Turkey

Country Partnership Framework

August 29, 2017

Chair Summary*

Executive Directors discussed the joint IBRD/IFC/MIGA Country Partnership Framework (CPF) (R2017-0194[IFC/R2017-0239, MIGA/R2017-0060]) for Turkey for FY18-FY21. They acknowledged Turkey’s significant advances in shared-prosperity and poverty reduction since the early 2000s and supported the Government’s program as set out in its 10th Development Plan. Directors supported the CPF’s alignment with the Systematic Country Diagnostic and its selectivity within the three focus areas: (i) Growth; (ii) Inclusion; and (iii) Sustainability.

Directors noted the elevated risk stemming from political uncertainty and expressed concerns about the quality of institutions, rule of law and macro-financial vulnerabilities which could risk reversing some of Turkey’s achievements to date. They encouraged the Turkish authorities to strengthen economic institutions and pursue an ambitious agenda of reforms. In particular, they emphasized the important role of the WBG to carry out strong analytical work as a basis to inform future reforms, especially as regards prioritizing critical issues such as income inequality and regional disparities. While Directors noted the candid discussion of risks in the CPF, they urged the WBG team to continue to pay close attention to mitigating these risks during implementation and adapting the program accordingly.

Directors appreciated the fully joint nature of the CPF which underscores the importance of Turkey as a client for IFC and MIGA. They emphasized the essential role of the private sector as the leading engine of growth in Turkey and noted the importance of preserving investor confidence. They also emphasized the need to strengthen female participation in the labor force. They commended the WBG for working together in critical sectors such as energy and encouraged the program to continue to lay the groundwork for greater private sector investment. They noted that this, along with strong economic growth and well-functioning institutions, will form the basis for eventual graduation from IBRD support.

Directors supported the flexible nature of the CPF program which will allow for the program to adapt to the evolving country context and respond to new challenges as they arise. They underscored the importance of demonstrating the additionality of WBG involvement and focusing support on areas where the WBG’s mandate and comparative advantage are clear and most effective.

Directors emphasized the importance of supporting Turkey in hosting more than 3 million refugees, the majority of whom are Syrian, and commended Turkey’s track record to date in this regard which has provided a commendable example to the world. They noted the strong partnership developed with the EU and others on providing support both to refugee and host populations, and welcomed the strong focus on improved social service delivery and greater labor market integration of refugees.

*This summary is not an approved record.