

# TURKEY

## 1) QUANTITY OF AID

### 1.1. Current/Recent Quantity Performance:

	2006	as % of GNI
ODA Gross & Net Disbursements	714.2	0.18%

Note: All aid is grants so net and gross disbursements are the same  
Source: OECD/DAC database, table 1

Turkey's development assistance stood at US\$ 714.2 million in 2006. This is the equivalent of 0.18% of Turkish GNI, and already higher than the 2010 target of 0.17% for new EU member states (with whom Turkey compares itself – see GoT, 2007, p21). Since 2002, Turkish development assistance has increased by 879% (up from US\$ 73 million). However, it should be noted that many activities which were thought to be outside the scope of development assistance in previous years were added in 2004-2005 as Turkey adapted its ODA data to DAC classifications, probably inflating the growth rate quite substantially (TIKA, 2007b, p52).

### 1.2. Future Quantity Intent

Turkey aims to become a member of the OECD's DAC in the medium term. The membership criteria are that Turkish ODA should reach 0.2% of GNI and that Turkey should be a net donor country (GoT, 2007, p22). In 2006, it met the latter criterion as it received only US\$ 570 million in net ODA.

## 2) KEY AGENCIES/MECHANISMS

### 2.1 Bilateral Agencies and Structures

#### *Ministry of Foreign Affairs*

The Ministry of Foreign Affairs performs a guiding function for all public agencies and institutions in terms of development policy priorities. The Turkish International Cooperation and Development Agency (TIKA) falls under its responsibility. It also handles contributions and membership fee payments to some international organisations.

#### *Turkish International Cooperation and Development Agency (TIKA)*

The Turkish International Cooperation and Development Agency (TIKA) is the Turkish Government's Development Cooperation Agency and falls under the auspices of the Ministry of Foreign Affairs. It was set up by law under Act 480, based on a Cabinet decision in January 1992. TIKA is assigned the following duties and responsibilities by law through Act 4668 (TIKA, 2007a):

- Defining development needs and targets as well as possible areas of cooperation and assistance while taking into consideration Turkey's priorities;

- Preparing required programmes and projects or facilitating preparation by private sector organisations;
- Improving economic, commercial, technical, social, cultural and educational cooperation through projects and programmes;
- Strengthening independent government bodies;
- Supporting efforts to transition to a market economy;
- Coordinating development cooperation activities of Turkish government institutions.

TIKA has 22 Project Coordination Offices in 20 countries in Africa, Asia and Europe, facilitating the coordination and implementation of its projects and programmes. Aid activities in countries where TIKa does not have an office are managed by the nearest office in the region or by Turkish Embassies and Consulates.

#### *Turkish Treasury*

Turkish ODA mainly consists of grants (see section 4.1). Grants can be delivered cash or in-kind. Preparations, contacts and negotiations relating to cash grants are executed by the Under-secretariat of the Turkish Treasury in collaboration with the Ministry of Foreign Affairs (GoT, 2007, p7). It also handles contributions and membership fee payments to some international organisations. On top of that, all development assistance endeavours by Turkish government institutions have to pass via the Under-secretariat of the Turkish Treasury to ensure financial viability of the consolidated Turkish budget.

#### *Türk EXIM Bank*

Whilst not directly implementing development projects, Turkey's Export-Import Bank and Turkey's Development Bank are involved in the financial and investment dimensions of Turkey's aid programmes (TIKA, 2007b). Türk EXIM Bank's annual report gives a good overview of its activities (Türk EXIM Bank, 2007). TIKa (2007b) shows that most EXIM-bank loans cannot be counted as ODA.

#### *Prime Ministry Emergency Administration*

Involvement of Government institutions (including the armed forces) in Emergency aid is coordinated by the Prime Ministry Emergency Administration (TIKA, 2007b, p24).

## **2.2 Key Policies and Legislation**

#### *Law No. 4668 on Organisation and Duties of TIKa*

Act 4668, the 'Law on the Turkish Cooperation and Development Administration Presidency Structure and Duties' came into effect on May 12, 2001. It specifies TIKa's duties (see section 2.1) and established a coordination board to oversee the formulation of Turkish Development Policy (GoT, 2007, p4). The Board is made up of representatives of the Ministry of Foreign Affairs, Ministry of Finance, Ministry of National Education, Ministry of Industry and Trade, Ministry of Energy and Natural Resources, Ministry of Culture and Tourism, Undersecretariat of Treasury, Undersecretariat for Foreign Trade, Undersecretariat of the State Planning Organisation, Presidency of Religious Affairs, Scientific and Technological Research Council of Turkey (TUBITAK) and TIKa itself.

#### *TIKA 2005 Turkish Development Assistance Report (TIKA, 2007b)*

In 2005, the Prime Minister of Turkey assigned TIKA the duty to collect and report Turkish ODA statistics to the OECD. TIKA organised a huge data gathering effort, which resulted in Turkey being the first non-DAC country to comprehensively report ODA statistics to the DAC. This information can be found in TIKA's first Turkish Development Assistance Report, which covers 2005, but was published in 2007. TIKA's aim is to publish such a report on an annual basis, with summaries of the main Turkish development assistance policies and activities – in line with supporting the MDGs, which have become a cornerstone of Turkish development cooperation.

### 3) RECIPIENT COUNTRIES AND ALLOCATION CRITERIA

#### 3.1. Recipient Countries

Top 10 recipients	% of total bilateral	US\$m
1. Kyrgyz Republic	17.6%	113.1
2. Afghanistan	9.0%	57.7
3. Pakistan	8.8%	56.5
4. Kazakhstan	7.1%	45.3
5. Azerbaijan	5.7%	36.9
6. Lebanon	5.6%	36.1
7. Bosnia-Herzegovina	3.9%	25.2
8. Indonesia	3.7%	23.5
9. Palestinian Adm. Areas	3.2%	20.3
10. Iraq	2.9%	18.9
<b>Total Top 10 Recipients</b>	<b>67.4%</b>	<b>433.5</b>

Source: OECD/DAC 2006 database, table 2a.

In 2006, Turkey gave aid to 84 different countries (OECD/DAC database, table 2a). In its ODA allocation, Turkey focuses on countries in Central Asia and Eastern Europe, with high outlays to Kyrgyz Republic, Afghanistan and Pakistan in 2006 (see table above).

More than 80% of Turkish ODA in 2006 went to Asian countries, with negligible amounts to sub-Saharan Africa (table below). Turkey is planning to increase its assistance to other regions however, especially to Africa. This can be gleaned from recent policy documents (TIKA, 2007b), speeches by senior government officials (Akçay, 2007) and the fact that TIKA recently opened offices in Ethiopia, Senegal and Sudan.

#### Distribution among groups of recipients (2006)

	% of total bilateral
LDCs	12.5%
Other LICs	31.0%
Asia	83.4%
SSA	3.3%

Source: OECD/DAC database, Table 2b and 2c.

As for allocation by income-group, Turkish aid flows to LDCs are below the DAC average (12.5% vs. 22.4%). However, senior officials have recently announced

special programmes for LDCs. In July 2007, the Minister of Foreign Affairs reiterated a commitment for “*a fund of 15 million US Dollars (..) for the implementation of projects through TİKA in the LDCs, Landlocked Developing Countries and Small Island Developing States*”, and announced an additional 5 million US Dollars to finance small and medium scale regional development projects in the LDCs (Gül, 2007).

### 3.2. Allocation Criteria

#### 3.2.1. Pre-selection criteria

Turkey does not have any formal pre-selection criteria in allocating its aid.

#### 3.2.2. Allocation criteria:

TİKA’s development assistance was in the early 1990s aimed foremost at developing countries where Turkish is spoken (Central Asian Republics) and countries that border Turkey, with which Turkey has close historical and cultural ties. More recently, Turkey has diversified to other regions, using a three-pronged strategy (TİKA, 2007a):

- *Creating a climate conducive to peace and cooperation by implementing projects that embrace all segments and ‘Improve Regional Cooperation’;*
- *Providing partial relief by implementing projects that foremost solve humanitarian problems in underdeveloped countries (E.g. Africa, the Middle East etc.) and creating scope for cooperation by providing ‘Development Aid’ in these regions;*
- *Implementing macro-projects in regions that are developed to some degree (such as Eastern Europe and Central Asia) to maximise cooperation opportunities and attaining system compatibility through a ‘Joint Global Understanding for Development’.*

## 4) AID POLICIES

### 4.1. Concessionalities

Grant share of total ODA	93.0%
Grant share of ODA to LDCs	?

Source: OECD/DAC database, table 1

Turkey provides only grants. Nevertheless, as can be seen from the table above, in 2006 the grant share was only 93%, with debt rescheduling making up the remainder. The latter is the result of a debt reorganisation which saw some export credits reclassified as ODA.

### 4.2. Types of Assistance

The main types of aid are projects and technical cooperation (Table below). In a recent speech, the president of TİKA emphasised Turkey’s engagement in technical cooperation and capacity building, calling on other donors to use an OECD developed M&E template for capacity building activities (Fidan, 2007). Turkey engages in capacity development activities, mainly in the Caucasus and Central Asia, by providing training in public administration, statistics and finance to public sector organizations. It has also been identified as a “pivotal country” in the Technical

Cooperation among Developing Countries (TCDC) mechanism (see section 5.5 for more on that).

Aid channelled via Programme Based Approaches (PBA's) appears to be minimal. Turkey does not have any General Budget Support programmes, and there is no mention in public documents that it has plans in that direction. Turkey is getting more involved in peace-building operations, notably in Afghanistan and Kosovo. As for debt relief, Turkey participates in Paris Club deliberations, and has for example given debt relief to the Kyrgyz Republic in recent years (according to IMF (2006), outstanding debt was US\$ 46.7 million as of end-2004).

Out of the 5 countries covered in the 2008 Paris Monitoring survey, the only country where Turkish resources are in the form of programme based arrangements (Indicator 9), is Ukraine (60%).

#### Types of Assistance (for 2006)

based on disbursements	US\$ mio	% of total bilateral aid
Project & Programme Aid	152.0	23.6%
Technical Co-operation	174.8	27.2%
Humanitarian Aid	115.7	18.0%
Administrative Costs	74.3	11.6%
Refugees (Donor Country)	38.6	6.0%
Post-Conflict peacebuilding operations	36.3	5.7%
Loan Rescheduling	50.2	7.8%
Other	0.7	0.1%
<b>Total</b>	<b>642.6</b>	<b>100.0%</b>
<i>memo items (commitment based)</i>		
General Budget Support	0.0	-
Commodity Aid	0.0	-

Source: OECD/DAC database, table 1, except for memo items which are based on OECD/DAC database, table 3.

#### 4.3. Channels of Assistance

In 2006, US\$ 72 million, or 10% of Turkish aid was delivered through multilateral channels. Of this, 28% went to UN agencies, 27% to the EC, 7% to IDA and 6% to other World Bank group institutions (IBRD, MIGA and the IFC). The impressive increase in Turkish ODA between 2002 and 2006 has mainly been implemented through bilateral channels (2300%), with multilateral aid growing much more slowly (55%). Support to NGO's is negligible at 0.035% of total Turkish ODA.

#### 4.4. Sectors and Projects

As can be seen from the table below, the focal sector of Turkish aid in 2006 was education (including a large share reserved for scholarships for study in Turkey). In general, Turkey is committed to "provide effective development assistance in line with the MDGs (poverty, education, gender equality, health and environment sectors)". Its recent engagement in Africa focuses partly on SME development. Turkey also contributed US\$ 1 million to the Trust Fund of the Enhanced Integrated Framework for Trade-related Technical Assistance for the LDCs (Gül, 2007).

## Distribution of Aid by Sector (for 2006)

based on commitments	US\$m	% of total sectoral aid
Social & Admin. Infrastructures	268.8	82.7%
<i>Education</i>	211.4	65.0%
<i>Health</i>	18.2	5.6%
<i>Population</i>	4.3	1.3%
<i>Water &amp; Sanitation</i>	8.7	2.7%
<i>Government &amp; Civil Society</i>	9.5	2.9%
Economic Infrastructure	48.7	15.0%
<i>Transport &amp; Communications</i>	17.1	5.3%
<i>Energy</i>	0.9	0.3%
Production	7.7	2.4%
<i>Agriculture</i>	2.3	0.7%
<i>Industry, Mining, Construction</i>	5.0	1.5%
<i>Trade and tourism</i>	0.5	0.1%
<b>Total Sectorally allocated aid*</b>	<b>325.2</b>	<b>100.0%</b>

\*Other aid includes multisector aid, aid to NGO's, Programme Assistance, Debt Relief, Emergency Aid, Administrative Expenses.

Source: OECD/DAC, Table 3.

#### 4.5. Flexibility

Turkey does not give any BoP or budgetary support to recipient countries, and as such does not deliver development assistance to cover budgetary/BoP gaps.

#### 4.6. Predictability

Information is still being collected on two aspects of predictability of Turkey's bilateral aid: the degree of multi-year planning at the country level and the ratio of actual/planned disbursements.

According to Paris Indicator 7, Turkish aid is not predictable (as measured by ratio of disbursements recorded by Government over aid scheduled by donors).

#### 4.7. Conditionality

Turkish development assistance does not use any political or economic conditionality, and therefore there are no delays to programme execution resulting.

#### 4.8. Policy Dialogue

Information is still being collected on the degree to which Turkey becomes involved in any national policy dialogues in recipient countries. Given that Turkish aid is largely in project and TA form, it is not tied to BWI decisions.

### 5) AID PROCEDURES

#### 5.1 Conditions Precedent

Turkish aid programmes are constructed by programme coordination offices, which take national priorities of the country as well as national development strategies into

account (Fidan, 2007). Currently, Turkey does not have publicly available formal country assistance strategies. Information is still being collected on the conditions precedent for in-country projects.

The Paris Survey Indicator 6 shows that Turkey does not make significant use of Project Implementation Units and there are no PIUs in Afghanistan and the Kyrgyz Republic.

## **5.2 Disbursement Methods**

Information is still being collected on disbursement methods for in-country projects.

## **5.3 Disbursement Procedures**

Information is still being collected on disbursement procedures for in-country projects.

Indicator 5a of the 2008 Paris Survey indicates that Turkey did not use local Public Financial Management Systems in the surveyed countries.

## **5.4 Procurement Procedures**

Turkey does not report data on its ODA tying to the DAC, and information is thus hard to obtain. There is reason to believe that quite a lot of Turkish ODA is tied, as for example the following extract from TIKA's 2005 annual report reads: "*The aforementioned ODA (=total Turkish ODA in 2005) was all grants in-kind nature*" (TIKA, 2007b, p28). Aid in-kind often has a much higher degree of tying than equivalent cash grants.

According to Paris Indicator 5b, Turkey uses partner country procurement procedures only in the Ukraine (100%)

## **5.5 Coordination**

Turkey is a signatory to the Paris Declaration on aid effectiveness and is keen to adhere to the Paris principles (Akçay, 2007; GoT, 2007; Gül, 2007).

As mentioned in section 4.2, Turkey has been identified as a pivotal country in the "Technical Cooperation among Developing Countries (TCDC)" mechanism, with a TCDC umbrella project co-funded by UNDP and the Turkish Government underway. Further, 200 TCDC arrangements have been put into practice in group training, study tours, job training consultancy services and project implementation (Üzümcü, 2007).

TIKA lists the following multilateral and bilateral aid institutions as "partners we work with", without giving more details (TIKA, 2007a):

Multilaterals: FAO, UNDP, UNIDO, Economic Cooperation Organization (ECO), OECD, ISDB, OCHA, World Bank Institute, IFAD and the International Trade Centre (ITC).

Bilaterals: USAID, DFID, JICA, AusAID, SlovakAid and GTZ.

According to Paris Indicator 10a, all Turkish missions were done jointly with other donors in Afghanistan and Ukraine. As for joint analytical work (Indicator 10b) the surveyed countries do not report any being undertaken.

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