

Document: EB 2016/118/R.14  
Agenda: 8(d)  
Date: 18 August 2016  
Distribution: Public  
Original: English

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Investing in rural people

Republic of Turkey

Country strategic opportunities programme

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Executive Board — 118th Session  
Rome, 21-22 September 2016

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For: Review

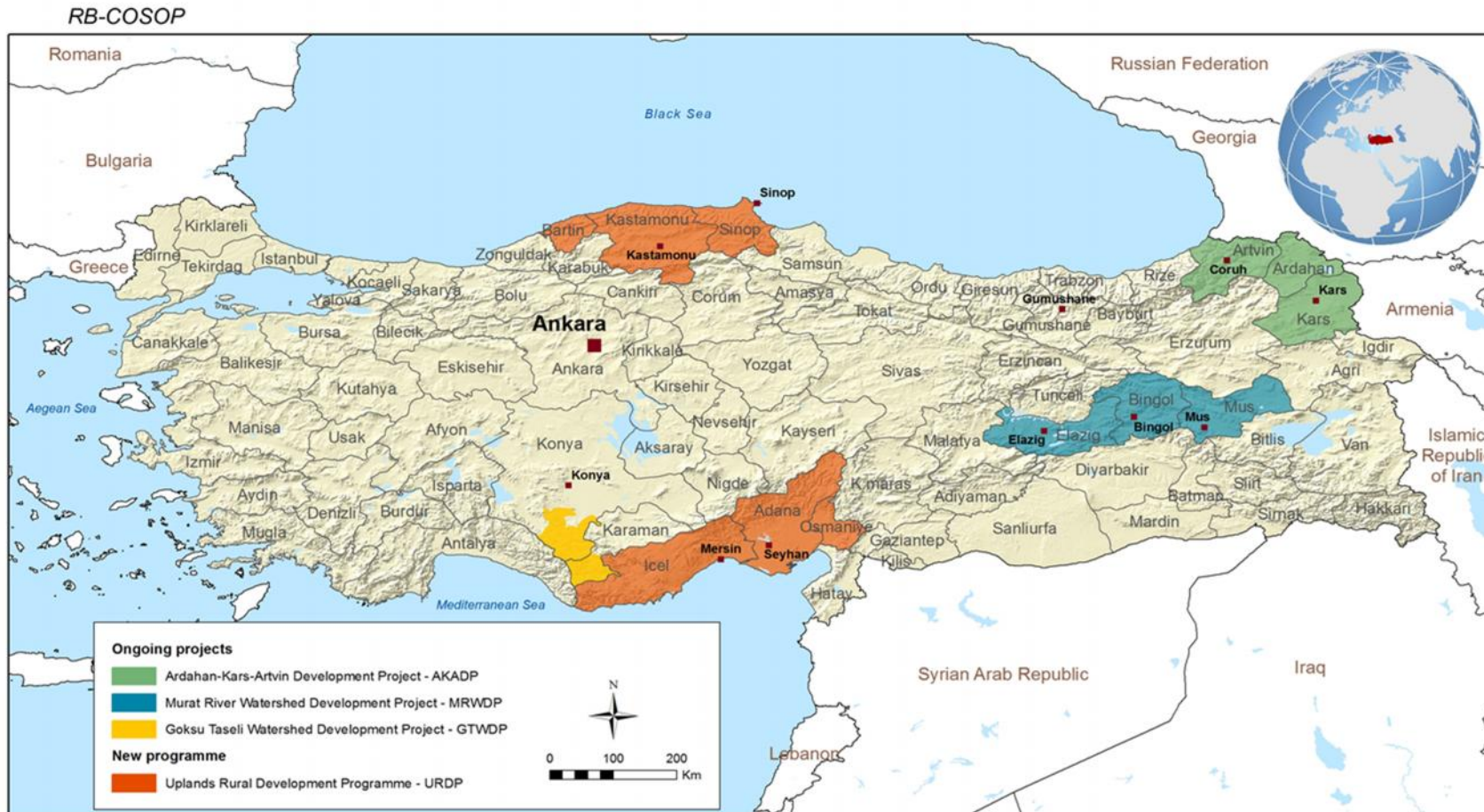
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## Abbreviations and acronyms

CPE	country programme evaluation
DBSDP	Diyarbakır, Batman and Siirt Development Project
FO	farmers' organization
GCF	Green Climate Fund
GEF	Global Environment Facility
GTWDP	Göksu Ta eli Watershed Development Project
ICO	IFAD Country Office
IPARD	Instrument for Pre-Accession Assistance for Rural Development
M&E	monitoring and evaluation
MoFAL	Ministry of Food, Agriculture and Livestock
MFWA	Ministry of Forestry and Water Affairs
MGP	matching grants programme
MoD	Ministry of Development
MRWRP	Murat River Watershed Rehabilitation Project
NRM	natural resource management
PBAS	performance-based allocation system
PPP	public-private partnership
RB-COSOP	results-based country strategic opportunities programme
SECAP	Social and Environmental Climate Change Assessment Procedures
SEDP	Sivas-Erzincan Development Project
SIP	strategic investment plan
SME	small- and medium-scale enterprises
SSTC	South-South and triangular cooperation
TIKA	Turkish Cooperation and Coordination Agency
UNDP	United Nations Development Programme
URDP	Uplands Rural Development Programme

# Map of IFAD-funded operations in Turkey



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 17-05-2016

## Executive summary

1. This results-based country strategic opportunities programme (RB-COSOP) for Turkey covers the period 2016–2021. It is the third COSOP for the country, but the first to be results-based. The strategy capitalizes on analysis of experiences and lessons learned from IFAD-funded projects in the country, a recently completed country programme evaluation (CPE), and the Social and Environmental Climate Change Assessment Procedures (SECAP) undertaken by IFAD in 2015.
2. Turkey is an upper middle-income country. In 2014, the per capita gross national income (GNI) was US\$10,830. Despite impressive growth, Turkey faces many challenges, including integration into the European Union, gender inequality, youth migration, climate change and regional disparities. Regional disparities run largely along the east-west axis. Agriculture, which accounted for 8.6 per cent of the gross domestic product (GDP) in 2014, is no longer the main driver of the Turkey's economic growth. However, agriculture remains important for rural employment: between 2007 and 2012, agriculture employed approximately 61 per cent of rural people. Agriculture is also the largest employer of women.
3. Since 1982, IFAD has financed 10 projects in Turkey. Of the US\$661.1 million total investment, IFAD contributed US\$189 million. More than 1.35 million households benefited from IFAD assistance. As confirmed by the recent CPE findings, interventions supported by IFAD were relevant to the needs of the rural poor and substantially contributed to the creation of their physical and financial assets, both individually and at village level. For recently completed projects, the average income increase was an estimated 55 per cent.
4. Turkey's transition to upper middle-income country status has not meant the end of poverty. Pockets of poverty remain, particularly in the uplands. The public and private sectors have not been agile enough to address the problems in the agricultural and rural sectors and the related poverty among the productive poor in these upland areas. The uplands have suffered from low investment in all sectors. Living conditions are poor and rural out-migration is inevitable. The result is a loss of food security and opportunities for agricultural production. Therefore IFAD's niche in Turkey is in the mountain zones given its comparative advantage of working in remote and marginalized areas.
5. The overall strategic goal of this COSOP is to contribute to reduction of rural poverty in the upland areas of Turkey. Using targeting, gender and community empowerment, innovations for scaling up, and partnership-building as main principles of engagement, the following two mutually reinforcing strategic objectives (SOs) will guide ongoing and future IFAD engagement in Turkey:
  - Strategic objective 1: Enhance market access for productive, poor smallholder farmers. This will be achieved by: (i) training and capacity-building of all actors in the agricultural production chains, with a focus on migration-prone youth and women, formal farmers' organizations, and informal interest groups; (ii) improving farm production and storage infrastructure to reduce post-harvest losses and enhance storage facilities; and (iii) improving access to market information to guide production decisions for quality, quantity and variety.
  - Strategic objective 2: Mainstream sustainable natural resource management into all aspects of upland agricultural production and increase upland climate change resilience. This will be achieved by: (i) promoting soil and water conservation technologies and best practices; (ii) building awareness of and knowledge about climate change and land use/degradation; and (iii) promoting climate-smart agricultural practices such as crop production under cover, drip and sprinkler irrigation, and hail protection nets, etc.

# Republic of Turkey

## Country strategic opportunities programme

### I. Country diagnosis

1. **Country context.** Turkey has a total population of 74.9 million. The large majority – 72 per cent – live in urban areas. In the 2014 Human Development Report, Turkey is listed in the high human development category, ranking sixty-ninth out of 187 countries. Although Turkey is situated in the Mediterranean where climatic conditions are moderate, the diverse landscape and the mountains that run parallel to the north and south coasts create three main climate zones: Mediterranean, sub-tropic and continental. This gives the country significant potential for producing a sustainable supply chain of raw inputs for its processing industry, facilitating its status as a major exporter of food and beverages. In fact, Turkey has become a regional hub for the production, processing and export of foodstuffs to large European and Middle-Eastern markets.
2. **Economic context.** Turkey is an upper middle-income country with a per capita GNI of US\$10,830 (2014) and a GDP of US\$813 billion (2014), making it the eighteenth-largest economy in the world. Turkey's average GDP growth rate was 5.2 per cent between 2002 and 2014. Turkey's largely free market economy is a complex mix of modern industry and commerce with an agriculture sector that fluctuated significantly over the last decade. Agriculture accounts for about 20 per cent of employment, though it accounts for only 8.6 per cent of GDP (2014).<sup>1</sup> Despite impressive growth, many challenges must be addressed, including increasing integration into the European Union, gender inequality, youth migration, climate change and regional disparities. The country's Inequality-adjusted Human Development Index (IHDI) value is 0.641, about 16 per cent lower than its Human Development Index value and below the European Union and the Organisation for Economic Co-operation and Development averages. The low IHDI reflects the unequal distribution of achievements across Turkish society and the regional disparities. The lagging regions (Eastern Anatolia, Southeastern Anatolia and the Black Sea) account for 40 per cent of Turkey's land area, 30 per cent of the population (about 26 million as of year-end 2014), and less than 20 per cent of the economy's income; in these regions, the per capita GDP is only 60 per cent of the national average.
3. **Poverty.** The country made notable progress in poverty reduction in the last two decades. According to World Bank statistics, the population living below the national poverty line decreased from 30.3 per cent in 2004 to 2.3 per cent in 2014 (1.6 per cent in urban areas; 5.9 per cent in rural areas). However, according to Ministry of Development (MoD) statistics, an estimated 16.3 per cent of the population live below the poverty line (US\$1.699 per day). About 7.3 million people (9.5 per cent of the population) live in forest villages located mainly in the uplands and are among the poorest in the country. The Gender Inequality Index value for Turkey is 0.359, ranking it 72<sup>nd</sup> out of 149 countries. Women still have limited participation in governance and very limited access to and control over resources such as land and finance. The agricultural sector is the largest employer of women, in which they account for 44 per cent of the agricultural labour force.
4. **Agriculture.** The agricultural sector is Turkey's largest employer and a major contributor to the country's GDP, exports and rural development. Although declining in importance in relation to the industrial and service sectors, agriculture nonetheless continues to play a fundamental role in Turkish society, employing about a quarter of the workforce and generating most of the income and

<sup>1</sup> <http://data.worldbank.org/indicator>.

employment in rural areas. The main structural problem of the sector is land fragmentation, primarily due to the cumulative impact of the inheritance laws that divide land equally between inheritors. The average land size per farmer is 6.8 hectares (ha). Land fragmentation dissuades farmers from investing in appropriate technologies, restricts access to plots and irrigation, limits the choice of crops and timely agronomic operations, and increases production costs.

5. **Climate and Environment.** Overall, 85 per cent of Turkey's land area is affected by slight to severe soil erosion, affecting 54 per cent of forestlands, 59 per cent of agricultural lands and 64 per cent of rangelands. On the other hand, over 54 per cent of Turkey's land area consists of semi-arid to arid ecosystems threatened by desertification. Projected climate change, biodiversity loss and increased aridity combined with the expansion of agriculture, forestry and livestock production in arid regions are areas of growing concern. Turkey is listed as a water-scarce country. Pressures on water resources come from all sectors, agriculture being the highest, using 75 per cent of the country's water. According to the 2007 Intergovernmental Panel on Climate Change, Turkey is expected to experience a reduction in crop yields due to decreased precipitation in semi-arid regions, increased temperatures and decreased water availability for irrigated activities.
6. **Key challenges.** Problems in rural areas are multifaceted and persistent, particularly in lagging regions and upland villages. Problems include poor human resources (low education and skills); ineffective institutional structures, such as farmers' organizations; highly scattered settlement patterns; insufficient investments for developing and maintaining physical, social and cultural infrastructure; a high rate of hidden unemployment; and insufficient diversification of agricultural and non-agricultural activities resulting in low incomes and a relatively low quality of life for the rural population. These problems trigger inter- and intra-regional migration from rural to urban areas, mainly from east to west.
7. **Risks.** In 2015, Transparency International's Corruption Perceptions Index ranked Turkey sixty-sixth out of 168 countries (down from 64 of 175 in 2014) with a score of 42. The European Union accession process has been the major driver of anticorruption efforts by the Government. Security had been identified as a risk, which impacts livelihoods and private-sector investments in the country. However, the proposed target regions are by and large free of any conflict and expected to remain so. At implementation level, lessons from past and ongoing projects indicate that delays in establishing project management units slowed down project start-up. The problems stemmed mainly from a lengthy recruitment process for selected Professional staff and lack of interest by service providers in working in or locating to areas with security risks. A proactive approach would have addressed these problems, for instance by ensuring early approval of project staff job descriptions and an immediate start to procurement processes once loan agreements are signed.

## II. Previous lessons and results

8. Cooperation between IFAD and the Government of Turkey involves investment loans and grants as well as non-lending activities such as knowledge management, policy dialogue and partnership-building. IFAD has financed 10 projects since 1982. The total programme cost was US\$661.1 million, comprising funds from IFAD (US\$189 million), Cofinanciers (US\$148.8 million) and counterpart contribution (US\$323.3 million). Since 1982, more than 1.35 million households have benefited from IFAD assistance to Turkey.
9. The recent CPE confirmed the project completion report's main findings for the recently completed projects (Sivas-Erzincan Development Project [SEDP] and Diyarbakir, Batman and Siirt Development Project [DBSDP]) as follows:

- (a) Physical assets. The IFAD-funded projects substantially contributed to the creation of physical assets for the rural poor, both individually and at the village level. Recent achievements include: (i) 46 village sewerage systems installed; (ii) seven irrigation schemes developed on 8,892 ha (increasing land value by 1.5 times); (iii) construction of 175 km of rural roads; and (iv) establishing and/or modernizing about 150 barns. The projects also supplied 300 producers' associations with technologies and equipment for milk cooling, storing and transport, thus increasing the physical assets owned and run by the communities. The DBSDP resulted in more than 2,250 new full-time-equivalent jobs or better-paid employment.
  - (b) Financial assets. IFAD operations demonstrably improved rural households' access to financial resources for starting or expanding agricultural businesses. These improvements are a direct result of the IFAD-financed matching grant programmes and increased beneficiary awareness of other financing possibilities, such as the Government's grant programmes (e.g. for purebred cattle), the European Union/Instrument for Pre-Accession Assistance for Rural Development (IPARD) grant programme, and favourable loans from the Turkish bank of agriculture, Ziraat Bank.
  - (c) Agriculture productivity. Investments in irrigation systems improved water availability and increased water use efficiency by up to 30 per cent. Farmers reported an average yield increase of 60 per cent for sugar beet, tomatoes, grapes, apples and wheat. The projects enabled farmers to reduce dependency on a single crop and introduce diversification. An average income increase of 55 per cent was observed in these recently completed projects.
  - (d) Dairy farming and other enterprises. The average participating small dairy farmer increased herd size by 35 per cent and milk production by 30 per cent, resulting in a 20 per cent internal rate of return. IFAD's support of apiculture as an off-farm income-generating activity increased honey production by approximately 80 per cent per hive.
  - (e) Living conditions in the poorer villages. The support provided for village sewerage, feeder roads, drinking water systems and communal bakeries all improved village living standards. Positive effects included increased access to markets, a reduction in women's workloads and enhanced group cooperation. In 30 SEDP villages, beneficiaries confirmed that the investment in sewerage systems improved hygiene and health, particularly for children. Furthermore, almost all of the houses were refurbished with hygienic sanitary facilities.
10. The main lessons applicable to future investments are:
- (a) Providing a strategic investment plan (SIP). Small- and medium-scale rural enterprises benefited from the SIP approach through linkages to markets, increased productivity and better incomes for producers. The approach has potential for replication in other subsectors and geographic areas of Turkey, while respecting IFAD's focus on the poorer rural inhabitants.
  - (b) Providing a matching grants programme (MGP). The existing government matching grants were not pro-poor and did not take into consideration the absorption capacity of the beneficiaries. IFAD's matching grant programme addressed this issue. MGP procedures should be monitored to ensure appropriateness of eligibility criteria for the target groups, percentage of the grant portion and training beneficiaries on grant procedures.
  - (c) Supporting farmers' organizations (FOs). Programme support for strengthening farmers' and producers' organizations enhanced production and



managerial capacity. Continuation of such support would improve productivity, income and bargaining power.

- (d) Supporting pro-poor value chains. The selection of the supply chains and institutions aimed to ensure the promotion of commercialized agriculture without losing focus on the poorer producers and the requirements of the intermediary institutions (e.g. the FOs).
- (e) Improving the weak monitoring and evaluation (M&E) system. Projects supported by IFAD and other agencies suffered from shortcomings in M&E, particularly in reporting outcomes and impacts at local, regional and national levels. The M&E capacity of implementing partners must be developed and closely monitored. IFAD must also provide capacity-building and implementation support.
- (f) Increasing the currently limited private-sector involvement in remote upland areas. To date, government-led development programmes have not attracted the private sector. In its partnering with government agencies, IFAD interventions should ensure up-front capacity-building and training at the producers' level. New products (e.g. new varieties) and services (e.g. storage) should be introduced to the markets through SIPs, in close collaboration with private-sector representatives in the value chain (i.e. small producers/organizations and agroprocessors or traders/exporters).

### III. Strategic objectives

11. In a large upper middle-income country like Turkey, IFAD's overall development contribution may appear marginal. However, the demand from in-country partners and policymakers for IFAD to demonstrate new models and approaches, and knowledge products and services has increased, as has the scope to mobilize the required expertise. The successes and results of the IFAD programme have further increased demand. IFAD's more recent institutional focus on value chains and market access for the poor supports the national strategies for agricultural and rural development. There is a significant need for effective ways to strengthen the links between the productive poor and the markets. This link has been neglected due to the public- and private-sector focus on more prosperous, profitable and resource-endowed areas that are geographically and ecologically less challenging. The uplands have suffered from low investment in all sectors, and because living conditions are low, rural out-migration is inevitable. The result is lost opportunities for agricultural production and, to an extent, compromised local food security. Therefore, IFAD's niche in Turkey is to work in the mountain zones as its comparative advantage lies in operating in remote and marginalized areas.
12. The overall strategic goal of the COSOP is to contribute to reducing rural poverty in the upland areas of Turkey. This goal is fully in line with: (i) the Government's long-term strategy and the priorities of other sectors; (ii) the IFAD Strategic Framework 2016-2025; and (iii) the Sustainable Development Goals applicable to Turkey. Using targeting, gender and community empowerment, innovations for scaling up, and partnership-building as the main principles of engagement, the following two mutually reinforcing objectives will guide ongoing and future IFAD engagement in Turkey:
  - Strategic objective 1: Enhance market access for productive, poor smallholder farmers. This objective will be achieved through: (i) training and capacity-building for all actors in the agricultural production chains, with a focus on migration-prone youth and women and existing FOs or informal interest groups; (ii) improving farm production and storage infrastructure to reduce post-harvest losses and improve storage conditions; and (iii) improving market information access to guide production decisions with a view to increasing quality, quantity and variety.

- Strategic objective 2: Mainstream sustainable natural resource management into all aspects of upland agricultural production and increase upland climate change resilience. This objective will be achieved through: (i) promoting of soil and water conservation technologies and best practices; (ii) enhancing awareness and knowledge management of climate change and land use/degradation; and (iii) promoting climate-smart agricultural practices, including crop production under cover, drip and sprinkler irrigation, and hail protection nets.

## IV. Sustainable results

### A. Targeting and gender

13. The target group will consist of productive smallholders (men and women), farmers, pastoralists, and rural women and youth willing to engage in small- and medium-scale enterprises (SMEs) for downstream market value chains. All target groups must apply for programme benefits (self-targeting). To benefit from investments through matching grants, the applicants must comply with eligibility criteria. Proposals from FOs that include at least 30 per cent women will have preferential consideration.
14. Geographic targeting identified the mountain zones as areas where there are opportunities for substantial improvements in agricultural productivity and profitability. These areas show consistent disparities not only between the different mountain zones and other parts of Turkey, but also within the upland and lowland areas of those zones. The mountain villages have a higher poverty rate, which is the first criterion for geographic targeting. This COSOP will have a primary and a secondary target group.
15. A gender strategy and implementation action plan will include actions to improve production and develop market linkages, as well as activities designed to expand women's and poorer households' access to and control over capital, land, knowledge and support services. The plan will be reviewed every year. A key measure will be establishing quotas for access to services and participation in decision-making bodies for women and youth.

### B. Scaling up

16. Scaling up will be a main principle of engagement as stipulated in the IFAD Strategic Framework 2016-2025. Government representatives have committed to scaling up sustainable development models for pockets of poverty, particularly in the uplands. This will be accomplished by adopting a programmatic approach to IFAD investment and through scaling up two ongoing IFAD investment programmes with similar characteristics – the Murat River Watershed Rehabilitation Project (MRWRP) and Göksu Ta eli Watershed Development Project (GTWDP) – as well as the Uplands Rural Development Programme (URDP) currently in the pipeline. Scaling up under this COSOP aims at increasing the number of small producers, rural women and youth with sustained market access (SO1) and strengthening resilience to climate change (SO2).

### C. Policy engagement

17. Country-level policy engagement is a priority for IFAD's country strategy in Turkey. The role of the IFAD-led programme is to contribute to the achievement of the above-mentioned strategic objectives. More importantly, it will create a pro-poor focus, ensuring that resource-poor small farmers have access to and can benefit from the programme. IFAD can add particular value to two core operations and policies in Turkey, as described below.
18. Reinforcing the pro-poor and gender focus in the financing, implementation and monitoring of government strategies, policies and investment programmes. In the context of the subsidy system in rural areas, the IFAD will provide technical

assistance for analysing and enhancing the efficiency of agricultural support policies, in coordination with partners including the other Rome-based agencies. To this effect, IFAD will support greater access by small, collateral-deficient productive poor men, women and youth to the subsidy system, while also communicating the need for pro-poor inclusive targeting.

19. Promoting the long-neglected links between the productive poor and markets in the most disadvantaged areas, such as the uplands, through policy engagement and partnership-building. IFAD can help facilitate dialogue among private-sector actors to identify policy and operational challenges and potential solutions. IFAD will also work to propose mutually beneficial solutions to enhance the environment in which smallholders operate. Private investments in upland rural areas will be stimulated by linking buyers to producers, and by creating links with Ziraat Bank or commercial banks, thereby facilitating the emergence of public-private partnerships (PPPs).
20. IFAD policy engagement in Turkey will consist of three methods of influencing national policies and strategies: (i) the IFAD Country Office and country programme manager will participate in the in-country government working groups and collaborate with development partners; (ii) IFAD Country Office and project staff will communicate successful approaches that have been tested under IFAD-supported projects for potential scaling up and adoption by the Government; and (iii) IFAD will promote projects to enhance participation by rural people's organizations in national policy processes, thus providing these organizations with a stronger advocacy role.

#### D. Natural resources and climate change

21. In line with the findings of the SECAP study, the RB-COSOP will support sustainable environmental and social outcomes, promote greater social equity in rural communities, and encourage appropriate measures for adaptation to and, where feasible, mitigation of climate change risks. Additionally, IFAD will maintain dialogue about these issues with the Government and other relevant stakeholders and development partners. The main strategic actions recommended are to:
  - Maintain the newly identified focus on elevation-based poverty where the rural poor risk being disproportionately affected by unsustainable natural resource management (NRM) practices that increase depletion of the natural resource base due to climate change;
  - Support the need for specific knowledge generation about climate change impacts, and/or an understanding of how small-scale producers are affected;
  - Continue to promote water conservation technologies, raising awareness and promoting knowledge management of climate change and land use/degradation;
  - Improve IFAD's policy impact by partnering and collaborating with other United Nations agencies operating in Turkey and technical/financial development partners; and
  - Recognize that future IFAD projects and programmes must be guided by the climate adaptation needs of beneficiaries in the target upland areas.

#### E. Nutrition-sensitive agriculture and rural development

22. IFAD-supported activities in Turkey relevant to food security and nutrition will focus on increasing dietary diversity and household incomes. Diversification of crop production, integrated homestead food production models (home gardens, small livestock, etc.) or nutrition-sensitive value chains will focus on both nutrition and monetary aspects. Focusing on vulnerable groups, IFAD will address low household

income, as this has been identified as the main contributing factor to slight malnutrition and inadequate vitamin intake, particularly among children.

## V. Successful delivery

### A. Financing framework

23. The lending and non-lending activities and deliverables of this COSOP will be achieved through a joint effort involving the IFAD country programme management team, government agencies and in-country partners and donors. The IFAD country programme officer, to be stationed in Ankara by year-end 2016, will enhance this collaboration and raise IFAD's visibility.
24. The COSOP pipeline will consist of the URDP (see appendix VI), which uses the programmatic approach and nearly two entire allocations under the performance-based allocation system (PBAS) (for the 2016-2018 and 2019-2021 cycles). A portion of the 2016-2018 allocation – US\$1 million – will support non-lending activities and South-South and triangular cooperation (SSTC) in Turkey.
25. IFAD and the Government partners – the Ministry of Food, Agriculture and Livestock (MoFAL) and MoD – are in agreement that designing the entire URDP up front is more cost effective. A tentative total cost of the programme is approximately US\$220 million. IFAD will work closely with the Government to mobilize about US\$100 million in domestic contributions, and also seek to mobilize approximately US\$50 million in cofinancing from other international financial institutions. The OPEC Fund for International Development and Islamic Development Bank have expressed interest in cofinancing the URDP. Options to secure supplemental funding from the Global Environment Facility (GEF) and/or the Green Climate Fund (GCF) will be explored.
26. During the COSOP period, IFAD will make US\$1million available in grant financing from the PBAS allocation for 2016-2018 to support SSTC. The objective is to contribute to achieving food security by supporting sustainable agricultural production and improving NRM in developing countries, mainly in the Near East, North Africa, sub-Saharan Africa, and Asia. Turkey is well placed to share successful experiences and lessons from its rural and agricultural development strategies with developing countries. Activities funded will relate to policy dialogue, technology transfer, capacity-building and knowledge management. IFAD will act as an advocate, a knowledge broker, a builder of partnerships and a catalyst of the SSTC for each recipient country.

Table 1  
**PBAS calculation for COSOP year 1**

<i>Indicators</i>	<i>Year 1 scores</i>
A(i) Policy and legal framework for rural organizations	5.25
A(ii) Dialogue between government and rural organizations	5.75
B(i) Access to land	5.00
B(ii) Access to water for agriculture	5.00
B(iii) Access to agricultural research and extension services	5.00
C(i) Enabling conditions for rural financial services development	4.25
C(ii) Investment climate for rural businesses	5.66
C(iii) Access to agricultural input and produce markets	5.00
D(i) Access to education in rural areas	5.00
D(ii) Representation	4.33
E(i) Allocation and management of public resources for rural development	5.00
E(ii) Accountability, transparency and corruption in rural areas	4.75
<b>Sum of combined scores</b>	<b>220.00</b>
<b>Sum of average scores</b>	<b>5.00</b>
Project at risk (PAR) rating (2015)	5.00
Country Policy and Institutional Assessment (CPIA) rating (2014)	4.78
Country score (2015)	5.00
<b>Annual allocation (United States dollars, 2016)</b>	<b>12 175 695</b>

Table 2  
**Relationship between performance indicators and country score**

<i>Financing scenario</i>	<i>PAR rating (+/- 1)</i>	<i>Rural sector performance score (+/- 0.3)</i>	<i>Percentage change in PBAS country score from base scenario</i>
Hypothetical low case	4	4.7	-24
Base case	5	5.0	0
Hypothetical high case	6	5.3	27

## B. Monitoring and evaluation

27. Learning from previous operations in the country, the design of M&E systems will be improved, thus strengthening results-based project management, implementation and supervision. M&E will be used as a knowledge generator that can help the Government and IFAD make informed decisions, most notably regarding policy dialogue, knowledge management and scaling up. The M&E system of the COSOP will combine inputs from MoFAL's Agricultural Monitoring and Information System (TARBIL) and will record inputs and outputs in a central database. The country programme and implementation partners will benefit from the newly approved IFAD regional grant called Strengthening M&E to Narrow the Knowledge Gap of IFAD-Financed Interventions. This regional grant aims to strengthen the capacity of regional institutions to create a results-based management curriculum, which will be delivered to staff involved in IFAD-financed projects in the region.
28. To enhance the selection of target areas and beneficiaries, the COSOP team and national institutions will use the Google-based project mapping tool. By mapping all ongoing operations as well as all available socioeconomic, environmental and climatic data, the analysis will help identify the most vulnerable areas and groups.

## C. Knowledge management

29. Given the importance of knowledge for investment effectiveness and non-lending activities, and in line with the related CPE recommendation, the country programme will actively generate and share knowledge throughout the portfolio. Knowledge management will be strengthened by a systematic strategy for

collecting, documenting and disseminating lessons and best practices that emerge from IFAD-supported projects in Turkey.

30. Two particular knowledge products will be prepared during the COSOP period. First, a thematic study on sustainable development and poverty alleviation in mountainous ecosystems will analyse experiences and draw lessons from IFAD-supported projects in the mountain zones of Morocco and Turkey. The study's findings and recommendations will feed into the design and implementation of similar projects in both countries and also – in the context of SSTC – in Bosnia and Herzegovina, Georgia, Lebanon, the Syrian Arab Republic and Tunisia. Second, to address the absence of an impact analysis of the performance of national support programmes, IFAD will help the Government generate knowledge on the impact of matching grants and subsidies.

#### D. Partnerships

31. Stronger partnerships with a wider range of actors will be explored, including MoFAL, MoD, and the Ministry of Forestry and Water Affairs (MFWA); national institutions such as the Turkish Cooperation and Coordination Agency (TIKA); and private actors, community-based organizations and donors. In terms of potential new national partners, IFAD may partner with regional development agencies, such as the Southeastern Anatolia Project (GAP), Konya Regional Development Agency, KOP, (for Konya Basin), DOKAP (for Eastern Black Sea) and DAP (for Eastern Anatolia). These agencies have increasingly emerged as valuable partners at the provincial level. The lessons learned from the partnership with the Konya Regional Development Agency in the context of GTWDP implementation will enhance partnerships with other regional development agencies.
32. Turkey has a functioning market economy and has already adopted sound policies with structural reforms to reduce the role of the state and improve the business environment for private investment. But to date, Government-led rural development programmes have been unable to attract private investment in value chains in the uplands. This is primarily due to: (i) lack of systematic market linkages and unreliable quantity and quality of agricultural products from smallholder producers; and (ii) the need for relevant, customized mentoring for marketing by government agencies. The operations under the COSOP will address this reluctance by encouraging entrepreneurs through the matching grants programme. This will facilitate PPPs because private actors can be buyers, traders, investors or suppliers of finance. It will also ensure up-front capacity-building and training at the producer level, thereby reinforcing integration of upland beneficiaries into the larger markets.

#### E. Innovations

33. The newly introduced combination of an integrated, bottom-up and market-oriented private sector approach to rural poverty reduction and socioeconomic development is a major innovation in Turkey. At both the regional and the local level, the proposed programme will capitalize on valuable innovations in techniques and approaches introduced by IFAD. These include SIPs, pro-poor MGPs and climate-smart agriculture. The latter will focus on providing smallholder farmers and local communities with a package of climate-smart techniques such as integrated pest management, vegetable production under cover, renewable energy, drip irrigation, participatory rangeland management and tailored IT-based weather forecasts for better real-time planting and harvesting. In addition, some international donor programmes have innovative features that improve the quality and quantity of agricultural sector outputs while ensuring climate-smart development for those living in the rural areas.

## F. South-South and triangular cooperation

34. Turkey and IFAD recognize the importance of SSTC and have already established partnerships that combine Turkey's experience in agricultural, livestock and forestry development with IFAD's experience in other countries, particularly with regard to pro-poor targeting and women's empowerment. Other countries will benefit from enriched agricultural policy options, especially in agricultural productivity, FOs, NRM and access to markets. This is an important element in Turkey's official development assistance programme, which is administered by TIKA. In 2013, Turkey's official development assistance rose by 30 per cent, exceeding US\$3.3 billion. Among the goals of Turkish foreign policy is extending the scope of Turkey's involvement beyond the immediate neighbouring countries and proactively addressing pressing global issues including agricultural development; provision of water and sanitation; vocational training and institutional capacity development; and humanitarian assistance.
35. The collaboration between IFAD and TIKA began in 2014 with capacity-building for staff from IFAD-supported projects in Morocco, Tunisia, Sudan and Yemen. IFAD and TIKA are currently assessing the potential for scaling up the collaboration to other countries in the Balkans, Central Asia and Africa. Two SSTC initiatives for Georgia and Somalia were discussed with MoFAL and MoD: (i) providing technical assistance and capacity-building for public institutions and community-based associations that manage irrigation schemes in Georgia; and (ii) assisting the Government of Somalia with the preparation of its economic development plan. To support implementation of SSTC solutions and to establish and strengthen networks of cooperation regarding food security and fragile situations, IFAD has allocated grant resources of US\$1 million for use during the COSOP implementation period.

## COSOP results management framework

Country strategy alignment  (National Rural Development Strategy 2014-2023)	Key Results for RB-COSOP (covers 2 PBAS cycles)			Indicative Lending and Non-Lending activities (in partnership mode, with ICO)
	Strategic objectives	Outcome indicators <sup>2</sup>	Milestone indicators <sup>34</sup>	
<p>Sustainably reduce regional disparities in income (also applies to uplands) by enhancing on and off farm economic opportunities</p> <p>Reduce outmigration through actions for “development in own habitat”</p>	<p>S.O.1: Poor small farmers’ access to markets is enhanced.</p>	<p>30% increase in volume and value of sales made by producers from improved market access</p> <p>12 000 on-farm and off-farm jobs created of which at least, 60% for women and youth</p> <p>30% increase in participating households’ incomes</p>	<p>20% Government funds allocated to investments in upland areas</p> <p>At least 100 under micro or small enterprise brands created and owned by women</p> <p>25% increase in private sector investments in the rural upland areas</p> <p>At least 10,000 small producers in targeted areas report improved productivity by 30%</p>	<p>Lending/investment activities: Upland Rural Development Project (URDP): USD 35.5 million from IFAD under 2016-2018 PBAS cycle and another USD 35 million under 2019-2021 cycle for</p> <ol style="list-style-type: none"> <li>1) Western Black Sea Rural Development Project</li> <li>2) Eastern Mediterranean Rural Development Project</li> </ol> <p>Non-lending activities: Under the coordination of TIKA, MOFAL, MoD and IFAD collaborate in SSTC programs: USD 1 million allocated under 2016-2018 PBAS</p> <p>i) in Georgia, TA and capacity building for public institutions and community based associations on management of irrigation schemes with support from on-going projects</p> <p>ii) in Somalia, work with MoD to develop agriculture chapter of the Economic Development Plan.</p>

<sup>2</sup> All indicators will be gender disaggregated, when applicable

<sup>3</sup> TBD: Baseline will be established at launching of URDP

<sup>4</sup> Evaluation conducted end of 2018 and end 2021



				<p>A thematic study carried out on "Sustainable Development and Poverty Alleviation in Mountainous Ecosystems" to guide NEN and countries in the region</p> <p>Multi-sectorial policy dialogue platforms established</p> <p>A thematic study carried out on "Sustainable Development and Poverty Alleviation in Mountainous Ecosystems" to guide NEN and countries in the region</p>
<p>Promote Climate smart agriculture</p> <p>Promote sustainable natural resource management and maintain ecosystem services</p>	<p>S.O.2: Sustainable NRM is mainstreamed into all aspects of agricultural production and climate resilience enhanced in uplands.</p>	<p>40% increase in number of farmers practicing GAP and climate-smart agricultural practices</p> <p>50% reduction in post-harvest losses</p> <p>25% of farmers making production decisions using weather and climate information</p>	<p>At least 25,000 farmers shift to using efficient irrigation infrastructure</p> <p>About 5,000 farmers practicing green growth approaches on pilot basis</p> <p>At least 15.000 farmers report increased quality and quantity in production as a result of informed decisions</p>	<ol style="list-style-type: none"> <li>1) Establish a framework for collaboration between implementation partners and research system for CC adaptation</li> <li>2) Annual national roundtable to share programme results around CC and Adaptation investments and participation in international fora (1 a-year)</li> </ol>
<p>Contribute to global efforts to reduce rural poverty</p>	<p>Partnership strengthening</p>	<p>Joint SSTC initiatives with Turkey and in-country partners</p> <p>Increase in Turkey's contribution to IFAD Resources</p>	<p>At least 2 SSTC initiatives launched</p> <p>10% increase in pledge by Gov. of Turkey for IFAD-11 by early 2019</p>	<ol style="list-style-type: none"> <li>1) Synergy developed with UNDP and FAO programs for SSTC and to impact policy by building on IFAD's comparative advantage and competencies in Turkey</li> <li>2) Annual implementation review workshops with stakeholders and potential partners</li> <li>3) One annual publication to disseminate programme outcomes for heightened awareness of IFAD's comparative advantage</li> </ol>

## Agreement at completion point of last country programme evaluation

### Turkey Country Programme Evaluation Agreement at Completion Point

#### Introduction

1. This is the first country programme evaluation (CPE) undertaken by the Independent Office of Evaluation (IOE) of IFAD of the IFAD-Turkey partnership. The CPE covers IFAD operations in the country in the period 2003-2015. It includes an assessment of the 2000 and 2006 IFAD country strategies for Turkey, four IFAD-financed projects and programmes, grant-funded activities, non-lending activities (knowledge management, policy dialogue and partnership building), and south-south and triangular cooperation (SSTC).
2. The three main objectives of the CPE were to: (i) assess the performance and impact of IFAD-supported operations in Turkey; (ii) generate a series of findings and recommendations to enhance the country programme's overall development effectiveness; and (iii) provide insights to inform the next COSOP for Turkey, to be prepared by IFAD and the Government for presentation to the IFAD Executive Board in September 2016.
3. The Agreement at Completion Point (ACP) reflects the understanding between the Government of Turkey and IFAD Management of the main Turkey CPE findings and recommendations. In particular, it comprises a summary of the main evaluation findings in Section B, whereas the ACP is contained in Section C. The ACP is a reflection of the Government's and IFAD's commitment to adopt and implement the CPE recommendations within specific timeframes.
4. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.
5. The ACP will be signed by the Government of Turkey (represented by ..... in the Ministry of Food, Agriculture and Livestock) and IFAD Management (represented by the Associate Vice President of the Programme Management Department). IOE's role is to facilitate the finalisation of the ACP. The final ACP will be submitted to the Executive Board of IFAD as an annex of the new COSOP for Turkey. It will also be included in the final Turkey CPE report.

#### Main Evaluation Findings

6. The long-standing IFAD-Turkey partnership is strategically important for both IFAD and the Government of Turkey. From IFAD's perspective, Turkey is recognized as a significant player in the region and has the potential to scale up IFAD-supported development interventions, leveraging IFAD's relatively limited resources in the country. The dual role of Turkey as borrower and donor opens new opportunities for partnering. From Turkey's perspective, IFAD is recognized and appreciated for addressing regional disparities in Turkey, for its rural poverty focus, technical expertise, country experience, and its potential to bring international knowledge and experience to the country.
7. The loan-financed portfolio has generated mixed results. The CPE found that project objectives were consistent with government priorities and COSOP objectives. Interventions supported by IFAD were also relevant to the needs of the rural poor and included the introduction of appropriate technologies. Rural infrastructure has generated broad-based benefits, and the projects have made important advances in

increasing incomes and assets, in agricultural productivity and in supporting commercialization. The portfolio demonstrated more modest achievements in terms of other objectives, for example, such as increasing rural employment and building and strengthening self-sustaining institutions of poor rural people.

8. The projects channelled resources effectively to poor villages and farm households within those villages, although with a greater focus on more capable and resourced farmers to the exclusion of the poorest farmers and without sufficiently strong mechanisms to ensure equal participation of women and men in project activities and investments. A targeting strategy ensuring adequate focus on the rural poor is essential for the IFAD-financed programme to remain relevant in Turkey, and to contribute to Turkey's commitment to reducing disparities among and within regions in the country.
9. Moreover, ensuring appropriate support to poor smallholder farmers, key actors in the rural economy, is a vital pillar for sustainable and inclusive rural transformation in Turkey. While the projects introduced adequate sustainability mechanisms, sustainability of benefits remains an area of concern in the programme, limited by weak operation and maintenance arrangements and insufficient collaboration with the rural financial sector.
10. Investments were generally well-managed and cost-effective, with infrastructure a highly efficient component. Project management has been generally effective, despite the challenges of understaffing and frequent rotation. Monitoring and evaluation has been a consistently a low-performing area of the programme and needs to be strengthened from both the government and IFAD side in order to be able to account for results in a more substantive manner. The innovations promoted have triggered a positive response from farmers, who have adopted the new techniques and approaches. In most cases the innovations have been incremental. On the other hand, the CPE found limited evidence of scaling up by the Government of Turkey of positive features introduced by the IFAD-supported projects in national policies and domestically-financed programmes.
11. Performance in non-lending activities is overall moderately unsatisfactory. Several knowledge management activities have been carried out to exchange and disseminate knowledge from the programme, but overall there is room to further enhance disseminate lessons and best practices generated by IFAD-supported projects in Turkey. IFAD support to South-South-Triangular-Cooperation (SSTC) in Turkey through a regional grant is incipient and has yet to provide an adequate response to Turkey's interest and capacity in this area.
12. Partnership with the Ministry of Food, Agriculture and Livestock is very good. The Fund also maintains a good working relation with Ministry of Development and the Undersecretariat of Treasury. There are opportunities for improvement in dialogue and communication between IFAD and the Government, with policy-level partners and implementing agencies, on IFAD's strategies and policies and the overall level and predictability of resources. Partnerships with international financial institutions are limited. Policy dialogue has been conducted mainly through the COSOPs and the projects, and within a narrow circle confined to the two main implementing agencies.
13. Stronger partnerships with a wider range of actors, including other development partners, national institutions, civil society organizations, think tanks and academia, are needed to boost the level of ambition of the programme aiming at significantly scaling-up the benefits of IFAD-financed interventions in Turkey. Moreover, particularly in view of limited resources, ensuring coordination and complementarity with ongoing activities by the government (including the Regional Development Administrations) and other international partners is essential for programme efficiency. In this regard, collaboration with various partners under thematic

approaches (e.g. climate-smart agriculture, smallholder access to markets) merits consideration in the future.

14. There are positive signs in the evolution of the programme in connection with the plans to establish an IFAD country office in Turkey, openness to new partnerships, and recent progress in SSTC. The new COSOP is an opportunity for IFAD and the Government of Turkey to set new strategic directions to meet the expectations of the partners.
  - Agreement at completion
15. Based on the findings in the evaluation, the CPE proposes five main recommendations to be considered for the future country strategy, in the light of Turkey's rapidly growing economy, its regional status as an upper middle-income country and where IFAD can support Turkey's efforts in rural development.
16. Recommendation 1: Prepare a new IFAD Country Programme Opportunities Paper (COSOP) for Turkey. There is a need to improve the strategy formulation process so as to enable a proper analysis of IFAD's strengths and limitations in Turkey and the opportunities and threats it faces in building a more effective partnership with the Government of Turkey and other potential partners. While a process that follows past practice -involving key government entities- is necessary, it is not sufficient for addressing the diversity and depth of challenges that confront IFAD in Turkey today. The CPE makes it clear that past approaches to issues such as SSTC, partnerships, the participation of the rural poor, women and youth in project activities and benefits, new technology for resource-poor farmers, commercialization of agriculture and knowledge management (including M&E contributions, in particular) need fresh perspectives. It is imperative, therefore, to engage relevant national and international resource persons from both within and outside the public sector and the donor community in developing strategic directions that are robust and likely to work in the country context.

Proposed follow-up:

The Near East , North Africa and Europe Division of IFAD has already started preparing, in collaboration with partners in Turkey the RB-COSOP covering the two cycles 2016-2018 and 2019-2021. The RB-COSOP will incorporate the CPE recommendations as much as possible within the Turkish context.

Responsible partners: IFAD, MOFAL, MoD, MFWA, TIKA

Timeline: The RB-COSOP will be presented at IFAD EB of Sep 2016

17. Recommendation 2: Improve targeting in terms of scope and accessibility to project benefits, particularly for poorer farmers and specific target groups including women and youth. Turkey is a country experiencing growing income disparity, and so poverty reduction efforts need to identify and recognize disparities, that may exist even within rural communities. Inclusiveness is placed high in the government agenda to ensure that the benefits of growth and prosperity are shared by all segments of the society. Improved targeting approaches can be achieved through various methods, which should include several key aspects. Firstly, future programming should be more precise in identification of target groups and use participatory processes to ensure inclusion of these groups in project decision-making. Secondly, there is a need to introduce specific initiatives and new partners to make sure that the more disadvantaged are not left out. These may include Ministry of Youth and Sports to help design appropriate approaches to attract and retain young farmers, Chambers of Commerce as mentors or area-based NGOs that work with culturally and linguistically diverse communities. This improved targeting will also require better definition at the design phase of who will

benefit and how in M&E systems, as well as detailed indicators to track participation and benefits.

Proposed follow-up:

18. The IFAD experience both in Turkey and elsewhere would be tapped to strengthen the GOT's capacity to address gender mainstreaming and improve targeting. IFAD's focus on poor and vulnerable farmers in less advantaged and challenging geographies is highly relevant for addressing poverty in upland communities and would help to address inequality. Similarly to the GTWDP, the new programme under the RB-COSOP would be based on the following targeting mechanism: (i) strict targeting of very poor mountain villages; (ii) within these villages, a special focus on small producers, gender empowerment and youth, using IFAD targeting and gender checklists at design and implementation) and (iii) adjusting grant matching system to become more pro-poor. This would enable the poor farmers, rural women and youth to invest in farming and small enterprises.

Responsible partners: IFAD, MOFAL, MFWA

Timeline: The Uplands Rural Development Programme is part of the RB-COSOP under preparation. This programme is tentatively planned for submission to IFAD EB in April 2017.

19. Recommendation 3. Strengthen IFAD's non-lending activities and ensure synergies with the portfolio. Non-lending –activities (knowledge management, policy dialogue and partnerships) have been a low performing area of the country programme. Strengthening IFAD's non-lending activities in Turkey will be essential for scaling up impact and rural transformation. Ensuring adequate links between non-lending activities with the investment portfolio would contribute to synergies and improve development effectiveness. The CPE recommends in particular to strengthen and diversify partnerships and further investment in knowledge management. IFAD also needs to take advantage of opportunities to support South-South Cooperation in Turkey. The possibility of mobilizing country- specific grants and or participation in regional grants to support non-lending activities in Turkey should be explored.
20. First, IFAD needs to strengthen and diversify partnerships in Turkey. IFAD's relatively minor investment must be applied strategically, being viewed within the wider framework of key development partners' ongoing operations and Government of Turkey's commitment to the adoption of measures contributing towards reducing inequalities. In this regard, IFAD needs to strengthen and diversify its partners in Turkey to enhance its ability to leverage its programme in the country, both in policy dialogue and on the operational/financial front, including co-financing with international donors, such as the EU, the WB, UNDP, and partnering with technical services providers (e.g. FAO).
21. Moreover, IFAD needs to ensure strong coordination with national institutions and explore collaboration with new Turkish partners such as Regional Development Agencies. At the operational/local level, inclusion of NGOs and private sector with relevant skills such as participatory village mobilization, inclusive development, environment and niche markets merits consideration. In particular IFAD would benefit by engaging suitable selected private sector entities and also experienced donors directly at an early stage.
22. Second, strengthen knowledge management. A key dimension of IFAD's value added in Turkey will be linked to its capacity to further strengthen the generation and sharing of lessons from the programme in order to improve performance and to support scaling up. IFAD needs to enhance KM in Turkey, partaking its international and country experience, its technical expertise and its knowledge in involving the rural poor in design and implementation of rural investment projects, M&E, targeting and technical solutions in rural development. IFAD needs to make use of

its capacity as knowledge broker, to be able to respond to demand on state of the art knowledge products and services, and prove global reach to mobilize required expertise. A dynamic knowledge management effort requires active interaction with national research organizations, think tanks and academia, which currently seems to be limited.

23. Third, IFAD needs to facilitate exchange of knowledge and experience between Turkey and other IFAD countries, furthering current efforts within the framework of South-South and Triangular Cooperation initiatives (SSTC) as an integral part of the IFAD-Turkey partnership. This transfer of successful ideas from one country to another can lead to considerable development impact. As a broker, IFAD can engage Turkish government organizations (e.g. GDAR, GDF) and appropriate research and private sector entities in facilitating transfer of knowledge and technical expertise to IFAD operations in other countries in the region (Central Asia, the Balkans, North Africa and the Middle East), in areas in which Turkey has particular strengths, such as e.g. food processing and food safety. IFAD and the Government of Turkey would benefit from a well-articulated approach to SSTC that includes TIKA as the main partner and the direct coordinator of Turkish solution providers from the public and also private sectors. Enhancing IFAD presence in Turkey through a country office - to capitalize Turkey's experience and knowledge to provide support to other countries –could contribute in this direction. Opportunities to partner with FAO and UNDP current cooperation programmes on SSTC should be explored.

Proposed follow-up:

24. The RB-COSOP includes lending and non-lending activities. With regards to non-lending, IFAD would pay special attention to (i) knowledge management (M&E, communication and learning) for enhanced impact, outreach and scaling up. Knowledge products such thematic study on rural development of mountain zones will be prepared and shared with partners in Turkey and elsewhere, ; (ii) Partnerships with donors and IFIs will be strengthened to develop effective policy options to improve livelihoods in the uplands; (iii) South-South Triangular Cooperation, building and scaling up on previous and planned work with TIKA, FAO, UNDP and with the United Office of South-South Cooperation ; and (iv) possible agreement with Turkey to investigate opportunities to co-finance and provide technical assistance in countries of mutual interest, focusing on LDCs

Responsible partners: IFAD, TIKA MOFAL MFWA

Timeline: Non lending activities would be pursued during implementation of the RB-COSOP 2016-2021

25. Recommendation 4: Emphasis on innovation and scaling up as two key strategic priorities. IFAD and the Government of Turkey are fully aware that financing for investment projects is not the major justification to borrow from IFAD and it is not an effective single vehicle to eradicate rural poverty in the country. This is particularly relevant in Turkey in view of relatively limited availability of PBAS resources for the programme. IFAD needs to further demonstrate value added in Turkey beyond projects. In this context promoting innovation and pursuing scaling-up (two poor-performing areas in the programme) need to be regarded as strategic priorities in the future country programme.
26. Promoting innovation. First, a closer review of mechanisms for innovation is required to reduce public dependency and build sustainable institutional support. IFAD has knowledge and experience in appropriate technology and local institutional development that could assist in scaling of pro-poor interventions that would be more consistent with the portfolio's strategic objectives of empowerment and sustainable pathways out of poverty. Concerted efforts are required to find new mechanisms to strengthen collective farming and marketing initiatives to create economies of scale and value adding opportunities in relation to market demand.

There is a need to explore, in addition to better access to new markets, alternative sources of investment capital such as Islamic financing models and to build coordinated support services and local business services within the project areas that will provide both improved local economies and establish strong platforms for future growth. There are some promising examples of small women producer groups and farmer-led initiatives such as family farm consolidation and joint marketing that could be studied and further developed. This would be of benefit in the Turkey programme and also support south-south and triangular cooperation initiatives.

27. Scaling up. Second, building on additional efforts to strengthen policy dialogue and knowledge management, the IFAD-supported programme needs to shift from a project-centric approach to one aimed at influencing other partners (government, donors, private sector) including leveraging policies, knowledge and resources. This will require the adoption of a programmatic approach to scaling up in Turkey and a shifting from scaling up IFAD projects to scaling up results. Potential scaling up pathways (through projects, policy dialogue, knowledge management) need to be explored from the beginning and throughout the project cycle and will need to be supported over a longer time horizon, typically much longer than a one-time IFAD intervention. New ideas can be tested through pilot projects, as the basis of a scaling up model.

Proposed follow-up:

28. The GTWDP project and the pipeline programme under the RB-COSOP include financing of activities aimed at building the capacity of Farmers Organisations and Producers Associations to strengthen collective farming and marketing initiatives through partnership with the private sector (traders, agro-processors and exporters). In addition to the pro-poor Matching Grant Program, the new programme will explore alternative sources of investment capital through partnership and synergies with Banks like Ziraat Bank. Other innovative features would include modern growing techniques (e.g. polarization in plastic tunnels); iii) water saving irrigation techniques supported by solar energy use (e.g. on-farm drip irrigation), etc. With regards to scaling up, it is expected that the business models/innovations tested and proven to be successful through the Program would be scaled up with government budget nationally and elsewhere or by other donors.

Responsible partners: IFAD, MOFAL, MOD

Timeline: During RB-COSOP implementation 2016-2021

29. Recommendation 5: Strategic focus on women and youth. A consistent, strategic focus on gender equality and women's empowerment is required. Moreover, in order to more closely align with the social and strategic context of rural Turkey in relation to youth unemployment and rural outmigration, a strengthened focus on youth is recommended. This should be reflected in the new COSOP, including clear and specific objectives in the country strategy and in project designs. Project designs need to better include gender mainstreaming and mechanisms to ensure gender equality of access to project resources and benefits, including allocation of resources to ensure they are not ignored in implementation. In line with IFAD's 2012 Gender Policy, all future projects should also develop Gender Action Plans at the design stage. Inclusion of youth as a primary target group would be highly relevant. Rather than reliance on project activities targeting older, landowning farmers having trickle down impacts on rural youth, projects need to more directly target youth using mechanisms that are relevant to their needs and interests.
30. Additionally, the CPE recommends that IFAD support the portfolio more strongly with non-lending activities (knowledge sharing, policy dialogue and partnerships) with a particular focus on gender mainstreaming and on targeting of women and

youth, as well as more regularly deploy gender and youth experts on supervision missions to ensure that projects are supported to achieve gender equity in implementation and respond to youth specific needs. Finally, logical frameworks for future projects should include indicators, targets and means of measurement relating to the participation of and expected outcomes relating to gender and the involvement of youth.

Proposed follow-up:

31. Strategic focus on women and youth would be reflected in the RB-COSOP, including clear and specific objectives in the country strategy and in program design. The IFAD experience both in Turkey and elsewhere would be tapped to strengthen the GOT capacity to address gender mainstreaming and improve targeting. The IFAD targeting checklist and gender sensitive design and implementation approach would be applied during design and implementation of the programme, guided by mainstreaming of experiences from the GTWDP and in Turkey and elsewhere.
32. Supervision missions will include systematically gender specialists to enable projects achieve gender equity in implementation and respond to youth specific needs in mountain zones.

Responsible partners: IFAD, MOFAL MFWA

Timeline: During RB-COSOP implementation 2016-2021



## COSOP preparation process including preparatory studies, stakeholder consultation and events

COSOP preparation process including preparatory studies, stakeholder consultation and events

The consultation process for the design of the COSOP consisted of the following stages:

1. Preparation of four background studies and reports that provided key inputs to the COSOP document:
  - a. IFAD's Engagement with Middle-Income Countries: Case study of Turkey, 2014;
  - b. Social and environmental assessment (SECAP), 2015;
  - c. The Rural Finance Study, 2015;
  - d. Project completion report for Diyarbakir, Batman and Siirt Development Project, 2015
2. Participation in reviews and discussions of the Country Programme Evaluation (CPE), which was undertaken during 2015. The CPE report, findings and results were presented and discussed in a seminar held in Ankara in January 2016;
3. In-country meetings with various stakeholders to discuss IFAD's comparative advantage and its role in the country in the coming years as a the basis for IFAD's strategic positioning in Turkey, October – December 2015:
  - a. Ministry of Development
    - General Directorate of Economic Sectors and Coordination
    - Department of Agriculture
  - b. Ministry of Environment
    - General Directorate of Environmental Management
    - Department of Climate Change
  - c. Ministry of Food Agriculture and Livestock
    - General Directorate of Agrarian Reform
    - Department of Land Rehabilitation and Irrigation
    - Working Group for Externally Financed Projects
    - Department of Agricultural Environment and Protection of Natural Resources
      - Working Group for Drought and Climate Change
      - Working Group for Agricultural Pollution
      - General Directorate of Food and Control
      - General Directorate of Livestock
      - General Directorate of Fisheries and Aquaculture
      - General Directorate of Agricultural Research and Policies
      - Department of Soil and Water Resources Research
  - d. Ministry of Forestry
    - General Directorate of Combatting Desertification and Erosion Control
    - General Directorate of Forestry
    - Department of Afforestation

4. In-country consultations with donors active in rural and agriculture development, October – November 2015:
  - a. World Bank
  - b. EU
  - c. UNDP
  - d. FAO
  - e. TIKA
  - f. Technology Development Foundation
  
- Consultation with potential beneficiaries in order to identify and validate the IFAD target group, their priority issues and potential response – field visits to the Western Black Sea; Kastamonu and its districts in November 2015;
- A COSOP Mission Wrap-Up meeting with General Directorate of Agrarian Reform on November 20, 2015;
- Meetings of the IFAD delegation, led by the AVP, CSD with senior representatives of the Ministry of Food Agriculture and Livestock, Ministry of Development, Ministry of Forestry and Waters Affairs, Undersecretariat of Treasury and Ministry of Foreign Affairs in Ankara in January 2016. The IFAD delegation discussed IFAD strategic thrusts in Turkey, lending and non-lending activities as well as activities within South-South and Triangular Cooperation;
- Preparation of a full draft of the COSOP document, based on the inputs obtained in the phases described above;
- An in-house CPMT on 21 January 2016 which reviewed the draft COSOP and discussed the main features of the IFAD strategy in Turkey;
- Preparation of a second version of the COSOP document which incorporated changes in response to comments made by the in-house CPMT;
- The second review of the second draft of the COSOP document by the in-house CPMT on 8 March 2016;
- Preparation of a final draft of the COSOP document which incorporates changes in response to comments made by the in-house CPMT;
- Submission of the COSOP document to the Government of Turkey for comments and validation in March 2016

# Natural resources management and climate change adaptation: Background, national policies and IFAD intervention strategies

## Background

1. This Social Environmental and Climate Assessment (SECAP) Study<sup>5</sup> was prepared along the following methodology: i) reviewing the plans, programs, strategies and action plans of the Government of Turkey addressing environment and natural resources management (NRM) and climate change (CC); ii) meetings with key government ministries involved in development, agriculture, environment and natural resource management and international donors; and iii) conducting field visits. The results of the Study would contribute to facilitating IFAD's country program in building the resilience and adaptive capacity of the agricultural and rural development sectors in the country.

## Introduction

2. Turkey is situated on the East Thrace in Southeastern Europe and in the Anatolia in Western Asia. The Mediterranean Sea to the South, Black Sea to the North and Aegean Sea to the West border it. It is also bordered by eight countries that are Greece, Bulgaria, Georgia, Armenia, Iran, Azerbaijani exclave of Nakchivan, Syria and Iraq. The population is about 77.7 million living on an area of 783,562. 38 square km. The average elevation is about 1000 meters that increases towards the East. The undulating terrain enables the country to have different micro-climatic zones, biogeographic areas and diverse agro-ecology.

3. Land. The ratios of forest and semi natural areas, agricultural areas, water bodies, artificial areas and wetlands are, 54.04%, 42.34%, 1.64%, 1.61% and 0.36%, respectively. Only 34% of the total land is suitable for cultivation. The remaining land is used for agricultural purposes without insufficient conservation and development measures. In fact, the topography complicates agricultural activities and stimulates erosion. Lands steeper than 12% slope cover 64% of total areas. The total agricultural land is 27.510.750 ha that is significantly fragmented. Production is undertaken on 24 million ha on about 22 million individual parcels giving an individual plot size of only 1.1 ha.

4. Climate. There are three main climate zones: Mediterranean, Sub-tropic and Continental, each with distinct precipitation patterns. Average annual precipitation is 643 mm, ranging from 250 mm in the Central Anatolia to over 2500 mm in the coastal area of Northeastern Black Sea. Across the country, approximately 70% of the total precipitation falls during the period between October and April.

5. Water. The country has 25 river basins that harbor 33 rivers, 200 natural lakes, 159 dam reservoirs and 750 artificial lakes, which constitute its inland waters. However, the country is listed among water scarce countries. Water potential per capita (m<sup>3</sup>/year/person) varies significantly across the basins. In 2013, the per capita water potential was approximately 1500 m<sup>3</sup>. The total water use in 2012 was 44 billion m<sup>3</sup> out of which 73% was used for irrigation, 16% for domestic purposes and 11% for industry.

6. Forests. Turkey has a land area of 77.8 million and 27.8% (21.6 million ha) of this is classified as "forest land" and almost all is owned by the State. Approximately 63% of forests have an economic function including the production of round wood, fire-

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<sup>5</sup> The full SECAP report is available on XDesk at the following link <https://xdesk.ifad.org/sites/pn/tur/Operations/Forms/AllDocuments.aspx> or upon request.

wood and non-wood forest products, 32% an ecological function including watershed and erosion control and the remaining 5% as social and cultural.

7. Biodiversity. There are three major bio-geographical regions namely Euro-Siberian, Mediterranean and Irano-Turanian, therefore the country is one of the leading countries in the world for plant endemism: about 33% of the plant species (3 650) are endemic to Turkey. The country also has a tremendous plant genetic resource. There are 5 micro-gene centers where more than 100 species display a broad variation. According to the OECD Environmental Performance Review of Turkey protected areas reached 5.3% of country's area during the review period. Turkey plans to augment this proportion to 10%.

8. Poverty. In the last decade alone, the poverty rate was halved, from 44% in 2002 to 21% in 2011. However, regional income disparities still remain. The incidence of poverty is closely associated with altitude. Even in wealthier regions of Turkey, the incidence of poverty is significantly higher at upland areas, compared with the lowlands, due to the precarious state of the natural resource base and limited opportunities for income diversification. Rural population is decreasing in the country, from 23.3% in 2011 to 8.25% in 2014. The drivers of inter- and intra-regional migration from rural to urban areas are several: human resource-related issues, ineffective institutional structures including farmer organizations needed to support rural development, social and cultural infrastructure, high rate of hidden unemployment, insufficient diversification of agricultural and non-agricultural income-generating activities resulting in low incomes and relatively low quality of life for the rural population. Despite impressive growth many challenges remain to be addressed, including progress in EU harmonization; gender inequality; youth migration, climate change and regional disparities.

9. Agriculture. With 8% contribution to GDP (2014), agriculture is no longer the main driver of the Turkey's economic growth. However, it still maintains its importance in rural development, employment (in the 2007-2012 period, the share of agriculture in rural employment was around 61%) and the largest employer of women, export and manufacturing sector. Nevertheless, the sector has serious shortcomings where the farming community is dual faceted (roughly 2 major segments): i) those who are commercialized, well aware of global trends, national and international markets use latest technologies, interested in innovations and fully integrated into value chains, and ii) those who are generally resource poor, engaged mostly in subsistent and semi-subsistent farming, rather conservative, usually do not consider farming as a business. They are more vulnerable to unfavorable weather conditions and climate change.

10. Gender and Youth. Turkey has the lowest female labour force participation rate among the OECD countries in 2010, making it an outlier in the upper-middle-income country (MIC) group. Despite progress in legislative and strategic frameworks, significant gender disparities persist in the country. The Gender Inequality Index (GII) that reflects gender-based inequalities is 0.359 for Turkey, ranking it 72<sup>nd</sup> out of 149 countries in the 2014 index. GNI per capita is also considerably lower for women. The ratio of young population at the age group of "15-24" is 16.5% (around 13 million) in the total population of Turkey (around 78 million). A major medium-term challenge for Turkey is to boost the participation of youth and women in the labor force. Youth unemployment rate was realized as 18% in 2014, young females having higher ratios. About 19% of young people were employed in agriculture, 33% were employed in industry and 48% were employed in service sector<sup>17</sup>.

11. Climate change. There is consensus across global, national, and sub-national-scale studies indicate that climate change due to higher temperature and reduced precipitation projections in Southern Europe and Turkey might make the region more vulnerable to meteorological disasters. The issues identified at the forefront of natural disasters and climate change are increases in: i) frequency of, intensity of and period of

exposure to hydro-meteorological disasters; ii) exposure of social and economic assets in communities with few adaptation options; iii) urban floods due to severe precipitation; iv) climate induced migration due to desertification; v) the number of forest pests and fires; and vi) increases in the exposure of agricultural production to damage from hail and other meteorological events; and, vii) the adverse effects of disasters across the sectors such as agriculture, forest, insurance, energy and water. Climate change is projected to affect a variety of different social and bio-physical water related processes in Turkey, including: possible regional differences in surface water resources; possible flood and drought conditions; reservoir/storing and hydroelectricity production potential; irrigation rehabilitation and modernization; and groundwater recharge.

12. Related institutional, policy and regulatory framework. The institutional and individual preparedness and capacity to support management needs improvement, particularly as regards EU accession. Mandates of responsible central and provincial agencies (Ministry of Environment and Urbanization (MEU), Ministry of Food Agriculture and Livestock (MOFAL), Ministry of Forestry and Water Works (MFWW), local administrations, etc.) often overlap with poor inter- and intra-agency coordination and collaboration. There are a plethora of central, regional and local agencies dealing with rural development, gender and youth issues (e.g. MoD, MOFAL, MFWW, MEU, Special Provincial Administrations, municipalities, Ministry of Family and Social Policies (MFSP), Ministry of Youth and Sports (MYS), Ministry of National Education (MNE), EU's Regional Development Agencies, etc.). Mandates of these often overlap resulting in insufficient inter- and intra-agency coordination and collaboration.

13. Turkey is committed to combating climate change in accordance with the principles of "common but differentiated responsibilities" and "respective capabilities" and intends to increase its efforts through not only domestic measures but also bilateral and multilateral cooperation and support. The special circumstances of Turkey, recognized by the United Nations Framework Convention on Climate Change, makes Turkey eligible to access current and future technology, capacity-building mechanisms, and finance mechanisms under the UNFCCC for adaptation and mitigation. The country has developed various strategies and plans at the Ministry, Department and Agency levels to enhance communities' capacities to adapt to economic and environmental shocks, while promoting sustainable development and common prosperity. These documents form the policy, legal and regulatory framework for addressing environmental management and climate adaptation in the context of the various sectors of Turkey's economy. While most of the strategies appear extensive, concerns over climate change are limited to adaptation and timelines are closely aligned to 2023, the centenary year of the Republic of Turkey's establishment.

14. Recommendations. The new COSOP should renew IFAD's and Turkish Government's commitment to addressing Turkey's priorities in ENRM, CC adaptation/mitigation and social equity in rural areas. SECAP Study proposes that the new COSOP should:

- maintain newly identified focus on elevation-based poverty where the rural poor risk being disproportionately affected by poor NRM practices that increase CC-based risks of loss of natural resource base;
- underline the need for specific knowledge about climate change impacts, and/or an understanding of how people will be affected by these impacts;
- continue to promote water conserving technologies with emphasis on creating awareness and promote knowledge management on the climate change and land use/degradation issues;
- clearly identify partnering and collaboration topics and modalities with the relevant UN partners and other technical and financial development partners of Turkey;

- emphasize thrusts of IFAD by taking site-specific climate adaptation deficit of the beneficiaries into consideration and develop projects and programs that compensate for the public agencies (MOFAL, MFWW, etc.) shortcomings to extend knowledge to the targeted poor but productive producers;
- Take full advantage of geo-spatial information to inform policy dialogue and decision making.

SECAP identified the following strategic actions and next steps:

Priority Strategic Actions	Next steps
Maintain newly identified focus on elevation-based poverty where the rural poor risk being disproportionately affected by poor NRM practices that increase CC-based risks of loss of natural resource base	New projects would be designed to target poverty reduction, reduce and sustainable NRM in priority upland areas
Support the need for specific knowledge generation about climate change <u>impacts</u> , and/or an understanding of how people will be affected by these impacts	New projects would output knowledge products that enhance beneficiaries capacity to compensate for the effects of climate change
Continue to promote water conserving technologies but with more emphasis on creating awareness and promote knowledge management on the CC and land use/degradation issues that ensure climate resiliency of supported value chains	Working closely with MOFAL and local development agencies (e.g. Regional Development Agencies), improve resource use efficiency and knowledge management for climate-smart investments linked to agri-food value chains.
Improve IFAD'S policy impact by clearly identifying partnering and collaboration modalities with the relevant UN and other technical and financial development partners and other national agencies and NGOs of Turkey	At Program/project identification and design phase enter into early dialogue with international agencies i.e. FAO, UNDP, GIZ to seek partnering opportunities for enhancing technical and policy impact outcomes
Recognize that future thrusts of IFAD projects and programs need to be guided by the climate adaptation deficit of target upland beneficiaries	In order to compensate for the public agencies (MOFAL, MFWW, etc.) shortcomings to extend knowledge to the targeted poor but productive producers, develop project activities that reduce adaptation deficit in pockets of poverty
Underline the need for specific knowledge on the impact of climate change on small-scale producers;	Use IFAD experience and disseminate knowledge products

15. Proposals for activities to access GEF, GCF and other sources of funds. The SECAP team recognizes that the IFAD country program to be developed under the new COSOP would not be able to address all of the environmental, social and climate priorities of the Government. Supplemental sources of other external financing may offer opportunities for environmental issues of global significance, i.e. the Global Environment Facility (GEF) or for climate change i.e. the Green Climate Fund (GCF).

16. This Study proposes some actions that could be eligible for external financing for the COSOP team to consider. However, it must be noted that in Turkey purely financial resources are not a barrier to tackle environmental or climate change adaptation or mitigation challenges. Sharing of IFAD's experience in other geographies and similar climates by improving knowledge dissemination in identification of issues and solutions

so that smallholder farmers can access the information tools and technologies that help build their resilience to climate change.

## Country at a glance

World Development Indicators	2005	2014
Population, total (millions)	67,86	75,01
Population growth (annual %)	1.3	1.2
Population ages 65 and above (% of total)	5.99	7.27
Rural population	21.86	20.72
Rural population (% of total population)	32.2	27.6
Surface area (sq. km) (thousands)		769 630
Population density (people per sq. km of land area)	82.16	97.4
Poverty headcount ratio at national poverty lines (% of population)		2.1
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population)	2.48	0.26
Rural poverty headcount ratio at national poverty line (% of rural population)	26.6	5.1
GNI Index (World Bank estimate)	41.72	-
GNI per capita (constant 2005 US\$)	6012.70	8627.61
GNI growth (annual %)	6.7	3.9
GNI per capita		
People		
Life expectancy at birth		75.16
Fertility rate, total (birth per woman)		2.07
Mortality rate under 5		14.30
Prevalence of underweight weight for age (% of children under 5)		1.8
months) 80 78 99		
Net enrolment rate, primary, both sexes	95.8	92.9
Net enrolment rate, secondary, both sexes (%)	63.69	87.87
Gross enrolment ratio		
Gross enrolment ratio		
Prevalence of HIV		-
Environment		
Forest area (sq. km)	101830	117150
Arable land (hectares)	23826000	20574000
Annual freshwater withdrawals		
Improved water source (% of rural population with access)	84.7	100
Improved sanitation facilities (% of rural population with access)	72	84.6
Urban population growth (annual %)		1.94
Energy use (kg of oil equivalent per capita)		83.3
CO2 emissions (metric tons per capita)	0.55	-
Electric power consumption (kWh per capita)		
Economy		
GDP Growth (annual %)	8.40	15.22
GDP per capita (constant 2005 US\$)	7117.23	8864.62
Present value of external debt (GNI)		15.37
Inflation (consumer prices)		8.85
Agriculture value added (% GDP)		8.01
Agricultural irrigated land (% of total agricultural land)	12.65	-
Industry (value added of GDP)		27.11
Services value added (% of GDP)		64.88
Exports of goods and services (% of GDP)		27.74



Imports of goods and services (% of GDP)	32.18
Gross capital formation (% of GDP)	20.20
income) 32.9 11.9 1.9	
Net migration (thousands)	
200	
Personal remittances	
Foreign direct investment	
Net official development assistance and official aid received (current US\$)	

Source: World Bank

## Concept note(s)

### Turkey: Uplands Rural Development Program (URDP)

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#### Background

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36. Within the RB-COSOP period, two PBAS allocations of about US\$36 million for cycle 2016-2018 and another (TBD) for the cycle 2019-2021 would be used to co-finance the URDP. IFAD and the Government partners (MOFAL and MOD) are in agreement that designing the entire URDP upfront is more cost-effective. The URDP would be designed in 2016/17 for implementation in two tranches as follows: (i) Western Black Sea Rural Development Project (BRDP) in Kastamonu, Bartın, and Sinop provinces (2017), and (ii) Eastern Mediterranean Rural Development Project (EMRDP) in Mersin, Adana and Osmaniye provinces (2019). The uplands of these regions have little benefitted from IFI-supported programs in the past and government's investments for improving technological and social infrastructure have not yet been translated into sustainably increased incomes for those productive but poor men and women farmers engaged in small-scale agriculture as well as potential small and micro-entrepreneurs.

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#### A. Strategic context and rationale for IFAD involvement, commitment and partnership

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(See Draft COSOP for 2016-21)

37. Turkey is experiencing growing income disparity where poverty reduction efforts need to identify and recognize that such may exist even within rural communities. Inclusiveness is high on the government agenda in order to ensure that the benefits of growth and prosperity are shared by all segments of the society.
38. The proposed approach and underlying rationale for the selection of the program areas is consistent with the RB-COSOP's programmatic approach that also fully justifies IFAD's engagement in the area. It maximizes on resident opportunities for poverty reduction solutions for uplands particularly by scaling up on the GTWDP. Using the lessons learned for the GTWDP's Mid-term review and the recommendations of the client, the Program would suitably replicate successful implementations of GTWDP.
39. The overarching national strategy would be the 2014-2023 Rural Development Strategy. It must be underlined that the Government has set a target of being in the top 10 economies and in the top 5 agricultural producers in the World by 2023, the centenary of the Republic. The programme would be congruent with the objectives of national policy and strategy documents such as The Tenth Development Plan (2014-2018), Medium Term Plan 2015-2017 (MTP), National Rural Development Strategy (NRDS), 2006-2016), National Strategy for Regional Development (2014-2023).

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#### B. Possible geographic area of intervention and target groups

40. The URDP would be implemented in 35 districts distributed as follows: 16 districts in Mersin, Adana and Osmaniye provinces of the Eastern Mediterranean region, and 19 districts in Kastamonu, Bartın, and Sinop provinces of the Western Black Sea region. Based on the 2011 Socio-Economic Development Index/Ranking (SEDI) developed by MoD, among the 81 provinces, these provinces rank Third and Fifth Degree Developed Provinces (Sixth being the least developed). However, the Program districts are in the lower segments of socio-economic development both in Turkey as a whole, as well as within their respective provinces.
41. Reflecting the coping strategies of the small farmers within fragile and risky environments, the farming systems in these uplands are based on a combination of
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crop and livestock where small-scale fruit production (mainly grapes, apples, and cherries) forage crops, wheat and barley are the common crops. Livestock production is small-scale and dominated by goat and sheep flocks. Crop productivity is low mainly due to use of outdated agronomic practices. Natural resources are degraded due to long overuse that is exacerbated by the rough topography. Women traditionally bear the burden of on-farm activities, particularly in livestock production and suffer most from poor infrastructure in the rural settlements, often being the push factor for households to migrate out. The situation is locked in a vicious cycle where unsustainable agricultural practices on small fragile plots have detrimental effect on soil structure and fertility, on the natural vegetation, and on water flow and quality. This degradation of the natural resource base further aggravates the entrenched upland poverty. Reducing regional income disparities and out migration would be addressed in these agro-ecologies where small plots, poor irrigation and marketing infrastructure, and shortcomings in competitiveness, production and marketing knowledge are issues that have accumulated over the years. This is further exacerbated by underdeveloped rural infrastructure (only around 35% of rural roads are all weather and only about 20% of the villages have sanitation facilities).

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42. The total rural population of the uplands villages of the 35 districts is 670 000 of which around 250 000 (62 000 households on the basis of an average rural household size of 4.0.) would be targeted by the URDP. The target group would be the productive poor households (women and men) with potentially adequate asset base enabling them to be engaged in mixed farming with focus on crop production and the youth with potential engagement in SMEs for post-harvest and off-farm investment. The majority of the households are semi-commercial; some have established links with the markets while others' engagement with the market is "hit or miss" in nature. They cultivate an average of 3 hectares of cropland that come in several pieces and keep around 30 heads of small ruminants and 2 cows. The land could be either i) totally rainfed (most prevalent) or ii) mostly rainfed, with some irrigated patches. They suffer from production fragmentation and poor organizational capabilities that results in failure in combining forces to move products of sufficient volume and consistent quality to satisfy the large-scale buyers' expectations, lack of training on modern techniques for upstream production and post-harvest handling, and marketing towards downstream systems and consumers.
  43. The Program would pay special attention to women and youth who are under increasing pressure to migrate to urban areas and/or out of the region due to socio-economic poverty. Incentives and participatory processes would be used to ensure their inclusion. Other stakeholders in the food value chain, such as traders, wholesalers, processors, transporters, market owner/operators, etc. would also benefit. Detailed description of the target group and targeting measures will be developed during programme design.
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#### C. Justification and rationale (including reference to lessons learned from previous interventions)

44. Reducing intra-regional income disparities and out migration would be addressed in agro-ecologies where small plots, poor irrigation and marketing infrastructure, and shortcomings in competitiveness, production and marketing knowledge are issues that have accumulated over the years.
  45. The recently closed (DBSDP and SEDP) and on-going (AKADP and MRWRP) projects generated lessons that could feed into the program: sustainably improved access to climate-resilient production and village social infrastructure, profitably developed value chains based on Strategic Investment plans (SIPs), pro-poor MGP, strengthening of FOs, and enhanced empowerment of women and youth for making
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demand-driven investment decisions that are pro-poor. The Program would identify and address the specific climate adaptation priorities of small producers including women and youth in the uplands area to minimize any climate-induced push factors to out-migrate.

46. The successful SIP approach would be replicated to ensure optimization of the financial resources of the program in favour of the rural poor. Knowledge-intensive capacity building, specifically for farming-as-a-business and integrating into value chains, would optimize beneficiaries' access to convergence funding from MOFAL, including on-going support and subsidy programs for investments and inputs. Similarly to the adjustments introduced with previous and on-going projects, the MGP procedures under the proposed programme should be adjusted to become more pro-poor and monitored to ensure appropriateness of the eligibility criteria for the target groups. The MGP proved to be quite effective improving access of collateral-constrained men and women smallholders and micro entrepreneurs to investment in production and post-harvest infrastructure and inputs, and adoption of new technologies.
47. The Program would explore the resident but untapped opportunities to build partnerships with other players currently active in rural development such as FAO and UNDP. The cost effectiveness of IFAD's contributions particularly to climate-smart agriculture and NRM would benefit from better integrating the lessons learned from such institutions, both of which have close collaboration with GEF in Turkey. During the design phase of the program partnership with UNDP, currently as sole UN agency to utilize Green Climate Fund resources in Turkey would be sought.
48. The investment atmosphere in Turkey is highly conducive to PPP and the agricultural sector remains ripe for investments of all scales. There are no legal or commercial impediments regarding the use, transfer or lease of any public investment or service to the private sector in the program area. The proximity of the URDP area to major agro-processing and trading centres would be highly advantageous.
49. The Fund's capacity as knowledge broker would be integrated into all aspect of the program's implementation to best respond to MOFAL's demand for state of the art knowledge products and innovative services. The Program would maximize on linking objectives and activities to complement MOFAL's on-going programs and programs of FAO, UNDP, GEF and the EU where enhanced collaboration would improve IFAD's impact.

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#### D. Key Program Objectives

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50. The goal would be to contribute to reduction of rural poverty and regional disparities by supporting Government initiatives and programs in the development of the area identified for the Program. The objectives would be i) to sustainably increase rural incomes by supporting value chains and capacities of the resident populations to organize, and ii) improve natural resource management skills to reduce vulnerability to local impacts of climate change. The program outcomes would include: i) producers' income from crop and livestock production sustainably increased; and i) products of higher value and variety accepted at consumer markets.

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#### E. Ownership, Harmonization and Alignment

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51. National rural development strategies recognize the need for agriculture sector to be competitive within the EU-accession framework while remaining an important contributor to food security, rural income and employment.
  52. The program presents a window of opportunity for showcasing IFAD's strengths and impacting policy by committing to a programmatic approach where scaling up of success is key. The issues targeted present opportunities for IFAD to explore and mainstream new highland/upland development modalities in Turkey for pockets of (almost) extreme poverty in the Turkish context. This could spill over into scaling up
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IFAD's experience in similar geographies in other countries.

53. Donors such as FAO and UNDP have established policy dialogue and advocacy channels with Turkish counterparts where partnership with these would be sought to offset the shortcomings IFAD has faced when operating on its own, particularly on the policy front. The planned In-Country Office (ICO) could play an important role in the envisaged strengthening of policy dialogue. The design would also seek opportunities to link the Çukurova Development Agency, under MoD, responsible regional development agency in the program area.
54. EU funds remain available for Turkey, specifically under including those under the IPARD 2. Duplication of resource targeting would be avoided. Link in to South-South programs present opportunities for partnering where IFAD's international and, particularly, regional needs and priorities could be used to target available financial, technical and human resources. Opportunities strengthen the link with UNDP and FAO's South-South and Triangular Cooperation programs, particularly those in collaboration with TIKA would be sought. The on-going TIKA cooperation program would benefit from the experience sharing opportunities and KM outcomes of the program.

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#### F. Components and activities

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55. The Program would be pro-poor and gender- and youth-equitable with two inter-related components namely: i) Agricultural Productivity and Natural Resource Management, ii) Market Access Enhancement.
    - Component 1: The component would improve overall agricultural productivity and profitability by sustainable management of available and often scarce land and water resources in upland areas through good agricultural practices and climate smart investments that reduce external shocks. Resource poor, financially challenged and ill-trained farmers suffer most from adaptation deficit. The component would support the following practices to improve the resilience of small farmers to climate change and to enhance productivity and production: i) improving farmer access to agronomic technology and information; 2) increasing the quality, capacity, and reach of extension services; 3) encouraging farmers to insure their crops against adverse weather. The focus would be on the following practices: i) shifting to drought resistant or tolerant crop types and varieties ii) change cropping pattern by altitude; iv) improving irrigation capacity and efficiency by new investments or rehabilitation to optimize application of irrigation water, including water saving irrigation techniques supported by solar energy use (e.g. on-farm drip irrigation) and on-farm construction of small water collection ponds (to harvest water from small water sources in the upland areas), v) optimizing fertilizer application, vi) improving access to meteorological data, vii) adding water storage capacity, viii) installing hail nets for fruit trees ix) improve livestock nutrition and shelter on the grazing land; x) improve farmers access to finance to enable them to access new technologies; The Project would support Good Agricultural Practices and the GlobalGap. The Project would offer comprehensive training and capacity building tailored for the smallholders (men and women) and their associations. The Project would also assist to develop participatory grazing plans and investments in overnight shelters for shepherds, portable mobile solar energy (as panels) to improve quality of for those who use highland rangelands by meeting their energy needs.
    - Component 2. Market Access Enhancement. The component would increase the incomes of the farmers through higher farm gate prices, improved market knowledge and linkages. The project would support farmers and their organizations to reduce post-harvest losses and add value to accommodate market demands for quality, volume, regularity, homogeneity, range of varieties
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and packaging and branding. The component would be commodity-focused, on the most promising crops to be identified at detailed design stage. In order for the products of higher value to reach broader consumer markets, the Component would support capacity building and investments in program areas. The support would be given to. I) individual farm holdings, ii) FOs and informal producer groups, iii) new and existing micro enterprises and SMEs. To facilitate access of small producers to markets, the Program would apply IFAD Producers-Private-Public-Partnership. The Program would finance on a pilot basis private service providers for performance-based marketing consultancy to mentor and assist the smallholders and their organizations to sustainably engage with the private operators within the value chain. It is expected that the business models/innovations tested and proven to be successful through the Program would be scaled up with sizable government budget nationally and elsewhere or by other donors. The detailed design of the Program would seek to identify income generation and employment generation opportunities specifically for women and youth.

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### G. Preliminary Environmental and Social category

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#### Category B.

56. The thrust of the Program's interventions and investments would be directed to improve agricultural practices in fragile upland ecosystems and would improve NRM practices and capacity of all beneficiaries. RB-RIMS, with inputs from MOFAL's monitoring system TARBIL, would ensure early identification of any potential adverse impact of activities where remedial action would be taken by MOFAL.
57. Reducing outmigration is among objectives and increasing local employment opportunities. The program is not expected to lead to any resettlement or economic displacement. The program would identify and address the specific climate adaptation priorities of women and youth in the area to ensure that climate-induced factors for migrating out are minimized.
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#### I. Preliminary Climate Risk classification: Moderate.

58. The proposed programme area is not identified in current predictions and databases as a high climate risk area. Rough topography brings intrinsic threats of landslides and floods. The programme would improve resiliency and exposure to shocks by supporting farmer and staff awareness and training, and climate smart investments such as small scale irrigation, vegetable production-under-cover (plastic tunnel), contour ploughing.
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### K. Costs and financing

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59. For better predictability and sustainability, as is the case with the recently approved GTWDP, a programmatic approach would be adopted. The pipeline under the two PBAS cycles 2016-2018 and 2019-2021 would consist of the "Uplands Rural Development Programme". IFAD financing framework of the programme would be the USD 35 million under the 2016-2018 cycle and a similar amount (to be confirmed end of 2018) under the 2019-2021 cycle. A tentative total cost of the programme would be around USD 220 million to be financed as follows:
- USD 35 million from IFAD under 2016-2018 PBAS cycle;
  - possibly another USD 35 million under PBAS cycle 2019-2021, to be confirmed in 2018;
  - Government contribution of around USD 100 million, and
  - Possibly cofinancing from other IFIs of around USD 50 million. During recent meetings with Arab Coordination Group in Kuwait (November 2015) and at the GC (February 2016), OFID and IsDB showed a strong interest in co-financing the programme. Options to secure supplemental funding from GEF and/or GCF would be examined. Should co-financing mobilization fall short of covering the total cost, inclusion of the provinces in the programme would take place gradually and
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accordingly.

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#### L. Organization and management

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60. The Lead Implementing Agency of the program would be the Ministry of Food Agriculture and Livestock. The overall management responsibility would rest with the General Directorate of Agrarian Reform (GDAR of MOFAL) in Ankara where a Central Project Management Unit (CPMU) would be established. The responsibility for field implementation would lie with the Provincial Directorates of Agriculture. Each Provincial Project Management Unit would be embedded in the Provincial Directorate of MOFAL and would be charged with the day-to-day field management and implementation of the Project. Several government agencies are active in the program area. Close collaboration and coordination will be sought with the following that are directly related to the objectives of the project and would complement its rural poverty reduction and marketing enhancement initiatives: i) the Regional Development Administration (KOP); ii) the Regional Directorates of Forestry of the MFWA; iii) the Governors' Offices and Ministry of National Education (MONE), Agency for Small and Medium-scale Enterprises, IPARD Local Offices and ix) the provincial Chambers of Agriculture and of Trade and Industry.
61. Each program phase would have an implementation period of 7 years to compensate for (i) history of slow program take off, (ii) lengthy in-country bureaucracy; (iii) need for lengthy upfront capacity building and training and (iv) limited construction seasons with long winters in the uplands where the Program would be implemented.

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#### M. Monitoring and Evaluation indicators

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62. Result-based-RIMS would be used. Linkages with the MOFAL's management information system TARBIL would be established. Basic indicators would cover: i) increased household assets and incomes, ii) reduced disease incidence, iii) improved horticultural productivity and profitability, iv) improved sustainability of voluntary farmers groups, vi) increase in farmers adopting farming as a business; vii) improved access to marketing facilities by user groups; and viii) numbers of producers and/or marketing groups formed or strengthened.

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#### N. Risks

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63. Risks would be minimized by adopting a participatory, menu-driven approach to increase the willingness of communities to engage in Program-sponsored interventions that would be designed to increase the resilience of the smallholders to environmental/climatic shocks.
64. Lessons from past programs and present conjecture indicate the following risks: (i) delays in the establishment of a program management units and resultant effectiveness lags (ii) inadequate provincial technical capacity and frequent staff rotation; (iii) ageing population in the program area that may limit uptake of program activities; iv) seasonally out-migrating workforce impacting local needs for harvesting; iv) lack of capacity in the national institutions for social mobilisation and cohesive marketing guidance; and v) inadequate M&E and impact assessment capacity.
65. CPE and past experience shows that M&E is weak. The program's M&E systems' dovetailing into the new TARBIL is expected to develop M&E capacity at MOFAL and feed into IFAD's RIMS to measure impact at the local, regional and national level.
66. To date, government-led development programs have not been able to attract the private sector in an efficient manner. The program design would build upon successful PPPP models to ensure that capacity developed at the producers becomes integrated into viable value chains for introduction of products into the markets.

## Appendix: Logical framework of the Uplands Rural development programme

Narrative Summary	Key Performance Indicators <sup>6</sup>	Means of Verification	Assumptions (A) / Risks (R)
<b>Goal:</b> Reduced rural poverty and regional disparities	<ul style="list-style-type: none"> <li>▪ 62,000 households in targeted areas report increased income by 20%</li> <li>▪ 62,000 households in targeted areas report improvement in assets ownership index by 20% (RIMS level 3)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Baseline and completion survey</li> <li>▪ State Statistical Committee</li> <li>▪ Government statistics</li> <li>▪ UNDP/WB reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stable macroeconomic atmosphere (A)</li> <li>▪ Poverty reduction remains priority agenda</li> </ul>
<b>Project Development Objective:</b>			
Increased rural income from improved agricultural production and marketing activities in targeted areas	<ul style="list-style-type: none"> <li>▪ Farmers in targeted areas report increased net farm income through improved access to productive infrastructure, financial services and markets by 20%</li> <li>▪ Nb. of on-farm and off-farm jobs created</li> </ul>	<ul style="list-style-type: none"> <li>▪ Baseline &amp; completion survey</li> <li>▪ Government statistics and TARBIL monitoring</li> <li>▪ Interviews/focus groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Programme outcomes stimulate economic growth (A)</li> <li>▪ Competition weakens robustness of markets (R)</li> </ul>
Improved natural resource management to reduce vulnerability to climate change impacts.	<ul style="list-style-type: none"> <li>▪ Farmers practicing sustainable agricultural practices increased by 25%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Baseline &amp; completion survey</li> <li>▪ Government statistics and TARBIL monitoring</li> <li>▪ Interviews/focus groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provision of adequate technical assistance to support shift in practices and technologies (A)</li> <li>▪ Willingness of farmers to adopt climate resilient practices (R)</li> </ul>
<b>Component 1: Agricultural Productivity and Natural Resource Management</b>			
<b>Outcome 1:</b> Farm productivity sustainably increased	<ul style="list-style-type: none"> <li>• 16,000 small producers in targeted areas report improved productivity by 20%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Baseline and completion survey</li> <li>▪ Programme M&amp;E system</li> <li>▪ MTR</li> <li>▪ MOFAL surveys and reports</li> <li>▪ TARBIL monitoring</li> </ul>	<ul style="list-style-type: none"> <li>▪ Availability of qualified service providers for group facilitation, training and extension activities (A)</li> <li>▪ Farmers are willing to invest in development of the farm production capability (A)</li> </ul>

<sup>6</sup> The final targets will be validated at base line to be conducted in year one and will be disaggregated by gender.



Narrative Summary	Key Performance Indicators <sup>6</sup>	Means of Verification	Assumptions (A) / Risks (R)
<b>Component 2: Market Access Enhancement</b>			
<p><b>Outcome 2:</b> Smallholder producers receive higher product prices</p>	<ul style="list-style-type: none"> <li>• Farm gate product value in the selected Value Chains increase by 30%</li> <li>• Post-harvest losses reduced by 20 % for smallholders producers</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline survey, mid-term and completion reports</li> <li>• MOFAL surveys and reports</li> <li>• Records of wholesale and retail markets</li> <li>• Focus groups/interviews</li> <li>• TARBIL monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Competitiveness of local products are maintained (R)</li> <li>• Continuity of MOFAL staff (R)</li> </ul>

## Key file 1: Rural poverty and agricultural/rural sector issues

### Key file 1: Rural poverty and agricultural/rural sector issues

Priority Area	Affected Group	Major Issues	Actions needed
Fragmented or small plots	All upland men and women farmers	<ul style="list-style-type: none"> <li>• Erosion and soil loss due to idle lands</li> <li>• High cost of farm operations</li> <li>• Limited access to financial services due to collateral constraints</li> <li>• Low farm gate prices due to poor crop management</li> <li>• Poor quality crop as result of wrong agronomic practices and input use</li> </ul>	<ul style="list-style-type: none"> <li>• Increase unit area productivity and profitability</li> <li>• Promote voluntary consolidation (joint land use) among land owners</li> <li>• Promote contracted farming for high value crops</li> <li>• Increase awareness in absentee land owners on value of asset</li> <li>• Support greenhouse investments for small plots</li> </ul>
High off-farm unemployment	Particularly Women; youth	<ul style="list-style-type: none"> <li>• Low on-farm incomes</li> <li>• Lack of capital to diversify/establish own small enterprise</li> <li>• Lack of information and awareness on income options</li> <li>• Social pull factors of urban living</li> </ul>	<ul style="list-style-type: none"> <li>• Provide financing through grants</li> <li>• Diversify employment opportunities by supporting FOs</li> <li>• Promote PPP to attract private sector</li> <li>• Train in marketing, of tourism and branded local products</li> </ul>
Ineffective farmer organizations	All men and women farmers; youth	<ul style="list-style-type: none"> <li>• Poor/lack of member interest and in-house capacity to manage</li> <li>• Low awareness of benefits of collective action</li> <li>• Farming as a business notion not developed</li> </ul>	<ul style="list-style-type: none"> <li>• Build awareness on benefits of collective action particularly among women and youth</li> <li>• Provide project incentives for collective action such as larger grants or expended investment menu</li> </ul>
Inefficient on farm irrigation practices and water scarcity	All upland men and women farmers	<ul style="list-style-type: none"> <li>• Climate adaptation deficit</li> <li>• Prevalent open earth canal use</li> <li>• Tradition of unsustainable NRM practices</li> </ul>	<ul style="list-style-type: none"> <li>• Promote climate smart irrigation technology, infrastructure and farming practices</li> <li>• Promote GAP</li> <li>• Support greenhouse</li> </ul>

			<ul style="list-style-type: none"> <li>investments</li> <li>• Provide extension support to farmers for on-farm/water management</li> <li>• Improve cc and NRM elements in extension service training</li> <li>• Increase awareness that water and land are critical inputs through training programs</li> </ul>
Inability to access technical, financial services and markets	All upland men and women farmers; youth	<ul style="list-style-type: none"> <li>• Limited skills in entrepreneurship, marketing</li> <li>• Low production volumes don't attract intermediaries</li> <li>• Available market information dissemination modalities used Ineffectively</li> <li>• Poor knowledge management by extension staff</li> </ul>	<ul style="list-style-type: none"> <li>• Promote PPP to attract private sector for investments in marketing and storage infrastructure</li> <li>• Incentivize contacted farming</li> <li>• Create outreach and awareness programs to inform small producers regarding available finance mechanisms (IPARD, MOFAL)</li> </ul>
Poor livestock husbandry practices	Upland households Women and youth	<ul style="list-style-type: none"> <li>• Low meat and milk yields</li> <li>• Poor milk quality</li> <li>• Degraded pastures and rangelands</li> <li>• Insufficient forage crop production</li> </ul>	<ul style="list-style-type: none"> <li>• Provide husbandry training for youth and women</li> <li>• Introduce livestock based climate smart cropping patterns</li> <li>• Target grant allocations to improve livestock husbandry infrastructure</li> <li>• Promote village-level rangeland sustainable pasture management</li> </ul>
Lack of long term strategy for farming	Poor farmers	<ul style="list-style-type: none"> <li>• Farming as a business not understood or known</li> <li>• Specific training needed for women and youth is not targeted</li> </ul>	<ul style="list-style-type: none"> <li>• Strong country program support for farmer training, extension, awareness programs etc.</li> </ul>

## Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats analysis)

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Agriculture and Rural Affairs (MOFAL)	<ul style="list-style-type: none"> <li>• The major Government agency that has always dealt with food, agriculture and livestock through its 7 technical general directorates</li> <li>• Comprehensive field coverage: 81 provincial and 887 district directorates</li> <li>• Skilled and experienced staff, a total of 31,431 staff providing services at provincial, district and village levels</li> <li>• Availability of female technical staff at all levels (no gender discrimination)</li> <li>• Modern legislative base</li> <li>• High quality leadership with vision and strategy aiming at making Turkey 5th largest agricultural producer in the World by 2023</li> <li>• Field services are provided from well-equipped offices and extensive and new vehicle pool</li> <li>• Well aware and integrated into international networks</li> <li>• Internationally recognized competent research system</li> </ul>	<ul style="list-style-type: none"> <li>• Not singular responsible and authority over agriculture and rural development</li> <li>• Centralized and bureaucratic decision making</li> <li>• Fragmented responsibilities and competencies of different units within the ministry</li> <li>• Excessive reliance on subsidies and supports to create change in agriculture</li> <li>• Inefficient of use of capacity and time of experienced/senior field staff (main focus is on subsidy program implementation)</li> <li>• Time allocated to technical ground work severely limited by bureaucratic processing of the subsidies in the field offices</li> <li>• Inability to operationalize "farming as a business" concept</li> <li>• Operational focus on more fertile, productive lowlands</li> <li>• Insufficient horizontal and vertical coordination between different units</li> <li>• Centralized financial procedures slow field operations</li> <li>• Weaknesses in collection and reliability of agricultural statistics</li> </ul>	<ul style="list-style-type: none"> <li>• Generally high quality technical staff capable of implementing projects</li> <li>• Well-developed system of set of strategies toward 2023</li> <li>• GIS driven parcel identification system allows precise targeting of interventions</li> <li>• Potential to enhance agricultural productivity and profitability including on unutilized and/or underutilized small plots of poor farmers</li> <li>• Well-developed food processing industry</li> <li>• Major international exporter of agricultural products</li> <li>• Flexibility and resources to outsource technical staff</li> <li>• Use of TARBIL to cover farm management needs of small farmers</li> <li>• Collaborate with IFAD to export knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of dilution of small projects in the overall system</li> <li>• Bureaucracy hinders efficient feedback</li> <li>• Lack of effective policies to promote grass root farmer organizations</li> <li>• Inability to mainstream M&amp;E into decision making/policy</li> <li>• No change in the job-description of field staff to ease them off workload of subsidy processing bureaucracy</li> <li>• Frequent institutional reorganization</li> <li>• Lack of continuity in agricultural policies inhibit investment</li> </ul>

	<ul style="list-style-type: none"> <li>• Awareness of best practice NRM particularly land and water</li> <li>• Use best practices for information technology that is mainstreamed</li> <li>• Handles an investment budget of USD300million and USD3.3billion farmer support program</li> <li>• Responsible for delivery of 5.5 million USD/annum agricultural support</li> <li>• Wealth of experience of multilateral project implementation including 30 years and 8 projects with IFAD</li> <li>• In-depth knowledge of IFAD; has board position</li> <li>• Handles multiple source of funding including EU resources under EU-IPARD funding as “payment agency”. IPARD II (2014-2020) values that EU800million.</li> </ul>	<ul style="list-style-type: none"> <li>• National Rural Network for IPARD not set up</li> <li>• Poor M&amp;E with over emphasis on /input</li> </ul>		
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Ministry of Forestry and Water Works	<ul style="list-style-type: none"> <li>• Singular, undiluted, responsibility and authority over (almost all state owned) forest (OGM) and fresh water (DSI)</li> <li>• Large central and regional and local administrative coverage and experienced, competent staff working under four general directorates and three affiliated agencies</li> <li>• Long-term experience in diverse eco-systems</li> <li>• Awareness of natural resource degradation and impacts of climate change</li> <li>• Large central and regional and local administrative coverage and experienced, competent staff</li> <li>• Services are provided from well-equipped offices and extensive and new vehicle pool</li> <li>• Well-developed notion of long-term planning and implementation</li> <li>• Experience with international projects</li> <li>• Capacity to manage large budget</li> <li>• OGM is capable of handling an annual investment budget of about USD300billion (2015)</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of consistent policy for rural development</li> <li>• Poor coordination with other actors in the rural sector</li> <li>• Limited implementation of integrated basin/watershed management</li> <li>• Rich biodiversity not translated into sustainable rural income generation (non-wood forest products)</li> <li>• Limited innovation due to traditions and institutional inertia</li> <li>• Fragmented responsibilities and competencies of different units within the ministry</li> <li>• Out dated models used by ORKÖY in 21 000 forest villages.</li> <li>• Unfinished cadaster resulting in unsolved ownership problems</li> <li>• Lack of secondary level legislation for implementation of policies</li> </ul>	<ul style="list-style-type: none"> <li>• High quality technical staff capable of implementing projects</li> <li>• Well-developed system of set of strategies toward 2023</li> <li>• Flexibility and resources to outsource technical staff</li> <li>• Rural tourism</li> <li>• Potential to reduce poverty and natural resource degradation in forest villages</li> <li>• Income generating potential of non-wood forest products</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Political and social pressures preventing implementation of strategies</li> <li>• Frequent institutional reorganization</li> <li>• Slow institutional reflexes and low flexibility due to culture of long-term planning</li> <li>• Frequent amendments to legislation</li> <li>• Inability to mainstream M&amp;E into decision making/policy</li> <li>•</li> </ul>
Rural Financial	<ul style="list-style-type: none"> <li>• Extensive rural coverage by Agricultural Bank (TCZB)</li> <li>• High liquidity of TCZB</li> </ul>	<ul style="list-style-type: none"> <li>• Poor financial inclusion of small holders</li> <li>• Interest too high for collateral-constrained</li> </ul>	<ul style="list-style-type: none"> <li>• Large unmet demand for low cost investment capital</li> <li>• Grant programs bridge financing gaps</li> </ul>	<ul style="list-style-type: none"> <li>• Endemic collateral issue of smallholders</li> <li>• Poor business</li> </ul>

Institutions	<ul style="list-style-type: none"> <li>• Access to sources of TCZB by Agricultural Credit Cooperatives (ACCs)</li> <li>• Extensive rural coverage by ACCs 16 regional unions, about 1800 primary cooperatives and 13 incorporations</li> <li>• Private sector supplying 1/3 of agricultural loans and expanding</li> <li>• Complimentary funding available for IPARD and other programs</li> <li>• Robust banking system</li> <li>• Very high repayments rates: 99% for TCZB and 97% for ACC.</li> <li>• IPARD II program avails EU800million for rural development</li> <li>• Low interest rate credits from ORKÖY, 1/7th of interest rate of agricultural credits</li> </ul>	<p>smallholders</p> <ul style="list-style-type: none"> <li>• Farmers knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• Improving entrepreneurship skills on small holders' side to tap available financial and technical opportunities</li> </ul>	<p>planning results in failure of small holdings</p>
Farmers organizations (FOs)	<ul style="list-style-type: none"> <li>• Long-term presence</li> <li>• The system harbors World class organizations (Pankobirlik, Tire, Bademli coop.)</li> <li>• Long term presence</li> <li>• Long-experience and competency in MOFAL</li> <li>• Active agricultural producers union under 6 thematic categories</li> </ul>	<ul style="list-style-type: none"> <li>• Too many small cooperatives not able to impact policy</li> <li>• Fragmentation at the apex level;</li> <li>• Complex legal framework;</li> <li>• Paternalistic role of state hindering voluntarism</li> <li>• Improper and involuntary role of FOs in subsidy programs</li> <li>• Lack of training at all levels;</li> <li>• Lack of functional review;</li> <li>• Domineering members result in corrupt cooperative management</li> </ul>	<ul style="list-style-type: none"> <li>• Bring local communities around common commercial interest</li> <li>• Provide advisory services</li> <li>• Can be used to identify and partners with for PPP investment</li> </ul>	<ul style="list-style-type: none"> <li>• Conceptual biases and scared image of cooperatives (corruption)</li> <li>• Change in support policies make the FO membership redundant since there are used as a tool for agricultural support</li> <li>• Uninformed management can shift development thrust</li> </ul>

NGOs	<ul style="list-style-type: none"> <li>• TZOB having obligatory membership for all farmers</li> <li>• Governments recognize NGOs as stakeholders</li> <li>• NGOs participate in policy quorums</li> <li>• Very few rural development NGOs</li> <li>• NRM and CC actively supported by NGOs</li> <li>• NRM and CC NGOs' proven willingness to work with women and youth</li> <li>• Well-functioning grass root village associations formed for social purposes, effective in maintaining links between resident and migrated populations</li> </ul>	<ul style="list-style-type: none"> <li>• Limited policy impact</li> <li>• Financially unsustainable</li> <li>• Low life expectancy</li> <li>• Weak ownership of TZOB by small scale farmers</li> <li>• Small farmers see TZOB as only collector of dues and fees</li> </ul>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Village associations used for dissemination of information <ul style="list-style-type: none"> <li>• Use NGOs for advocacy and beneficiary training in the areas of NRM and CC</li> <li>• Involving NGOs in program enhance their recognition in NRM and CC</li> <li>• Wide outreach through TZOB</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Populist approaches of TZOB hinder farmers' moving toward commercialization</li> </ul>
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### Key file 3: Complementary donor initiatives/partnership potential

Development partner	Nature of Program/Project	Coverage	Status	Complementarity/Synergy Potential
World Bank	Country Partnership Strategy (CPS) for 2012-2016 envisaged financing levels of USD10million. The strategic objectives and pillars are: i) enhanced competitiveness and employment; ii) improved equity and public services; and iii) deepened sustainable development.	In the context of EU harmonization standards, TA support was provided for the Government's preparation of a National Watershed Management Strategy. The Integrated Basin Management Project (under preparation) that extends this engagement will support the implementation of river basin management plans and pilot investments in two river basins, focusing on the coordination of various public institutions and different water users.	Under preparation	Potential for collaboration on rural development aspects of the Project
European Union (EU)	IPARD Program for 2014-2020	EU801million contribution is foreseen to be used for the following measures: <ul style="list-style-type: none"> <li>• Investment in physical assets of agricultural holdings</li> <li>• Investment in physical assets concerning processing and marketing of agriculture and fishery products,</li> <li>• Agro-environment-climate and organic farming measure</li> <li>• Implementation of local development strategies (Leader approach)</li> <li>• Investments in rural public infrastructure</li> <li>• Farm diversification and business development</li> </ul>	Foreseen to start in 2016	Small farmers are not eligible for EU funding (because of non-viability of small farms according to EU criteria). EU's support to bring Turkey close to EU standards in agriculture and veterinary services, particularly food safety and sanitary standards would help the small producers' link to the value chains.
FAO	<ul style="list-style-type: none"> <li>• <input type="checkbox"/>FAO Turkey Partnership Program Phase I: A trust fund financed by Government of Turkey (represented by MOFAL) support the program. Started in 2006 with USD20million contribution from Turkey. Assistance provided on food security and rural poverty reductions in six countries in Central Asia and Turkey. Phase</li> </ul>	<ul style="list-style-type: none"> <li>• Phase II with MOFAL covers work on food security and nutrition, agricultural and rural development, protection and management of natural resources, agricultural policies and food safety.</li> <li>• Program with MFWA includes: <ul style="list-style-type: none"> <li>• Sustainable land management</li> <li>• Forest policy and institutional development</li> <li>• Forest management and protection</li> <li>• Forest products and services</li> <li>• Forest and environment</li> </ul> </li> </ul>	<p>Second Phase with MOFAL just started</p> <p>Forestry Program has just started</p>	<p>To learn lessons from the completed Phase I and incorporate these in the projects in the pipeline</p> <p>Explore opportunities for collaboration with Phase II</p> <p>Work together with FAO as design partner for the</p>

	<p>II: covers 2015-2019.</p> <ul style="list-style-type: none"> <li>• Turkey Partnership Program with MFWA has a Forestry Program with trust fund contribution of USD2million by the Ministry over an initial period of five years</li> <li>• Pipeline Project: Agricultural Implications for Ecosystem Based Adaptation (EBA) to Climate Change in Steppe Ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• People and forests</li> <li>• Assessment and monitoring</li> <li>• Drought impact monitoring and land degradation assessment</li> </ul>		pipeline projects
UNDP	<p><u>Country program</u> focuses in the following core areas: i) inclusive and sustainable growth, ii) inclusive and democratic governance and iii) climate change and environment</p> <p>Target groups focus on those facing social exclusion or vulnerability e.g. unemployed women, especially in rural areas, persons with disabilities and communities in less developed regions</p> <p><u>Small Grants Program (SGPs):</u> designed empower communities to become direct and active actors in environment and sustainable development work.</p>	<p>In climate change and environment core area, the primary target will be rural population in sensitive biodiversity/hot spot areas</p> <p>SPG Turkey will enhance and strengthen capacities of community based organizations to engage in consultative processes, apply knowledge management to ensure adequate information flows, implement convention guidelines, and monitor and evaluate environmental impacts and trends through: (1) promoting and disseminating best practices on protected area management, sustainable land use management, increasing climate resilience, maintenance of ecosystem services in GEF SGP focal areas. (2) Supporting the establishment of thematic communication and collaboration networks among NGOs, unions, local producers, scientific communities and governmental/public institutions in GEF SGP focal areas; (3) Strengthening the knowledge and capacity of local communities via thematic trainings on GEF focal areas, guidelines and monitoring and evaluation tools.</p>		<p>Collaborate for capacity building for i) inclusive and sustainable growth, and ii) climate change and environment</p> <p>Improve IFAD outreach for women and youth by using UNDP networks</p> <p>Synchronize targets for SGP to prevent overlap and enhance synergy SGP is actively pursuing partnerships which would benefit both financially, and institutionally</p>

## Key file 4: Target group identification, priority issues and potential response

Target group	Characteristics	Issues/priorities		Responses/activities
Principal beneficiaries of RB-COSOP targeting				
Farmers with marginal and adequate surplus	Own land 2-4 ha Rain-fed/irrigated agriculture Small and fragmented plots Not business oriented farmers	Limited access to financial services due to collateral constraints		Increase access to finance (grants)
		Lack of collective action /organizational capacity and governance		Increase mobilization and awareness for collective action and creation of groups Participate in FOs Exposure visits to successful FOs
		Treat farming as a means of subsistence/limited market Limited skills in entrepreneurship, marketing		Training on farming as a business and simple book keeping and entrepreneurship
		Environmental degradation, lack of/limited irrigation infrastructure		Soil and water conservation activities /rangeland management/small infrastructures for irrigation
Farmers with large surplus	Own no less than 4 ha land and agricultural production is oriented to market Large plots of irrigated land Business oriented farmers			Act as "model farmer" for the others
		Improve production quality and quantity		Improve access to finance, market and knowledge
		Individual farmers/lack of collective action		Engage actively in FOs Training on entrepreneurship
Very Poor farmers	Landless or near landless; Access to social support from government	Vulnerable livelihoods Lack of assets Lack of skills		Labor saving technologies and equipment for drying processing Introduction of poultry production to groups of poor women Technical training on poultry production Technical training on processing, drying and packaging fruits
Women	More likely to be poor, higher unemployment, work as unpaid family labor, generally disadvantaged in economic issues compared to men. Play major role in vegetable farming, production of milk and dairy products, poultry production for domestic consumption or marketing locally	Human assets	Conflicting demands on time Lack technical and business skills Less access to information than men	Target for women's participation in training and exposure visits to other cooperatives/women's groups (learning) Select as lead farmers when appropriate and promote awards events Promote participation in business skills training Strengthen gender mainstreaming in extension staff skills and message delivery
		Natural assets	According to traditional practices could not use inherited land –	Target for women's participation in clusters Women representation in cooperatives (at least 30%)
		Physical assets	Limited access to extension services, training Weak linkages to market information, markets Low rates of technology adoption	Ensure extension services gender-sensitive and inclusive through training Potential development for milk value chain and increase production of milk/dairy production.

		Social assets	Traditionally not participate in decision-making bodies Limited access to agricultural information through extension service Reticent to speak in public	Encourage attendance at project sensitization meetings and have at least 50% participants Promote group formation and strengthening among women Provide leadership and entrepreneurship training Encourage participation in farmers' associations and organization, at least 30% women.
Female-headed households (rare in the project area) (in addition to issues facing women in general, as noted above)	Among poorer HHs, with greater burden of dependents, lower earning capacity, fewer assets	Human assets	Ability to cultivate land constrained by labor especially if widowed, elderly Difficult to perform some tasks based on gender division of labor Make more use of family labor and less use of hired labor	Labor saving technology Engagement in alternative activities that can be performed at home: drying processing, jam production, poultry, and production of aromatic and medicinal plant in the garden.
		Natural assets		
		Physical assets		
Youth	People aged 15-30 with high tendency to migration	Human assets	Reticent to participate in agriculture Prefer off-farm work Migrate away from rural areas Lack of/limited technical and business skills	Training in farming as a business and entrepreneurship Mentoring programmes Select as lead farmers when appropriate Strengthen youth mainstreaming in extension staff skills and message delivery
		Natural assets	Difficulty in accessing land Delayed inheritance from elderly parents	
		Physical assets		
		Financial assets	Limited access to financial services due to collateral constraints Lack financial resources to buy inputs and technologies	Promote youth participation in FOs to collectively access financial support from the project
		Social assets		Encourage attendance at project sensitization meetings Promote group formation and strengthening among youth Provide leadership training Encourage participation in village decision-making bodies, including committees, cluster committees, irrigation association and management committee, farmers' associations and higher level farmer organizations

Nomads (relevant for Upper Taurus Mountains)	Between 120/150 families (registered/number of total nomads not yet defined). Vulnerability due to reduced access to natural resources for animal feeding, reduction of traditional grazing area, I  Limited literacy and lack of access to basic social services	Vulnerable livelihoods, depending exclusively on livestock and complementary dairy production. Lack of access to resources (water) and basic services in the project area Lack of knowledge on law and regulations/lack of participation in decision making on NRM Erosion of traditional institutions and organization	In support of existing field veterinary services Training of selected Yörüks pastoralists as Community Animal Health Workers on basic animal health practices (e.g. deworming) to improve livestock health. Use participatory methodology to increase understanding and competence through community conversations, behavior change communication for consulting with rangeland users (nomads and resident HHs) this include information on low and regulation for the rangeland as well as explaining the relevance of animal mobility for the eco-system. Support nomads families to identify representatives Include representatives in the Committees for grazing plan preparation.
	Poorest households travelling with camels	Longer travel distance due to re-routing to avoid forestry activity area and/or planted private fields.	Use participatory common property resource management/planning methods/approaches Identification and provision of services identified and selected by the communities in a menu of options: mobile veterinary services as well as small infrastructures.
	Better off families moving with tracks/larger number of flocks/shepherds hired	Longer travel distance due to re-routing to avoid forestry activity areas and/or planted private fields.	Participation to demonstration of actions for soil conservation and Use COMMOD for participatory common property resource management/planning
<b>Secondary beneficiaries of targeting</b>			
Agricultural extension staff particularly Farmer Support Teams)	Provincial and field	Limited skills in gender mainstreaming and youth Limited understanding and competence in participatory development approaches Limited skills in conflict resolution on shared resources Limited skills in community empowerment Women under-represented	Specialist training for gender focal points at all levels, from province to the field. Support the work of the Project Management Units Support the preparation of gender and social inclusion plans and manuals Integrate gender and social inclusion, as well as participatory methods into training and refresher training for extension staff Train staff to conduct participatory consultation ( i.e. nomads) Encourage secondment of women extension staff Train extensions service to undertake activities that consider the calendar and needs of the nomads. Train the extension service to conduct demand driven consultation and Commode approach.