

ANNEX-I: TERMS OF REFERENCE

Deliverable-Based Consultancy Services for Performance Monitoring and Evaluation System of Model Factories

1 BACKGROUND

UNDP Turkey aims to find practical solutions to Turkey's development challenges and manages projects together with the Turkish Government and other partners to address them. Since 1986 it has implemented over 80 programs across the country. In addition, the UNDP has played a major role in response to crises and disasters in Turkey and the surrounding region. UNDP Turkey has positioned to contribute through three core areas: 1) Inclusive and Democratic Governance (IDG); 2) Inclusive and Sustainable Growth (ISG); and 3) Climate Change and Environment (CCE); and in addition to these core areas, UNDP Turkey is emphasizing the role of Strategic Partnerships that cut across the entire country program as well as regionally and globally. The ISG Portfolio is geared towards addressing structural economic problems, such as productivity, innovation, the middle-income trap, multi-dimensional poverty, energy security and regional disparities, as well as challenges with social, environmental and economic repercussions, such as urbanization.

“Competitive Production and Productivity”, one of the main objectives stated in the 11th National Development Plan is an important topic on the agenda of Turkish Government. Besides, improving productivity levels, particularly in SMEs, is also one of the strategic objectives of Turkey’s SME Strategy and Action Plan (2015-2018). In the same vein, Turkey’s Productivity Strategy and Action Plan (2015-2018) pays a special attention to productivity levels of the SMEs in the manufacturing industry. Additionally, 2023 Industry and Technology Strategy approaches digital transformation as one of the main drivers of productivity policy. Therefore, the enterprises should strengthen their infrastructure and core capabilities on lean manufacturing, digitalization (within the context of Industry 4.0), quality management, innovative product development, energy efficiency etc. through some well-developed transformation programs and practice-based trainings in order to improve capabilities of technical staff, engineers and mid-level managers. One of the effective solutions applied in many developed countries in the last two decades is to build well-designed training centres including a real didactic manufacturing environment (a real product, a real assembly line, real machines, real processes and real operators) and specialized training programs based on a series of hands-on and step-by-step exercises to improve the manufacturing processes within a "transformation" context. A feasibility study was completed for the appropriate model for Turkey in collaboration with Ministry of Industry and Technology in 2016 within the scope of Applied SME Capability Centre (a.k.a Model Factory) Project. Following the completion of the feasibility study the Model Factories have been adopted as a policy tool and incorporated into Government Investment Plan in 2017.

In 2017 Ankara Chamber of Industry and Ankara I. Organized Industry Zone joined the Applied SME Capability Centre (a.k.a Model Factory) Project both as funding agencies and implementing partners so that first implementation has been carried out in Ankara. In the meantime, Government adopted these centres as a policy tool and planned several replication actions and funded replication in Bursa. UNDP supported Government endeavors for reaching out additional funding streams along with the national budget to serve this target. UNDP CO mobilized additional funding for the Ministry to replicate this model in Konya and Kayseri through German Development Bank (KfW) funding in 2018. Second component of this Financing Agreement between KfW and UNDP covers activities to support/enlarge activities in Ankara Model Factory, replicate model factories in Kayseri and Konya and support job creation in Ankara, Konya and Kayseri. Finally, with the additional funding allocated from the Public Investment Program to the project budget for the digitalization component of Ankara, Bursa, Kayseri and Konya Model Factories, third extension submitted and was approved by Ministry of Foreign Affairs on 29 April 2020 and the project has been extended until 31 December 2021.

Establishment and improvement of production lines (for training purpose) of Ankara, Bursa, Kayseri and Konya Model Factories and the project activities focusing on lean production is completed. As mentioned above, with the additional funding from the Government, digitalization of production lines in Ankara, Bursa, Kayseri, Konya is prioritized by UNDP. Ankara Model Factory was established in 2018 after the installation of all machines and equipment, deployment of the core team and completion of Training of Trainers regarding the lean production. After its operationalization in 2018, Ankara Model Factory provided training and consultancy services in lean production for more than 200 companies until now. Through completion of the similar processes, the establishment of Bursa Model Factory was completed in 2019 and Konya and Kayseri Model Factories in 2020. All the model factories have been operational for the time being, offering experiential lean trainings and Learn & Transform Programs. The model factories in these four provinces are in the process of extending their service lines for SMEs with the additional digitalization scenarios.

With the establishment of the Ankara, Bursa, Kayseri and Konya Model Factories and along with the ongoing MADAD (EU Regional Trust Fund in Response to the Syrian Crisis) program (including İzmir, Gaziantep, Mersin, Adana Model Factories) considering the increasing responsibilities of the Model Factories, monitoring and evaluation of the performance of these centers has become a strategic priority for the Ministry of Industry and Technology. In this context, there is a need to recruit Consultant(s) for the design of a monitoring and evaluation system (in cooperation with the project partners) that will be utilized by the Ministry of Industry and Technology following the design stage.

2 OBJECTIVE AND SCOPE

The main aim of the Project is to establish Model Factories as capability centers aiming to increase the productivity level of SME's by conducting diagnostic analysis, experiential trainings, learn and transform programs and awareness raising seminars in lean and digital transformation fields. Increasing the productivity of manufacturing industry is one of the strategic priorities of Turkish Government and to ensure the effectiveness and efficiency of these centers, performance monitoring and evaluation is crucial. The Consultant will support the Project team in the scope of this assignment the objective of which is to design a practical performance monitoring and evaluation system targeting Model Factories.

More than one IC may be mobilized with a Deliverable- based Individual Contract within the scope of this ToR in line with needs of UNDP Turkey CO. The Individual Contractor (IC)s will report to CEG Projects Coordinator. The IC(s) will work in close cooperation with the Model Factory Project team and Ministry of Industry and Technology.

3 INSTITUTIONAL ARRANGEMENTS

3.A DUTIES AND RESPONSIBILITIES OF UNDP

UNDP will provide background materials, for the Contractor(s)'s review, reference and use. Neither UNDP nor any of the Project partners is required to provide any physical facilities for the work of the Consultant. However, depending on the availability of physical facilities (e.g., working space, computer, printer, telephone lines, internet connection etc.) and at the discretion of UNDP in consultation with relevant stakeholders such facilities may be provided at the disposal of the Consultant. UNDP and/or the relevant project partners will facilitate meetings between the Consultant and other stakeholders, when needed.

All document and data provided to the consultant are confidential and cannot be used for any other purposes or shared with a third party without any written approval from UNDP.

3.B DUTIES AND RESPONSIBILITIES OF THE INDIVIDUAL CONSULTANT (IC)

UNDP will mobilize an Individual Consultant (IC/ICs) to provide technical consultancy services for the design of Performance Monitoring and Evaluation System of Model Factories. This IC will work under overall guidance of UNDP Country Office.

Duties and responsibilities of the Individual Consultant(s) are as follows:

- Preparing a needs analysis report based on the desk and field study to clarify the roles of and expectations from the Model Factories and determine the performance framework,
- Developing the design of the Monitoring and Evaluation System for Model Factories in coordination with all relevant parties.
- Providing a hands-on training to all Model Factory staff (including Model Factory Ankara, Bursa, Kayseri, Konya, İzmir, Mersin, Gaziantep, Adana) on how to use the proposed M&E system.

Reporting: The IC(s) will report to CEG Projects Coordinator. The IC(s) will work in close cooperation with the Model Factory Project team and Ministry of Industry and Technology.

4 EXPECTED OUTPUTS AND DELIVERABLES

The Individual Consultant(s) will work as an expert and is expected to invest (at maximum) **85 working days** in order to submit deliverables stipulated in this Terms of Reference throughout contract duration. The table below outlines the number of working days that are allocated to the Individual consultant to carry out the assignment.

The Individual Consultant(s) is expected to deliver the below outputs/deliverables to the satisfaction of UNDP.

NO.	DELIVERABLE	ESTIMATED NUMBER OF WORKING/DAYS TO BE INVESTED	TARGET DATE* FOR SUBMISSION TO UNDP
1	Desk study about the role of MFs in industrial policies of Turkey, including review of relevant policy documents, report of the MF Performance M&E Workshop and collaboration protocols between MFs and Ministry of Industry and Technology. Development of performance indicators of MFs on productivity of SMEs.	15 days	First Half of June 2021
2	Preparation and submission of a field study agenda including interviews and focus group meetings, satisfaction surveys, targeting managers and key staff of MFs, representatives of the Ministry of Industry and Technology, Project Partners and other relevant stakeholders including the SMEs which have benefitted from MF training and consultancy services	10 days	End of June 2021
3	Conducting the field study and submission of the field study report	15 days	First Half of July 2021
4	Preparation of Needs Analysis Report based on the desk study and results of the field study	10 days	End of July 2021

5	Preparation of the Draft Performance M&E System Design Report	15 days	First Half of August 2021
6	Collecting the feedbacks of the key stakeholders about the report through focus group meetings in collaboration with the Project Team and preparing the Feedback Report.	10 days	End of August 2021
7	Preparation of the Final Performance M&E System Design Report- reflecting the feedbacks collected	9 days	First half of September 2021
8	Provide a hands-on training to all Model Factory staff (including Ankara, Bursa, Kayseri, Konya, İzmir, Mersin, Gaziantep, Adana) on how to use the proposed M&E system	1 day	First half of September 2021

Without submission and approval (by UNDP), Consultant(s) shall not be entitled to receive any payment from UNDP even if he/she invests time in this assignment.

▪ **Reporting Line**

The IC(s) will be responsible to report to CEG Projects Coordinator (absence of Project Coordinator; ISG Portfolio Manager will be responsible) for the completion of the tasks and duties assigned in Article 4 & 3.B. The reports shall be submitted to the UNDP CEG Projects Coordinator for final approval. All the reports are subject to approval from UNDP CEG Projects Coordinator to realize the payments to the contractor(s).

▪ **Reporting Language and Conditions**

The reporting language shall be in Turkish and/or English (as to be defined by UNDP). All information shall be provided in electronic versions in word and PDF format. The IC(s) shall be solely liable for the accuracy and reliability of the data provided, links to sources of information used.

▪ **Title Rights**

The title rights, copyrights and all other rights whatsoever nature in any material produced under the provisions of this ToR will be vested exclusively in UNDP Turkey CO.

5 DURATION

The Assignment is expected to start on **17 May 2021** and be completed on **31 December 2021**. The IC(s) is expected to invest **85 working days (at maximum)** to fulfil the required tasks/deliverables stated in Article 3.1 and 4, **throughout contract validity**.

In order to fulfil required tasks for the development of deliverables as defined and listed in the table above, the estimated number of days to be invested are also provided. The number of days presented as 'estimated number of working days to be invested' are indicative. The IC may invest less/more than the estimated number of days for each deliverable and finalize the respective deliverable.

The payment for each deliverable will be made on the basis of the actual number of days invested for that respective deliverable; however, the overall number of days to be invested for all deliverables cannot exceed 85 working days to the IC(s) **throughout the contract validity**.

6 PLACE OF WORK

The place of work for the assignment is **home-based**. Travel, accommodation and living costs in duty station shall be covered by the IC. It may be required that the IC travels out of the duty stations within the scope of this Terms of Reference. In case, travel out of the duty station is needed, the travel and accommodation costs of these missions will be borne by UNDP. It is required that the terms of such

travels are discussed with UNDP Competitiveness and Economic Growth Projects Coordinator prior to each travel. The costs of these missions may either be;

- Arranged and covered by UNDP CO from the respective project budget without making any reimbursements to the IC or,
- Reimbursed to the IC upon the submission of the receipts/invoices of the expenses by the IC and approval of the UNDP. The reimbursement of each cost item is subject to the following constraints/conditions provided in below table.
- Covered by the combination of both options.

The following guidance on travel compensation is provided by UNDP practice.

Cost item	Constraints	Conditions of Reimbursement
Travel (intercity transportation)	full-fare economy class tickets	1- Approval by UNDP of the cost items before the initiation of travel 2- Submission of the invoices/receipts, etc. by the IC with the UNDP's F-10 Form 3- Acceptance and Approval by UNDP of the invoices and F-10 Form.
Accommodation	Up to 50% of the effective DSA rate of UNDP for the respective location	
Breakfast	Up to 6% of the effective DSA rate of UNDP for the respective location	
Lunch	Up to 12% of the effective DSA rate of UNDP for the respective location	
Dinner	Up to 12% of the effective DSA rate of UNDP for the respective location	
Other Expenses (intra city transportations, transfer cost from /to terminals, etc.)	Up to 20% of effective DSA rate of UNDP for the respective location	

As per UNDSS rules, the IC/ICs is responsible for completing necessary online security trainings and submitting certificates and travel clearance prior to assignment-related travels.

7 REQUIRED MINIMUM QUALIFICATIONS

The required qualifications and/or experience are presented below:

	Minimum Requirements	Assets
General Qualifications	<ul style="list-style-type: none"> • At least Bachelor's degree in social-administrative sciences, engineering or related fields • Fluency in English, • Computer skills (i.e., MS Office applications). 	<ul style="list-style-type: none"> • Degree in industrial engineering or economics is an asset.
General Professional Experience	<ul style="list-style-type: none"> • A minimum of 8 years of general professional experience in social-economic development field is required. 	<ul style="list-style-type: none"> • 2 years of manufacturing sector experience is an asset.

	Minimum Requirements	Assets
Specific Qualifications	<ul style="list-style-type: none"> • Minimum 4 years of specific experience in project management (in social-economic development field) is required. • Minimum 4 years of specific experience in monitoring and evaluation is required • Minimum 2 years of experience in monitoring and evaluation in industrial policy and/or enterprise performance measurement. 	<ul style="list-style-type: none"> • 1 year of lean production experience and/or lean training is an asset.

UNDP is committed to achieving workforce diversity in terms of gender, race, ethnicity, indigenous identity, disability and culture. Individuals from all genders, minority groups, indigenous groups and persons with disabilities are equally encouraged to apply. All applications will be treated with utmost confidentiality.

8 PAYMENTS

Payments will be made within 30 days upon approval of deliverables by UNDP, along with the Certification of Payment Form (COP) on the basis of the actual number of person/days invested by the IC for development of that respective deliverable and pertaining payment documents signed by the IC and approved by the responsible CEG Projects Coordinator.

While the IC may invest less or more than estimated number of person/days for each deliverable different than the estimated working/days stipulated in the table in Article 4, the total amount of payment to be affected to the IC within the scope of this Assignment cannot exceed the proposal submitted by candidate at the time of application for deliverables, *equivalent of 85 working days* throughout the contract validity.

If any of the deliverables stipulated in Articles 3B and 4 of this Terms of Reference will not be produced and delivered by the IC in due time and to the satisfaction of UNDP, no payment will be made even if the IC has invested working days to produce and submit such deliverables. The IC shall be paid in USD if he/she resides in a country different than Turkey. If he/she resides in Turkey, the payment shall be realized in TRY through conversion of the USD amount by the official UN Operational Rate of Exchange applicable on the date of money transfer. The daily fee to be paid to the IC is fixed regardless of changes in the cost components.

The daily fee amount should be indicated in gross terms and hence should be inclusive of costs related to tax, social security premium, pension, visa (if needed) etc. UNDP will not make any further clarification on costs related to tax, social security premium, pension, visa etc. It is the applicants' responsibility to make necessary inquiries on these matters.

Tax Obligations: The IC is solely responsible for all taxation or other assessments on any income derived from UNDP. UNDP will not make any withholding from payments for the purposes of income tax. UNDP is exempt from any liabilities regarding taxation and will not reimburse any such taxation to the IC.