

# Section I: Identification and JP Status Harnessing Sustainable Linkages for SMEs in Turkey's Textile Sector

# Semester: 2-10

Country Thematic Window MDGF Atlas Project	Turkey Development and the Private Sector
Program title	Harnessing Sustainable Linkages for SMEs in Turkey's Textile Sector
Report Number Reporting Period Programme Duration Official Starting Date	2-10
Participating UN Organizations	* ILO * UNDP * UNIDO
Implementing Partners	* ITKIB
Budget Summary	
<b>Total Approved Budget</b> UNDP UNIDO ILO Total	\$1,428,922.00 \$858,675.00 \$410,880.00 \$2,698,477.00



Total Amount of Transferred To Date	
UNDP	\$525,852.00
UNIDO	\$288,500.00
ILO	
Total	\$814,352.00
Total Budget Commited To Date	
UNDP	
UNIDO	\$75,888.00
ILO	
Total	\$75,888.00
Total Budget Disbursed To Date	
UNDP	\$129,733.00
UNIDO	\$62,427.00
ILO	
Total	\$192,160.00

# Donors

As you can understand, one of the Goals of the MDG-F is to generate interest and attract funding from other donors. In order to be able to report on this goal in 2010, we would require you to advise us if there has been any complementary financing provided in 2010 for each programme as per following example:

Amount in thousands of U\$

Туре	Donor	Total	For 2010	For 2011	For 2012
Parallel					
Cost Share					
Counterpart					
DEFINITIONS					

1) PARALLEL FINANCING – refers to financing activities related to or complementary to the programme but whose funds are NOT channeled through Un agencies. Example:



JAICA decides to finance 10 additional seminars to disseminate the objectives of the programme in additional communities.

2) COST SHARING – refers to financing that is channeled through one or more of the UN agencies executing a particular programme. Example: The Government of Italy gives UNESCO the equivalent of US \$ 200,000 to be spent on activities that expand the reach of planned activities and these funds are channeled through UNESCO.

3) COUNTERPART FUNDS - refers to funds provided by one or several government agencies (in kind or in cash) to expand the reach of the programme. These funds may or may not be channeled through a UN agency. Example: The Ministry of Water donates land to build a pilot 'village water treatment plant' The value of the contribution in kind or the amount of local currency contributed (if in cash) must be recalculated in US \$ and the resulting amount(s) is what is reported in the table above.

# **Direct Beneficiaries**

	Men	Men from Ethnic Groups	Women	Women from Ethnic Groups	Boys	Girls	National Institutions	Local Institutions
Targeted Number	500		250					1000
Reached Number								
Targeted - Reached	500	0	250	0	0	0	0	1000
% difference	0.0	0	0.0	0	0	0	0	0.0
Indirect Beneficiaries								
	Men	Men from Ethnic Groups	Women	Women from Ethnic Groups	Boys	Girls	National Institutions	Local Institutions
Targeted Number								2000
Reached Number								
Targeted - Reached	0	0	0	0	0	0	0	2000
% difference	0	0	0	0	0	0	0	0.0



# **Section II: JP Progress**

# 1 Narrative on progress, obstacles and contingency Measures

Please provide a brief overall assessment (250 words) of the extent to which the joint programme components are progressing in relation to expected outcomes and outputs, as well as any measures taken for the sustainability of the joint programme during the reporting period. Please, provide examples if relevant. Try to describe facts avoiding interpretations or personal opinions

#### **Progress in outcomes**

Preparatory work to reach the Joint Programme outcomes were initiated during November 2010.

For the first outcome,SMEs in textile and apparel sector from poor areas of Turkey, with a special focus on women entpreneurs, will be equipped with knowledge and tools to integrate into national and international value chains through capacity building efforts on clustering, business linkage development and effective use of ICTs; as well as through activation of an innovative ICT based Value Chain Management Platform (VCMP); a preliminary study had been conducted by IBM to provide a gap analysis for Malatya province in order to operationalize VCMP in this region. Furthermore negotiations are on-going between ITKIB and CISCO for the adaptation and lauching of the portal which had already been designed by the support of a previous UNDP project.

Sustainable development, CSR principals and gender equality shall be integrated into the business processes and practices of the Turkish SME's in textile and apparel sector for increased competitiveness;

A wider uptake of CSR among textile and apparel companies and in relevant government policies are going to be promoted through sector assessments. In terms of contributing towards achieving MDGs, tools will be developed, guiding materials and case studies and sector specific CSR trainings on gender sensitive, social and training activities on environmental issues will be conducted.

#### **Progress in outputs**

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

In order to reach this objective, several outputs are identified as essential steps of the Joint Programme. The first output is the effective utilization of a value chain management platform by the textile and apparel sector. The VCMP which had already been developed by a previous UNDP programme shall be the basis for launching and operationalizing VCMP for textile and apparel sector to be utilized by exporters as well as suppliers of sector which are located at Malatya, Kahramanmaraş, Adıyaman and Gaziantep. Second output which is the provision of clustering, business development and networking support for the textile and apparel sector will be conducted in parallel with the first output, i.e. the operationalization of the VCMP. The specific activities and the findings such as the needs assessment studies in textile sector, focus group meetings, diagnostic studies for Malatya, Kahramanmaraş, Adıyaman and Gaziantep and expert group meetings which will be carried out under this output will be the basis for the other activities of the Joint Programme. The third output is supporting the establishment of an innovation and research center, IRAC under Inönü University which will support the textile and apparel sector and increasing awareness in corporate social responsibility, social and environmental sensitivity. The fourth output will be providing business support for selected textile companies in Malatya, Kahramanmaraş, Adıyaman and Gaziantep, Adıyaman and Gaziantep. The criteria for the selection will be developed by the Technical Advisory Committee which be based on the objectives of the Joint Programme, i.e. promotion of business developed by the Technical Advisory Committee which be based on the objectives of the Joint Programme, i.e. promotion of business development, awareness and conduct in corporate social responsibility.

These outputs and activities can further be described as follows:

•Value chain management platform (VCMP) that disseminates affordable productivity enhancing technologies will be established and approved by ITKIB and accessible by sector companies and all relevant parties.



Value Chain Management Portal for the textile and apparel sector had already been prepared by a previous UNDP programme, with the collaboration of ITKIB and CISCO. However the portal is not fully operational yet. The Joint Programme activities will put the portal into operation and ensure the accessibility of it especially for the textile companies of the targeted provinces of Malatya, Kahramanmaraş, Adıyaman and Gaziantep.

ITKIB will be responsible for the general management of the VCMP platform and portal although the technical management will be under the responsibility of a service provider.

Selection of the members for the expansion of the pilot application requires a careful identification of the potential users of the VCMP, based on previous experiences. The selection of the users of the portal will be under the responsibility of ITKIB and it will be accessible for exporters and suppliers of the textile sector with differentiated prices. Board members of ITKIB have the potential of encouraging and initiating the activity of utilizing VCMP as big exporters. In addition, a preliminary announcement of the VCMP will be made through Joint Programme website which will further be introduced by a joint meeting organized by ITKIB and CISCO. Actual invitations recommending the membership at VCMP will be send out by ITKIB to all companies of the textile sector including the suppliers located at Malatya, Adiyaman, Kahramanmaraş and Gaziantep.

Parallel to the activities of the Joint Programme, a utilization strategy for the value chain management platform will be developed by ITKIB.

In order to ensure the continuity, the negotiations between ITKIB, CISCO and service providers are ongoing. A protocol is expected to be signed between ITKIB and CISCO at the end of January 2011.

In the meanwhile a preliminary business plan is prepared by CISCO, based on the road map identified by ITKIB. (See appendices)

Accordingly, VCMP will be launched by January 2012.

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

The activities are as follows:

•Internet based VCMP platform is operational and accessible (including 1000 targeted SME's in the region)

•selection of members for the expansion of the pilot application

•identification of system requirements

•design and implementation of software

•launching of the platform

•management and maintenance of the platform

•capacity development strategy on ICT is implemented (including targeted SME's in the region

•identification of training needs for using ICT tools

designing training programs

•Delivering training and ensuring the provision of continuous support for SME's in the region.

•the capacity of national SME support and advisory institutions in the field of clustering and business linkage development are enhanced; clustering and networking case study is conducted in Malatya and neighboring provinces

The activities and findings under this output will provide a profile of the textile sector in Turkey and the region. Therefore, they will be the basis for the other activities of the Joint Programme, such as establishment of IRAC.

•needs assessment for the support in textile sector

•undertake a needs assessment on

•mapping of stake holders

their strengths & weaknesses

•number of firms in clusters, size of firms, location, products/services, import/export market,

•production/distribution chains

•past, ongoing, planned initiatives



This activity is launched with the start of the project and the final output shall be finalized in the 3rd quarter of 2012 towards the end of the project. This activity is planned in order to take a snapshot of the Turkish textile sector based on the textile clusters present in various parts of Turkey. Previous initiatives related to Turkish textile clusters as well as the new ones shall be compiled from the aspect of increasing the competitiveness of the Turkish textile industry. The knowledge that will be accumulated via the current Joint Programme both in the field and through collaboration with the stakeholders shall be reflected into this study. The aim is to map the stakeholders, identify the strengths and weaknesses with the final objective of assessing the needs of the textile sector in order to support the Turkish textile sector.

•organize a focus group meeting

•discuss findings

•gather feedback & suggestions

•define the concrete role /involvement

•present UNIDO cluster methodology & programs

•discuss potential approaches and applicability for Turkish textile sector

•discuss the implementation of pilot cluster for demonstration and training purposes in Malatya and neighboring provinces

It is planned to share the findings of the activity of 1.2.1.1 via a focus group meeting to be organized in the 3rd quarter of 2012. All the members of the value chain shall be invited to this interactive event where the findings of the activity shall be presented and feedback as well as suggestions shall be gathered. This will also be used as another opportunity to present UNIDO Cluster Methodology to underline the activities that have been carried out up to date and the expectations from the stakeholders to ensure sustainability of what has been implemented.

At the time of the event, there shall have been continuous and various activities carried out related to cluster development in the pilot provinces. During the focus group meeting; the progress of these activities shall be presented to the public and the potential approaches for application of the pilot activities for the overall Turkish textile sector will be discussed. Based upon the interest, concrete role and involvement of each member of the value chain shall be identified.

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

•preparation of set of recommendations

Upon completion of activities 1.2.1.1 and 1.2.1.2; a clear picture of the Turkish textile sector shall become available and the outputs will have been shared with the stakeholders also having received their feedback and suggestions. Accordingly based on these activities, it will be possible to prepare a set of recommendations in order to make it available for the textile value chain. Related to the sequence of the linked activities 1.2.1.1 and 1.2.1.2, the set of recommendations will be finalized in the last quarter of 2012. •capacities of minimum 4 selected business support institutions on business linkage development are reinforced/developed

•adaption of UNIDO training material

UNIDO is an agency with a vast international know-how and experience related to cluster and business linkage development. Therefore training material is available that has been prepared based on the experience accumulated by UNIDO. The current material shall be adapted to the local context in order to be used in the training courses to be carried out. This will take place in the first quarter of 2011 so that it can become available prior to the implementation of the training courses.

•organization of 2 training course on UNIDO Cluster Development and Export Consortia Methodology

2 training courses shall be carried out on UNIDO Cluster Development and Export Consortia Methodology in order to train interested parties. Information shall be provided to the stakeholders in order to identify and recruit the relevant participants prior to the sessions. The essence of clustering shall be presented and the training programmes shall also be used as an opportunity to raise interest for the cluster development activities to be carried out consequently. During the inception period, it is assessed that the 2 training programs shall provide further benefit in case they are carried out in the target provinces. As cluster development activities shall also be carried out in the target provinces, it is deemed essential to carry out the training programmes prior to the start of these activities.

The first training program shall take place at the beginning of the 2nd quarter of 2011. It is planned to carry out the second training program with an interval of one year so that further interest will be drawn by the cluster development activities being implemented in the meantime and the need shall be formed in order to train a new group of participants.

•formulation of a diagnosis study for Malatya and neighboring provinces to identify strengths, weaknesses, opportunities and threats



The diagnostic study in order to identify strengths, weaknesses, opportunities and threats for Malatya and neighboring provinces started during the inception phase, i.e. December 2010. The activity is launched with the support of the Governor of Malatya on the 9th of December 2011 via a meeting hosted by the Governor's Office. The Diagnostic study carries great importance as it shall form the basis of other outputs and activities providing valuable information from the field. This activity is currently being carried out in the 4 target provinces namely Malatya, Adıyaman, Gaziantep and Kahramanmaraş.

The diagnostic study is initiated by a set of interviews by a group of experts. Stakeholders in the target provinces comprising of government institutions, agencies, universities, Research & Development Institutions and enterprises are currently being visited and interviews are being carried out. Two sets of interview questions are prepared and attached as an annex to this report. Prior to the start of the activity, interview questions have been circulated to the other participating UN agencies ILO and UNDP in order to receive their feedback and questions so that the outputs shall be cross cutting for all in line with the principles of a Joint Program.

This activity is also being used as an opportunity to create awareness and interest related to the project as well as identification of partner SMEs for other activities within the course of the project such as training and counseling programs. Value chain of the sector is examined thoroughly and the cluster is being analyzed according to the UNIDO approach taking into consideration the competition in the sector, demand factors, supply factors, related and supporting industries. As an output of the activity; a list and a map of stakeholders will be prepared. All the data and information gathered shall be transformed into a report. The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

Diagnostic study will be completed within the first quarter of 2011.

•formulation and participatory validation of action plans entailing the development vision of cluster and a road map

Upon completion of the diagnostic study as well as the first training program, it is expected to create a high level of awareness and interest in the target provinces. In order to translate the knowledge gathered as a result of the field work into practice, action plans shall be essential to ensure the sustainability of the efforts. Action plans will be prepared in order to be implemented throughout the course of the project and to be followed up subsequently, upon completion of the project. The differentiation between which activities shall be carried via the Joint Program and which activities will need to be carried out further on by the stakeholders upon completion of the project will be clearly indicated. The action plans will bear practical information and instructions focusing on increasing the competitiveness of the textile clusters in the target provinces.

•support the implementation of cluster action plan by means of training programs and coaching

As part of cluster development activities, cluster development agents are indispensable in order to carry out day-to-day work as well as plan and implement joint activities locally. Within the framework of UNIDO activities, it is planned to recruit local Cluster Development Agents in the 2 target provinces. It is necessary for the agents to maintain full time residence in the target provinces throughout their recruitment period. The cluster development agents need to possess excellent communication skills in order to create enthusiasm amongst the stakeholders for the successful implementation of the activities. It is foreseen to hire the agents at the beginning of the third quarter of 2011. Upon their recruitment, there will be training programs and coaching carried out specifically for the agents for their empowerment and acquisition of the necessary competences.

As a result of overall cluster development related activities carried out, a strong basis for formulating policy recommendations shall be established. The findings of all cluster related outcomes shall be translated into policy recommendations in order to further support development of the textile value chain. This will be carried out in the final quarter of 2012.

•An SME Innovation Research and Advisory Centre (IRAC) is established and activated

Malatya İnönü University

IRAC will support the sector based on their needs and demands as well as supporting the innovation and research for increasing competitiveness by improving business linkages for the value chain of the textile and apparel sector and increasing awareness in corporate social responsibility, social and environmental sensitivity

Consultancy services are provided for at least 25 companies by IRAC

•Establishment of administrative infrastructure; signing a protocol with the university and preparation of a business plan

•Installation of facilities and equipment

•Capacity development of 3 academic members; training in Spain

•Operational programs for the delivery of consultancy services based on the needs of the textile sector



Cooperation with İnönü University started during the inception phase.

However, the innovation and research center should be established based on the structure and the needs of the textile and apparel sector in the region. It should also ensure the continuity of some of the outputs of the Joint Program, providing advisory support for the textile and apparel sector, in subjects such as corporate social responsibility, environmental and social conduct as well as carrying out innovative research in many technical fields.

Therefore, the findings of the diagnostic study which will be completed by the end of February 2011 will form the basis for this cooperation and establishment of administrative infrastructure.

In addition, a separate report will be prepared analyzing the best models for the establishment of IRAC.

Establishment of an innovation and research center with a sustainable, stable and continuous administrative link to the University is far reaching and beyond the scope, timeframe, capacity and budget of this Joint Programme. However, establishment of such a center will be initiated by this Joint Programme, by using a step by step approach defining the most appropriate model for the establishment of a center followed by supporting the establishment of administrative capacity and infrastructure. The Joint Programme will also support the preparation of a business plan as well as the operational plans for various advisory programmes.

Therefore, for the establishment of the administrative infrastructure, transfer of funds between activities is foreseen.

1.4 Innovation in pro-poor and gender sensitive business models is encouraged and achieved (Through a support scheme)

In order to support the textile companies with appropriate business models and practices a support scheme will be developed providing business support for selected textile companies in Malatya, Kahramanmaraş, Adıyaman and Gaziantep. The criteria for the selection will be developed by the Technical Advisory Committee which will be based on the objectives of the Joint Programme, i.e. promotion of business development, awareness and conduct in corporate social responsibility.

1.4.1. support scheme is implemented and awarded to 10-12 selected SME's

1.4.1.1 preparation of support scheme guidelines

• identification and selection of beneficiaries by TAC

• implementation

• monitoring of the supported actions

1.4.1.5 dissemination of the outcomes

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

•Sustainable development, CSR principals and gender equality are integrated into the business processes and practices of the Turkish SME's in textile sector for increased competitiveness

•An assessment report on sustainable development and MDG awareness as well as on gen der sensitive, social and environmental conduct among Turkish SMEs in textile and clothing sectors is prepared and launched by ITKIB and consequently shared with MoIT, UFT and SMEs.

This activity is foreseen as a joint activity in order to assess different capabilities of SMEs from different aspects in line with the mandates of the UN agencies. UNDP shall have a focus on business development while carrying out the assessment, UNIDO shall have the focus of environmental conduct while carrying out the assessment and ILO shall focus on social conduct.

For the preparation of the Assessment Report, combined efforts of all UN Agencies and ITKIB are foreseen. One-day survey workshops will be organized in each province of Malatya, Kahramanmaraş, Adıyaman and Gaziantep, during March – April 2011, as a result of which situation analysis' are prepared for sustainability, social conduct and environmental conduct of the textile sector in the region.

•An assessment of the awareness on sustainable development and MDG for SMEs in textile and clothing sectors is elaborated in a gender sensitive and participatory manner and submitted to MoIT.

•Assessment of social conduct for SMEs in textile and clothing sectors elaborated in a gender sensitive and participatory manner.

•Assessment of environmental conduct of SMEs in textile and clothing sectors elaborated in a gender sensitive and participatory manner.

The specific activities which will be jointly carried out by UN Agencies under this output are:

•completion of a situation analysis



•presentation of five business models from the sector to be collected ,analyzed, edited and published as case studies

•UNDP will be responsible for the preparation of five business models as case studies.

•dissemination of the report

•publishing report 2000 copies made available

UNIDO will have a general coordination and editing role in the production of the CSR report while the report on gender will be prepared under the responsibility of ILO. Regarding CSR report:

Globalization brings substantial benefits, but also poses challenges to achieve improved and fair outcomes for all. The action of enterprises can help to meet the growing challenges of globalization. Corporate social responsibility initiatives based on international labor standards and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy can actually contribute to the promotion of economic and social development by promoting respect for rights at work and providing an important complement to government regulation at the workplace.

International labor standards elaborated and supervised by the ILO are an essential component of the international framework for ensuring that globalization provides benefit to all. They are a valuable benchmark not only for governments, employers' and workers' organizations, but also for enterprises, international institutions, and non-governmental organizations.

In this context, a survey/desk review will be conducted to assess the application of international labor standards and corporate social responsibility in selected SMEs in the target provinces. To this end, workshops will be organized with participation of representatives of national and transnational companies as well as SMEs in target provinces. Workshops will enable the Joint Programme to deliver seminars which will look at the role of international labor standards and at the potential initiatives to contribute to the respect of labor rights and the achievement of decent work for all. Workshops will provide participants with an overall understanding of the current trends and challenges in corporate social responsibility, and with an overview of the ILO instruments as well as national legislation that can assist those engaging in dialogue with multinationals and other enterprises. The findings shall be prepared in the form of a report to be published and disseminated.

On the other hand, the systematic depletion of natural resources that underlies our most pressing environmental concerns, including climate change, necessitates new approaches that make possible economic growth and at the same time decrease negative environmental impacts that stem from the production of goods and services. Resource Efficient and Cleaner Production is a preventive, enterprise-level approach of UNIDO to improving resource use, reducing environmental pollution and contributing to sustainable industrial development. It is based on the continuous application of an integrated preventive environmental strategy to processes, products and services in order to increase overall efficiency and to reduce risks to humans and the environment. The United Nations Industrial Development Organization (UNIDO) and the United Nations Environment Program (UNEP) cooperate closely to advance sustainable industrial development and sustainable consumption and production in developing and transition countries. Since 1994, UNIDO and UNEP have worked together to establish and support National Cleaner Production Centers (NCPCs), which are currently operational in over 45 countries.

Resource Efficient and Cleaner Production approach shall be adopted and also presented to the companies while carrying out the surveys. It will be emphasized that Resource Efficient and Cleaner Production acts as a catalyst to productivity by optimizing the use of natural resources. UNIDO also promotes environmental management by preventing the generation of waste and emissions determining where waste and emissions are generated and where and how resources are used inefficiently. This shall also be the case while carrying out the activities of this component in order to decide how to best address or eliminate the source or cause of these problems.

Gate to gate approach shall be adopted while carrying out the survey in the companies. That is to say the first gate shall be considered as the boundary for the inputs and the second gate shall be considered as the boundary for the outputs. The resources (materials, energy and water) that are purchased, the resources that are generated or collected on the site and the outputs (waste, waste water, air emissions, and products or services) from the operations shall be included and assessed.

Data shall be collected from various possible sources such as internal sources within the company namely departments or persons in charge of accounting, sales, purchasing, production, maintenance, human resources, environment; as well as:

Invoices from suppliers and public utilities;

•Industry-sector organizations;

Local authorities;



#### •State institutions.

It is assumed that the surveyed organizations will be willing to share their data with the team of experts. As part of the survey, potential financial benefits from improved environmental performance shall also be identified. It will be underlined that by enhancing efficiency by the efficient use of energy, water and materials, not only are environmental improvements (reduced resource use and reduced waste and emissions) achieved, but potentially significant financial savings are also made possible, since the costs for purchasing of materials and treatment of wastes decrease accordingly.

The indicator system to be used in the survey is based on absolute indicators that cover the main inputs and outputs of business operations, namely, resource inputs (use of materials, energy and water), pollution outputs (waste, carbon dioxide emissions, and waste water) and product outputs. The indicator system will then be based on resource productivity and pollution intensity indicators that are relative indicators calculated on the basis of these absolute indicators.

UNIDO perceives" the assessment of environmental conduct for SMEs in textile and clothing sectors in a gender sensitive and participatory manner" in two manners. The first one is that the data collected shall depict the current situation of the surveyed companies and accordingly a situation analysis shall be achieved. This will provide valuable information for all interrelated activities where policy recommendations shall be prepared and training programs will be implemented.

Furthermore, this exercise will also serve as a basis of awareness raising related to environmental conduct demonstrating how productivity is directly related to cost saving in two ways: firstly, by converting valuable resources into useful products and services, and, secondly, by reducing the costs of clean-up, remediation, transport, treatment and disposal associated with wastes and emissions. Furthermore, the overall objective is to save valuable natural resources, thus providing benefits for society and the environment. The findings shall be prepared in the form of a report to be published and disseminated.

•awareness building strategy on sustainable development, and gender sensitive, social and environmental conduct of selected SME enterprises is implemented To ensure effective implementation of the awareness building strategy on sustainable development, and gender sensitive social and environmental conduct, core staff of the Joint Program will receive in-depth training on these issues.

Therefore, ITC-ILO will provide training for the core staff at the end of February 2011.

UN Agencies, ITKIB, CSR Association and local partners will participate in training activities in Turin, Italy.

The major issue regarding this output is the size of the target group. Reaching 100 managers, 750 workers as well as 50 experts of local business support is a more realistic target, due to the financial and economic crises which has influences on local textile sector.

The trainings which will be provided for the target group are combined activities of all UN Agencies and will be delivered starting the third quarter of 2011.

They will be delivered as one week training, combining sustainable development, social conduct and environmental conduct, delivered by separate experts.

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

•capacity development strategy containing intensive training programs on gender sensitive sustainable development and MDG is implemented and delivered to 100 managers and 750 workers, as well as 50 experts of local business support and advisory institutions with special focus on young people and gender balanced participation

•capacity development strategy containing intensive training programs on social and gender sensitive conduct is implemented and delivered to 100 managers and 750 workers, as well as 50 experts of local business support and advisory institutions with special focus on young people and gender balanced participation

•capacity development strategy containing intensive training programs on environmental conduct is implemented and delivered to 100 managers and 750 workers, as well as 50 experts of local business support and advisory institutions with special focus on young people and gender balanced participation

The specific activities which will be carried out jointly by the UN Agencies are as follows:

•delivering training to core project staff (max.15 persons) on the labor dimension of CSR, delivered by the ITC- ILO

The main object of this training is to develop a common understanding on the interrelated concepts of CSR, sustainable development, gender and environment in line with ILO's perspective on CSR and international labor standards. The training will be delivered to UNJP core project staff including local experts who will deal with the project activities in target provinces and is expected to be organized in February. Total number of trainees will not exceed 15 people. The venue of the course will be either in Turin or Ankara. The training program will be composed of four modules dealing with specific topics including application of CSR policies in textile sector, International Labor Standards (ILS) system, sustainable development and CSR, gender and environmental auditing.

•delivering training for trainers



Focus of ILO: The aim of the training of trainer programs is to look at the role of CSR in today's globalized world of work and show the ways how labor rights and the achievement of "decent work for all" will be respected through effective usage of CSR principles. The focus of the training will be on ILO principles on CSR and effective practices in implementing core labor rights. It is expected that through ToT programs, the capacity of local experts and institutions in promoting the application of ILS in the framework of CSR policies and practices will be strengthened. Since the project covers supply chain value management, it is also necessary to incorporate the issue of how to better assess and improve labor principles compliance in supply chains. With this specific training programme, it is aimed to form a pool of trainers in order to ensure sustainability of the training programmes. The trainers who have taken the ToT seminars will undertake a range of intensive training programs targeting 100 managers and 750 workers and 50 experts of local business support and advisory institutions with a focus on young people and women in pilot provinces. The venue of the training will be in Turkey.

Focus of ILO: Awareness and capacity building strategy will be implemented; intensive training programs targeting around 100 managers, 750 workers, as well as 50 experts of local business support and advisory institutions will be undertaken. At least 50% of the trainees will be women. The training will include information on the business benefits of CSR compliance and how to develop and mainstream international labor standards through a CSR strategy to the business processes. The trainees will be guided on how to conduct responsible business and international labor standards. The topics will include, among others, social impact of doing business, international labor standards, social auditing, gender equality, labor rights, responsible sourcing, corporate governance and business ethics. Training will be undertaken by local trainers who have taken ToT programs organized by ILO in cooperation with ITC. During the implementation of training programs, coaching of the ITC trainers might be needed to ensure that ILO CSR principles and ILS are fully integrated into the training modules and successfully delivered to the participants. Training courses will take in pilot provinces and is expected to be finalized in the third quarter of 2012.

Training activities which will be carried out on environmental issues by UNIDO:

•Designing training programs on environmental conduct and productivity aspects.

Training programmes shall be carried out by UNIDO focusing on environmental conduct and productivity aspects of business. In order to reach a level of responsible entrepreneurship, it is necessary to raise awareness amongst the related SMEs and institutions, demonstrating that a balance should be ensured between economic, social and environmental aspects of business. The training programmes shall draw the attention of the participants to the fact that productivity can be increased by respecting environmental conduct.

It is of utmost importance to carry out all business processes in an environmentally sensitive way both in order to achieve sustainability and also to comply with the requirements of the international buyers especially for the textile sector. It will be emphasized that environmentally sensitive business practices shall not bring extra burden but indeed equip the SMEs with a comparative advantage. Special attention shall be paid to ensure participation of young people and women. During the Inception Period, it is observed in the field that there is great need and interest for the training programmes.

•Designing and developing relevant training materials. Delivering training for trainers

The training materials related to the training programmes shall be developed. Amongst others, the training programmes will focus on the topics of "how to manage performance, understanding the indicators, establishing the baseline, creating guidelines, managing environmental costs, use of water, energy, resources; air emissions, waste water, productivity"

#### • Delivering trainings to the target group

Intensive training programmes shall be delivered to a target group consisting of workers, managers and experts of local business advisory and support institutions. It is aimed to raise awareness on environmentally responsible business practices keeping in mind the concept of competitiveness. By delivering training programmes to different target groups, the main objective is to incorporate this mindset into the daily activities of all levels of the business community in the target provinces. It is also aimed to form a pool of trainers in order to ensure the sustainability of the training programmes.

•a CSR strategy for textiles and clothing sector is developed, implemented in selected firms and submitted to MoIT for consideration to be integrated into textile strategy •a CSR based management and reporting tool for Turkish SMEs in the textile and clothing sectors piloted and made available to local private sector

A series of activities are going to be carried out by UNIDO in order to demonstrate the effectiveness and usefulness of an upgrading approach for SMEs that allows them to



address economic, environmental and social requirements simultaneously. A series of activities adapting a holistic approach contributing to the empowerment of the Turkish SMEs in the textile sector involving also multinational companies shall be carried out.

It is envisioned to raise awareness related to Corporate Social Responsibility amongst SMEs and experts, emphasizing that CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR shall be presented as the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy.

Promoting the uptake of CSR amongst SMEs requires approaches that fit the respective needs and capacities of these businesses, and do not adversely affect their economic viability. UNIDO bases its CSR activities on the integration of social and environmental concerns into the business operations of SMEs. It is within this context that the activities related to CSR for this Joint Program are designed.

•organize one expert group meeting to identify the importance of responsible business practices in the supply chain and identify potential partners

UNIDO activities focusing on CSR foresee to bridge the gap between the requirements of the multinational importing companies sourcing from Turkey and the textile value chain through focus group meetings, training programs and implementation of CSR in the selected pilot SMEs. The initial step for the CSR activities is to hold an expert group meeting with the participation of the members of the value chain.

The meeting will be held in the premises of ITKIB and is planned to be carried out in the first quarter of 2011. It shall be carried out in an interactive manner in order to assess the current status of CSR practices amongst the textile value chain. The meeting will form a platform where all the members of the supply chain shall be freely expressing their points of view. This activity carries great importance as the training sessions, the CSR tool, and implementation of CSR in the target firms shall be based on the findings of this program. A working group shall be formed during the expert group meeting in order to carry on the initiated work via a small focus group meeting to be organized consequently.

The activity is launched and currently the potential participants are being identified.

• organize small focus group meetings

As a result of the expert group meeting, it is foreseen that action points related to various aspects of CSR shall merge. Accordingly these can be discussed in the small focus group meeting with the participation of representatives of selected partners TNCs/large firms, international and national experts as well as potential local business support institutions

•adopting existing UNIDO training material and other CSR tools ; develop a tool for CSR

UNIDO has been carrying out activities related to CSR in various countries therefore there is vast know – how and expertise accumulated. Furthermore there is also training material available previously designed by UNIDO in order to support SMEs for carrying out responsible entrepreneurship. Via this activity UNIDO training material shall be translated into Turkish and adapted to the local context.

In addition to the adaptation of the UNIDO material; a tool for CSR shall be developed compiling already available local material on the subject and integrating the UNIDO material.

#### •selection of pilot SMEs

In addition to preparation of CSR tools; it is indeed essential to implement practical counseling programs in selected pilot SMEs. A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes. However as this is a fairly new concept in Turkey, it is important to carry out these activities together with the SMEs not only theoretically by training them but via counseling so as to empower them; guiding them throughout the whole process.

In order to implement CSR in pilot SMEs, companies that are willing to integrate CSR principles into their business practices shall be selected in the pilot provinces. It is proposed to carry out these activities in 5 pilot SMEs to be able to achieve concrete outcomes and carry out the counseling activities in depth. It shall not be possible to implement simultaneous activities in the initially planned 15 SMEs due to time limitation of the project as well as scarcity of national experts on the subject.



CSR principles shall be implemented in the selected target firms in order to support them in meeting social and environmental standards without compromising their competitiveness. The corporate performance against economic, social and environmental performance of the selected SMEs shall be measured and reported. The activities to be carried out shall aim to align these enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective that will be adapted while carrying out the activities is that for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environmental impacts and act in conformity with societal expectations. This activity shall be used to demonstrate that CSR requirements can be met in a cost-effective manner, create tangible economic and competitiveness-enhancing benefits and render businesses more responsible to the environment and society at large. The activity will be carried out by a group of experts including but not limited to:

•Introduction of the program to all employees from all hierarchical levels

•Collection of baseline data as well as preparation of a detailed CSR assessment report including surveys

•Identification of problem areas, opportunities and priority CSR issues

•Preparation of Action plans and provides assistance for the implementation of these action plans

•Organization of regular meetings bringing together representatives of 5 pilot firms

•Preparation of the results of the work carried out in the form of a case study

Cooperation with IRAC shall also be sought for the implementation of the counseling activities so as to ensure sustainability of the activities also upon completion of the Joint Program.

•compiling outcomes; submitting CSR strategy to MoIT for consideration

The outcomes of all the activities related to CSR, shall be compiled into a document prepared in the form of a CSR Strategy with the contribution of all participating UN agencies.

All the data and information acquired through all the activities stated above, carried out within the framework of the CSR Component shall be gathered and integrated in the form of a final report. This report shall also include set of recommendations in order to form the contribution of UNIDO to be included in the CSR strategy to be prepared in collaboration with ITKIB, UNDP and ILO.

This report shall be submitted to Ministry of Industry and Trade as a recommendation in order to serve for the improvement of the business environment in line with the CSR principles. The report is intended to emphasize CSR as a unique tool for competitiveness specifically for the textile sector and all the businesses in Turkey in general.

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

•the capacity of selected 20 experts from participating institutions interims of CSR training and counseling of SMEs in the textile sector is strengthened •designing and implementing training seminars

Training seminars shall be carried out in order to build the capacity of the participating institutions in terms of CSR. Environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, labor standards and working conditions, employee and community relations, social equity, gender balance, human rights, good governance, and anti-corruption measures are amongst the subjects to be covered.

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

•awareness of national authorities on the impact of textile and clothing sector on environment is developed and strengthened

•awareness on gender sensitive environmental issues and climate change is discussed through a major congress

• Ta major congress on the finalization of the project "Harnessing Sustainable Linkages for SMEs in Turkey's Textile Sector

•organize a congress

•develop promotional material on environment and climate change

•policy note is prepared and submitted to the relevant authorities for advocacy on the impact of textile and clothing sector on environment

•present the outputs to ITKIB and other stakeholders in Turkey

The budget allocated for the specific activities of this outcome is adequate.



•UN agency support and monitoring system established

periodically monitor progress

The budget allocated for the specific activities of this outcome is adequate; however budget transfers between the activities are foreseen.

Quarterly work plan of the JP for the first quarter of 2011 can be found under Annex 12.7. This is an integrated rolling plan covering activities of all UN Agencies.

## Measures taken for the sustainability of the joint programme

Sustainability of the Joint Programme objectives is essential for ensuring the continuity of the impacts and benefits of the Joint Programme outcomes. Therefore, several tools are developed and incorporated within the program activities in order to initiate structures and systems which can continue after the completion of the Joint Programme. These instruments of sustainability are;

•LPCM meetings will bring the various actors of the textile sector together. After the completion of the Joint Programme, the meetings can continue under local leadership which is yet to be defined. These meetings will take place with the participation of local stake holders from Malatya, Kahramanmaraş, Gaziantep and Adıyaman, participating UN Agencies, i.e. UNDP, UNIDO, ILO, and ITKIB and be organized quarterly at local level by JP, on October, January, April, July.

•Continuity of IRAC can be ensured by the cooperation with Inönü University. Innovation Research and Advisory Center for the textile sector should be established within the Inönü University with the support of the Joint Program. The Center will support both objectives of the Joint Program, operating as an advisory institution both for the companies in value chain management and for the sector as a whole in corporate social responsibility.

•ITKIB will identify contact persons at local chambers. Therefore, the textile sector of the region can be directly connected to ITKIB for support.

•Continuity of supporting textile sector in value chain management can be enhanced by identifying additional activities and programs with pilot countries such as Spain. •Preparation of the CSR report by the support of the Joint Programme will be followed by its adaptation by the Turkish Government via ITKIB and its declaration to the textile sector to create awareness and encourage implementation.

Hence, in order to be able to achieve the outlined sustainability tools, it is essential to create the required awareness for activities and services that will be implemented by the programme. This awareness creation based on needs analysis is essential and will be emphasized especially during the initial stages of the programme. The subsequent phases would be the creation of demand for services and activities of the programme and IRAC that will be established. Creating awareness and consciousness among the relevant parties of Malatya, Kahramanmaraş, Adıyaman and Gaziantep, about the necessity of common training activities for employees and employ, i.e. organization of training programmes coherent with the requirements of target groups, would be another dimension towards contributing sustainability.

Are there difficulties in the implementation?

Joint Programme design

What are the causes of these difficulties?

Other. Please specify Location of activities

**Briefly describe the current difficulties the Joint Programme is facing** A very large area is covered with a limited.

Briefly describe the current external difficulties that delay implementation

Explain the actions that are or will be taken to eliminate or mitigate the difficulties Activities are carried out as planned with a focus on Malatya.



# 2 Inter-Agency Coordination and Delivering as One

Is the joint programme still in line with the UNDAF? Yes true No false

If not, does the joint programme fit the national strategies? Yes No

What types of coordination mechanisms

#### Please provide the values for each category of the indicator table below

Indicators		n Current	Means of	Collection
	е	Value	verification	methods
Number of managerial practices (financial, procurement, etc) implemented jointly by the UN implementing agencies for MDF-F JPs	-	2	minutes	
Number of joint analytical work (studies, diagnostic) undertaken jointly by UN implementing agencies for MDG-F JPs		1	inception report	
Number of joint missions undertaken jointly by UN implementing agencies for MDG-F JPs			2 missions	

# 3 Development Effectiveness: Paris Declaration and Accra Agenda for Action

#### Are Government and other national implementation partners involved in the implementation of activities and the delivery of outputs?

Not InvolvedfalseSlightly involvedfalseFairly involvedfalseFully involvedtrue

In what kind of decisions and activities is the government involved? Policy/decision making Management: budget

Management: procurement



Management: service provision

Who leads and/or chair the PMC? UNDP deputy resident representative

Number of meetings with PMC chair meetings will be held quarterly. 1. December 2010

Is civil society involved in the implementation of activities and the delivery of outputs?

Not involvedfalseSlightly involvedfalseFairly involvedfalseFully involvedtrue

In what kind of decisions and activities is the civil society involved? Management: service provision

Are the citizens involved in the implementation of activities and the delivery of outputs?

Not involvedfalseSlightly involvedfalseFairly involvedtrueFully involvedfalse

In what kind of decisions and activities are the citizens involved? Management: service provision

Where is the joint programme management unit seated?

**Current situation** 

## 4 Communication and Advocacy

Has the JP articulated an advocacy & communication strategy that helps advance its policy objectives and development outcomes? Yes true No false



#### Please provide a brief explanation of the objectives, key elements and target audience of this strategy

he program aims at increasing the productivity and innovation in the textiles sector, as well as promoting sustainable development and CSR principals. Therefore, SMEs in textile and clothing sector from Malatya, Kahramanmaras, Gaziantep and Adiyaman are the primary target group of this program.

Hence the communication channels need to be direct, influential and effective, in order to

influence perceptions and policies at national and local institutions; to mobilize resources, to motivate and inspire partners and stakeholders and to reach out to the target group. This communications strategy was prepared to emphasize these crucial points while developing and implementing the project. Objectives

The general objectives of the communications strategy are:

Introducing, raising awareness about and promoting the concepts of "VCM" and "CSR"

Raising public awareness about ITKIB and its services in the region

Promoting national and local ownership and capacity building

Emphasizing the alignment of the Joint Program projections with the ongoing efforts of ITKIB and local stakeholders

Using relevant media effectively to promote Joint Program activities and provide updated information to the media about the Joint Program

Encouraging women's participation into the formal work

Securing sustainability through increased impact of the Joint Program at local level

Securing environmental sensitivity through increased impact of the Joint Program at local level

Strengthening the participatory approach, taking decision and working together with different stakeholders by increasing the awareness and benefits of the JP at national and local level.

#### What concrete gains are the adovacy and communication efforts outlined in the JP and/or national strategy contributing towards achieving?

Increased awareness on MDG related issues amongst citizens and governments Estabilshment and/or liasion with social networks to advance MDGs and related goals Media outreach and advocacy

# What is the number and type of partnerships that have been established amongst different sectors of society to promote the achievement of the MDGs and related goals?

Faith-based organizationsSocial networks/coalitionsworker unions, chambersLocal citizen groupsPrivate sectortextile companiesAcademic institutionsuniversitiesMedia groups and journalistOther

# What outreach activities do the programme implement to ensure that local citizens have adequate access to information on the programme and opportunities to actively participate?

Focus groups discussions Use of local communication mediums such radio, theatre groups, newspapers Open forum meetings



Capacity building/trainings



# Section III: Millenium Development Goals Millenium Development Goals

**Additional Narrative Comments** 

Please provide any relevant information and contributions of the programme to de MDGs, whether at national or local level

Please provide other comments you would like to communicate to the MDG-F Secretariat



# **Section IV: General Thematic Indicators**

1 Promote and support national and local policies and programmes in favor of enterprise development

1.1 Number of laws, policies or plans supported by the Joint Programme related to the advancement of enterprises (including agro industry)

#### Policies National Local

**Laws** National Local

# Strategies

National Local

1.2 Please briefly provide some contextual information on the law, policy or plan and the country/municipality where it is going to be implemented

1.3 Number of entrepreneurs and/or entities that the law, policy or strategy directly affects

**Farmers** Total Urban Rural



# Entrepreneurs

Total Urban Rural

## **Micro enterprises**

Total Urban Rural

# Small enterprises

Total Urban Rural

#### **Medium enterprises**

Total Urban Rural

# Large enterprises

Total Urban Rural

# Finanacial providers

Total Urban Rural

# **Business development providers**

Total Urban Rural

## **Other, Specify** Total

Total Urban



Rural

1.4 Please indicate the sector of focus of the law, policy or plan

1.5 Government's budget allocated to support enterprise development before the implementation of the Joint Programme

National Budget

Total Local Budget(s)

1.6 Variation (%) in the government's budget allocated to programmes or policies on enterprise development from the beginning of the joint programme to present time

National Budget % Overall % Triggered by the Joint Programme

Local Budget % Overall % Triggered by the Joint Programme

2 Promote and support national and local policies and programmes in favor of enterprise development

2.1 Type and number of programmes or interventions supported by the joint programme aiming to improve enterprises' capacities, competitiveness, and / or access to market:



#### **Technical Assistance**

Total Microenterprises SME Farms Cooperatives Other

## **Businness Development Services**

Total Microenterprises SME Farms Cooperatives Other

#### Access to finance

Total Microenterprises SME Farms Cooperatives Other

#### Certification

Total Microenterprises SME Farms Cooperatives Other

# Other, Specify

Total Microenterprises SME Farms



Cooperatives Other

# 2.2 Total number of individuals directly assisted through those interventions

# **Technical Assistance**

Farmers Entrepreneurs Employees Other Women Men

# **Businness Development Services**

Farmers
Entrepreneurs
Employees
Other
Women
Men

#### Access to finance

Farmers Entrepreneurs Employees Other Women Men

# Certification

Farmers Entrepreneurs Employees Other Women Men



Other, Specify Farmers Entrepreneurs Employees Other Women Men

2.3 What impacts have these interventions had?

3 Creating or strengthening organizations and partnerships to contribute to enterprise development and competitiveness

3.1 Type and number of organizations created or strengthened

## Clusters

Total Participating Business Total participating individuals Participating men Participating women

#### Cooperatives

Total # Participating business Total participating individuals # participating men # participating women

**Farmers Associations** Total # Participating business



Total participating individuals # participating men # participating women

#### **Business groups**

Total # participating business Total participating individuals # participating men # participating women

#### Other, Specify

Total # Participating business Total participating individuals # participating men # participating women

3.2 Number of target enterprises who realize a financial benefit as a result of the joint programme's contribution

#### Clusters

Total # Participating Business Total participating individuals # participating men # participating women

#### Cooperatives

Total # participating business Total participating individuals # participating men # participating women

Farmers Associations Total # participating business



Total participating individuals # participating men # participating women

## **Business groups**

Total # participating business Total participating individuals # participating men # participating women

#### Other, Specify

Total # participating business Total participating individuals # participating men #participating women