

PUBLIC

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

STRATEGY FOR TÜRKİYE

**REPORT ON THE INVITATION
TO THE PUBLIC TO COMMENT**

PUBLIC

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Table of Contents Abbreviations and Acronyms

AIP	Access to Information Policy
Bank	European Bank for Reconstruction and Development
BINGO	Business Led Non-Governmental Organisation
CSO	Civil Society Organisation
EBRD	European Bank for Reconstruction and Development
ENGO	Environmental Non-Governmental Organisation
EOP	Equality of Opportunities Strategy 2021-2025
ESIK Platform	Women Platform for Equality
GDP	Gross Domestic Product
IGAM	The Research Centre on Asylum and Migration
ILO	International Labour Organization
KAGIDER	The Women Entrepreneurs Association of Turkey
KEDV	Foundation for the Support of Women's Work
KPI	Key Performance Indicator
LEZ	Low Emission Zone
MOU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
NGO	Non-Governmental Organisation
OIZ	Organized Industrial Zones
PFI	Participating Financial Institutions
R&D	Research and Development
SKD Türkiye	The Business and Sustainable Development Council Türkiye
SME	Small to Medium Size Enterprise
STL	Support To Life
SPGE	Strategy for the Promotion of Gender Equality 2021-2025
TURKONFED	Turkish Business Confederation
TVET	Technical and Vocation Education and Training
VC	Venture Capital

1. INTRODUCTION

The objective of this report is to summarise the key comments received from stakeholders on the Bank's Strategy for Türkiye during the consultation period and provide the EBRD's management response.

In accordance with the EBRD Access to Information Policy (AIP), the Draft Strategy for Türkiye was posted on the EBRD website for 45 calendar days, starting from 19 July 2024.

The public was invited to comment on the document by 02 September 2024. The previous Strategy was made available on the EBRD website at <https://www.ebrd.com/turkiye.html>

Information about the public consultation process was posted on the EBRD's dedicated "Have your say" webpage, which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review.

Targeted notifications of the consultation process were also sent to local and international civil society organisations (CSOs) that have expressed interest in the Bank's work in the country.

Additionally, the EBRD organised a hybrid consultative meeting with CSOs on 07 May 2024 to gather the civil society's feedback on the Draft Strategy. Twenty CSO representatives from 18 different organisations participated in the consultation.

The EBRD was represented by the Head of Türkiye, and the Country Economics, Strategy and Policy, and Civil Society Engagement teams.

The summary of the key messages and the list of CSO participants in the consultation process are provided in the Annex to this report.

In addition to the recommendations received at the consultative meeting with CSOs on 07 May 2024, the Bank received three written comments within the set deadline.

2. SUMMARY OF PUBLIC COMMENTS AND STAFF RESPONSES

Comment	EBRD Response
* Key Messages from Civil Society to EBRD	
<p>CSOs recommended adding to Section 3.3 (page 13) of the draft strategy the below comment:</p> <p>“A gender-based support in green, digital sectors and in priority regions (earthquake region and others) to promote human capital through entrepreneurial capacity build-up (e.g., gender loans, skill development).”</p>	<p><i>The recommendation is reflected in Section 3.3 (Page 13) of the Türkiye Draft Country Strategy 2024-2029:</i></p> <p><i>“[R]equested that EBRD promote human capital in the green and digital sectors and earthquake regions through gender loans, supporting skills development and entrepreneurship of underrepresented groups, including women, refugees, and people with disabilities.”</i></p> <p><i>Section 3.2 (Page 13) of the Draft Country Strategy also outlines actions addressing these concerns:</i></p> <ul style="list-style-type: none"> • <i>Intensifying investments in digital and green transitions;</i> • <i>Promoting human capital development with a focus on increasing female labour force participation by enhancing green and digital skills through targeted initiatives, including upskilling and reskilling;</i> • <i>Scaling up support for private sector innovation, including targeted financing for early-stage technology start-ups via venture capital (VC) funding and initiatives leveraging R&D capacities;</i> • <i>Improving regional and domestic infrastructure connectivity;</i> • <i>Supporting earthquake recovery efforts, focusing on resilience building, natural disaster preparedness, and improving climate risk management.</i>

	<p><i>In this regard, Priority 2 (page 16) Priority 4 (page 18) of the Draft Country Strategy focus on supporting human capital development and fostering greater gender equality, economic and regional inclusion, and strengthening regional integration through improved connectivity and quality of digital infrastructure and stronger resilience to natural disasters, respectively.</i></p>
<p>Priority 1: Intensify Green Economy Transition and help Türkiye realise its climate ambitions</p>	
<p>CSOs emphasised the importance of the EBRD implementing economic and social development programmes in coal intensive regions such as Soma, Yatağan, and Zonguldak.</p> <p>CSOs recommended that EBRD supports investments by large companies in high value-added products, including renewable energy and manufacturing sector in these coal regions.</p> <p>Additionally, CSOs suggested that the EBRD should promote alternative economic sectors in districts where mining and extractive industries are predominant, to increase employment opportunities for women and youth in those regions.</p>	<p><i>The Türkiye Draft Country Strategy 2024-2029 takes into account the priorities and objectives of the new EBRD Energy Sector Strategy 2024-2028, which prioritises the urgent need to accelerate the decarbonisation of energy through scaling up renewables, enhancing grids and storage, promoting zero-carbon fuels, and phasing out unabated fossil fuels.</i></p> <p><i>The EBRD Energy Sector Strategy also emphasises the need to deliver resilient, efficient, and inclusive energy systems that are adapted to climate change, increase energy efficiency, and promote an inclusive and just transition.</i></p> <p><i>In this regard, while the Draft Country Strategy’s Priority 1 (Page 15) focuses on the promotion of renewable energy and phasing out coal, Priority 2 (Page 16) includes proposed activities to reduce regional disparities, including vis-à-vis coal intensive regions, by supporting investments and offering economic opportunities to women and youth in underserved regions.</i></p>

<p>CSOs recommended to the Bank to support the enhancement of the air pollutant measurement infrastructure for municipalities and universities and to expand light rail systems in urban areas and Organized Industrial Zones (OIZs).</p> <p>In addition, CSOs also highlighted the need to create the traffic-free Low Emission Zones (LEZ) and prioritise the transition to electric vehicles for heavy-load transportation in regions like Aliğa, Dilovası, and Sariseki.</p>	<p><i>The Draft Country Strategy’s Priority 1 (Page 15) is fully dedicated to decarbonisation efforts, including by supporting green investments and technical solutions to increase energy and resource efficiency and reduce GHG emissions in municipal infrastructure and industrial zones. Under the same priority, the Bank also aims to promote greener modes of urban transport.</i></p>
<p>CSOs emphasised the importance of purifying municipal beaches and coastal areas for public use, ensuring the preservation of natural structures.</p> <p>They suggested that the EBRD invests in repurposing architecturally significant old buildings and industrial heritage sites into public spaces.</p> <p>Additionally, they recommended establishing repair workshops and centres in collaboration with municipalities, the private sector, and CSOs to foster coastal and urban development.</p>	<p><i>While the specific initiatives mentioned go beyond the scope of the Draft Country Strategy, Priority 1 indicates that the Bank will support greater climate resilience and adaptation across its activities, including through nature-based solutions and restoration.</i></p> <p><i>The environmental and social impact of EBRD projects is always assessed and mitigated pursuant to specific EBRD Environmental and Social Performance Requirements (ESRs), as highlighted on Page 20.</i></p> <p><i>Among these, the EBRD will require thorough biodiversity assessments of projects to mitigate any impact and will support the implementation of nature-positive measures and investments, including the conservation and restoration of natural resources, ecosystems, and nature-based solutions.</i></p> <p><i>The EBRD will also require baseline and impact assessments to protect both tangible and intangible cultural heritage in Türkiye and will support the implementation of cultural heritage management plans and chance finds procedures (the formal protocol used primarily</i></p>

	<p><i>in the fields of archaeology, construction, and land development) for all construction-related projects.</i></p> <p><i>Furthermore, the EBRD will support capacity building within the public and private sector aimed at implementing best practices to address systematic health, safety, environmental and social issues in the country.</i></p>
<p>CSOs advised the EBRD to support both insulation and isolation projects, along with related expenses, in selected regions.</p> <p>Furthermore, they recommended investing in renewable energy infrastructure for detached houses and apartments in areas affected by earthquakes.</p>	<p><i>Under Priority 1 (Page 15) of the Draft Country Strategy, EBRD will aim to support green investments to increase energy and resource efficiency and reduce GHG emissions in commercial, municipal, residential and tourism infrastructure (including buildings), either directly and through other financing solutions (e.g., Energy Performance Contracts/ESCOs and other PPPs).</i></p> <p><i>Under the same priority, the Bank will support increased renewable energy generation for self-consumption, including the region affected by the earthquakes.</i></p>
<p>CSOs recommended to support projects focused on producing qualified steel and reusing waste, such as slag, in steel production.</p> <p>Moreover, CSOs advised the Bank to prioritise purchases from businesses producing low-emission steel and cement.</p> <p>CSOs urged the EBRD not to receive services from businesses employing low-wage workers in heavy industry or service sectors, or those failing to comply with environmental standards.</p>	<p><i>Under Priority 1 (Page 15) of the Draft Country Strategy, EBRD will support thorough low carbon pathways, including in hard-to-abate areas like the steel and cement sectors.</i></p> <p><i>Under the same priority, the Bank will promote the waste separation at source and efficient municipal waste collection, and the further development of the circular economy and the waste sector.</i></p> <p><i>In this regard, the Bank will support new technologies and policies, including recycling of solid waste (paper, metals, plastics and mining</i></p>

	<p>waste), e-waste, waste-to-energy and other industrial symbiosis applications.</p> <p>As set out on Page 20, all EBRD projects must comply with strict Environmental and Social Performance Requirements (ESRs).</p> <p>The Bank will require clients to ensure fair treatment, non-discrimination, non-harassment and equal opportunities for all project workers.</p> <p>EBRD will help clients build their capabilities to manage supply chain risks by identifying, assessing, and mitigating potential negative impacts on workers, and enhance equal opportunities and inclusion through technical assistance.</p>
<p>CSOs have urged the Bank to support efforts to document urban green spaces, trees, and monumental trees, and to promote geopark practices more widely.</p> <p>Additionally, CSOs highlighted the importance of EBRD's assistance in developing technical infrastructure for reporting and inventorying wildlife deaths and injuries on highways.</p> <p>They also noted that the EBRD should support the construction of ecological corridors on highways that disrupt wildlife routes.</p> <p>CSOs further recommended that the EBRD work to restore the natural flow of rivers and streams that have been blocked in cities and towns, and to do so without using concrete, thereby ensuring their continuous flow.</p>	<p>The Bank is committed to promoting "environmentally sound and sustainable development" across all its activities, in line with the Agreement Establishing the EBRD.</p> <p>The Bank recognises that environmental and social sustainability is a fundamental aspect of achieving outcomes consistent with its transition mandate.</p> <p>As set out on Page 20, all EBRD projects must comply with strict Environmental and Social Performance Requirements (ESRs).</p> <p>These include requirements focused on biodiversity conservation and the sustainable management of living natural resources.</p> <p>In order to mitigate any impact, the Bank will require thorough biodiversity assessments, particularly near main rivers, important bird areas, and bird migration routes and will support the implementation of nature-positive</p>

	<p><i>measures and investments, including the conservation and restoration of natural resources, ecosystems, and nature-based solutions, with tailored guidance for industries heavily reliant on biodiversity.</i></p>
<p>Priority 2: Boost Türkiye’s human capital development and foster greater gender equality, economic and regional inclusion</p>	
<p>CSOs also advised to insert some additional key performance indicators (KPIs) on women entrepreneurship and inclusive growth under Priority 2 (Page 16).</p> <p>More specifically CSOs recommended including the below KPIs:</p> <ul style="list-style-type: none"> • “The percentage of women-enabled businesses in the economy” • “The percentage contribution of women-owned businesses to the GDP.” 	<p><i>Under Priority 2 (Page 16) of the Draft Country Strategy, the EBRD will continue to support improved access to finance for underserved MSME segments, including women.</i></p> <p><i>The Bank will also explore opportunities to promote inclusive and gender-responsive financial systems, including through policy initiatives to improve the availability of sex-disaggregated data at the national level, including with regard to the number of women-led businesses in the economy.</i></p> <p><i>In the meantime, the EBRD will aim to track the number of underserved MSME segments (including women) accessing EBRD finance and advisory, and the number of EBRD-supported businesses introducing inclusive and gender-responsive policies and practices.</i></p>
<p>CSOs highlighted the risk of lacking necessary skills and adequate human labour affecting the successful strategy implementation by referring to Page 20 of the Draft Country Strategy.</p>	<p><i>The Draft Country Strategy acknowledges several key risks that could affect its implementation, including economic and geopolitical uncertainties, funding limitations, and regulatory constraints.</i></p> <p><i>The EBRD will aim to address the concern about a lack of skilled human labour through several measures under Priority 2 (Page 16):</i></p> <p><i>Skills Development and Labour Market Alignment</i></p>

	<ul style="list-style-type: none"> • <i><u>Capacity Building:</u> The Bank will enhance its support for Technical and Vocational Education and Training (TVET) programmes to better align skills development with market needs and project requirements.</i> • <i><u>Collaboration with Local Institutions:</u> The Bank will work closely with local educational institutions and training providers to ensure that workforce development initiatives are responsive to the needs of the sectors critical to strategy implementation.</i> <p>Labour Market Support</p> <ul style="list-style-type: none"> • <i><u>Inclusive Economic Participation:</u> The Bank will support initiatives that boost gender equality and regional inclusion, address labour shortages and improve skills availability.</i> • <i><u>Support for Private Sector:</u> The Bank will continue to support private sector-driven innovation and investment, which includes funding for workforce development and training programmes tailored to emerging sectors and technologies.</i>
<p>CSOs advised the EBRD to enhance support for care services by providing training and skills development for those working in child and elderly care, as well as constructing dedicated facilities for these services.</p>	<p><i>The Türkiye Draft Country Strategy 2024-2029 takes into the priorities and objectives of the EBRD's Strategy for the Promotion of Gender Equality (SPGE) 2021-2025 and the Equality of Opportunities Strategy (EOP) 2021-2025, both focusing on gender equality in the care economy.</i></p> <p><i>Through the SPGE, in particular, the EBRD aims to address the challenges and opportunities arising from increased demand for care</i></p>

	<p><i>services and the disproportionate unpaid care burden on women. The objective is to alleviate this burden and enhance women's participation in the labour force.</i></p> <p><i>Under Priority 2 (Page 16) of the Draft Country Strategy, the Bank will specifically aim to support government and private sector-led initiatives to enhance the provision of care services.</i></p> <p><i>Türkiye has been a pioneer for the Bank's implementation of care economy initiatives. In 2023, the EBRD, in collaboration with the Union of Municipalities of Türkiye and the ILO, signed an MOU to reform municipal childcare policies. This effort aims to alleviate women's care burden and enhance their workforce participation.</i></p> <p><i>Additionally, through the inclusive Rönesans Healthcare Investment Project, the EBRD has introduced childcare solutions for healthcare workers, improving work-life balance and supporting staff during challenging times.</i></p>
<p>CSOs highlighted that EBRD should focus on community and urban development by supporting the construction of student dormitories and social housing for the urban poor and newly graduated workers. CSOs recommended encouraging eco-friendly businesses that offer affordable services to the urban poor and young people. Furthermore, CSOs noted that it will be critical for the EBRD to back municipal projects to aid victims of urban transformation.</p>	<p><i>Under Priority 2 (Page 16) of the Draft Country Strategy, the Bank will explore cooperation with regional development agencies and local stakeholders in underserved regions aimed at identifying potential investments in select infrastructure projects (including social infrastructure) that strengthen local access to private and public services and enhance economic opportunities.</i></p> <p><i>At the same time, the Bank will continue to support improved access to finance for underserved MSME segments, including the youth via dedicated programmes (e.g., Youth</i></p>

	<i>in Business) providing credit lines, capacity building and advisory.</i>
Priority 4: Strengthen Türkiye's Infrastructure and regional integration	
<p>CSOs advised the EBRD to support the conversion of existing railway lines into high-speed lines and invest in train services in regions such as Antalya, Muğla, Çanakkale, and Mersin.</p> <p>Moreover, CSOs highlighted that EBRD should prioritise and subsidise urban sea travel routes, including those between Beylikdüzü and Gebze, and Alanya and Kaş.</p> <p>CSOs also added the need to provide support for intercity passenger transportation in the Black Sea, Mediterranean, and Aegean regions.</p>	<p><i>One of the key objectives of Priority 4 (Page 18) of the Draft Country Strategy is improving Türkiye's connectivity of transport networks and trade infrastructure.</i></p> <p><i>In this regard, the Bank will continue to support the development of key sustainable transport infrastructure (including high-speed railway, ports, and maritime routes) connecting Türkiye internally and to the wider region, also as part of initiatives such as the Middle Corridor, EU Global Gateway and G20 Partnership for Global Infrastructure and Investment.</i></p>
** Civil society engagement in the context of the draft country strategy process	
<p>CSOs noted that the Draft Country Strategy document lacks a clear plan for integrating civil society into EBRD projects, focusing too much on state-civil society relations.</p> <p>They highlighted that the Draft Country Strategy should prioritise meaningful involvement of CSOs and clearly define "civil society," distinguishing between business-led NGOs (BINGOs) and environmental NGOs (ENGOS). CSOs also added that in Türkiye, BINGOs are often favoured over ENGOS, which needs to be addressed by the Bank to ensure fair and inclusive participation by relevant civil society actors.</p>	<p><i>CSOs are key partners of the EBRD across the economies where it invests, contributing to the development of the Bank's policies and strategies as well as the implementation of the Bank's projects.</i></p> <p><i>The EBRD recently launched its new approach to Civil Society Engagement for 2024-29. One of the four strategic objectives of this approach is to support and engage with the civil society through meaningful mechanisms throughout the Bank's operations.</i></p> <p><i>The EBRD's definition of civil society includes NGOs, policy and research think tanks, social movements, labour unions, community-based organisations, and other socio-economic and</i></p>

	<p><i>labour market actors, including individual activists.</i></p> <p><i>The Bank's ongoing dialogue and engagement with the civil society focuses on human rights and democracy, environmental and social issues, economic inclusion and gender, transparency, good governance, business development issues, and digital transition, related to the EBRD's work and the Bank's region of operation.</i></p> <p><i>In the context of the development of the new Türkiye Strategy, the Bank sought the feedback of the civil society at large through a hybrid consultation meeting, notifications sent to local and international CSOs that have expressed interest in the Bank's work in the country, and invitation to receive comments and recommendations on the draft document during a 45 calendar day-period of public consultation.</i></p>
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ANNEX

Consultation with Civil Society Organisations (CSOs) on the EBRD country strategy for Türkiye

Tuesday 07 May 2024

Key messages from Civil Society to the EBRD

While CSOs broadly endorsed the proposed priorities, they also:

- noted **shrinking civic space** and backsliding in the areas of **peace, justice, and human rights**, particularly towards underrepresented communities.
- argued for stronger **climate ambitions**, with a focus on renewable energy, climate resilience, and disaster risk reduction, and for alignment of business practices with principles of sustainability and community engagement.
- highlighted that adequate planning for **fossil fuel phase-out**, along with enhanced **transparency and public participation**, especially in coal-mining regions, is needed for good governance in green transition.
- requested that EBRD promote **human capital in the green and digital sectors and earthquake regions** through gender loans, supporting skills development and entrepreneurship of underrepresented groups, including women, refugees, and people with disabilities, and
- emphasised the importance of long-term support for SMEs, sustainable value chains, enhanced local partnerships, improved working conditions and collaboration among CSOs, the public, and the private sectors to **strengthen overall competitiveness**.

List of CSOs participating in the consultation meeting

1. Human Rights Watch Türkiye
2. Sektörel Dernekler Federasyonu
3. Women Platform for Equality (ESIK Platform)
4. Human Development Foundation
5. Turkey Refugee Council and The Research Centre on Asylum and Migration (iGAM)
6. European Climate Foundation
7. Climate Frontiers
8. Women in Renewable Energy Turkey
9. MEXT Technology Centre
10. Turkish Women in Renewables and Energy
11. Needs Map
12. Turkish Business Confederation (TURKONFED)
13. Chamber of City Planners
14. Support to Life (STL)
15. Foundation for the Support of Women's Work (KEDV)
16. The Women Entrepreneurs Association of Turkey (KAGIDER)
17. SHURA Energy Transition Center
18. The Business and Sustainable Development Council (SKD Türkiye)