



# Integrated Safeguards Data Sheet Identification / Concept Stage (ISDS)

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Concept Stage | Date ISDS Prepared/Updated: 25-Sep-2018 | Report No: ISDSC25417



**BASIC INFORMATION**

**A. Basic Project Data**

Project ID	Project Name PARTNERSHIP FOR MARKET READINESS II Project	Environmental Category C - Not Required (C)	Country Turkey
Team Leader(s) Ayse Yasemin Orucu	Estimated Date of Approval	Managing Unit GEE03	Financing Instrument Investment Project Financing

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**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	2.00
<b>Total Financing</b>	2.00
<b>Financing Gap</b>	0.00

**DETAILS**

**Non-World Bank Group Financing**

Trust Funds	2.00
Partnership for Market Readiness	2.00

**B. Project Development Objective(s)**

The Project Development Objective (PDO) is to support Turkey in developing the legal, institutional and technical framework for piloting carbon pricing.

**C. Project Description**

The PMR is a grant-based, capacity building multi-donor trust fund that provides funding and technical assistance for the collective innovation and piloting of market-based instruments for greenhouse gas emissions reduction. Turkey joined the PMR in 2011 and was the first country to sign a Grant Agreement with the World Bank. The PMR Implementation Phase II is expected to build on the activities conducted under the PMR Phase I Project.

The Project will include four components:



Component 1: Formulation of the necessary legal and institutional underpinnings for piloting an ETS (US\$0.35 million);

This component aims to provide technical assistance and input for the MoEU to draft the legal and administrative documents, which will establish the most required legal and institutional frameworks to start an ETS pilot. Those legal documents will determine, in particular, the roles and responsibilities of different institutions that will be involved in the pilot scheme – including potential new structures. The draft legal documents developed will be used by the ministries and agencies involved to develop the actual legislation.” The major output of this component, “*Technical assistance to develop the legislative and institutional underpinnings*, will be a “Draft Climate Change Law”[1] as a primary legislation, in addition to secondary legislative outputs such as “Draft Carbon pricing/ETS Regulation” and other relevant pieces of legislation as a result of the prioritization activity, i.e.; market oversight legislation, auctioning regulation, etc.

All draft legal documents will be presented to the CCAMCB and other high-level decision makers to inform political discussions based on sound and fully fleshed proposals. At the end of the process, Turkey will be in a position to ensure that the most substantial legal and institutional frameworks are in place for establishing, operating and governing a robust ETS.

Component 2: Improving the technical underpinnings for piloting an ETS in Turkey (US\$1.1 million);

Establishment of an ETS requires a robust technical infrastructure and capacity. The 1st Phase of PMR Turkey has already assessed an implementation roadmap for an ETS pilot in Turkey. Within the light of that roadmap, this Phase will carry out the technical aspects that are necessary to initiate an ETS pilot. Those technical aspects include:

- **Identification of an ETS cap and a national allocation plan:** Determining the cap and development of a national allocation plan are the most important steps to start an ETS at the national level. The current MRV data will be utilized to decide the scope, allocation methodology and sector contributions to the cap.
- **Upgrading of the current MRV register into an ETS registry:** Since, 2015 the MoEU has been running an online MRV register successfully. This register needs to be upgraded to include various elements of “cap & trade” in a secure environment.
- **Development of an ETS simulation:** ETS simulation would provide crucial support in increasing the capacity and comprehension of the public and private sector on how an ETS could work and how they could benefit from such a scheme. Utilization of an ETS simulation prior to piloting would also help creating a supportive environment towards ETS.
- **Development of complementary technical underpinnings:** This activity will be reserved for technical needs that arise throughout the course of the initial stakeholder and expert feedback meetings.

The list of technical underpinnings to be developed under this phase might be revised in light of the legislative work undertaken under Component 1 and stakeholder meetings.



Component 3: Stakeholder Training, Consultation/Engagement and Public Awareness Activities (US\$0.22 million)

This component will include (i) conferences, workshops, and training supporting the activities under Components 1 and 2; (ii) consultation meetings with stakeholders; and (iii) public awareness activities (media, high-level public/private meetings, etc.) and development of strategic communication materials.

Component 4: Coordination and Expert Support (US\$0.28 million and US\$0.045 million in-kind contribution from the Turkish Government)

The MoEU will continue to operationalize the second phase of the PMR Project through the project implementation unit (PIU) which was established under the previous phase. The PIU consists of a project coordinator, a project assistant, a procurement specialist, and a financial management specialist.

The Project will include operating costs of US\$ 50k.

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**SAFEGUARDS**

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

Project is a TA and includes analytical and capacity building work only.

**E. Borrower’s Institutional Capacity for Safeguard Policies**

Recipient is the Ministry of Environment of Turkey and expected to have capacity and experience on Bank's safeguards policies in general.

**F. Environmental and Social Safeguards Specialists on the Team**

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

**G. Policies that might apply**

Safeguard Policies Triggered by the Project	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	



Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

### H. Safeguard Preparation Plan

**Appraisal stage ISDS required?** No

#### APPROVALS

Team Leader(s):	Ayse Yasemin Orucu
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#### Approved By

Safeguards Advisor:	Nina Chee	24-Sep-2018
Practice Manager/Manager:	Jas Singh	24-Sep-2018

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) by the Bank and (ii) in country by the Borrower/Recipient, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

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