



# **VakıfBank**

**TÜRKİYE VAKIFLAR BANKASI T.A.O.**

**STAKEHOLDER ENGAGEMENT PLAN  
FOR  
EMERGENCY FIRM SUPPORT PROJECT**

**DRAFT  
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**TABLE OF CONTENTS**

- 1. INTRODUCTION ..... 2**
- 2. REGULATORY CONTENT ..... 5**
- 3. SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES..... 7**
- 4. STAKEHOLDER IDENTIFICATION AND ANALYSIS ..... 8**
- 5. STAKEHOLDER ENGAGEMENT PROGRAM .....11**
- 6. RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT  
ACTIVITIES.....16**
- 7. GRIEVANCE MECHANISM.....17**
- 8. MONITORING AND REPORTING .....18**
- 9. ANNEX .....19**

## 1. INTRODUCTION

The Coronavirus disease (Covid-19) is an outbreak identified in Wuhan, China, in December 2019. The World Health Organization declared the outbreak a Public Health Emergency of International Concern on 30 January, and a pandemic on 11 March. As of May 4 2020, more than 3.58 million cases of Covid-19 have been reported in over 187 countries and territories, resulting in more than 251,000 deaths. More than 1.16 million people have recovered from the disease.<sup>1</sup>

The first case in Turkey was officially confirmed on March 11, 2020. The first death due to Covid-19 in the country occurred on March 15, 2020 and by 1 April it was confirmed that Covid-19 had spread all over Turkey. On 19 April, the number of confirmed total cases in Turkey surpassed those of Iran, making it the most affected country in terms of cases in the Middle East. As of May 4, 2020, the total number of confirmed cases in the country is over 127,700, of which 68,200 have recovered and 3,500 have died.<sup>2</sup>

All affected countries including Turkey have responded to the outbreak by implementing travel restrictions, quarantines, lockdowns and stay-at-home orders, workplace hazard controls, and facility closures. It is obvious that the pandemic has caused severe global socioeconomic disruption for the business world. The negative impacts of Covid-19 hits mostly the health, tourism, transportation, manufacturing, service and retail sectors domestically. Many of those sectors are trying to cope with problems arising from quarantine, travel restrictions and pandemic as they have complex supply chain structures.

As the global quarantine conditions force one third of the world population to stay at home, transportation companies are hit severely, and passenger revenues of airlines companies slid by 40% since December 2019. According to the figures published at the end of March by Turkish Airlines (THY), the number of passengers and cargo shipment - compared to March 2019 - have decreased by 53% and 8.5% respectively. The negative slope of aviation sector revenues is getting worse due to travel restrictions. According to International Air Transport Association, revenues are expected to decline by USD 29 billion this year and Turkey is expected to be affected negatively from this decline.

Health sector is at the center of combat against Covid-19 pandemic. In addition to common concerns faced by all industries (i.e. occupational health and safety, supply chain disruptions), health sector is exposed to incomparable problems as it is in the front line against the spread of the virus and providing health services to those affected by the virus. The most important problem during the pandemic is the countries having insufficient number of healthcare workers. The number of healthcare personnel per 10,000 people is 580 in high GDP per capita countries while this figure drops to 173 in low GDP per capita countries. Having sufficient number of healthcare personnel and healthcare facilities has critical importance for the combat against Covid-19. Access to personal protective equipment, implementation of occupational health and safety protocols, sufficient resting and recovery periods and other working conditions determine the effectiveness of the treatments provided by healthcare personnel. In the scope of combat against the spread of the pandemic, access to masks, pullovers, eyeglasses and disinfectants became more important.

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<sup>1</sup> "COVID-19 Dashboard by the Center for Systems Science and Engineering (CSSE) at Johns Hopkins University (JHU)". ArcGIS. Johns Hopkins University. Retrieved 5 May 2020

<sup>2</sup> "Current Situation in Turkey". The Ministry of Health. Retrieved 4 May 2020.

Another sector in Turkey that is affected mostly by Covid-19 is tourism. According to the World Tourism Forum Institute, tourism sector declined by 80% in Turkey. World Travel & Tourism Council (WTTC) announced that 50 million people are estimated to become unemployed worldwide due to the Covid-19 pandemic. About 1 million people are employed by tourism and its related sectors in Turkey. Tourism workers in Turkey are expected to be affected by negative global estimations regarding tourism sector.

Retail sector is also among the mostly affected sectors due to the impacts of lockdown and supply chain disruptions. Measures taken in Turkey – in line with global practices- include those such as closure of physical shopping points. Restructuring activities of companies are increasing significantly due to the disruptions in supply chains since cessation of activities worldwide triggers the supply chain related issues, decreases inventory levels and impacts liquidity requirements negatively. Most of the people are following “stay at home” procedures and many firms from all sectors are implementing remote work applications. This causes a significant decline for the number of guests for shopping centers and decline in sales and revenues consequently.

KPMG Turkey Strategy and Operations Consultancy team conducted a Covid-19 Impact research between April 1 and April 6 with around 250 participants from all sectors. Recovery expectations on a sectoral basis are in line with expectations regarding national economy while recovery for industrial production, retail and tourism sectors is expected happen after 2020. The most affected group by Covid-19 is announced as SMEs with a ratio of 95%. Crisis management and crisis preparation capabilities are observed to be parallel with revenue size of the companies. When all sectors are included, access to financing (25%), domestic sales (24%), increase in production costs (22%) and liquidity issues (18%) are declared mostly.

### **1.1. Project Description**

VakifBank is working on a new project with the World Bank (WB) to minimize the adverse effects of the Covid-19 outbreak and to support small and medium-sized businesses most affected by the outbreak. The WB financing provided under the Project, mostly in the form of working capital sub-loans, will help keep these businesses afloat, maintain their employment during the current acute phase of the crisis, and support fast recovery when the health situation improves and the economy re-opens. In addition, the project will support companies’ efforts to adopt to the new operating environment.

VakifBank Emergency Firm Support Project aims to widen the financing channels for the viable companies that are most affected by the impacts of Covid-19 pandemic. Companies facing cash flow disruptions due to the decreasing demand for their products and supply chain problems along with enterprises that had to shut down business activities due to the measures to combat with Covid-19 outbreak will be the main focus of the project. World Bank financing will be channeled for the MSMEs (micro, small and medium enterprises) and Midcap enterprises that were in sound financial condition before the outbreak and that are expected to survive the crisis via the financing under the project to help those companies protect employment and recover faster after general situation improves and economic activity starts accelerating.

Companies that are implementing adaptive practices such as shifting to alternative working modalities by increasing automation and digitalization, introducing crisis management systems and health and

safety measures or increasing the production capacity for strategically important products and services in health sector and supply chains will also be supported by the project.

Total financing will be allocated among segments and companies in line with the eligibility criteria provided in the World Bank Operations Manual. Viability assessment for the projects will be conducted in accordance with Project Operations Manual (POM). Sub-loans will be assessed by VakıfBank's standard project and financial evaluation systems. VakıfBank will apply environmental and social risk assessment and screening procedures to all sub-projects seeking financing. Sub-projects that are classified as high and substantial environmental and social risk and the projects within the scope of excluded sub-sectors will not be eligible for financing.

In brief, the VakıfBank Emergency Firm Support Project is being developed in accordance with the World Bank's Environment and Social Framework (ESF). VakıfBank will check the eligibility of each sub-loan in accordance with its loan evaluation criteria and the World Bank Operations Manual during the allocation and disbursement period. Communication is a crucial step for effective implementation. Thus, as per the Environmental and Social Standard (ESS) 10 Stakeholder Engagement and Information Disclosure, the implementing agencies should provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. Stakeholder management will be conducted to ensure issues arising from the outbreak are addressed appropriately and interests and needs of the relevant stakeholders are taken into account while implementing the proposed activities within the project. The Stakeholder Engagement Plan will be updated periodically to reflect additional activities with stakeholders and any changes in approach to stakeholder engagement.

## **1.2. Objective of the Stakeholder Engagement Plan**

The goal of this SEP is to build long-term relationships between VakıfBank and the local communities; to improve and facilitate decision-making that involves Project affected people and other interested stakeholders in a timely manner, and to ensure that these groups are provided sufficient opportunity to voice their opinions about the Project.

Specific objectives of the SEP are detailed below:

- To identify all stakeholders to sustain and develop a timely, continuous, accurate and transparent communication strategy within a well-organized approach amidst Covid-19 outbreak,
- To identify the interest and support of related stakeholders and incorporate the findings into project design to address issues effectively that can possibly occur during the life of the project,
- To define the means and tools to disclose and consult relevant information about the project risks and impacts to stakeholders in a timely, clear, accessible and adequate manner and design,
- To set out the structure of a proper grievance redress mechanism (GRM) that will enable VakıfBank to provide accessible channels to its stakeholders to raise issues and grievances to collect and address those grievances.

## **2. REGULATORY CONTENT**

### **2.1. Framework for Collection of Stakeholders Opinion**

Right to information is the right of the individuals to access the information included in the records of the public institutions and agencies. National legislation on the right to information are

- Constitution of Republic of Turkey
- Law No 4982 on the Right to Information
- The Law on Use of the Right to Petition
- Regulation on Principles and Procedures for the Implementation of the Right to Information Law

Everybody has the right to apply to the public institutions and agencies for requesting information and accordingly the administrations are required to take necessary administrative and technical measures to provide every kind of information and document to the applicants.

Public institutions and agencies shall provide the requested information within 15 working days. If the requested information or document is to be obtained from another unit within the applied institution and agency or it is necessary to receive the opinion of another institution or if the content of the application pertains to more than one institution; the access shall be provided in 30 working days. In this case, the applicant shall be notified in writing of the extension and its reasons within 15 working days.

The Communication Center of the Presidency (CIMER) is a public relations tool that enables fast and effective communication between citizens and public institutions and agencies for application of any information request and submission of suggestions and complaints. The communication channels of CIMER are as follows:

- Online application in web site <https://www.cimer.gov.tr/> and in e-government website <https://giris.turkiye.gov.tr/>
- Hotline: 150
- Address: T.C. Cumhurbaşkanlığı Külliyesi 06560 Beştepe – Ankara
- Phone: 0 312 525 55 55
- Fax: 0 312 525 58 31

#### **2.1.1. Constitution of Republic of Turkey**

ARTICLE 25- Everyone has the right to freedom of thought and opinion. For whatever reason and purpose, nobody can be forced to explain their thoughts and opinions; cannot be condemned and accused of their thoughts and opinions.

ARTICLE 26- Everyone has the right to express and disseminate his thoughts and opinions individually or collectively by words, writings, pictures or other means. This freedom includes the freedom to exchange or receive news or ideas without the interference of public authorities.

ARTICLE 74- Citizens and foreigners who are residing in Turkey and subject to reciprocity, have the right to apply to the competent authorities and the Grand National Assembly of Turkey in writing about their wishes and complaints about the public. The results of the applications related to them are

notified to the petitioners in writing without delay. Everyone has the right to information and to apply to the ombudsman.

### **2.1.2. Right to Information Act**

The Right to Information Act No. 4982 (dated 24.10.2003, published in the Official Gazette no. 25269) regulates the right to information process and its basis in accordance with the principles of equality, impartiality and openness, which is required by democratic and transparent administration. Everyone has the right to obtain information about the activities of public institutions and professional organizations that are public institutions.

Institutions and organizations provide the requested information within 15 working days. However, if the requested information or document is retrieved from the application institution and another unit in the organization, or if the opinion of another institution is taken or the scope of the application belongs to more than one institution; access will be provided within 30 working days. In this case, the applicant is informed in writing and its reasons within 15 business days (Right to Information Act article 11). Foreigners who are residing in Turkey and subject to reciprocity can benefit from this right provided that the petitions are written in Turkish.

### **2.1.3. The Law on Use of the Right to Petition**

Turkish citizens according to article 3 of the Law No. 4982 on Exercising the Right to Petition have the right to apply to the Turkish Grand National Assembly and the competent authorities in writing about their wishes and complaints about themselves or the public.

### **2.1.4. Banking Law**

Article 76 - Banks are obliged to establish a system that will answer all their questions arising from the services provided to their customers and to inform their customers about this service. Banks are obliged to provide a certified copy of their loan agreements to their customers. A copy of any document related to other transactions with the customer, upon request, is also given to the customers.

## **2.2. Legal Framework about the Epidemic**

### **2.2.1. Constitution**

ARTICLE 56- Everyone has the right to live in a healthy and balanced environment. It is the duty of the state and citizens to improve the environment, protect environmental health and prevent environmental pollution.

The state ensures that everyone lives their lives in physical and mental health; it regulates the planning and service of health institutions from a single source in order to achieve cooperation by increasing savings and efficiency in human and substance power.

The state fulfils this task by utilizing and supervising health and social institutions in the public and private sectors.

ARTICLE 65- The State carries out its duties determined in the social and economic fields, determined by the Constitution, by taking into consideration the priorities in accordance with the objectives of these duties, to the extent of its financial resources.

### **2.3. World Bank Requirements**

The World Bank's Environmental and Social Framework (ESF)'s Environmental and Social Standard (ESS) 10, "Stakeholder Engagement and Information Disclosure", recognizes "the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice" (World Bank, 2017: 97). Specifically, the requirements set out by ESS10 are the following:

- "Borrowers will engage with stakeholders throughout the project life cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.
- Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.
- The process of stakeholder engagement will involve the following, as set out in further detail in this ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.
- The Borrower will maintain and disclose as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not." (World Bank, 2017: 98).

This Stakeholder Engagement Plan (SEP) has been prepared by VakıfBank to be proportionate to the nature and scale of the project and its potential risks and impacts. The SEP will be disclosed immediately before project appraisal, to seek the views of stakeholders defined in the SEP, in order to include their feedback on the engagement strategy VakıfBank has developed for future engagement. Any significant changes made in the SEP, will require VakıfBank to disclose the updated SEP (World Bank, 2017: 99). According to ESS10, the Borrower (VakıfBank) should also propose and implement a grievance mechanism to receive and facilitate the resolution of concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner (World Bank, 2017: 100).

### **3. SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES**

Due to the fast spread of the virus in the country, the restrictions of operating businesses or gathering of people has limited project consultations at this stage.

However, VakıfBank, through its branches and media, contacted with several private enterprises (potential direct beneficiaries of this facility) as part of its regular marketing activities which are in targeted sizes and operating in various sectors in different provinces and informed them about the VakıfBank's efforts to support the affected communities from the Covid-19. These efforts were regarded with strong interest from the affected parties.



VakıfBank aims to establish broader stakeholder engagement continuously during implementation beginning with project affected people (virtual communication and not in person due to the risk of spread). For this reason, an initial Stakeholder Engagement Plan (SEP) is prepared at this stage but it is aimed that the SEP will be updated periodically as necessary, with more detail provided in the first update planned for two months from project approval.

#### **4. STAKEHOLDER IDENTIFICATION AND ANALYSIS**

##### **4.1. Identification of Stakeholders**

Identification of project stakeholders is of great importance in determining the sectors most affected financially by the Covid-19 outbreak, as well as determining the internal and external units and institutions that will cooperate in the implementation of the project, although not directly affected by the project. This section identifies all relevant stakeholders including interested parties and other affected communities, local, district and regional level authorities. Stakeholders could also be individuals and organizations that may be directly or indirectly affected by the Project either in a positive or negative way, who wish to express their views.

In this respect, Project stakeholders are defined as individuals, groups or other entities who:

- are impacted or likely to be impacted directly or indirectly, positively or adversely, by the Project (also known as '**affected parties**'); and
- May have an interest in the Project ('**other interested parties**'). They include individuals or groups whose interests may be affected by the Project and who have the potential to influence the Project outcomes in any way.

Moreover, persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project (also known as "**vulnerable groups**")

##### **4.2 Methodology**

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- **Openness and life-cycle approach:** public consultations for the project(s) will be arranged during the whole life-cycle, carried out in an open manner, free of external manipulation, interference, coercion or intimidation;
- **Informed participation and feedback:** information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholders' feedback, for analyzing and addressing comments and concerns;
- **Inclusiveness and sensitivity:** stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders are encouraged to be involved in the consultation process, to the extent the current circumstances permit. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups, in particular to women, youth, elderly and the cultural sensitivities of diverse ethnic groups.

For the purposes of effective and tailored engagement, stakeholders of the proposed project can be divided into the following core categories:

#### 4.3. Project Affected Parties

MSMEs and Midcaps operating in the specified sectors and the ones implementing adaptive efforts for the new operating environment and who will be VakıfBank' loan recipients will be directly affected parties. In this regard, great importance is attached to the engagement of these stakeholders in the project during the design, implementation and monitoring stages.

The Project Affected Parties (PAP) can be defined as:

- Companies operating in sectors worst hit by the crisis according to WB Covid-19 sectoral heat index (sectors such as; health, tourism, transportation, production, service and retail)
- Underserved enterprises such as: small firms, underbanked firms, young firms, firms in less developed areas, women-inclusive enterprises
  - o Small firms: with less than 50 employees,
  - o Underbanked firms: no active line of credit with financial institution, or with less than 20 percent of the external funding consisting of loans from financial institutions,
  - o Young firms: with less than 5 years in operation,
  - o Less developed areas: firms located outside the boundaries of metropolitan cities,
  - o Women-inclusive enterprises defined as:
    - owned by women (i.e., with at least one female shareholder with a properly documented representative and managing powers); or
    - managed by women (i.e., with at least one female C-level manager or with at least 25 percent female representation in mid-level management); or
    - employing a ratio of women that is higher than the average ratio observed in the respective sector.
- Companies seeking to proactively adopt to Covid-19 environment, irrespective of their sector, by:
  - o introducing crisis management and resilience measures (i.e., workplace sanitation and health monitoring arrangements, refurbishments to improve social distancing);
  - o introducing new products and services, new marketing channels, and new business solutions; and
  - o ramping up production for goods and services essential for fighting the pandemic (i.e., the health sector Personal Protective Equipment supply chain, ventilators production)
- Employees of the firms benefiting from the project

The underserved, young and enterprises in less developed areas as well as women-inclusive enterprises are also considered as **vulnerable groups**. Since these companies will be the most affected companies in the Covid-19 epidemic, special attention should be paid to their financing within the scope of this project.

The stakeholders of VakıfBank in the project have been determined by taking into consideration the process of obtaining loans from international financial institutions, credit allocation process and the

provision of the loan to the Bank customers as a product. In this respect, project affected parties of the VakıfBank Departments are defined as follows; Structured Finance Department, Treasury Operations Department, SME Banking Product Development and Management, Corporate and Commercial Banking Product Development and Customer Management Department, SME Loan Allocation Department, Commercial Loan Allocation Department and Credit Reporting Department.

#### 4.4. Other Interested Parties

The projects' stakeholders also include parties other than the directly affected communities, including:

- Ministry of Treasury and Finance (General Directorate of Foreign Economic Relations and General Directorate of Public Finance)
- Other public banks that will be receiving the same Facility from World Bank,
- Civil society and NGOs working in the area of health, community wellbeing and employment,
- Traditional media and social media,
- Public authorities such as Ministry of Health, Ministry of Tourism, Ministry of Industry, Ministry of Commerce and Public Offices (KOSGEB) that will indirectly be involved due to the credits, Social Security Institution (SGK), İŞKUR (the Turkish Employment Agency), regional and local public authorities,
- Local communities, affected by the pandemic, residing in the regions where the MSMEs and Midcaps beneficiary firms are located and will indirectly benefit from the project

#### 4.5. Summary of project stakeholder needs

Stakeholder Group	Nature of interest in the project	Interest	Influence
<b>Project-affected parties</b>			
MSMEs and Midcaps	They will be financed to reduce the effects of Covid-19 outbreak	High	High
<b>Other Interested Parties</b>			
Ministry of Treasury and Finance	Provide 100% payment guarantee for the project	Low	High
Public Banks that will use the same Facility	They will be liable to same conditions and criteria for the Project there can be areas of cooperation with these Banks	High	Medium
Traditional media and social media	Media will have in important role disseminating information about the lending facility.	Medium	Low
Civil Society and NGOs	They will have a role (i) disseminating information about the lending facility, (ii) creating awareness among their members/followers about the project	High	Low

Other Ministries (such as Ministry of Tourism, Ministry of Industry) and Public Offices (KOSGEB)	There can be overlaps/cooperation opportunities with these institutions on already existing/ongoing projects	Low	Low
Local Communities	Indirect impacts through the welfare generation with the lending Midcaps & MSMEs in their region receive	Low	Low
<b>Vulnerable Groups</b>			
Small firms, Underbanked firms, Young firms, Firms in less developed areas, Women-inclusive enterprises	Since these companies will be the most affected companies in the Covid-19 epidemic, special attention should be paid to their financing within the scope of this project.	<b>High</b>	<b>High</b>

## 5. STAKEHOLDER ENGAGEMENT PROGRAM

### 5.1. The Purpose and Timing of the Stakeholder Engagement Program

This Stakeholder Engagement Plan (SEP) has been prepared to provide timely and accessible information to project stakeholders inside and outside VakıfBank and to give them the opportunity to express their views and concerns about the Project and its impacts. SEP specifies at which stages in the project life cycle and at what periods these activities will take place.

As the Project will be carried out with the participation of the relevant Head Office units and over 900 branches and their clients across Turkey, the preparation of an effective Stakeholder Engagement Plan holds great importance. In addition, the fact that the sub loans under the project will be used mostly in the form of working capital, the high number of sub loans is likely to generate increased documentation which will create a serious workload. Hence, SEP will also contribute to the dialogue between business units under VakıfBank.

On the other hand, Stakeholder Engagement Plan is also very important in order to maintain VakıfBank's relations with its stakeholders defined for the project. Considering that there will be other participant banks in addition to VakıfBank, it is clear that the meetings to be held within the framework of the Stakeholder Engagement Plan will be very useful in terms of both evaluating the progress of the project and contributing to the progress of the Project positively.

The Project Implementation Unit (PIU) will engage with PAPs on an ongoing basis taking the risk of Covid-19 spread into account. It should always be borne in mind that mass gatherings of consultation meeting can contribute to the transmission of Covid-19 as a result in a large number of people being in close contact. Various alternative virtual communication channels may be used to ensure meaningful consultation. In addition, broadcasting system in mosques (especially in rural areas where IT systems/internet access are lacking), schools or community radio system can be used for information

disclosure purpose. Further, the World Health Organization's (WHO) mass gathering guidance can be sought<sup>3</sup>.

With the implementation of the project, the Stakeholder Engagement Plan will take its final form. It is aimed that the SEP will be updated periodically as necessary, with more detail provided in the first update planned for two months from project approval.

Name of Stakeholder	Engagement Reason	Engagement Tool	Engagement Frequency	Party Responsible for Engagement
MSMEs and Midcaps	As the main recipient of the loans, they will be directly impacted.	<ul style="list-style-type: none"> <li>▪ Notices and notifications through website</li> <li>▪ Email</li> <li>▪ Face to face meetings</li> <li>▪ Virtual meetings</li> </ul>	Semi-Annual	PIU Branch staff
Ministry of Treasury and Finance	As the intermediary ministry for the loan guarantee, they will be involved with the planning and design stage.	<ul style="list-style-type: none"> <li>▪ Audioconference</li> <li>▪ Email</li> <li>▪ Formal written notifications</li> <li>▪ Face to face meetings</li> <li>▪ Virtual meetings</li> </ul>	Semi-Annual	PIU
Public Banks that will use the same Facility	They will be liable to same conditions and criteria for the Project there can be areas of cooperation	<ul style="list-style-type: none"> <li>▪ Email</li> <li>▪ Audioconference</li> <li>▪ Videoconference</li> <li>▪ Face to face meetings</li> </ul>	Annual	PIU
Institutions from traditional media and social media	They will be the main medium for information dissemination to the public about lending facility	<ul style="list-style-type: none"> <li>▪ Commercials</li> <li>▪ Press releases</li> </ul>	Semi-Annual	PIU Corporate Communications Department
Civil Society and NGOs	Working in the areas of community health and safety and well-being, they may develop new projects/public activities	<ul style="list-style-type: none"> <li>▪ Press Releases</li> <li>▪ Information disclosure on website</li> <li>▪ Face to face meetings</li> <li>▪ Virtual meetings</li> </ul>	Semi-Annual	Corporate Communications Department PIU
Other Related Ministries and Public Offices	Their ongoing projects and/or activities may	<ul style="list-style-type: none"> <li>▪ Audioconference</li> <li>▪ Email</li> </ul>	Annual	PIU

<sup>3</sup> Key Planning Recommendations for Mass Gatherings in the context of the current COVID-19 outbreak, Feb 14, 2020 (available at: <https://apps.who.int/iris/bitstream/handle/10665/331004/WHO-2019-nCoV-POEmassgathering-2020.1-eng.pdf>)

	overlap with the aims of this project	<ul style="list-style-type: none"> <li>▪ Formal written notifications</li> <li>▪ Face to face meetings</li> <li>▪ Virtual meetings</li> </ul>		
Local Communities	Being located in where the Midcaps and MSMEs receiving the loans, community welfare will indirectly benefit from the project	<ul style="list-style-type: none"> <li>▪ Information disclosure on website</li> </ul>	Annual	PIU Corporate Communications Department
<b>Vulnerable Groups</b>				
Small firms, Underbanked firms, Young firms, Firms in less developed areas, Women-inclusive enterprises	They will be the client groups who are believed to benefit most from the project. In addition, policies and conditions for vulnerable groups might be determined based on their inputs and feedback.	<ul style="list-style-type: none"> <li>▪ Audioconference</li> <li>▪ Focus group meetings</li> <li>▪ Videoconference</li> <li>▪ Face to face meetings</li> <li>▪ Virtual meetings</li> <li>▪ Translation services and translated materials will be provided (in English and/or Arabic)</li> </ul>	Semi-Annual	PIU Corporate Communications Department

## 5.2. Proposed Strategy for Information Disclosure

Project stage	Target stakeholders	List of information to be disclosed	Methods and timing proposed	Responsible party
Design and Preparation	<ul style="list-style-type: none"> <li>▪ SMEs</li> <li>▪ Midcaps</li> <li>▪ Other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Summary</li> <li>▪ SEP, GRM</li> </ul>	<ul style="list-style-type: none"> <li>▪ information on website</li> <li>▪ Flyers in branches</li> <li>▪ e- mail</li> <li>▪ Virtual meetings</li> </ul>	VakıfBank PIU
Design and Preparation	<ul style="list-style-type: none"> <li>▪ Government officials</li> <li>▪ Banks</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Summary</li> <li>▪ SEP, GRM</li> </ul>	<ul style="list-style-type: none"> <li>▪ information on website</li> <li>▪ e- mail</li> <li>▪ Virtual meetings</li> </ul>	VakıfBank PIU
Implementation	<ul style="list-style-type: none"> <li>▪ SMEs</li> <li>▪ Midcaps</li> <li>▪ Other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Appraisal Document</li> <li>▪ Project Preparation and Implementation Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>▪ Audio meetings</li> <li>▪ Radio, TV, newspaper and social media announcements</li> <li>▪ Project related announcements on websites and social</li> </ul>	VakıfBank PIU

		<ul style="list-style-type: none"> <li>▪ GRM reports</li> <li>▪ Environmental and Social Screening</li> <li>▪ Regular project update/information</li> </ul>	<ul style="list-style-type: none"> <li>media accounts of VakıfBank</li> <li>▪ GRM system</li> <li>▪ Information dissemination in Turkish on website</li> </ul>	
Implementation	<ul style="list-style-type: none"> <li>▪ Government officials</li> <li>▪ Banks</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Preparation and Implementation Guidelines</li> <li>▪ Project Summary</li> <li>▪ SEP, GRM</li> <li>▪ Project outcomes</li> </ul>	<ul style="list-style-type: none"> <li>▪ information on website</li> <li>▪ e-mail</li> <li>▪ Virtual meetings</li> </ul>	VakıfBank PIU
Closing	<ul style="list-style-type: none"> <li>▪ SMEs</li> <li>▪ Midcaps</li> <li>▪ Banks</li> <li>▪ Other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Periodic Progress reports defined in the POM</li> <li>▪ Realized impact/KPIs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Press Releases</li> <li>▪ Website announcements</li> <li>▪ Information in Turkish</li> </ul>	VakıfBank PIU

### 5.3. Proposed Strategy for Consultation

Project stage	Target stakeholders	Topic of Engagement	Methods and timing proposed	Responsible party
Design and Preparation	<ul style="list-style-type: none"> <li>▪ SMEs</li> <li>▪ Midcaps</li> <li>▪ Government officials</li> <li>▪ Banks</li> <li>▪ Other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Summary</li> <li>▪ SEP, GRM mechanism</li> </ul>	<ul style="list-style-type: none"> <li>▪ Video conferencing meetings</li> <li>▪ Audio meetings</li> <li>▪ Virtual meetings</li> <li>▪ Online focus groups</li> <li>▪ Social media</li> </ul>	VakıfBank PIU
Implementation	<ul style="list-style-type: none"> <li>▪ SMEs</li> <li>▪ Midcaps</li> <li>▪ Government officials</li> <li>▪ Banks</li> <li>▪ Other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Appraisal Document</li> <li>▪ Project Preparation and Implementation Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>▪ Video conferencing meetings</li> <li>▪ Audio meetings</li> <li>▪ Project related announcements on websites and social media</li> </ul>	VakıfBank PIU

		<ul style="list-style-type: none"> <li>▪ GRM reports</li> <li>▪ Environmental and Social Screening</li> </ul>	<p>accounts of VakıfBank</p> <ul style="list-style-type: none"> <li>▪ Face to face meetings (when allowed)</li> <li>▪ Online focus groups with vulnerable groups</li> <li>▪ GRM system</li> <li>▪ Information dissemination in Turkish</li> </ul>	
Closing	<ul style="list-style-type: none"> <li>▪ SMEs</li> <li>▪ Midcaps</li> <li>▪ Banks</li> <li>▪ Other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project progress and evaluation reports</li> </ul>	<ul style="list-style-type: none"> <li>▪ Press Releases</li> <li>▪ Website announcements</li> <li>▪ Information in Turkish</li> </ul>	VakıfBank PIU

The current VakıfBank website (<http://www.Vakıfbank.com.tr>) is being used to disclose project documents, including in both Turkish and English. VakıfBank will create a webpage on the Project on its existing website. All future project related environmental and social monitoring reports will be disclosed on this webpage. All information brochures/fliers will be posted on the website. Details about the project grievance mechanism will be posted on the website. An electronic grievance submission form will also be made available on Vakıf's website. Contact details of responsible PIU members will also be made available on the website. VakıfBank will update and maintain the website regularly (at least once a quarterly basis).

#### 5.4. Proposed Strategy to Incorporate the View of Vulnerable Groups

The project will take special measures to ensure that disadvantaged and vulnerable groups have equal opportunity to access information, provide feedback, or submit grievances. Awareness raising sessions will be conducted in means, places and language adequate for to ensure higher participation of targeted population. Focus groups dedicated specifically to vulnerable groups may also be envisaged as appropriate, when the COVID-19 restriction measures allow for it.

#### 5.5. Review of Comments

Suggestions and comments received during consultations (both electronic and face-to-face), and received through website and social media accounts, will be reviewed, and to extent possible, and as appropriate, integrated in the SEP and project design and implementation.

Complaints and suggestions received through the Grievance Mechanism will be addressed within the stipulated timeframe and the complaint or suggestion holder will be reported back.

VakıfBank will periodically publish the reports about consultations and suggestions received.

#### 5.6. Timelines and Future Phases of Project

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the Stakeholder Engagement Plan and



the grievance mechanism. This will be important for the firms affected by COVID-19 outbreak, but equally and even more so for employees in these firms.

VakıfBank PIU will ensure that engagement activities that require face-to-face meetings and social gatherings will resume after restrictions on movement and social distancing requirements are eased or lifted.

## **6. RESOURCES AND RESPONSIBILITIES FOR IMPLEMENTING STAKEHOLDER ENGAGEMENT ACTIVITIES**

### **6.1. Resources**

The Stakeholder Engagement Plan will be managed within VakıfBank's existing organizational structure. The Project Implementation Unit (PIU), which will consist of employees selected from the relevant business units, will be responsible for the implementation of the project. However, Structured Finance Department will be the main contact under this project. Structured Finance Department will organize the stakeholder engagement activities with the support of other units under the PIU. VakıfBank has allocated adequate budget for these activities. As the activities to be carried out in the project are determined, the budget to be allocated by the Bank will become clear. A generic e-mail address will be created for this project once all the details are clear.

The contact person of VakıfBank has been determined as Sinan Arıkan at this stage.

The contact details are;

Name – Surname: Sinan ARIKAN

Phone Number: 0090 216 724 26 77

E-mail Address: [wbsmesupport@Vakifbank.com.tr](mailto:wbsmesupport@Vakifbank.com.tr)  
[Sinan.arikan@Vakifbank.com.tr](mailto:Sinan.arikan@Vakifbank.com.tr)

Indicative SEP Budget: 50,000.00 TL (It will be revised in the further stages.)

### **6.2. Management Functions and Responsibilities**

The PIU will have an overall responsibility of planning and managing stakeholder engagement and project implementation activities throughout the project life-cycle. The responsibilities include;

- Planning, update and implementation of the SEP,
- Leading stakeholder engagement activities and reporting,
- Management and coordination on resolution of grievances,
- Monitoring of and reporting on environmental and social performance to the World Bank,
- Consolidated reporting on SEP activities for the project overall,
- Disclosure of ESMS documents,
- Coordination of trainings and training materials

## 7. GRIEVANCE MECHANISM

VakifBank has a grievance mechanism managed by Customer Relations Coordination Department. The Department works to resolve any suggestions, complaints and requests from the customers as soon as possible, and considers the input as an opportunity to improve the Bank by evaluating every issue conveyed, accepting that every customer who gives feedback within the framework of customer satisfaction rules is “right”. This mechanism can also handle grievances from persons who believe they had been adversely affected by the activities of recipients of VakifBank’s loans. The customers can reach the Bank and communicate their notifications via call center, internet banking and mobile banking, branches, e- mail ([wbsmesupport@vakifbank.com.tr](mailto:wbsmesupport@vakifbank.com.tr)), corporate website, social media accounts, government agencies and complaints websites. In addition, the customers can reach out to the Head Office and branches, and through corporate social media accounts. Complaints and comments posted on some review websites are also monitored and evaluated. If a client with language barriers applies for grievance mechanism, necessary support will be provided for translation service at the branches. You may find the all communication channels via the link <https://www.vakifbank.com.tr/Default.aspx?pageID=1231>

Customer feedback from all channels is collected in a database managed centrally and resolved systematically by Consumer Relations Coordination Department. When necessary, units cooperate to produce solutions, to ensure improvement of product and service quality. In addition, suggestions, complaints, requests and appeals submitted through the Turkish Banks Association (TBB), BRSA, CIMER and other official complaint registry channels are centrally managed. All grievances are recorded and answered within the legally determined timeframe according to the content of the subject. In order to establish strong, accurate, permanent and clear relationships for long-term relations with customers, the Bank prepares monthly, quarterly and annual reports on customer feedback, present them to the Audit Committee and Board of Directors, organize quarterly meetings with broad participation, and take necessary decisions and actions for development areas. The Bank attaches importance to the highest level of follow-up with the presentations made to the Audit Committee and the Board of Directors.

In VakifBank, there is an internal grievance mechanism for the employees. On the intranet page of VakifBank, employees are able to submit their requests and complaints directly to the Board of Auditors by filling out a form.

A grievance mechanism specific to the Project will be adapted within the existing VakifBank’s customer feedback system. It will be established in order to identify problems affecting the project and to resolve them objectively, timely and effectively, and to provide a feedback and complaint- reporting channel accessible by all project related stakeholders. In this context, SMEs and medium-sized enterprises that will benefit from loans will be able to make their complaints and suggestions regarding the project through the branches or through mobile banking and internet banking. The World Bank Emergency Firm Support Loan option will be added to the complaints section in the internet banking and mobile banking services provided to those customers and the complaint/suggestion process will be facilitated. These complaints or suggestions will be delivered to the International Banking and Investor Relations Department through the main banking system of VakifBank called VIT. All related stakeholders interested in the Project will be able to reach VakifBank and convey their question/comment/complaint through the formal communication channels on the website/telebanking and social media. In addition, an e-mail group consisting of people to be selected

from the units in the Project Implementation Unit to be established. Other interest parties will be able to convey their opinions and suggestions through this e-mail group. This e-mail group and abovementioned internal grievance mechanism channels will be communicated to all Bank staff through internal declaration and other stakeholders in the project via an official notification letter. Ministry of Treasury and Finance may also communicate via official written communication as usual. Necessary arrangements will be made to resolve complaints sent to the mail group or delivered to VakıfBank Grievance Mechanism at a certain time.

Individuals can request the right to have their name kept confidential and this mechanism does not preclude the right for stakeholders to process grievances through other judicial means. All complaints/suggestions received from all related stakeholders regarding this Project will be documented using the Grievance Mechanism Form provided in the Annex. All grievances will be acknowledged and responded within 15 working days. The response to the grievances will not be later than within 30 working days. If a complainant is not satisfied with the response, he/she can seek remedy in the judicial system.

Specifically, nominated and trained members of staff will record grievances to the grievance log. The grievance log will include stakeholder name and contact details and details of the grievance and how and when it was submitted, acknowledged, responded to and closed out. The template for the log for received grievances are provided in the Annex.

The International Banking and Investor Relations Department is responsible for the management of Grievance Mechanism of the World Bank project. As in previous projects, the Ministry communicates with the Department both in writing and via e-mail on all matters related to this project. Since the Ministry does not have access to the in-bank system, communication will be established through official communication channels and the mail group.

## **8. MONITORING AND REPORTING**

Structured Finance (SF) Department will be responsible of monitoring the activities related to SEP. Since the SF Department will be responsible for the organization of the activities to be carried out, it will keep a record of the stakeholder engagement activities which were held. The Department will also request a report of the activities carried out in 6-month periods from other units in the Project Implementation Unit. The SF Department will carefully monitor the opinions and suggestions received within the scope of the grievance mechanism via main banking system VIT and the common mail group and will make the necessary efforts to resolve the problems. The activities carried out in this context will be reported to the World Bank every 6 months with its results. If any institutions such as a ministry or non-governmental organization are included in the project in the later stages, the activities carried out by them will also be monitored on the internet and social media and reported to the World Bank every 6 months. Progress Reports to be prepared every 6 months will cover all these activities.

### **8.1 Involvement of Stakeholders in Monitoring Activities**

VakıfBank will be seeking feedback from beneficiary firms and other relevant stakeholders throughout the project and PIU will discuss the results of the progress reports with relevant stakeholders as needed. A midterm survey on Citizen Engagement will be conducted by VakıfBank PIU to seek feedback from the beneficiary firms on their satisfaction with the Project. The PIU will analyze the results which will inform project implementation, as appropriate.

VakıfBank will take into account the inputs and comments received from stakeholders through the Grievance Mechanisms and consultations regarding the Facility. In case of any inquiries about a specific project financed through this Facility or any other monitoring inquiry, the feedback will be evaluated in VakıfBank's formal corporate communication procedures and appropriate response will be provided to the related stakeholder.

## **8.2 Reporting Back to Stakeholder Groups**

The SEP will be periodically revised and updated as necessary in the course of project implementation in order to ensure that the information presented herein is consistent and is the most recent, and that the identified methods of engagement remain appropriate and effective in relation to the project context and specific phases of the development. Any major changes to the project related activities and to its schedule will be duly reflected in the SEP. Periodic summaries and internal reports on public grievances, enquiries and related incidents, together with the status of implementation of associated corrective/preventative actions will be collated by responsible staff and referred to the senior management of the project. The periodic summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. Information on public engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in two possible ways:

- Publication of a standalone report on project's interaction with the stakeholders.
- A number of Key Performance Indicators (KPIs) will also be monitored by the project on a regular basis.

Further details will be outlined in the Updated SEP, to be prepared within one month of effectiveness.

**9. ANNEX:**

**9.1 Grievance Mechanism Form:**

<b>GRIEVANCE MECHANISM FORM</b>		
Name of the Personnel Receiving the Grievance		Date
Title		
<b>Stakeholder Information (Optional)</b>		<b>Grievance Receipt Method</b>
Name-Surname		Phone
Phone		Website
Email		Branch/Office visit
Address		Email
Signature		Site visit
		Other
<b>Details of Grievance</b>		
<b>Grievance Closing</b>		
Assessment of Grievance		

Response/Corrective Action Required?	Yes (if yes please provide details)	No
<b>Result</b>		
<b>Responsible Personnel</b>		
Name Surname		
Date and Signature		

**9.2 Public Grievance Log Template:**

<b>Name</b>	<b>Contact Details</b>	<b>Date</b>	<b>Complaint</b>	<b>Responsible Party</b>	<b>Action Taken</b>	<b>Date Resolved</b>	