

PUBLIC

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

STRATEGY FOR TURKEY
**REPORT ON THE INVITATION TO THE PUBLIC
TO COMMENT**

PUBLIC

1. INTRODUCTION

In accordance with the EBRD Public Information Policy (PIP), the draft Strategy for Turkey was posted on the EBRD web site in English and Turkish for 45 calendar days. The public was invited to submit comments on the draft Strategy from 3 August 2015 to 16 September 2016.

Information about the public consultation process was posted on the EBRD's dedicated webpage "Have your say", which highlights the latest opportunities for public to comment on the Bank's policies and strategies under review. In addition, targeted notifications of the consultation process were sent to local and international civil society organisations (CSOs) that have expressed interest in the Bank's work in the country. The start of the review process was also advertised through Facebook and Twitter.

In an effort to gather information and insight for the development of its Strategy for Turkey, on 27 January 2015, the EBRD organised a consultative meeting with civil society organisations (CSOs) in Istanbul with the objective to discuss current and prospected activities of the Bank in the country. 21 participants attended the event from 19 civil society organisations from different backgrounds. At the meeting the EBRD was represented by Michael Davey, Director for Turkey; Engin Goksu, Head of EBRD Office in Ankara; Bojan Markovic, Lead Economist; and Luisa Balbi, Civil Society Manager. The consultation with the civil society sector in Turkey generated a valuable input for the preparation of the EBRD draft Strategy alongside with the feedback received during the dialogue with the authorities and the private sector.

The objective of the Report on the Invitation to the Public to Comment is to summarize key comments received from the general public and civil society stakeholders during the consultation period dedicated to the Bank's Strategy for Turkey as well as Bank's management responses. The comments received during the public consultation period are reviewed by the Bank's management and reflected in the Strategy as appropriate. However, during the consultation period dedicated to the Strategy for Turkey no comment was received in written format by civil society organisations or other member of the public. As a consequence, this Report only contains the summary of the consultative meeting with civil society hold on 27 January 2015 during the pre-drafting stage of the Strategy.

2. PUBLIC COMMENTS AND STAFF RESPONSES

No written comment was received from civil society organisations or members of the public during the consultation period on the draft EBRD Strategy for Turkey.

Summary of EBRD meeting with civil society- 27 January 2015, Istanbul

EBRD and civil society

Civil society participants welcomed the opportunity to discuss with the EBRD about the review of the Strategy for Turkey and hear about the lessons learned and achievements related to the implementation of the previous Strategy. They also asked about the Bank's process of consultation with civil society throughout the forthcoming Strategy's implementation. Furthermore, civil society highlighted that empowering civil society is not integrated as an objective of the Strategy nor civil society engagement mentioned.

The Bank envisages a formal consultation process only during the course of the Strategy preparation. However, to ensure public access to information the EBRD routinely discloses projects' information and other activities on its website. The Bank pursues an open dialogue with civil society and welcomes queries that can be addressed to the Civil Society Engagement Unit at cso@ebrd.com or directly to Resident Offices.

Enhancing energy security and sustainability

Environmental organisations and academic research centres encouraged the EBRD to invest in renewable energies, in particular solar and wind. Environmental organisations expressed concerns about the over exploitation of hydro resources in Turkey and expressed their expectations in relation to the Bank's role in setting higher environmental standards in the country. They also asked for clarifications about the Bank's position towards coal financing in view of the government's will to extend coal's production.

The EBRD Energy Sector Strategy provides the strategic directions to the EBRD investments in energy. The EBRD will continue to support the Renewable Energy Action Plan agreed with the national authorities. While pursuing investments in hydroelectric power the Bank ensures that project are structured in accordance with the international standards set forth in its Environmental and Social Policy thus contributing to the achievement of higher standards in the sector. In Turkey the EBRD does not have any investments in coal nor will it in the upcoming strategy.

Energy efficiency was regarded as a priority in Turkey for sustainable energy and climate change. The Bank is expected to apply Best Available Techniques according to EU relevant directives. Participants agreed that the recent decrease of oil prices would diminish but not solve Turkish energy bills. According to civil society renewable energies represent a long-term solution to the country's high-energy

dependency if managed by local governments. Civil society also asked whether the Bank is taking into consideration to support the issue of green bonds.

The Bank is committed to further develop the energy market in Turkey and recognised the importance of a diversity of suppliers to decrease energy dependency. The EBRD confirmed that would be continuing providing credits for energy efficiency purposes through dedicated financing facilities like TurSEFF (Turkish Sustainable Energy Financing Facility). The support to green bonds is however not envisaged for the upcoming strategy in view of the fact that the carbon market is still to develop in Turkey.

Promoting regional and youth inclusion, as well as gender equality

Civil society regarded as highly important to recognise inclusion as a strategic priority in Turkey, in particular in consideration of the large gender gap and informal labour market. In relation to women's labour participation, the Bank was recommended to require child's care services from its clients, in particular from municipalities. The Bank was also urged to take into consideration the impact of Syrian refugees on the Turkish labour market.

The Bank mainstreams gender and inclusion as part of its own project's due diligence, as a consequence issues of child care are systematically taken into consideration whereby relevant to the investment. The Bank recently opened an office in Gaziantep to cover more broadly the southern part of Turkey, which is particularly affected by the Syrian crisis. In the southern part of Turkey the Bank's main focus is the support to small and medium enterprises and agribusiness.

Privatisation of utilities

Civil society participants urged the Bank to take into consideration past experiences of commercialisation of water and wastewater in Turkey, which resulted in decrease of quality of services, poor health and safety standards for workers and increased tariffs.

The Bank recognises the challenges related to the commercialisation of water and wastewater. The Bank will remain engaged in the commercialisation of utilities whereby the public sector is unable to deliver a quality service. The Bank also highlighted that in view of decreasing subsidies to the water sector the participation of the private sector will ensure the service delivery.

List of participating organisations

1. Bilgi University- Civil Society Studies Centre
2. Black Sea NGO Network
3. Boğaziçi University- Sustainable Development and Cleaner Production Research Center
4. Caspian Strategy Institute
5. Corporate Governance Association
6. Ecology Collective Association
7. Environmental NGO Platform of Turkey
8. Eurasian Universities
9. FIBA Social Investments
10. IDEMA- International Development Management
11. IKV- Economic Development Foundation
12. Judicial Expert Energy
13. KAGIDER- Women Entrepreneurs Association of Turkey
14. Koç University- Economic Research Forum
15. Marmara University, Energy Section
16. Renewable Energy Association of Turkey
17. TEMA Foundation
18. TUSIAD- Turkish Industry and Business Association
19. WWF Turkey, Climate and Energy Programme