

# TURKEY



**Statement by the Governor for the Republic of Turkey**  
**Mr. Cavit Dağdaş, Undersecretary of Turkish Treasury**

Mr. President, Esteemed Governors,

I would like to start by congratulating the 25<sup>th</sup> anniversary of the EBRD. Since it was established EBRD has been a key partner in the transition process of its countries of operation. By blending the necessary financing it is providing with high quality technical guidance, and by mobilizing other key stakeholders towards transition goals, EBRD has been a catalyst for change. Both the shareholders and the past and present managers of EBRD should be proud of the achievements that the EBRD has made in its existence during its first quarter of a century.

EBRD's performance has also been outstanding over the last year. Following the global financial crisis, just like most other years 2015 has been a difficult year for the world economy and for our region. Volatility in commodity prices, slowing down of capital flows and geopolitical developments continued to weigh on economic development in several countries of operation.

It is commendable that the Bank responded to these ongoing challenges by delivering a record level of annual investment of 9.4 billion Euros in 2015. What is more remarkable is that this successful performance has been complemented by strong quality in operations, as observed by the favorable transition impact potential of new signings. Also the importance of the high level of investment which EBRD has mobilized towards our region in 2015 is worth underscoring. I would like to congratulate the Bank Management for providing the right kind of response which we would expect from a highly capable international institution like EBRD in such a difficult period.

Looking ahead, we believe that the Bank needs to preserve its strong operational and financial performance and continue to focus delivering high quality transition. In this regard, we welcome the strategic prioritization of the Strategic Implementation Plan. We particularly welcome the emphasis given in the Strategic Implementation Plan to developing capital markets, increasing local currency lending and helping countries to improve their



competitiveness. We also welcome the strong focus in the plan on further strengthening policy dialogue capacity of the Bank. We believe that EBRD's international experience and knowledge combined with the full ownership of the country authorities can create significant transition impact.

Since it was established 25 years ago, with its unique mandate and commitment to private entrepreneurship, EBRD has made important contribution to the transition process of its countries of operations. Particularly, EBRD was crucial for the important strides of the Central and Eastern European countries. Today, the world and the EBRD region have changed, and many countries are now confronted by a set of newly emerged challenges ranging from climate change to managing the refugee crisis.

The success for the EBRD in the next 25 years will depend on how best it can help its countries tackle new global and regional issues. Just like any other modern institution, we expect the EBRD to respond to these evolving changes by enhancing its capacity in order to understand them fully and by adjusting its toolbox gradually. This will require an evolution in the way the EBRD and its shareholders think about transition and the way we do our projects. With no doubt, with its unique project-based experience that promotes change and increasing capacity for policy dialogue, the EBRD is well-positioned to respond to these new transition challenges.

EBRD region has been confronted with an unprecedented refugee crisis for the last five years. We appreciate that EBRD has decided to get engaged with the problem by developing relevant projects within its business model. Turkey, as the host of the highest number of refugees worldwide, aims to address this challenge by helping these communities adjust to the local conditions and to the labor market. To this end, we consider EBRD's engagement as instrumental. The support of EBRD in all sectors would help us manage the refugee crisis better and accordingly develop sustainable solutions.

Last year, despite the challenging international backdrop, Turkey has been one of the top growth performers in the region. Our prudent macroeconomic policies and commitment for structural reform helped us achieve this result. To ensure that growth will continue to be strong, sustainable and inclusive in the coming years, we have announced a very comprehensive and detailed reform package. The package includes bottom-up sectoral transformation programs and top-down structural reforms in a wide range of areas. In



addition, the reenergized European Union Accession Process will continue to be an engine of political, social and economic change in Turkey. The implementation of our structural reform agenda in the first three months has been very successful.

Turkey has received the highest share in the business activity of the EBRD both in 2014 and in 2015. We thank all EBRD shareholders for their support. The strong policy dialogue between the EBRD and Turkey and the very well aligned mutual objectives set out in the country strategy have been important to achieve these results.

The strong partnership between Turkey and EBRD has generated significant opportunities and benefits for both sides. With the support of EBRD, we have developed landmark infrastructure projects with innovative financing models. EBRD has also helped us to introduce new financial products, diversify the investor base in our capital markets and lengthen the investment horizon of investors.

In particular, the success of EBRD operations in Turkey in the fields of green economy transition, women in business and SMEs are very much appreciated by international observers. We are happy to see that our partnership with EBRD have further increased the capacity of our private sector and produced several leading examples which we are being replicated elsewhere. We are very much committed to continue working with EBRD to further deepen its impact in Turkey and beyond.

In conclusion, I would like to express my appreciation to President Sir Suma and the entire staff of the Bank for their outstanding work during recent years and wish the best for the Bank and its President.

Thank you.