

“A STRONG  
BASE FOR  
GROWTH”

## EYDK BIENNIAL REPORT

(May 2021- May 2023)

# PRESIDENT'S MESSAGE

Honourable Members,

As the Impact Investing Advisory Board (EYDK) has completed its second year of operation, we are pleased to share with you the report on the activities of the past two years. Türkiye's "impact investing" journey, which started in 2019 with the publication of the "Impact Investing Ecosystem in Türkiye" report prepared by UNDP ICPSD, had seemed to slow down in 2020 due to the COVID-19 pandemic. However, the concept of "impact investing" was actually reborn in this period as digital communication was at its peak. As a result of our digital interviews and meetings with our stakeholders, we incubated this national platform in May 2021 with the primary goal to establish a well-functioning impact investing ecosystem that is expected to evolve into an impact economy in Türkiye.

From the very beginning, we have been advocating for the necessity of being a part of the global networks to achieve this goal. For this reason, we applied for membership to the Global Steering Group for Impact Investment (GSG) as soon as we officially established EYDK. With its 37-country community, the GSG advocates for impact investing that optimises risk, return, and impact by elevating positive social and environmental goals to sit alongside the financial ones. 2021 was a year that we discussed the opportunities and challenges for investments aligned with the Sustainable Development Goals and impact investments in Türkiye. Eventually, we set our roadmap and goals together based on these discussions and data. In March 2022, we were accepted to the GSG community as the 35th country, having swiftly completed the due diligence criteria.

Two years after the foundation of EYDK, we have started to see the first steps of transitioning into an "impact" focused economy. We are proud that in such a short period of time, the first impact fund and the impact-oriented fund of funds were realised in 2022. By 2023, we have seen Türkiye's first-ever social impact bond signed. We have started to reap the fruits of our collaboration with the public, private, and non-profit sectors to create the necessary policies on impact investing and to raise awareness and capacity.

We are proud to represent our country in the GSG environment and on international platforms, being able to explain our country's vision and capacity in this field. As we complete our second year as EYDK, we are not only the leading institution setting the impact investing agenda in Türkiye, but we have also gained our place to represent our country on international platforms by becoming a GSG member.

We are proud to have hosted the GSG Leadership Meeting in Istanbul on the centennial of the Turkish Republic, shaping the global impact investing agenda by bringing together leaders in impact investing from around the world. I believe that EYDK will continue to play a decisive role in facilitating cross-sector collaboration necessary for Turkey's transition to impact-focused investments, contributing to the formulation of priority strategies and policy recommendations in this field for our country.

Sincerely,  
Şafak Müderrisgil  
President

## IMPACT INVESTING ADVISORY BOARD (EYDK)


EYDK facilitates the development of a national impact investing ecosystem in Türkiye with its 45 leading institutional members from public, private, and non-profit sectors. The aim is to enable the country to become a regional market entry point for impact investing. EYDK is committed to actively raising awareness, building capacity, fostering networking, and advocating for impact investing. The organisation's initiatives are firmly rooted in evidence-based themes, including women's empowerment, refugee livelihoods, urban resilience, the European Green Deal, health tech, and financial inclusion. EYDK takes pride in its membership within the global GSG community.

# THE MAKING OF EYDK

The establishment of the Impact Investment Advisory Board (EYDK) resulted from a two-year collaborative effort involving institutions from the public, private, and non-profit sectors. The groundwork of EYDK, which is designed to serve as a top-tier board for discerning the requirements and strategies related to impact investment, and for shaping policy recommendations in Türkiye, was initiated in April 2019. This decision was made in collaboration with the Ministry of Foreign Affairs of the Republic of Türkiye and the United Nations Development Programme (UNDP) Türkiye office to prepare a report on Türkiye's potential for impact investment. The "Impact Investment Ecosystem in Türkiye," Report, which maps stakeholders with the potential for impact investment and provides the initial analysis of the potential ecosystem, was prepared by the United Nations Development Programme Private Sector Centre for Inclusive Policies and Sustainable Development (UNDP ICPSD) in November 2019. The report was published with the support of the Presidency of the Republic of Türkiye Investment Office. As the first publication in our country on impact investment, this report introduces impact investment as a "new business model" and serves as a crucial starting point for developing our capacity in this field, directing capital in the context of the impact economy, and attracting external investments.

The idea of establishing a national advisory board with the mission of increasing awareness and capacity in impact investment in Türkiye, advocating the cause on a national scale, and acting as a gateway through which Türkiye engages with the international community on impact investment, has begun to mature. Meanwhile, in April 2020, the Impact Investment Platform (Etkiyap) was established with the aim of raising awareness about impact investment in Türkiye and fostering the development of an ecosystem. Since its inception, Etkiyap has been actively producing content on impact investment and has played a catalytic role in bringing together national and international stakeholders to take steps in the field of impact investment. The establishment of the Impact Investment Advisory Board (EYDK) followed through the collaboration between the Presidency of the Republic of Türkiye Investment Office, Etkiyap, Türkiye Development and Investment Bank (TKYB), UNDP ICPSD, and UNDP Türkiye. In the inaugural meeting of the Task Force in November 2020, it was decided that Etkiyap would coordinate the establishment process of EYDK, taking into account the application criteria of the Global Steering Group for Impact Investing (GSG), headquartered in London. Conversations facilitated by Etkiyap with the GSG team and GSG member countries starting from its establishment in 2020, evolved into a more structured framework.

Following the presentation of the strategy document, legal status, operational and communication plan, and budget required for EYDK's establishment by EYDK and acceptance by Task Force in February 2021, the initiation of compiling a shortlist of invited institutions for participation in the advisory board ensued. In March 2021, following stakeholder meetings coordinated by Etkiyap, the list of candidate institutions for EYDK was finalised, and on April 28, 2021, with the consensus of all institutions, EYDK was officially established.



Upon its formal establishment, EYDK promptly and efficiently initiated its operations, fostering close collaboration with all stakeholders in the ecosystem. It compiled inclusive and data-driven reports, considering the strategic priorities of the country over the initial two-year period. Significant progress was made in policy development, market expansion, improving communication by creating a common language, and advancing research areas. In March 2022, after completing a thorough due diligence process, EYDK joined the Global Steering Group for Impact Investing (GSG) community, solidifying its position as an active participant in the global impact investment ecosystem. As part of global impact investment networks, EYDK assumed a crucial role as a bridge, bringing global developments to Türkiye while sharing good practices with international stakeholders, and contributing to the mobilisation of international capital to Türkiye.

In 2023, EYDK proudly hosted the GSG Leadership Summit in Istanbul, playing a significant role of representing Türkiye in the global impact investment ecosystem. This opportunity allowed EYDK to emphasise Türkiye's potential to be a catalytic entry point for impact investments into the Middle East, North Africa, Eastern Europe, and Central Asia markets.

Within a remarkably short period of two years, EYDK witnessed the initial steps of Türkiye's transition to an "impact-focused" economy and took pride in achieving key milestones during this process. As of 2023, the activation of impact funds, the issuance of the first social impact bond, and the launch of impact-oriented fund of funds signify a bright future for impact investment in Türkiye.

Having swiftly completed its incubation period, EYDK continues its journey by strengthening its institutional structure under the legal status of the "EYDK Association" as of November 2023. Since its inception, EYDK has aimed to create an enabling environment to facilitate the growth of impact investment and establish an ecosystem promoting sustainable development in Türkiye. By uniting stakeholders within the ecosystem, EYDK aims to foster an innovative, inclusive, and impact-focused economy while generating measurable social and environmental impact. Through collaboration with national and international partners, EYDK supports Türkiye in showcasing its potential, acting as a gateway for the country to enter the regional market for impact investment, bridging the gap between the Global East and West.

The mission and vision of EYDK mark a promising future for impact investment in Türkiye, striving to strengthen efforts to make impact investment a mainstream, sustainable, and inclusive choice.

# OUR MEMBERS

## TASK FORCE MEMBERS



PRESIDENCY OF  
THE REPUBLIC OF TÜRKİYE  
**INVESTMENT  
OFFICE**



**DEVELOPMENT  
INVESTMENT  
BANK OF TÜRKİYE**



İSTANBUL INTERNATIONAL  
CENTER FOR PRIVATE SECTOR  
IN DEVELOPMENT



## FOUNDING SPONSORS



PRESIDENCY OF  
THE REPUBLIC OF TÜRKİYE  
**INVESTMENT  
OFFICE**



Technology  
Development  
Zone.



**DEVELOPMENT  
INVESTMENT  
BANK OF TÜRKİYE**



İSTANBUL INTERNATIONAL  
CENTER FOR PRIVATE SECTOR  
IN DEVELOPMENT



## MEMBERS



PRESIDENCY OF  
THE REPUBLIC OF TÜRKİYE  
**INVESTMENT  
OFFICE**



Technology  
Development  
Zone.



**AK Asset Management**



Bahçeşehir University



**DEVELOPMENT  
INVESTMENT  
BANK OF TÜRKİYE**



**European Bank**  
for Reconstruction and Development



idacapital



ODTÜ-TEKNOKENT



startupfon



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# ABBREVIATIONS

- AVPN** - Asian Venture Philanthropy Network
- C3** - Catalytic Capital Consortium
- CMB** - Capital Markets Board of Türkiye
- COP** - Conference of the Parties
- DEIK** - Foreign Economic Relations Board
- EECA** - Eastern Europe and Central Asia
- Etkiyap** - Impact Investing Platform
- EVPA** - European Venture Philanthropy Association
- EYDK** - Impact Investing Advisory Board
- GSG** - The Global Steering Group for Impact Investment
- IFC** - Istanbul Financial Centre
- ICMA** - International Capital Markets Association
- ICMPD** - International Centre for Migration Policy Development
- ISTKA** - Istanbul Development Agency
- KUSIF** - Koç University Social Impact Forum
- MENA** - Middle East and North Africa
- MFA** - Ministry of Foreign Affairs
- MIKTA** - Mexico, Indonesia, Republic of Korea, Türkiye, and Austria
- MIGA** - Multilateral Insurance Guarantee Agency
- NAB** - National Advisory Board
- RIN** - Refugee Investment Network
- SDG** - Sustainable Development Goals
- SFTE** - Sustainable Future Talks with Entrepreneurs
- SIB** - Social Impact Bond
- SROI** - Social Return on Investment
- SuTP** - Syrians under Temporary Protection
- SVI** - Social Value International
- TGMP** - Türkiye Grameen Microfinance Program
- TKYB** - Development and Investment Bank of Türkiye
- UNDP ICPSD** - UNDP Istanbul International Centre for Private Sector in Development
- YASED** - International Investors Association

# I. IMPACT INVESTING: AN OVERVIEW

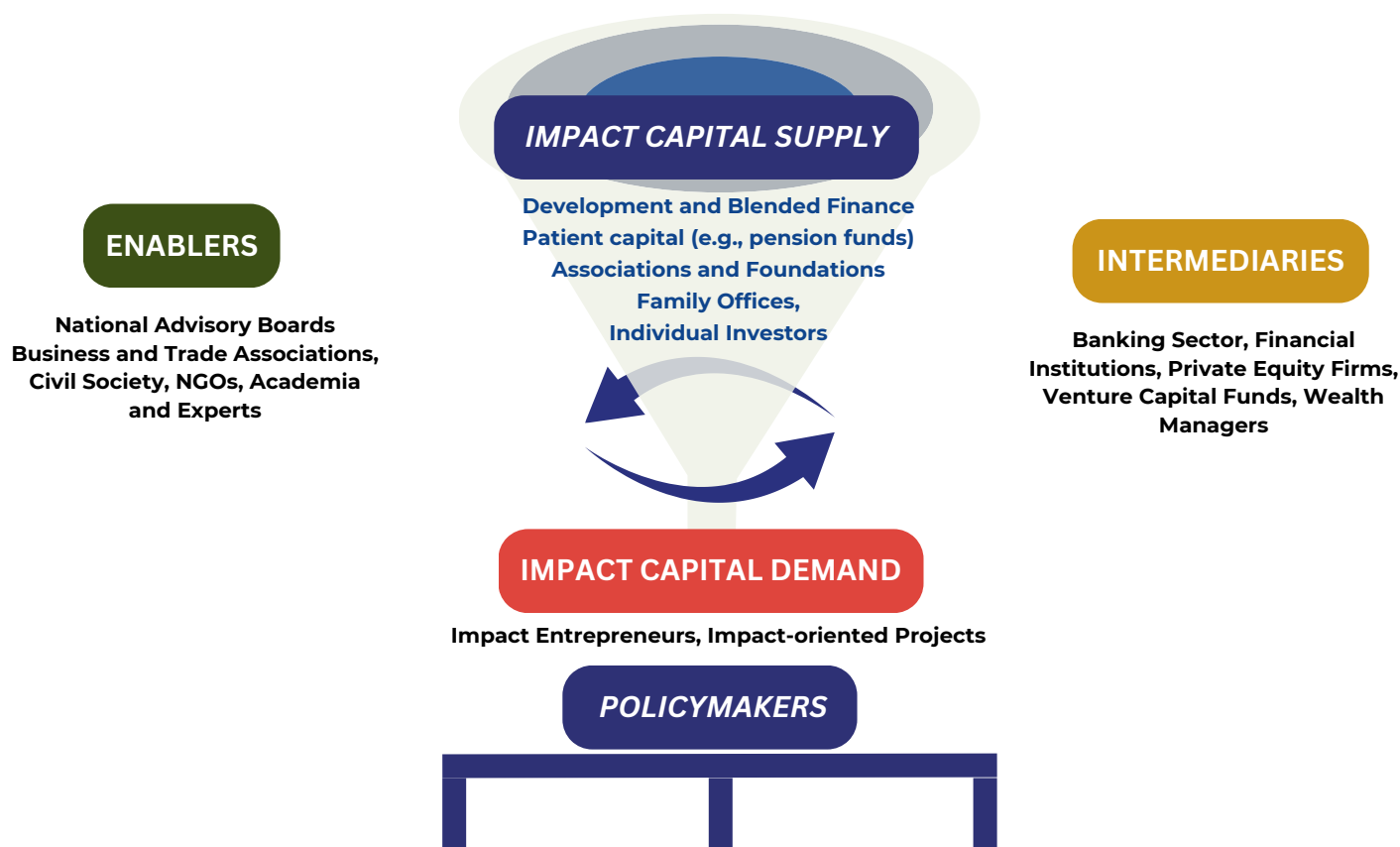
All around the world, the move towards economic development models that benefit people and the planet is gaining traction. Yet, with the persistent shortage of capital for achieving the Sustainable Development Goals (SDGs) by 2030, it is evident that public funds are not enough. Through impact investing, the private sector is now stepping in to contribute to the solutions to the most pressing social and environmental challenges.

Impact investors create positive, measurable social and environmental impact to generate financial returns. According to the International Finance Corporation estimates, with a broader definition of measured and intended impact, the global impact economy reached USD 2.3 trillion in 2020<sup>1</sup>, with a long-term potential of attracting 10% of the global financial assets under management.

Actors in the impact investing ecosystem:

- Have the intention to generate positive impact with their purpose, governance, products, and services,
- Provide contributions in kind and/or capital towards achieving clearly defined, quantifiable, strategic targets that are based on the SDGs,
- Measure, manage, transparently report, and independently assure their social and environmental impact.

**Five pillars of impact investing must work in harmony for sustained impact capital flows:**



From Green, Social, Sustainable, and Sustainability-linked (GSSS) Bonds and Sukuk issuances to results-based contracts (e.g., Social Impact Bonds) and thematic impact funds and trusts, there is a wide variety of financial instruments and vehicles that can be utilised for impact investing. Alongside private capital, making use of development finance and/or blended finance mechanisms, focusing on the social and environmental aspects of the future Public-Private Partnerships (PPPs), and pushing the agenda for venture philanthropy will also create a multiplier effect.

<sup>1</sup> Investing for Impact: The Global Impact Investing Market 2020, IFC, 2021, <https://www.ifc.org/content/dam/ifc/doc/mgrt/2021-investing-for-impact-fin2.pdf>



## II. TÜRKİYE'S IMPACT INVESTING POTENTIAL

Beyond being a signal flare for all the actions that have followed, UNDP's "The Impact Investing Ecosystem in Türkiye" report highlights Türkiye's capacity and potential to become a catalytic impact investing entry point to MENA, Eastern Europe, and Central Asian markets, if a robust, inclusive ecosystem can be built.

EYDK identifies five competencies of Türkiye towards achieving this goal:

**1. Geopolitical Significance and Human Capital:** as a G20 member representing roughly 1% of the global population and economy, Türkiye is at the crossroads of the global cultural and commercial exchange, bringing the Global North and Global South together. Taking key positions in numerous global and regional organisations and partnerships, the country's competitive, highly skilled human capital also supports its potential to become a regional market entry point for impact investing.

**2. Strong Base for Impact Investing:** UNDP followed up on its initial study with the "SDG Investor Map Türkiye" report in April 2021. This was followed by the formation of EYDK and its subsequent acceptance into the 35th country GSG platform. EYDK had published two local reports ("EYDK as a Catalyser" and "Unity is Strength") and a collaborative White Paper on Impact Measurement and Management in Impact Investing in the meantime. Later to be followed by two global partnerships supported by GSG, the MIKTA project bringing together five G20 countries and materialising in the "Joint Forces for Impact Investing" report, and EYDK's place-based impact investing project that brought together a line of reputable national and international partners. Other interventions included national and international (convening) meetings, conferences, and seminars. EYDK also took part in the Climate Council, a reflection of Türkiye's ratification of the Paris Climate Agreement, and in two commissions of the 12th Development Plan of Türkiye. This rapid development culminated in Istanbul being chosen as the host city of the GSG Leadership Meeting 2023, which was attended by 150 impact leaders across 50 countries, alongside over 250 Turkish ecosystem actors between May 30th and June 1st.

Türkiye now has its first early-stage impact fund, its first impact wholesaler, and the first Social Impact Bond (SIB) deal, with this positive trend also being reflected in a line of national strategy documents either explicitly or glancingly: "Green Deal Action Plan 2021", "Türkiye's Medium-Term Program for 2022-2024", "Türkiye's Foreign Direct Investment (FDI) Strategy (2021-2023)", "Sustainable Banking Strategic Plan 2022-25", and "The Participation Finance Strategy Document 2022-2025". Other important steps have been the Capital Markets Board's (CMB) introduction of the sustainability performance reporting obligation for the stock-listed companies (October 2020) and the guidelines on the green and sustainable debt instruments and lease certificates (February 2022).

**3. Strong Finance Sector:** with strong regulations and a wide variety of financial instruments and vehicles run by accredited, reputable financial institutions and intermediaries that are connected to the global economy, Türkiye's finance sector has a competitive advantage within its region. Istanbul Financial Center has the potential to cement this status. The size of financial assets is approximately USD 750 billion<sup>2</sup>.

**4. Turkish Startup Ecosystem:** according to startups.watch, USD 1.6 billion was invested across 300 deals in seed, early, and later investment stages in the Turkish ecosystem in 2022<sup>3</sup>. Gaming, data analytics, FinTech, and COVID-19 darlings such as fast delivery and e-commerce had been key to Türkiye entering the same league with the likes of the UK, France, and Germany for the first time. Istanbul is an important hub in its own right and typically ranks in the top 5, both in the number of deals and total investment, in MENA and Europe. With the awareness levels of Turkish startups continuing to increase, more impact entrepreneurs would potentially emerge. This, in turn, would lead to a growing interest and commitment by the national and international financial intermediaries.

<sup>2</sup> Banks in Türkiye 2020, The Banks Association of Türkiye, [https://www.tbb.org.tr/en/Content/Upload/Dokuman/189/Banks\\_in\\_Turkey\\_2020.pdf](https://www.tbb.org.tr/en/Content/Upload/Dokuman/189/Banks_in_Turkey_2020.pdf)

<sup>3</sup> Year In Review 2022 — Turkish Startup Ecosystem, startups.watch, <https://blog.startups.watch/year-in-review-2022-turkish-startup-ecosystem-1623a33d7215>

5. **Venture Philanthropy:** with its centuries-old Waqf institution (i.e., donating income-generating, faith-based assets for charitable purposes indefinitely and managing the assets as per the articles of foundation), venture philanthropy (i.e., blending business management and venture capital practices with philanthropic deeds to provide catalytic capital, network access, and technical assistance) is highly suitable for Türkiye. A potential key differentiator among Türkiye's competitors, the country's first early-stage impact fund is also established as an act of venture philanthropy.

## III. EYDK AT A GLANCE

### i. Background (April 2019-December 2021)

#### 2019

- **April**
  - Start of the catalysing discussions between the Ministry of Foreign Affairs (MFA) and UNDP started regarding the ways and means to introduce the concept of impact investing to Türkiye,
- **November**
  - Launch of the "Impact Investing Ecosystem in Türkiye" report with the support of the Investment Office of the Presidency,
- **December**
  - Organisation of workshop as per MFA's call to action hosted by the Development and Investment Bank of Türkiye (TKYB), bringing together the public and private sector representatives,
    - The report's findings regarding the necessity of nurturing a national impact investing ecosystem were affirmed, and the next steps were put forward:
      - Sharing the workshop outputs with an extended list of stakeholders,
      - Realising an SDG investor mapping study based on UNDP's pilot scheme in Brazil,
      - Pushing forward with the GSG processes to establish a national advisory board (NAB).



**The Impact Investing Ecosystem in Turkey**  
Stakeholder Mapping and Preliminary Analysis of the Ecosystem

#### 2020

- **November and onwards**
  - Formation of a task force with the participation of the Development and Investment Bank of Türkiye, Etkiyap, Investment Office of Presidency, UNDP IICPSD, and UNDP Türkiye for establishing an inclusive and effective NAB,
    - The task force members had reached a consensus and designated Etkiyap as the lead facilitator of the process. Between November 2020 and April 2021, numerous strategic meetings were held with the potential stakeholders, alongside the process of developing the framework of the future NAB, as per the high standards of the GSG.

#### 2021

- **April**
  - Launch of "SDG Investor Map Türkiye" report UNDP as a follow-up of its initial study by identifying 27 investment opportunity areas across nine priority sectors,
- **May**
  - Organising EYDK's inaugural meeting after incubated for an initial term under the Impact Investing Association with its own secretariat, directives, and independent budget with its leading member institutions from public, private, and non-profit sectors,
  - Election of Ms. Şafak Müderrisgil as the first term President of EYDK, Ms. Hale Özsoy Bıyıklı (Director, Trkven) and Mr. Fevzi Öztürk (General Manager, Kızılay Asset Management) as Vice Presidents,
  - Unanimous decision to apply for joining the GSG community,
- **June**
  - Digital Launch event of EYDK amid the COVID-19 precautions,



• **August**

- Conducting a survey among the EYDK members to assess the level of awareness and commitment towards, alongside their existing and future plans regarding, the SDGs and impact investing,
- Organisation of two consecutive international roundtables to discuss the survey results,

• **September**

- Launch of EYDK’s first report, “EYDK as a Catalyser,” which merges the survey results, roundtable findings, and the previous UNDP studies,
  - EYDK’s holistic approach towards the SDGs was assured, with a special focus on six SDGs. SDG 17 (Partnership for the Goals) would be the enabler and prerequisite of all future endeavours. SDG 13 (Climate Action) was determined as a planet-level, overarching SDG. SDGs 4 (Quality Education) and 5 (Gender Equality) constitute EYDK’s commitment to investing “in”, “for”, and “with” the communities and society. SDG 9 (Industry, Innovation, and Infrastructure) was chosen to complete the push with economic prowess. Finally, SDG 8 (Decent Work and Economic Growth) was identified as the positive, measurable outcome of EYDK’s efforts and partnerships,
  - Going beyond theoretical discussions and focusing on facilitating success stories (e.g., local best practices and investment opportunities) was also a common theme highlighted in the report. UNDP and EYDK’s strategic partnership for the “SDG Investments Türkiye” platform has been an important element in this respect, and EYDK is still building on its premise of being the “one-stop-shop” of impact investing in Türkiye and its the surrounding region,
  - As per EYDK’s role to nurture the awareness raising, capacity building, networking, and policy advocacy efforts, four working groups were established: “Communications”, “Capacity Building”, “Impact Partnerships”, and “Sustainable Development and Policy”,
- Organisation of a search conference by taking the “EYDK as a Catalyser” report as its base, with the support of YASED, PwC Türkiye, and Marjinal Porter Novelli,
  - Four thematic sessions hosted 32 key speakers from public, private, and non-profit sectors to set out an action plan for EYDK. A dedicated report, “Unity is Strength”, was published in January 2022, completing the foundation work for institutionalising the impact investing ecosystem in Türkiye.

ii. EYDK And Ecosystem Building

(Jan 2022 – May 2023)

**2022**

• **January:**

- Releasing the “Unity is Strength” search conference report,

• **February:**

- Partnering with UNDP both for introducing this new concept to Türkiye and for the “SDG Investments Türkiye” platform,
- Contributing to the Climate Council in three commissions,

• **March:**

- Joining the global GSG community as the 35th country,
- British impact investing pioneers sharing their experiences with the leaders of Turkish finance, industry, and trade at an online panel discussion organised by UNDP in cooperation with EYDK within the context of the UK Prosperity Fund,
- Cooperating with the Republic of Türkiye Ministry of Foreign Affairs - Directorate for EU Affairs for realising the “Impact Investing and Civil Society Conference”,

• **May:**

- Organising the first event in Türkiye for the “Impact Principles” framework with IFC, “Impact Principles” Secretariat, and the local signatories (Türkven, TKYB) being present,
- Realising the first edition of the “Sustainable Future Talks with Entrepreneurs” (SFTE) series as an online panel with the founders of Captonomy, Gözen Institute, Mana, and Otsimo,



- Attending the GSG Leadership Meeting in Turin, Italy, where EYDK jointly developed two crucial interventions with the GSG's coordination and its global and local partners (the cross-border MIKTA project and the "Urban Healing and Advancement" framework),
- **June:**
  - Enabling Türkiye to take part in the first-ever harmonised market sizing exercise run by The European Impact Investment Consortium (made up of EVPA, GSG, European NABs, and the select academia),
  - Representing Türkiye at the Asian Venture Philanthropy Network (AVPN) Conference in Bali, Indonesia,
- **August:**
  - Attending the Bangladesh NAB's international "Impact InveStory" conference, where the Bangladesh Impact Investment Strategy and Action Plan (BIISAP) was launched, meeting the Nobel Prize Laureate Muhammad Yunus, the founder of Grameen Bank,
- **September:**
  - Scaling the "Sustainable Future Talks with Entrepreneurs" (SFTE) series with the second edition being attended by four funds and 17 entrepreneurs, also including an SDG-alignment workshop with the courtesy of Etkiyap,
- **October:**
  - Launching a new online series titled "EYDK Discovers", the first edition focusing on waste management and circular economy, with the support of Bursa Technical University, Garanti BBVA, and three impact startups,
- **November:**
  - Organising a panel based on the "Sustainable Future Talks with Entrepreneurs" (SFTE) at the Turkish pavilion in COP27,
  - Attending a meeting and delivering a presentation about the value proposition of being a NAB to a delegation from the United Republic of Tanzania in addition to the meetings held with the Investment Office of the Presidency, Foreign Economic Relations Board (DEIK), and Istanbul Development Agency (ISTKA),
  - Taking part in GSG's and ASEAN-Japan Center's Southeast Asia Taskforces (Thailand, Malaysia, Indonesia, Cambodia) research study for GSG's goal of reaching 55 NABs,
- **December:**
  - Launching the "Joint Forces for Impact Investing" report in coordination with the GSG and partnership with the impact leaders of Mexico, Indonesia, Korea, and Australia, within the context of a MIKTA side event,
  - Taking part in two commissions (Development Finance Commission, Development and Civil Society Commission) of Türkiye's 12th Development Plan,
  - Briefing high-level government officials at the Ministry of Finance and Treasury about policy recommendations regarding impact investing,
  - Submission of "Case Study: Securing Core Funding in Emerging Markets - The Example of Türkiye" was added to GSG's knowledge repository.

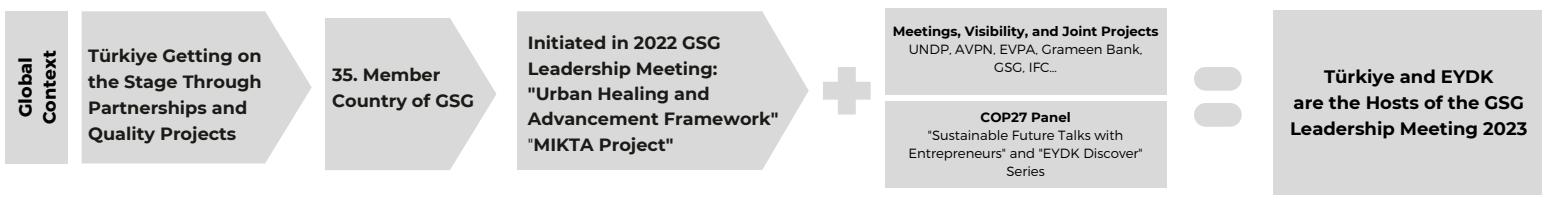
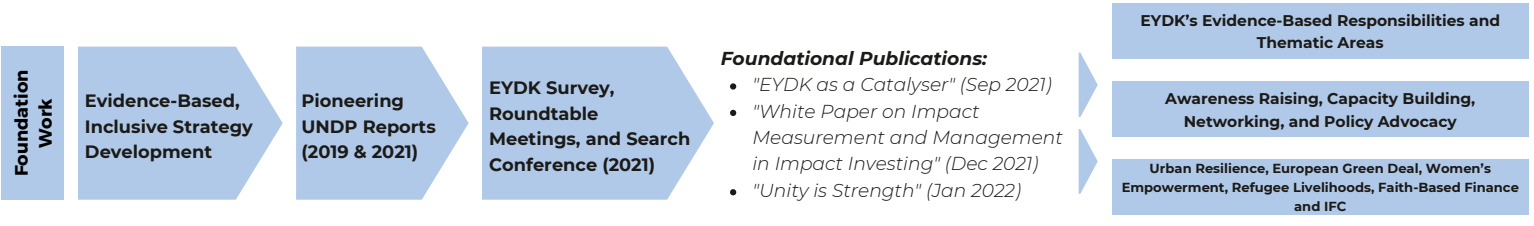
## 2023

- **January:**
  - Launching the "The Potential of Urban Healing and Advancement in Türkiye: Through the Lens of Impact Investing" report for promoting place-based impact investing,
  - Signing the "Sunshine of Şanlıurfa" project contract in partnership with Türkiye Grameen Microfinance Program within the context of ENHANCER (a European Union grant project run by ICMPD and supported by the General Directorate of Development Agencies, the Ministry of Industry and Technology),
  - Meeting with UNDP Tunisia representatives following the launch of "The Tunisia SDG Investor Map" to discuss the way forward for establishing a NAB under the supervision of GSG,
- **February:**
  - The global SDG Impact Standards Training of Trainers (ToT) will be delivered in Istanbul between February 13th and 15th, 2023,
    - The accredited training course was coordinated by Etkiyap and hosted by Sabancı Arf Almost Ready to Fly with the organisational support of EYDK,

- **March:**
  - Visit to Jordan as per the local task force's request to act as a catalyser and share Türkiye's experience of establishing a NAB,
  - The organisation of a follow-up hybrid event within its place-based impact investing project, titled "Resilient Cities of the Future Workshop", which was hosted by the Habitat Association in strategic partnership with Harvard Business Review Türkiye on March 23rd, 2023,
    - In three panels, 15 experts exchanged ideas in the presence of an audience of more than 100. The proceedings were launched as "Resilient Cities of the Future Workshop: Findings",
- **April:**
  - Participation in the "Impact Investments in the Aftermath of the Earthquake in Türkiye" event organised at Oxford University, St Edmund Hall on April 25th, 2023, as one of the case studies selected for place-based impact investing,
    - The event hosted a diverse group of global stakeholders to explore the potential of impact investing in reconstructing the cities in Türkiye resiliently,
- **May:**
  - Taking part in the investor briefing organised by the Refugee Investment Network (RIN), titled "Impact Investing for Displaced Communities in Türkiye After the Earthquakes" on May 17th,
  - Entitlement of GSG's extended support for EYDK's place-based impact investing project by formally including it in their prestigious "Scaling Catalytical Capital Deployment to Address the Informal Settlements Crisis" project funded by the Catalytic Capital Consortium (C3), foreseeing valuable contributions in kind and capital,
  - Hosting the annual GSG Leadership Meeting in İstanbul between May 30th and June 1st, 2023.
    - 150 impact investing leaders from around 50 countries came together with their Turkish counterparts. Titled "Path to Impact Economy: Bridging the Global North and Global South in Türkiye's Centennial Year", the meeting was designed as a launching pad for identifying Türkiye as a regional impact investing market entry point.



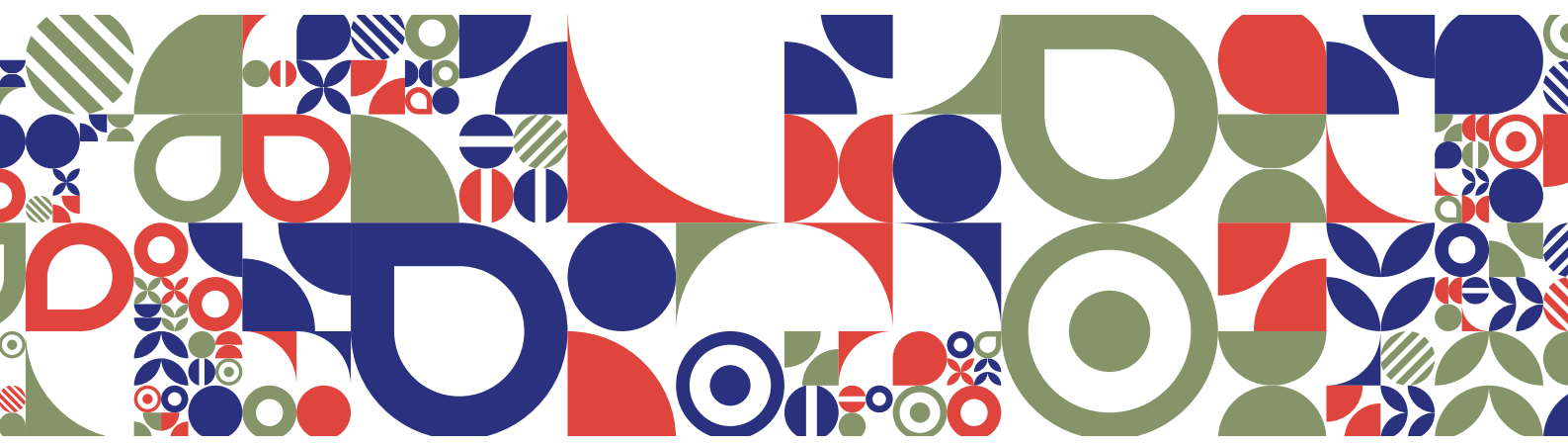
**GSG Leadership Meeting  
May 30, 2023**



**Projects and Publications:**

- "Impact Investing and Civil Society" Conference and the Proceedings Report (Mar 2022)
- 3-Reports EYDK-GSG Partnership for "Urban Healing and Advancement Framework", the Planned Pilot Project in Thrace(Jan-Sep 2023), Global Interventions for Earthquake Resilience (Apr-May 2023)
- ENHANCER EU Grant, "Sunshine of Şanlıurfa" Project with TGMP (Jan 2023 – Feb 2024)

- The Investment Office of the Presidency of the Republic of Türkiye
- The Finance Office of the Presidency and Istanbul Financial Center
- The Presidency of the Republic of Türkiye Presidency of Strategy and Budget
- The Republic of Türkiye Ministry of Foreign Affairs - Directorate for EU Affairs
- The Republic of Türkiye Ministry of Industry and Technology - Development Agencies and TUBİTAK
- The Republic of Türkiye Ministry of Treasury and Finance
- The Republic of Türkiye Ministry of Trade Ministry - European Green Deal
- The Republic of Türkiye Ministry of Environment, Urbanisation and Climate Change - Directorate of Climate Change



# IV. KEY MILESTONES AND ACHIEVEMENTS

## i. Innovations in the Ecosystem

While the year closed with Ankara Development Agency's "2022 Financial Support Programme for Regional Impact Investing Venture Capital"<sup>4</sup> a USD 13 million impact wholesaler that will support the funds investing in local impact enterprises, 2022 had also been crucial for other promising news, such as the launch of Türkiye's first early-stage impact fund, the USD 17 million Founder One that<sup>5</sup> was established by the Türkiye Informatics Foundation and the Turkish Entrepreneurship Foundation, and managed by Maxis.

Another pioneer in the ecosystem, idacapital, was also active with its new accelerator fund, planning to add 12 more startups to their portfolio. Kızılay (Turkish Red Crescent) also pivoted its social advisory subsidiary, completing its transformation into the more focused, ambitious Kızılay Impact Investment A.Ş. These developments show the importance of bottom-up interventions that nurture the future impact entrepreneurs and experts, such as Etkiyap's "GEL" (Young Impact Leaders) program, EYDK's own "Sustainable Future Talks with Entrepreneurs" series, and the "Impact Entrepreneurship Program" by İşbank and Vehbi Koç Foundation. It must also be noted that UNDP's recent "Impact Investing Guide" provides the core principles of impact investing in the Turkish language for sustained interest in such future interventions.

Debt markets are also gearing up for more impact. Based on the International Capital Markets Association (ICMA) Green Bond Principles, the Capital Markets Board of Türkiye (CMB) issued its guidelines on green and sustainable debt instruments and lease certificates in February 2022. Another solid move came with "The Participation Finance Strategy Document 2022-2025", which identifies impact investing-based sukuk issuances by the public sector as a target in its comprehensive action plan. Türkiye now has its first early-stage impact fund, its first impact wholesaler, and the first Social Impact Bond (SIB) deal, with this positive trend also being reflected in a line of national strategy documents.

## ii. "Unity is Strength" Report

Launched in January 2022, the report outlines the findings of and the relevant direction set out by EYDK's October 2021 search conference. With the support of YASED, PwC Türkiye, and Marjinal Porter Novelli, four thematic sessions hosted 32 key speakers from public, private, and non-profit sectors to set out an action plan for EYDK.

### Session 1: Five Pillars of Impact Investing and the Capital Flow

- According to the participants, holistic leadership, strategy, and an action plan are needed for nurturing the ecosystem. The importance of impact measurement and management, regulations, and incentives were also confirmed. Another highlight had been the strategic harmony between faith-based finance and impact investing, alongside a crucial note regarding the importance of focusing more on social impact.

### Session 2: National Agenda and EYDK

- EYDK must take the lead for ecosystem development, also through specialised themes and solid actions that are supporting and shaping the national agenda. Encouraging the stakeholders is key, and so do public-private partnerships and blended finance.



<sup>4</sup> Regional Venture Capital Financial Support Program for Impact Investment, Ankara Development Agency <https://ankaraka.org.tr/en/regional-venture-capital-financial-support-program-impact-investment>

<sup>5</sup> "Erken aşama girişimlere odaklanan 300 milyon TL'lik fon: Founder One", Webrazzi.com, <https://webrazzi.com/2022/05/12/erken-asama-girisimlere-odaklanan-300-milyon-tl-lik-fon-founder-one/>

The time is right, thanks to the Paris Climate Agreement and European Green Deal. With that said, impact investing can go beyond “green” and focus on the likes of gender lens investing and uplifting the disadvantaged groups. These efforts must be crowned with public sector recognition, regulations, and incentives.

### Session 3: Spreading Impact Measurement and Management

- Focusing on outputs is no longer enough, and a transition to outcomes and impact is necessary, which necessitates impact measurement and management.
- For this, capacity building is key, but not enough. Progress is also needed in two other essential fields: fighting against impact-washing and ensuring data availability and transparency. This is not a one-size-fits-all endeavour. More awareness is required towards specialised know-how and tailor-made approaches.

### Session 4: EYDK as an International Platform

- For becoming an international platform, strength in numbers, enhanced cooperation, and global recognition are needed. For this, developing a communications strategy and forming action-oriented working groups are essential next steps. Within this context, creating a common language would also boost the coherence and cooperation among the ecosystem actors. A unified, globally connected push forward is needed.

The report suggests EYDK to focus on five areas.

- Raising awareness and creating a common language,
- Supporting the formation of a national impact ecosystem,
- Leading the policy dialogue and steering the national impact investing agenda,
- Forming strong relations with global and national networks,
- Building the national impact measurement and management capacity.

Building on the previous work, the report also identifies certain strategic themes for EYDK.

- Supporting the compliance with the European Green Deal through impact investing,
- Prioritising disadvantaged groups (women’s empowerment and refugee livelihoods),
- Working on the correlation between faith-based finance and impact investing by utilising the upcoming Istanbul Finance Centre,
- Contributing to the urban resilience movement.

## iii. “SDG Investments Türkiye” Platform

As per the responsible party agreement signed in November 2021 between UNDP and EYDK to develop and run a virtual platform for the contents of the “SDG Investor Map Türkiye” report, the interactive “SDG Investments Türkiye” Platform was launched in February 2022 to provide data, information, and insights on 27 investment opportunities across nine sectors with the potential to contribute to Türkiye’s sustainable development. In addition to the success stories, knowledge repository, and news sections, the visitors can also shortlist opportunities according to the regions, sectors, direct impact SDGs, indicative returns, and investment timeframes.

For example, “Investing in Hospitals/Clinics To Provide Healthcare Services” is one of the identified opportunity areas. Directly impacting SDGs 3 and 8, suitable for Eastern and Southeastern Anatolia regions, and serving not only the local communities but also the medically underserved populations in the neighbouring countries, this opportunity area was already materialised in the Elazığ Integrated Healthcare Campus, one of the success stories showcased within the platform. Making the headlines once again with its seismic isolators and resilient design following the devastating earthquakes in February 2023, the Campus was realised with Türkiye’s first “green and social bond” issuance in 2016 (certified by Vigeo EIRIS).



Worth EUR 288 million, it is also a first in the Turkish Public-Private Partnerships (PPPs) bond market for having<sup>6</sup>:

- A 20-year maturity,
- Additional construction-stage liquidity facilities by EBRD worth EUR 89 billion and
- Credit enhancement by the World Bank's Multilateral Insurance Guarantee Agency (MIGA).

## iv. EYDK in GSG Network

### Joining GSG

Since the initial search conference in December 2019, which was organised following the launch of UNDP's "The Impact Investing Ecosystem in Türkiye" report, establishing a National Advisory Board (NAB) in Türkiye to join The Global Steering Group for Impact Investment (GSG) community had been a priority. With the support of its founding sponsors (Development and Investment Bank of Türkiye, Etkiyap, Investment Office of the Presidency, Technology Development Zone, UNDP IICPSD, and UNDP Türkiye) and the trust of its leading public, private, and non-profit sector member institutions, EYDK had its first meeting in May 2021. The foundation work and the GSG's due diligence processes had been completed by March 2022 with the acceptance of EYDK as the 35th country into the GSG community. Since then, EYDK has carried out many national and international interventions in partnership with GSG (e.g., "Joint Forces for Impact Investing" and "The Potential of Urban Healing and Advancement in Türkiye" reports). A bulk of these interventions were developed during the GSG Leadership Meeting in May 2022 in Turin, Italy, which was attended by the global impact investing community to evaluate the progress and map out the next steps towards the impact revolution.

### Hosting the GSG Leadership Meeting 2023

When an opportunity arose in the following months to bid for hosting the 2023 edition of this prestigious event, EYDK nominated Istanbul. Following the announcement of Istanbul's selection, Istanbul Financial Center (IFC) has joined as the main sponsor. Alongside the valuable support of the Investment Office of the Presidency, Arçelik, and Boğaziçi University, the founding sponsors were the Development and Investment Bank of Türkiye, Etkiyap, Kızılay Impact Investment, and Turkven, positioning as the long-term driving powers of EYDK. Utilising the GLM platform, Kale Group and Limak Group endorsed the women's empowerment theme as panel sponsors. Additionally, idacapital, Marjinal Porter Novelli and Otovinn acted as sponsors.

The annual GSG Leadership Meeting took place between May 30th and June 1st, 2023, with the attendance of 150 impact investing leaders across 50 countries, alongside their Turkish counterparts. Titled "Path to Impact Economy: Bridging the Global North and Global South in Türkiye's Centennial Year", it had been both a celebration of Türkiye's recent achievements in this crucial field and a showcase of the country's potential to become an impact investing entry point for the Middle East and North Africa (MENA) and Eastern Europe and Central Asia (EECA) markets. The meeting's inaugural event took place in the prestigious Albert Long Hall, Boğaziçi University, with a focus on four key themes: impact leadership, unlocking impact capital, impact measurement and management, and women's empowerment. Twenty-three key national and international speakers took the stage. The following two days of the meeting were comprised of enclosed, targeted strategy meetings and workshops exclusively for the global participants, where EYDK co-led two sessions: "Mainstreaming Gender in Impact Investing" and "Investing for a Just Transition", together with the GSG Policy Team and the Impact Investing Institute (the UK National Advisory Board) respectively.

Since joining the GSG community, EYDK has also been positioned by both GSG and UNDP as a model NAB on numerous occasions, as described in the "EYDK And Ecosystem Building (Jan 2022 - May 2023) section":

<sup>6</sup> Elazig Hospital PPP, EBRD, <https://www.ebrd.com/work-with-us/projects/psd/elazig-hospital-pppp.html>

## v. Venture Philanthropy: Interventions

It is an ever-growing approach that blends business management and venture capital practices with philanthropic deeds to provide catalytic capital, network access, and technical assistance towards achieving SDGs. With Türkiye's strong Waqf tradition, long since a core element in the country's philanthropic and humanitarian deeds, it offers a competitive edge and a growth vertical for the Turkish impact investing ecosystem.

In order to utilise this edge, EYDK had partnered with the EU Presidency and the Ministry of Foreign Affairs within the context of their long-lasting "Civil Society Dialogue" program to organise an introductory panel and three workshops (titled "Venture Philanthropy", "Impact Measurement", and "Transparency and Inclusiveness") in the "Impact Investing and Civil Society Conference" in March 2022. Sixty key participants from public and non-profit sectors attended the conference. Key elements were identified as increasing cooperation, endorsing success stories, and introducing mechanisms for impact measurement and management.

EYDK is currently planning to expand on this concept by focusing on the Waqf tradition to potentially fuse faith-based finance and impact investing through positioning the Waqf concept as a differentiating investment vehicle towards supporting Türkiye's push for becoming a regional market entry point.

Türkiye also took part in the first harmonised European impact investment market sizing exercise by "The European Impact Investment Consortium" (consisting of EVPA, GSG, European NABs, and the selected academia). In December 2022, the consortium's landmark report, "Accelerating Impact", was launched. At the same time, EYDK joined in a fireside chat together with the Japan Fundraising Association and GSG, endorsing the NAB concept and representing Türkiye in this important gathering.

## vi. Prioritisation of Impact Measurement and Management

One of the most important tasks of EYDK is to introduce different audiences to the concept of impact investing wherever it goes. One of its key ingredients, alongside intentionality and contribution, is commitment to measure, manage, transparently report, and independently assure the social and environmental impact. Capacity building in this rather technical area had needed to wait until a certain level of awareness and a common language could be achieved in the country. However, from the "Impact Investing and Civil Society Conference" to the "Sustainable Future Talks with Entrepreneurs" series, from the ENHANCER EU grant project to the "Joint Forces for Impact Investing" report, EYDK has always prioritised the concept of impact measurement and management, as per the direction set out in the "Unity is Strength" search conference report.

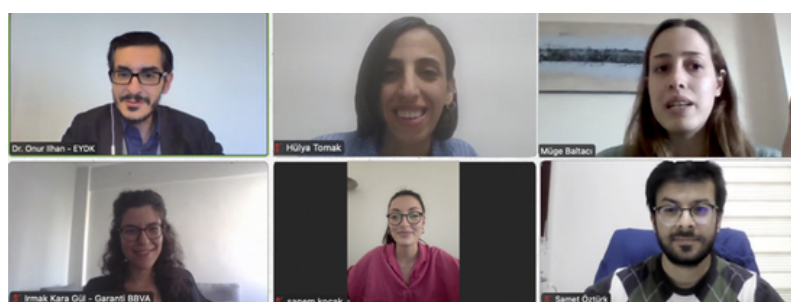
So far, EYDK had two landmark actions within this field. The first one had been the high-profile organisation in May 2022 for introducing the "Impact Principles" framework to a wider audience for the first time in Türkiye. Supported by IFC and the "Impact Principles" Secretariat and joined by the two signatory members of EYDK, Development and Investment Bank of Türkiye and Türkven, the event enjoyed strong visibility and initial success. The second one was the global SDG Impact Standards Training of Trainers (ToT) that was held between February 13th and 15th, 2023, in Istanbul. The accredited training course was coordinated by Etkiyap and hosted by Sabancı Arf Almost Ready to Fly with the organisational support of EYDK.

Plans are even more promising. With Etkiyap's lead both in SVI's Social Return on Investment (SROI) and UNDP's SDG Impact Standards, and thanks to the multi-level interventions of the like of KUSIF (e.g., publications, projects, lectures, impact lab, and education and counselling) the local market is growing both in quality and quantity. EYDK is planning to position itself as a facilitator and supporter of such initiatives and marks 2023 also as the year of progress in capacity building. To that end, EYDK works on high-profile impact measurement and management conferences and makes an open call to all the market enablers in the global and local ecosystems to consider partnering with EYDK towards this goal.

## vii. EYDK's Work Towards Impact Entrepreneurship

According to IFC, about 54% of the funds going into impact investing in emerging markets are channelled through private equity<sup>7</sup>. Thus, for Türkiye, having competitive impact entrepreneurs and impactful projects is of key importance (i.e., creating a strong base on the demand side). EYDK's "Sustainable Future Talks with Entrepreneurs" (SFTE) series was conceptualised to answer this need. Starting as an online panel hosting impactful startups in May 2022 (Otsimo, Mana, Captonomy, and Gözen Institute), it had quickly evolved into an all-day, physical, multi-purpose event in its second edition in September 2022. Hosted by Bahçeşehir University's BAU Future Campus in Istanbul, the event was attended by four funds (Türkiye Development Fund, Founder One, idacapital, Vestel Ventures) and 17 startups, creating a convening platform fortified by a workshop organised by Etkiyap for introducing the SDG mapping frameworks.

Bringing awareness raising, networking, and capacity building together in a single event, SFTE was later honoured by the Climate Presidency, the Ministry of Environment, Urbanisation, and Climate Change, to organise a panel in the COP27 Turkish pavilion. Executives of project partners joined EYDK President Şafak Müderrisgil to discuss the premise of the SFTE series. Relevant, eye-catching startups (Blueit, Köstebek, Nau Design) from SFTE were later included in the first edition of the new "EYDK Discovers" online seminar series in October 2022 that had focused on circular economy and waste management.



### EYDK Discovers Circular Economy and Waste Management

October 17, 2022

## viii. Potential of MIKTA<sup>8</sup> Countries for Impact Investing

One of EYDK's international projects initiated during the GSG Leadership Meeting 2022 in Turin, Italy, the joint report was launched in December 2022 with the support of the Ministry of Foreign Affairs. Coordinated by GSG and joined by the NABs of Mexico, Korea, Türkiye, and Australia, as well as the taskforce of Indonesia, the report titled "Joint Forces for Impact Investing: The Potential of MIKTA Countries" had brought together five G20 countries within the context of Türkiye's term presidency in the MIKTA platform, a cross-regional group of nations working on the idea that cooperation can bridge divides between developed and developing nations and build consensus on issues which would be relevant to all regions.

The report highlights the status of impact investing in the five MIKTA countries, as well as key challenges and opportunities locally. It also provides recommendations for policymakers. The report includes the results of an online survey that was conducted by EYDK with the participation of the project partners during the period of July-August 2022, as well as the country profiles that are publicly available through GSG's website.

<sup>7</sup> Growing Impact New Insights into the Practice of Impact Investing, IFC, <https://www.ifc.org/content/dam/ifc/doc/mgrt/2020-growing-impact.pdf>

<sup>8</sup> Mexico, Indonesia, Republic of Korea, Türkiye, and Australia



**"Five G20 Countries Joined Forces for Impact Investing"**  
*December 15, 2022*

Even though MIKTA countries seem different and geographically separated from each other on paper, a line of crucial commonalities regarding the progress of impact investing has been identified in the report.

It is seen that the core opportunity lies in transitioning conventional capital and patient capital (e.g., pension funds, venture philanthropy) into impact investing through robust national strategies, platforms, incentives, and innovative financial instruments. Capacity building in impact measurement and management was also identified as an integral, catalysing aspect of this transition. Relatedly, the major policy recommendations of the MIKTA countries were outlined as follows:

- Making impact investing a national priority through assigned government agencies
- Prioritising early-stage funding and supporting impact entrepreneurs
- Creating fund-of-funds and blended finance schemes to support ecosystem growth
- Enabling data transparency and nurturing the impact measurement and management efforts

Another important element of the MIKTA project is its pledges and longevity:

- Meet quarterly to inform each other of the local and regional developments and to seek potential cross-border partnerships with GSG’s support and direction.
- Prepare a follow-up report for the year-end 2023 to assess the progress, identify potential bottlenecks, and jointly develop local and global solutions.
- Establish a convening platform in which the stakeholders of MIKTA countries come together to develop joint initiatives for enhanced cooperation.

MIKTA impact leaders came together in the GSG Leadership Meeting 2023 to cooperatively design the next steps. MIKTA project is an important opportunity for the Turkish impact investing ecosystem to develop cross-border cooperation.

## ix. Focus on Place-Based Impact Investing

Based on evidence, urban resilience was chosen as one of EYDK's thematic areas back in 2021. Within this context, EYDK has partnered with the GSC to localise the global call-to-action document, "Informal Settlements: No Longer Invisible", positioning Türkiye as one of the two global partner countries of the larger project, the other country being Colombia. The partnership produced its first solid output with the launch of "The Potential of Urban Healing and Advancement in Türkiye: Through the Lens of Impact Investing" report on January 31st, 2023. Seventy-five key representatives attended the hybrid launch event. Local partners of the report were Ankara University, Applied Sciences Faculty, Arz Asset Management, Trakya Development Agency, and TSKB Real Estate Appraisal, with urbanOvation acting as the international workshop partner. The proposed framework of urban healing and advancement is built on inclusive, tech-driven stakeholder engagement, multi-level urban planning, community building, and innovative, sustainable capital allocation and commercial value generation perspectives.

After the launch event, ten provinces of the country were devastated by a series of earthquakes on February 6th, 2023. While this period of grief and helping each other caused delays in the project timeline, it also showed the importance of urban resilience for the country going forward. Place-based impact investing can provide solutions to Türkiye's engrained challenges in this field, not only in terms of sustainable governance, strategy development and implementation, or impact measurement and management but also by providing the essential platforms and financial instruments.



**"Cities will Prosper with Impact Investing"**  
January 31, 2023

As a second deliverable, EYDK organised a follow-up hybrid event titled "Resilient Cities of the Future Workshop", which was hosted by the Habitat Association in strategic partnership with Harvard Business Review Türkiye on March 23rd, 2023. In three panels focusing on "positive social and environmental project value generation", "financing the impact", and "creating an impact on the ground", experts from 15 leading institutions had exchanged ideas. The event gathered an audience of more than 100 stakeholders. Workshop proceedings were launched as a separate report titled "Resilient Cities of the Future Workshop: Findings". Here, an overall framework of the highlighted ideas and approaches, quotations from the experts, inspiring case studies mentioned during the event, and lessons learned for future fieldwork were conveyed in an action-oriented manner.

EYDK's project was also among the three case studies presented during the "Impact Investments in the Aftermath of the Earthquake in Türkiye" event organised at the Oxford University, St Edmund Hall on April 25th, 2023 (the other two being the under-development catastrophe bond and Social Impact Bond projects by other parties).

The event hosted a diverse group of international stakeholders (e.g., potential solution partners and financial intermediaries) with an aim to explore the capacity and potential of impact investing towards reconstructing the cities in Türkiye resiliently. The second international push of EYDK took place on May 17th, 2023, at the investor briefing organised by the Refugee Investment Network (RIN), titled “Impact Investing for Displaced Communities in Turkey After the Earthquakes”.

Currently, EYDK is actively working towards launching a pilot project in the Thrace region to test the framework, with the support of Tracy Development Agency and IC Holding. The proposed pilot would support women and disadvantaged groups by forming a base for impact entrepreneurship in the region.

There is another deliverable still under development: “Place-Based Financial Instruments: Technical Guideline”. Envisioned as a cornerstone document to mobilise place-based impact capital through utilising the existing financial instruments in Türkiye, this report is a multi-party, multidisciplinary effort that will both be endorsed and then used primarily by the financial stakeholders. After the successful conceptualisation, delivery, and advocacy of a unique local approach, GSG extended its support to EYDK’s place-based impact investing project on May 25th, 2023, by formally including it in their prestigious “Scaling Catalytic Capital Deployment to Address the Informal Settlements Crisis” project funded by the Catalytic Capital Consortium (C3), foreseeing valuable contributions in kind and capital.



**"Workshop on Resilient Cities of the Future is Held"**  
March 23, 2023

## x. ENHANCER Grant: “Sunshine of Şanlıurfa” Project

ENHANCER is funded by the European Union (EU) and implemented by the International Centre for Migration Policy Development (ICMPD) in coordination with the General Directorate of Development Agencies, the Ministry of Industry and Technology. ENHANCER focuses on nurturing and facilitating entrepreneurship among and employment opportunities for the Syrians under Temporary Protection (SuTP) and host communities, alongside policy-making and coordination. ENHANCER has a budget of EUR 32.5 million and targets 11 provinces (Istanbul, Ankara, Izmir, Bursa, Gaziantep, Adana, Mersin, Konya, Şanlıurfa, Kayseri, and Hatay).

In October 2021, EYDK formed a partnership with the Türkiye Grameen Microfinance Program (TGMP) for a grant project bid called “Sunshine of Şanlıurfa” concerning capacity building (i.e., training of trainers -ToT- for TGMP personnel, piloting the learning outcomes with a mixed group of 150 SuTP and host community women entrepreneurs in Şanlıurfa who have received microcredit from TGMP, reporting the outcomes and impact of the project through a bilingual report, and releasing the ToT and final beneficiary course materials free of charge online). The project has a budget of around EUR 30.000, with the ENHANCER grant covering 90%. The contract had been signed in January 2023, and the project officially commenced the following month.

The targeted outcomes and the impact of the one-year project are:

- To scale the intervention to all provinces that TGMP is active in and to advocate for its wider adoption by other actors in the field for a long-term, large-scale, and sustained impact (more SuTP and host community women achieving financial independence, more coherence between the communities, and the socioeconomic development of more disadvantaged communities),
- To advocate for microfinance and women entrepreneurship based on solid achievements to support a line of strategic SDGs of EYDK: utilise SDG 17 (“Partnerships for the Goals”) through SDG 4 (“Quality Education”) and SDG 5 (“Gender Equality”) to achieve SDG 8 (“Decent Work and Economic Growth”),
- To embed impact measurement and management practices into the world of microfinance for enhanced trust and accountability,
- To help scale microfinance in Türkiye and to help it evolve into a sustainable financing model going beyond the dependency on grants, philanthropy, and corporate social responsibility.

## xi. Policy Advocacy for Impact Investing

Active policy development had grown and serenely become a priority in 2022, following the completion of EYDK's foundation work and GSG's due diligence processes. This is also a fitting move when considered in relation to EYDK's growing international reach and prestige and to EYDK's aim to make Türkiye a regional impact investing hub. A highlight had been EYDK taking part in the related commissions both in the Climate Council (an essential gathering that laid the foundation of Türkiye's climate regulations and its roadmap towards its 2053 net zero pledge) and for the 12th Development Plan (which will act as the base of Türkiye's social, environmental, and economic progress for the upcoming five years), therefore successfully cooperating with the Presidency of Strategy and Budget and the Directorate of Climate Change. With the latter's endorsement, EYDK also organised a panel that was focused on impact entrepreneurship in COP27.



Similarly fruitful cooperation had been achieved with the Ministry of Foreign Affairs, both through EYDK's partnership with the EU Presidency (for the "Impact Investing and Civil Society" conference and proceedings paper) and for the MIKTA project (bringing together five G20 countries during the ministry's term presidency in the prestigious MIKTA platform).

While the Investment Office of the Presidency has been a core actor in the establishment and growth of EYDK, the GSG Leadership Meeting 2023 also created an opportunity to strengthen the ties between EYDK, Istanbul Financial Center (IFC), and the Finance Office of the Presidency of Türkiye. The latter's "Participation Finance Strategy Document (2022-2025)" includes special actions aimed at (1) fusing faith-based finance and impact investing and (2) formulating impact Sukuk issuances to finance the country's social investments (e.g. health, education).



**EYDK took part in the commissions for 12th Development Plan**

*December 12, 2022*



**EYDK Discussed the Contribution of Impact-oriented Startups in Climate Action at COP27**

*November 9, 2022*

EYDK is continuing the fruitful discussions to take part in these efforts, as well as looking for ways to support IFC. Ministry of Industry and Technology, especially through the General Directorate of Development Agencies, has been among the essential policymaker partners of EYDK, leading up to EYDK realising the "Sunshine of Şanlıurfa" ENHANCER project, Ankara Development Agency becoming the first impact wholesaler, and Türkiye's first Social Impact Bond (SIB) getting closer to its launch. In the upcoming period, EYDK also aspires to strengthen its cooperation with the Ministry of Trade to support the national efforts towards European Green Deal compatibility.

One of the key breakthroughs has been the ever-growing relationship with the Ministry of Treasury and Finance ecosystem (in addition to the ministry's General Directorate of Economic Programs and Research, also with the Capital Markets Board, Banking Regulation and Supervision Agency, Insurance and Private Pension Regulation and Supervision Agency, and Revenue Administration), which is an essential partner for future regulations and incentives. EYDK's core aim is to strategically align its international projects, partnerships, and advocacy efforts with Türkiye's national strategies towards achieving the SDGs and mainstreaming impact investing.



## V. THE WAY FORWARD

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Since its inception, EYDK has been working on awareness-raising activities with different sectors and disciplines. With a common language starting to take shape, the next major step is capacity building in impact measurement and management. There are various frameworks, standards, and metrics that are used globally towards this goal. With its partners, EYDK will be more focused on disseminating these from 2023 onwards.

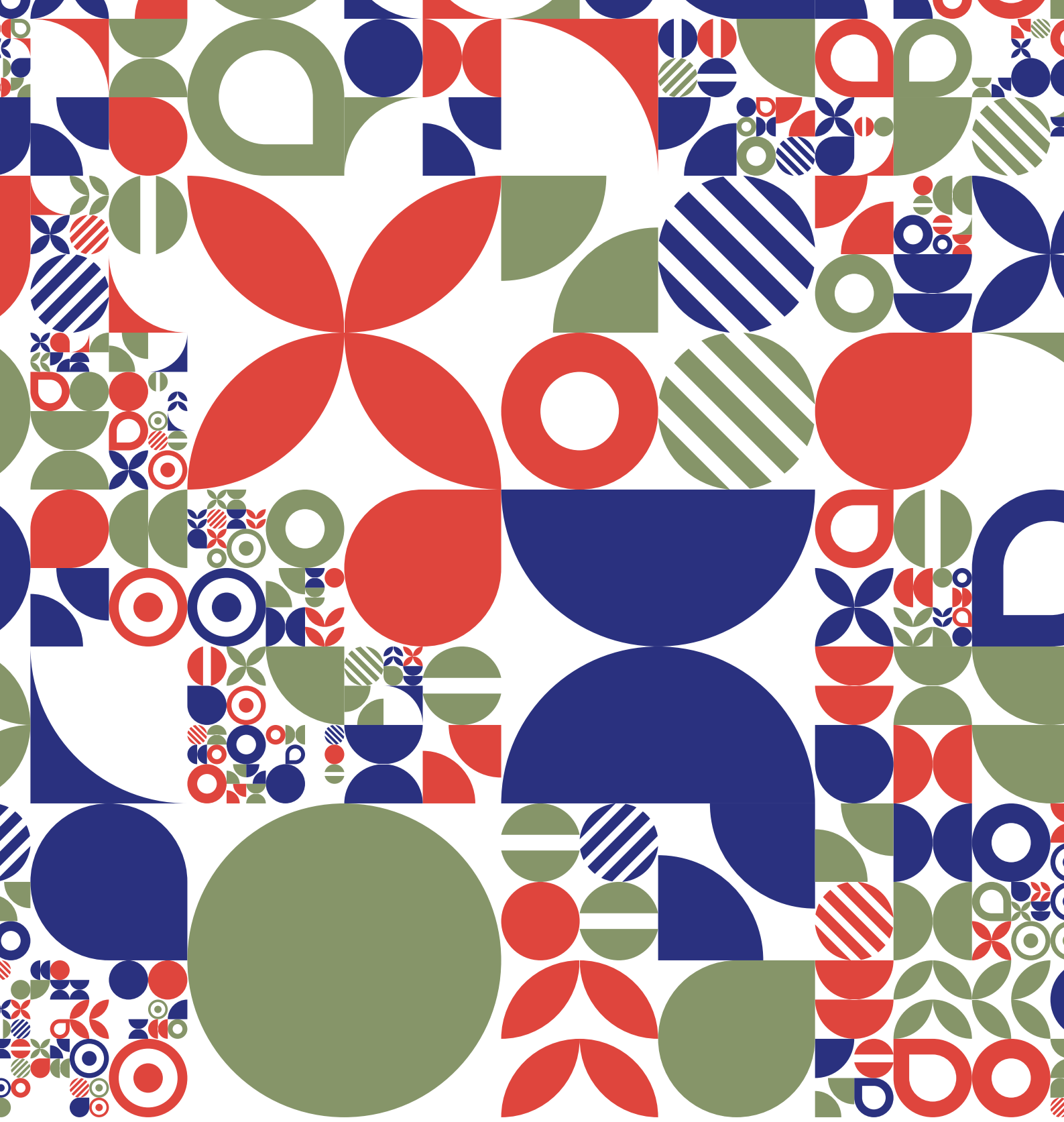
Policy development is another key issue. A solid foundation has been built since May 2021, with the cooperation of key public, private, and non-profit sector stakeholders within and beyond Türkiye. It is time to proceed with more advanced discussions and seek solid results. With impact investing being featured more prominently in the national strategy documents and clearly defined in the regulations, the ecosystem will be able to gain further traction to enable a regional market entry point.

Expanding on the thematic interventions developed until today will also be important. From impact entrepreneurship to venture philanthropy, from place-based impact investing to cross-border cooperation, these are flagship elements of EYDK and its partners. The ecosystem had the opportunity to showcase its achievements and colossal potential during the GSG Leadership Meeting 2023. We must work together to build on this success to achieve the triple bottom line of people, planet, and profit.

We would like to express our gratitude to all the staff at the EYDK General Secretariat who have been dedicated since the establishment of EYDK and have contributed to the preparation and publication of this report.



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<b>Ceren Toraman</b>	<b>Knowledge and Project Management Specialist</b>	<b>04.2023 - Ongoing</b>
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