

LOCAL DEVELOPMENT GUIDE

For Business

TURKONFED



**ARGÜDEN
GOVERNANCE
ACADEMY**

Good Governance for
Quality of Life

A LOCAL DEVELOPMENT GUIDE FOR BUSINESS



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A LOCAL DEVELOPMENT GUIDE FOR BUSINESS





FOREWORD

Our world is changing fast. Impact of disruptive technologies and innovations on economies affect every aspect of life. In addition to the dramatic changes caused by digitalization, the world has to address global problems related to climate change.

The digital revolution has affected all elements of business from production to export, business model to human resources management. This change has affected the governance of not only private market actors but also public sector and local government institutions. Countries that focus their efforts to create value and efficiency for local development started to take the lead in global competitiveness.

As Turkish Entrepreneurship and Business Confederation (TÜRKONFED) which brings together 30 federations, 262 associations and more than 40 thousand companies at the regional and sector level, we work to improve the sustainable development capabilities and competitiveness of Türkiye. We work to mobilize local development dynamics through our federations in all regions of the country.

TÜRKONFED has published more than 30 research reports in the last 15 years, on issues like income distribution by region, local development, financing of SMEs, Middle Income Trap and Middle Democracy Trap.

We have also brought international experience and knowledge to Türkiye through the Business World for Goals Platform which has

been established together with the UNDP and Turkish Industry and Business Association (TÜSİAD) for supporting activities to realize the SDGs. We have developed projects to increase the resilience of the private sector and SMEs in preparation for complex issues like migration and natural disasters caused by climate change or earthquakes.

Regional development activities could be achieved through democratic participatory ecosystems at the regional level. These ecosystems could be furthered through activating citizen assemblies at the cities whose participants would include public actors, private sector representatives and civil society actors. TÜRKONFED has emphasized that citizen assemblies could play an important role in local development efforts by forming a common development vision for the region. We contributed to the transformation of values created by our economics, SMEs, sectors and cities for improving the wellbeing of society.

“A Local Development Guide for Business” has been developed and prepared in cooperation with the Argüden Governance Academy. We believe that this Guide would serve as a valuable roadmap for the public institutions, local governments and business to contribute to the efforts of local development and to accelerate the sustainable development and competitiveness of Türkiye.

Orhan Turan
TÜRKONFED
Chairman of the Board of Directors



PREFACE

Sustainable development has become a key global agenda item in the last thirty years. Particularly in 2015, the UN has formed a new stimulating platform through the SDGs to find solutions for the common global problems. After the introduction of SDGs, international institutions, public sector, private sector, and civil society organizations have started to adopt the SDGs.

Argüden Governance Academy was founded with a purpose to improve trust to the organizations for quality of life and a sustainable future. We aim to promote good governance culture and practices in the public, private, and civil society organizations at local, national, and global domains.

Trust is the essence of good governance and sustainable development which improves quality of life. Therefore, without adopting a good governance culture, it would be not possible to achieve the sustainable development and improve quality of life.

Building effective, participatory, accountable, and inclusive institutions at all levels (SDG 16) and increasing cooperation and partnership for sustainable development (SDG 17) are defined as prerequisites for achieving other SDGs and these goals are directly related to the good governance culture.. Hence, the good governance culture is the key for a for a sustainable future.

This Guide has been developed and prepared in cooperation with TÜRKONFED to help improve the quality of the policy climate through evidence-based policymaking

with inclusive stakeholder engagement. The main aim of the Guide is to support a decision-making climate where economic, environmental, and social concerns are properly evaluated for sustainable development. It advocates a pro-competitive, transparent, predictable, and quality regulatory decision-making framework that support businesses, entrepreneurship, and innovation with minimum administrative burden. It also provides participatory policy development tools and best practices in this field to strengthen participatory democracy and to support local development.

We hope that it would be utilized by the public sector decision makers, as well as business, and civil society leaders to develop policy alternatives that consider the interest of different segments of the community, including the future generations. We believe that such an approach to policy making would improve trust among the institutions and people. It would also improve the quality of decision making, participatory democracy, and sustainable development.

We wish to support conversion of cities into more sustainable, developed, and livable places. We hope that the Guide will be beneficial for developing more effective cooperation and partnerships between the all stakeholders starting from public and private institutions for achieving this vision.

Dr. Yılmaz Argüden

Argüden Governance Academy
Chairman of the Board of Trustees

INTRODUCTION

The world is currently undergoing a transformation process. Globalization, digitalization, increase in environmental problems and social inequalities bring a number political, economic, and social changes which are difficult to predict. The financial crisis of 2008 has negatively affected stability in the markets. Ongoing environmental problems and social inequalities increase the importance of adopting a sustainable development approach. Both the countries and international institutions try to implement various strategies to realize the needed transformation for overcoming the existing and future challenges. Public and private institutions all around the world need to adopt themselves to the changing environment. Turkey has undergone major social and economic changes in the last thirty years in parallel with the developments in the world. The increasing population, rising share of youth in the population, migration to the cities, reform efforts introduced by the EU for the harmonization process and the changes in economic policies have produced various outcomes during this period. Türkiye has become a middle-income country through economic growth, development of different business sectors and changes in the nature of employment. Overcoming the 'middle income trap' and increase in quality of life could be possible by improving competitiveness and implementing an inclusive economic policy approach. Participatory, integrated and data-driven

public policy and decision-making processes would ensure more effective and efficient utilization of resources and also would pave the way for development by triggering a continuous learning cycle. Increasing participation of private sector and civil society actors in public decision-making, implementation, monitoring and evaluation processes would create a multiplying effect in terms of increasing local development and quality of life. This approach could help align the decision-making processes of private actors with public institutions. Development of a country or region could be achieved with the adoption and implementation of a good governance culture by public institutions. The public sector should be a leader in implementing good governance practices since it represents the common interests and exercises its authority by making policies and deploying resources to implement them.

The role and decisiveness of economic geography continues to increase, where city-regions are the leading actors. The main aim of this publication is to contribute to the improvement in consultation, participation, cooperation and coordination processes between public and private sectors at city regions in order to support improvements in local development, competitiveness and quality of life. The guide proposes a model and outlines tools that could enable participation of private sector in the public

sector policy development, decision-making and planning processes.

Some cities have become driving geographic actors thanks to their infrastructure, logistics, extensive service opportunities, and social capital. Economic policies and plans at the city level are of great importance in terms of attracting investors and strengthening existing economic and social capital. Importance of city regions increases each day since they play an important role in the development of countries by realizing an important share of economic activities. Inclusive and integrated decision-making and effective utilization of resources would be vital for supporting development, improving competitiveness and quality of life in the city regions. This Guide has been prepared to show how such a process could be implemented by adopting good governance. It has been designed to support improving competitiveness and existing development efforts in the city regions through a vision of sustainable local development.

In-depth interviews have been conducted in İstanbul, Ankara, Gaziantep, İzmir and Konya in preparation of this Guide. The main aim of these interviews was to understand the existing development efforts in the city-regions and the current state of relations between public and private actors. Face to face interviews were conducted with the various stakeholders, including the representatives of regional development agencies (RDAs), metropolitan municipalities, provincial branches of the ministries and the chambers of trade and industry. Interview process helped to understand the common problems, needs of each city region and the prevailing best practices of inclusive policy development activities. The findings of these interviews have made a great contribution to the development of the recommended model for local business actors.

Role of Civil Society in the Legislation

Efforts for improving competitiveness and supporting local development through public and private cooperation will contribute to the development of the country. The 11th Development Plan of 2019-2023 period has set the context and defined the guiding objectives of its implementation areas: a sustainable and strong economy, competitive production and efficiency, a qualified labor force, a strong society, livable cities, environmental sustainability, the rule of law, democratic institutions, and good governance.

The 11th Development Plan describes the expected governance approach and the role ascribed to civil society organizations under the sections of Urbanization, Good Governance, Interactions between Global Developments and Developments in Türkiye. The Regulation on the Principles and Procedures of Preparation of Legislation (dated 17.02.2006)

and Public Financial Management and Control Law NO. 5018 (dated 24.12.2003) defined the roles expected from civil society sector in regulatory development processes which is provided in the full version of the Guide. The Municipality Law No. 5393 (dated 03.07.2005), the Law on Establishment, Coordination and Duties of Development Agencies No. 5449 (dated 25.01.2006) and the National Regional Development Strategy for the 2014 - 2023 period which form the basis for participation of civil society and business actors in public policy development processes.

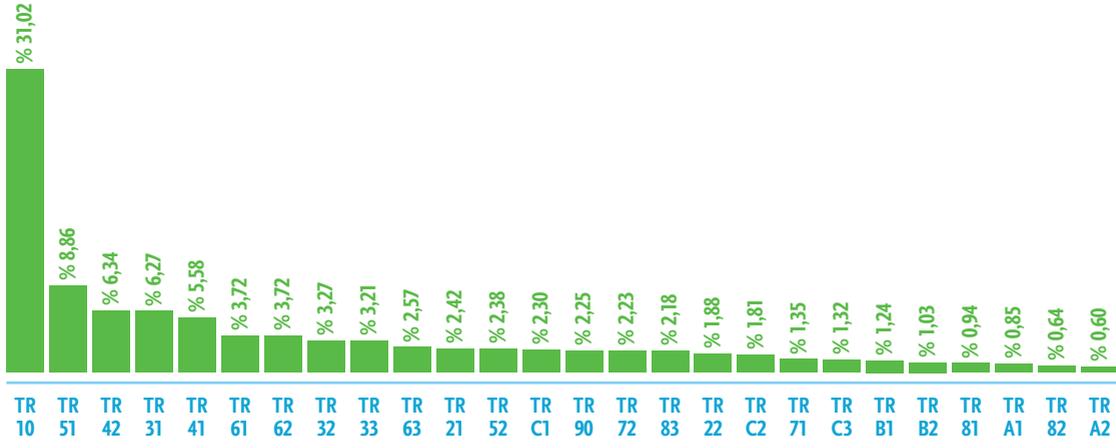
REGIONS OF DEVELOPMENT AGENCIES IN TÜRKİYE

There is significant variance between the level of development of city clusters under each Regional Development Agency. The city clusters each Development Agency is responsible for are listed below.

TR10	İSTANBUL
TR21	TEKİRDAĞ, EDİRNE, KIRKLARELİ
TR22	BALIKESİR, ÇANAKKALE
TR31	İZMİR
TR32	AYDIN, DENİZLİ, MUĞLA
TR33	MANİSA, AFYONKARAHİSAR, KÜTAHYA, UŞAK
TR41	BURSA, ESKİŞEHİR, BİLECİK
TR42	KOCAELİ, DÜZCE, SAKARYA, BOLU, YALOVA
TR51	ANKARA
TR52	KONYA, KARAMAN
TR61	ANTALYA, ISPARTA, BURDUR
TR62	ADANA, MERSİN
TR63	HATAY, KAHRAMANMARAŞ, OSMANİYE
TR71	KIRIKKALE, AKSARAY, NİĞDE, NEVŞEHİR, KIRŞEHİR
TR72	KAYSERİ, SİVAS, YOZGAT
TR81	ZONGULTAK, KARABÜK, BARTIN
TR82	KASTAMONU, ÇANKIRI, SİNOP
TR83	SAMSUN, TOKAT, ÇORUM, AMASYA
TR90	TRABZON, RİZE, ORDU, GİRESUN, ARTVİN, GÜMÜŞHANE
TRA1	ERZURUM, ERZİNCAN, BAYBURT
TRA2	AĞRI, KARS, İĞDIR, ARDAHAN
TRB1	MALATYA, ELAZIĞ, BİNGÖL, TUNCELİ
TRB2	VAN, MUŞ, BİTLİS, HAKKARİ
TRC1	GAZİANTEP, ADIYAMAN, KİLİS
TRC2	DİYARBAKIR, ŞANLIURFA
TRC3	MARDİN, BATMAN, ŞIRNAK, SİİRT

The distribution of the Gross Domestic Product of Türkiye (GDP) by the Development Agency Regions in terms of percentage is shown at the following graph.

GDP Shares of Development Agency Regions in Türkiye



Source: TURKSTAT 2018

GDP per Capita (USD) in Development Agency Regions



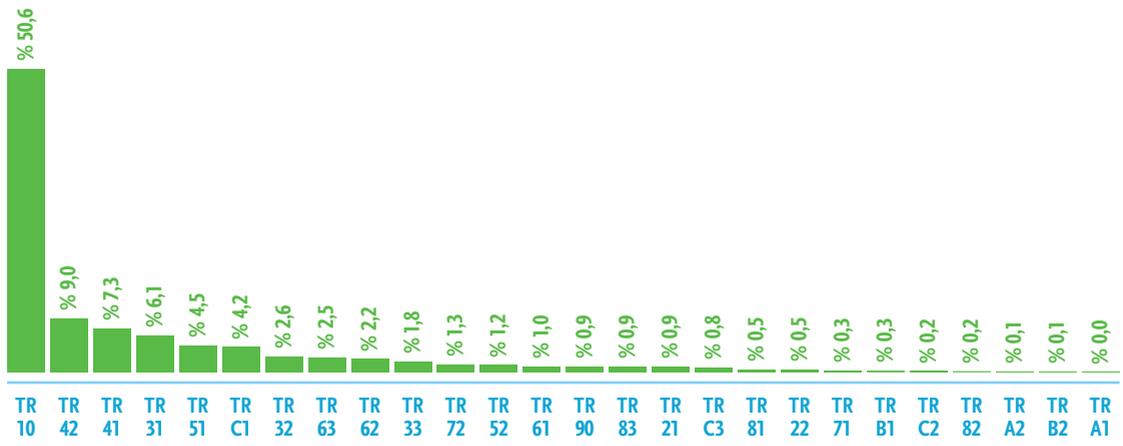
Source: TURKSTAT 2018

GDP (TL) / Population in Development Agency Regions



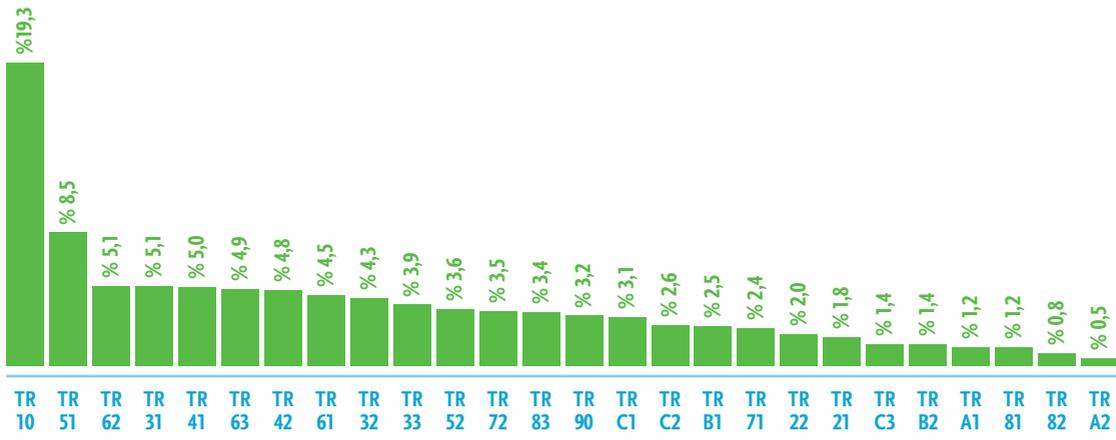
Source: TURKSTAT 2018

Export Market Shares of Development Agency Regions



Source: TURKSTAT 2018

Distribution of Top Decile Students in High School Entrance Exam (LGS)



Source: Ministry of National Education 2019

Ministry of Industry and Technology

Regarding industry, technology, Organized Industrial Zones, and R&D; Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Small and Medium Enterprises Development Organization of Türkiye

Entrepreneurship, R&D, technology, production and renovation initiatives, business development, growth and funding for international markets, laboratory services and Business Development Center (İŞGEM)

Turkish Standards Institution (TSE)

Setting standards, certification, oversight, audit, supervision, calibration and laboratory services

Turkish Patent and Trademark Office

Patent and trademark registration

Scientific and Technological Research Council of Türkiye

R&D supports

Development Agency

Regional development strategy, coordination, project supports, Single Stop Office, investment guidance

Rural Organization of Ministry of Industry and Technology

Regarding industry, technology, Organized Industrial Zones, and R&D; Consultation, audit, training, provincial planning

Ministry of Trade

Regarding trade & company legislation, customs, international trade and international trade agreements, consumer protection; Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Directorate of Trade Registry

Company transactions; incorporation, merger, demerger, registration

Regional Directorate of Ministry of Trade

Regarding consumer rights and trade legislation practices; Consultation, audit, training, provincial planning

Ministry of Family, Labour and Social Services

Regarding Social services, family, protection of children, labor force, employment, working conditions and working life; Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Turkish Employment Agency (İŞKUR)

Employment, unemployment allowance, entrepreneurship, indemnity payment, Wages Guarantee Fund, short-term and half-time employment allowance, hands-on training

Social Security Institution (SGK)

Employee rights, social security practices, healthcare and pension transactions

Rural Organization of Ministry of Family, Labour and Social Services

Regarding social policies; Consultation, audit, training, provincial planning

Ministry of Energy and Natural Resources

Regarding energy and mining; Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Energy Market Regulation Authority (EPDK)

Energy market licenses, energy pricing, market performance management and regulation

Competition Authority

Effective operation of goods and service markets, controlling major acquisitions and mergers affecting market dominance

Rural Organization of Ministry of Energy and Natural Resources

Regarding energy and mining; Consultation, audit, training, provincial planning

Central Stakeholders



Governor

Head of a province and all provincial directorates, Development Agency board member, reports to the Ministry of Interior Affairs

District Governor

Head of a district and all district directorates, reports to the governor



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Public Institutions for Business

Ministry of Environment and Urbanization

Regarding environment and urbanization issues;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Directorates of Land Registry and Cadastre

Title deed and land registry transactions

Ministry of Agriculture and Forestry

Regarding agriculture and animal husbandry, food safety, public health;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Ministry of Treasury and Finance

Regarding finance, economy, budget, taxation, foreign exchange, initiatives, insurance;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Ministry of National Education

Regarding education system, pre-school, primary and secondary education;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Ministry of Transport and Infrastructure

Regarding transportation, communication, aviation and space, information society;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Ministry of Culture and Tourism

Regarding tourism, and protection of cultural and historical assets;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Ministry of Health

Regarding private and public health institutions, medicine, medical devices, health education and public health;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Ministry of Justice

Regarding courts, sanction, enforcement, bailiff and bankruptcy, legal processes with foreign countries, lawyer and notary public related issues;
Policy and strategy development, problem solving, exchanging views, incentive policies and practices

Courts

Resolution of commercial and administrative conflicts

Provincial Directorate of Ministry of Health

Regarding private and public health institutions, medicine, medical devices, health education and public health;
Consultation, audit, training, provincial planning

Rural Organization of Ministry of Culture and Tourism

Regarding tourism, and protection of cultural and historical assets;
Consultation, audit, training, provincial planning

Business
Identity

Local Stakeholders

Revenue Office

Regarding finance and taxation;
Consultation, audit, training, provincial planning

Rural Organization of Ministry of Transport and Infrastructure

Regarding transportation, communication, aviation and space, information society;
Consultation, audit, training, provincial planning

Provincial Directorate of Ministry of National Education

Regarding education system, pre-school, primary and secondary education;
Consultation, audit, training, provincial planning

Rural Organization of Ministry of Environment and Urbanization

Regarding environment and urbanization issues;
Consultation, audit, training, provincial planning

Rural Organization of Ministry of Agriculture and Forestry

Regarding agriculture and animal husbandry, food safety, public health;
Consultation, audit, training, provincial planning

Metropolitan Municipality

City planning, waste management, public transportation, traffic, infrastructure, sanitation, social aid, strategic planning, training, audit, license

District Municipality

Land use planning, sanitation, infrastructure, environmental health, waste management, traffic, parks & recreation, municipal police, audit, license, strategic planning, social aid, education

Regional development is the key for decreasing variance in economic development levels between the regions, eliminating inequalities, improving quality of life and wellbeing and raising competitiveness of the regions and Türkiye at the global scale. As a result, effective utilization of development opportunities and resources should be the main priority for all stakeholders. The principal justifications for this claim are: the availability of high potential for win-win situations due to the mutual connections and interdependencies between stakeholders, and existence of common risks and threats encountered by the cities, enterprises and citizens.

Some of the potential benefits of managing risk and opportunities in a cooperative manner are:

- Utilization of the public and private sector resources to realize the goals for local development, infrastructure investment, improvement in transport, institutional capacity building, research and development activities, vocational training and city promotion,
- Protection of environment and ensuring the supply of necessary raw materials at affordable prices,
- Incentives for investments,
- Provision of a favorable environment for investments,
- Improvement in minimizing the sanctions and costs imposed by the regulations through self-development,
- Improvement of access to local and international markets by strengthening transportation and logistics infrastructures,
- Attraction of investors, customers for products/services, and tourists to create business opportunities for local companies and cities through exhibitions, festivals, and other events,

- Decrease in unemployment,
- Increase in taxes and other public income.

Partnerships between public and private sectors based on good governance would realize the development objectives and improve competitiveness by increasing the win-win capabilities in city regions.. These win-win capabilities would enable growth for private sector enterprises, increases in revenues for the public sector and improvement in quality of life for citizens. Adoption of above approach at the local level could play critical role in the minimization of geographical and social inequalities as well. Risk management regarding the climate change, protection of natural resources and uncontrolled migration also forms a base for joint action by public and private actors.

The implementation of good governance principles and public-private sector cooperation based on consultation and cooperation in the cities would accelerate and contribute to the realization of the various goals.

A holistic vision and strategy, and action agenda based on determined strategy need to be formed to achieve the common benefits and to manage risks at local level. The implementation of the strategy would help to achieve regional development goals and to improve quality of life in the region. Such a cooperation could only be achieved through a strong trustworthy environment. The trustworthy environment between the public-private sector could be formed by implementing good governance principles such as consistency, responsibility, transparency, accountability, participation, fairness and effectiveness. Such an environment could be supported with integrated thinking, evidence-based decision-making, impact assessment and continuous learning approaches.

A good governance approach includes:

- Implementation of a transparent, participatory, and inclusive process in decision-making,
- Consideration of diversity as an important asset,
- Evidence-based decision-making with the participation of all relevant stakeholders
- An oversight mechanism that monitors the implementation of the decisions.

The steps that need to be taken to strengthen a cooperative culture for improving competitiveness and supporting inclusive development in the country could be :

- Creation of a holistic development vision that includes environmental, economic, and social issues,
- Formation of a win-win relationship between public, private sector and academia and encourage them to work on the risks related to development vision
- Triggering cooperation in and between sectors that have strategic importance for the region.
- Preparation of data based and participatory sustainable development plans and improving competitiveness at the local level, whose performance could be monitored and measured,
- Formation of a comprehensive data base at the city level to help to determine, problem areas, and, expectations, needs and demands of stakeholders,
- Ensuring integration of national and local development efforts by

participation and inclusion of all public institutions and especially the municipalities,

- Focus on harmonization of duties and authorities of the central and local government institutions at the city region level to ensure efficient utilization of resources for the development of the region,
- Prioritization of finding swift solutions to local problems and satisfaction of needs of stakeholders through public institutions,
- Cooperation of business institutions to support development efforts at local level,
- Data-based measurement and reporting the performance of development and competitiveness efforts by all regional organizations through integrated thinking approach
- Formation of networks under the leadership of public bodies with the participation of private sector, between private sector institutions, or strengthening the existing networks to coordinate development initiatives
- Adoption and implementation of the good governance culture for consultation, participation, cooperation, and coordination.

The economic potential and dynamics of city-regions could be the driving force for development to improving quality of life and improving competitiveness of the country. A strategic plan needs to be developed with the cooperation of public and private sectors at city regions and country level to achieve the above stated goals.

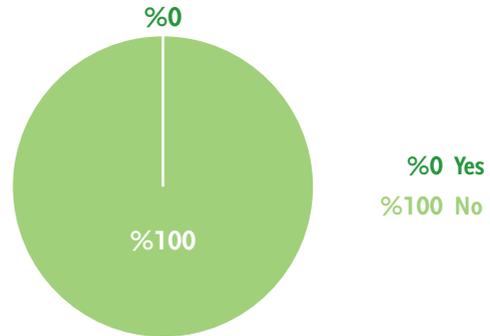
RESEARCH FINDINGS

The Guide was prepared to enable business to play an active role in policy development efforts at the local level. In depth interviews were conducted with the representatives of local public institutions and business in Ankara, Gaziantep, İzmir and Konya. The data from the selected sample of cities was representative for the country. The findings could help to shape efforts for improving competitiveness and local development .

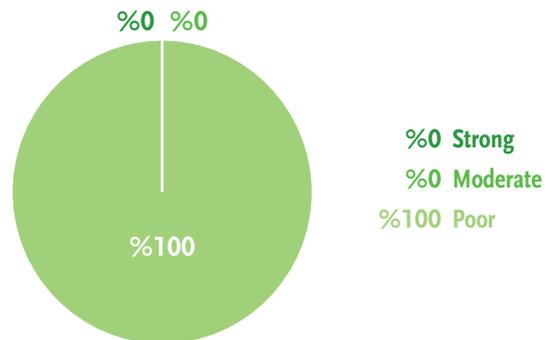
The main findings of the research are summarized below:

- A holistic cooperative development vision is needed for the city regions.
- There should be a systematic consultation and cooperation process between public institutions and business.
- Business needs to develop its capacity to influence public policy-making processes for local development.
- Formation of a comprehensive and up-to-date data pool at city level needs to be prioritized to guide the competitiveness and development efforts of the regions.

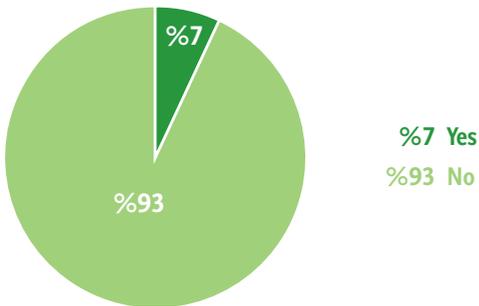
Is a holistic local development vision and strategy operational at the city level?



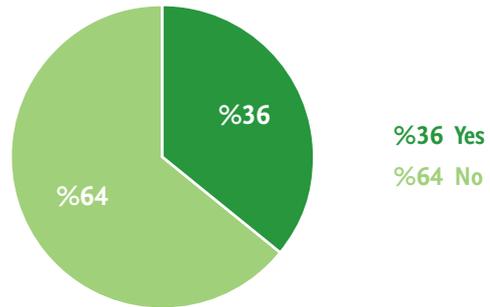
What level of influence do businesses have in local public policy development processes?



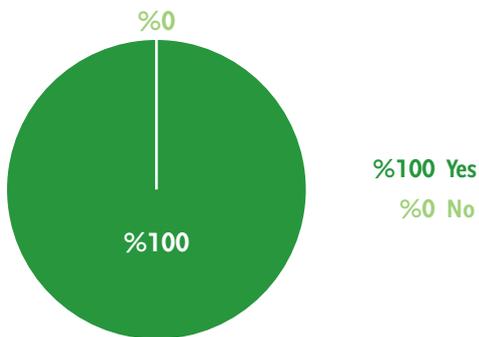
Is there a collected data regarding economic, technological, and social structure of the city? Does the data gets updated? Is there a shared data pool for institutions to utilize?



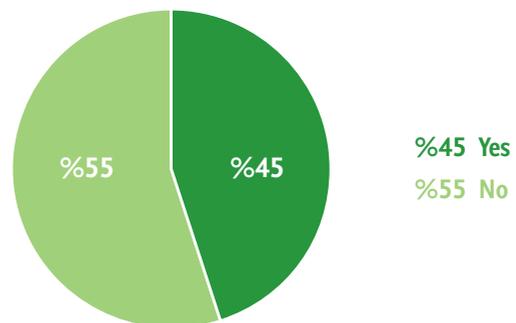
Does a participatory public policy development process exist in the region where businesses can be part of it?



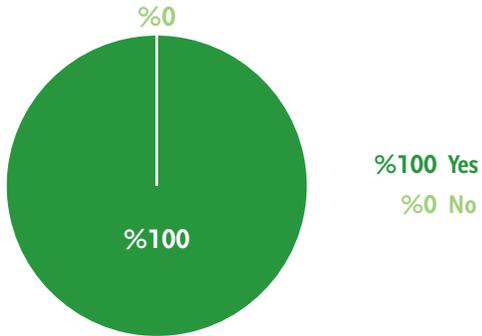
Do you think empowering good governance principles such as transparency, accountability and participation is necessary to improve competitiveness and to support development efforts at the local level?



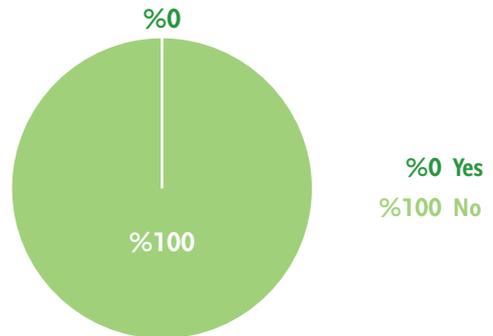
Is there any cooperation and coordination between local public institutions and business representatives regarding development and/or competition?



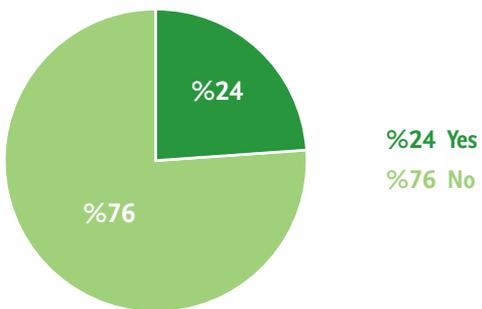
Do you believe the recommended model in this guide will be beneficial?



Do you think there is an impact assessment process with the participation of stakeholders in local public policy development processes?

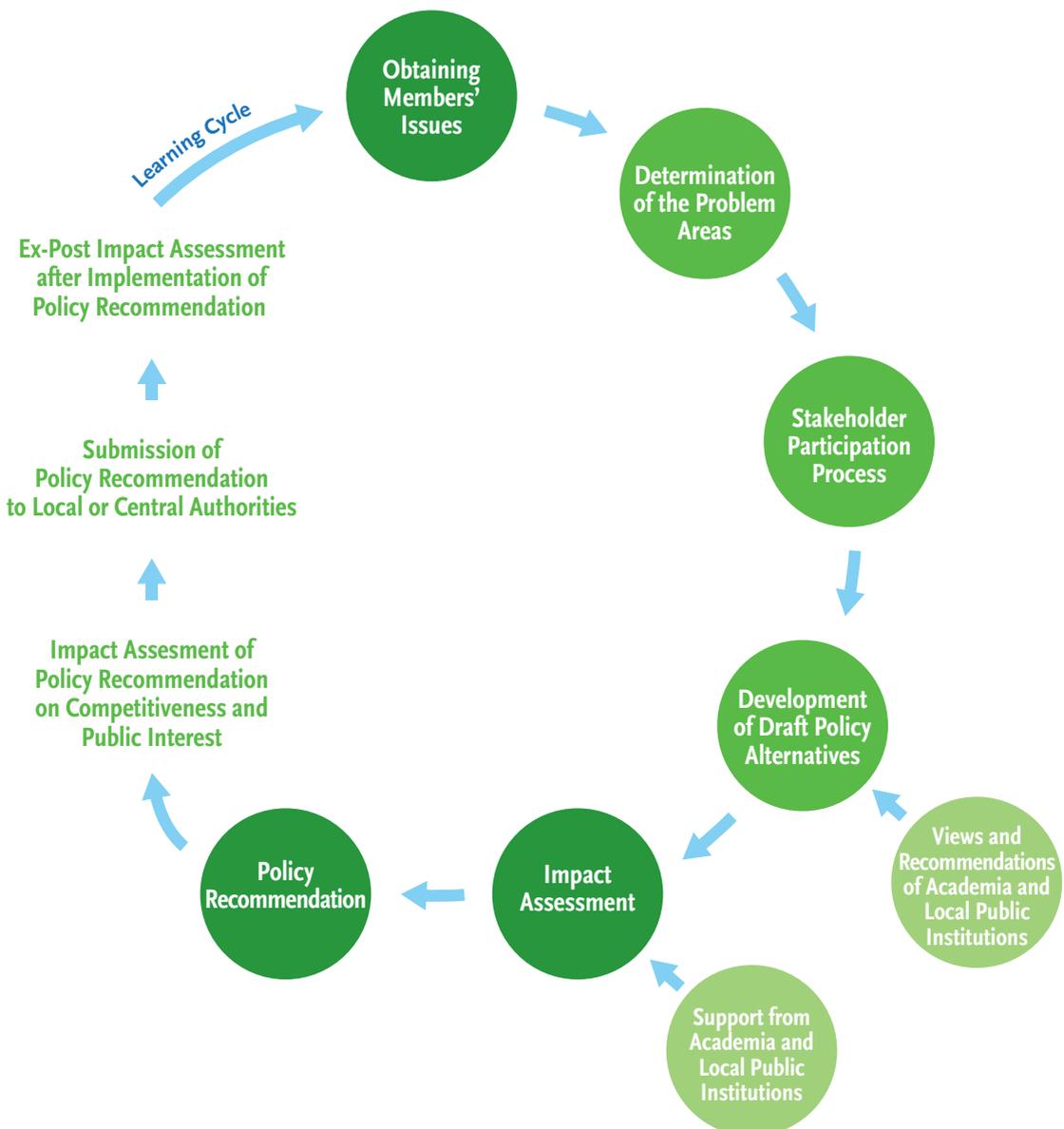


Do public institutions and businesses have data-driven decision making processes?



LOCAL DEVELOPMENT AND COMPETITIVENESS TOOLKIT FOR LOCAL POLICY DEVELOPMENT

Local Policy Development Model to Support Regional Development and Improve Competitiveness



LOCAL DEVELOPMENT AND POLICY DEVELOPMENT STEPS

Local development could be defined as ensuring the development of a region and improving the quality of life of its inhabitants through increasing its economic and social capacity while protecting the environment. Local development contributes to both the development of the region and the development of the national economy.

Local development becomes even more important given the increased local and global competition, technological advancements, labor force movements and regional differences.

Many local development initiatives have been launched in partnership between the public and private sectors around the globe. Business and other relevant stakeholders cooperate to find alternative solutions to their problems and communicate with representatives of local government and central government to implement them.

Sustainable development efforts and quality of life in a region have been affected by policies developed and implemented by the various public institutions. For instance, the zoning plans and transportation infrastructure in the region directly affect the production preferences, and logistic costs of business.

Similarly, the usage of water and other resources of the region for production purposes and waste management activities would affect the cost base for the long-term sustainability and resilience of the business. Training and education

preferences of the labor force have been shaped mostly by the decisions made by the local government in city regions.

Therefore, inclusion of private sector in planning, policy development and decision-making processes of the public sector is very important for the successful implementation of policies, plans and decisions. Effective planning of local development initiatives would enable improvement in investment appetite, positive investment climate, competitiveness, and efficiency of local private sector institutions, increasing employment and encouraging entrepreneurship. The participation of business in the decision-making and implementation processes of the public sector in order to communicate their needs and expectations would improve competitiveness, local development and quality of life in the region. The business needs and demands to be prepared in advance to contribute the above processes. An effective contribution could be ensured by being able to use various tools for case analysis.

Collection of Views from Business Stakeholders

Business associations have strong relations with their members. Business associations have different committees and sector platforms under their framework. Business problems and development needs to be discussed in these committees and platforms. These discussions give a clue for determining

the improvement areas for local businesses. This information could be organized as a database for identifying improvement areas and alternative development solutions for regional problems in a format shown in the table below.

Identification of Problem Areas

The risks, problems and improvement areas discussed in the committees and platforms of the business associations would need to be discussed and evaluated by senior decision-making bodies of the associations. The decision-making body would identify the problem areas and improvement points based on the above evaluations. Therefore, the areas for policy recommendations would be identified on this basis.

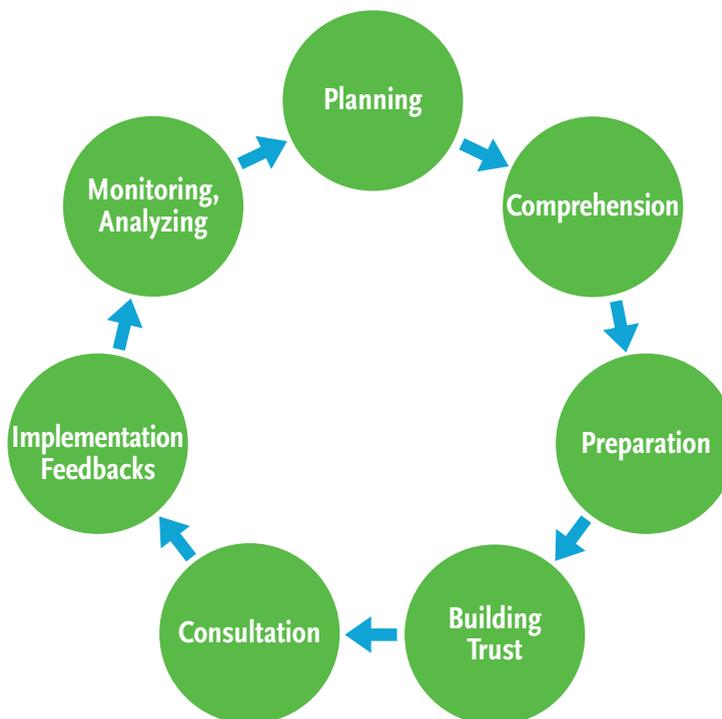
The impact of the policies for focused issues on local development and quality of life need to be understood before taking an action. Such an understanding would help identify how a focus area would affect different stakeholder groups and various sectors.

Stakeholder Participation Process

A stakeholder is a person, a group or an organization that has an interest or capability to influence or to be influenced by the developed policy alternatives.

Stakeholders need to consult with each other. The stakeholders need to be identified in an inclusive manner to enable addressing the expectations and interests of different groups in the participation process. This would give an

Meaningful Stakeholder Engagement



idea regarding the problem and various impacts of it . Information regarding impacts of the policy alternatives need to be collected from stakeholders as well. The methods of participation of stakeholders could be explained in the following matrix. In order to develop sound policy alternatives, opinions and views of relevant stakeholders need to be collected. The relevancy depends on the influence level and capacity to each option. The size of the group

would be important to gain the support of the stakeholders. Because most of the stakeholders would have a role in development of alternatives where they would be able to understand benefits and risk imposed by the policy alternatives. Steps of the stakeholder participation process are shown below. Different consultation techniques could be used for different stakeholder groups in a meaningful stakeholder participation process.

METHOD	DESCRIPTION
Face to Face Interview	A face to face interview is conducted with related stakeholder to understand their needs, expectations, demands and ideas related to the issue.
Workshop	The people with knowledge on the issue should be invited to a meeting where problem and solution alternatives have been discussed and evaluated. Policy alternatives should have been identified.
Focus Group	A focus group is a small, but demographically diverse group of people with knowledge on the issue.
Public Meetings	All stakeholders who have an interest on the issue could participate at these meetings The main aim of the meetings is to understand what the problem is and/or how stakeholders would be affected by the implemented solution alternatives.
Surveys	Surveys are carried out to understand the attitudes, beliefs, emotions, and recommendations of stakeholders on the issue.
Stakeholder Panels	These panels are formed with experts. They work on identification of the problem, developing solution alternatives and monitoring the implementation of policies and making recommendations for improvements of implementation.

Development of Draft Policy Alternatives

Stakeholder consultation process would help to understand the magnitude of the problems and possible impacts of different policy alternatives. Expectations, views and recommendations of the stakeholders regarding the problems and policy alternatives need to be collected as well.

Policy alternatives would be improved and finalized based on the recommendations of stakeholders.

When the policy alternatives have been finalized, it could be beneficial to

communicate the policy alternatives with academia and local public institutions to get their feedbacks. That could improve the support and success of implementation of policy alternatives. Such a consultation would enable a policy review process with public perspective and experiences. The available lessons learned from researches could be included in the policy alternatives as well. Policy alternatives could be strengthened with this methodology which could then improve the chance of acceptance and implementation by central or local governments. The alignment of policy alternatives with the existing regulations and public policies need to be emphasized to gain support.

Impact Assessment

The impact assessment could be carried out only by the business associations due to the necessary expertise.

The Regional Development Agencies, universities or consulting companies which have the necessary expertise.

The impact assessment is a data driven and evidence based analysis. The main aim is to improve the quality of the decision making and understanding whether policies produce expected impact after their implementation.

The impact assessment is the most important step in determining the policy recommendation that would be submitted to the local or central government. Cost-benefit analysis should be conducted to understand the positive and negative distributional impacts of the policy alternatives on different stakeholder groups at this stage.

Both qualitative and quantitative data is used in impact assessment process. The policy alternative which creates the most value for stakeholders and with high probability of implementation has to be proposed. Impact analysis increases the decision-making quality. Determining the impacts on the region, sector, economic conditions, environment and society need to be prioritized. The alignment of policy alternatives with the national development

plan, regional development plan, sustainable development goals and quality of life measures would help to raise relevancy and attract more attention from stakeholders.

Ex-ante impact assessment is an analysis tool which is prepared to assist decision-makers in selection of policy alternatives and to propose for implementation. Positive and negative impacts on different stakeholders, benefits, costs for any developed policy alternative should be understood during this process which should be carried out in evidence-based manner. Ex post impact assessment has to be carried out to determine whether the policy objectives have been achieved after a certain period of implementation. It would allow to evaluate whether policy objectives have not been achieved and where improvement areas are. Ex-post assessment is one of the most important steps of the impact assessment process. This step provides an understanding of the difference between the expected and realized outputs and outcomes. Recommendation for the improvement of the implemented policy has to be developed to achieve the policy objectives.

Data Collection

The quality of the impact assessment is directly related to the collected data. The higher the quality of the collected data, the higher the quality and more precise the results of the impact assessment will be.

STEPS OF IMPACT ASSESSMENT	DATA QUALITY
Data collection during identification of the problem	The purpose of data collection is to reveal the problem and its impacts.
Data collection during development of policy alternatives for the solution of the problem	<ul style="list-style-type: none"> • In addition to the data collected at the first step, data are collected to clearly show the impacts of the problem and the case that no policy action has been taken to solve the problem. • Data related to policy alternatives are collected which that would make an improvement in current case. The bigger the number of policy alternatives, the larger the data to be collected.
Data collection during the cost benefit analysis phase of policy alternatives	Different data collection techniques could be used depending on the analysis method. The collected data need to ensure comparison between the policy alternatives is possible. Prioritization of policy alternatives would be made after the analysis is completed.
Data collection during the evaluation of prioritized policy alternatives and monitoring of the implementation of selected policy alternatives	Additional data are collected related to the policy alternatives in final evaluation stage, if needed. When a particular policy alternative is selected and is started to be implemented, data related to the performance of implementation are collected.

Before starting to collect data, it should be decided:

- Which data are needed for a successful impact assessment,
- Which methods need to be used to collect the data,
- Depth of the analysis in impact assessment,
- Assumptions regarding the data which could not be reached or collectable.

Stakeholder participation in data collection is very importance. Stakeholders are an important source of data. Moreover, sector reports, academic researches, reports or documents prepared by public sector, could be valuable resource for data collection.

Impacts Evaluated during the Impact Assessment Process

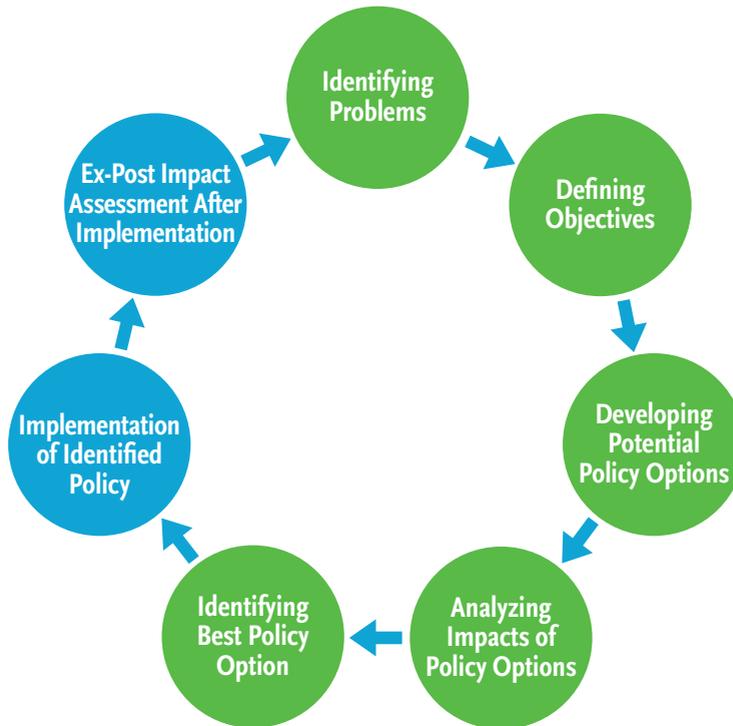
Direct Impacts: These are the direct consequences of implemented policy alternative that can occur on the stakeholders.

Indirect Impacts: Indirect impacts are those that affect other subjects not directly targeted by the policy alternative.

These are possible impacts on efficiency, competitiveness, market conditions, innovation and social welfare.

Distributional Impacts: This impact is related with who would be benefited and who would be negatively affected by the implementation of policy alternative. Understanding the distribution impacts would help to determine the improvements areas for the policy alternatives.

Steps of Impact Assessment Process



Designing, monitoring and performance evaluation mechanism for the implemented policy alternative

The implementation of the chosen policy alternatives need to improve the quality of life in a region and the competitiveness level of the business while ensuring the local development.

The developed policy alternatives need to be beneficial for all stakeholders rather than just beneficial for only the developers since central or local public institutions expect benefits for wide group of stakeholders and evaluate the policy alternatives accordingly. Therefore, benefits to all stakeholders need to be emphasized clearly.

Improving Competitiveness

The impacts of a recommended policy alternative on competitiveness could be shown with the following indicators.

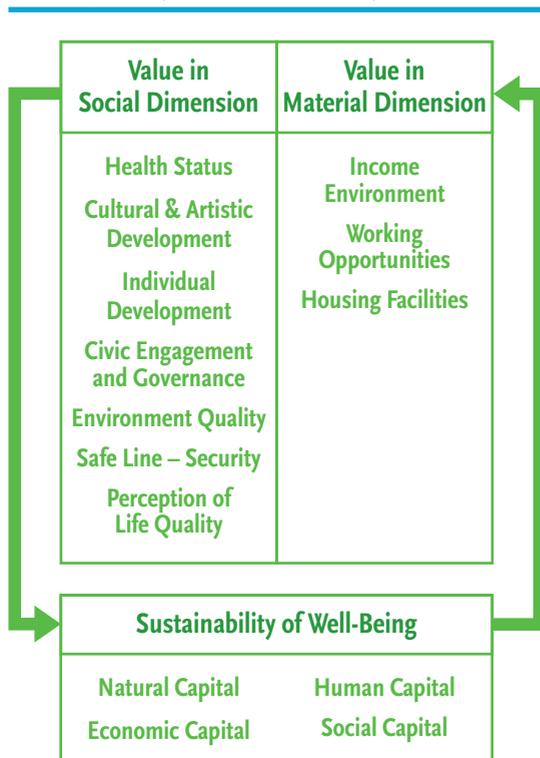
The indicators that are related to policy alternative could be selected from below table to analyze the improvement in competitiveness.

COMPETITIVENESS INDICATORS	CURRENT LEVEL	EXPECTED LEVEL AFTER 3 YEARS	EXPECTED LEVEL AFTER 1 YEAR
Customer Satisfaction			
Total Sector Revenue			
Total Sector Exports			
Total Sector Imports			
Number of Employees in the Sector			
Training per Sector Employee (Hour)			
Distribution of Sector Employees by Education Level			
Lost Time Incident			
Number of Markets Where Region's Sector/s has/ have business connections			
Market share of sector/s in the National and International			
Capacity Utilization Ratio of Sector/s (
Efficiency per Sector Employee			
Profitability of the Sector			
Return on Assets of the Sector			
Sector Reputation			
Regional Incentives			
Total Investment in the sector			
Number of New Products Developed in the Last 3 Years Period			
Share of Revenue from Products Developed in the Last 3 Years Period			
Number of New Patents Obtained in The Sector			
Number of New Licenses Obtained in The Sector			
Number of New Technologies Developed by the Sector			
Ratio of Sector's R&D Expenses by Sector's Revenues			

Improving Quality of Life

Quality of life refers to individual and social well-being which indicates life satisfaction. The Quality of Life Index developed by the OECD could be used to measure the quality of life in a given city-region. It includes different dimensions which could be a good measure for welfare. The measure is already used at the country level since Turkey is a member of the OECD. This index includes different criteria such as health, safety, education, quality of life perception, income and jobs.

Quality of Life Index by OECD



Potential criteria to measure quality of life are as follows:

Health Status

- Ratio of people in the region who consider themselves to be healthy,
- Life expectancy of the people in the region.

Work-life balance

- Average personal time per people in the region (in hours)
- Ratio of people who say they work more than 50 hours a week.

Education

- Average education time,
- Ratio of success in High School Entrance Exam (LGS), Higher Education Entrance Exam (YKS) and PISA

Social Connections

- Ratio of people who believe that they will receive aid from their friends, families or the government when they are in need.

Participation, Civic Engagement and Governance

- Number of policy development processes for which Consultation is Conducted /Total Number of policy development processes

Safety

- Ratio of people in the region who feel safe in their living environment,
- Ratio of people in the region who trust in the buildings where they live,
- Occupational accident statistics for the region.

Environment

- Water quality of the region,
- Air quality in the region,
- Green space per person.

Subjective Wellbeing

- Overall life satisfaction as perceived by the people in the region

Income

- GDP per Capita in the region,
- Average wealth of households in the region,
- Net disposable income of households in the region,

Jobs

- Probability of losing job in the region by an average employee,
- Average employee income in the region,
- Average long-term unemployment in the region,
- Average employment in the region(percentage).

Housing

- Ratio of mandatory expenses to the average disposable income of the family,
- Number of rooms in the region per person.

In order to monitor the expected impacts of policy alternatives during the implementation stage:

- Data regarding the current state of the criteria
- Estimating improvement in the above criteria after the implementation of the policy alternative during the impact assessment stage.,
- Indicators need to be measured annually to follow the improvements after the implementation of policy alternatives and the findings need to be considered in ex post impact assessment.

Submitting Policy Alternatives to The Local or Central Public Authorities

The policy alternative:

- Which has been developed in inclusive manner with cooperation public and private sector
- Whose costs, benefits, effects on competitiveness and quality of life in the region has been analyzed during impact assessment process would be submitted to the relevant local or central public authority.

Connections between the policy alternative and existing regulations, policies and policy objectives need to be highlighted in the submission process.

If the parties submitting policy proposals have a good trust-based relationship with the authority, the negotiation process could be more fruitful. Benefits of the policy proposal needs to be clearly identified and to be presented to the authority which would improve the ownership by all parties.

Implementation and Monitoring of Selected Policy Alternatives

The communication and cooperation with the central and local public institutions need to continue during the implementation of the selected policy alternative. Making contributions in the implementation stage is important for the success and fine tuning of the actions. Monitoring and evaluating the developments in the implementation process would help to realize the outcomes as planned. Potential risks could be detected and risk management actions could be developed with the cooperation of all stakeholders during implementation process. Stakeholder participation during implementation process would ensure systematic and proper functioning of the process.

Performance monitoring after the implementation of the recommendation policy need to be performed to understand if the policy objectives have been achieved or not.

The selected policy alternative could cause unpredicted negative or positive impacts. It would be more beneficial to conduct the evaluation of the policy alternative at least one year after the start of implementation of policy alternative..

This would be ex-post impact assessment.

Ex post impact assessment is a tool to analyze and understand if the selected policy alternative produced predetermined

objectives or if not, what are the possible causes of failure. Ex post impact assessment is a learning process. The assessment provides valuable information regarding the accuracy of the assumptions and the proposed impacts and allows evaluating what alternative approaches could be implemented to realize objectives. The learning process could improve the effectiveness of policy-making in the long term. Sharing the lessons with all stakeholders will ensure their development and improve quality of decisions.

Benefits Expected to be Realized with the Proposed Policy Development Model

This Guide is intended to be a guiding tool for business for contributing to the improvement of competitiveness and supporting sustainable development efforts at the local level in cooperation with public institutions and other stakeholders. It is assumed that when development efforts starts from city regions, such a movement would support holistic development efforts of Türkiye that would also help to improve the competitiveness, support development efforts of the private sector and improve the quality of life at country level. The Guide has been designed as a tool for business and public institutions to adopt a multi-actor and perspective approach in decision making, in utilization of resources and in performing activities.

The tool would help to increase the cooperation and coordination between public and private stakeholders in city regions and improve the quality of cooperation efforts. The model explained in the Guide is the based on good governance principles and culture in order to spread widely the adoption of it which then would be beneficial for all parties.

Data-based, inclusive, holistic and continuously developing cooperation and

coordination between public and private institutions need to be formed in designing and achieving the determined policy objectives. It could be possible to realize:

- Strengthening of global, national and regional development efforts,
- Contributing to the achievement of all objectives of the 11th Development Plan of Türkiye at the local level, mproving the competitiveness of the private sector based on R&D and innovation activities at the city region level,
- Management of the common benefits and risks, and utilization of shared resources and opportunities,
- Making sustainable development as the main agenda item for the city regions and conducting efforts in inclusive manner,
- Improving the capability of business to influence, participate and to cooperate with the public sector in policy development processes
- Building a trust environment by implementation of good governance culture and principles,
- Improving decision making quality, more effective utilization of resources and supporting of the continuous development in all institutions,
- Monitoring the performance of policy objectives (investments, activities) in data based manner to improve performance, to minimize risks and to optimize benefits while gaining wide support
- Minimizing the prevailing development disparities between the city regions and social groups,
- Increasing the number of best practices in Turkey,
- Improving the quality of life for all social groups.

Prioritization of issues need to be made at city-region level to realize policy objectives. Regional Development Agencies, Metropolitan/Provincial/District Municipalities and Governorships of the cities need to ensure pro-active and regular cooperation to improve competitiveness and to support the sustainable development efforts at the city region level. Active and effective participation and contribution

of the provincial directorates of the central government institutions need to be ensured in order to have a fruitful policy development processes.

All the efforts with the participation of local and central government institutions need to be carried out under the whole-of-government approach in order to achieve the objectives of 11th Development Plan of Türkiye.

BEST PRACTICES IN LINE WITH PROPOSED POLICY DEVELOPMENT MODEL

It is observed that there exist policy development efforts to solve the local problems by implementing an inclusive approach in Türkiye during the research phase. Successful initiatives are important to show that the proposed model could be implemented in order to solve regional problems successfully. Identified best practices during the research phase are presented in the full guide. This section includes the short versions of a local and international best practices. Other cases are available in the full version of the Guide.

Gaziantep Oğuzeli Biogas Power Plant

Objective of the Project: The project aims to maximize the utilization of renewable energy resources and generate biogas by decomposing animal wastes in an anaerobic environment. This project is environmentally friendly and contributes to the renewable power generation in the country. Electricity generation from waste helps to eliminate environmental degradation and contributes to the local and national economy. A preliminary impact assessment has been conducted while the investment process of meat production facilities established in Gaziantep. It has been identified that the wastes generated by these facilities would create problem for the environment. The Ministry

of Environment and Urbanization, Gaziantep Metropolitan Municipality and the meat production investors decided to analyze the feasibility of power plant with organic wastes. A participatory consultation process were conducted between the parties. They decided to invest on biogas power plant where waste would be used and converted to energy and fertilizer. A policy document was prepared which analyzed the relevant costs, outcomes and efficiency of the project that had been planned. At the end of analysis process, it was seen that project would feasible and efficient. Therefore investment decision was made. The Project was awarded with the Sustainable Business Award in 2017 and with the Ideal City Award in 2018 by the Institute of Urban Studies.

Izmir Milk Lamb Project

The Izmir Metropolitan Municipality and the agricultural development cooperatives have been running the Milk Lamb Project since September 2012. Currently, every month 8 liters of milk distributed to 1-5 years old 152.500 (including 12.500 Syrian) children residing at the 19 districts and 475 neighborhoods. The main objective was to cultivate the habit of drinking milk and thereby support the development of healthier generations. Additionally, the project aimed to support the small rural producers and halt the rural

migration to the city center. Under the leadership of the Metropolitan Municipality, the purchase guarantee is provided and healthy production ensured in partnership with the six agricultural development cooperatives. Project attracts the attention due to its support to the local development, raising infant health and cultivating the local cooperation culture for development.

Boston World Partnership

This forum is a business world initiative. The Boston Mayor supports the initiative and is the chairman of the forum. The group focuses on to promoting life science, health, higher education and finance activities of which Boston has competitive advantage.

A “Connectors” program has been launched as part of this initiative. Business leaders communicated the global importance of Boston at the national and international arenas. Such an activity created value for Boston and provided the opportunities for meeting new investors and employees, and cooperation for business leaders. This forum contributes to the improvement of business environment by providing recommendations on business development and supporting entrepreneurship in Boston. The success of this forum is related to the inclusion of strong business leaders. The members of the forum are CEOs or ex-senior managers and politicians of the regional government. Most of the CEOs have knowledge of global business environment.

"We believe that this Guide will provide an important road map for the local governments and the business world to enable inclusive development and improve our competitiveness."

Orhan TURAN

TÜRKONFED-Chairman of the Board

"We wish to help cities develop into more sustainable, developed, and livable places. We hope that this Guide will be beneficial for developing more effective cooperation and partnerships between the all stakeholders starting from public and private institutions for achieving this vision."

Dr. Yılmaz ARGÜDEN

ARGE Consulting, Chairman

