1 Bodies and Authorities

In order to ensure the effective and efficient management of the interventions co-funded from national and IPA resources, the structures and authorities as well as their functions and responsibilities are described in this section in compliance with the relevant provisions of IPA Implementing Regulation (Articles 21 to 31). These authorities and structures must be effectively in place, operationally ready and accredited before the Commission can confer decentralised management.

These structures and authorities are given below: <sup>23</sup>

- (a) National IPA Co-ordinator,
- (b) Strategic Co-ordinator for Components III and IV,
- (c) Competent Accrediting Officer,
- (d) National Authorising Officer,
- (e) National Fund,
- (f) Audit Authority,
- (g) Operating Structure by IPA Component or Programme.

The main functions and responsibilities of the above mentioned bodies except the Operating Structures are given in the relevant articles of IPA Implementing Regulation and in Annex A of the Draft Framework Agreement.

<sup>23</sup> In order to see overall IPA structure in Turkey, Please see *Flowchart* in Annex 6.

Within this framework, only the functions of the Operating Structure responsible for the management and implementation of the RCOP will be given in this chapter.

## Operating Structure for the RCOP

Under the Prime Ministry Circular..., the Ministry of Industry and Trade (MoIT) has been appointed as the Operating Structure for the RCOP.

## Functions

The Operating Structure shall be responsible for the management and implementation of the RCOP under the control of the Monitoring Committee for the RCOP (MC RCOP) in accordance with the principle of sound financial management and effective and efficient internal control. In this respect, according to Article 28 of IPA Implementing Regulation, it shall in particular responsible for:

- drafting multi-annual programmes,
- monitoring programme implementation and guiding the work of the MC RCOP by providing the documents required to monitor the quality of implementation of the RCOP,
- drawing up the sectoral annual and final implementation reports, after their examination by the MC RCOP, submitting them to the Commission, to the NIPAC and to the NAO,
- ensuring that operations are selected for funding and approved in accordance with the criteria and mechanism applicable to the RCOP and that they comply with applicable Community and national rules,
- setting up procedures to ensure the retention of all documents required to ensure an adequate audit trail,
- arranging for tendering procedures, grant award procedures, the ensuing contracting, and making payments to, and recovery from, the final beneficiary,
- ensuring that all bodies involved in the implementation of operations maintain a separate accounting system or a separate accounting codification,
- ensuring that the NF and the NAO receive all necessary information on the procedures and verifications carried out in relation to expenditure,
- setting up, maintaining and updating the reporting and information system,

- carrying out verifications to ensure that the expenditure declared has actually been incurred in accordance with applicable rules, the products or services have been delivered in accordance with the approval decision, and the payment requests by the final beneficiary are correct. These verifications shall cover administrative, financial, technical and physical aspects of operations, as appropriate,
- ensuring internal audit of its different constituting bodies,
- ensuring irregularity reporting,
- ensuring compliance with the information and publicity requirements.

In addition to the above-mentioned responsibilities resulting from the Article 28(2) of IPA Implementing Regulation, the Operating Structure is also responsible for:

- managing the Secretariat of the Monitoring Committee for RCOP,
- ensuring the evaluations of the RCOP,
- implementing the measures under Technical Assistance of the RCOP.

### **Composition**

The Operating Structure will be composed by the following bodies: <sup>24</sup>

- 1) IPA Unit
  - 1.1 Programming Division
  - 1.2 Monitoring and Evaluation Division
  - 1.3 Technical Implementation Division
  - 1.4 Quality Assurance and Control Division
  - 1.5 Tendering, Contracting, Payment and Accounting Division (CFCU)<sup>25</sup>
- 2) Secretariat to the Monitoring Committee for the RCOP
- 3) Internal Audit Unit

The heads of the bodies constituting the Operating Structure shall be clearly designated and shall be responsible for the tasks assigned to their respective bodies.

The Deputy Undersecretary in the Ministry of Industry and Trade will act as the Head of the Operating Structure. The designation of the heads of the bodies, which constitute the Operating Structure, addresses and contact details shall be communicated to the Commission by the NIPAC before the first meeting of the Sectoral Monitoring Committee. Any personnel changes in heads of the specific bodies which constitute the Operating Structure will be notified to the Commission, as appropriate, including any changes which affect the accreditation of the Operating Structure and the Commission's subsequent conferral of management powers.

### **Distribution of Functions**

Currently the Central Finance and Contracts Unit (CFCU) has the sole responsibility for budgeting, tendering, contracting, payments, accounting and financial reporting aspects of the procurement of services, supplies, works and grants in the context of the EU funded programmes and projects in Turkey. During the transition period, the capacity of the CFCU will be developed through the secondment of the staff from the Operating Structure and this capacity will be utilised by the Operating Structure for the financial management of the RCOP. After the transition period, a Finance and Contracts Unit will be established in the Operating Structure for the RCOP.

Within this framework, a protocol will be concluded between the Operating Structure and the CFCU in order to clearly define the functions to be carried out by both sides during the transition period (2007-2010).

In this respect, the tasks, which will be delegated to the CFCU for the transition period within the framework of the Protocol to be signed by the both sides, are given below indicatively:

- setting up procedures to ensure the retention of all documents required to ensure an adequate audit trail,

<sup>24</sup> For Organigramme of the Operating Structure, please see *Annex 7*.

<sup>25</sup> During the transition period, budgeting, tendering, contracting, payments, accounting and financial reporting aspects of the procurement of services, supplies, works and grants in the context of the RCOP will be carried out by CFCU. After the transition period, a Finance and Contracts Unit will be established in the Operating Structure for the RCOP.

- arranging for tendering procedures, grant award procedures, the ensuing contracting, and making payments to, and recovery from, the final beneficiary,
- ensuring that the NF and the NAO receive all necessary information on the procedures and verifications carried out in relation to expenditure,
- ensuring that all bodies involved in the implementation of operations maintain a separate accounting system or a separate accounting codification,
- setting up, maintaining and updating the reporting and information system,
- carrying out verifications to ensure that the expenditure declared has actually been incurred in accordance with the applicable rules, the products or services have been delivered in accordance with the approval decision, and the payment requests by the final beneficiary are correct. These verifications shall cover administrative, financial, technical and physical aspects of operations, as appropriate,

### **5.1.2. Separation of Functions**

#### **Separation of functions between the bodies**

Clear division of tasks has been ensured among the designated IPA bodies. In this respect, clear separation between verifications, controls, and evaluations to be carried out by the Operating Structure and the National Fund has been ensured. Verifications, controls, and evaluations will be performed by the different divisions of the Operating Structure within the MoIT, while these functions will be carried out by the National Fund within the Undersecretary of Treasury.

Furthermore, clear separation between audits and implementation and payment procedures has been guaranteed through the differentiation of the bodies responsible for executing these tasks. Audits will be carried out by the Board of Treasury Controllers, which acts as Audit Authority, whereas implementation and payment procedures will be performed by the Operating Structure and the CFCU.

#### **Separation of functions within the bodies**

Adequate separation of functions has been ensured within the designated IPA bodies.

During the establishment of the institutional mechanism within the Operating Structure and definition of the tasks of each body constituting the Operating Structure, the principle of separation of functions has been taken into account.

In this regard, the operational and financial aspects of an operation will be verified by the staff of the Quality Assurance and Control Division, while the operation will be initiated or implemented by the staff of the Technical Implementation Division of the Operating Structure.

The principle of separation of function will also be respected during the certification procedures within the National Fund. Certificates of statement of expenditure shall be drawn up by a person or department within the National Fund that is functionally independent from any services that approve claims.

Furthermore, the initiation, the ex-ante, and the ex-post controls will be carried out by different persons, functionally independent from each other.

## 5.2. Monitoring and Evaluation

### 5.2.1. Monitoring Arrangements

In order to ensure coherence and coordination in the implementation of the IPA components, programmes and operations as well as the progress in the implementation of IPA assistance, the following monitoring committees will be established:

- IPA Monitoring Committee covering all the IPA components
- Sectoral Monitoring Committees for each OP
- National Coordination Structures:
  - ✓ Financial Cooperation Board
  - ✓ Regional Development and Human Resources Development Coordination Committee for 3<sup>rd</sup> and 4<sup>th</sup> components of the IPA

#### IPA Monitoring Committee

According to Article 58 of IPA Implementing Regulation, Turkey shall, within six months after the entry into force of IPA Implementing Regulation set up an IPA Monitoring Committee, in agreement with the NIPAC and the Commission, to ensure coherence and coordination in the implementation of all IPA components.

The IPA monitoring committee shall satisfy itself as to the overall effectiveness, quality and coherence of the implementation of all programmes and operations towards meeting the objectives set out in the financing agreements as well as in the MIPD. For this purpose, it shall base itself on the elements given by the sectoral monitoring committees.

The IPA Monitoring Committee may make proposals to the Commission, the NIPAC and the NAO for any actions to ensure the coherence and co-ordination between the programmes and operations implemented under the different components, as well as for any cross-component corrective measures needed to ensure the achievement of the global objectives of the assistance provided, and to enhance its overall efficiency.

It may also make proposals to the Monitoring Committee for the RCOP for decisions on any corrective measures to ensure the achievements of the programme objectives and enhance the efficiency of assistance provided under the RCOP.

The IPA Monitoring Committee shall adopt its internal rules of procedure in compliance with a monitoring committee mandate established by the Commission, and within the national institutional, legal and financial framework.

The IPA Monitoring Committee shall include among its members representatives of the Commission, the NIPAC, the NAO, representatives of the Operating Structures, and the strategic co-ordinator. A representative of the Commission and the NIPAC shall co-chair the IPA Monitoring Committee meetings.

The IPA Monitoring Committee shall meet at least once a year. Intermediate meetings may also be convened, in particular on a thematic basis.

#### Monitoring Committee for the Regional Competitiveness Operational Programme

In accordance with Article 59 of IPA Implementing Regulation, the Head of the Operating Structure shall establish a sectoral monitoring committee for the RCOP within six months after the entry into force of the IPA Implementing Regulation.



MC RCOP shall be co-chaired by the Deputy Undersecretary of the MoIT as the head of the Operating Structure for the RCOP and a representative of the Commission. Its composition shall be decided by the Operating Structure, in agreement with the Commission.

The members of the MC RCOP will include (indicatively):

- ◆ The National IPA Coordinator or his/her representative,
- ◆ A representative of the Commission,
- ◆ A representative of the Strategic Coordinator for Components III and IV,
- ◆ Representatives of each body of the Operating Structure for the RCOP:
  - A representative of the Programming Division
  - A representative of the Monitoring and Evaluation Division
  - A representative of the Technical Implementation Division
  - A representative of the Quality Assurance and Control Division
- ◆ The National Authorising Officer
- ◆ A representative of the National Fund,
- ◆ A representative of the CFCU,
- ◆ Representatives from the civil society and socio-economic partners, regional or national organisations interested in active participation in the Programme implementation. These are namely:
  - Small and Medium Sized Industry Development Organisation (KOSGEB)
  - National Productivity Centre (MPM)
  - The Union of Chambers and Commodity Exchanges of Turkey (TOBB)
  - Turkish Artisans and Craftsmen Confederation (TESK)
  - Turkish Technology Development Foundation (TTGV)
  - Scientific and Technical Research Council of Turkey (TUBITAK)
  - South Eastern Anatolia Project (GAP) Regional Development Administration

The composition of the MC RCOP can be reviewed and extended by the Head of the Operating Structure in agreement with the Commission in order to guarantee sufficient representation and membership.

The MC RCOP will be assisted by a permanent secretariat provided by the Operating Structure for the preparation of papers for discussion by the committee or for clearance by written procedure. The Operating Structure shall also inform the MC RCOP regularly about the progress made in implementing decisions from previous meetings.

The MC RCOP will oversee the effectiveness and quality of the programme implementation, and will monitor especially the financial absorption capacity of the different interventions. In accordance with Article 167 of IPA Implementing Regulation, the Monitoring Committee shall (indicative provisions subject to the provisions to be set out in the Financing Agreement):

- consider and approve the general criteria for selecting the operations and approve any revision of those criteria in accordance with programming needs,
- review at each meeting progress made towards achieving the specific targets of the RCOP on the basis of documents submitted by the Operating Structure,
- examine at each meeting the results of implementation, particularly the achievement of the targets set for each priority axis and measures and interim evaluations, it shall carry out this monitoring by reference to the indicators agreed,
- examine the sectoral annual and final reports on implementation,
- be informed of the annual audit activity report or of the part of the report referring to the RCOP,

- examine any proposal to amend the financing agreement of the programme and propose to the Operating Structure any revision or examination of the RCOP likely to make possible the attainment of the programmes' objectives or to improve its management, including its financial management, as well as to oversee the cross cutting themes and publicity measures.

The MC RCOP shall confirm or make proposals to the Head of the Operating Structure, to the Commission, the Strategic Coordinator and the NIPAC to revise the programme following where relevant an evaluation, including the results, output and financial indicators to be used to monitor the assistance.

Each sectoral monitoring committee shall draw up its rules of procedure in compliance with a sectoral monitoring committee mandate set out by the Commission, and within the institutional, legal and financial framework of the beneficiary country concerned. It shall adopt these rules of procedure in agreement with the Operating Structure and the IPA Monitoring Committee, in order to exercise its missions in accordance with this Regulation.

For adequate project evaluation, the Monitoring Committee may appoint working groups, particularly for monitoring activities of horizontal issues and seek opinions of independent experts.

### **National Coordination Structures**

Overall coherence for financial cooperation with the EU as well as participation to Community Programmes shall be ensured through internal mechanisms by the involvement of all key actors (NIPAC, NAO, and Strategic Coordinator) under political ownership. Accordingly, identification of two new structures is envisaged: Financial Cooperation Board (FCB) and Regional Development and Human Resources Development Coordination Committee.

#### ***Financial Cooperation Board***

The Financial Cooperation Board is envisaged to upgrade the current Financial Cooperation Committee and be established under the chairmanship of the State Minister in charge of the EUSG with the involvement of NIPAC, NAO, Strategic Coordinator, the Undersecretary of Ministry of Foreign Affairs, Finance, Transport, Agriculture and Rural Affairs, Environment and Forestry, Industry and Trade, and Labour and Social Security..

This Board will ensure overall coherence for financial cooperation with the EU as well as participation to Community Programmes through political ownership and inter-ministerial coordination.

This Board will be responsible for,

- Monitoring and steering of general financial cooperation process,
- Assessment of overall and annual breakdown of the funds among IPA components,
- Approval of annual programming packages before submission to the EC.

#### ***Regional Development and Human Resources Development Coordination Committee***

As a part of the institutional set-up under IPA, a Regional Development and Human Resources Development Coordination Committee for the SCF will be established. The Committee will be composed of, under the chairmanship of the Strategic Coordinator, Undersecretaries of Ministry of Foreign Affairs, Treasury, Operating Structure responsible for each OP and General Secretary of EUSG. Secretariat of the Coordination Committee will be provided by the Strategic Coordinator.

The tasks and responsibilities of the Regional Development and Human Resources Development Coordination Committee are as follows:

- To steer the management of the SCF
- To secure OP's compliance with the SCF
- To review the progress being made towards achieving objectives and targets on the OP base
- To propose to the Operating Structure any revision of the programme for the attainment of the programmes' objectives and improvement of its management
- To consider and approve any proposal to amend the financing agreement of the programme

### **5.2.2. Management Information System**

A common Management Information System has been developed and put into force by the SPO for the EU funded Regional Development Programmes. This system which is used for monitoring approximately 1250 projects being implemented in 33 provinces and will be further developed and used for the programmes and projects financed under the IPA.

Within this framework, the Ministry of Industry and Trade will use this central Management Information System (MIS) for monitoring of the RCOP. All relevant data will be entered into this system. Both the Operating Structures and other bodies involved in control and implementation of the Programme shall if possible have access to this system.

Main tasks of the MIS will include:

- Provision of proper, efficient and transparent management of the IPA funds and national resources,
- Provision of the Operating Structures with the necessary IT tools that will enable them:
  - ✓ to monitor and manage the implementation of operations and projects, from the moment of tendering and call for proposal to the closure of the RCOP, in particular results whenever feasible and outputs,
  - ✓ to carry out and monitor financial transactions,
  - ✓ to ensure required reporting to the European Commission on implementation of the RCOP.

### **5.2.3. Monitoring System and Indicators**

The quantitative and qualitative progress made in implementing the RCOP as well as its efficiency and effectiveness in relation to its objectives will be measured by the use of evaluation and monitoring indicators related to the results and outputs of the individual measures.

The Head of the Operating Structure is responsible for programme monitoring. In this context, the Operating Structure will collect performance data (outputs, results and expenditure) from operations and projects. It will establish, maintain and update the reporting and information system by taking this project level data and aggregate it to measure, priority axis and whole OP levels. Data on individuals who are the ultimate beneficiaries will be collected for each project and used for aggregation at measure and priority level. On this basis, the Operating Structure will assess the progress of the OP at each level against objectives and targets, prepare reports to the MC RCOP, draft the sectoral annual and final reports on implementation and launch interim evaluations if required.

In the context of monitoring and for the purpose of using indicators, the role of the Operating Structure will also be to ensure that:

- monitoring requirements are built into the calls for tender and proposals documents (application forms and guidelines for applicants),

- project applications (when appraised and selected) include proposed outputs and results, as well as data on individuals, that are consistent with the RCOP indicators for the appropriate measure,
- provision of data is built into the contract with beneficiaries as an obligation, and that performance data is provided systematically and in a timely manner by beneficiaries alongside the project reimbursement claim.

#### 5.2.4. Selection of Operations

According to Article 158 of IPA Implementing Regulation, all operations which are not major projects and which are implemented by final beneficiaries other than national public bodies shall be selected through calls for proposals.

The Operating Structure will set up a selection committee for each call for proposals launched for the selection of operations financed under a specific measure. The Selection Committee will appraise project applications in compliance with the selection criteria and methodologies agreed by the MC RCOP and published in the call for proposals documents.

The applications will first be screened for their compliance with eligibility and administrative criteria meeting the relevant eligibility requirements set out in the relevant measures and thereafter will be evaluated according to their quality. The Selection Committee will then make recommendations to the Operating Structure, in compliance with Article 158 of the IPA Implementing Regulation. The Operating Structure shall decide whether to approve the results of the selection procedure and state the reasons for its decision.

All the actions during the evaluation and selection phase of the project proposals are under the responsibility of the **Programming Division** of the **IPA Unit**. This Division is responsible for the establishment of a “Project Selection Committee”. This Division will not only determine the members of the Project Selection Committee but also carry out its secretariat task. The Chairman of the Project Selection Committee will be the **Manager of the IPA Unit**.

#### 5.2.5. Sectoral Annual and Final Reports on Implementation

Sectoral annual and final reports on implementation will be prepared by the Operating Structure in accordance with the Article 169 of IPA Implementing Regulation. These reports will assess the implementation progress covering the attainment of set objectives, the problems encountered in managing the programme and the measures taken, the financial execution as well as monitoring and evaluation activities carried out. These reports will be discussed at least at the second MC RCOP meeting of each year.

#### 5.2.6. Evaluation Arrangements

Evaluations are a tool for assessing the relevance, efficiency and effectiveness of the financial assistance as well as the impact and sustainability of the expected results. As a minimum, an ex-ante evaluation and an interim evaluation will be carried out under the responsibility of the Head of the Operating Structure in accordance with the principles laid down in the IPA Implementing Regulation and guidance provided by the Commission.

##### *Ex-Ante Evaluation*

Under the responsibility of the Operating Structure, an ex ante evaluation of the RCOP has been carried out by independent expert within the framework of the technical assistance project called *“Support to the SPO to Build Capacity at Central, Regional and Local Level to Implement*

*Economic and Social Cohesion Measures.*" SPO has bearded overall responsibility for over-seeing and coordinating the ex-ante evaluation process.

Key points related to the Ex-ante Evaluation and Ex-ante Evaluation Report of the RCOP are provided as an Annex. (*See Annex 9*) Furthermore, a summary of the results of the ex-ante evaluation and the way the evaluation was conducted is also given under Section 1.4 of the RCOP.

The main purposes of the ex ante evaluation were to:

- assess whether the overall programme is an appropriate means for addressing the issues confronting Turkey
- check whether the programme has well defined strategic axis, priorities and objectives that are relevant to Turkey's needs and is achievable
- advise on the quantification of objectives and the establishment of a basis for both monitoring and future evaluation work
- review the adequacy of the implementation and monitoring arrangements and help with the design of project selection procedures and criteria

### ***Interim Evaluation***

During the implementation of the RCOP, interim evaluations complementing the monitoring of the RCOP will be carried out, in particular where this monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of the RCOP. At any rate, evaluations will be planned to provide data on indicators agreed upon in the RCOP that cannot be obtained through the monitoring system. In addition, strategic evaluations or thematic evaluations can be carried out under the responsibility of the Operating Structure.

The results shall be sent to the ad-hoc committee on evaluations, to the MC RCOP and to the Commission.

### ***Ex-post Evaluation***

The ex-post evaluation will be the responsibility of the European Commission in collaboration with the Strategic Coordinator. The ex-post evaluation will be carried out by independent experts and will be completed not later than three years after the end of the programming period.

The results of the evaluations will be published according to the applicable rules on access to documents.

### ***Evaluation Function***

The Head of the Operating Structure is responsible for ensuring that adequate evaluations of the RCOP. The evaluations will be carried out by external experts or bodies functionally independent from the management and control systems due to the lack of necessary capacity within the Operating Structure.

In order to ensure that evaluation requirements laid down in the IPA Implementing Regulation have been met, a separate team for the evaluation functionally independent from the management and control structures will be set up under the Monitoring and Evaluation Division of the Operating Structure. A Coordinator and several numbers of experts will be appointed to the Evaluation Team. Coordinator and experts of the Evaluation Team can not work in the Programming Team or other teams involved in the management and control of the RCOP. In order to increase the human resources capacity of this Team, trainings related to the evaluation and evaluation methods will be provided to its staff under the Technical Assistance priority of the RCOP.

Functions of the Evaluation Team are given below:

- Ensuring the evaluations of the RCOP,
- Co-ordination of activities related to evaluation of performance and achievements of the RCOP,
- Provide inputs to next programming, identification and formulation phases on the basis of lesson learned during the implementation of evaluation exercises.

#### *Evaluation Committee*

MC RCOP will designate an ad-hoc committee to assist the Operating Structure in its evaluation activities. The Committee members will be experts in evaluation.

The Committee will provide guidance and assistance to the Evaluation Team of the Operating Structure. The assistance will take place at all stages of the evaluation (guidance, planning, implementation, communication of results). Relevant stakeholders will also be able to contribute.

#### *Evaluation Activities and Timing*

<b>Indicative Evaluation Activities</b>	<b>Timing</b>
Ex-Ante Evaluation of the RCOP	Parallel with the drafting process of the RCOP. From the beginning of the programming process till the approval of the OP.
Interim Evaluation of the RCOP	2009
Ex-Post Evaluation of the RCOP	Not later than three years after the end of the programming period.

### 5.3. Information and Publicity

#### 5.3.1. Introduction

Information and publicity are important aspects of pre-accession assistance and in particular to the successful design and delivery of the Operational Programmes.

The information to be provided by the Operating Structure should include inter alia the publication of the list of final beneficiaries, the names of the operations and the amount of Community funding allocated to operations.

#### 5.3.2. Requirements

In accordance with the relevant Articles of IPA Implementing Regulation and the European Commission Regulation (EC) 1159/2000 of 30 May 2000, the Operating Structure of the RCOP is responsible for providing information on IPA assistance to the potential beneficiaries and keeping the public informed about the support activities of the European Union.

In order to carry out these functions, a special Team responsible for information and publicity of the RCOP has been established within the Operating Structure. The tasks of this Team include mainly:

- preparing the *Communication Action Plan*
- informing the Commission about amendments made to the *Communication Action Plan*,
- managing the communication activities of the Plan and related budget,
- participating to the working group promoted by the MoIT,
- managing the information on the contents of the RCOP provided at the Ministry's website,
- preparing timely publication of materials related to RCOP (newsletter, leaflets, reports, etc.)
- supervising general public awareness researches,
- monitoring the communication actions undertaken by the Implementing Institutions and beneficiaries and providing advice to support compliance with EU publicity requirements,
- supporting the organisation of conferences and other information events in partnership with the key stakeholders of the RCOP and the other Operating Structures,
- managing the media aspects of such events,
- responding to requests for information from the media and general public,
- organizing and implementing a monitoring system to verify the effectiveness of the plan,
- preparing the monitoring reports on information and publicity activities for the MC RCOP and for the European Commission.

In accordance with the relevant Articles of IPA Implementing Regulation and taking into account European Commission Regulation (EC) 1159/2000, the Publicity Team of the Operating Structure will elaborate a Communication Action Plan to provide a strategic coherence to the set of activities to publicise information about IPA assistance. This Communication Action Plan will cover the entire implementation period of the RCOP.

The Publicity Team of the Operating Structure will submit a draft of the Communication Action Plan to the Commission within four months of the date of the signature of the Financing Agreement covering the RCOP.

The Communication Action Plan will at least include the following issues:

- The aims and target groups
- The strategy and content
- The indicative budget
- The administrative departments

- The criteria used for evaluation

### **5.3.3. Activities**

The Publicity Team will ensure that the information and publicity measures are implemented in accordance with the Communication Action Plan.

This Team will be responsible for organising at least the following information and publicity measures:

- A major information activity publicising the launch of the RCOP,
- At least one major information activity a year, as set out in the Communication Action Plan, presenting the achievements of the RCOP,
- The publication of the list of beneficiaries, the names of the operations and the amount of Community and national funding allocated to the operations.

The Publicity Team shall provide potential beneficiaries with clear and detailed information on at least the following:

- The possibility of financing opportunities offered jointly by the Community and Turkey through the RCOP,
- The conditions of eligibility to be met in order to qualify for financing under the RCOP,
- A description of the procedures for examining applications for funding and of the time periods involved,
- The criteria for selecting the operations to be financed,
- The contacts at national, regional or local level that can provide information on the RCOP.

### **5.3.4. Indicative Budget**

The indicative budget for the Communication Action Plan for the period 2007 – 2009 is **1.850.000 million** Euros allocated from the Technical Assistance budget of the RCOP, to cover the costs for the publicity and information measures.

### **5.3.5. Management and Implementation**

Within the Ministry, information and communication activities will be carried out by the Publicity Team established under the Programming Division of the Operating Structure. The Publicity Team will be composed of the experts involved in the preparation process of the RCOP as well as the officials from the Press and Public Relations Counsellorship and the Data Processing and Evaluation Department of the Ministry.

The Publicity Team will support the Head of the Operating Structure in the performance of the following functions and responsibilities:

- Discuss the Communication Action Plan with the Commission,
- Coordinating with the information and publicity activities under other IPA funded programmes,
- Elaboration, implementation and assessment of the RCOP Communication Action Plan,
- Represent the RCOP in the relevant national and Commission information networks,
- Handling enquiries from beneficiaries,
- Monitoring and control on the fulfilment of the publicity and information requirements from the beneficiaries,



- Development, production and distribution of information materials, preparation and implementation of public events,
- Development and maintaining the contents of the programme website,
- Liaison with the IT regarding technical maintenance,
- Management of out-sourced services,
- Elaboration and monitoring annual Communication Action Plans and coordination of internal events and trainings.

#### ***5.3.6. Monitoring, Evaluation and Reporting***

Monitoring, evaluation and reporting are compulsory requirements for the implementation of the publicity measures of the Communication Action Plan for the RCOP.

The progress made in the implementation of the Communication Action Plan will be reported during the meetings of the MC RCOP. The Head of the Operating Structure will inform the MC RCOP of the information and communication measures carried out and the means of communication used. The Head of the Operating Structure will provide the MC RCOP with examples of communication measures carried out.

The annual and final implementation reports on implementation of the RCOP shall include the following information:

- Examples of information and communication measures for the RCOP undertaken in the implementation of the Communication Action Plan,
- The arrangements for the information and publicity measures concerning the publication electronically or otherwise of the list of beneficiaries, the names of the operations and the amount of public funding allocated to the operations,
- The content of major amendments to the Communication Action Plan.

A set of indicators for evaluation of publicity measures will be included in the Communication Action Plan and represent the essential part of the Plan with regard to the assessment of the efficiency and effectiveness of the implemented publicity activities.

The yearly results of the qualitative and quantitative analysis will be used for the elaboration of the Annual Communication Action Plans and if there is a need for the modification of the Communication Action Plan.

#### ***5.3.7. Partnership and Networking***

Bodies that can act as relays and multipliers for the RCOP and disseminate the information on the RCOP are given below:

- ◆ Professional and trade associations and organisations,
- ◆ Economic and social partners,
- ◆ NGOs,
- ◆ Educational institutions,
- ◆ Organisations representing business,
- ◆ Operators,
- ◆ Information Centres on Europe and Commission Representation in Turkey,
- ◆ Other main stakeholders of each priority.

The Operating Structure will work in close cooperation with the above-mentioned bodies for dissemination of information regarding the RCOP and the IPA.

#### **5.3.8. Internet**

In order to publicise the RCOP and to take the opinions of all interested parties on the RCOP, a web site has been established by the Operating Structure.<sup>26</sup> This web site is also linked to the relevant websites of the Commission as well as the websites of the other Operating Structures.

During the programming period, this web site has been used for the consultation process of the draft RCOP. All the views and opinions submitted to the Operating Structure via the web site have been taken into account and used as an input for drafting the RCOP.

During the implementation period of the RCOP, this web site will also be used for informing the general public about the funding opportunities under the RCOP, amount of the support, eligibility criteria for financial assistance, project selection criteria and selection process etc.

Furthermore, within the framework of the EC-financed project “Capacity Improvement in the field of Economic and Social Cohesion”, a web page has been designed for the Economic and Social Cohesion Inter-ministerial Working Group which involves Strategic Coordinator and Operating Structures. This web page is one of the main instruments of the Inter-ministerial Working Group in publicity of the EU funding opportunities, SCF and OPs under 3<sup>rd</sup> and 4<sup>th</sup> components of the IPA. Main objectives of this web site are to carry out consultation activities related to the OPs, to promote the EU funds in Turkey, to ensure exchange of information and to give updated information to the all stakeholders at central, regional and local level.

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<sup>26</sup> <http://www.sanavi.gov.tr/IPAWeb/IPADeneme.aspx>

## **ANNEXES**

# ANNEX 1 - LIST OF STAKEHOLDERS INVOLVED IN THE IPA WORKING GROUP

List of Central Stakeholders					
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40	Ahmet Selçuk	TOBB	Assistant Expert	SMEs	4138000
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45	Esin Türkeş	Undersecretary of Treasury	Treasury Expert	SMEs, Regional Incentives	2046733
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48	Kadri Yavuz Özbay	Turkish Patent Institution	Patent Expert	Patent	3031385
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67	Burcu Alan Özcan	Ministry of Transport	Assistant EU Expert	Transport OP	5501642
68	Cengiz Taylan Baykara	Ministry of Environment and Forestry	Head of Section	Environment OP	2075436
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**ANNEX 2 – OPINIONS OF THE REGIONAL AND LOCAL STAKEHOLDERS ON THE ELIGIBLE ACTIONS AND  
PRIORITY SECTORS OF THE RCOP**

<b>Proposed Actions in the Questionnaires and their Reflection to the RCOP</b>			
<b>NUTS II REGION</b>	<b>PROPOSED ACTIONS IN THE QUESTIONNAIRES</b>	<b>CORRESPONDING PRIORITIES AND MEASURES OF THE RCOP</b>	<b>THE REFLECTION OF PROPOSED ACTIONS TO THE INTERVENTION STRATEGY OF THE RCOP</b>
<b>TR-63</b>	Improvement of R&D and ICT infrastructure, Technology transfer, Implementation of Grant schemes programmes, supporting the production oriented activities, Establishment of common usage labs, packaging facilities, training facilities, technical and social facilities, production facilities and their refurbishment, Increasing the capacity of the SMEs, trainings on entrepreneurship, following up the start ups through the financial supports, establishment of ISGEMs for the women entrepreneurs, improvement of the infrastructure of the IGEMs	<p><b>Priority 1</b> Measure 1.1 and 1.3</p> <p><b>Priority 2</b> Measure 2.1 and 2.2</p>	All the proposed actions have been taken into account in the design phase of the Intervention Strategy (see Table 46).
<b>TR-83</b>	Providing financial supports to SMEs, Implementation of the grant schemes programmes, Making infrastructure investments for tourism, Setting up clusters, Organizing human resources trainings, Establishment and development of the financial instruments, Improvement of the industrial infrastructure, Establishment of common usage labs, packaging facilities, training facilities, technical and social facilities, production facilities and their refurbishment, Improvement of the R&D and innovation infrastructure, Providing basic information and consultancy supports to the firms, Organizing vocational trainings, Improving rural development, Support to the establishment of the logistic centres, Improving Medical Devices Sector, Establishment of Techno-centre and industrial zone, Improvement of Nanotechnology	<p><b>Priority 1</b> Measure 1.1, 1.2, 1.3 and 1.4</p> <p><b>Priority 2</b> Measure 2.1 and 2.2</p>	<p>All the proposed actions except tourism supports have been taken into account in the design phase of the Intervention Strategy (see Table 46).</p> <p>The main reason of the exclusion of the tourism from the intervention areas for the region is the limited budget allocated to the Measure 1.4 on tourism.</p>



TR-82	Implementation of infrastructure and environment projects, Improvement of tourism infrastructure and promotion, Developing agriculture and improving livestock production, Implementation of projects on drinking water, Improvement of entrepreneurship and marketing, Improvement of energy sector, Increasing manufacture of gun, Increasing the exportation of wooden door and window	<p><b>Priority 1</b> Measure 1.1 and 1.4</p> <p><b>Priority 2</b> Measure 2.1</p>	All the proposed actions except tourism supports have been taken into account in the design phase of the Intervention Strategy (see Table 46).  The main reason of the exclusion of the tourism from the intervention areas for the region is the limited budget allocated to the Measure 1.4 on tourism.
TR-B1	Making investments on employment and production activities, providing grants for the farmers, Encouragement of marketing, Improving R&D infrastructure, carrying out training activities for SMEs, Establishment of financial instruments for SMEs	<p><b>Priority 1</b> Measure 1.1, 1.2 and 1.3</p> <p><b>Priority 2</b> Measure 2.1</p>	All the proposed actions have been taken into account in the design phase of the Intervention Strategy (see Table 46).
TR-90	Improving tourism infrastructure in high land and mountain tourism, thermal tourism and winter tourism, Improving marketing and industry infrastructure, Improving hazelnut oriented industries, Carrying out training programmes for the unemployed people, Providing basic information, investment and consultancy services to SMEs, Improving mining and agriculture sectors, Extending the numbers of the incubators and TEKMERs, SME training centres with common usage Centres, Improving handicrafts, tea industry, maritime and shipbuilding, Establishment of sectoral foreign trade firms, establishment of ISGEMs	<p><b>Priority 1</b> Measure 1.1 and 1.4</p> <p><b>Priority 2</b> Measure 2.1 and 2.2</p>	All the proposed actions except tourism supports have been taken into account in the design phase of the Intervention Strategy (see Table 46).  The main reason of the exclusion of the tourism from the intervention areas for the region is the limited budget allocated to the Measure 1.4 on tourism.
TR-72	Improving R&D infrastructure, increasing awareness in institutionalization, Enhancement of the human resources, R&D, Innovation and technology infrastructure, improving the agriculture and livestock production and other related industries, Supporting for the start up initiatives and common usage facilities, increasing the added value in the production, increasing business stock, increasing the employment capacity, improvement of physical infrastructures	<p><b>Priority 1</b> Measure 1.1 and 1.3</p> <p><b>Priority 2</b> Measure 2.1 and 2.2</p>	All the proposed actions have been taken into account in the design phase of the Intervention Strategy (see Table 46).

<b>TR-C1</b>	Establishment of agricultural Industry facilities, providing opportunities for the disabled people and support for the SMEs which have employment capacity, Improving the infrastructure of organized industrial zones and SMEs, Establishment of solid waste treatment facilities in the organized industrial zones, Improving culture tourism and handicraft,	<p><b>Priority 1</b> Measure 1.1 and 1.4</p> <p><b>Priority 2</b> Measure 2.1</p>	All the proposed actions have been taken into account in the design phase of the Intervention Strategy (see Table 46).
<b>TR-C2</b>	Completion of south-eastern Anatolian Project, improving agriculture sector and agricultural infrastructure, Improving the marble sector, Increasing the awareness of SMEs in intellectual property rights, Ensuring compliance with the international standards, Encouraging marketing and exports	<p><b>Priority 1</b> Measure 1.1</p> <p><b>Priority 2</b> Measure 2.1</p>	All the proposed actions have been taken into account in the design phase of the Intervention Strategy (see Table 46).
<b>TR-A1</b>	Improving agriculture sector and livestock production, Improving mining sector, Establishment of hydroelectricity centrals, Improving pre-packaging, textile, R&D activities, Providing basic consultancy and information services, Providing investment support for SMEs, Enhancing the entrepreneurship, Providing grants, Improving ICT infrastructure, Making market research, carrying out quality development activities, promotional activities, Organizing trainings on project and work plans, Improving communication infrastructure, Promoting Civil cheese, Establishment of a labs on milk and meat together with the university, training the people on Oltu stone, ebram, natural paint and handicrafts	<p><b>Priority 1</b> Measure 1.3</p> <p><b>Priority 2</b> Measure 2.1 and 2.2</p>	All the proposed actions have been taken into account in the design phase of the Intervention Strategy (see Table 46).
<b>TR-C3</b>	Exploring regional potentials, Organizing trainings for qualified staff, supports to physical infrastructure	<p><b>Priority 1</b> Measure 1.1</p> <p><b>Priority 2</b> Measure 2.1 and 2.2</p>	All the proposed actions have been taken into account in the design phase of the Intervention Strategy (see Table 46).

<b>TR-B2</b>	<p>Making new investments especially on communication-ICT and information society, Fostering entrepreneurship and certification, Improving the mining sector, improvement of the regional foreign trade, Improving the industries based on agriculture, Organizing trainings on export and imports, Taking social measures and carrying out trainings for farmers, Providing financial supports for the start up, Providing supports to technology infrastructure, facilitating access to information, Organizing trainings on marketing, supports to Shoemakers, food industry and bread and sugar industry</p>	<p><b>Priority 1</b> Measure 1.1 and 1.3</p> <p><b>Priority 2</b> Measure 2.1</p>	<p>All the proposed actions except R&amp;D and technology supports under Measure 1.3 have been taken into account in the design phase of the Intervention Strategy (see Table 46).</p> <p>The main reason of the exclusion of the Measure 1.3 from the intervention areas for the region is the lack of R&amp;D and industry infrastructure.</p>
<b>TR-A2</b>	<p>Making investments on education, health and infrastructure, Improving agriculture and livestock production, development of industrial infrastructure, Improvement of R&amp;D, information society, consultancy services, encouragement of the entrepreneurship, funding of the provinces according to their potential, Ensuring the coordination of international and national seminars, Establishment of financial instruments and education of qualified staff</p>	<p><b>Priority 1</b> Measure 1.2 and 1.3</p> <p><b>Priority 2</b> Measure 2.1 and 2.2</p>	<p>All the proposed actions except R&amp;D and technology supports under Measure 1.3 have been taken into account in the design phase of the Intervention Strategy (see Table 46).</p> <p>The main reason of the exclusion of the Measure 1.3 from the intervention areas for the region is the lack of R&amp;D and industry infrastructure</p>

NUTS II REGION	PROPOSED SECTORS IN THE QUESTIONNAIRE	THE SECTORAL CONCENTRATION OF THE RCOP	REFLECTION OF THE PROPOSALS TO THE RCOP
TR-63	Agriculture sector, There is a need for a "NEED ANALYSES" for this purpose.	Manufacture of food products and beverages, Manufacture of textiles and wearing apparel, Manufacture of basic metals, Manufacture of wood and wood products, Manufacture of fabricated metal products, Manufacture of rubber and plastic products	Agriculture sector is covered by the IPARD. However, as the demarcation line between the IPARD and RCOP has been drawn clearly, this sector was prioritized and reflected in the RCOP as "manufacture of the food products and beverages" which are the raw materials of the agriculture sector.
TR-83	Tourism Sector, Health tourism, Thermal and Spa tourism, Transportation Sector, Medical Devices, Shipyard, Agricultural Medication, Fertilizers and Chemicals Sectors, Geo-thermal Energy, Agriculture Sector	Manufacture of food products and beverages, Manufacture of basic metal, Manufacture of wood and wood products, Manufacture of machinery and equipment, Mining and quarrying, Manufacture of wearing apparel	Agriculture sector is covered by the IPARD. However, as the demarcation line between the IPARD and RCOP has been drawn clearly, this sector was prioritized and reflected in the RCOP as "manufacture of the food products and beverages" which are the raw materials of the agriculture sector.
TR-82	Energy sector, manufacture of gun production, agriculture and livestock production, Forestry and its products, Mining, Logistics sector, Wooden door and window	Manufacture of wood and wood products, Manufacture of food products and beverages, Manufacture of other non-metallic mineral products, Manufacture of wearing apparel, Manufacture of textile, Mining and quarrying	Forestry, wood products and mining sectors were prioritized in this NUTS II region in the RCOP.
TR-B1	Carpeting, mining and quarrying	Manufacture of food products and beverages, Mining and quarrying, Manufacture of textile and wearing apparel, Manufacture of other non-metallic mineral products, Manufacture of machinery and equipment, Farming of Animals	Mining and quarrying were prioritized in this NUTS II Region in the RCOP.
TR-90	Tourism sector, Exportation of Tea and hazelnut, Agricultural industry, Energy sector, transportation and shipyards	Manufacture of food products and beverages, Manufacture of wood and wood products, Manufacture of other non-metallic mineral products, Manufacture of other transport equipment, Mining and quarrying,	Agriculture sector is covered by the IPARD. However, as the demarcation line between the IPARD and RCOP has been drawn clearly, this sector was prioritized and reflected in the RCOP as "manufacture of the food products and beverages" which are the raw materials of the agriculture sector. Manufacture of transport equipments" has been prioritized in this NUTS II region in the RCOP.
TR-72	Textile Sector, Food Industry and Furniture, Light Metal Industry, Mining, Agriculture Sector and Livestock Production, Manufacturing Industry, Office Equipments, Medical Devices, Chemical Products,	Manufacture of Furniture, Manufacture of other non-metallic mineral products, Manufacture of food products and beverages, Manufacture of textiles and textile products, Mining and quarrying, Manufacture of machinery and equipment	"Manufacture of furniture, manufacture of textiles and textile products, manufacture of machinery and equipment" were prioritized in this NUTS II region.

NUTS II REGION	PROPOSED SECTORS IN THE QUESTIONNAIRE	THE SECTORAL CONCENTRATION OF THE RCOP	REFLECTION OF THE PROPOSALS TO THE RCOP
TR-C1	Textile Sector	Manufacture of textiles and textile products, Manufacture of food products and beverages, Manufacture of rubber and plastic products, Manufacture of chemicals and chemical products, Manufacture of fabricated metal products, Manufacture of chemicals and chemical products, Mining and quarrying	"Manufacture of textiles and textile products" was prioritized in this NUTS II region.
TR-C2	Metal and electric industry	Manufacture of food products and beverages, Manufacture of textile and wearing apparel, Mining and quarrying, Manufacture of basic metals and fabricated metal products, Manufacture of other non-metallic mineral products, Growing of vegetables, nuts, Manufacture of chemicals and chemical products, Manufacture of machinery.	"Manufacture of basic metals and fabricated metal products" has been prioritized in this NUTS II region.
TR-A1	Transportation, Natural Stones and Mining Sectors, Fruit and Food Production, Livestock and Agriculture Sectors, Handcraft (Oltu Stone, copper processing), Tourism Sectors	Manufacture of food products and beverages, Manufacture of plastics, Manufacture of wood and wood products, Mining and quarrying, Manufacture of furniture, Manufacture of chemical products	Agriculture sector is covered by the IPARD. However, as the demarcation line between the IPARD and RCOP has been drawn clearly, this sector was prioritized and reflected in the RCOP as "manufacture of the food products and beverages" which are the raw materials of the agriculture sector. "Mining and quarrying" were prioritized in this NUTS II region.
TR-C3	Mining and food industry	Manufacture of food products and beverages, Manufacture of other non-metallic mineral products, Mining and quarrying, Manufacture of chemicals and chemical products, Manufacture of wearing apparel, Manufacture of basic metals and fabricated metal	Agriculture sector is covered by the IPARD. However, as the demarcation line between the IPARD and RCOP has been drawn clearly, this sector was prioritized and reflected in the RCOP as "manufacture of the food products and beverages" which are the raw materials of the agriculture sector. "Mining and quarrying" were prioritized in this NUTS II region.
TR-B2	ICT and ICT Technologies, Handcraft, Carpentry, Tourism Sector, Livestock Production, Mining sector	Manufacture of food products and beverages, Manufacture of wood and wood products, Manufacture of leather and leather products, Mining and quarrying, Manufacture of other non-metallic mineral products, Manufacture of basic metals and fabricated metal products	"Mining and quarrying" were prioritized in this NUTS II region.
TR-A2	Livestock production and Organic Agriculture, Service Sector, Transportation Sector, Health Sector, Energy and mining sector	Manufacture of other non-metallic mineral products, Manufacture of food products and beverages, Manufacture of wood and wood products, Mining and quarrying.	Mining and quarrying" were prioritized in this NUTS II region.

# ANNEX 3 - KEY POINTS RELATED TO THE EX-ANTE EVALUATION REPORT

Key Evaluation Points	Recommendations of the Ex-Ante Evaluator	Remarks of the MIT
<p><i>Analysis of SWOT</i></p>	<ul style="list-style-type: none"> <li>- The analysis could be carried-out within a more systemized framework, by dividing it through sectors.</li> <li>- The strengths could be analyzed further, as they appear limited and therefore not fully exhaustive.</li> <li>- Internal political and social problems are not included in the threat list, although they are fairly obvious in the targeted regions.</li> </ul>	<ul style="list-style-type: none"> <li>- The analysis has been carried out by taking into account the each intervention theme of the RCOP.</li> <li>- The new strength has been added to the SWOT according to the recommendations of the RCOP.</li> <li>- This issue is not covered in the SCF. Therefore, it has not reflected to the RCOP.</li> </ul>
<p><i>Assessment of the Rationale and Overall Consistency of the Strategy</i></p>	<p><i>1. Strategy/Needs Coherence</i></p> <ul style="list-style-type: none"> <li>- Define better in which region it is pursued more a tourism policy or than industrial policy, according to the development potentials of region.</li> <li>- Identify all needed administrative structures and show adequate capacity to manage efficiently and timely intended grant schemes of measures 2.1 and 2.2 whose success appears to be crucial for the entire strategy of the programme.</li> <li>- Carefully assess the size of future grants in measures 2.1 and 2.2 and also of the final loans/support to be awarded by the implementation of measure 1.2, especially in terms of sustainable size.</li> <li>- The strategy can be improved with more details and focused argumentation in at least three much needed fields and related actions:</li> <li>✓ Specific training (SME-Management, high skilled labour force, etc.) on targeted regions/sectors</li> <li>✓ Grant schemes, possibly for small size projects, to increase the real capital stock of SME in targeted regions/sectors (investment grants have been identified as action but not fully specified)</li> <li>✓ Grant schemes to increase real capital stock and supply capacity of targeted sectors on the tourism sector within a more coordinated tourism policy.</li> </ul> <p><i>2. Internal Coherence</i></p> <ul style="list-style-type: none"> <li>- Programme design should consider a more integrated approach to tourism</li> </ul>	<ul style="list-style-type: none"> <li>- The geographical and sectoral concentration of the each measure has been determined. (See Table 46)</li> <li>- Grant scheme for SMEs has been removed from the RCOP.</li> <li>✓ Specific trainings for SMEs have been covered under Measure 2.1</li> <li>✓ Grant scheme for SMEs has been removed from the RCOP.</li> <li>- Under the HRD OP, vocational trainings for the tourism sector</li> </ul>

<p>will be provided with a focus on the regions where the tourism sector is supported by the RCOP. (See Table 49) Furthermore, the tourism sector is also the one of the beneficiaries under Measure 2.1 and 2.2. Grant scheme for SMEs has been removed from the RCOP. Basic information and consultancy supports and clustering under Measures 2.1 and 2.2 will be promoted in each sector and region with special emphasis on promising sectors of the relevant region during the design phase of the specific training programmes.</p> <p>Financial allocation for each measure has been revised according to the Commission and the recommendations of the ex-ante evaluator.</p> <p>Recommendations of the evaluator have been taken into account and a number of indicators have been modified and/or re-written.</p>	<p>development policy, at least by linking Measure 1.4 to specific training provisions for tourism industry in HROP 2007 and including a special provision for tourism sector on measures 2.1 and 2.2 (or creating a sub-measure with grant schemes in the tourism sector.)</p> <p>- Limiting the grant schemes to most promising sectors (1 to 3 including tourism), in order to ease the implementation process and make it possible even with limited capacity.</p> <p>- The measures 2.1 and 2.2 can be also in general concentrated in specific and most promising sectors and relative regions which should be the same as those of the Priority 1.</p> <p>3. <i>External Coherence</i></p> <p>- The RCOP shows a sufficient level of coordination with the other relevant programmes and mostly positive reciprocal impacts. Actions and priorities of the RCOP, the SCF and the NDP have a good degree of mutual support.</p> <p>4. <i>Financial Allocation</i></p> <p>- Financial resources allocated to the measures should be revised according to the given formula.</p>	<p><b>Indicators Assessment and Quantification of the Objectives</b></p> <p>- Suggestions have been provided to modify and/or re-write a number of indicators.</p>	<p><b>Expected Socio-Economic Impact and Justification of Policy and Allocation of Financial Resources</b></p> <p>- It is recommended to concentrate on the most effective actions/areas of interventions such as equipment/infrastructure, acquisition/enhancement, or on low-cost actions (per project) such as project preparation (PCM), training, basic support, so to ensure at least sizable skill transfers at this stage.</p> <p>- Possibly, and if transparency issues and national rules of equity allow for it, focus the programme in a smaller targeted areas (or sectors), or differentiate measures for smaller areas (sectors).</p> <p>- Alternatively, increase the size of the programme to a level comparable to the size of the targeted area and the complexity/quantity of existing socio-economic gaps.</p> <p>- The RCOP has been designed by considering all these interventions in line with the recommendations of the evaluator.</p> <p>- The geographical and sectoral concentration of the each measure has been determined. (See Table 46)</p> <p>- Drafting team of the RCOP agrees with the recommendation of the evaluator. This issue should be considered in the second programming period.</p>
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<p>- During the implementation of the RCOP, close cooperation will be ensured with the SPO in order to ensure adequate skills and good practice transfers.</p> <p>- Grant scheme for SMEs has been removed from the RCOP.</p> <p>- Grant scheme for SMEs has been removed from the RCOP.</p>	<p>- It is recommended that the senior role of SPO administration is continued during the implementation in close cooperation with the EC Delegation in Ankara, ensuring adequate skills and good-practice transfers to the MoIT, at least for the issues where SPO administration reaches a satisfactory or higher quality level.</p> <p>- It is recommended to describe in the OP how the SPO will support the MoIT in establishing a sound Grant Scheme management system, highlighting and identifying special TA provisions to ensure adequate technical skills transfers and strong management support.</p> <p>- It is also recommended to give ample details in the Implementation Manuals on (i) how the Grant Schemes will be managed, (ii) what are the Human Resources allocated to the Grant Scheme management and (iii) what are the partnership arrangements with local administrators, SMEs, NGOs and other local/regional stakeholders, especially for the project selection/evaluation process, (iv) What provisions are planned to increase the capacity of project presentations from final beneficiaries of Grant Schemes.</p>	<p><b>Quality of the Implementation and Monitoring Arrangements</b></p>
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**ANNEX 4 - TABLES RELATED TO SOCIO ECONOMIC ANALYSIS**

Table 50: Sectoral Breakdown of Enterprises in 12 NUTS II Regions

NUTS II REGIONS	Mining and Quarrying	Manufacturing and Construction	Electricity, Gas and Water Supply	Construction and Public Works	Wholesale and Retail Trade	Hotel and Restaurants	Transport, Storage and Communication	Financial Intermediation	Real Estate Renting and Business Activities	Education	Health and Social Works	Other Community, Social and Personal Service Activities	TOTAL
TR-63 (Hatay, K. Maraş, Osmaniye)	67	8 359	194	616	31 051	4 357	9 364	293	1 999	205	1 130	2 698	60 333
TR-83 (Amasya, Çorum, Samsun, Tokat)	70	9 528	247	1 143	37 379	6 428	12 828	610	2 800	215	1 355	2 928	75 531
TR-82 (Çankırı, Kastamonu, Sinop)	89	3 185	102	260	9 660	1 949	5 174	170	653	56	297	798	22 393
TR-B1 (Bingöl, Elazığ, Malatya, Tunceli)	49	3 677	153	471	16 953	2 942	4 394	185	1 104	116	603	1 440	32 087
TR-90 (Artvin, Giresun, G. Hane, Ordu, Rize, Trabzon)	61	8 081	295	776	31 234	7 398	15 352	499	2 073	233	1 099	2 734	69 835
TR-72 (Kayseri, Sivas, Yozgat)	59	6 874	233	898	24 863	3 289	7 514	417	1 892	198	706	1 853	48 496
TR-C1 (Adıyaman, G. Antep, Kilis)	21	8 207	83	732	24 361	3 411	5 640	234	1 674	128	684	2 029	47 204
TR-C2 (Diyarbakır, Ş. Urfa)	17	4 641	83	412	21 301	2 804	9 014	174	1 082	102	596	1 379	41 605
TR-A1 (Bayburt, Erzurum, Erzurum)	21	1 937	117	223	10 595	1 949	4 060	148	499	47	305	761	20 662
TR-C3 (Batman, Mardin, Şırnak, Siirt)	26	1 494	105	153	9 933	1 170	5 838	96	426	55	212	563	20 071
TR-B2 (Bitlis, Hakkari, Muş, Van)	34	1 643	112	187	11 378	1 632	5 566	109	419	58	260	680	22 078
TR-A2 (Ağrı, Ardahan, Iğdır, Kars)	14	1 078	70	98	8 541	1 508	4 982	136	337	38	226	425	17 453
Total of 12 NUTS II Regions	528	58 704	1 794	5 969	237 249	38 837	89 726	3 071	14 958	1 451	7 473	18 288	478 098
Total of Turkey	2 410	272 482	4 206	35 749	867 890	174 199	270 517	14 303	95 971	6 695	33 383	80 386	1 858 191
The Share of 12 NUTS II Regions to Turkey (%)	21.9	21.5	42.6	16.7	27.3	22.2	33.1	21.4	15.5	21.6	22.3	22.7	25.7

Source: TÜRKSTAT – 2002 General Census of Industry and Business Establishments

Table 51: Sectoral Breakdown of Enterprises in 15 Growth Centres

15 Growth Centres	Mining and Quarrying	Manufacturing Industry	Electricity, Gas and Water Supply	Construction and Public Works	Wholesale and Retail Trade	Hotel and Restaurants	Transport, Storage and Communication	Financial Intermediation	Real Estate Renting and Business Activities	Education	Health and Social Works	Other Community, Social and Personnel Service Activities	TOTAL
Samsun	9	4,413	68	572	16,718	2,993	5,458	255	1,350	101	695	1,399	34,031
Malatya	19	1,894	71	240	7,735	1,112	1,578	90	548	57	322	664	14,330
Elazığ	23	1,413	43	177	6,473	1,203	1,747	61	404	47	230	581	12,402
Trabzon	10	2,826	84	288	9,923	2,378	3,324	146	708	81	388	935	21,091
Kayseri	32	3,762	86	459	12,064	1,392	2,255	184	1,080	110	388	918	22,730
Sivas	16	1,725	68	298	7,221	1,072	3,484	129	471	46	189	525	15,244
Gaziantep	12	6,391	36	635	17,870	2,542	3,219	182	1,370	85	545	1,545	34,432
Diyarbakır	10	1,712	43	212	9,007	1,709	2,933	93	575	63	283	661	17,301
Sanliurfa	7	2,929	40	200	12,294	1,095	6,081	81	507	39	313	718	24,304
Erzurum	8	1,252	60	123	7,589	1,255	2,741	85	311	29	197	520	14,170
Van	22	918	38	61	6,051	870	3,319	59	235	27	148	355	12,103
K.Maras	23	2,730	79	167	9,279	1,348	2,887	93	479	43	257	713	18,098
Kars	-	425	21	22	2,828	477	886	49	127	12	75	148	5,070
Batman	13	431	18	61	2,405	341	837	16	108	18	52	163	4,463
Kastamonu	64	1,888	40	133	4,908	1,009	2,806	86	341	24	140	404	11,843
Total of 15 Growth Centres	268	34,709	795	3,648	132,365	20,796	43,555	1,609	8,614	782	4,222	10,249	261,612
Total of Turkey	2,410	272,482	4,206	35,749	867,890	174,199	270,517	14,303	95,971	6,695	33,383	80,386	1,858,191
The Share of 15 Growth Centres to Turkey (%)	11.1%	12.7%	18.9%	10.2%	15.2%	11.9%	16.1%	11.2%	8.9%	11.6%	12.6%	12.7%	14%

Source: TURKSTAT – 2002 General Census of Industry and Business Establishments

Table 52: The number of local units (enterprises) and labours in manufacturing sector (2002) in 12 NUTS II Regions and 15 Growth Centres

NUTS II REGIONS	Number of local units	The rate of local units to the total of Turkey (%)	Employment	The rate of labours to the total of Turkey (%)	The rate of labours to the total of Turkey (%)	Employment	The rate of local units to the total of Turkey (%)	Number of local units	15 Growth Centres
TR63 (Hatay, K.Maraş, Osmaniye)	8 359	3.1	44 809	2.1	0.9	19 926	1.0	2 730	K.Maraş
TR83 (Samsun, Tokat, Çorum, Amasya)	9 528	3.5	47 620	2.2	0.9	19 890	1.6	4 413	Samsun
TR82 (Kastamonu, Çankırı, Sinop)	3 185	1.2	13 535	0.6	0.3	7362	0.7	1 888	Kastamonu
TRB1 (Malatya, Elazığ, Bingöl, Tunceli)	3 677	1.3	18 444	0.8	0.2	4 875	0.5	1 413	Elazığ
TR90 (Trabzon, Ordu, Giresun, Rize, Artvin, Gümüşhane)	8 081	3.0	51 118	2.3	0.6	12 144	1.0	2 826	Trabzon
TR72 (Kayseri, Sivas, Yozgat)	6 874	2.5	52 877	2.4	1.8	38 671	1.4	3 762	Kayseri
TRC1 (Gaziantep, Adıyaman, Kilis)	8 207	3.0	63 203	2.9	0.4	8 215	0.6	1 725	Sivas
TRC2 (Sanlıurfa, Diyarbakır)	4 641	1.7	19 590	0.9	2.6	55 967	2.3	6 391	Gaziantep
TRA1 (Erzurum, Erzincan, Bayburt)	1 937	0.7	7 049	0.3	0.3	7 633	0.6	1 712	Diyarbakır
TRC3 (Mardin, Batman, Şırnak, Siirt)	1 494	0.5	5 314	0.2	0.5	11 957	1.1	2 929	Sanlıurfa
TRB2 (Van, Mus, Bitlis, Hakkari)	1 643	0.6	6 047	0.3	0.3	4 591	0.5	1 252	Erzurum
TRA2 (Ağrı, Kars, Iğdır, Ardahan)	1 078	0.4	3 883	0.2	0.1	1 412	0.2	431	Batman
Total of 12 NUTS II Regions and Rates	58 704	21.5	333 489	15.2	0.2	3 770	0.3	918	Van
Total of 15 Growth Centres and Rates						1628	0.2	425	Kars
Total of Turkey	272 482		2 183 286		8.5	187 396	12.7	34 709	
The Share of 15 Growth Centres in 12 NUTS II Regions						56		59	

Source: TURKSTAT (2002 General Census of Industry and Business)

Table 53: The Sectoral Concentration in Manufacturing Industry in 12 NUTS II Regions

NUTS II Regions	The Number of Enterprises	The Sectoral Concentration		Major Export Items
TR-C2 (Diyarbakir, Sanliurfa)	4641	Food Products and Beverages Textiles Clothing, Fur processing and dyeing Other Non-Metallic Mineral Products	Food, Beverage, Tobacco Textiles	
TR-B1 (Bingöl, Elazığ, Malatya, Tunceli)	3677	Food Products and Beverages Textiles Wearing Apparel Production and processing and dyeing of Furs	Textiles Manufacture of Machinery and Equipment, n.e.s Vegetal production	
TR-A1 (Bayburt, Erzurum, Trabzon)	1937	Food Products and Beverages Products of Wood and cork Other Non-Metallic Mineral Products Furniture	Chemicals and chemical products Vegetal production	
TR-C1 (Adıyaman, Gaziantep, Kilis)	8207	Textiles Food Products and Beverages Chemicals and chemical products Wearing Apparel Production and processing and dyeing of Furs Furniture	Textiles and clothing Food Products and Beverages Plastics and rubber	
TR-72 (Kayseri, Sivas, Yozgat)	6874	Textiles Food Products and Beverages Manufacture of Machinery and Equipment, n.e.s	Textiles Furniture Manufacture of Machinery and Equipment, n.e.s Vegetal production	
TR-83 (Amasya, Çorum, Samsun, Tokat)	9528	Food Products and Beverages Other Non-Metallic Mineral Products Tobacco products Wearing Apparel Production and processing and dyeing of Furs	Vegetal production Manufacture of Machinery and Equipment, n.e.s Equipment, n.e.s	
TR-90 (Artvin, Giresun, G.Hane, Ordu, Rize, Trabzon)	8081	Food Products and Beverages Forestry products Furniture Other Non-Metallic Mineral Products Food Products and Beverages	Vegetal production Food Products and Beverages Other Non-Metallic Mineral Products	
TR-B2 (Bitlis, Hakkari, Mus, Van)	1643	Food Products and Beverages Forestry products Wearing Apparel Production and processing and dyeing of Furs Other Non-Metallic Mineral Products Textiles	Vegetal production Tanning and processing of leather Furniture Manufacture of Basic Metals	
TR-63 (Hatay, K.Maras, Osmaniye)	8359	Food Products and Beverages Fabrication of Metal Products Textiles	Vegetal production Textiles Manufacture of Basic Metals	
TR-C3 (Batman, Mardin, Şirnak, Siirt)	1494	Food Products and Beverages Non-Metallic Mineral Products Fabrication of Metal Products	Other Non-Metallic Mineral Products Vegetal production Food Processing	
TR-A2 (Ağrı, Ardahan, Iğdır, Kars)	1078	Food Products and Beverages Tanning and processing of leather Forestry products	Other Non-Metallic Mineral Products Vegetal production Textiles	
TR-82 (Çankırı, Kastamonu, Sinop)	3185	Food Products and Beverages Forestry products Other Non-Metallic Mineral Products	Vegetal production Textiles	
The total number of manufacturing enterprises, the sectoral concentration and exporting sectors in 12 NUTS II Regions	58,704	Food Products and Beverages Textiles and Wearing Apparel Production and processing and dyeing Forestry products Of Furs Other Non-Metallic Mineral Products	Food Products and Beverages Vegetal production Manufacture of Machinery and Equipment, n.e.s Textiles Other Non-Metallic Mineral Products	

Source: MIT, SPO (A Study on Leading Industry Sectors in Provinces, August 2006) D.G. for Regional Development and Structural Coherence, SPO)

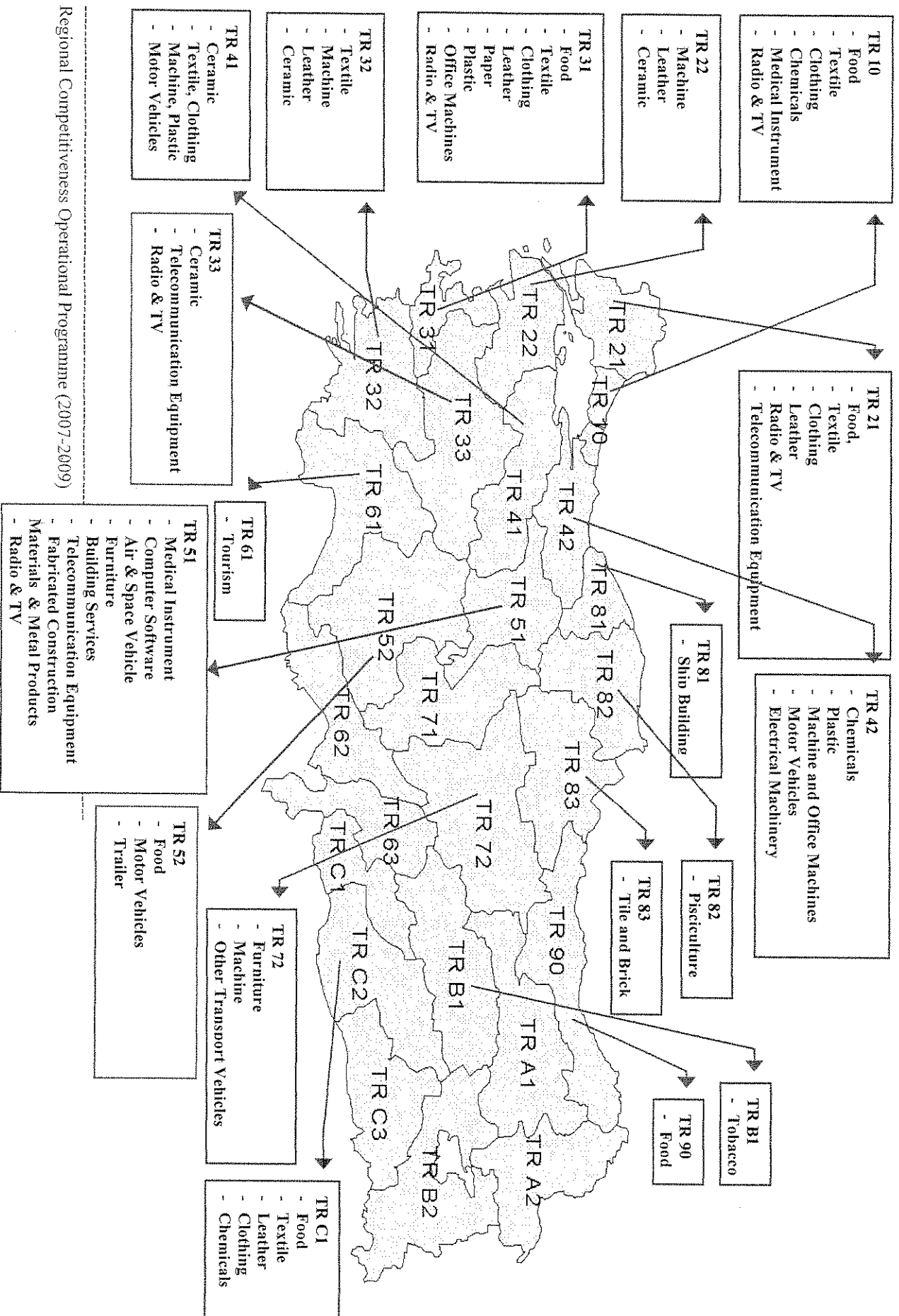


Table 54: The Sectoral Concentration in Manufacturing Industry in 15 Growth Centres

15 Growth Centres	The Number of Enterprises (Total of the province/city centre)	Sectoral Concentration	Major Export Items
Diyarbakir	1712 / 1113	Food, Beverage, Tobacco Other mining and quarrying products, Textiles Plastics and articles thereof	Food, Beverage, Tobacco
Elazığ	1413 / 1131	Manufacture of Basic Metals Food Other mining and quarrying products Chemistry	Manufacture of machinery and equipments
Erzurum	1252 / 793	Food Products and Beverages Forestry products and furniture Products of Wood, furniture Chemistry	Chemicals and chemical products
G. Antep	6391 / 5498	Food Products and Beverages Textiles and clothing Textiles and clothing Rubber and plastic products Machinery and metal industry Products of Automobile equipments and parts Leather and products of tanned leather Furniture production, Textiles Manufacture of Machinery and Equipments, n.e.s	Textiles Food Products and Beverages Furniture Manufacture of Machinery and Equipments, n.e.s Vegetal production Textiles Food Products and Beverages Vegetal production Chemistry Manufacture of Basic Metals Manufacture of Machinery and Equipments, n.e.s Products of Wood and cork
Samsun	4413 / 1542	Food Products and Beverages Chemistry Manufacture of Basic Metals Manufacture of Machinery and Equipments, n.e.s Products of Wood and cork	Vegetal production Manufacture of Machinery and Equipments, n.e.s Manufacture of Machinery and Equipments, n.e.s Food Products and Beverages
Sivas	1725 / 1047	Food Products and Beverages Other Non-Metallic Mineral Products Other mining and quarrying products Manufacture of Machinery and Equipments, n.e.s Textiles	Manufacture of Machinery and Equipments, n.e.s Furniture Other Non-Metallic Mineral Products Textiles Vegetal production Manufacture of Machinery and Equipments, n.e.s Food Products and Beverages
S. Urfa	2929 / 1655	Food Products and Beverages Other mining and quarrying products Fabrication of Metal Products Food Products and Beverages Plastic and articles of thereof Products of Wood and cork	Vegetal production Manufacture of Machinery and Equipments, n.e.s Vegetal production Food Products and Beverages
Trabzon	2826 / 1296	Food Products and Beverages Plastic and articles of thereof Products of Wood and cork	Vegetal production Food Products and Beverages
Van	918 / 657	Food Processing Other mining and quarrying products, Textiles	Furniture
Kars	425 / 263	Other Non-Metallic Mineral Products Food Products and Beverages Products of Wood and cork Food Processing	Other Non-Metallic Mineral Products Vegetal production Plastic and articles of thereof Vegetal production Other Non-Metallic Mineral Products
Batman	431 / 367	Food Processing Vegetal production Other Non-Metallic Mineral Products Textiles	Vegetal production Food Processing Textiles
K. Maras	1779 / 1888	Food Products and Beverages Fabrication of Metal Products Manufacture of Wood and wood products Manufacture of wearing apparel Manufacture of food products and beverages Mining and quarrying	Metal Goods Food Processing
Kastamonu	513 / 34709	Manufacture of food products and beverages Manufacture of wearing apparel Manufacture of Wood and wood products Manufacture of Machinery and Equipments, n.e.s	Food Products and Beverages Manufacture of Machinery and Equipments, n.e.s Vegetal production Manufacture of Machinery and Equipments, n.e.s Textiles
The total number of manufacturing enterprises, the sectoral concentration and exporting sectors in 15 Growth Centres	26020 / 34709	Food Products and Beverages Textiles Other mining and quarrying products Manufacture of Machinery and Equipments, n.e.s	Food Products and Beverages Manufacture of Machinery and Equipments, n.e.s Vegetal production Manufacture of Machinery and Equipments, n.e.s Textiles

Source: MIT, SPO

Map 8: Samples of Sectors which show high geographical concentration in Turkey (2003)



**ANNEX 5 - TABLES RELATED TO THE CONCENTRATION STRATEGY**



**Table 55: Intervention Areas, Priority Sectors and the Justifications According to the Intervention Axis**

TR-A1,TR-A2,TR-B2,TR-C2,TR-C3

INTERVENTION AREA	
<p>MEASURE 1.1 for TR B2, C2, C3, MEASURE 2.1 and 2.2. FOR TR-A1, A2, B2, C2, C3:</p> <ul style="list-style-type: none"> <li>Measure 1.1: Establishment, improvement and refurbishment of one stop shops, information and consultancy offices, business and enterprise development centres like ISGEMs, logistic centres for common commercial use and also social, technical, production, storage and ICT facilities, and purchase of machinery, equipment, for common use of SMEs.</li> <li>Measure 2.1: Basic Information and consultancy support for individual SMEs on entrepreneurial and business skills</li> <li>Measure 2.2:</li> <li>Basic Information and consultancy support for cluster establishment and networking</li> <li>Industrial Cooperation Structures Grant Scheme Programme for clusters, networks and Business Representative Organizations</li> </ul>	<p>MEASURE 1.2</p> <ul style="list-style-type: none"> <li>Establishment and/or contribution of capital to credit guarantee funds, micro-loan funds and equity finance mechanisms like venture capital funds including the seed and start-up capital and other forms of financial instruments.</li> <li>Where necessary, promotion of financing mechanisms through all possible publicly instruments and awareness raising campaigns as a component of the project in order to facilitate access to the funds supported.</li> </ul> <p>MEASURE 1.3 FOR TR-A1</p> <ul style="list-style-type: none"> <li>Existence of basic research infrastructure in terms of university and human capital.</li> </ul> <p>MEASURE 1.4 FOR TR-A1, A2, B2, C3</p> <ul style="list-style-type: none"> <li>Improvement of tourism attraction areas through revitalisation and landscaping and other relevant infrastructure investments</li> <li>Establishment and refurbishment of tourism information facilities and centres.</li> <li>Support for touristic promotion and marketing activities of public authorities and non-profit organizations.</li> <li>Support for organization of local tourist events like festivals, exhibitions, fairs, national and international seminars, congress, etc. and participation to the national and international fairs.</li> </ul>
LEADING SECTORS	
<p>Manufacture of food products and beverages , Manufacture of wood and wood products, Manufacture of other non-metallic mineral products, Manufacture of textile and wearing apparel, Mining and quarrying, Manufacture of chemical products</p> <ul style="list-style-type: none"> <li>Low level of: GDP, population density, employment capacity, export rate per capita</li> <li>Regions of immigrating out</li> <li>High unemployment rate</li> <li>Lack of physical and social infrastructure</li> <li>Underdeveloped manufacturing industry and low number of enterprises</li> <li>The number of SMEs in this axis is 121.838</li> <li>Lack of sectoral concentration (there is potential in certain provinces)</li> <li>Existence of the OIZs and the SSIEs mostly at the construction stage (7 OIZs and 45 SSIEs were completed in this axis).</li> <li>Insufficient number of ISGEMs -incubation centres for SMEs- (only 1 in Diyarbakir)</li> <li>There are 3 GAP-GIDEMs -Entrepreneur Support Centres- in Sanliurfa, Mardin and Diyarbakir</li> <li>Limited access to the financing instruments</li> </ul>	<p>JUSTIFICATION</p> <ul style="list-style-type: none"> <li>Insufficient capital accumulation</li> <li>Limited usage of bank credits and credit guarantee funds</li> <li>Difficulty to grow fixed capital investments</li> <li>Low level of demand from SMEs for consultancy and training services</li> <li>Insufficient knowledge and skills on entrepreneurship culture and business skills</li> <li>Lack of R&amp;D and innovation infrastructure</li> <li>There are 5 universities in this axis, but some of them newly established</li> <li>Low technology usage</li> <li>Lack of potential for establishment of TDZ and TDCs (1 TDZ in Erzurum)</li> <li>Insufficient infrastructure and bed capacity in the tourism sector</li> <li>Potential for alternative tourism activities</li> </ul>

## MEDIUM COMPETITIVENESS AXIS

TR-BI, TR-82, TR-83, TR-90

### MEASURE 1.1, 1.2, 2.1, 2.2 FOR TR-BI, TR-82, TR-83, TR-90:

- Measure 1.1: Establishment, improvement and refurbishment of one stop shops, information and consultancy offices, business and enterprise development centres like ISGEMs, logistic centres for common commercial use and also social, technical, production, storage and ICT facilities, and purchase of machinery, equipment, for common use of SMEs.
- Measure 1.2: Establishment and/or contribution of capital to credit guarantee funds, micro-loan funds and equity finance mechanisms like venture capital funds including the seed and start-up capital and other forms of financial instruments.
- Where necessary, promotion of financing mechanisms through all possible publicly instruments and awareness raising campaigns as a component of the project in order to facilitate access to the funds supported.
- Measure 2.1a: Basic Information and consultancy support for individual SMEs on entrepreneurial and business skills
- Measure 2.2:
  - > Basic information and consultancy support for cluster establishment and networking
  - > Industrial Cooperation Structures Grant Scheme Programme for clusters, networks and Business Representative Organisations

### INTERVENTION AREA

#### MEASURE 1.3 FOR TR-83, TR-90, TR-BI

- Establishment, improvement and modernization (including refurbishment and ICT infrastructure) of various R&D, technology and innovation infrastructure, common social, technical and production facilities in various R&D, technology and innovation structures
- Supporting the activities of public and non profit institutions regarding the collaboration on R&D, technology transfer and ICT usage through establishment, development and operation of corporate structures
- Operations and investments outside the target regions provided that the activity is a networking or joint project supporting the competitive position of target regions.

## LEADING SECTORS

Manufacture of food products and beverages, Manufacture of textile and wearing apparel, Mining and quarrying, Manufacture of machinery and equipment n.e.c., Manufacture of basic metal

- Low GDP
- Low population density (except TR-83 and 90)
- Intensive immigration particularly from TR-82
- Low employment (except TR-83 and 90)
- High unemployment rate particularly in TR-82
- Lack of physical and social infrastructure
- Certain level of manufacturing industry capacity and sectoral concentration in TR-82 and 83.
- The number of SMEs in this axis is 199 737
- Certain level of export rate per capita in TR-90
- 14 OIZs and 75 SSEs were completed in this axis
- 3 out of 6 ISGEMs/incubation centres established in this axis
- Limited access to the financing instruments

### JUSTIFICATION

- Insufficient capital accumulation
- Limited usage of bank credits and credit guarantee funds
- Difficulty to grow fixed capital investments
- Lack of R&D and innovation infrastructure
- Low technology usage
- Potential for establishment of TDZ and TDCs (1 TDZ and 1 TDC in Trabzon)
- There are 5 universities in this axis
- Insufficient infrastructure and bed capacity in the tourism sector
- Potential for alternative tourism activities

## HIGH COMPETITIVENESS AXIS

Regional Competitiveness Operational Programme (2007-2009)

**MEASURE 1.1, 1.2, 1.3, 2.1 and 2.2. FOR TR-C1, 63 AND 72****Measure 1.1:**

-Establishment, improvement and refurbishment of one stop shops, information and consultancy offices, business and enterprise development centres like ISGEMs, logistic centres for common commercial use and also social, technical, production, storage and ICT facilities, and purchase of machinery, equipment, for common use of SMEs.

**Measure 1.2:**

-Establishment and/or contribution of capital to credit guarantee funds, micro-loan funds and equity finance mechanisms like venture capital funds including the seed and start-up capital and other forms of financial instruments.

- Where necessary, promotion of financing mechanisms through all possible publicity instruments and awareness raising campaigns as a component of the project in order to facilitate access to the funds supported.

**Measure 1.3:**

-Establishment, Improvement and modernization (including refurbishment and ICT infrastructure) of various R&D, technology and innovation infrastructure, common social, technical and production facilities in various R&D, technology and innovation structures

**INTERVENTION AREA**

- Supporting the activities of public and non profit institutions regarding the collaboration on R&D, technology transfer and ICT usage through establishment, development and operation of corporate structures

- Operations and investments outside the target regions provided that the activity is a networking or joint project supporting the competitive position of target regions.

■ Measure 2.1a Basic Information and consultancy support for individual SMEs on entrepreneurial and business skills

**Measure 2.2:**

➤ Basic information and consultancy support for cluster establishment and networking

➤ Industrial Cooperation Structures Grant Scheme Programme for clusters, networks and Business Representative Organisations

**Measure 1.4 for TR C1****LEADING SECTORS**

Manufacture of textiles and textile products, Manufacture of food products and beverages, Manufacture of furniture, Manufacture of other non-metallic mineral products, Manufacture of fabricated metal products, Manufacture of machinery and equipment n.e.c., Mining and quarrying, Manufacture of rubber and plastic products, Manufacture of chemicals and chemical products

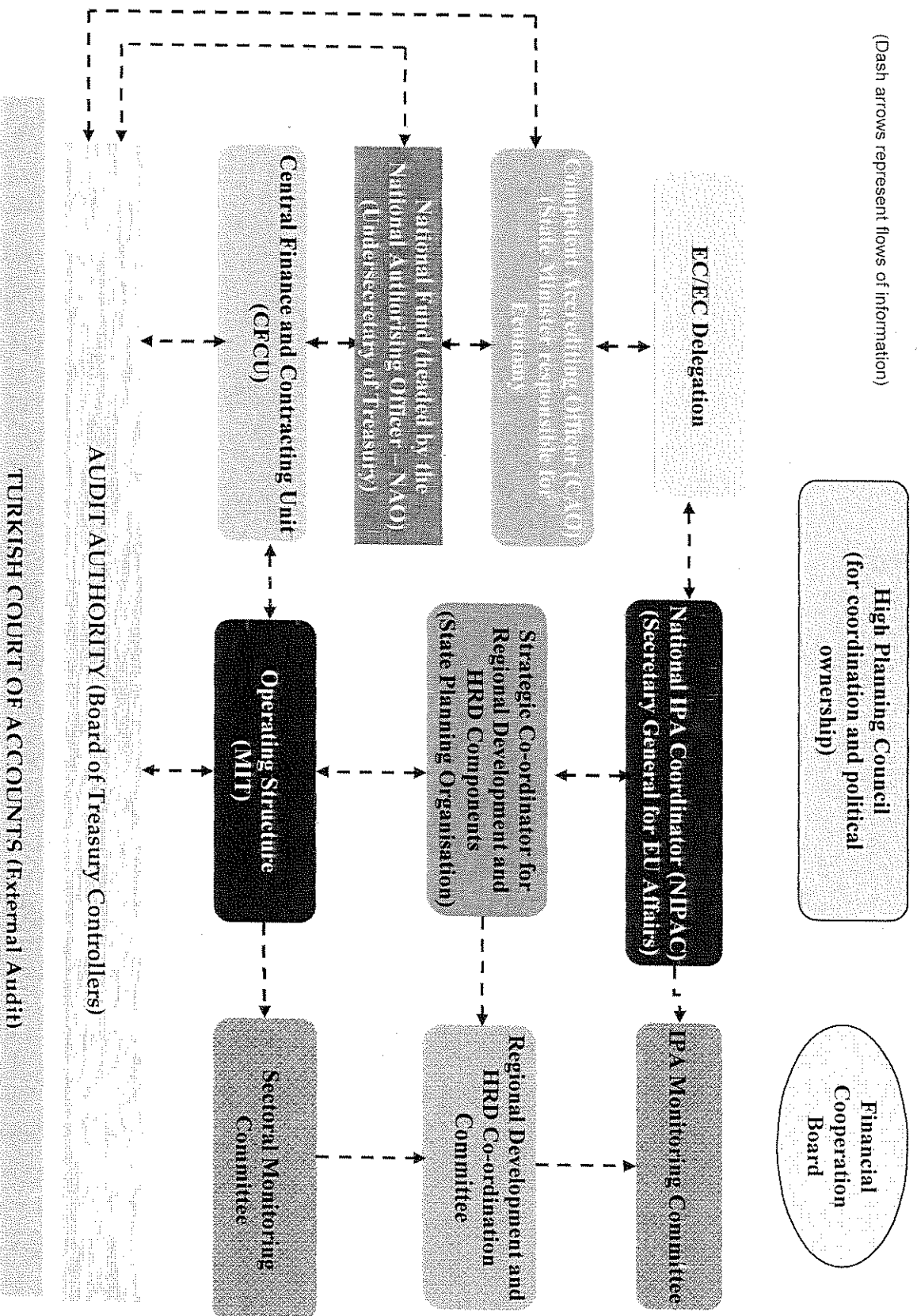
- Medium level of GDP
- Population density in TR 72
- Certain level of employment capacity
- Regions of immigrating in particularly to TR C1
- High unemployment in TR C1
- Existence of the manufacturing industry and sectoral concentration in TR C1 AND 72
- Product diversification in manufacturing sector
- The number of SMEs in this axis is 155.946
- Export capacity in TR C1
- Relatively better access to financing instruments

**JUSTIFICATION**

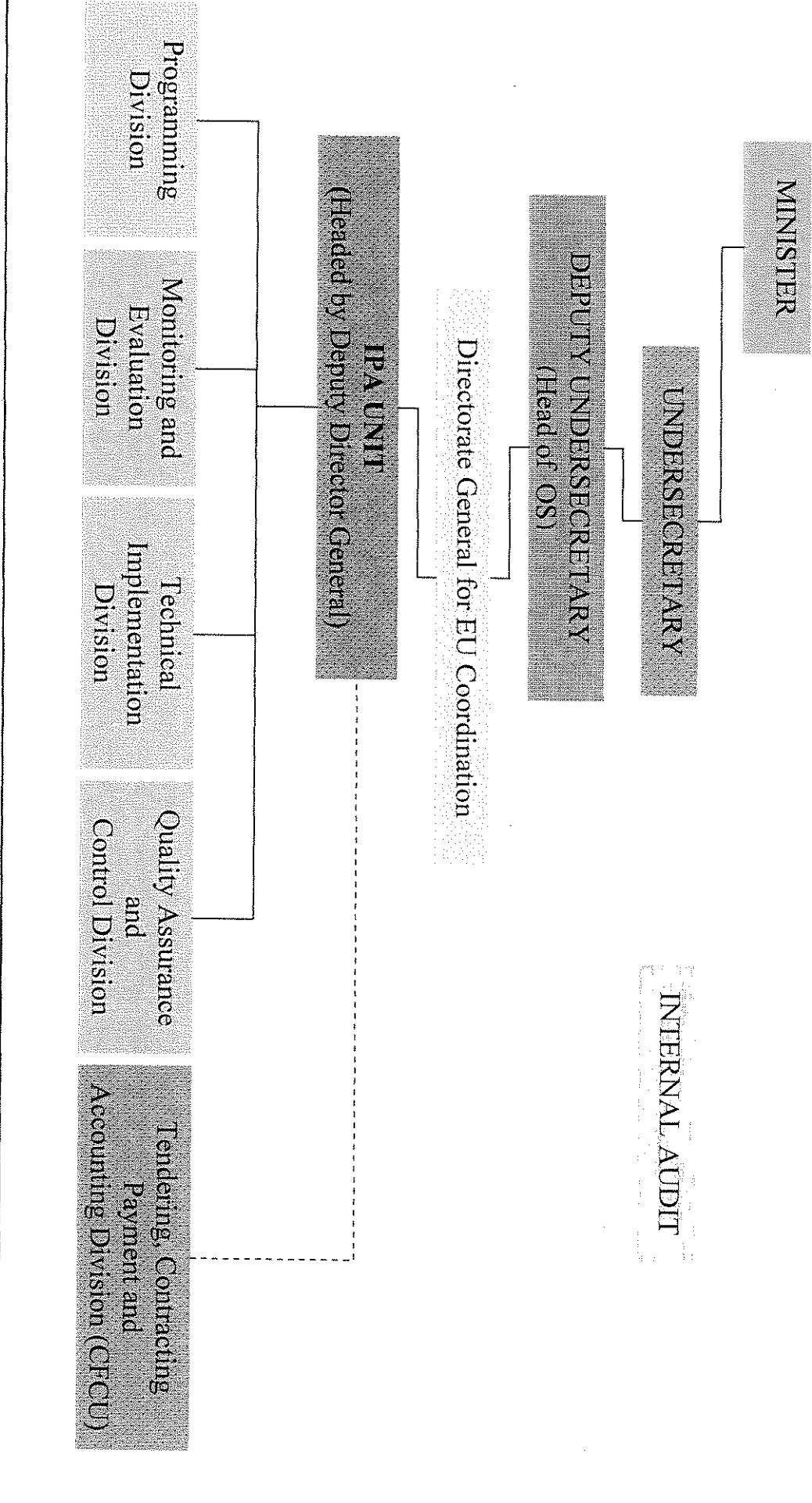
- 11 OIZs and 46 SSIEs were completed and 12 OIZs and 18 SSIEs projects are going on in this axis
- Existence of the 2 TDZs and 2 TDCs in TR 72 and C1
- There is 1 GAP-GIDEM (Entrepreneur Support Centre) and 1 ABIGEM- EU Turkish Business Centre- in this axis
- Insufficient R&D personnel and expenditures
- There are 5 universities in this axis and 2 of them are well developed
- Potential for R&D and innovation activities in SMEs
- Potential for joint projects between the enterprises and research institutions
- Potential for building R&D networks among different regions
- Potential for the usage of venture capital and seed capital funds

## ANNEX 6 - OVERALL IPA STRUCTURE

(Dash arrows represent flows of information)



ANNEX 7 - ORGANIGRAMME OF THE OPERATING STRUCTURE



TR-A1	: Bayburt, Erzurum
TR-A2	: Ağrı, Ardahan, Iğdır, Kars
TR-B1	: Bingöl, Elazığ, Malatya, Tunceli
TR-B2	: Bitlis, Hakkâri, Muş, Van
TR-C1	: Adıyaman, Gaziantep, Kilis
TR-C2	: Diyarbakır, Şanlıurfa
TR-C3	: Batman, Mardin, Siirt, Şırnak
TR-I0	: İstanbul
TR-21	: Edirne, Kırklareli, Tekirdağ
TR-22	: Balıkesir, Çanakkale
TR-31	: İzmir
TR-32	: Aydın, Denizli, Muğla
TR-33	: Afyon, Kütahya, Manisa, Uşak
TR-41	: Bilecik, Bursa, Eskişehir
TR-42	: Bolu, Düzce, Kocaeli, Sakarya, Yalova
TR-51	: Ankara
TR-52	: Karaman, Konya
TR-61	: Antalya, Burdur, Isparta
TR-62	: Adana, Mersin
TR-63	: Hatay, Kahramanmaraş, Osmaniye
TR-71	: Aksaray, Kırıkkale, Kırşehir, Nevşehir, Niğde
TR-72	: Kayseri, Sivas, Yozgat
TR-81	: Bartın, Karabük, Zonguldak
TR-82	: Çankırı, Kastamonu, Sinop
TR-83	: Amasya, Çorum, Samsun, Tokat
TR-90	: Artvin, Giresun, Gümüşhane, Ordu, Rize, Trabzon

**b) Amendment to the operational programme**

The multi-annual operational programme "Regional Competitiveness" is amended as follows:

1. The footer throughout the document is replaced by the text "Regional Competitiveness Operational Programme"

2. Section 3.1 "Priority Axes and Measures", "Targets and Indicators" and "Monitoring Indicators" pages 92, 93, 98, 102, 106, 109, 114, 115, 119, 122, 123, 125 and 128 is replaced by the following:

## Priority 1: Improvement of Business Environment

### Targets and Indicators

The indicators for this priority are the sum of the indicators identified for the measures under this priority.

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1-Area of shared facilities established or supported	75.000 m <sup>2</sup> (the area of technical and social facilities in 32 OIZs, 166 SSIEs and also the area of 10 IGEMs and 7 ISGEMs in the target regions)	27.500 m <sup>2</sup> (additional)	Shared facilities like labs, workshops, packaging facilities, machinery, training/education facilities, logistic facilities, etc.
2-Number of service facilities established or supported	6 (incubators in the target regions of the RCOP)	23 (additional) (Incubators, one-stop shop, etc.)	Service facilities like one stop shops, information offices, business and enterprise development centres.
3-Amount of credit guarantee supplied for enterprises	63.842 Million EUR. awarded from credit guarantee fund	35 Million EUR. (additional)	Base line data is from Credit Guarantee Fund Operating and Research J.S.C. (KGFE)
4-Amount of micro-loans supplied for enterprises	2.9 Million EUR.	5 Million EUR. (additional)	Data is collected from the statistics of Provinces which have allocated micro-credit schemes
5- Amount of venture capital supplied for enterprises	-	16 Million EUR.	-
6- Number of R&D and innovation related business sites established, rehabilitated and/or supported	4 TDZs,	5 (additional)	Technology Development Zones (TDZs) are established by the assistance of MoIT
7- Number of R&D related service facilities established, rehabilitated and/or supported	3 TDCs	5 (additional)	Technology Development Centres (TDCs) by the assistance of KOSGEB
8-Number of enterprises involved in assisted R&D projects	-	120	-
9-Number of tourism sites enhanced through renovation, rehabilitation or restoration	-	9	Tourism attraction points/areas, excluding historical and archaeological sites



<b>Results</b>				
1-Number of artisans and SMEs benefiting from shared facilities established or supported	16,600 artisans and 3500 SMEs taking benefit from common facilities of OIZs and SSIEs, and ISGEMs in the target regions	800 artisans and 1100 SMEs (additional)	Base line data is from the General Directorate for OIZs and SSIEs in MoIT.	
2- Number of SMEs benefiting from service facilities established or supported	350	1100 (additional)	As a base line, 175 out of 350 are only located in existing ISGEMs. There are also laboratories and regional industry development centres for common usage of SMEs in the target regions	
3- Number of new enterprises established inside industrial sites which are supported	-	730	Approximately 30 new enterprises located in each existing ISGEMs/incubation centres	
4-Number of the employment generated in OIZs, SSIEs, ISGEMs and incubators supported by IPA.	-	2600	The employment in existing 6 ISGEMs is 645.	
5-Number of new enterprises setting up a business via new financial instruments	57 new SMEs set up a business thanks to the credit guarantee fund in the target regions of the RCOP. Around 1000 people awarded by the micro-credits in the target regions of the RCOP	25 new SMEs (additional) 1000 (additional)	The breakdown of Credit Guarantee for Start-ups constitutes 22% in total amount, the rest for the existing firms.	
6- The number of enterprises benefited from the financial instruments	567	2.500	Base line data is from Credit Guarantee Fund Operating and Research J.S.C. (KGF)	
7- Number of R&D and innovation related new enterprises established inside business sites supported.	-	110	-	
8- Research job created in established and/or supported R&D related business sites and service facilities	-	30	-	
9-Number of tourists visited the tourism attraction points enhanced	2, 233, 673	2500 (additional per tourism attraction points enhanced)	Base line is the number of arrivals in Qualified Establishments Licensed by the Municipalities in the target regions	
10-Number of new tourism enterprises established in the region supported	0	15 (per tourism attraction points enhanced)	Number of tourism SMEs established in the city or cities as a result of increased touristic attraction through supporting touristic aspects in those city or cities.	

## Measure 1.1: Development of Industrial Infrastructure

### Monitoring Indicators

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1-Area of shared facilities established or supported	75,000 m <sup>2</sup> (the area of technical and social facilities in 32 OIZs, 166 SSIEs and also the area of 10 ISGEMs and 7 ISGEMs in the target regions)	27,500 m <sup>2</sup> (additional)	Shared facilities like: Labs, workshops, packaging facilities, machinery, training/education facilities, logistic facilities, etc.
2-Number of service facilities established or supported	6 (ISGEMs in the target regions of the RCOP)	23 (additional) (Incubator, one-stop shop, etc.)	Service facilities like one stop shops, information offices, business and enterprise development centres, etc.
<b>Results</b>			
1-Number of artisans and SMEs benefiting from shared facilities established or supported	16,600 artisans and 3500 SMEs taking benefit from common facilities of OIZs and SSIEs, and ISGEMs in the target regions	800 artisans and 1100 SMEs	Base line data is from the General Directorate for OIZs and SSIEs in MoIT.
2-Number of SMEs benefiting from service facilities established or supported	350	1100 (additional)	As a base line, 175 out of 350 are only located in existing ISGEMs. There are also laboratories and regional industry development centres for common usage of SMEs in the target regions
3- Number of new enterprises established inside industrial sites which are supported	0	730 (additional)	Approximately 30 new enterprises located in each existing ISGEMs/incubation centres
4-Number of the employment generated in OIZs, SSIEs, ISGEMs and incubators that supported by IPA.	0	2600	The employment in existing 6 ISGEMs is 645.

## Measure 1.2: Creation and Development of Financing Instruments

### Monitoring Indicators

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1-Amount of credit guarantee supplied for enterprises	63.842 Million EUR. awarded from credit guarantee fund	35 Million EUR. (additional)	Base line data is from Credit Guarantee Fund Operating and Research J.S.C. (KGF)
2-Amount of micro-loans supplied for enterprises	2.9 Million EUR.	5 Million EUR. (additional)	Data is collected from the statistics of Provinces which has allocated micro-credit schemes
3- Amount of venture capital supplied for enterprises	-	16 Million EUR.	-
<b>Results</b>			
1-Number of new enterprises setting up a business via new financial instruments	57 new SMEs set up a business thanks to the credit guarantee fund  Around 1000 people awarded by the micro-credits in the target regions of the RCOP	25 new SMEs (additional) (start-ups will have priority in allocation of the fund)  1000 person (additional)	Credit Guarantee for Start-ups constitutes 22%, the rest for the existing firms.
2- The number of enterprises benefited from the financial instruments	567	2.500	Base line data is from Credit Guarantee Fund Operating and Research J.S.C. (KGF)

### Measure 1.3: Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure

#### Monitoring Indicators

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1- Number of R&D and innovation related business sites established, rehabilitated and/or supported	4 TDZs,	5	Technology Development Zones (TDZs) are established by the assistance of MoIT
2- Number of R&D related service facilities established, rehabilitated and/or supported	3 TDCs	5	Technology Development Centres (TDCs) by the assistance of KOSGEB
3- Number of enterprises involved in assisted projects	-	120	Data can be detected from the project reports
<b>Results</b>			
1- Number of R&D and innovation related new enterprises established inside business sites supported,	0	110	-
2- Research job created in established and/or supported R&D related business sites and service facilities	-	30	-

# Measure 1.4: Improvement of Tourism Infrastructure, Promotion and Marketing Activities

## Monitoring Indicators

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1-Number of tourism attraction points enhanced	0	9	Tourism attraction points/areas are excluding historical and archaeological sites.
<b>Results</b>			
1-Number of tourists visited the tourism attraction points enhanced.	2. 233. 673	2500 (additional per tourism attraction points enhanced)	Base line is the number of arrivals in Qualified Establishments Licensed by the Municipalities in the target regions.
2-Number of new tourism enterprises established in the region thanks to supplying support	0	15 per tourism attraction points enhanced	Number of tourism SMEs established in the city or cities as a result of increased touristic attraction through supporting touristic aspects in those city or cities.

## Priority 2: Strengthening of Enterprise Capacity and Foster Entrepreneurship

### Targets and Indicators

The indicators for this priority are the sum of the indicators identified for the measures under this priority.

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1-Number of basic information support events held	27 (held in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	18 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TR42, TR72, TR52 and TRBI NUTS II Regions Development Programme</i>
2-Number of interested people participated in basic information support events	1886 (in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	650 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TR42, TR72, TR52 and TRBI NUTS II Regions Development Programme</i>
3-Number of SMEs assisted through consultancy supports	162 (in the target regions of the RCOP)  Around 55 SMEs per year (in the target regions of the RCOP)	125 (additional)	Base line is from the KOSGEB's data only for the year 2006.  Base line is from the National Productivity Centre's data
4-Number of interested people from Unions, Business Representative Organisations and NGOs participated in basic information support events	1737 (in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	600 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TR42, TR72, TR52 and TRBI NUTS II Regions Development Programme</i>
5-Number of consultancy activities for existing or potential clusters/networks, and Business Representative Organisations.	-	4	

<b>Results</b>			
1 - Number of SMEs prepared business and investment plans through information and consultancy support	-	110 business and investment plans prepared each year	-
2-Number of start-ups set up their businesses after participating in information support and consultancy services	-	75	-
3 - Number of networks/ clusters started to operate thanks to provided support	0	3	-
4 - Number of enterprises participating in the supported or newly established networks and clusters	-	50	

## Measure 2.1: Providing Basic Information and Consultancy Support for Enterprises

### Monitoring Indicators

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1-Number of basic information support events held	27 (held in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	18 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TR42, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
2-Number of interested people participated in basic information support events	1886 (in the framework of Grant Scheme Programme implemented by SPO in the target regions of the RCOP)	650 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP) and TR42, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
3-Number of SMEs assisted through consultancy supports	162 (in the target regions of the RCOP)  Around 55 SMEs per year (in the target regions of the RCOP)	125 (additional)	Base line is from the KOSGEB's data only for the year 2006  Base line is from the National Productivity Centre's data
<b>Results</b>			
1- Number of SMEs prepared business and investment plans through information and consultancy support	-	110 business and investment plans prepared each year (additional)	-
2-Number of start-ups set up their businesses after participating in information support and ensuring consultancy services	-	75	-



## Measure 2.2: Strengthening of Cooperation in Industry Corporate Sector

### Monitoring Indicators

Indicators	Base Line	Revised Target (2007-2011)	Definition and assumptions
<b>Outputs</b>			
1-Number of interested people from Unions, Business Representative Organisations and NGOs participated in basic information support events	1737 (in the framework of Grant Scheme implemented by SPO in the target regions of the RCOP)	600 (additional)	Base line is from grant scheme programmes implemented through <i>Eastern Anatolia Development Programme (EADP), TRA2, TR72, TR52 and TRB1 NUTS II Regions Development Programme</i>
2-Number of consultancy activities for existing or potential clusters/networks, and Business Representative Organisations.	-	4	
<b>Results</b>			
1-Number of networks/ clusters started to operate thanks to provided support	0	3	-
2-The number of enterprises participating in the supported or newly established networks and clusters	-	50	

### Priority 3: Technical Assistance

#### Measure 3.1: Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation

Type of indicators	Indicator	Baseline Value (2006)	Revised Target (2007-2011)	Source of verification
OUTPUT INDICATORS	Number of trainings organised for project preparation, formulation and implementation	0	36	MoIT, Monitoring System, project and programme reports
	Number of Monitoring Committee's meetings assisted	0	10	MoIT, Monitoring System, programme reports
	Number of controls on the place of realisation of projects	0	295	MoIT, Monitoring System, project and programme reports
	Number of study visits and internships	0	8/10	MoIT, Monitoring System
	Number of purchased and installed Work Stations*	0	270	MoIT, Monitoring System, programme reports

\* Work Stations includes at least computer, printer, access to Internet, software, copier, fax, audiovisual conference equipment, etc.

#### Measure 3.2: Publicity, Information and Promotion of the OP Measures

Type of indicators	Indicator	Baseline value (2006)	Revised Target (2007-2011)	Source of verification
OUTPUT INDICATORS	Number of publicity events (seminars, conferences, meetings, workshop etc.)	0	40	MoIT, Monitoring System, programme reports
RESULT INDICATORS	Number of project proposals received	0	500	MoIT, Monitoring System, project and programme reports

3. Section 4. "Financial Tables (eligible expenditure with reference to total public expenditure)" are replaced by the following:

2007	Total Public Expenditure	Public Expenditure (€)		IPA co-financing rate (%)
	(€) (1) = (2+3)	IPA Contribution (€) (2)	National Public Contribution (€) (3)	
				(4) = (2/1)
Priority Axis 1 – Improvement of Business Environment	36,477,649	31,006,000	5,471,649	85%
Measure 1.1. - Development of Industrial Infrastructure	9,119,412	7,751,500	1,367,912	85%
Measure 1.2. - Creation and Development of Financing Instruments	12,767,177	10,852,100	1,915,077	85%
Measure 1.3. - Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure	9,119,412	7,751,500	1,367,912	85%
Measure 1.4. - Improvement of Tourism Infrastructure, Promotion and Marketing Activities	5,471,648	4,650,900	820,748	85%
Priority Axis 2 – Strengthening of Enterprise Capacity and Foster Entrepreneurship	9,858,825	8,380,000	1,478,825	85%
Measure 2.1. - Providing Basic Information and Consultancy Support for Enterprises	5,915,295	5,028,000	887,295	85%
Measure 2.2. - Strengthening of Cooperation in Industry Corporate Sector	3,943,530	3,352,000	591,530	85%
Priority Axis 3 - Technical Assistance	2,957,648	2,514,000	443,648	85%
Measure 3.1. - Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation	2,366,118	2,011,200	354,918	85%
Measure 3.2. - Publicity, Information and Promotion of the OP Measures	591,530	502,800	88,730	85%
Total 2007	49,294,122	41,900,000	7,394,122	85%

2008	Total Public Expenditure	Public Expenditure (€)		IPA co-financing rate (%)
		(€) (1) = (2+3)	IPA Contribution (€) (2)  National Public Contribution (€) (3)	
(4) = (2/1)				
Priority Axis 1 – Improvement of Business Environment	37,870,591	32,190,000	5,680,591	85%
Measure 1.1. - Development of Industrial Infrastructure	9,467,648	8,047,500	1,420,148	85%
Measure 1.2. - Creation and Development of Financing Instruments	13,254,706	11,266,500	1,988,206	85%
Measure 1.3. - Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure	9,467,648	8,047,500	1,420,148	85%
Measure 1.4. - Improvement of Tourism Infrastructure, Promotion and Marketing Activities	5,680,589	4,828,500	852,089	85%
Priority Axis 2 – Strengthening of Enterprise Capacity and Foster Entrepreneurship	10,235,295	8,700,000	1,535,295	85%
Measure 2.1. - Providing Basic Information and Consultancy Support for Enterprises	6,141,177	5,220,000	921,177	85%
Measure 2.2. - Strengthening of Cooperation in Industry Corporate Sector	4,094,118	3,480,000	614,118	85%
Priority Axis 3 - Technical Assistance	3,070,589	2,610,000	460,589	85%
Measure 3.1. - Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation	2,610,000	2,218,500	391,500	85%
Measure 3.2. - Publicity, Information and Promotion of the OP Measures	460,589	391,500	69,089	85%
Total 2008	51,176,475	43,500,000	7,676,475	85%

2009	Total Public Expenditure (€) (1) = (2+3)	Public Expenditure (€)		IPA co-financing rate (%) (4) = (2/1)
		IPA Contribution (€) (2)	National Public Contribution (€) (3)	
Priority Axis 1 – Improvement of Business Environment	47,708,237	40,552,000	7,156,237	85%
Measure 1.1. - Development of Industrial Infrastructure	11,927,059	10,138,000	1,789,059	85%
Measure 1.2. - Creation and Development of Financing Instruments	16,697,883	14,193,200	2,504,683	85%
Measure 1.3. - Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure	11,927,059	10,138,000	1,789,059	85%
Measure 1.4. - Improvement of Tourism Infrastructure, Promotion and Marketing Activities	7,156,236	6,082,800	1,073,436	85%
Priority Axis 2 – Strengthening of Enterprise Capacity and Foster Entrepreneurship	12,894,119	10,960,000	1,934,119	85%
Measure 2.1. - Providing Basic Information and Consultancy Support for Enterprises	7,736,471	6,576,000	1,160,471	85%
Measure 2.2. - Strengthening of Cooperation in Industry Corporate Sector	5,157,648	4,384,000	773,648	85%
Priority Axis 3 - Technical Assistance	3,868,236	3,288,000	580,236	85%
Measure 3.1. - Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation	3,288,000	2,794,800	493,200	85%
Measure 3.2. - Publicity, Information and Promotion of the OP Measures	580,236	493,200	87,036	85%
Total 2009	64,470,592	54,800,000	9,670,592	85%

2010	Total Public Expenditure	Public Expenditure (€)		IPA co-financing rate (%)
	(€) (1) = (2+3)	IPA Contribution (€) (2)	National Public Contribution (€) (3)	
				(4) = (2/1)
Priority Axis 1 – Improvement of Business Environment	80,117,647	68,100,000	12,017,647	85%
Measure 1.1. - Development of Industrial Infrastructure	33,529,412	28,500,000	5,029,412	85%
Measure 1.2. - Creation and Development of Financing Instruments	14,705,882	12,500,000	2,205,882	85%
Measure 1.3. - Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure	18,941,176	16,100,000	2,841,176	85%
Measure 1.4. - Improvement of Tourism Infrastructure, Promotion and Marketing Activities	12,941,176	11,000,000	1,941,176	85%
Priority Axis 2 – Strengthening of Enterprise Capacity and Foster Entrepreneurship	2,176,471	1,850,000	326,471	85%
Measure 2.1. - Providing Basic Information and Consultancy Support for Enterprises	0	0	0	85%
Measure 2.2. - Strengthening of Cooperation in Industry Corporate Sector	2,176,471	1,850,000	326,471	85%
Priority Axis 3 - Technical Assistance	1,741,177	1,480,000	261,177	85%
Measure 3.1. - Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation	1,294,118	1,100,000	194,118	85%
Measure 3.2. - Publicity, Information and Promotion of the OP Measures	447,059	380,000	67,059	85%
Total 2010	84,035,295	71,430,000	12,605,295	85%

2011	Total Public Expenditure	Public Expenditure (€)		IPA co-financing rate (%)
		(€) (1) = (2+3)	IPA Contribution (€) (2)  National Public Contribution (€) (3)	
Priority Axis 1 – Improvement of Business Environment	98,523,530	83,745,000	14,778,530	85%
Measure 1.1. - Development of Industrial Infrastructure	43,970,588	37,375,000	6,595,588	85%
Measure 1.2. - Creation and Development of Financing Instruments	17,376,471	14,770,000	2,606,471	85%
Measure 1.3. - Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure	22,117,647	18,800,000	3,317,647	85%
Measure 1.4. - Improvement of Tourism Infrastructure, Promotion and Marketing Activities	15,058,824	12,800,000	2,258,824	85%
Priority Axis 2 – Strengthening of Enterprise Capacity and Foster Entrepreneurship	2,323,530	1,975,000	348,530	85%
Measure 2.1. - Providing Basic Information and Consultancy Support for Enterprises	0	0	0	85%
Measure 2.2. - Strengthening of Cooperation in Industry Corporate Sector	2,323,530	1,975,000	348,530	85%
Priority Axis 3 - Technical Assistance	2,705,884	2,300,000	405,884	85%
Measure 3.1. - Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation	2,352,942	2,000,000	352,942	85%
Measure 3.2. - Publicity, Information and Promotion of the OP Measures	352,942	300,000	52,942	85%
Total 2011	103,552,944	88,020,000	15,532,944	85%

2007-2011	Total Public Expenditure (€) (1) = (2+3)	Public Expenditure (€)		IPA co-financing rate (%)
		IPA Contribution (€) (2)	National Public Contribution (€) (3)	
(4) = (2/1)				
Priority Axis 1 – Improvement of Business Environment	300,697,654	255,593,000	45,104,654	85%
Measure 1.1. - Development of Industrial Infrastructure	108,014,119	91,812,000	16,202,119	85%
Measure 1.2. - Creation and Development of Financing Instruments	74,802,119	63,581,800	11,220,319	85%
Measure 1.3. - Improvement of R&D, Innovation, Technology and ICT Environment and Infrastructure	71,572,942	60,837,000	10,735,942	85%
Measure 1.4. - Improvement of Tourism Infrastructure, Promotion and Marketing Activities	46,308,473	39,362,200	6,946,273	85%
Priority Axis 2 – Strengthening of Enterprise Capacity and Foster Entrepreneurship	37,488,240	31,865,000	5,623,240	85%
Measure 2.1. - Providing Basic Information and Consultancy Support for Enterprises	19,792,943	16,824,000	2,968,943	85%
Measure 2.2. - Strengthening of Cooperation in Industry Corporate Sector	17,695,297	15,041,000	2,654,297	85%
Priority Axis 3 - Technical Assistance	14,343,534	12,192,000	2,151,534	85%
Measure 3.1. - Support to the OP Preparation, Management, Implementation, Monitoring, Control and Evaluation	11,911,178	10,124,500	1,786,678	85%
Measure 3.2. - Publicity, Information and Promotion of the OP Measures	2,432,356	2,067,500	364,856	85%
Total 2007-2011	352,529,428	299,650,000	52,879,428	85%



