



KARACADAG
DEVELOPMENT AGENCY
INTERIM ACTIVITY REPORT SUMMARY

JANUARY-JUNE 2013

1. Karacadağ Development Agency

Karacadağ Development Agency was established in order to operate in TRC2 Region by decision of the Council of Ministers. The Agency was officially opened on 5 December 2009. Diyarbakir and Sanliurfa Investment Support Offices began operations in 2010.

1.1. Mission and Vision

TRC2 Region's Vision; The Region realizing its potential for tourism while conserving natural and cultural heritage, improving the quality of life by turning its resources into the production and employment, Middle East's thriving trade center, Diyarbakir - Sanliurfa.

The Agency's Vision in Karacadağ Development Agency 2011 - 2015 Strategic Plan that prepared by participatory methods; A leading Development Agency that is revealing the potential of the region and introduced to the world, creating active collaborative networks that shape the dynamism of the region, participation in decision - making processes with governance mechanism, accelerating development of the region by appointed expert staff and quality approach.

The Agency's Mission; To raise a common understanding of development in the region by promoting cooperation between public, private sectors and the non-governmental organizations, to prepare regional development plans with a participatory and strategic approach and to implement them effectively, to enforce local capacity and increase productivity, to raise competitiveness and investment attraction of the region by ameliorating investment climate, in order to facilitate a sustainable social and economic development.

1.2. Duties and Responsibilities

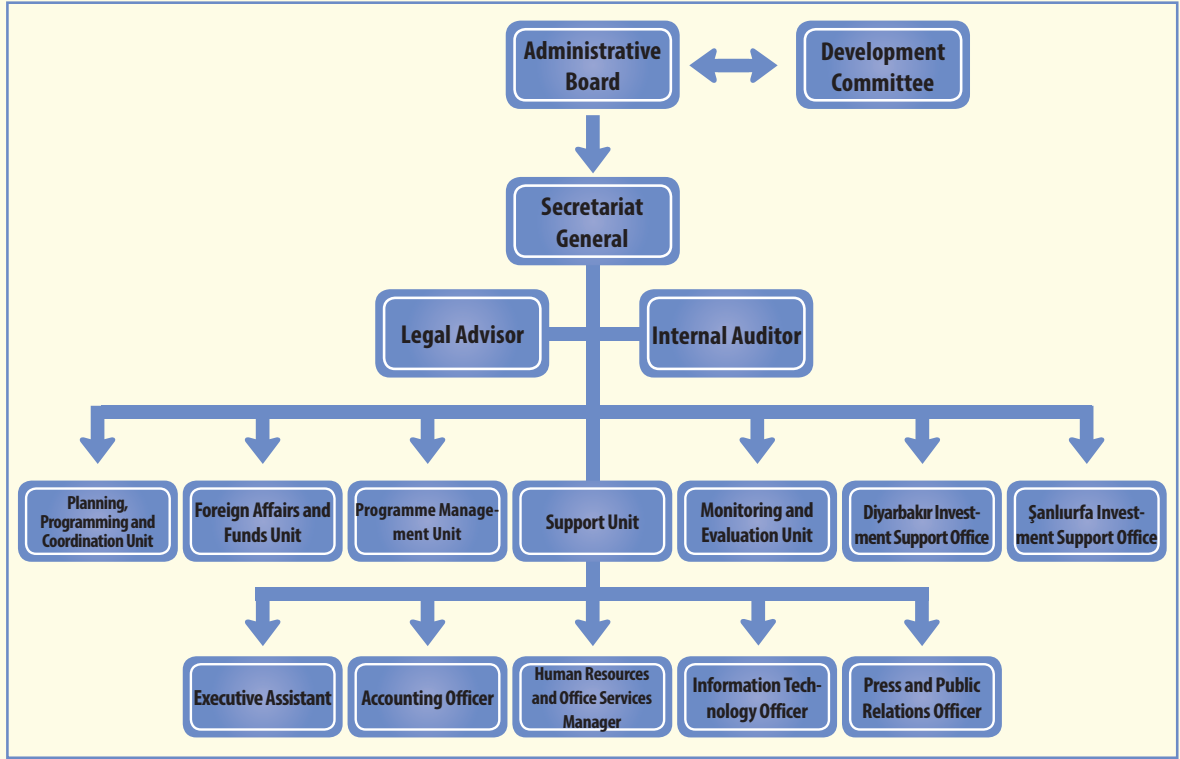
Tasks of Karacadağ Development Agency are as follows;

- a) To prepare strategies related to regional development,
- b) To improve economic and social indicators at the national, regional and local level,
- c) To reduce inter-regional and intra-regional disparities,
- d) To support the development and implementation of projects,
- e) To mobilize the region's entrepreneurial potential.

1.3. The Organization Chart

The organization chart of the Karacadağ Development Agency composed of the Administrative Board, Development Committee and Secretariat General. Development Committee is advisory body, Administrative Board is decision-making body and Secretariat General is executive body of the Agency. There are Legal Advisers, Internal Auditor, 5 operating units and 2 Investment Support Office within the Secretariat General.

Karacadağ Development Agency Organization Chart



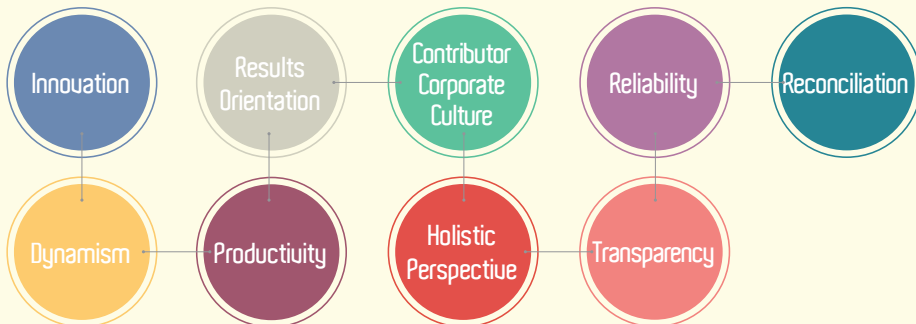
1.4. Human Resources

As of 30.06.2013, 4 Economics, 3 Business, 1 Finance, 3 International Relations, 1 Law, 1 Political Sciences, 2 Urban and Regional Planning, 2 Industrial Engineering, 1 Civil Engineering, 2 Textile Engineering, 1 Agricultural Engineering, 1 Computer Engineering, 1 Geodesy and Photogrammetry (Map) Engineering, 1 Environmental Engineering, 1 Food Engineering, 1 Statistics, 1 Sociology graduates and 1 Legal Counsel are working under the Secretariat General. Internal Auditor has not been employed in the Agency yet.

1 Press and Public Relations Officer, 1 Human Resources and Office Services Manager, 1 Information Technology Officer, 1 Executive Assistant, 1 Accounting Officer, 1 Budget Accounting Finance Officer carrying out support services.

Works such as security, cleaning, chauffeur and secretarial carried out by personnel who are employed through the purchase of services.

1.5. Basic Principles of the Agency



1.6. Basic Policies and Priorities

Agency identified four development axes to ensure regional development in 2011 - 2013 TRC2 Regional Plans:



1.7. Budget Implementation Results

Agency's 2013 Expenditure Statement (The First Six Months)

Type of Expenditure	Expense Amount (TL)
1. General Services	3.234.908,74
1.1 General Administrative Services	2.734.391,88
1.2 Monitoring and Evaluation and Coordination Services	9.314,92
1.3 Plan Program and Project Services	132.434,52
1.4 Research and Development Services	152.472,14
1.5 Promotion and Education Services	206.295,28
2. Project and Operations Support Services	2.602.526,35
2.1 Direct Financial Support	2.547.673,35
2.2 Technical Support	54.853,00
Count Losses	5.837.435,09

Agency's 2013 Income Statement (The First Six Months)

Type of Income	Income Amount (TL)
1. Shares Transferred from the Budget of the Central Government	996.662,54
2. Shares Transferred from the Special Provincial Administrations	428.884,00
3. Shares Transferred from the Municipality and the Town Council	1.826.008,82
4. Shares Transferred from the Chambers of Commerce and Industry	20.592,38
5. Operating Income	249.596,74
6. Total Income	3.521.744,48

1.8. Planning Programming and Coordination Unit Activities

In the first half of 2013, TRC2 Region 2014-2023 Regional Plan was prepared that is going to show the direction for the next ten years based on current situation report and analysis, general reviews. 4 axes are defined as development axes in the TRC2 Regional Plan and many goals and strategies were defined under these axes which are as follows:

- Accelerating the Development of Urban Economies and Economic Growth, Strengthening Human and Social Capital and Reducing Poverty,
- Improving the Quality of life and Spatial Organization,
- Ensuring Sustainable Development and Green Growth.

Furthermore, various researches carried out and reports were prepared by the unit. Some of them are as follows;

- Monthly Economic Outlook,
- TRC2 Region Inter-Institutional Cooperation Network Analysis
- Şanlıurfa-Diyarbakır Foreign Trade and Predictions Report
- Şanlıurfa-Diyarbakır in Statistics 2013
- 2013 Financial Support Programme Applications Analysis

1.9. Financial and Technical Assistance Programs

Direct Support for Activities

22 applications were received for 2013 Direct Financial Support Program for Activity in the first half of 2013. Total budget of the programme is 705.000 TL. 12 applicants have been supported.

Technical Support

5 applications have been supported under the 2013 Technical Support Program in the first half of 2013.

Financial Support Programs

As of October 15, 2012 Agency announced call for proposals for financial support programs specified in the table below. 22 information meetings were held and at total 799 people participated in these meetings. In addition, 9 Project Preparation Training was held and number of people who participated to these trainings is 137.

Also hundred of questions were answered via telephone and e-mail and these answered questions published in the Agency's web site under the name of "Frequently Asked Questions". Technical Table Service given to the potential applicants in Diyarbakır and Şanlıurfa.

2013 Financial Support Program

Nu.	Program Name	Program Budget (TL)	Application Deadline
1	Economic Development Financial Support Program	13.000.000,00	28 December 2012
2	Tourism Infrastructure Financial Support Program	4.000.000,00	28 December 2012
3	Industrial Infrastructure Financial Assistance Program	5.000.000,00	28 December 2012
Total		22.000.000,00	

276 project applications were received for these 3 programs. After the technical and financial evaluation of the project proposals;

69 projects were selected as master projects under the Economic Development Financial Support Program,

13 projects were determined as master projects under the Tourism Infrastructure Financial Support Program,

11 projects were supported as master projects under the Industrial Infrastructure Financial Assistance Program.

Growth Centres Support Program

The main objective of the Growth Centers Support Program is to give impetus to the economic development of urban centers and kept the internal migration within its territory through spreading development to the nearby centers in relatively less developed regions with strategic supports provided to urban centers that have high potential to grow and serve their surroundings.

Program was started in 2008 in Diyarbakır which is selected as a pilot province. A total of 17 projects were supported with 47,291,603.15 TL budget during the periods of 2008 - 2010. Implementations of these projects have been completed.

Implementation of Growth Centers Support Program began to include Şanlıurfa in 2010, so 39,447,366.00 TL were transferred by Ministry of Development to the Agency to be used in an equal amount in two provinces at the beginning of 2012 for Diyarbakır and Şanlıurfa.

Under this program, major infrastructure projects have been implemented for utilizing the historical and cultural values to the tourism. At present, 6 projects have been implemented in Diyarbakır with total budget of 16,722,780.32 TL and implementation of two projects in Şanlıurfa is underway since 2010, total budget of these projects is 46,943,765.66 TL.

At the end of June 2013, under the Growth Center Support Program the below application from Şanlıurfa was received, evaluation is made by the Agency and send to the Ministry of Development.

Name of the Project	Reference Code	Applicant	Project Budget
GAP Valley Project	TRC2-13-CMDP-001	Sanliurfa Province Special Administration	21.899.824,98 TL

1.10. Monitoring and Evaluation Activities

Two-month progress reports are submitted to the Administrative Board on a regular basis. Also, monitoring and evaluation activities of projects under the Growth Centers Support Program that are transferred to the Agency by Ministry of Development carried out and 3-months progress reports submitted to the Ministry of Development.

1.11. Legal Advisory Activities

The cases have been followed that requesting the annul decision of the Agency on termination of the contract dismissed by the court of first instance. This case passed the stage of the appeal and the revision of the decision and finalized in favor of the Agency. In addition, a variety of legal issues, information notes and reports prepared and submitted to the Secretariat General.

1.12. Investment Support and Promotion Activities

Diyarbakır and Şanlıurfa Investment Support Offices (ISOs) conducted 417 interviews with investors/entrepreneurs between January-June 2013. General information is provided about work of the Agency and Investment Support Offices. Besides this, under the following topics information has been given;

- Karacadağ Development Agency Supports,
- Current government grants,

- Information on business development,
- Financial instruments,
- Fair organizations and fair participation,
- Allocation of space in OIZ,
- Allocation of treasury lands.

www.investinsanliurfa.com, www.investinurfa.org.tr, www.investdiyarbakir.com web sites has been published for promoting investment opportunities of Diyarbakır and Şanlıurfa.

A variety of research and analysis have been made and informative documents in different topics published for promotion of the provinces by Diyarbakır and Şanlıurfa Investment Support Offices. Investment Support Offices have participated in several exhibitions in order to promote business and investment opportunities of provinces at national and international level with relevant organizations.

In addition, Investment Support Offices experts carried out studies such as Şanlıurfa Technology Development and Training Center, Textile Island in Şanlıurfa Organized Industrial Zone, Establishment of Textile Center in Diyarbakır.

1.13. Support Unit Activities

Press and Public Relations contacted with visual and written press to promote activities of Agency. At total, 225 news took part in the media on the activities of the Agency during the reporting period. 52 of this news are published in the national media, 154 in local media and 19 in regional media. In the same period, 703 news took part in different websites. 73 news has been prepared and served at the Agency website.

Staff needs analysis report prepared by Human Resources. Budget and Accounting officers carried out work on the financial and social rights of the agency's staff on a regular basis. Maintenance and technical support agreements were renewed for the Agency server and network device. Executive Assistant carried out preliminary work and the necessary organizational procedures for Board of Directors meetings held every month.

1.14. Foreign Affairs and Funds Unit Activities

Foreign Affairs and Funds Unit carried out "History Comes Alive Again in Şanlıurfa" Project, which is supported under the Regional Competitiveness Operational Programme. Contract was signed on 10 June 2013, beneficiaries are Şanlıurfa Municipality and the Agency. Moreover, unit organized study visit to Republic of South Africa between 26 May-1 June 2013 to communicate with institutions and organizations active in the field of development, share ideas and experience, benefit from the experience of the actors, examine applications have been successful in the field of development and to create a basis for the future co-operation.

During the visit;

- Republic of Turkey Embassy in Pretoria,
- Gauteng Growth and Development Agency,
- Gauteng Department of Economic Development,
- Mafy Carpet Company,
- Sesli Textile Company,
- Mpumalanga Economic Growth Agency,
- The Western Cape Destination Marketing, Investment and Trade Promotion Agency,
- Violence Prevention Through Urban Upgrading Project,
- Khayelitsha-Cape Town,
- Stellenbosch,
- Cape Town Department of Tourism,
- Cape Town International Convention Centre have been visited.

1.15. Performance Indicators

For the first half of 2013, the performance indicators of the Agency as follow;

Performance Indicators of Agency, January-June 2013

Objective 1	To Ensure Coordination Between the Public Sector, Private Sector and NGOs and Increase Awareness and Cooperation in Regional Development	Strategic Plan Performance Targets for the Year 2013	Performance Realizations for January-June 2013	Notes
Target 1.1	The Creation of Working Committees	✓	✓	
	The Number of Meetings Held by Commissions	20	20	Commission studies were carried out under the headings of agriculture, tourism, industry and social policy during the preparations of the regional plan both at provincial and district level. Some commission activities were also carried out by Investment Support Offices
	Number of the Final Report Prepared by the Commission Works	20	-	Agriculture, Tourism, Industry and Social Policy Final Reports for the Regional Plan will be prepared in the second half of the year.
Target 1.2	Number of Platforms (Cumulative)	3	2	Şanlıurfa Local Platform for Enhancing the Competitiveness, Diyarbakır Tourism Platform
	Number of Platform Meeting Held	8	2	
	Number of Meeting, Symposium and Seminar Held and Supported	20	31	
Target 1.3	Number of Organizations such as Training Sessions, Panel held	3	5	
	Organization of the Study Visit	✓	1	Administrative Board visited South Africa Republic
	Periodic Publication of the Regional Development Journal	✓	✓	Preparations of Social Policy Journal
Objective 2	Performing Planning Studies Through Participatory Methods and Processes, Preparing Regional Plans to Guide Public and Private Sector Investments	Strategic Plan Performance Targets for the Year 2013	Performance Realizations for January-June 2013	Notes
Target 2.1	Number of Published Research and Analysis Report	30	16	Analysis and Overall Assessment Report, Inter-institutional Cooperation Network Analysis, Monthly Economic Outlook Reports, Statistics and the Reports Prepared by Investment Support Offices
	Preparation of Current Status Report	Preparation	✓	"TRC2 Region Current Status Report" was prepared within the context of the Regional Plan 2014-2023 studies and submitted to Ministry of Development and local institutions for comments and confirmation.
	Number of supported Sectoral, Thematic and Regional Research	20	3	Sectoral studies prepared by Investment Support Offices

Target 2.2	Number of the Final Report Prepared by the Commission Works	20	-	Regional Plan Workshop Final Report will be published in the second half of the year
	Number of Regional Plan Workshops Held	20	18	
	Number of Participants in the Workshop	500	698	
	Preparation of Regional Plan	✓	✓	Draft TRC2 Region 2014-2023 Regional Plan was completed and submitted to Ministry of Development and local institutions for comments and confirmation.
Objective 3	Increasing the Application and Effectiveness of the Plans and Programs to Mobilize the Potential of the Region	Strategic Plan Performance Targets for the Year 2013	Performance Realizations for January-June 2013	Notes
Target 3.1	Number of Participants	23	7	
	The Number of Programs Developed	4	3	
Target 3.2	Number of Financial Support Program	2	3	
	Number of Technical Support Program	1	1	
	Number of Direct Support for Activities Program	1	1	
	Total Number of Projects Supported	115	112	
	Total Project Budget	37.000.000 TL	22.563.420 TL	
	Number of Guided Project	1	Preparation	Preparation continues for "Şanlıurfa Technology Development and Training Center" and "Diyarbakır Textile City" Projects
	Number of Interest and Interest-Free Loan Support	55	-	
Target 3.3	Number of Commission Meetings	20	-	It will be held after the approval of the Regional Plan 2014-2023 by Ministry of Development
	Number of Participants in the Meeting	500	-	
Target 3.4	Number of Projects Monitored	115	140	
	Number of Impact Assessment Report	4	1	

Objective 4	Promoting Region and Investment Opportunities of the Region	Strategic Plan Performance Targets for the Year 2013	Performance Realizations for January-June 2013	Notes
Target 4.1	The Activation of the Two Web Sites	✓	✓	
	Number of Published Promotion Documents of Investment Opportunities	12	5	
	Number of Distributed Promotion Documents	20.000	7.000	
	Number of the Fairs Participated	24	12	
	Number of Firms and Institutions Visited	120	125	
	Preparation of Communication and Promotion Strategy Document	✓	Preparation	Support is provided to the related studies of Prime Ministry Investment Support and Promotion Agency
Target 4.2	Number of the Promotion Organization Supported/Held	6	7	
	Number of Meeting Platform Held	8	2	
	The Preparation of the Tourism Strategy	-	-	
Objective 5	Encouraging Investment, Taking Remedial Action for the Investment Environment	Strategic Plan Performance Targets for the Year 2013	Performance Realizations for January-June 2013	Notes
Target 5.1	Number of the Permission and License Process Followed	20	-	
	Number of Investors that get Consulting Services	800	417	It represents the total number of Diyarbakır and Şanlıurfa Investment Support Offices
Target 5.2	Number of visits to Relevant Institutions and Organizations	24	189	It represents the total number of Diyarbakır and Şanlıurfa Investment Support Offices
	Number of the Reports Prepared on Investment	8	5	
Target 5.3	Number of Investment Guide and Sector Reports	14	-	
	Number of Country Reports	3	1	
Target 5.4	Number of Co-operation Organization	22	6	
	Number of visit to Industrialists and Businessmen's Association and Chamber of Commerce	22	16	It represents the total number of Diyarbakır and Şanlıurfa Investment Support Offices
	Number of the firms that are matched	8	7	It represents the total number of Diyarbakır and Şanlıurfa Investment Support Offices

Objective 6	Improve the Capacity of the Region's Accessibility to National and International Funding Sources	Strategic Plan Performance Targets for the Year 2013	Performance Realizations for January-June 2013	Notes
Target 6.1	Number of the Information Meeting	23	22	
	Number of Guide-Brochure Distributed	9.250	9.000	
	Promoting the Programs in Agency Website	✓	✓	
Target 6.2	Number of the Printed or Electronic Training Document	2.600	3.000	
	Number of Training Programs	13	9	
	Number of Participants in Training	425	96	
	Number of Projects Prepared in Cooperation with Other Institutions	5	1	
	Number of the Prepared Projects	10	2	
Objective 7	Sustaining Expertise and Knowledge-Based Development with Innovation, Sense of Quality and Dynamic Corporate Culture	Strategic Plan Performance Targets for the Year 2013	Performance Realizations for January-June 2013	Notes
Target 7.1	ISO 9001 Quality Management System Certification	-	✓	Surveillance Inspection Completed Successfully
	ISO 27001 Information Security Management System Certification	-	✓	Surveillance Inspection Completed Successfully
	Ensure Compliance with the Internal Control Standards and the Annual Revision of it	Revision	-	Audit for the first half of 2013 will be held in the second half of the year
	Ensuring Compliance with Financial Qualification Standards	-	✓	
Target 7.2	Establishment of Geographic Information Systems Infrastructure	✓	Preparation	Installation going to start in the second half of the year
	Number of Information and Knowledge-Based Service Systems (Cumulative)	7	9	Electronic Document Management System, Development Agencies Management System, M-Files, Investment Support Office Automation System, Accounting, Budget, Personnel Management, Performance and Training Requirements Modules
	Satisfaction Rate of Technological Infrastructure in the Organization	84	83	
Target 7.3	Providing Suitable Land for Service Building	✓		Land supply works continues for the main service building
	The Completion of the New Service Buildings	Preparation	✓	Service buildings has been completed and continues to operate

Target 7.4	Number of Documents Distributed	32.750	20.575	
	The Rate of Increase in the Number of Visitors to the Website	% 9	% 29	The Rate of Increase in the Number of Visitors to Agency Website: % -2.09 The Rate of Increase in the Number of Visitors to Investment Support Office Website: % 32
	Website Satisfaction Rate	% 90	% 80	
	Number of Annual Report Distributed	900	1.000	
Target 7.5	Working committees established within the Institution	✓	✓	14 Commissions are active
Target 7.6	Number of Personnel Participated in-Service Training Programs	40	27	
	Number of Staff Participated International Training	8	5	
	Number of Staff Participated Events Organized at Abroad	17	5	
	Number of Staff Participated Events Organized in the Country	41	35	
	Implementation of the Performance Evaluation System	✓	✓	Performance Evaluation for the first half of the year was made.
	The Staff Overall Satisfaction Rate	% 72	% 67	It is derived from the Applied Questionnaire Results
	Number of Social Activities Organized for Staff	4	5	