

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA16678

Date ISDS Prepared/Updated: 21-Apr-2016

Date ISDS Approved/Disclosed: 29-Apr-2016

I. BASIC INFORMATION

1. Basic Project Data

Country:	Turkey	Project ID:	P128605
Project Name:	SUSTAINABLE CITIES (P128605)		
Task Team Leader(s):	Soraya Goga		
Estimated Appraisal Date:	31-Mar-2016	Estimated Board Date:	29-Sep-2016
Managing Unit:	GSU09	Lending Instrument:	Investment Project Financing
Sector(s):	Sub-national government administration (15%), Other Renewable Energy (20%), Urban Transport (15%), Wastewater Collection and Transportation (25%), General water, sanitation and flood protection sector (25%)		
Theme(s):	City-wide Infrastructure and Service Delivery (50%), Urban Economic Development (30%), Municipal governance and institution building (20%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	172.20	Total Bank Financing:	138.70
Financing Gap:	0.00		
Financing Source			Amount
Borrower			5.50
International Bank for Reconstruction and Development			138.70
Free-standing TFs for ECA CU4 Country Unit			28.00
Total			172.20
Environmental Category:	F - Financial Intermediary Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The Project Development Objective is to improve quality, efficiency and sustainability of service

delivery in participating municipalities.

3. Project Description

The proposed project will be implemented through three Components.

a) Component A: Sustainable City Planning and Management Systems provides technical assistance to ensure comprehensive and integrated planning including support for spatial, social, environmental and capital investment planning and management. This would allow municipalities to improve each of their dimensions of sustainability (environment, social and financial/economic) as they move along the spectrum from a planned city to a smart city. It also provides financing for feasibility studies, environmental assessments and designs for sustainable investments identified through the planning processes.

b) Component B: Municipal Investments finances sustainable investments identified through the technical assistance under Component A or proven ‘no regret’ investments that support environmental, social or financial sustainability.

c) Component C: Project Management provides financing for the management of the project.

The proposed project is expected to be the first in a series of projects (SOP). The SOP approach allows Iller Bank (IB) and the World Bank to expand the approach vertically and horizontally as investments are identified under Component A and subsequently also allows municipalities to access financing as they meet eligibility requirements.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Three municipalities have been identified for participation in both Component A and B of this first SOP (Mugla, Malatya and Gaziantep). Seven additional metropolitan municipalities have indicated their interest in participating in Component A of the project and these were selected through Government of Turkey – Ministry of Environment and Urbanization priorities. These include Balıkesir, Kahramanmaraş, Tekirdağ, Hatay, Samsun, Ordu, and Erzurum.

5. Environmental and Social Safeguards Specialists

Arzu Uraz (GSU03)

Esra Arıkan (GEN03)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project will include municipal investments for the delivery of public goods, such as water, wastewater, solid waste, urban transport infrastructure etc. These investments will have primarily positive environmental impacts. However, these sub-projects are expected to have temporary environmental impacts (wastewater discharge, generation of dust and noise, etc.) during the construction and operation phases. Relevant environmental issues associated with the construction and operation of each type of subproject has been elaborated in an ESMF prepared by Iller Bank and approved by the World Bank.

		Site-specific issues/impacts will be determined by IILR Bank during the screening process, as described in the ESMF. Sub-project EIAs, partial EIAs, and EMPs will be prepared by the municipalities as required.
Natural Habitats OP/BP 4.04	Yes	Although most of the sub-projects will be implemented in urban areas, the policy is triggered in the event that a project site is selected in a natural habitat as defined by the policy. The ESMF of the project states clearly that any investment in a critical natural habitat will be ineligible and the ESMF also stipulates that any impact on habitats should be identified in the respective ESIA/partial ESIA/ESMP of the sub-project.
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	Exact locations of proposed sub-projects have yet to be identified, but are likely to be in built-up urban areas. To mitigate risks, OP 4.11 will be triggered. The ESMF of the project addresses national laws and regulations concerning investments taking place in any culturally sensitive areas and will identify measures if any gaps are observed between national regulations and OP 4.11. The ESMF states that issues related to physical cultural resources will be assessed in detail (if necessary) within the sub-project EIA/EMPs. All construction contracts with excavation works will have 'chance find' provisions as a requirement of the contractor. 'Chance find' procedures will be discussed in the EF document.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	Relevant social impacts associated with the construction and operation phase of each type of subproject and corresponding entitlement and mitigation measures have been elaborated in the LARPF that has been prepared by IILR Bank and approved by the World Bank. The LARPF details the institutional implementation arrangements between IILR Bank and the municipalities and the reporting format. The project will finance infrastructure investments which could have temporary and permanent land acquisition, and potential minor resettlement impacts. Site-specific impacts will be determined by IILR Bank and the municipalities, and sub-project RAPs or ARAPs will be prepared and implemented by the municipalities as required. IILR Bank will supervise the implementation of RAPs.

Safety of Dams OP/BP 4.37	Yes	Some of the potential water supply projects under Component B, may access water from an upstream dam. Iller Bank and the sub-borrower municipality will be asked to review the existing dam according to the requirements of Bank's OP.
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The World Bank's (WB) environmental and social safeguards policies require that the borrower country prepare an Environmental and Social Management Framework (ESMF), integrated with the Regulation on Environmental Impact Assessment (henceforth "EIA Regulation") and WB's Operational Policy for Environmental Assessment (OP 4.01) for the project. Since the exact sub-project locations are not known and engineering designs not finalized at the time of appraisal, the ESMF is the key document to be shared with stakeholders prior to the start of implementation. Iller Bank (IB) has prepared the draft ESMF and disclosed its Executive Summary on the IB's website on August 25, 2014. The draft ESMF was submitted to WB's Board on September 17, 2014. The final ESMF has been disclosed on the Client's website on March 28, 2016 (IB) and on the WB's Infoshop on March 29, 2016.

The ESMF provides the scope of a comprehensive environmental and social management approach for acknowledging the potential environmental and social impacts of the project. Furthermore, it provides technical inputs and guidance for the project from an environmental and social management perspective. Therefore, the application and implementation of the ESMF will guide the integration of social and environmental aspects into the decision-making process of all stages related to planning, design, execution, operation and maintenance of sub-projects, by identifying, preventing and/or minimizing adverse social and environmental impacts early in the project cycle.

Finally, the ESMF guides the sub-borrowers on the requirements for meeting the WB safeguards standards which were triggered during appraisal stage, which are: Environmental Assessment (OP 4.01), Physical Cultural Resources (OP 4.11), Involuntary Resettlement (OP 4.12) and Safety of Dams (OP 4.37).

The policy on Natural Habitats (OP 4.04) is triggered in order to allow for an opportunity to assess the biodiversity and proposed activities in proximity to or in natural habitats. The ESMF states clearly that activities will be ineligible if they are assessed to have any impact on critical natural habitats.

World Bank safeguard policies also apply to technical assistance studies and will apply to Component A of the project. The safeguards requirements should be part of the Terms of

Reference for consultancy services financed under the Project. With respect to the technical assistance outputs, in the event that the World Bank finances the implementation of the outputs, World Bank safeguards policies would apply to the implementation. In the event that the World Bank does not finance implementation of the technical assistance outputs, the World Bank would not be responsible for the use or non-use of the outputs.

With regard to policy on International Waterways (OP 7.50), IB is responsible for ensuring that the sub-projects financed are located and dependent on national waterways only. The waterways identified as NOT an international waterway (do not trigger OP 7.50) in Turkey are the following: Susurluk, North Aegean, Gediz, Kuçuk Menderes, Buyuk Menderes, Western Mediterranean, Antalya, Sakarya, Western Black Sea, Yesilirmak, Kizilirmak, Konya Kapali, Eastern Mediterranean, Seyhan, Ceyhan, Eastern Black Sea, Burdur, Afyon, Orta, Anadolu, and Van.

Iller Bank has prepared a separate document (Land Acquisition and Resettlement Policy Framework – LARPF) (for which the details are provided in the section below) to address the Involuntary Resettlement Policy (OP 4.12).

Site specific EIA's for category A projects will be sent to the World Bank's Board for information.

Social Impacts (including Safeguards)

Social Impacts: Anticipated social impacts include temporary and permanent land acquisition and temporary and permanent potential resettlement under Component B: Infrastructure Investments. In the pre-appraisal stage, project specific potential social and economic issues were identified as: (i) access issues in new water schemes for areas where drinking water facilities are introduced; (ii) vicinity of discharge units of waste-water facilities to residential areas and houses (without permits most probably) located at the edge of river beds where discharge is planned; and (iii) economic resettlement of minibus drivers in modernization of urban transport. Municipalities will address these issues in a timely manner and take measures to minimize the potential negative impact incurred by new investments under Component B.

Safeguard Policies: The project may involve land acquisition and related impacts which triggers OP/BP 4.12 “Involuntary Resettlement”. The relevant Turkish legislation and World Bank OP 4.12 will both be followed. In cases where there are gaps between the legal regimes, measures will be taken to meet the standards set in OP 4.12.

The LARPF outlines, in detail, the expropriation procedures for land acquisition in Turkey, World Bank’s OP 4.12 policy on Involuntary Resettlement, a gap analysis, steps to bridge these gaps and institutional responsibilities. The final LARPF has been disclosed on the client’s website on March 28, 2016 (Iller Bank) and on the World Bank’s Infoshop on March 28, 2016. All site specific environmental and social documents prepared for each sub-project will be consulted with the relevant stakeholders according to the process defined in the ESMF and LARPF.

Citizen Engagement (CE): The project finances investments in services such as sewage treatment and public transport that citizens expect municipalities to provide. Furthermore, some of the participating municipalities have reported significant public pressure for the provision of these services. Based on a Diagnostic Assessment, all municipalities currently proposed for participation in this first in the series of projects (SOP) have active Grievance Redressal Mechanisms in place. Balikesir uses ‘sms’ and online tracking in responding to queries or complaints from residents. Malatya uses an online service and a telephone line to receive

complaints and to provide appointments to citizens to meet with municipal officials. The response time to citizens is approximately one week, and 60 days, at most. For Mugla, when a complaint is submitted through the call center, citizens receive a tracking number on their cell phones. Actions can be tracked online using this number. Gaziantep also utilizes a ‘sms’ and online mechanism where people can use either phone or internet.

Nevertheless, Grievance Redress Committees (GC) will be formed under the project by the Metropolitan Municipalities and municipal water and wastewater utilities. These will include representatives from the municipalities and/or municipal water and wastewater utilities, and representatives of the affected people. The representatives will be chosen from the affected community in a participatory, accessible and transparent manner. The GC will mediate with the affected party to resolve the issues brought to its attention to avoid or minimize, to the extent possible, the need for involvement of the formal channels for dispute resolution such as courts. Information on the GC will be included in the Land Acquisition and Resettlement Action Plans which would be site specific.

Under Component A, technical assistance could be provided for municipalities to strengthen citizen engagement and enhance social assessment capabilities for urban planning. Component A may also support mechanisms to measure beneficiary feedback indicators for investments under Component B.

Gender-disaggregated data will be collected at all levels. The project monitoring mechanism will also disaggregate beneficiary-based indicators on gender. Regarding land and compensation issues, although land ownership is mostly in favor of men in Turkey, women-land owners will be given extra attention to ensure that they receive a fair amount of compensation.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Since the final designs of the sub-investments are not complete and the exact locations of the sub-projects are not known at appraisal stage, the environmental impacts will be assessed during the sub-project's ESIA/ESMP stage, as detailed in the ESMF document.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Project location and technical (process) alternatives will be detailed in sub-project specific ESIA's.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The LARPF and the ESMF acceptable to WB has been prepared by IB. Both the ESMF and LARPF are also integrated into the Project Operations Manual. In accordance with this ESMF, IB will be responsible for screening sub- projects based on the WB's environmental categories of A, B, and C. The municipalities will be responsible for carrying out the environmental assessments. Based on the magnitude of impacts, municipalities will be responsible for preparing an ALARAP or LARAP. They will send these documents to IB for review and clearance. IB will then send these documents to the WB for approval.

OP 4.12 also applies if land was acquired in anticipation of or in preparation for a project and the land is directly linked to the WB-financed project. If land acquisition procedures were completed at the time the LARPF is approved, a retroactive Audit Report will be prepared by the Municipality and submitted to IB to be submitted to the WB to ensure that land acquisition was

completed in accordance with the objectives and principles of OP 4.12.

As the borrower and FI, IB has gained extensive experience in implementing similar projects under the Municipal Services Project. IB's technical staff have attended several safeguard training programs provided by the WB and they are capable of implementing environmental and social safeguards according to ESMF and LARPF. However, the WB will continue to provide prior and post reviews according to the details provided in the ESMF and LARPF.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include the Treasury, IB, the participating metropolitan municipalities, their utility companies, and municipal residents. Public consultation and disclosure requirements of individual sub-projects are described in the ESMF and detailed in LARPF. Disclosure of the ESMF document was completed on March 28, 2016, and of the LARPF was completed on March 28, 2016; both documents were published in WB's Infoshop on March 29, 2016 and March 28, 2016, respectively.

OP 4.12 requires full public disclosure of LARPF and LARAPs. For this project, Municipalities are responsible for arranging consultation meetings prior to land acquisition procedures with the affected persons to discuss the LARPF, the draft LARAPs, and resettlement planning and implementation, if any.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	28-Mar-2016
Date of submission to InfoShop	29-Mar-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	17-Sep-2014
"In country" Disclosure	
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	28-Mar-2016
Date of submission to InfoShop	28-Mar-2016
"In country" Disclosure	
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] TBD [<input type="checkbox"/>]
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] TBD [<input type="checkbox"/>]
OP/BP 4.37 - Safety of Dams	
Have dam safety plans been prepared?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Soraya Goga	
<i>Approved By</i>		
Safeguards Advisor:	Name: Zeynep Durnev Darendeliler (SA)	Date: 28-Apr-2016
Practice Manager/ Manager:	Name: David N. Sislen (PMGR)	Date: 29-Apr-2016