

*A regional development agency in the European model*

 <p><b>Regional development agency</b> Established in 2006 / Status: public institution</p>	
<p><b>Operational territory: Çukurova Region</b> Encompassing the provinces of Adana and Mersin</p>	
<p><b>Missions</b></p>	
<p><b>Regional Development</b> Building local capacity in economic development and planning; Supporting social and entrepreneurial projects; Improving cooperation between NGOs, public &amp; private sectors</p>	<p><b>Investment Promotion</b> Promoting regional business and investment opportunities; Developing and promoting international cooperation projects in the framework of bilateral or multilateral programmes</p>
<p><b>Resources</b></p>	
<p><b>Annual budget: EUR 31.4 M (2009)</b> Approximate contribution: State 75%, Municipalities 20%, Chambers of Commerce and Industry 5%</p>	<p><b>39 employees</b> 1 Secretary General, 4 unit managers, 25 experts, 7 administrative staff, 2 housekeeping staff</p>
<p><b>Governance</b></p>	
<p><b>Board of Directors (8 members)</b> Governors, Mayors, Chairs of Provincial Councils and of Chambers of Commerce of the 2 provinces</p>	<p><b>Secretary General Nomination</b> Selection of 3 applications by the Board of Directors, final appointment by the State Planning Organisation</p>
<p><b>Learn more</b></p>	
<p><b>Web</b> <a href="http://www.cka.org.tr">www.cka.org.tr</a> <b>Email</b> <a href="mailto:info@cka.org.tr">info@cka.org.tr</a> <b>Phone</b> +90 322 363 00 40</p>	<p><b>Çukurova Development Agency</b> Cinarli District, Atatürk Avenue No 1, Sabanci Business Center 01060 Seyhan/Adana, TURKEY</p>

### The gradual harmonisation of territorial units with EU standards

From 1925 on, Turkey was divided into provinces, counties, towns and villages. In the 1950s, 7 macro-regions were established with no legal authority. The highly centralised system of government, however, undermined the ability of institutions to meet local needs. The case for a legal and institutional overhaul towards more decentralisation gained ground with the opening of the accession negotiations with the EU. Turkey aligned itself with the EU standard “Nomenclature of Territorial Units for Statistics - NUTS” in 2002. Since the 81 provinces (NUTS III) were too small to develop consistent and efficient regional policies, they were grouped into 26 regions (NUTS II), while 12 new macro-regions (NUTS I) replaced the 7 former. Reforms of the municipalities (responsible for town and country planning, public transport and utilities), the metropolitan municipalities (responsible for most urban services) and the provinces (economic development) were also passed.

### Development agencies to unleash local potential

In 2005, an amendment of the Local Authority Unions Law allowed the grouping of local and provincial authorities into “Service Unions” for the joint management of services. In 2006, Service Unions were soon replaced by Development Agencies (DA), whose missions are to accelerate regional development, ensure sustainability, reduce interregional disparities and reinforce cooperation between local authorities, the private sector and the civil society. Carried out under the supervision of the [State Planning Organisation](#), the definition of a strategic plan is one of the major tasks of DAs. Because of their proven dynamism for regional policies, Adana-Mersin (Çukurova) and Izmir were the first regions empowered with a DA. The others will follow.



*An effective organisation organically connected to local and national players*

### A regional agency structured into 4 main operational units

- The planning and programming unit (7 experts) defines the regional development plans and operational programmes, describes the general framework of grant schemes, prepares the budgets and reports of the agency, coordinates the institutional relations of the agency, organises training programmes for the staff, conducts research on the region;
- The project implementation unit (6 experts) prepares the grant scheme procedure, records the submitted projects, selects assessors and signs contracts with project leaders that are eligible for funding;
- The monitoring and evaluation unit (9 experts) controls the implementation of the projects, prepares interim reports, etc.;
- The Adana and Mersin investment support offices (5 experts) promote the region for both domestic and foreign investments, assist investors before, during and after the implementation of their project by providing them with data, organising site visits and meetings, etc.

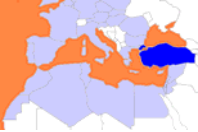
### Close cooperation with the national investment promotion body

Çukurova Development Agency (CDA) works closely with the Turkish Investment Support and Promotion Agency (ISPAT - Invest in Turkey), which coordinates the investment support offices of all regional development agencies. ISPAT follows international investment leads and directs them to CDA when the region is suitable for their project. When the invested amount is lower than TL 50 M (EUR 24 M), ISPAT hands the project over to CDA. However, neither ISPAT nor the regional development agencies are currently authorised to handle administrative procedures for investors. A new law, expected to be adopted in late 2010, should solve this problem. ISPAT also helps and encourages CDA to compete with other regional development agencies.

### Strong relations with the various local stakeholders

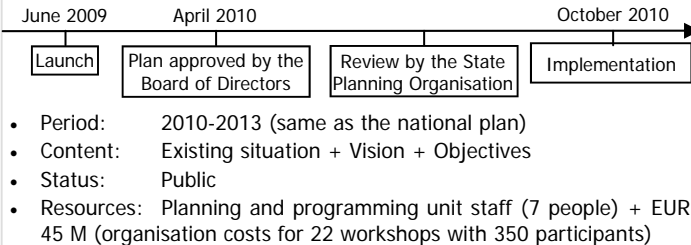
Besides its Board of Directors, CDA has a Development Council, a consultative platform grouping representatives from 23 public institutions, 15 local authorities and 62 private sector organisations, NGOs and universities. It also organises sectoral meetings with the relevant stakeholders. Finally, many organisations apply to CDA for a grant. Under this scheme, the agency provides funding to entrepreneurship support programmes and business forums organised by the [Adana](#) and [Mersin](#) Chambers of Commerce and Industry, which are its main local partners.





### *Regional planning: a model approach for a national priority*

#### A 10-month process



#### A step-by-step approach to reach a shared vision for the region

1. Data collection from national and regional institutions
2. Socio-economic diagnosis of the region (comparative approach at global, national, regional and where possible sub-regional levels)
3. Participatory meetings:
  - sub-regional workshops => identify specific problems of the 8 sub-regions
  - workshops with the Development Council => conduct the general SWOT analysis and draw up a vision for the region
  - thematic and sectoral workshops => refine the SWOT analysis and define a specific strategy for each priority sector and theme

#### A region faced with national challenges

With a GDP of USD 880 bln in 2009, Turkey was the 16th largest economy in the world and 6th in Europe. The sharp drop in external demand caused by the global crisis resulted in a 5.6% contraction of the GDP and dethroned Turkey from the 15th place it occupied the previous year. FDI inflows also decreased from USD 18.3 bln in 2008 to 7.9 bln in 2009. Nevertheless, growth started again in 2010, reaching the record figure of 8.1%, and should be around 5% in 2011. But the unemployment rate is expected to remain at 15% as job creation will not be strong enough to absorb the rapidly growing labour force. Vulnerability to foreign exchange is another major problem due to the current account deficit (for the year 2009, total exports amounted to USD 102.1 bln and imports to 140.9 bln). As the 4th most populous region of Turkey, with 3.7 M inhabitants in a country of 72.5 M people, Çukurova is faced with these general problems but also with specific ones.



### Regional positioning: identifying challenges and priorities to define appropriate measures

#### Strengths

- Strategic location
- Favourable geographic and climatic conditions
- Good transport infrastructure
- Renewable energy resources
- Strong agribusiness and manufacturing industry
- Special investment zones
- Abundant workforce with competitive wages
- Institutions with a strong commercial and industrial tradition

#### Weaknesses

- Disparities among sub-regions and social groups
- Unplanned urbanisation
- Insufficient transport and energy infrastructure in urban areas
- Insufficient vocational training, R&D and innovation
- Lack of sectoral master plans
- Qualified outward migration and unqualified inward migration
- Poor environmental awareness
- Insufficient promotion efforts

#### Opportunities

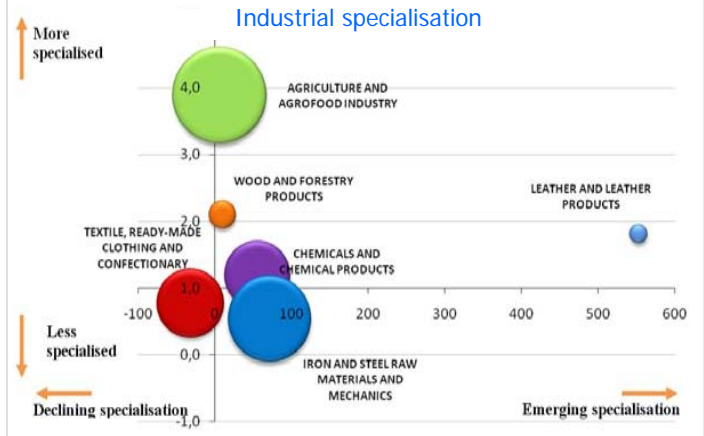
- Terminal point of 3 pipelines
- International airport project
- Project of organised industrial area specialising in energy
- Improvement of motorways
- Abolition of visa requirements with neighbouring countries
- Proximity of large markets
- Increasing strategic importance of world food sector
- Funds made available for accession to the EU

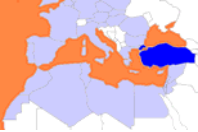
#### Threats

- High energy and input costs
- Negative impact of the crisis
- Insufficient public investment
- Decreasing profit margins in the main sectors of the region (petro-chemistry and textile)
- Competition from other regions and countries (Far East)
- Political uncertainty in Iraq
- Unfair treatment of the region within the state subsidy system

### A comprehensive regional development plan

- Objectives: Competitiveness, Human resources, Social cohesion, Liveability, Sustainability
- Sectors: Agro-food, Textiles, Chemicals, Metals & Machinery, Furniture, Logistics, Tourism
- Zones: Free zones of Mersin and Adana Yumurtalik, organised industrial areas of Mersin Tarsus and Adana Haci Sabanci
- Players: Domestic companies and foreign investors
- Measures: 4 support programmes (economic development, social development, infrastructure, rural development) => Specific topics defined every year => grant schemes for each topic





### Communication: a new priority for the Turkish regions

#### Managing communication without a dedicated strategy

Following the launch of the regionalisation process, collecting regional data and planning local development was the priority. Now that the Çukurova region has started competing with other Turkish regions, marketing and communication are the key. CDA is therefore working with the different local stakeholders to turn the regional development plan into a communication strategy. As there is as yet neither a shared strategy nor a dedicated staff unit, each unit at CDA manages its own communication activities. On the occasion of major events such as the launch of the annual grant programme, the concerned team contacts the local press and prepares press releases. Without common objectives, messages and methods, the impact of these actions remains weak and a global assessment is impossible. Defining a comprehensive communication strategy is a top priority for CDA.

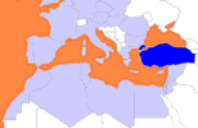
#### Upgrading the website to reach more investors

Currently, [CDA's website](#), with its Turkish and English versions, attracts mainly local actors interested in the grant programme. It was designed by an external provider but the published contents are managed by CDA staff. With a view to targeting more investors, and especially foreign ones, 2 new websites will be developed in Turkish, English and Arabic: Invest in Adana and Invest in Mersin. Whereas CDA is in charge of the whole Çukurova region, it is indeed easier to work on a provincial level. Because the region is a recent creation inspired by the European model, it still has no legal authority and poor visibility. For the new websites, both design content and management will be outsourced. The lack of internal skills and the competitive prices offered by web agencies make it more advantageous.

#### In the absence of a structured campaign, variable actions

- Dedicated plan: None / Human resources: 1 staff member
- Budget (EUR): 169,000 (2009), 7,000 (2008), 303,000 (2007)
- Tools and activities:
  - Brochure "Invest in Çukurova" in Turkish and English, to be translated into other languages (outsourced design)
  - 2 promotional videos (1 for the region and 1 for CDA activities) in Turkish and English (outsourced design)
  - Website currently in Turkish and English (outsourced design)
  - Meetings with the local press (5 in 2009), publication of bulletins
- Impact: More than 50 articles on CDA in the local press in 2009 (90% on social and SME projects funded by the agency)



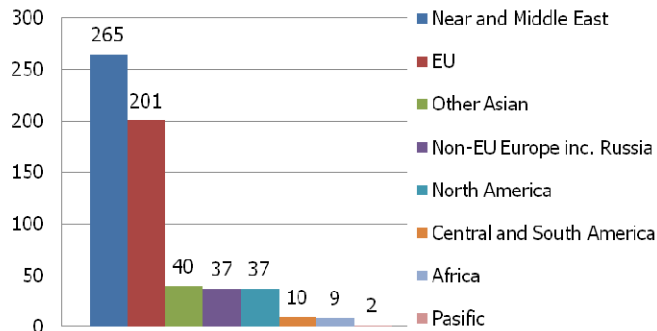


### Prospecting: matchmaking and international cooperation as keywords

#### A campaign being structured

- **Dedicated plan:** Not currently, but the regional plan will soon be turned into specific objectives and targets for investment promotion for the next 4-5 years
- **Human resources:** part-time for investment support unit staff (5)
- **Budget (EUR):** 146,000 (2010), 173,000 (2009), 14,000 (2008)
- **Priority sectors:** Agro-food, Textiles, Chemicals, Metals & Machinery, Furniture, Logistics, Tourism
- **Targeted countries:** Near and Middle East, Germany and Italy
- **Tools:** Website, promotional videos, brochure
- **Activities:** Participation in events, business delegations
- **Impact:** Still not assessed

#### Stock of FDI projects by region of origin as of June 2010



#### Prospecting with a opportunistic approach

CDA's investment support units try to catch prospects by participating in promising events. In 2010, it planned to attend 15 to 20 national events and 4 to 10 international events. To make the most cost-effective selection, the team takes into account: the location of the event, its format (B2Bs are privileged), the expected participants, the institutional context (participation in events with a public support is often easier with government help). It targets mainly Near and Middle Eastern firms, which are already the first foreign investors and will surely represent an even higher share in FDI after the lifting of visa requirements and signing of free trade agreements with Syria, Jordan and Lebanon. In the years to come, the team will not participate in sector-specific events abroad but rather in national events.

#### International cooperation as a priority

*"Before investing in Turkey, foreign companies generally start with distributorship, then sign partnerships and finally establish their own subsidiary" explains Murat Kaplan, Investment Support Unit Manager. "Therefore, we use the network of the [Undersecretariat for Foreign Trade](#) and local Chambers of Commerce and Industry to communicate with foreign organisations and participate in international events. From 2010, we will also organise 6 to 8 business delegations to the region every year. We started cooperation with Lebanon. We took a delegation to Beirut and, as it was successful, a Lebanese delegation will come to Mersin in July 2010. We plan to develop similar exchanges with other Eastern Mediterranean countries like Egypt."* CDA is also member of international networks of investment promotion agencies like WAIPA and ANIMA Investment Network.