



<b>1. CPS Data</b>	
<b>Country: Turkey</b>	
<b>CPS Year:</b> FY12	<b>CPS Period:</b> FY12 – FY16
<b>CLR Period:</b> FY12-FY16	<b>Date of this review:</b> August 3, 2017

<b>2. Ratings</b>		
	<b>CLR Rating</b>	<b>IEG Rating</b>
<b>Development Outcome:</b>	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
<b>WBG Performance:</b>	<i>Good</i>	<i>Good</i>

**3. Executive Summary**

i. Turkey is an upper middle income country with a GNI per capita of US\$9,950 in current US dollars (2015). Based on the latest data available, the percentage of people living below the national poverty line fell from 2.3 percent in 2012 to 1.6 percent in 2015, and the Gini coefficient remained at about 39-40 during the program period, compared with an average index of about 32 in 2014 for the OECD countries. Political stability contributed to good economic performance prior to the CPS. After the start of the CPS, however, political tensions erupted and, combined with spillovers from continued conflict in neighboring Syria and Iraq, heightened political instability in the country. Turkey accommodated over 1 million refugees from Syria alone, which strained host community resources. During the review period, annual real growth was in the 2-4 percent range, a significant slowdown compared to the 9 percent in 2010-11. Revisions to the national accounts data following the issuance of the Completion and Learning Review (CLR) offer a more positive picture of economic growth during the review period that underscores the Turkish economy resilience to shocks. Yet, persistently large external deficits in the 5-8 percent of GDP range financed by mostly short-term debt continued to make the economy sensitive to changes in external financing conditions.

ii. The government set out its objectives in the Ninth Development Plan for 2007-13 and the 2012-14 Medium-Term Program. Four priorities stood out: (i) pursue sound macroeconomic and structural fiscal policies to maintain stability and reduce vulnerabilities, (ii) improve the investment climate and labor market to increase competitiveness and create jobs, especially for women and youth, (iii) reform education, health service provision, and social welfare to increase productivity and promote equal opportunity, and (iv) continue reforms of energy and water sectors, and invest in increasing energy efficiency. In support of the government's objectives, the WBG Country Partnership Strategy (CPS) pursued reforms in three areas for enhancing competitiveness and employment, improving equity and public services, and deepening sustainable development.

iii. At progress report stage, the country faced an increasingly fragile economic situation and a deteriorating political environment. The program was modified to reflect changing priorities, but adjustments fell short of a robust response to increasing economic vulnerabilities. Some adjustments were made to the program, reflecting less than anticipated demand in lending for social services, and a rethinking of the area of governance and transparency. The planned

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engagement in early childhood education did not materialize, and was merged with social and public services. Moreover, the deterioration in the economic and political environment motivated a shift in emphasis in the governance area, to support improved transparency as a key aspect of sustaining investor confidence. The CPS was extended by one year to include FY16, in part to allow the CPS period to be aligned with the political cycle, as parliamentary elections were scheduled for mid-2015.

iv. Actual IBRD lending during FY12-FY16 was US\$4.3 billion, compared with the planned US\$6.5 billion; while IFC financing was US\$3.6 billion,<sup>1</sup> and MIGA's guarantee gross exposure increased from US\$470 million in FY13 to US\$1.4 billion in FY16.<sup>2</sup> WBG lending reflected the authorities' preference for Development Policy Operations (DPOs) and credit lines over Bank instruments with high perceived transaction costs (Investment Project Financing—IPFs), and challenged IBRD to identify areas where it could provide strategic value added, and IFC to demonstrate innovation and good practices, as in governance and gender. DPOs represented about 45 percent of the new IBRD financing in the CPS—compared with the 31 percent planned under CPS and CPSPR—and covered environmental sustainability and energy, competitiveness and savings, and shared growth. Investment Project Financing was US\$2.4 billion—primarily in energy, SME access to finance, health, and land registration—compared to the US\$4.4 billion planned under the CPS and CPSPR.

v. IFC played an important role—particularly in the energy sector, development of sustainable cities, and access to finance. IFC's program increased in size during the CPS period, and Turkey became IFC's second largest client globally. Long term finance reached US\$3.6 billion, far exceeding the US\$2.5-2.8 billion expected under the CPS. This was facilitated in part by synergies between IBRD and IFC that were exploited during the CPS. For example, DPL work—including knowledge work—set the stage for the enabling environment and overall strategic framework for the energy sector, which was subsequently used to step up IFC engagement with private partners in energy. This approach points to possible new avenues of future joint interventions that would emphasize IBRD's catalytic role—IBRD helping develop policy frameworks and strategies to enable private activity supported by IFC—in a country with increased sophistication and selective demand for WBG support. The WBG demonstrated synergies across IBRD, IFC, and MIGA, particularly in support of Small and Medium Enterprises (SMEs) and exporters, and in investing in energy efficiency.

vi. On balance, IEG rates the overall development outcome as *Moderately Satisfactory*. In *Focus Area 1*, there was limited progress in increasing domestic savings and enhancing external resilience while progress was mixed on the investment and business climate objective. The objective on sustaining macroeconomic stability, domestic savings, strengthen exports and external resilience had multiple dimensions not reflected in the two outcome indicators that covered a narrow range of the objective. Corporate governance was improved through more extensive firm audits, and enhanced reporting and disclosure requirements. In *Focus Area II* performance was adequate, with some progress on gender equality and a more inclusive labor market, and evidence of improved equity in the provision of health services. While work remains to be done in health to improve client satisfaction, broad measures of health outcomes show progress in improving health outcomes during the program period. In *Focus Area III*, good progress was made in increasing the supply of energy and use of renewable energy, mixed progress on improving the sustainability of

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<sup>1</sup> IFC contributed close to US\$4.5 billion if we include about US\$1 billion in mobilization of other financing.

<sup>2</sup> To put in perspective, the combined IBRD/IFC financing to Turkey averaged about US\$1.6 billion a year during the CPS, compared with average total annual medium and long term debt financing of US\$71 billion in 2015-6 according to the IMF, and gross external financing requirements of US\$200 billion annually. Just the amortization of the government's short and medium term external debt amounted to about US\$6 billion in 2016. IBRD's single borrower limits constrain the Bank's possible exposure to Turkey.



Turkish cities, and limited achievements in strengthening environmental management and adaptation to climate change.

vii. IEG rates the WBG performance as *Good*. The CPS supported the government's priorities and was adjusted during the PLR to reflect changing priorities, although the adjustment was not robust enough to reflect economic vulnerabilities. The program areas were selective, but program objectives were unfocused owing to their many dimensions, which diminished the program's impact. Development policy operations and project lending were complemented by economic and sector work and technical assistance; however, the non-lending portfolio was spread thinly over many areas. The IFC interventions were included explicitly in program targets, which has not been a feature of other WBG programs. Still, some indicators were weakly linked to program interventions and objectives, and a few program objectives were underpinned by a plethora of indicators derived from individual projects which do not constitute a coherent whole and focus, and made assessment difficult. Risks were appropriately identified, but the CLR does not discuss if risks to the program materialized and how they were mitigated, if at all. Program implementation was generally adequate, but hampered in some instances by slow inter-governmental decision-making, especially for IPF financing. There were synergies across the WBG, which also coordinated effectively with other partners in refugee work and the municipal sector.

viii. IEG agrees with CLR lessons on weaknesses of the results framework, need for long term engagement and sequenced interventions, challenges for new IPF lending, and need for a demand driven Advisory Services and Analytics (ASA) agenda. IEG notes three additional lessons from this review:

- Effective use of development policy operations and knowledge work, is critical for setting the stage for IFC engagement in a sector. In the case of Turkey, IBRD helped develop policy frameworks and sector strategies in energy, which enabled private activity supported by IFC in this sector.
- Formal agreements between IFC and IBRD are not enough to ensure effective coordination. In the case of Turkey, the Bank-IFC Joint Implementation Plan (JIP) on sustainable Turkish cities, which involved coordination of multiple financing and advisory services between IFC and WB, was hampered to a large extent by inadequate progress under IBRD's Sustainable Cities project, still in its early stage of implementation. At the same time, joint interventions outside the JIP in the energy sector worked very well as the sequence of IBRD and IFC operations were delivered as planned.
- Program objectives with many dimensions require a set of interventions and outcome measures commensurate with the complexity of the objectives. In the case of Turkey, the objectives on macroeconomic stability and competitiveness, and female labor participation would have required a set of interventions that addressed their multiple dimensions.

#### 4. Strategic Focus

##### Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** Turkey is an upper middle income country with a GNI per capita of US\$9,950 in current US dollars (2015). Turkey's economy grew on average by 3 percent annually in real terms during the review period, with persistently large external deficits in the 5-8 percent of GDP range financed mostly by short-term debt, making the economy sensitive to changes in external financing conditions. The economy experienced significant volatility, with growth close to 9 percent in 2010-11 followed by a correction to 2.2 percent in 2012 and a modest recovery to 3-4 percent in 2013-15. Revisions to the national accounts data following the issuance of the CLR offer a more positive picture of growth during the review period that underscores the resilience of the Turkish economy to shocks. Inflation was high on average, and also volatile (6-9 percent range), and real policy interest rates generally negative.



2. The government set out its objectives in the Ninth Development Plan for 2007-13 and the 2012-14 Medium-Term Program. Four priorities stood out: (i) pursue sound macroeconomic and structural fiscal policies to maintain stability and reduce vulnerabilities, (ii) improve the investment climate and labor market to increase competitiveness and create jobs, especially for women and youth, (iii) reform education, health service provision, and social welfare to increase productivity and promote equal opportunity, and (iv) continue reforms of energy and water sectors, and invest in increasing energy efficiency.

3. In support of the government's objectives, the WBG's country program pursued the strategic objectives of enhancing competitiveness and employment, improving equity and public services, and deepening sustainable development. There were synergies exploited across IBRD, IFC, and MIGA were, particularly in support of SMEs and exporters, and investing in energy efficiency. The areas selected were congruent with the country's development goals, and the WBG's work program was in sectors where it had shown capacity to deliver in the past. The selection of areas also was in line with broad areas identified subsequently as important by the Systematic Country Diagnostic.

4. At progress report stage the CPS faced an increasingly fragile economic situation and a more complex political environment. The CPS was extended by one year to include FY16, in part to allow the CPS period to be aligned with the political cycle, as parliamentary elections were scheduled for mid-2015. As the CLR notes, some adjustments were made to the program, reflecting less than anticipated demand in lending for social services, and a rethinking of the area of governance and transparency. The planned engagement in early childhood education did not materialize, and the area of education was merged with social and public services. Support in the area of governance was originally defined narrowly around public financial management and improving the efficiency social services. The deterioration of the economic and political environment motivated a shift in emphasis to support improved transparency as a key aspect of sustaining investor confidence.

5. **Relevance of Design.** The WBG strategy addressed the key challenges facing the country and reflected the government's own strategy. At progress report stage, the program was adjusted to reflect changing priorities, but adjustments fell short of a robust response to increasing economic vulnerabilities. The objectives of the program were generally supported by WBG interventions, although in some objectives the interventions were not commensurate with the complexity of the stated program objectives – for example on macroeconomic stability and competitiveness, and contribution to female labor force participation. WBG interventions had a good combination of development policy operations in areas where the government intended to pursue reforms, and a mix of projects, economic sector work, and technical assistance in the remaining areas of the program. However, there were some instances—such as the sustainable cities objective—where a program objective was supported by an incoherent collection of projects that lacked focus and an adequate anchor.

6. A positive aspect of a number of Bank ASA interventions was that they were programmatic, allowing to follow up on issues as they arose and complementing well the development of lending interventions. At the same time, the non-lending portfolio was spread thinly over many areas which makes difficult an assessment of its contribution to program objectives. As the CLR notes, unlike the lending program, the ASA agenda was not always demand driven with proven ownership. This was a program where IFC played a substantial role—particularly in the energy sector, development of sustainable cities, and access to finance—and synergies across IBRD, IFC, and MIGA contributed to achieve program objectives.

#### Selectivity

7. The overall program was selective in terms of the focus areas. It built on adequate country diagnostics and ASA support, and based on consultations with the authorities, who had strong expectations about Bank support in specific reform areas. The non-lending program went beyond the support of lending interventions—providing global knowledge in certain areas of government interest and building the knowledge base in other areas of potential future involvement—and had a broad scope that made it significantly less selective than the lending program. Some objectives attempted too much in terms of scope and number of interventions, and made the program seem unfocused in



those particular areas, including indicators that belonged under different objectives. IFC investments and advisory activities were focused on enhancing private sector competitiveness, its capacity to create jobs through new investments, especially in SMEs, and helping improve the efficiency of the energy sector.

#### Alignment

8. Although the original CPS was prepared prior to the WBG adoption of the twin goals, program interventions aimed at enhancing the socio-economic condition of key target groups through labor market activation of women and youth and early childhood development and the development of private sector gender equity certification. Moreover, IFC emphasized investments in less developed areas and the promotion of financial inclusion.

### **5. Development Outcome**

#### Overview of Achievement by Objective:

#### **Focus Area I: Enhancing Competitiveness and Employment**

9. This focus area had three objectives: (i) sustain macroeconomic and financial stability, and strengthen exports, domestic savings, and external resilience, (ii) improve the investment and business climate, deepen and broaden access to finance, and increase employment, and (iii) improve governance through enhanced transparency to ensure a level playing field.

#### **Objective 1: Sustain macroeconomic and financial stability, and strengthen exports, domestic savings, and external resilience**

10. The two indicators for this objective were to increase the uptake under the new voluntary pension scheme, and increase the number of tax payers filing income tax as a result of the new income tax law. The Bank supported this objective through the Competitiveness and Savings DPL (FY13) and the Sustaining Shared Growth DPL (FY15).

11. The CLR reports that 6.2 million people contributed to a private pension plan as of April 2016, which represents a doubling of the number of participants in 2012. This is corroborated by information from other sources such as the US Social Security Administration<sup>3</sup> indicating that 6.4 million people contributed to a private pension plan. As regards the number of taxpayers filing income tax, the CLR reports that the new income tax law has not been ratified and that consequently there is no major increase in the number of taxpayers by end 2016.

12. The objective as formulated has several dimensions, which are not reflected properly by the two indicators. A broader assessment of the objective—including on exports, aggregate domestic savings, and external resilience—based on information of the 2014 and 2016 IMF Article IV consultations reveals that the aggregate private savings-investment balance remained in a deficit of around 5 percent of GDP during the program period. Indeed, there is little evidence of a boost in domestic savings as noted by IEG's ICRR for the Competitiveness and Savings DPL (FY13). The operation's targets on private pensions chosen for domestic savings are likely to measure private portfolio shifts rather than an aggregate increase in savings, calling into question the appropriateness of the voluntary pension uptake indicator to measure domestic savings. This is confirmed by the IMF's 2016 Article IV consultation which shows that Turkey's private savings are low by international comparison and have been falling since 2003, and points to a low private savings rate as the primary cause of external vulnerabilities. The private sector saving rate averaged 18 percent of GDP over 1998-2003, but dropped to 9 percent in 2013 and has stayed below 13 percent since 2010. Moreover, while exports grew during the program period, the external current account deficit was in the 6-8 percent of GDP range, keeping Turkey dependent on significant external financing.<sup>4</sup> External

<sup>3</sup> *International Update: Recent Developments in Foreign Public and Private Pensions*, September 2016.

<sup>4</sup> Towards the end of the review period annual external financing needs were in the 25-30 percent of GDP range.



resilience remained in question owing to the continued increase of external financing needs and deterioration of market confidence. In hindsight, objective #1 could have focused on a narrower objective such as savings, and its indicators be more directly linked to the objective and the interventions. (*Partially Achieved*)

**Objective 2: Improve the investment and business climate, deepen and broaden access to finance, and increase employment**

13. The objective had nine indicators. Three on investment and business climate: patent applications, company registries, and export growth in firms benefiting from IBRD financing. Five on deepening and broadening access to finance: SME sales growth, reducing non-performing loans, IFC reaching SME clients and farmers, increasing corporate bond issuance, and increasing the savings in financial institution by women, and one on increasing employment: IFC's investment portfolio companies to add 70,000 jobs. The Bank provided support through the Fourth Export Finance Intermediation Loan (FY08), the Second Access to Finance for SMEs project (FY10), the Competitiveness and Savings DPL (FY13), and the Sustaining Shared Growth DPL (FY15).

14. *Investment and business climate.* The CLR reports delays in the ratification of the new Patent Law and no increase in new patent applications. The CLR also notes that there is no information about the inclusion of companies in registries across Turkey through the integrated company regulation system (MERSIS). Export growth in firms benefiting from IBRD financing was 6 percentage points higher annually on than average sector export growth, which was the program target.

15. *Deepen and broaden access to finance.* IEG's ICRR of the Second Access to Finance for SMEs (FY10) notes that preliminary evidence suggests that on average SMEs that received IBRD financing did better than those that did not on both employment and sales. In addition, of the financial institutions that received IBRD financing, half had an NPL ratio below the sector average of 2.7 percent, and the other half exceeded the average. The CLR indicates that IFC's investment portfolio intermediaries exceeded both the program targets for SME clients (100,000) and farmers (120,000). Owing to global and local uncertainties, the corporate bond market did not grow as expected, and thus fell short of target. The percentage of women saving at a financial institution increased from 2 percent in 2011 to 5.5 percent in 2014, exceeding the program target for 2015. On a design issue, the percentage of women saving at a financial institution indicator belongs under the gender/inclusion objective #5 rather than under this objective.

16. *Increasing employment.* Based on IFC's information, IFC's real sector portfolio companies provided about 66,000 additional jobs, close to the 70,000 program target.

17. Using alternative measures such as *Doing Business Report* to measure the business and investment environment, and financial development, suggests that there has been no progress in improving the business environment and even a deterioration in financial management. According to the *Doing Business Report*, Turkey in 2017 (#69 out of 190 countries) is in a similar place compared to 2012 (#71 out of 183 countries). Its financial market development has shown a deterioration according to the Global Competitiveness Index from the World Economic Forum—82/138 in 2015 compared to 44/144 in 2011. In addition, the latest joint financial assessment by WB-IMF<sup>5</sup> notes that bankruptcies have been rising, the current view of credit quality is dim, and the knock-on impact of non-financial corporation distress on banks is likely to be significant. To a large extent, this reflects serious domestic and external shocks, which, together with increasing private indebtedness, have contributed to weaker business confidence. In this context—and despite IFC's positive contribution to SME employment—national unemployment increased from 9 percent in 2012 to 11 percent in 2016 according to the IMF.<sup>6</sup>

<sup>5</sup> Turkey: *Financial Sector Assessment Program—Financial System Stability Assessment*, February 3, 2017.

<sup>6</sup> Article IV consultations for 2013 and 2017.



18. On balance—taking into account little progress on the investment climate, progress on increasing employment, and adequate results on deepening and broadening access to finance—this objective was *Partially Achieved*.

**Objective 3: Improve governance through enhanced transparency to ensure a level playing field**

19. In a deteriorating economic environment, the purpose of this objective was to improve transparency as a key aspect of sustaining investor confidence. The indicator for the objective was to increase the number of firms with independent audits. The Bank provided support through the First Sustaining Shared Growth DPL (FY15) and the Competitiveness and Savings DPL (FY13). In addition, this objective was supported by trust-funded activities on Strengthening Public Internal Audit Function (FY12), the TF SAFE (Strengthening Accountability and Fiduciary Environment): Enhancing the Supreme Audit Function of the Turkish Courts of Accounts (FY 14), and a Corporate Governance TA (FY14).

20. The threshold for independent audits was lowered by a Council of Ministers Decree of March 14, 2014, implying and enhancement of transparency through the audit of a larger number of firms. The CLR reports that the number of firms with independent audit were expected to increase to 5,000 by end-2016 — compared to a target of 3,500 in 2015. IEG's ICR review of the Competitiveness and Savings DPL (FY13) notes that the number of firms completing independent audits increased from 700 in 2012 to 3,600 in 2014. More broadly, the review notes substantial progress on enhancing reporting and disclosure requirements, and on strengthening corporate governance. This objective was Achieved.

21. IEG rates the outcome of WBG support under Focus Area 1 as *Moderately Unsatisfactory*. Progress was limited on increasing domestic savings and enhancing external resilience, while it was mixed on the investment and business climate. The program showed substantial progress on improving corporate governance.

**Focus Area II: Improving Equity and Social Services**

22. This focus area had two objectives: (i) improve the quality and equity of social services, and (ii) make progress toward gender equality and inclusive labor markets.

**Objective 4: Improve the quality and equity of social services**

23. This objective had three indicators, to: (i) reorganize the Ministry of Health to focus exclusively on the health sector's stewardship functions by 2015, (ii) organize public hospitals in hospital unions and pay them based on performance contracts within a global budget, and (iii) increase cervical cancer screening among women aged 20-69. The Bank, which has had a long-term involvement in Turkey's health sector, supported this objective through the Health Transformation and Social Security Reform project (APL2) (FY09), a follow on operation to the Health Transition Project (APL1) (FY04) that also supported activities on improved health service quality, and the more recent Health System Strengthening and Support project (FY16). IFC contributed to this objective by investing in two education services companies and eight health care operations.

24. Legislation on the Ministry of Health reorganization was approved on November 3, 2011 and then implemented, enabling the ministry to focus on policy formulation, regulation and monitoring. As of September 2015, all public hospitals were organized in public hospital unions with performance contracts for managers and global budgets. The CLR reports that cervical cancer screening has increased in percentage of women aged 20-69<sup>7</sup> by more than the target—a sign of improvement in the quality of healthcare—although the actual numerical achievement for the screening is difficult to assess from the documents available. OECD data for 2013 reports that cervical cancer screening was about 60 percent for women aged 20-69 – compared to a target of 49 percent by 2016 in this age cohort.

<sup>7</sup> The Bank operation supporting this objective is targeting a different age cohort, from 30 to 65.



25. The first two indicators were process oriented, referred to the health supply side, and were insufficient to measure improvements in the quality and equity of social services. IEG's ICR review of the Project in Support of Restructuring of Health (FY09) remarked that client satisfaction had declined owing to long waiting times and insufficient medical personnel. Moreover, the family medicine model did not achieve the intended results, as shown by a decline in the share of family medicine visits. However, the Bank's long standing support to the health sector through two APLs and the recently approved health project in FY16 suggests significant contributions to improvements in the quality and access to health, and to better health outcomes. IEG's ICR review of the Health Restructuring (FY09) project indicated that broad health outcomes in Turkey have improved, including maternal mortality rates and infant mortality rates between 2009-2013. It also noted that there is more regional equity in access to health services. According to the ICR of the Health Restructuring project (FY09), the main driver of these improvements has been increased health expenditures as a percent of GDP. Additional information from the region underscored the difficulty of improving the quality of the health system while dealing with the pressures from an unprecedented influx of refugees during the review period.

26. The improvements in broad health outcomes are confirmed by other sources, such as the World Economic Forum's (WEF) Global Competitiveness Report for 2013 and 2017, the OECD, and Lancet. According to the WEF, broad health measures—tuberculosis cases, HIV prevalence, and life expectancy—have improved tangibly during the program period, which suggests overall progress in health outcomes.<sup>8</sup> A report by the OECD<sup>9</sup> notes Turkey's success in expanding access to health services and delivering universal health coverage, which benefited the poor and improved equity in the system. A Lancet (2013) article<sup>10</sup> confirmed the improvements in broader health outcomes and access to health-care services for all citizens, especially for the poorest population groups.

27. This objective also included work on education and social protection.<sup>11</sup> The Bank conducted an Education Study (FY13), and ESW on Improving Educational Outcomes in Turkey (FY14) and School Based Management in Turkey (FY15), and Regional Poverty Dynamics (FY16). The CLR, however, does not report on how this ESW affected, if at all, education and social policy. More broadly, the lack of a more substantive WBG engagement in education and social protection is surprising, particularly in light of the FY14 Country Opinion Survey that identified education quality as the top development priority, and as an area where WBG prospective support was considered most valuable.

28. On balance—taking into account progress on the supply side and expanded access to health services, together with progress on broad measures of health outcomes—this objective is rated at *Mostly Achieved*.

**Objective 5: Make progress on gender equality and a more inclusive labor market**

29. The three indicators for this objective were to have at least 20 companies granted new Gender Equity Certification by end-2015, contribute to increase labor force participation through support of 900 women-owned SMEs through IFC financing, and improve access for Social Assistance beneficiaries to Active Labor Market Programs. The Bank supported this objective through the Promoting Gender Equity in the Labor Market and Entrepreneurship project (FY13), IFC financing of SMEs, particularly women-owned, the Sustaining Shared Growth DPL (FY15), Vocational Training Programs (FY14), ISKUR technical assistance, and economic sector work on Jobs Activation (FY14).

30. Seventeen or eighteen firms have received the New Gender Equity Certification,<sup>12</sup> and IFC financed operations reached 2,613 women-owned enterprises through its SME sector portfolio.

<sup>8</sup> The Global Competitiveness Report, World Economic Forum, 2013 and 2017 Editions.

<sup>9</sup> OECD Reviews of Health Care Quality: Turkey: Raising Standards, OECD Health Division, November 25, 2014.

<sup>10</sup> Atun, R. et al, Universal Health Coverage in Turkey: Enhancement of Equity, Lancet, 2013, Vol. 382, pp. 65-99.

<sup>11</sup> Education and social policy to be informed by WB Economic and Sector Work.

<sup>12</sup> The CLR reports seventeen, and the website of Kagider—the relevant Turkish institution—reports eighteen.





However, the specific number of social assistance beneficiaries included in active labor market programs could not be assessed owing to poor quality of data.

31. The contribution to increasing female labor force participation (FLFP) is an objective spanning a set of complex issues, and is affected by different factors and not a single WBG intervention.<sup>13</sup> The WBG engagement in this CPS did not match the complexity of the challenge of female labor force participation. Nonetheless, FLFP reached 29.3 percent in 2014, in line with the Sustaining Shared Growth DPL target for 2015 (32.6 percent).

32. On balance, this objective is rated as *Mostly Achieved*.

33. IEG rates the outcome of WBG support under Focus Area 2 as *Moderately Satisfactory*. There is evidence on improvement of broad health outcomes and of equity in the provision of health services, and some progress in contributing to gender equality and inclusive labor markets.

### **Focus Area III: Deepen Sustainable Development**

34. This focus area had three objectives: (i) increase the supply of energy and use of renewable energy, and implement actions to deal with climate change, (ii) strengthen environmental management and adaptation to climate change, and (iii) improve the sustainability of Turkish cities.

#### **Objective 6: Increase the supply of energy and use of renewable energy, and implement actions to deal with climate change**

35. The five indicators for this objective were to improve the supply of reliable and efficient energy, increase renewable energy generation, IFC contributing to reaching about 7.2 million electricity customers through its power portfolio, save energy through energy efficient SMEs and renewable energy credit lines, and increase gas storage capacity. The Bank supported this objective through the Renewable Energy Integration project (FY14), the Private Sector Renewable Energy Efficiency project (FY09) and its additional financing (FY12), the Third Programmatic Environmental Sustainability and Energy Sector DPL (FY12), the Energy Community of South East Europe project (FY11), the SME Energy Efficiency project (FY13), and the Gas Sector Development project (FY06) and its additional financing (FY14).

36. Although there was no formal joint program IBRD-IFC, the good results of energy sector interventions suggest further scope for strategic IFC-IBRD engagement with Turkey. The IBRD's support of reforms and for framing a sector strategy paved the way for IFC's support of private activity in the sector, magnifying the catalytic effect of both IBRD and IFC.

37. Renewable energy supply connected to the grid increased by 20,012 MW compared with a target of 10,000 MW under the program. Renewable energy generation was 31.5 percent of total generation in June 2016—exceeding the program target of 30 percent—compared to about 20 percent in 2009.

38. In joint financing with EBRD, commercial banks, and private investors, IFC helped reach 7.5 million customers through its power portfolio, compared with the target of 7.2 million under the program. More generally, private sector renewable energy capacity increased significantly—the sum of the total increase during the CPS period amounted to 20,012 MW—suggesting positive demonstration effects from the IFC projects.

39. The cumulative savings from energy efficiencies in SMEs and renewable energy credit lines reached 3,772 GWh compared with the 4,372 GWh target under the program. The CLR notes that the target was not met owing in part to the inability to promote energy efficient investments as intended by credit lines under the SME Energy Efficiency (FY13) project. While some SMEs borrowed to buy

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<sup>13</sup> Focusing solely on employers only solves half of the problem. Other aspects include affordable child care opportunities, more focus and awareness of cultural issues in Turkish society that limit the role of women, and educational programs targeting broad segments of society to promote men-women coexistence in the workplace.

energy-efficient machinery, they eschewed use of project funds to avoid having to document the higher energy efficiency requirement under the project.

40. The CLR reports that the Gas Sector Development project (FY06) is on track. Yet, based on information available to IEG there was no increase in gas storage capacity during the program period.<sup>14</sup>

41. On balance this objective is rated as *Mostly Achieved*.

#### **Objective 7: Strengthen environmental management and adaptation to climate change**

42. The three indicators for this objective were to improve the Water Basin management, complete a draft Integrated Water Basin Management plan and establish a Basin Commission in selected pilot basins, and establish Natural Capital Accounts in two selected water basins. The Bank supported this objective through the Third Programmatic Environmental Sustainability and Energy Sector project (FY12), TA on National Watershed Management (delivered FY13), Sustainable Water – Water Supply and Sanitation (FY16), Environmental and Natural Resources Management Programmatic Technical Assistance (FY15), and the Diagnostic of Natural Capital saving and Sustainable Growth (FY15).

43. The CLR reports that as of early 2013, Protection Action Plans were completed for all 25 river basins in Turkey. IEG's project evaluation, however, suggests that action plans were completed with EU and Turkish financing which raises the issue of attribution. Water basin commissions were established as envisaged under the program. However, no Natural Capital Accounts were established in the two selected water basins as priority was given to developing valuation methodology and to other cases studies in the forest and water sectors.

44. The CLR notes that country-level performance was affected adversely by persistent delays in the ratification of the water law, which intended to improve adaptation to climate change through enhanced water resource management. As a result, River Basin Management Plans—including climate change adaptation measures for water basins—were not completed.

45. On balance this objective is rated as *Partially Achieved*.

#### **Objective 8: Improve sustainability of Turkish cities**

46. This objective had seven indicators: (i) enhanced access to urban services, (ii) municipal governance, (iii) improved metro services, (iv) new tramway lines, (v) reduce untreated wastewater discharge into the Aegean Sea, (vi) retrofit buildings to resist major earthquake in Istanbul province, and (vii) improve customer satisfaction with Land registry services. The Bank supported this objective through the Municipal Services project (FY05) and its additional financing (FY10), the Kadikoy-Kartal Metro project (FY09), IFC's Izmir Tramway and Wastewater projects, the Istanbul Seismic Risk Mitigation and Emergency Preparedness project (FY05) and its additional financing (FY10), and the Land registration and Cadaster Modernization project additional financing (FY15).

47. In line with the program target, about 6.3 million additional people in urban areas got access to improved water services (1.8 million), improved sanitation (over 1 million) and solid wastewater collection (3.4 million). On governance, a Citizen Report Card was developed as a pilot in the Manisa municipality, and then scaled up to six municipalities through a local NGO with EU funding. The new Istanbul Kardikoy-Kartal Metro commuter line was developed with IFC support and the CLR claims that it has benefited significantly people using public transportation, but additional ridership fell short of program target. The IFC-financed Izmir tramway construction is under way but there are some delays, and tramway construction was not completed during the CPS period as planned. There was also a delay in the IFC-financed Izmir Water Treatment Plant, resulting in no tangible impact on the reduction of untreated waste water discharge into the Aegean Sea. Over 800 buildings were retrofitted to resist a major earthquake, exceeding the target of 763 buildings during the program period. Land registry

<sup>14</sup> The CLR expected the indicator—targets for end-2016 and end-2020—to be achieved, and reports that the Gas Sector Development project (FY06) is on track.

services have improved significantly as evidenced by an increase in the customer satisfaction rate from 40 percent in 2008 to 90 percent in 2015 (compared with the 85 percent program target).

48. The WBG engagement under this objective was based on a collection of projects without an adequate anchoring project or overarching framework, and thus lacked coherence. Program outcome indicators reflected performance targets for each project. The planned Sustainable Cities project, which was not delivered under this CPS, could have provided the anchor needed for this objective, and give more coherence to the WBG engagement. In this regard, the Bank-IFC Joint Implementation Plan (JIP) has been disappointing because IFC investments in urban infrastructure were not matched by progress under IBRD's Sustainable Cities project.

49. On balance this objective was *Mostly Achieved*.

50. IEG rates Focus Area 3 as *Moderately Satisfactory*. Good progress was made in increasing the supply of energy and use of renewable energy, and improving the sustainability of Turkish cities, but limited progress in strengthening environmental management and adaptation to climate change.

Overall Assessment and Rating

51. IEG rates the overall development outcome as *Moderately Satisfactory*. The program made uneven progress across focus areas and objectives. Under *Focus Area I* substantial progress was made in deepening and broadening access to finance and increasing employment in IFC's real sector portfolio companies. Progress was mixed on the investment and business climate. The objective on sustaining macroeconomic stability, domestic savings, strengthen exports and external resilience had multiple dimensions not reflected in the two outcome indicators that covered a narrow range of the objective. Taking a broader view of the objective, Turkey's progress in increasing domestic savings and enhancing external resilience was fairly limited. Corporate governance was improved through more extensive firm audits, and enhanced reporting and disclosure requirements. In *Focus Area II* performance was adequate, with some progress on gender equality and a more inclusive labor market, and evidence of improved equity in the provision of health services. While work remains to be done in health to improve client satisfaction, broad measures of health outcomes show progress in improving health outcomes during the program period. In *Focus Area III*, good progress was made in increasing the supply of energy and use of renewable energy and adequate progress on improving the sustainability of Turkish cities, but achievements were limited in strengthening environmental management and adaptation to climate change.

Objectives	CLR Rating <sup>15</sup>	IEG Rating <sup>16</sup>
Focus Area I: Enhancing Competitiveness and Employment	<i>Partially Achieved</i>	<i>Moderately Unsatisfactory</i>
<i>Objective 1: Sustain macroeconomic and financial stability, and strengthen exports, domestic savings, and external resilience</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 2: Improve the investment and business climate, deepen and broaden access to finance, and increase employment</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 3: Improve governance through enhanced transparency to ensure a level playing field</i>	<i>Fully Achieved</i>	<i>Achieved</i>
Focus Area II: Improving Equity and Social Services	<i>Partially Achieved</i>	<i>Moderately Satisfactory</i>
<i>Objective 4: Improve the quality and equity of social services</i>	<i>Fully Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 5: Make progress on gender equality and a more inclusive labor market</i>	<i>Partially Achieved</i>	<i>Mostly Achieved</i>

<sup>15</sup> The CLR uses only two ratings for objectives: *Fully Achieved* and *Partially Achieved*. Following the shared approach on ratings, the CLR's five ratings of *Partially Achieved* and three of *Fully Achieved* for the objectives yields a *Moderately Unsatisfactory* rating for the overall Development Outcome.

<sup>16</sup> IEG uses the rating system of the shared approach: *Achieved, Mostly Achieved, Partially Achieved, Not Achieved, and Not Verified*.



Focus Area III: Deepen Sustainable Development	<i>Partially Achieved</i>	<i>Moderately Satisfactory</i>
<i>Objective 6: Increase the supply of energy and use of renewable energy, and implement actions to deal with climate change</i>	<i>Fully Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 7: Strengthen environmental management and adaptation to climate change</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 8: Improve sustainability of Turkish cities</i>	<i>Partially Achieved</i>	<i>Mostly Achieved</i>

## 6. WBG Performance

### Lending and Investments

52. At the start of the CPS period, IBRD had eighteen ongoing operations totaling nearly \$5.3 billion. The portfolio included investment operations in municipal services, gas sector, land registration, energy efficiency, and access to finance for SMEs. Five trust funded activities for \$108 million provided complementary financing for health, renewable energy and energy efficiency, internal audit, and watershed rehabilitation.

53. IBRD approved US\$4.3 billion in new commitments during FY12-FY16 – about 45 percent in development policy financing and the rest in project financing (including additional financing). This fell short by more than US\$2 billion from the US\$6.5 billion planned at progress report stage, when the single borrower limit was increased. The shortfall reflected much less than planned project financing – US\$2.4 billion against US\$4.4 billion planned.<sup>17</sup> Nine projects were approved against seventeen planned – the rest were dropped or postponed.<sup>18</sup> Additional financing approved for a number of existing operations was not enough to close the gap between planned and actual financing. Sixteen trust funded activities for over \$85 million provided complementary financing, primarily in energy, and also for public finance and internal audit.

54. During the review period IBRD committed resources were disbursed at a faster rate (34 percent disbursement ratio) than the ECA region (23 percent) and the Bank (21 percent). The ongoing project portfolio performance appears to have improved significantly compared to closed projects as indicated by good supervision ratings and high disbursement ratios. The CLR attributes this improvement to intensive portfolio monitoring that resulted in early detection of problems.

55. The Turkey portfolio showed significantly lower risk—both in terms of number of projects and committed amounts—than the ECA Region and Bank wide portfolios. During FY12-16, the Turkey portfolio had 8 percent of the projects at risk compared to 16 percent for the ECA Region and 21 percent Bank-wide. Performance of closed projects was mixed. Although in terms of overall commitments Turkey fared better than the Bank as a whole and ECA in FY12-FY16, it performed less well compared to both ECA and the Bank when considering closed projects. Of the fourteen projects validated by IEG during the review period, seven were rated satisfactory, one moderately satisfactory, five moderately unsatisfactory, and one highly unsatisfactory. The latter—Istanbul Municipal Infrastructure project (FY07)—suffered from significant problems at every stage, from quality at entry, to supervision and overall implementation, including by the borrower. With respect to active operations, management assessments report that all twelve projects were making satisfactory

<sup>17</sup> The CLR notes three reasons for the slippages: slow inter-government decision making, administrative and procedural complexity within government for new IBRD lending, and ambivalence in the government about the value-addition of certain IBRD financing.

<sup>18</sup> Two projects were dropped: US\$300 million Long-Term Finance Guarantee project and a US\$50 million Water Basin Management project; and a number of proposed interventions were postponed such as the Second Sustained Shared Growth DPL (for US\$500 million), the Geothermal Development project (for US\$300 million), and the Sustainable Cities project (for US\$300 million). US\$1.9 billion in financing came from DPLs, and of the rest (\$2.375 billion), US\$1.4 billion was IPF for energy, US\$550 million for access to finance, and US\$425 million for health, MSME development, and land registration.

progress towards achieving their development objectives, which appears optimistic given the mixed results of projects at exit.

56. There were 29 IFC investment projects—US\$3 billion of net commitment—at the inception of the review period that were active during the review period. About two-thirds of these investments were in financial sector, including those for trade finance. During FY12-16, IFC committed another US\$4.4 billion,<sup>19</sup> through ninety new investments. At the end of the review period, about 55 percent of the investments were in the financial sector, including those for trade finance and about 24 percent in infrastructure, including those in the electricity sector. Of the 119 investments that were active during the review period, all but eleven, are still active. Of the eleven that closed during the review period, IEG has reviewed four investments, and rated three Mostly Successful or better and the fourth Mostly Unsuccessful or worse.

57. MIGA gave coverage for US\$1.4 billion for eleven investments, with the largest shares in financial services (57 percent) and transportation (28 percent). These guarantee operations complemented well the interventions of IBRD and IFC under the program. During the review period, IEG completed an evaluation of a guarantee project for the non-honoring of a sovereign financial obligation (NHSO). IEG found no material shortcomings from MIGA as the guarantee was cancelled owing to external circumstances. Lessons from IEG's evaluation indicates that a better reading of the political situation and dynamics between sub-national entities and national agencies may be helpful in pricing risk and assessing the expected development outcome for future MIGA NHSO projects.

#### Analytic and Advisory Activities and Services (ASA)

58. During the review period, the Bank supported a program of analytic work and advisory activities and services including 21 Economic and Sector Works (ESWs) and 32 Technical Assistance (TA) tasks. Some of this work was done under a programmatic approach (for example, jobs-activation ESW, and PFM and food safety TA) to ensure continuity and follow-up in knowledge services, and included technical assistance programs on financial literacy, labor markets, competitiveness, watershed dialogue, assistance to parliament, sustainable cities, energy, private sector development, PPPs, and SOE governance. All in all, the program of ASA supported well the Bank's lending program, but was not as focused as the lending program and was not always demand driven with proven ownership.

59. IFC had one advisory service (AS) project, amounting to US\$2.6 million that was approved before the review period, implemented during the review period, and closed recently. During the review period, IFC approved three new AS projects which are still active in energy and water, and city development, amounting to over US\$7.6 million of total funds. The closed project was rated Unsuccessful at Completion by IFC but has not been validated by the IEG. The insurance product developed in this advisory service could not be piloted owing to lack of demand from the target market (the drillers).

#### Results Framework

60. The results framework reflected a logical chain beginning with the country's development goals, issues and obstacles, outcomes and intermediate indicators to which WBG expects to contribute, and WBG instruments supporting the program objectives. A positive aspect of Turkey's results framework was that IFC interventions in finance and energy were included explicitly in program targets, which has not been a feature of other WBG programs. In a number of instances, however, program objectives were complex and multi-dimensional but the indicators were narrowly focused—not matching the complexity and level of ambition of the objectives (for example, objective #1). In other instances, indicators referred to processes and outputs rather than outcomes. Moreover, some indicators were weakly linked to program interventions and objectives (for example, see objective #1). Finally, a few program objectives were underpinned by a plethora of indicators derived from individual

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<sup>19</sup> Including about US\$1 billion in mobilization of other financing.



projects which do not constitute a coherent whole and focus (for example, objectives #2 and #8), and make assessment difficult.

#### Partnerships and Development Partner Coordination

61. The CLR underscores the effective coordination with the EU in various interventions focused on Syrian refugee work. Additional coordination took place with EBRD in energy, the French Agency for Development (AFD) in the municipal sector, and European Investment Bank (EIB), Asian Infrastructure Investment Bank (AIIB), GIZ—the German official development organization, and the Swedish International Development Cooperation Agency (SIDA) on other operations. These agencies operated in parallel with the Bank in these areas, and their contributions are not reflected in the WBG results framework.

62. IFC and EBRD invested jointly in a Turkish bank. Since EBRD has the largest exposure to Turkey with €1.9 billion in investments in 2015, the CLR could have analyzed in more detail how EBRD and IFC collaborated effectively in Turkey, thus possibly providing lessons for other countries.

#### Safeguards and Fiduciary Issues

63. There were no substantiated INT cases in Turkey during FY12-FY16.

64. Based on IEG project completion reviews, compliance with the safeguard policy requirements was satisfactory overall. The main exception was the Istanbul Municipal Infrastructure project (FY07), where improper application of social safeguard policy requirements, especially on Land Acquisition and Involuntary resettlement, led to the cancellation of the loan. Moreover, in the Electricity Distribution and Rehabilitation project (FY07), compliance with social safeguards was rated moderately unsatisfactory. According to IEG's ICR review, private land was furtively acquired during implementation, without prior Bank knowledge, and only a partial social audit was prepared specifying that the landowners were compensated per the national legislation.

#### Ownership and Flexibility

65. There was broad government commitment to the program as the authorities expressed strong interest in the areas of Bank intervention. According to the CLR, the government expressed preference to commit to operations that guarantee smooth implementation in terms of legislative compliance, and make use of domestic procurement and financial management systems. All in all, government ownership and support was expressed in the way the Bank program was implemented. Some projects under the program suffered from weak ownership (for example, in municipal infrastructure), and, unlike the lending program, the ASA agenda was not always demand driven with proven ownership. The modifications to the program and results framework at progress report stage reflected WBG flexibility in adapting to new realities and changing government priorities.

#### WBG Internal Cooperation

66. IFC and IBRD cooperated quite effectively under the Turkey program, and IFC participated actively with investments and advisory services in many WBG program areas. Unlike with other WBG programs, IFC's contributions were included explicitly in the results framework which made its contributions more tangible in terms of achieving program objectives. The cooperation was most effective in the areas of energy, municipal and transport infrastructure, financial institutions with an emphasis on energy efficiency, access to finance for SMEs and women entrepreneurs, deepening of capital markets, private health and education, and enhancing the competitiveness of Turkish firms, including their expansion to other emerging markets. Based on a number of MIGA guarantees where IFC was also an investee, IFC and MIGA cooperation was effective.

67. Some structured mechanisms for internal cooperation mentioned by the CLR (Joint Implementation Plan—JIP) did not work well in the sustainable cities WBG engagement. At the same time, joint interventions outside the JIP in the energy sector worked very well.



#### Risk Identification and Mitigation

68. The CPS identified economic risks emanating macroeconomic vulnerabilities, political risks, particularly as they affect governance and the investment climate, regional security risks from the deterioration in the situation in neighboring countries, and risks of natural disasters. The key to mitigating the main economic risks was economic management and in particular measures to contain and reduce the current account deficit. As discussed under Focus Area I, vulnerabilities have increased during the program, and not been offset by good economic management.

69. On the political risks, the main mitigations to be applied were systematic policy dialogue and institutional capacity building. In practice the political situation has continued to deteriorate, and the result—despite the mitigation—has been significant delays in some areas of the program owing primarily to slow inter-governmental decision-making in a protracted electoral cycle, and sometimes weak ownership of projects.

70. The CLR does not discuss if risks to the program materialized, and how they were mitigated, if at all.

#### Overall Assessment and Rating

71. IEG rates WBG performance as *Good*. The WBG strategy—under both the CPS and the CPS progress report—addressed the key challenges facing the country and reflected the government’s own strategy. The objectives of the program were well supported by WBG interventions. A few adjustments were made to the program at progress report stage, reflecting less than anticipated demand in lending for social services, and a rethinking of the area of governance and transparency. Although the CPS remained relevant at that stage, IEG would have expected a more robust reaction in response to changed economic circumstances, particularly to increase macroeconomic resilience in the face of a more fragile economic environment compared to the beginning of the CPS.

72. The WBG interventions had a good combination of development policy operations in areas where the government intended to pursue reforms, and project lending, economic sector work, and technical assistance in the remaining areas of the program. A positive aspect of a number of Bank ASA interventions was that they were programmatic, allowing to follow up on issues as they arose and complementing well the development of lending interventions. Yet, the non-lending portfolio was spread thinly over many areas which makes an assessment of its practical impact more difficult.

73. The results framework included IFC interventions, which has not been a feature of other WBG programs. Still, some indicators were weakly linked to program interventions and objectives (for example, see objective #1), and a few program objectives were underpinned by a plethora of indicators derived from individual projects which do not constitute a coherent whole and focus (for example, objectives #2 and #8), and make assessment difficult. The CPS identified economic risks emanating macroeconomic vulnerabilities, political risks, particularly as they affect governance and the investment climate, regional security risks from the deterioration in the situation in neighboring countries, and risks of natural disasters. Unfortunately, the CLR does not discuss if risks to the program materialized—they did—and how they were mitigated, if at all. Program implementation was generally adequate, but hampered in some instances by slow inter-government decision-making, administrative and procedural complexities to deal with IBRD IPF lending, and ambivalence in some ministries with regards to the value-addition of IBRD lending. Two IPF projects had safeguard compliance issues at closing. There were synergies across the program, with IFC playing a substantial role—particularly in the energy sector, development of sustainable cities, and access to finance. WBG coordinated effectively with other development partners in refugee work and the municipal sector. Bank performance on closed projects, however, was mixed and fared well below ECA averages in terms of both commitment amount and number of projects.



## **7. Assessment of CLR Completion Report**

74. The CLR provided a candid assessment of program performance based on the results framework as modified in the progress report. Yet, the evidence for some objectives was insufficient and the analysis of WBG program contribution to country outcomes is thin. IEG would have liked to see a thorough analysis of risks to the program, particularly in light of the risks that materialized in the economic and political spheres. The CLR could have provided a more explicit assessment of cooperation with other development partners—such as EBRD—to extract lessons for other countries. A discussion of fiduciary and safeguard issues also would have been helpful.

## **8. Findings and Lessons**

75. IEG agrees with CLR lessons on weaknesses of the results framework, need for long term engagement and sequenced interventions, challenges for new IPF lending, and need for a demand driven ASA agenda. IEG adds the following lessons from the review:

- Effective use of development policy operations and knowledge work, is critical for setting the stage for IFC engagement in a sector. In the case of Turkey, IBRD helped develop policy frameworks and sector strategies in energy, which enabled private activity supported by IFC in this sector.
- Formal agreements between IFC and IBRD are not enough to ensure effective coordination. In the case of Turkey, the Bank-IFC Joint Implementation Plan (JIP), which involved coordination of multiple financing and advisory services between IFC and WB, was hampered to a large extent by inadequate progress under IBRD's Sustainable Cities project, still in its early stage of implementation. At the same time, joint interventions outside the JIP in the energy sector worked very well as the sequence of IBRD and IFC operations were delivered as planned.
- Program objectives with many dimensions require a set of interventions and outcome measures commensurate with the complexity of the objectives. In the case of Turkey, the objectives on macroeconomic stability and competitiveness, and female labor participation would have required a set of interventions that addressed their multiple dimensions.



**Annex Table 1: Summary of Achievements of CPS Objectives – Turkey**

**Annex Table 2: Turkey Planned and Actual Lending, FY12-FY16 (in million US\$)**

**Annex Table 3: Analytical and Advisory Work for Turkey, FY12-FY16**

**Annex Table 4: Turkey Grants and Trust Funds Active in FY12-16**

**Annex Table 5: IEG Project Ratings for Turkey, FY12-16**

**Annex Table 6: IEG Project Ratings for Turkey and Comparators, FY12-16**

**Annex Table 7: Portfolio Status for Turkey and Comparators, FY12-16**

**Annex Table 8: Disbursement Ratio for Turkey, FY12-16**

**Annex Table 9: Net Disbursement and Charges for Turkey, FY12-16**

**Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid**

**Annex Table 11: Economic and Social Indicators for Turkey, 2012 – 2015**

**Annex Table 12: List of IFC Investments in Turkey (US\$, 000)**

**Annex Table 13: List of IFC Advisory Services in Turkey**

**Annex Table 14: IFC net commitment activity in Turkey, FY12 - FY16 (US\$, 000)**

**Annex Table 15: List of MIGA Activities 2012-2016 (US\$, millions)**





Annex Table 1: Summary of Achievements of CPS Objectives – Turkey

	CPS FY12-FY16 – Focus Area 1: Enhanced Competitiveness and Employment	Actual Results	IEG Comments
<u>Major Outcome Measures</u>	Objective 1: Sustained macroeconomic and financial stability and strengthened exports, domestic savings, and external resilience		
	<u>Indicator (i)</u> : Increased uptake of new voluntary pension scheme.  Baseline: 3.1 million participants in 2012 Target: No specific target was set	Progress was supported by the DPL Competitiveness and Savings (P127787, FY13) and the first DPL Sustaining Shared Growth (P146322, FY15). The number of participants in the voluntary pension scheme increased from 1.2 million in 2012 to 4.2 million in 2013 and 5.5 million people were expected for 2015 (see <a href="#">Management: S</a> for project P127787). <a href="#">Turkeys' Transition report</a> prepared as part of the Integration, Inclusion, Institutions/ Country Economic Memorandum TA (P133570, FY15), reports that as of July, 4 <sup>th</sup> 2014 4.65 million participants were enrolled in the private pension scheme. An <a href="#">external source document</a> confirms that 6.4 million people contributed to a private pension plan, a figure similar to what the CLR report (6.2 million people reached in April 2016). Achieved.	
	<u>Indicator (ii)</u> : New income tax law results in increased number of taxpayers file income tax.  Baseline: 523,982 in 2012 Target: 10% increase by 2014	The first DPL Sustaining Shared Growth (P146322, FY15) reports the “enactment of a new income tax law” as a trigger to Pillar A “Improving the Business Climate and Enhancing Transparency”. The <a href="#">Program Document</a> mentions that “on June 12, 2013, a draft Income Tax Law was submitted to the Parliament, merging the existing income and corporate tax laws into a single code with the aim to expand the tax base and simplify the existing legislation”. The CLR reports that the new Income Tax Law has not been ratified and that consequently there is no major increase in the number of taxpayers by end 2016. Not Achieved.	
	Objective 2: Improved investment and business climate; deepened and broadened access to finance; increased employment		
<u>Indicator (i)</u> : Increase in new patent applications.  Baseline: 5,600 in 2013 Target: No specific target was set	Progress was supported by the first DPL Sustaining Shared Growth (P146322, FY15). Increase in new patent applications was set as a <b>result Indicator of Pillar A “Improving the Business Climate and Enhancing Transparency”</b> . The <a href="#">Program Document</a> reports that “domestic patent applications are expected to triple from 5600 in 2013 to 16000 in 2018” and set a baseline of 5,600 (2013) and target: 20% increase (2016). No ISR is available for this operation. The CLR reports that there has been some delays in the ratification of the new Patent Law and that the		



	CPS FY12-FY16 – Focus Area 1: Enhanced Competitiveness and Employment	Actual Results	IEG Comments
		target was not met (by end-FY16 there were only 5,512 new patent applications). Not Achieved.	
	<p><u>Indicator (ii)</u>: Implementation of integrated company regulation system (MERSIS) leading to inclusion of all companies in all of the [238] registries across Turkey.</p> <p>Baseline: 204 companies registered in 2012. Target: No specific target was set.</p>	The CLR-RF reports that there is no information available, that the Government does not publicly disclosed the data. Not verified.	
	<p><u>Indicator (iii)</u>: Export growth in firms benefiting from IBRD financing relative to sector export growth is greater than zero.</p> <p>Target: Higher than sector average</p>	Progress was supported by the Fourth Export Finance Intermediation Loan – EFUL IV (P096858, FY08). <b>IEG: S reports that “export growth attributable to the project was observed through the increase in the export sales of participating firms, which exceeded that of the sectors to which the firms belonged” and that “compared to the export growth of their respective sectors, the participating firms outperformed by an average 6 percentage point per year”.</b> Achieved.	
	<p><u>Indicator (iv)</u>: Sales growth in SMEs benefiting from IBRD financing greater than zero adjusted for inflation.</p> <p>Target: Higher than sector average</p>	Progress was supported by the Second Access to Finance for SMEs Project (P118308, FY10). <b>Management:</b> S reports that “beneficiary SMEs increased their sales in equivalent dollar amount by USD286 million over the life of the project” and that the project was highly efficient in generating sales “the median sales growth for beneficiary SMEs was 14.5 percent after receiving the loan (average of 40 percent, after excluding outliers)”. In addition, the ICRR reports that “Preliminary evidence suggest from these comparisons suggest that, on average, SMEs that received financing before 2015 (treatment group) outperformed SMEs that did not receive loans until 2015, in terms of employment and sales”. Achieved.	
	<p><u>Indicator (v)</u>: Gross non-performing loans (NPL) ratios for financial institutions benefiting from IBRD financing do not exceed the average for the banking sector (2.7 percent as of end-2011, BRSA).</p> <p>Target: Lower than sector average</p>	Progress was supported by the Second Access to Finance for SMEs Project (P118308, FY10) that supported the Kalkinma (TKB), Ziraat and Vakif Bank; by the Fourth Export Finance Intermediation Loan (P096858, FY08) that supported the TSKB and Eximbank financial institutions and by the First Access to Finance for Small and Medium Enterprises Project (P082822, FY06) for Halkbank. <b>IEG: S</b> for project P118308 reports that the quality of the project-financed portfolio was exceeded, as	



	CPS FY12-FY16 – Focus Area 1: Enhanced Competitiveness and Employment	Actual Results	IEG Comments
		<p>the non- performing loans (NPL) ratio was only 0.7%, against a target of 7%, which was lower <b>than the “average for the SME sector that had an NPL ratio of 3.5% as of end-March 2015” (from <a href="#">Management: S</a>)</b>. The ICRR reports that the NPL ratio for VakifBank was 0.2%. but does not report on the individual values for Kalkinma (TKB) and Ziraat Banks.</p> <p><a href="#">Management: S</a> for project P096858 reports that the achieved target was that NPL were 3% (US\$25.2 million), in December 2014, lower than sector weighted NPL ratio in the economy (4% in June 2014) and 2.7% (10 NPLs) by number of loans, all measured among loans included in the project, exceeded the target (less than 5% of all loans in the project). The ICRR also mentions that <b>“the project’s NPL ratio is much lower than the sector-weighted average of 4%”</b>. The ICRR does not disaggregate data between the two financial institutions. Finally, <a href="#">Management: S</a> for project P082822 reports that Halkbank NPL decreased by 29.7% between 2008 and 2009 to 5.07%, under sector average (7.58%). Half of the financial institutions had NPL below sector average (2.7% according to the baseline) and the other half above sector average. <b>Partially Met.</b></p>	<p>The ICRR reports that “Baseline and target value identified during the preparation of the CSDPL were based on interim data rather than end of year figures. According to the Central Registry Agency, actual end of year data for corporate bond issuances are TL44.4 billion, TL57.9 billion and TL68.5 billion TL for 2012, 2013 and 2014, respectively</p>
	<p><u>Indicator (vi)</u>: IFC estimates leveraging through local financial intermediaries financing to about 100,000 SME clients and 120,000 farmers</p>	<p>The CLR indicates that the Target was met and that about 759,000 SMEs and 112,182 additional farmers were reached. IFC leverage was made through support to 11 institutions that financed about 1.35m SME loans and 307,000 farmers. <b>Achieved.</b></p>	
	<p><u>Indicator (vii)</u>: Increase in corporate bond issuance.  Baseline: TL 50.3 billion (2013). Target: 50 billion (2015).</p>	<p><a href="#">IEG: MS</a> for the Competitiveness and Savings DPO (P127787, FY13), reports that corporate bonds issued increased from 35.7 TTL billion in 2012 to TL 66.4 in 2014, above the target of TL35 billion (baseline was TL27 billion and then revised at TL 44.4 billion in 2012, see <a href="#">Management: S</a>). The <a href="#">Program Document</a> for the first DPL Sustaining Shared Growth (P146322, FY15) reports that the target was TL 50 billion for 2015, but no ISR was prepared for this operation to assess progress for 2015 (TL 44.5 billion reported in the CLR-RF). In addition, the value for 2014 differs from what is reported in the CLR-RF (TL 44 billion). 2014 and 2015 Data released by the Capital Markets Board of Turkey and data from the country team supports the CLR position that the target for 2013 was Not Met. <b>Not Achieved.</b></p>	



	CPS FY12-FY16 – Focus Area 1: Enhanced Competitiveness and Employment	Actual Results	IEG Comments
	<p><u>Indicator (viii)</u>: Percentage of woman saved at a financial institution in the past year, female (% age 15+) Baseline 2 % (Findex 2011) Target: 3.3% (Findex 2015)</p> <p><u>Indicator (ix)</u>: IFC's real sector portfolio companies will provide about additional 70,000 jobs.</p>	<p>The CLR reports that 5.5% was achieved in 2014 (according to Findex 2014 released in September 2015, a global survey conducted in 3-4 year intervals). Findex data available in the <a href="#">Bank's data systems</a> report that 5.4% was achieved in 2014. Achieved.</p> <p>The CLR reports that 66,367 additional jobs. Based on DOTS, it is estimated that IFC's real sector portfolio companies provided about 66,000 additional jobs (not counting those in the financial sector). Mostly Achieved.</p>	
	Objective 3: Improved governance through enhanced transparency to ensure a level playing field.		
	<p><u>Indicator (i)</u>: Increase in number of firms with independent audit: Baseline: 2500 in 2013. Target: 3500 in 2015.</p>	<p>The <a href="#">Program Document</a> of the First DPL Sustaining Shared Growth (P146322, FY15) <b>indicates that, as a prior action, "The Borrower also has published the Council of Ministers Decree 2014/5973 in Official Gazette No. 28941 on March 14, 2014, which reduced the thresholds for independent audit, thereby increasing the number of companies subject to independent audit (...). As a result, approximately 3,500 companies will be subject to independent audit for the 2014 financial reporting period".</b> The value reported in the CLR (more than 5,0000) is an expected value for after the end of the CAS period (end 2016). IEG:MS for the Competitiveness and Savings DPL (P127787, FY13) notes that the number of firms completing independent audits increased from 700 in 2012 to 3,600 in 2014. Achieved.</p>	
	CPS FY12-FY16 –Focus Area 2: Improved Equity and Social Services	Actual Results	IEG Comments
	Objective 4: Improved quality and equity of social services		
<u>Major Outcome Measures</u>	<p><u>Indicator (i)</u>: Ministry of Health is reorganized and focuses exclusively on the health <b>sector's stewardship functions</b> by 2015.</p>	<p>Progress was supported by the Health Transformation and Social Security Reform Project APL 2 (P102172, FY09). <a href="#">IEG: MU</a> reports that the Decree Law 663 on the Organization and Duties of the Ministry of Health and Its Affiliates (the PHeI, the PHoI and the Pharmaceutical and Medical Devices Agency) was approved on November 3, 2011 and that the reorganization of the Ministry of Health to enable it to focus on policy formulation, regulation and monitoring was completed. Achieved.</p>	<p>Objective 4 also included work on education and social protection. The Bank conducted an Education Study (FY13), an ESW on Improving Educational Outcomes in Turkey (FY14) and School Based Management in Turkey (FY15), and Regional Poverty Dynamics (FY16).</p>



	CPS FY12-FY16 –Focus Area 2: Improved Equity and Social Services	Actual Results	IEG Comments
	<p><u>Indicator (ii)</u>: All public hospitals organized in public hospital unions and paid on the basis of performance contracts within a global budget</p>	<p>Progress was supported by the Health Transformation and Social Security Reform Project APL 2 (P102172, FY09). <a href="#">Management: MU</a> reports that 100% of the public hospitals are organized in public hospital unions with performance contracts for managers and global budgets, as of September 2015. Achieved.</p>	
	<p><u>Indicator (iii)</u>: Cervical cancer screening among women aged 20-69 increased.</p> <p>Baseline: 19% in 2012. Target: increase by 30% by 2016</p>	<p>The CLR reports that cervical cancer screening increased by 83.6% of the total of the 3.3 million women in the target group, surpassing the target, according to <a href="#">2014 data</a> from the Ministry of <b>Health's Public Health Institution</b>. The Health System Strengthening and Support project (P152799, FY16) PAD reports cervical cancer screening indicators; one of the PDO indicators relates to the early detection of cervical cancer and intermediate result indicator 4 to the percent of target population screened for cervical cancer among women 30-65. The project was approved at the end of the CPS and consequently could not deliver results during the CPS period; the contribution of the WBG to this indicator is not verified. Not Verified.</p>	<p><a href="#">Management: MU</a> for the Health Transformation and Social Security Reform Project APL 2 (P102172, FY09) and the 2013 Health and Demographic Survey do not report on screening for cervical cancer. OECD data for 2013 reports that cervical cancer screening was about 60% for women aged 20-69 (see <a href="#">Source</a>). No more recent data was found.</p>
Objective 5: Progress made toward gender equality and inclusive labor markets			
	<p><u>Indicator (i)</u>: At least 20 companies granted new Gender Equity Certification by end of 2015.</p> <p>Baseline: Zero in 2011.</p>	<p>The Promoting Gender Equity in Labor Market and Entrepreneurship project (P12943, FY12 and P133741, FY13) supported the development of a Gender Equity Certification. The <a href="#">implementation progress Report</a> indicates that the Program started with the participation of 12 firms and that at the end of June 2012 the certification of 8 firms <b>was completed. No other Bank's document report</b> progress after June 2012. The CLR reports that 17 firms have received the certification. The <a href="#">webpage</a> of the Turkish institution (Kagider) in charge of awarding such certification reports that 18 firms have received the certificate. Mostly Achieved.</p>	
	<p><u>Indicator (ii)</u>: Contribution to increased female labor force participation through support to 900 women owned SMEs through IFC financed SMEs.</p>	<p>The CLR reports that IFC operations reached 2,613 women owned enterprises though its SME sector portfolio. IFC operations reached 3,239 women owned SMEs - although two loans specifically supporting lending to women have not reported yet. Achieved.</p>	
	<p><u>Indicator (iii)</u>: Improved access for Social Assistance beneficiaries to Active Labor Market Programs as measured</p>	<p>The Vocational Training Programs (P120514, FY14) and the ISKUR-TA (P107762) supported the preparation of a study to evaluate the impact of vocational training programs for jobseekers</p>	<p>Likewise, the <a href="#">report</a> produced for the ESW Programmatic Jobs: Activation of Low Skilled</p>



	CPS FY12-FY16 –Focus Area 2: Improved Equity and Social Services	Actual Results	IEG Comments
	<p>by the number of people enrolled in ISKUR programs through social solidarity foundations (semi-autonomous public agencies)</p> <p>Baseline 2012: 9500 Target: 40000 by end FY15.</p>	<p>(see <a href="#">Operations Portal</a>). The <a href="#">study</a> reports <b>indicates that “İŞKUR has come a long way since 2008, significantly expanding its coverage (from 30,000 trainees in 2008 to 464,000 in 2012, representing 19.6% of the registered unemployed”)</b>. <b>As the CLR reports, most recent data is not available as “ISKUR started registering SA beneficiaries into the database but then stopped due to the quality of data” although the CLR- reports 335,000 for 2015. Not Verified.</b></p>	<p>Youth and Women (FY14) P131099 and the <a href="#">Program Document</a> for the first DPL Sustaining Shared Growth (P146322, FY15) does not report on the number of Social Assistance beneficiaries (as measured by the number of people enrolled in ISKUR programs).</p>
	CPS FY12-FY16 – Focus Area 3: Deepened Sustainable Development	Actual Results	IEG Comments
	<p>Objective 6: Improved supply of reliable and efficient energy, increased use of renewable energy sources and climate actions under implementation</p>		
<p><u>Major Outcome Measures</u></p>	<p><u>Indicator (i)</u>: Improved supply of reliable and efficient energy by adding at least 10,000 MW new generation capacity by 2015.</p>	<p>Various lending operations contributed to this objective: the Renewable Energy Integration project (P144534, FY14), the Private Sector Renewable Energy and Energy Efficiency Project (P112578, FY09 and additional financing P124898, FY12), the Third Programmatic Environmental Sustainability and Energy Sector DPL (P121651, FY12) and the Energy Community of South East Europe Project (P110841, FY11).</p> <p>The last <a href="#">ISR: S</a> of the CAS period for project P144534 reports that 5,000 MW of wind energy capacity has been installed by September 2016 (baseline was 2,700MW, representing an increase of 2,300 MW in term of wind capacity). The last <a href="#">ISR: S</a> of the CAS period for project P112578 reports that the capacity of renewable of thermal heating plants was 947.5 MW in June 2016 and that 422.30MW of generation capacity of renewable energy (other than hydropower); 228MW of renewable energy (wind); 181.30 MW of renewable energy (geo-thermal); 13 MW of renewable energy (solar) and 525 MW of hydropower was constructed under the project by June 2016. <a href="#">Management: S</a> for project P110841 reports that the renewable capacity connected to the grid under the project increased to 395 MW by December 2015. The sum of the total increase in capacity, as of the end of the CAS period, represents an increase in 20,012MW. Achieved.</p>	<p>The CLR reports the contribution of the IFC Akfen Enerji project, supporting a renewable energy platform company with a portfolio of operational hydropower and solar projects of 211MW and an additional 178MW under construction and development. The 2016 <b>project’s Environmental and Social Annual Monitoring Report</b> indicates progress in relation to the completed and under construction power plants.</p>
	<p><u>Indicator (ii)</u>: Renewable electricity generation as a percentage of total generation increased from 19.7%</p>	<p>The last <a href="#">ISR: S</a> of the CAS period for project P112578 reports that renewable electricity generation represented 28.9% of total generation as of June 2016 (end of the CAS period). On the</p>	





	CPS FY12-FY16 – Focus Area 3: Deepened Sustainable Development	Actual Results	IEG Comments
	(correction from 18%) in 2009 to 30% or more in 2015.	basis of information published by the Turkey Electricity Transmission Company (TEIAS, see <a href="#">data</a> ), the CLR reports that renewable energy generation (including hydro, solar, wind and geothermal energy) represented 31.5% of total generation. Achieved.	
	<u>Indicator (iii)</u> : IFC reaching through its power generation/distribution portfolio companies about 7.2 million electricity customers Baseline: 4.1 million customers in FY11 Target: 7.2 million in FY15	The CLR-RF reports that 7.5 million Customers have been reached through IFC's power generation/ distribution portfolio. It is estimated that 12.3 million customers were reached through the SEDES (project 27559) and Enerjisa (29390 and 26016) projects. Achieved.	
	<u>Indicator (iv)</u> : Cumulative energy savings of 4,372 GWh or 1.5% of 2013 total annual demand by 2016 to be achieved through SME EE and RE credit lines.	The SME Energy Efficiency (P122178, FY13) and Private Sector Renewable Energy and Energy Efficiency Project – (P112578, FY09 and additional financing P124898, FY12) supported this outcome. The last <a href="#">ISR: S</a> of the CAS period for project P112578 reports 2,283 Tcal savings in heat or electricity -an equivalent of 2655.13 GWh - as of June 2016. The last <a href="#">ISR: MS</a> of the CAS period for project P122178 reports that 1,116,004 MWh (1,116 GWh) were achieved as energy savings as of June 2016. The cumulative savings reached about 3,771.13 GWh, similar to what the CLR-RF reports (3772 GWh) which is below the target. Mostly Achieved.	According to <a href="#">online calculations</a> , P112578 reports 2,283 Tcal savings which represents an equivalent of 2,655.13 GWh.
	<u>Indicator (v)</u> : Increasing gas storage is critical for Turkey's energy security.  Baseline: 2.6 bcm in 2013 Target: 19% increase by 2016 and 38% increase by 2020 with the completion of phase 1 and phase 2 of the Tuz Golu gas storage project, respectively.	The Gas Sector Development Project (P093765, FY06 and its additional financing P133565, FY14), supported this Outcome. The last <a href="#">ISR: S</a> of the project (September 2016) reports no progress in relation to the increased natural gas storage capacity. However, it reported that the storage capacity was 90% built for Phase 1 and 30% built for Phase 2. Not Achieved.	
	Objective 7: Strengthened environmental management and adaptation to climate change		
	<u>Indicator (i)</u> : Improved Water Basin Management: Protection action plans prepared for <b>Turkey's 25 river basins</b> , taking into account principles of the Water Framework Directive.  Baseline: 4 in 2009;	The Third Programmatic Environmental Sustainability and Energy Sector project (P121651, FY12) supported this indicator. The <a href="#">PPAR:S</a> reports that Action plans for all 25 river basins were completed by 2014, through financing from the EU and from the Turkish government. <a href="#">Management:S</a> reports that 19 action plans were prepared by 2012 <b>and that</b> "as of early 2013, Protection Action Plans	



	CPS FY12-FY16 – Focus Area 3: Deepened Sustainable Development	Actual Results	IEG Comments
	Target: at least 20 by end-2012.	have been completed for all 25 river basins in Turkey.” Achieved.	
	<u>Indicator (ii)</u> : Completion of draft Integrated Water Basin Management plan and establishment of Basin Commission in selected pilot basin.	The TA National Watershed Management (P129244, FY12) supported the development of a <a href="#">National Basin Management Strategy</a> for 2012-2023, including basin protection action plans for various basins. The <a href="#">final report</a> produced as part of the Sustainable Urban WSS (FY16) P150112 and the final <a href="#">report Valuing Water Resources in Turkey</a> , product of the Environmental and Natural Resources Management Programmatic TA Program (P151227, FY15), indicates the existence of a water basin commissions. Achieved.	
	<u>Indicator (ii)</u> : Establishment of Natural Capital Accounts in two selected water basins.	The Diagnostic of Natural Capital Saving and Sustainable Growth (P149686, FY15) supported policy dialogue with the government in relation to natural capital accounts. A basin was selected to carry out a pilot study and a <a href="#">diagnostic note</a> was prepared. As reported in the CLR-RF, no NCA was established in two selected basins given that the priority was given to valuation methodology and to other case studies on <a href="#">Forest</a> and <a href="#">Water</a> sectors, financed as part of the Environmental and Natural Resources Management Programmatic TA Program (P151227, FY15). Not Achieved.	
Objective 8: Improved sustainability of Turkish cities			
	<u>Indicator (i)</u> : An additional 420,000 people in four cities under the Municipal Services Project have gained access to enhanced urban services, e.g., water supply, sewerage, and solid waste management.	The Municipal Services Project (P081880, FY05) and its additional Financing (P110770, FY10), supported this outcome. The last <a href="#">ISR:MS</a> of the CAS period reports, as of May 2016, that 6.28 million additional people in urban areas were provided with access to improved water services (1.83 million), with improved sanitation (1.03 million) and with solid water collection (3.42 million). Achieved.	The CLR-RF reports that Project investments helped to surpass the target with over 2.5 million people, data from the project P081880 is much different.
	<u>Indicator(ii)</u> : Municipal governance: Performance improvement efforts and competition underway among local public administrations to receive higher rating based on Citizen Report Card. Baseline: 1 pilot municipality (Manisa). Target: 6 municipalities	The Citizen Report Card (CRC) was developed in 2012 as a pilot in the <a href="#">Manisa</a> municipality (completed in 2011, see Manisa <a href="#">information</a> ), after receiving support from the WBG for the launching of a <a href="#">workshop</a> . The Bank has also delivered a five-day “ <a href="#">CRC Exposure, Learning and Dialogue</a> ” workshop during March 27-31, 2015 in Ankara as part of the Programmatic Public Expenditure Review and Financial Management Study (P130699). The workshop included about 45 participants from nine city councils and municipalities (see program information). Six additional CRCs are undertaken with the same methodology and with the support of the same NGO and therefore could not be directly attributed to the WB program. Not Achieved.	



	CPS FY12-FY16 – Focus Area 3: Deepened Sustainable Development	Actual Results	IEG Comments
	<p><u>Indicator (iii)</u>: New Istanbul Kardikoy-Kartal Metro commuter line. Additional 419,000 people benefit from improved services by 2016. Baseline: 150,000 people in 2013.</p>	<p>Project for this outcome was supported by the Kadikoy-Kartal Metro project (P112398, FY09), processed by a joint IBRD-IFC team under the <b>Bank 'subnational finance initiative. IFC project 27309 Kadikoy-Kartal Metro (FY09)</b> supported the construction of the line. The Annual Monitoring Report review concluded in June for the IFC project does not report on ridership levels and additional commuters. However, additional information provided by the team indicates that ridership has increased and reached 317,547 people on average, during a week day, as of December 2015. Data for the January-August 2016 period indicates an average weekday ridership of 237,433 people. Partially Achieved.</p>	
	<p><u>Indicator (iv)</u>: Two new Izmir electrified tramway lines and improved traffic management.</p>	<p>IFC 34306-Izmir Tramway project supports the construction of two urban tramway lines and the acquisition of the rolling stock for a planned total of about 21km. The <a href="#">Annual Monitoring Report</a>, issued in <b>December 2016 reports that</b> "The construction of the lines started in 2014, with slight delay in the program.... <b>At the time of the visit, both lines were under construction and almost 40 % of the project has been constructed</b>". The 31733 Izmir Muni project supports the development of a traffic management system in the city. The <a href="#">PDS Subsequent Disbursement</a> document reports that "The last visit to the IMM to discuss the development was in October 2015, together with the IFC's Industry Specialist (...) the implementation of the project is expected to be <b>completed on time</b>" but no completion report was found to verify completion. Partially Achieved.</p>	<p>As reported in the CLR-RF: "Note: measurable impact falls outside of CPS period] Expected to be operational in 2018".</p>
	<p><u>Indicator (v)</u>: Discharge of untreated wastewater reduction into the Aegean Sea through expansion of the IFC financed Izmir Waste Water Treatment Plant. Baseline: 605,000m3 /day treated in 2012 Target: 821,000m3/day treated by 2016</p>	<p>The IFC 32078 Izsu Wastewater project supported progress to this outcome. The <a href="#">Supervision Site Visit Findings</a> document issued in July 2016 does not report on the progress of the works. As reported in the CLR-RF there is no reportable <b>results yet since "there was a delay in construction due to Izmir Muni changing contractors, however the project is on track to be operational by end-2016."</b> Not Achieved.</p>	
	<p><u>Indicator (vi)</u>: A total of 806 public buildings in the Istanbul Province retrofitted/reconstructed to resist a major earthquake</p>	<p>Progress was supported by the Istanbul Seismic Risk Mitigation and Emergency Preparedness Project (P078359, FY05 and Additional Financing (P122179, FY10). <a href="#">IEG: S</a> reports that 806 public buildings were retrofitted/reconstructed. Achieved.</p>	



	CPS FY12-FY16 – Focus Area 3: Deepened Sustainable Development	Actual Results	IEG Comments
	compared to 2014 target of 763 buildings. Target: 763 buildings retrofitted		
	<u>Indicator (vii)</u> : Customer satisfaction rate for Land Registry services improved. Baseline: 40% in 2008. Target: 85% by end-2015	Progress was supported by the Land Registration and Cadaster Modernization Project AF (P106284, FY15). The last <a href="#">ISR:S</a> of the CAS period reports that customer satisfaction rate for land registry services increased from 40% to 90% by December 2015. Achieved.	

Annex Table 2: Turkey Planned and Actual Lending, FY12-FY16 (in million US\$)

Project ID	Project Name	Proposed FY	Approved FY	Closing FY	Proposed Amount (CPS)	Proposed Amount (CPSPR)	Approved IBRD Amount	Outcome Rating
Project Planned Under CPS/CPSPR 2012-2016								
P121651	ESES DPL 3	2012	2012	2013	600.0		600.0	IEG: S
P124898	Private Sector RE and EE Project-AF	2012	2012		500.0		500.0	
P127787	CSDPL	2013	2013	2014	600.0		800.0	IEG: S
P122178	SME ENERGY EFFICIENCY	2013	2013	2019	200.0		201.0	LIR: MS
P130864	TR SME III	2013	2013	2018	200.0		300.0	LIR: S
P152799	Health System Strengthening & Support	2013	2016	2020	200.0		134.3	LIR: S
DROPPED	Allocation to be decided	2013			100.0			DROPPED
DROPPED	Development Policy Loan - tbd	2014			350.0			DROPPED
DROPPED	Areas of Access to Finance: SME or exporters Areas of Education / Employment Areas of Sustainable Cities / Disaster / Watershed / Energy	2014			700.0			DROPPED
P146322	Turkey Sustaining Shared Growth DPL	2015	2015	2015		500.0	500.0	
DROPPED	Water Basin Management and Rehabilitation	2015				50.0		DROPPED
P133565	Gas Sector Development AF	2015	2015			400.0	400.0	
POSTPONED	Sustainable Cities	2015				300.0		POSTPONED
P147183	Innovative Access to Finance	2015	2015	2019		250.0	250.0	
POSTPONED	Geothermal Energy Development (plus CTF)	2015				300.0		POSTPONED
DROPPED	Long Term Finance Gurantee (300 Million USD)-tbd	2015						DROPPED
POSTPONED	Sustaining Shared Growth DPL-2	2016				500.0		POSTPONED
DROPPED	National Disaster Risk Mitigation	2016				300.0		DROPPED
DROPPED	Health	2016				100.0		DROPPED
DROPPED	Financial Sector Operation	2016				300.0		DROPPED
	Total Planned				3,450.0	3,000.0	3,685.3	
Project Unplanned Under CPS/CPSPR 2012-2016								
P144534	Renewable Energy Integration		2014	2019			300.0	LIR: S
P154259	LRCMP - Additional Financing		2016				90.6	
P157691	MSME & LESCO Project		2016	2020			200.0	LIR: MS

Project ID	Project Name	Proposed FY	Approved FY	Closing FY	Proposed Amount (CPS)	Proposed Amount (CPSPR)	Approved IBRD Amount	Outcome Rating
	Total Unplanned				0.0	0.0	590.6	
On-Going Project during the CPS/CPSPR period								
P066149	SEC EDUC		2005	2012			104.0	IEG: MU
P070950	ANATOLIA WATERSHED REHAB		2004	2012			20.0	IEG: S
P077328	RAIL RESTRUCT (APL#1)		2005	2014			184.7	IEG: MS
P078359	SEISMIC RISK MITIGATION		2005	2016			400.0	IEG: S
P081880	MUNICIPAL SERVICES		2005	2017			275.0	LIR: MS
P082822	TR Access to Fin for SMEs		2006	2012			180.2	IEG: S
P085561	ELECTRICITY GENERATION REHAB & RESTRUCTU		2006	2012			336.0	No Rate
P093765	GAS SECT DEVT		2006	2021			325.0	LIR: S
P096262	AVIAN FLU - TR		2006	2012			34.4	IEG: S
P096801	ELECT DISTRIB REHAB		2007	2013			269.4	IEG: MU
P096858	TR EFIL IV		2008	2015			600.0	IEG: S
P100383	ISTANBUL MUNICIPAL INFRASTRUCTURE PROJ.		2007	2013			322.2	LIR: U
P102172	Proj. in Support of Restruc. of Health		2009	2016			75.1	IEG: MU
P106284	Land Regis & Cadastre Modernization Proj		2008	2021			203.0	LIR: S
P110841	ECSEE APL#6 (TURKEY)		2011	2016			220.0	LIR: S
P112578	PVT SECTOR RE and EE		2009	2017			500.0	LIR: S
P118308	ACCESS TO FINANCE FOR SME II		2010	2015			500.0	LIR: S
P123073	REGE DPL 2		2011	2012			700.0	IEG: S
	Total On-Going				0.0	0.0	5,249.0	

Source: Turkey CPS and CPSPR, WB Business Intelligence Table 2b.1, 2a.4 and 2a.7 as of 4/25/17

LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

Annex Table 3: Analytical and Advisory Work for Turkey, FY12-FY16

Country	Proj ID	Economic and Sector Work	Fiscal year	Output Type
Turkey	P123074	PPER 3	FY12	Public Expenditure Review (PER)
Turkey	P123771	CRISIS, RECOVERY & JOBS	FY12	Sector or Thematic Study/Note
Turkey	P127675	RIO+20 GREEN GROWTH POLICY PAPER	FY12	Not assigned
Turkey	P128606	TURKEY URBANIZATION REVIEW	FY15	Sector or Thematic Study/Note
Turkey	P129248	Family Medicine Study	FY13	Sector or Thematic Study/Note
Turkey	P129350	Turkey CEM: Trading up to High Income	FY14	Country Economic Memorandum (CEM)
Turkey	P129423	Education Study	FY13	Sector or Thematic Study/Note
Turkey	P130699	Turkey PPER	FY14	Public Expenditure Review (PER)
Turkey	P131099	Programmatic Jobs--Activation	FY14	Sector or Thematic Study/Note
Turkey	P132094	Improving Educational Outcomes in Turkey	FY14	Sector or Thematic Study/Note
Turkey	P133570	Turkey Lessons Flagship	FY15	Country Economic Memorandum (CEM)
Turkey	P144290	Turkey Customs Union	FY14	Sector or Thematic Study/Note
Turkey	P146343	Turkey Regular Economic Report	FY14	Sector or Thematic Study/Note
Turkey	P148207	School Based Management in Turkey	FY15	Sector or Thematic Study/Note
Turkey	P149638	Turkey Energy Milestones and Challenges	FY16	Sector or Thematic Study/Note
Turkey	P150112	Sustainable Urban WSS	FY16	Sector or Thematic Study/Note
Turkey	P153660	Defining the Transport Work Program	FY16	Sector or Thematic Study/Note
Turkey	P160625	Policy Note Response to Refugee Crisis	FY16	Sector or Thematic Study/Note
Turkey	P160627	Regional Poverty Dynamics	FY16	Sector or Thematic Study/Note
Turkey	P160629	Fiscal Horizontal Disparities	FY16	Sector or Thematic Study/Note
Turkey	P160630	Regional Labor Market Dynamics	FY16	Sector or Thematic Study/Note
	Proj ID	Technical Assistance	Fiscal year	Output Type
Turkey	P127354	Financial Literacy Task	FY12	Not assigned
Turkey	P127856	Reform for Competitiveness	FY14	Not assigned
Turkey	P128383	TR FSD TA (FSAP follow-up, Capital Marke	FY13	Not assigned
Turkey	P128493	HD TA	FY12	Not assigned
Turkey	P128598	TCA Strengthening TA	FY14	Not assigned
Turkey	P129244	WATERSHED DIALOGUE	FY13	Not assigned
Turkey	P129435	TR Promoting Gender Equity	FY12	Not assigned
Turkey	P130537	Programmatic PFM Study	FY13	Not assigned
Turkey	P131181	Parliamentary Technical Assistance	FY14	Not assigned
Turkey	P131766	Turkey #10269 Strength Solvency Superv.	FY15	Not assigned
Turkey	P132968	TR - FSD TA 2	FY14	Not assigned
Turkey	P133309	Pharmaceuticals Study	FY14	Sector or Thematic Study/Note
Turkey	P133345	Sustainable Cities Action Plan Pilot	FY15	Not assigned
Turkey	P133649	Poverty Measurement and Monitoring TA	FY14	Not assigned
Turkey	P133668	HD TA	FY13	Not assigned

Turkey	P133741	Turkey -Promoting Gender Equity	FY14	Not assigned
Turkey	P144940	Support to Sharing Lessons from Turkey	FY14	Sector or Thematic Study/Note
Turkey	P145065	Turkey Green Growth Follow-up TA	FY14	Not assigned
Turkey	P145352	Turkey Public-Private Partnership	FY14	Not assigned
Turkey	P145480	Justice Sector Performance Measurement	FY14	Not assigned
Turkey	P145557	Programmatic Food Safety TA-3	FY14	Not assigned
Turkey	P146361	Turkey Water Dialogue TA	FY15	Not assigned
Turkey	P146494	Private Sector Development TA	FY15	Not assigned
Turkey	P146501	Energy Efficiency Institutional Review	FY15	Not assigned
Turkey	P146626	Financial Inclusion and Deepening	FY15	Not assigned
Turkey	P147496	Social Monitoring - Energy	FY15	Not assigned
Turkey	P147805	Programmatic Public Financial Management	FY15	Not assigned
Turkey	P149686	Diagnosis of Natural Capital Accounting	FY15	Not assigned
Turkey	P150890	Turkey PPP FY15	FY16	Not assigned
Turkey	P159176	Regional Pilot:ECA-TK Creditworthiness A	FY16	Not assigned
Turkey	P159277	SOE Governance	FY16	Not assigned
Turkey	P159281	Savings & Fin. Sector Diversification	FY16	Not assigned

Source: WB Business Intelligence 04/25/17



Annex Table 4: Turkey Grants and Trust Funds Active in FY12-16

Countries	Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount	Outcome Rating
Turkey	P155510	Renewable Energy Integration Technical Assistance Project	TF A1619	2016	2018	1,000,000	
Turkey	P158799	Turkey: Public Finance Management Reform Implementation Support Project	TF 19355	2016	2018	780,000	
Turkey	P151934	EU/IPA Energy Sector Technical Assistance Program - Phase 2 Project	TF 19255	2015	2020	12,788,261	LIR: S
Turkey	P144534	Renewable Energy Integration	TF 16958	2014	2019	50,000,000	LIR: S
Turkey	P131921	EU/IPA Energy Sector Technical Assistance Project	TF 16532	2014	2017	13,764,688	LIR: S
Turkey	P126101	PMR TURKEY	TF 15591	2014	2017	3,000,000	
Turkey	P132189	Turkey SME Energy Efficiency Project	TF 14579	2013	2019	940,000	
Turkey	P132189	Turkey SME Energy Efficiency Project	TF 14580	2013	2019	900,000	
Turkey	P132189	Turkey SME Energy Efficiency Project	TF 14581	2013	2019	900,000	
Turkey	P132189	Turkey SME Energy Efficiency Project	TF 14582	2013	2019	900,000	
Turkey	P128662	Strengthening the Public Internal Audit Function	TF 11904	2012	2015	494,000	
Turkey	P126101	PMR TURKEY	TF 10793	2012	2016	350,000	
Turkey	P124429	Strengthening Institutional Capacity for One Health Strategic Planning and Economic Analysis	TF 98646	2011	2014	480,000	
Turkey	P112578	Private Sector Renewable Energy and Energy Efficiency Project	TF 94498	2009	2015	70,000,000	LIR: S
Turkey	P112578	Private Sector Renewable Energy and Energy Efficiency Project	TF 94499	2009	2015	30,000,000	LIR: S
Turkey	P114507	IDF Grant for Internal Audit Capacity Building	TF 93782	2009	2012	496,000	
Turkey	P075094	Anatolia Watershed Rehabilitation GEF Project (Black Sea)	TF 53306	2005	2012	7,000,000	LIR: S
		Total				193,792,949	

Source: Client Connection as of 04/25/17

\*\* IEG Validates RETF that are 5M and above

Annex Table 5: IEG Project Ratings for Turkey, FY12-16

Exit FY	Country	Proj ID	Project name	Total Evaluated (\$M)	IEG Outcome	IEG Risk to DO
2012	Turkey	P066149	SEC EDUC	104.6	MODERATELY UNSATISFACTORY	MODERATE
2012	Turkey	P070950	ANATOLIA WATERSHED REHAB	15.2	MODERATELY UNSATISFACTORY	MODERATE
2012	Turkey	P082822	TR Access to Fin for SMEs	726.6	SATISFACTORY	MODERATE
2012	Turkey	P096262	AVIAN FLU - TR	31.4	SATISFACTORY	NEGLIGIBLE TO LOW
2012	Turkey	P100383	ISTANBUL MUNICIPAL INFRASTRUCTURE PROJ.	22.4	HIGHLY UNSATISFACTORY	NEGLIGIBLE TO LOW
2012	Turkey	P121651	ESES DPL 3	574.3	SATISFACTORY	SUBSTANTIAL
2013	Turkey	P096801	ELECT DISTRIB REHAB	110.2	MODERATELY UNSATISFACTORY	NEGLIGIBLE TO LOW
2014	Turkey	P077328	RAIL RESTRUCT (APL#1)	148.0	MODERATELY UNSATISFACTORY	SIGNIFICANT
2014	Turkey	P127787	CSDPL	823.6	MODERATELY SATISFACTORY	SIGNIFICANT
2015	Turkey	P096858	TR EFIL IV	855.7	SATISFACTORY	MODERATE
2015	Turkey	P118308	ACCESS TO FINANCE FOR SME II	500.0	SATISFACTORY	MODERATE
2016	Turkey	P078359	SEISMIC RISK MITIGATION	563.1	SATISFACTORY	LOW
2016	Turkey	P102172	Proj. in Support of Restruc. of Health	65.5	MODERATELY UNSATISFACTORY	MODERATE
2016	Turkey	P110841	ECSEE APL#6 (TURKEY)	211.2	SATISFACTORY	LOW
			Total	4,751.9		

Source: AO Key IEG Ratings as of 04/25/17

Annex Table 6: IEG Project Ratings for Turkey and Comparators, FY12-16

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Turkey	4,751.9	14	90.2	57.1	51.2	64.3
ECA	18,048.9	201	91.5	77.1	65.0	57.7
World	102,718.1	1,228	83.2	71.2	59.2	45.6

Source: WB AO as of 04/25/2017

\* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 7: Portfolio Status for Turkey and Comparators, FY12-16

Fiscal year	2012	2013	2014	2015	2016	Ave FY12-16
<b>Turkey</b>						
# Proj	11	13	14	14	15	13
# Proj At Risk	1	2	2	-	-	1
% Proj At Risk	9.1	15.4	14.3	-	-	7.8
Net Comm Amt (\$M)	4,742.2	5,763.0	5,095.9	4,334.6	3,924.1	4,772
Comm At Risk	269.4	581.5	711.0	-	-	312
% Commit at Risk	5.7	10.1	14.0	-	-	5.9
<b>ECA</b>						
# Proj	256	246	280	290	279	270
# Proj At Risk	47	47	37	36	47	43
% Proj At Risk	18.4	19.1	13.2	12.4	16.8	16.0
Net Comm Amt (\$M)	23,091.9	24,699.7	26,927.9	26,544.5	27,637.3	25,780
Comm At Risk	2,668.4	3,844.0	2,635.4	3,533.8	4,350.5	3,406
% Commit at Risk	11.6	15.6	9.8	13.3	15.7	13.2
<b>World</b>						
# Proj	2,029	1,964	2,048	2,022	1,975	2,008
# Proj At Risk	387	414	412	444	422	416
% Proj At Risk	19.1	21.1	20.1	22.0	21.4	20.7
Net Comm Amt (\$M)	173,706.1	176,202.6	192,610.1	201,045.2	220,331.5	192,779
Comm At Risk	24,465.0	40,805.6	40,933.5	45,987.7	44,244.9	39,287
% Commit at Risk	14.1	23.2	21.3	22.9	20.1	20.3

Source: WB BI as of 11/30/16

Annex Table 8: Disbursement Ratio for Turkey, FY12-16

Fiscal Year	2012	2013	2014	2015	2016	Overall Result
Turkey						
Disbursement Ratio (%)	36.7	37.4	20.3	35.6	34.0	33.5
Inv Disb in FY	1,021.9	722.2	313.8	519.5	523.4	3,100.8
Inv Tot Undisb Begin FY	2,784.0	1,931.8	1,546.3	1,457.9	1,537.5	9,257.5
ECA						
Disbursement Ratio (%)	25.9	24.2	22.8	23.5	17.5	22.7
Inv Disb in FY	3,498.4	2,925.8	2,612.0	2,664.4	2,275.6	13,976.3
Inv Tot Undisb Begin FY	13,495.7	12,113.7	11,467.5	11,342.1	13,028.9	61,447.9
World						
Disbursement Ratio (%)	20.8	20.6	20.8	21.8	19.5	20.7
Inv Disb in FY	21,048.2	20,510.7	20,757.7	21,853.7	21,152.9	105,323.2
Inv Tot Undisb Begin FY	101,234.3	99,588.3	99,854.3	100,344.9	108,600.3	509,622.0

\* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.

AO disbursement ratio table as of 11/30/16

Annex Table 9: Net Disbursement and Charges for Turkey, FY12-16

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY12	1,595,230,882.2	776,207,638.6	819,023,243.5	218,644,222.0	5,103,522.7	595,275,498.8
FY13	729,798,826.7	768,322,130.9	(38,523,304.3)	179,271,495.9	912,831.7	(218,707,631.8)
FY14	1,137,385,485.0	834,215,386.9	303,170,098.1	136,950,889.7	3,663,909.6	162,555,298.8
FY15	981,046,816.8	798,994,536.3	182,052,280.5	121,442,553.2	3,645,516.4	56,964,210.9
FY16	522,302,887.2	1,172,353,388.5	(650,050,501.3)	109,646,066.0	1,259,755.4	(760,956,322.7)
Report Total	4,965,764,897.7	4,350,093,081.2	615,671,816.6	765,955,226.8	14,585,535.9	(164,868,946.1)

World Bank Client Connection 12/1/16

Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid

Development Partners	2012	2013	2014	2015
Australia	0.9	0.18	0.06	..
Austria	39.62	33.85	30.35	..
Belgium	-3.84	-3.39	-3	..
Canada	0.11	2.44	0.41	..
Czech Republic	0.15	0.86	0.12	0.44
Denmark	0.74	0	3.56	..
Finland	0.24	1.48	4.23	..
France	-21.34	-35.49	182.57	..
Germany	28.95	228.75	343.87	..
Greece	2.58	0.39	0.6	0.46
Iceland	..	..	..	..
Ireland	0.01	1.46	0.19	..
Italy	-3.12	-3.11	-3.08	..
Japan	33.5	-10.33	28.76	..
Korea	..	-0.42	-2.76	..
Luxembourg	0.13	..	..	..
Netherlands	0.29	0.59	0.65	1.58
New Zealand	..	..	..	..
Norway	2.19	3.27	3.22	..
Poland	0.03	0.05	0.07	..
Portugal	0.06	0.07	0.07	..
Slovak Republic	0.04	..	..	..
Slovenia	0.15	0.1	0.08	0.05
Spain	1.54	-0.95	1.32	..
Sweden	12.33	12.79	12.33	10.89
Switzerland	1.49	1.4	2.74	..
United Kingdom	13.66	8.53	13.97	..
United States	14.08	16.07	73.82	..
<b>DAC Countries, Total</b>	<b>124.49</b>	<b>258.59</b>	<b>694.16</b>	
Adaptation Fund	..	..	..	..
African Development Bank [AfDB]	..	..	..	..
African Development Fund [AfDF]	..	..	..	..
Arab Fund (AFESD)	..	..	..	..
AsDB Special Funds	..	..	..	..
Arab Bank for Economic Development in Africa [BADEA]	..	..	..	..
Caribbean Development Bank [CarDB]	..	..	..	..
Climate Investment Funds [CIF]	..	..	1.4	..
Council of Europe Development Bank [CEB]	77.12	106.21	53.07	33.28

Development Partners	2012	2013	2014	2015
European Bank for Reconstruction and Development [EBRD]	..	..	..	..
EU Institutions [EU]	2914.58	2493.94	2698.28	..
Food and Agriculture Organisation [FAO]	..	0.53	..	..
Global Alliance for Vaccines and Immunization [GAVI]	..	..	..	..
Global Environment Facility [GEF]	3.31	1.9	2.94	..
Global Green Growth Institute [GGGI]	..	..	..	..
Global Fund	..	..	..	..
International Atomic Energy Agency [IAEA]	..	..	..	..
International Bank for Reconstruction and Development [IBRD]	..	..	..	..
International Development Association [IDA]	-5.88	-4.93	..	..
IDB Special Fund	..	..	..	..
IFAD	..	..	0.05	..
International Finance Corporation [IFC]	..	..	..	..
International Labour Organisation [ILO]	0.43	0.72	..	..
IMF (Concessional Trust Funds)	..	..	..	..
Islamic Development Bank [IsDB]	-0.97	-0.97	0.05	..
Montreal Protocol	..	..	..	..
Nordic Development Fund [NDF]	..	..	..	..
OPEC Fund for International Development [OFID]	0.8	-0.89	-2.17	..
OSCE	..	..	..	..
UNAIDS	..	..	..	..
UNDP	0.53	0.38	0.24	2.71
UNECE	..	..	..	..
UNFPA	1.41	1.36	1.03	1.04
UNHCR	8.35	..	..	..
UNICEF	0.87	0.84	0.94	1.19
UN Peacebuilding Fund [UNPBF]	..	..	..	..
UNRWA	..	..	..	..
UNTA	..	..	..	..
WFP	..	2.45	2.74	0.09
World Health Organisation [WHO]	0.06	0.17	0.44	1.01
Other Multilaterals	..	..	..	..
<b>Multilateral, Total</b>	<b>3000.62</b>	<b>2601.71</b>	<b>2759.02</b>	
Bulgaria	..	..	..	..
Croatia	..	..	..	..
Cyprus	..	..	..	..
Estonia	0.09	0.17	..	..
Hungary	0.42	0.54	0.21	..
Israel	0.09	0.05	0.14	0.05

Development Partners	2012	2013	2014	2015
Kazakhstan	..	..	..	..
Kuwait (KFAED)	-14.13	-15.36	-9.5	-8.95
Latvia	0.03	0.05	0.03	0.02
Liechtenstein	..	..	..	..
Lithuania	..	..	..	0.01
Malta	..	..	..	..
Romania	0.67	0.15	0.08	0.61
Russia	0.56	..	..	..
Saudi Arabia	..	..	..	..
Chinese Taipei	..	..	..	..
Thailand	..	..	..	..
Timor Leste	..	..	..	..
Turkey	..	..	..	..
United Arab Emirates	-2.04	-2.43	-2.37	..
Other donor countries	..	..	..	..
Bill & Melinda Gates Foundation	..	2	1.17	2.8
Non-DAC Countries, Total	-14.31	-16.83	-11.4	
Development Partners Total	3110.8	2843.48	3441.78	

Source: OECD Stat, [DAC2a] as of 12/1/16

Annex Table 11: Economic and Social Indicators for Turkey, 2012 – 2015

Series Name					Turkey	ECA	World
	2012	2013	2014	2015	Average 2012-2015		
<b>Growth and Inflation</b>							
GDP growth (annual %)	2.1	4.2	3.0	4.0	3.3	0.9	2.5
GDP per capita growth (annual %)	0.3	2.3	1.3	2.5	1.6	0.5	1.3
GNI per capita, PPP (current international \$)	18,300.0	18,840.0	19,190.0	19,360.0	18,922.5	28,765.1	14,729.9
GNI per capita, Atlas method (current US\$) (Millions)	10,700.0	10,800.0	10,630.0	9,950.0	10,520.0	25,089.0	10,595.9
Inflation, consumer prices (annual %)	8.9	7.5	8.9	7.7	8.2	1.4	2.7
<b>Composition of GDP (%)</b>							
Agriculture, value added (% of GDP)	8.8	8.3	8.0	8.6	8.4	2.2	3.9
Industry, value added (% of GDP)	26.7	26.6	27.1	26.5	26.7	25.6	28.0
Services, etc., value added (% of GDP)	64.5	65.1	64.9	64.9	64.8	72.2	68.1
Gross fixed capital formation (% of GDP)	20.3	20.3	20.1	20.3	20.3	19.9	23.3
Gross domestic savings (% of GDP)	15.0	14.1	15.8	15.7	15.1	22.9	24.5

Series Name					Turkey	ECA	World
	2012	2013	2014	2015	Average 2012-2015		
<b>External Accounts</b>							
Exports of goods and services (% of GDP)	26.3	25.6	27.9	28.0	26.9	41.7	30.2
Imports of goods and services (% of GDP)	31.5	32.2	32.1	30.8	31.6	38.8	29.6
Current account balance (% of GDP)	(6.1)	(7.7)	(5.5)	(4.5)	-5.9	0.0	0.0
External debt stocks (% of GNI)	43.1	47.8	51.6	..	47.5	0.0	0.0
Total debt service (% of GNI)	7.1	7.6	7.1	..	7.2	0.0	0.0
Total reserves in months of imports	5.5	5.6	5.7	5.6	5.6	6.8	13.3
<b>Fiscal Accounts <sup>1</sup></b>							
General government revenue (% of GDP)	35.0	37.2	36.4	37.0	36.4		
General government total expenditure (% of GDP)	36.6	38.4	37.3	38.0	37.6		
General government net lending/borrowing (% of GDP)	1.1	1.4	1.4	1.2	1.3		
General government gross debt (% of GDP)	36.2	36.1	33.5	32.9	34.7		
<b>Health</b>							
Life expectancy at birth, total (years)	74.6	74.9	75.2	..	74.9	76.7	71.2
Immunization, DPT (% of children ages 12-23 months)	97.0	98.0	96.0	96.0	96.8	94.6	85.3
Improved sanitation facilities (% of population with access)	93.7	94.1	94.5	94.9	94.3	93.0	66.7
Improved water source (% of population with access)	98.1	99.2	100.0	100.0	99.3	95.6	83.4
Mortality rate, infant (per 1,000 live births)	14.2	13.2	12.3	11.6	12.8	10.3	33.2
<b>Education</b>							
School enrollment, preprimary (% gross)	30.2	27.6	-	-	14.4	74.2	43.0
School enrollment, primary (% gross)	98.6	106.9	-	-	51.4	103.1	105.2
School enrollment, secondary (% gross)	85.1	114.6	-	-	49.9	103.4	74.7
<b>Population</b>							
Population, total (Millions)	74,849,187	76,223,639	77,523,788	78,665,830	76,815,611	901,961,345	7,218,239,265
Population growth (annual %)	1.8	1.8	1.7	1.5	1.7	0.4	1.2
Urban population (% of total)	71.8	72.4	72.9	73.4	72.6	70.6	53.2

Source: DDP as of 12/5/16

\*International Monetary Fund, World Economic Outlook Database, November 2016



Annex Table 12: List of IFC Investments in Turkey (US\$, 000)  
Investments Committed in FY12-FY16

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
34636	Taxim Capital	802162	2016	Active	Collective Investment Vehicles	G	20,147		20,147	20,147
35128	Burgan Turkey	788588	2016	Active	Finance & Insurance	E	110,000	40,000	-	40,000
35338	Trakya Cam VIII	721	2016	Active	Nonmetallic Mineral Product Manufacturing	G	110,000	40,000	-	40,000
36167	Fibabanka Equity	695986	2016	Active	Finance & Insurance	G	200,000	39,920	39,920	79,840
36318	Seker MSME	532405	2016	Active	Finance & Insurance	G	75,000	50,000	-	50,000
36326	UNIT Equity	727451	2016	Active	Electric Power	G	142,500		142,500	142,500
36711	AkCez II	809072	2016	Active	Electric Power	G	163,185	105,632	-	105,632
36747	RHOL Equity	723524	2016	Active	Construction and Real Estate	E	215,000		215,000	215,000
36772	Akfen Energy	627269	2016	Active	Electric Power	G	100,000		100,000	100,000
36827	HKA Hedge	778447	2016	Active	Utilities	G	4,500	4,500	-	4,500
37063	DCM TSKB Climate	725	2016	Active	Finance & Insurance	G	75,000	75,000	-	75,000
37093	MMI Metro Line	622411	2016	Active	Infrastructure	G	120,071	65,301	-	65,301
37112	DCM Finansb DPR2	510236	2016	Active	Finance & Insurance	E	100,000	100,000	-	100,000
37310	Etlık Swap	763244	2016	Active	Health Care	G	3,000	3,000	-	3,000
37661	Revo Capital	1002373	2016	Active	Collective Investment Vehicles	G	8,000		8,000	8,000
37872	Karaca Hydro	1004739	2016	Active	Electric Power	G	94,000	44,000	-	44,000
37925	Odeabank Equity	746927	2016	Active	Finance & Insurance	E	113,500	75,000	75,000	150,000
38655	Karaca Swap	1004739	2016	Active	Electric Power	G	3,000	3,000	-	3,000
31029	Kayseri Health	693344	2015	Active	Health Care	G	145,661	39,590	-	39,590
32258	Gama Enerji	730929	2015	Active	Electric Power	G	245,000		165,000	165,000
33677	Etlık Health	763244	2015	Active	Health Care	G	340,455	82,181	-	82,181
33950	YKL Sustainable	50670	2015	Active	Finance & Insurance	E	96,000	64,000	-	64,000
34358	Adana Health	775144	2015	Active	Health Care	G	208,563	43,661	-	43,661

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
34488	Abank EE	51410	2015	Active	Finance & Insurance	G	75,000	50,000	-	50,000
34552	HKA	778447	2015	Active	Utilities	G	182,789	70,000	20,000	90,000
34669	Soda Sanayii	506073	2015	Active	Chemicals	E	25,000		24,866	24,866
35012	Izmir Railcars	713525	2015	Active	Infrastructure	G	24,949	16,303	-	16,303
35827	Odeabank GrMortg	746927	2015	Active	Finance & Insurance	E	175,475	44,500	-	44,500
35828	Iyzico	797907	2015	Active	Finance & Insurance	G	3,000		3,000	3,000
35939	Zenium	800477	2015	Active	Information	G	259,000		25,000	25,000
36017	Seker Bond Swap	532405	2015	Active	Finance & Insurance	G	16,500	16,500	-	16,500
36080	Izsu Sewerage	725495	2015	Active	Infrastructure	G	16,436	12,327	-	12,327
36153	FinansL EE II	5023	2015	Active	Finance & Insurance	G	60,000	40,000	-	40,000
36320	Adana B Loan	775144	2015	Active	Health Care	G	87,322	-	-	-
36337	Adana Swap	775144	2015	Active	Health Care	G	3,500	1,889	-	1,889
36341	Sekerbank swap	532405	2015	Active	Finance & Insurance	G	530	530	-	530
36631	ATF I	805584	2015	Active	Collective Investment Vehicles	G	40,000		40,000	40,000
36641	Mercury	806044	2015	Active	Wholesale and Retail Trade	G	20,000		15,000	15,000
36703	GTFP AL BARAKA T	804058	2015	Active	Finance & Insurance	E	25,000	25,000	-	25,000
36724	GTFP TEB	6075	2015	Active	Finance & Insurance	E	125,000	95,000	-	95,000
36788	Sekerbank RI 2	532405	2015	Active	Finance & Insurance	G	1,315	1,278	1,278	2,556
32036	Viking Services	725004	2014	Active	Oil, Gas and Mining	G	125,000	50,000	-	50,000
32669	Fiba Sub Loan	695986	2014	Active	Finance & Insurance	G	40,000	40,000	-	40,000
32915	Odea Bank SME	746927	2014	Active	Finance & Insurance	G	50,000	50,000	-	50,000
32940	Chipita Turkey	747429	2014	Closed	Food & Beverages	G	14,630	14,630	-	14,630
33528	Astra Dorms	759549	2014	Active	Education Services	G	10,267		10,267	10,267
33645	Logo	762406	2014	Closed	Professional, Scientific and Technical Services	G	12,509	12,509	2,700	15,209

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
33753	Cimko Cement II	506487	2014	Active	Nonmetallic Mineral Product Manufacturing	E	65,000	40,000	-	40,000
33922	Seker Sub	532405	2014	Active	Finance & Insurance	G	50,000	50,000	-	50,000
33943	Mersin Port	767984	2014	Active	Transportation and Warehousing	G	953,000	65,720	-	65,720
33995	Elif Turkey	755014	2014	Active	Chemicals	E	20,000	20,000	-	20,000
34009	OzU II	724224	2014	Active	Education Services	G	25,000	25,000	-	25,000
34061	Tiryaki II	635463	2014	Active	Agriculture and Forestry	E	40,000	30,000	-	30,000
34306	Izmir Tramway	713525	2014	Active	Infrastructure	G	291,602	75,862	-	75,862
34448	Recordati Ilac	779886	2014	Active	Chemicals	E	68,525	34,234	-	34,234
34457	Transatlantic	776686	2014	Active	Oil, Gas and Mining	G	60,000	40,000	-	40,000
35153	Seker RI 1	532405	2014	Active	Finance & Insurance	E	3,824	3,731	3,479	7,210
31274	Finansbank DPR	510236	2013	Active	Finance & Insurance	E	153,030	75,000	-	75,000
31623	Mediterra CP	711306	2013	Active	Collective Investment Vehicles	G	20,000		20,000	20,000
31733	Izmir Muni	713525	2013	Active	Infrastructure	G	230,662	58,523	-	58,523
31836	KKagit	715906	2013	Closed	Pulp & Paper	G	50,000	50,000	-	50,000
31983	Superfilm	723226	2013	Active	Plastics & Rubber	G	120,000	45,000	-	45,000
32026	OzU	724224	2013	Active	Education Services	G	42,500	42,500	-	42,500
32078	Izsu Wastewater	725495	2013	Active	Infrastructure	G	51,829	35,892	-	35,892
32241	Is Leasing EE/RE	730624	2013	Active	Finance & Insurance	G	45,000	35,000	-	35,000
32285	CPLF-ModernKarto	51229	2013	Active	Pulp & Paper	E	11,300	8,000	-	8,000
32420	Sanko Tekstil	734804	2013	Active	Textiles, Apparel & Leather	G	25,000	25,000	-	25,000
32503	Farcan ACWA	742253	2013	Closed	Electric Power	G	125,000	125,000	-	125,000
32583	Plato	739345	2013	Active	Education Services	G	12,000	6,000	-	6,000
32659	Earlybird	742167	2013	Active	Collective Investment Vehicles	G	25,000		25,000	25,000

Project ID	Project Short Name	Institution Number	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
32902	Asyaport	761836	2013	Active	Transportation and Warehousing	G	75,000	52,691	-	52,691
32928	GTFP FIBABANKA	695986	2013	Active	Finance & Insurance	E	45,000	341,380	-	341,380
33143	TSKB Pol. Abatem	725	2013	Active	Finance & Insurance	G	75,000	75,000	-	75,000
33154	Deniz Covered B.	764659	2013	Closed	Finance & Insurance	G	292,029	69,526	-	69,526
33700	GTFP ODEA BANK	746927	2013	Active	Finance & Insurance	E	112,500	266,724	-	266,724
33711	Sisecam Bond	4377	2013	Active	Nonmetallic Mineral Product Manufacturing	G	75,000	40,000	-	40,000
28467	Tiryaki	635463	2012	Closed	Agriculture and Forestry	E	200,000	30,000	-	30,000
30579	Seker Bond	532405	2012	Active	Finance & Insurance	G	137,595	25,000	-	25,000
31085	YKB DPR	51411	2012	Active	Finance & Insurance	E	414,499	75,000	-	75,000
31112	TSKB Sustainable	725	2012	Active	Finance & Insurance	E	75,000	75,000	-	75,000
31113	ABank-Women	51410	2012	Active	Finance & Insurance	G	40,000	25,000	-	25,000
31114	Fibabanka Women	695986	2012	Active	Finance & Insurance	G	49,828	30,000	-	30,000
31474	MNT	705744	2012	Active	Health Care	G	30,000	30,000	14,149	44,149
31531	Finansbank RI II	510236	2012	Closed	Finance & Insurance	E	3,125	3,125	3,125	6,251
31929	UHG RightsIssue	574160	2012	Active	Health Care	E	893		893	893
32197	UHG RightsIss II	574160	2012	Active	Health Care	E	6,250		6,250	6,250
					Sub-Total		8,205,793	3,444,157	980,574	4,424,731

Investments Committed pre-FY12 but active during FY12-16

Project ID	Project Short Name	Institution Number	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
27559	SEDAS	672104	2011	Active	Electric Power	G	624,500	75,000	-	75,000
29390	Enerjisa-II	50781	2011	Active	Electric Power	E	863,673	72,760	-	72,760
29413	Abank Sub Loan	51410	2011	Active	Finance & Insurance	E	143,813	50,000	-	50,000
30306	GTFP Alternatif	51410	2011	Active	Finance & Insurance	E	81,000	81,000	-	81,000
30548	GTFP TSKB	725	2011	Active	Finance & Insurance	E	25,000	25,000	-	25,000
30631	UHG - ADM	574160	2011	Active	Health Care	G	25,000		25,000	25,000
30769	Deniz Agri DPR	621859	2011	Active	Finance & Insurance	G	412,830	71,043	-	71,043
26241	Eurasia Capital	612218	2010	Active	Collective Investment Vehicles	G	13,587		5,301	5,301
28146	Seker II Agri	532405	2010	Active	Finance & Insurance	E	93,991	95,096	48,003	143,099
29117	YKL Health,EE/RE	50670	2010	Active	Finance & Insurance	E	50,000	45,000	-	45,000
29343	GTFP Yapi Kredi	51411	2010	Active	Finance & Insurance	E	25,000	572,081	-	572,081
29472	TCE Ege	647724	2010	Active	Transportation and Warehousing	G	84,200	20,000	-	20,000
26648	Assan Aluminum	631946	2009	Active	Primary Metals	E	231,000	30,000	-	30,000
26653	GTFP Seker Bank	532405	2009	Active	Finance & Insurance	E	85,000	356,252	-	356,252
27191	Rotor Elektrik	621808	2009	Active	Electric Power	G	289,150	71,514	-	71,514
27309	Istanbul K Metro	622411	2009	Active	Transportation and Warehousing	G	1,224,909	67,903	-	67,903
27378	May Seed	623249	2009	Closed	Agriculture and Forestry	G	20,300	7,200	-	7,200
27904	IZGAZ	636010	2009	Active	Utilities	E	562,200	50,000	-	50,000
27963	ModernKarton WCI	51229	2009	Active	Pulp & Paper	E	143,000	40,000	-	40,000
27965	Trakya Cam VI	721	2009	Active	Nonmetallic Mineral Product Manufacturing	E	158,000	58,000	-	58,000
26016	Enerjisa	50781	2008	Closed	Electric Power	G	3,085,939	247,705	-	247,705
26158	TEBTierI	6075	2008	Closed	Finance & Insurance	G	100,000	100,000	-	100,000



Project ID	Project Short Name	Institution Number	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Net Loan	Net Equity	Net Comm
26376	Atateks	615520	2008	Active	Textiles, Apparel & Leather	E	74,100	25,000	-	25,000
25000	NBG/Finansbank	510236	2007	Active	Finance & Insurance	E	275,000	275,000	259,186	534,186
25504	Turkish PEF II	567213	2007	Active	Collective Investment Vehicles	G	38,420		32,016	32,016
25832	Unitim	572015	2007	Closed	Textiles, Apparel & Leather	E	30,000	29,000	-	29,000
24757	Sanko Cement	506487	2006	Active	Nonmetallic Mineral Product Manufacturing	E	330,400	75,000	-	75,000
21759	TSKB Sub Loan	725	2005	Active	Finance & Insurance	G	50,000	50,000	-	50,000
10470	Turkish PEF	53217	2002	Active	Collective Investment Vehicles	G	10,000		10,000	10,000
					Sub-Total		9,150,010	2,589,553	379,507	2,969,060
					TOTAL		17,355,803	6,033,710	1,360,081	7,393,791

Source: IFC-MIS Extract as of end July 31, 2016

Annex Table 13: List of IFC Advisory Services in Turkey  
Advisory Services Approved in FY12-16

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
600641	Turkey Green Buildings Project	2016	2019	ACTIVE	FAM	1,200,000
601067	ECA Energy & Water Solutions for Corporates	2016	2019	ACTIVE	CAS	4,370,422
601115	ECA Cities Platform IP	2016	2018	ACTIVE	INR	2,050,000
	Sub-Total					7,620,422

Advisory Services Approved pre-FY13 but active during FY12-16

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
557205	SEGEF Geofund Turkey	2007	2016	CLOSED	CAS	2,620,239
	Sub-Total					2,620,239
	TOTAL					10,240,661

Source: IFC AS Data as of 7-31-16

Annex Table 14: IFC net commitment activity in Turkey, FY12 - FY16 (US\$, 000)

	Pre-FY12	Percentages	2012	2013	2014	2015	2016
Financial Markets	993,328	33.5%	236,251	254,526	147,210	221,086	494,840
Trade Finance (TF)	1,034,333	34.8%		608,103		95,000	
Agribusiness & Forestry	7,200	0.2%	30,000		30,000		
Manufacturing	257,000	8.7%		168,000	108,864	24,866	40,000
Tourism, Retail, Construction & Real Estates (TRP)		0.0%				15,000	215,000
Health, Education, Life Sciences	25,000	0.8%	51,292	48,500	50,476	167,321	3,000
Oil, Gas & Mining		0.0%			90,000		
Infrastructure incl. Transport	604,882	20.4%		272,106	141,582	283,630	464,933
Telecom, Media, and Technology		0.0%				25,000	
Collective Investment Vehicles	47,318	1.6%		45,000		40,000	28,147
Total	2,969,060	100.0%	317,543	1,396,234	568,132	871,902	1,245,920

Source: IFC MIS as of 12-2-16

Annex Table 15: List of MIGA Activities 2012-2016 (US\$, millions)

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
12360	Orfin Finansman AS	2015	Active	Banking	France	57.7
12118	Adana Integrated Health Campus Project	2015	Active	Health Services	Luxembourg	157.5
12516	Üsküdar-Ümraniye-Çekmeköy Metro Line	2015	Active	Transportation	France	192.9
9416	Turkish Eximbank	2015	Active	Financial Services	France - Germany - United Kingdom -United States	333.2
12870	<b>YZG Sağlık Yatırım A.Ş.</b>	2015	Active	Health Services	Germany - Luxembourg	51.7
12580	Izmir Metro Project	2015	Active	Transportation	Germany	32.6
12240	Izmir Tramway	2014	Active	Transportation	Germany	91.1
11781	Izmir Marine Transportation Project	2013	Active	Transportation	Germany	65.5
9401	Kadikoy-Kartal-Kaynarca Metro Project	2011	Active	Transportation	Germany	409.2
Total						1,391.4

Source: MIGA 12-2-16