Preparing the new World Bank Group Country Partnership Framework for Turkey

1. BACKGROUND

The World Bank Group institutional strategy for all the countries where it works involves a set of instruments to support country-level engagement, including: (i) the *Systematic Country Diagnostic* (SCD) that uses data and analysis to help identify the most critical constraints to development; and, (ii) the *Country Partnership Framework* (CPF) that serves to identify focus areas for World Bank Group support that follow from the SCD, are aligned with the country's own development agenda, and that address binding constraints. The CPF seeks to focus on concrete outcomes and therefore it requires greater selectivity and focus. It also aims to deepen partnerships with all development actors in Turkey, be flexible in its approach in order to support emerging priorities and take a pro-active stance on the management of risk. The CPF seeks to provide Turkey with a more coordinated and focused program, and to establish an effective mechanism to reconcile country demands with the World Bank Group's global twin goals of eliminating poverty and boosting shared prosperity.

2. CONTEXT

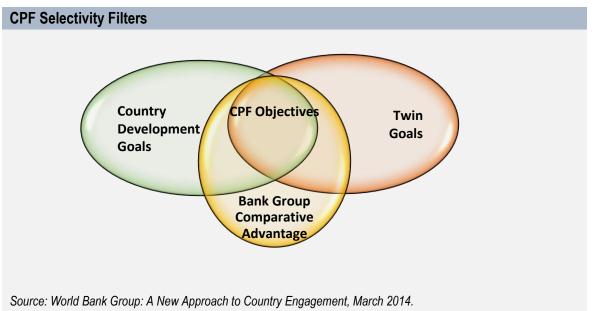
The World Bank Group is launching the process of developing the CPF for Turkey. The SCD for Turkey is in final draft form and will soon be made public. It identifies a number of constraints to development in Turkey and highlights those priorities for reaching the twin goals of eliminating poverty and boosting shared prosperity within the specific country context. The SCD outlines the following four key priority areas: (i) solid foundations; (ii) productive individuals; (iii) dynamic firms; and (iv) public assets and resources. In addition, Turkey's <u>10th National Development Plan</u> (2014-18) lays out the country's own vision for its development with a clear set of objectives, many of which align with the SCD, as per Table 1 below. The World Bank Group team is proposing to carry out a set of consultations in Turkey with the goal of soliciting a broad range of opinions and consulting with a diverse set of stakeholders, in order to improve and refine what should be the CPF focus areas and objectives.

| High Level Objectives | |
|------------------------|---|
| | Areas of focus for sub-objectives |
| Qualified individuals, | social welfare, qualifications, health system, human rights / legal system, quality |
| strong society | public services, transform education system based on equal opportunities, more |
| | autonomous higher education system, pre-school education, improve income |
| | distribution, solidarity & culture, reduce informal employment rate |
| Innovative Production, | become a high income country, accelerate accumulation of capital & |
| Stable & High Growth | industrialization process, reduce current account deficit, increase innovation |
| | capacity, reach 5.5 % annual growth, create 4million new jobs, build world class |
| | financial center, decrease public sector borrowing, increase R&D, enhance use of |
| | ICT, increase manufacturing exports, double consolidated land, increase area for |

| | irrigation use, increase installed power of electricity, regional logistics hub, |
|-----------------------------|---|
| | upgrade road network, increase tourism |
| Livable Places, Sustainable | expand welfare by reducing regional development disparities, increase minimum |
| Environment | level of wealth in rural areas, construct disaster resistant living places, ensure |
| | access for all to adequate, healthier and safer housing, improve access to safe |
| | potable water in cities, improve municipal wastewater services, extend |
| | environment friendly practices and ensure sustainability in use of natural resource |
| International Cooperation | benefit more from international dynamics in the development process and share |
| for Development | experiences with other countries, pursue an effective development cooperation |
| | policy, play a more active role in determination of global development agenda |

3. DEVELOPING THE CPF

The figure below illustrates the intent to develop CPF objectives that are, at once, supportive of Turkey's country development goals (the NDP), reflective of the priorities highlighted in the SCD that need to be addressed to achieve the World Bank group's twin goals, and that take into account the unique circumstances of the World Bank Group's comparative advantage in Turkey. These CPS objectives should be selective and should aim to have concrete and measurable results.



4. WHAT SHOULD BE THE CPF FOCUS AREAS AND OBJECTIVES?

For now, the initial ideas for the World Bank Group program are sketched out as follows, with three focus areas that are aligned with the NDP and the priorities of the SCD. This framework is purely indicative for now and will likely evolve during the course of CPF preparation and as a result of an iterative series of consultations with the Government and others.

Proposed CPF Framework

