



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 30-Jan-2018 | Report No: PIDISDSA23663



BASIC INFORMATION

A. Basic Project Data

Country Turkey	Project ID P161915	Project Name Sustainable Cities Project 2	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 29-Jan-2018	Estimated Board Date 15-Mar-2018	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) ILLER BANKASI ANONIM SIRKETI	Implementing Agency Iller Bankasi	

Proposed Development Objective(s)

The Project Development Objective is to improve the access to targeted municipal services in participating municipalities and utilities.

Components

Component A: Municipal Investments
Component B: Project Management

Financing (in USD Million)

Financing Source	Amount
Borrower	1.00
International Bank for Reconstruction and Development	80.00
Total Project Cost	81.00

Environmental Assessment Category

F - Financial Intermediary Assessment

Decision

The review did authorize the preparation to continue



Other Decision (as needed)

B. Introduction and Context

Country Context

Sitting at the crossroads of Asia and Europe, with a dynamic private sector and young population, and access to the EU, Turkey continues to attract global investors. Strong macro-economic management enabled Turkey to weather the global financial crisis relatively well. But past achievements are no guarantee of future success. How well it copes with its current political, social and economic challenges will determine how much foreign and domestic investment it continues to attract, and when it will achieve its aspiration to become a high-income country.

Sectoral and Institutional Context

To address urbanization challenges, Turkey has revised national policy frameworks and legislation. Leveraging them, and addressing planning gaps, is the next step in operationalizing the sustainability agenda. In response, a proposed program, aimed at supporting the sustainability of Turkish cities, and financed through a series of projects (SOP) was designed. The Program's framework recognizes three dimensions of sustainability (environmental, economic/financial, and social) and also identifies spatial, environmental, and financial planning instruments that are part of a comprehensive and integrated planning process that would move cities along a sustainability spectrum from planned to healthy, and finally to smart cities. The SOP instrument is suitable as it will allow for the provision of financing to a single borrower (IIBank) for sub-national lending to a gradual number of municipalities/utilities that are interested in a sustainable cities project approach to municipal development. It also allows all municipalities/utilities to access financing for prioritized investments for sustainable urban development on a phased-in basis and at a pace consistent with their readiness and ability to meet eligibility requirements. A first project in the series has been approved by the World Bank Board on December 20, 2016. Sustainable Cities 2, is the second in the series of this SOP.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective is to improve the access to targeted municipal services in participating municipalities and utilities.

Key Results

D. Project Description

The Municipalities and Utilities targeted for intervention in this second project in the series of projects (SOP) would have already developed sustainable urban development plans linked to capital investment plans, or are in the process of receiving assistance in planning for sustainable urban development and in subsequently developing a capital investment plan. (Note that this could have been supported under Sustainable Cities Project (SCP 1): Component A or by a different Donor or self-financed by the municipality). Consequently, although the first project in the SOP consisted of three Components, this second consists of two Components.



Component A – Municipal Investments: This component will finance demand-driven municipal infrastructure investments. Sectors eligible for investment include but are not restricted to public transport, water and sanitation, solid waste management, and energy. At the time of appraisal, Antalya Metropolitan Municipality (MM) and its Water and Sewerage Utility (ASAT) had met the municipal and sub-project eligibility and are likely to be financed under this second project in the SOP. The MM and its utility companies is currently being assisted in preparing integrated and comprehensive urban plans and capital investment plans, financed under SCP1. The component will finance goods, works, non-consulting and consultant services, including hiring of local technical consultants for the engineering design and supervision of sub-projects. A program of anticipated investments was appraised, though the final inclusion of these cities and the selection of specific investments are subject to the signing of a sub-loan with Ilbank, the preparation of final detailed designs, and the preparation of Environment Impact Assessments and Resettlement Action Plans acceptable to the World Bank and consistent with the disclosed Environmental and Social Management Framework (ESMF) and Land Acquisition and Resettlement Policy Framework (LARPF).

Component B – Project Management (Borrower Financed): This component will finance goods, non-consulting and consultancy services for project management, monitoring and evaluation, outreach and communication.

E. Implementation

Institutional and Implementation Arrangements

A Project Management Unit (PMU) was established under the International Relations Department of Ilbank for the implementation of the SCP1, MSP and the MSP-AF and this PMU will continue to implement SCP2. The PMU is led by the project director and has staff capacity in procurement, financial management, and technical sectors particularly for water and wastewater and transport. Ilbank also assigned 2 staff specifically for environment and social safeguards management for the sub-projects. The sub-borrower agency (ASAT) is working with a consultancy firm which provides technical support (including E&S management) and procurement.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Antalya Metropolitan Municipality have indicated their interest in participating in the Project through their water and sewerage utility (ASAT). For the submitted list of sub-projects, feasibilities, designs and environmental and social impact assessment procedures will be completed before subsequent bidding process. Although the physical characteristics of the sub-projects remain unknown, information provided by interested municipalities show that some sub projects may require land acquisition. Subject lands can be of private or public status. The majority of the sub projects financed under in SCP-I have avoided land



acquisition through using existing rights of way, public roads or municipality owned land for the improvement or construction of infrastructure facilities.

G. Environmental and Social Safeguards Specialists on the Team

Sanjay Agarwal, Social Safeguards Specialist
Arzu Uraz Yavas, Social Safeguards Specialist
Esra Arikan, Environmental Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project will include municipal investments for the delivery of public goods, such as water, wastewater, solid waste, urban transport, energy. The impact of these investments will be largely positive. However, temporary environmental impacts (wastewater discharge, generation of dust and noise, etc.) are expected during construction and operation phases. Relevant environmental issues associated with the construction and operation of each type of subproject are elaborated in the ESMF document which was prepared by Ilker Bank and approved by the World Bank. The existing ESMF prepared for SCP-I was used as a basis for the preparation of the ESMF for this Project. The ESMF was updated and further elaborated during project preparation, by taking into account the expected environmental and social impacts and mitigation measures related to sub-project investments proposed under SCP II.</p> <p>SCP II includes Category A and B type of sub-projects. Site-specific issues/impacts will be determined by borrowing municipality/utility (in agreement with Ilbank and WB) during the screening process, as described in the ESMF. Sub-project ESIA's, partial ESIA's, and ESMP's will be prepared by the municipalities and will be included in the</p>



construction bidding documents (for all Cat A and B investments).

For SCP 2, social impacts are expected to be minor and may include temporary and permanent land acquisition that may lead to economic displacement. No physical displacement is expected. Subject to the final detailed engineering designs, and the preparation of site specific environmental and social assessments, and land acquisition related documents, municipalities/utilities will take measures to minimize potential negative social impacts in compliance with the World Bank's safeguards policies.

Like in SCP-I, which is still in early implementation phase, a grievance redress and feedback mechanism will be set up to ensure that beneficiary feedback and grievances are addressed by a three-level in-country mechanism consisted of municipalities/utilities, Ilbank and its PMU, and Responsible Court of First Instance and that the actions taken are reported publically to ensure transparency and accountability. All the municipalities/utilities have their own active GRMs called 'White Tables' that tracking grievances, both online and through a toll-free number. As in SCP-I, SCP-II, will continue with the current 'White Table' mechanism in the municipalities/utilities by identifying grievances/feedback related to the sub-investments under SCP.

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 states clearly that any investment which has significant impacts on natural habitats (including critical habitats) will be ineligible for financing. The ESMF also stipulates that any impact on other natural habitats should be identified in the respective ESIA/partial ESIA/ESMP of the sub-project.



Forests OP/BP 4.36	No	The proposed project will not involve any activities which would require triggering the policy. Any activity which may lead triggering this policy will be ineligible for financing and this issue will be made clear in the ESMF document to be prepared.
Pest Management OP 4.09	No	The proposed project will not involve any activities which would require triggering the policy. Any activity which may lead triggering this policy will be ineligible for financing and this issue will be made clear in the ESMF document to be prepared.
Physical Cultural Resources OP/BP 4.11	Yes	Sub-projects have yet to be identified however, the policy is triggered. The ESMF addresses the national laws and regulations concerning investments in culturally sensitive areas and will identify measures if any gaps are observed between national regulations and OP 4.11. All construction contracts with excavation works will have chance find provisions as a requirement of the contractor. Chance find procedures will also be addressed in the sub-project environmental and social assessment documents.
Indigenous Peoples OP/BP 4.10	No	The Project will not trigger OP/BP 4.10 since there are no indigenous peoples in Turkey.
Involuntary Resettlement OP/BP 4.12	Yes	<p>Sub-projects are not yet identified. However social impacts are expected to be similar to those identified in SCP I. Relevant social impacts associated with the construction and operation phase of each subproject and corresponding entitlement and mitigation measures have been elaborated in the updated LARPF produced by Iller Bank and approved by the World Bank. The LARPF will also clearly detail the institutional implementation arrangements between Iller Bank and the municipalities, and revise the reporting format for monitoring as necessary.</p> <p>The municipal investments may have cases with temporary and permanent land acquisition, thus potential but minor economic displacement issues. Physical displacement is not anticipated in any of the subprojects. Site-specific impacts will be determined by Iller Bank and the municipalities, and sub-project LARAPs will be prepared and implemented by the municipalities. Iller Bank will provide close support to municipalities during LARAP preparation and to supervise the implementation of LARAPs. Since few</p>



LARAPs are expected to be prepared, Ilbank will review all and then send to Bank for no-objection. No subproject will be initiated unless physical and economical losses are compensated, PAPs are properly informed of the project(s) and their entitlements as well as their rights to lodge grievances. In addition, Iller Bank will ensure that vulnerable groups are identified and informed as well as ensuring that relevant stakeholders are addressed and involved throughout the project life.

Lessons Learnt from previous projects: There were two LARPFs for MSP I and the MSP AF, and sub-borrower municipalities prepared safeguards documents such as Land Acquisition Reports and Land Progress Reports in accordance with the disclosed RPFs. The sub-projects under the original financing and additional financing were primarily constructed on public land that had no social issues. In MSP AF, there were only minor land acquisition impacts necessitating private land acquisitions in Mersin and Denizli municipality sub-projects. Land acquisition and compensation processes were completed in compliance with the requirements. There was no physical resettlement in sub-projects. Iller Bank improved its safeguards implementation throughout the project and through attending various safeguards training offered by the Bank staff.

If it appears that identified sub-projects will depend on an upstream dam as a water resource, requirements of OP 4.37 will be followed. This policy requires that the borrower's will work with State Hydraulic Works or municipality (depending on who operates the dam) to investigate the site and design the dam, supervise new or remedial construction, advise on initial reservoir filling and start-up operations, and perform inspections and safety assessments, as well as the qualifications of the professionals working on dam safety are adequate to the complexity of the particular dam. If an independent panel of experts (the Panel) is required, Ilbank (in agreement with WB) will review and clear the TOR of the Panel and attend the Panel meetings as observers. WB will provide guidance to the borrower in case any dam safety related

Safety of Dams OP/BP 4.37

Yes



		documents are required during project implementation phase.
Projects on International Waterways OP/BP 7.50	No	The policy on international waterways is not triggered, and there will be a positive list of hydrological basins in Turkey in the ESMF document. This will guide Iller Bank and the municipalities for the eligible locations of the municipal activities.
Projects in Disputed Areas OP/BP 7.60	No	

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:

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 ESMF and disclosed it on the IB's website on November 6, 2017. The ESMF was also disclosed on WB's external website and sent to WB Board on November 9, 2017. ESMF was later consulted with stakeholders on January 12, 2018 and revised with consultation meeting minutes. The revised ESMF was re-disclosed in country and sent for WB external website disclosure on January 19, 2018.

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.

The ESMF guides the sub-borrowers on the requirements for meeting the WB safeguards standards which were triggered during appraisal stage. 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 significant impacts on critical natural habitats.

Social: The subprojects are expected to have the following range of potential social impacts during construction - interruption of daily activities and services, community safety issues caused by construction activities and possible livelihood impacts on agricultural land and fisheries due to the construction of deep sea outfall and nuisance related to odors and discharge of treated wastewater. Details of social impacts are integrated into the ESMF and land acquisition related issues are addressed in the Land Acquisition and Resettlement Policy Framework (LARPF). The LARPF was consulted with stakeholders on January 12, 2018 and finalized with consultation meeting minutes. The LARPF was disclosed in country and sent for WB external website disclosure on January 19, 2018.

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. For land acquisition related issues, the Land Acquisition and Resettlement Policy Framework (LARPF) and site specific Land Acquisition and Resettlement Action Plans (LARAPs) - if needed - will be used.

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 environmental and social assessment documents.

Social: All sub projects that will be selected among project alternatives will avoid or have minimum requirements of land take.

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 ESMF and LARPF have been reviewed by the Bank and were found to be satisfactory. Both of these documents have been consulted with stakeholders and the final versions are publicly disclosed. These documents 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 abbreviated LARAP or LARAP. They will send these documents to IB for review and clearance. IB will then send these documents to the WB for approval. IB has improved their safeguards management capacity since this is their fourth project with WB. They have assigned staff both for environment and social safeguards management. IB consults with WB safeguard specialists for guidance when necessary. And the sub-borrower of SCP 2 is Antalya Water and Sewerage Utility which has a full time consultancy company on board providing support on E&S safeguards, procurement, and technical aspects. Antalya Utility was one of the most successful sub-borrowers regarding compliance with all WB requirements in the Municipal Services Project as well. Still WB Country office based safeguard specialists will continue providing support both to IB and Antalya Utility for the implementation of 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, Antalya metropolitan municipality and their utility company, and municipal residents. The ESMF was disclosed first in December 2017 and then ESMF and LARPF was consulted upon on January 2018 and re-disclosed on client's World Bank's external websites. During the consultation meeting stakeholders asked questions on (i) differences between E&S risk categories (A, B, C) and the requirements according to OP 4.01 (ii) WB requirements for compensation of PAPs and especially informal users (iii) site specific public consultation content. Moreover, participants from Government agencies provided valuable feedback and suggestions regarding closing the gaps between Turkish land acquisition related issues and OP 4.12 requirements. All issues discussed were already addressed in the ESMF and LARPF therefore a significant change was not necessary.

The ESMF also guides the borrower and sub-borrower municipality regarding site specific public consultation meetings.. The announcement ways, timing of disclosure of draft safeguard documents and recording details of these consultation meetings were detailed in the ESMF document. The ESMF also states that the project specific environmental and social assessment documents can only be finalized after the feedback received during the public consultation meetings were integrated into the safeguard documents. The final versions of the site specific ESIA/ESMPs and LARAPs (if needed) will also be posted on World Bank's external website.



B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
07-Nov-2017	08-Nov-2017	09-Nov-2017

"In country" Disclosure

Turkey
19-Jan-2018

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
12-Jan-2018	19-Jan-2018

"In country" Disclosure

Turkey
19-Jan-2018

Comments

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes



OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

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

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

OP/BP 4.37 - Safety of Dams

Have dam safety plans been prepared?

NA

Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?

NA

Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?

NA

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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