



## Integrated Safeguards Data Sheet Appraisal Stage

Appraisal Stage | Date ISDS Prepared/Updated: 20-Sep-2018 | Report No: ISDSA25606

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## I. BASIC INFORMATION

### 1. BASIC PROJECT DATA

Project ID	Project Name
P168731	Development of Businesses and Entrepreneurship for Syrians under Temporary Protection and Turkish Citizens Project
Task Team Leader(s)	Country
Ahmet Levent Yener	Turkey
Approval Date	Environmental Category
08-Oct-2018	B-Partial Assessment
Managing Unit	Is this a Repeater project?
GSP03	No

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

#### SUMMARY

<b>Total Project Cost</b>	2.13
<b>Total Financing</b>	2.13
<b>Financing Gap</b>	0.00

#### DETAILS

##### Non-World Bank Group Financing

Trust Funds	2.13
Free-standing TFs for ECA ECCTR Country Unit	2.13

### 2. PROJECT DEVELOPMENT OBJECTIVE



#### Project Development Objective

The development objective of the project is to support the growth of small and medium enterprises (SMEs) and increase employment and entrepreneurship opportunities for Syrians under Temporary Protection (SuTP) and Turkish Citizens in the pilot province of Gaziantep.

### 3. PROJECT DESCRIPTION

The Project has two components. Component 1 for EUR 1.405 million will support Small and Medium Enterprises Development Organization (KOSGEB) to implement a pilot small-grant scheme in a pilot province (Gaziantep) to support existing businesses of SuTP and Turkish citizens, and new SuTP entrepreneurs. Component 2 for EUR 0.435 million will strengthen institutional capacity of KOSGEB.

#### Component 1. Small-grant for SMEs (EUR 1,405,000)

This component will finance small-grants to Small and Medium Enterprises (SME) and new entrepreneurs. (i) Support to existing businesses (EUR 840,000). Financial support to a total of 30 existing SME will target businesses owned by both SuTP and Turkish citizens. Participating SME will be selected from those operating in the manufacturing sector or sectors using medium-high, and high technologies. The SMEs owned by Turkish citizens will be eligible if they commit to employing new SuTP employees (if they haven't done so before the effectiveness of this Project). While the upper limit of the SME support is EUR 40,000, the average grant amount is calculated as EUR 28,000. (ii) Support to new entrepreneurs (EUR 565,000). KOSGEB will select and support 30 new SuTP entrepreneurs. Selected entrepreneurs will receive employment support, start-up advances, machinery, equipment and software funding as well as technical support. The upper limit of new entrepreneur support is EUR 130,000; 230,000; and 330,000 for low technology manufacturing firms, medium-high firms, and high technology firms respectively. The average grant per entrepreneur is calculated as EUR 18,844.

KOSGEB will use the selection criteria of the SME Development Support Program (KOBIGEL) and Entrepreneurship Support Program (ESP) to identify beneficiaries. KOSGEB will initiate the process with a call to the target group and collect pre-applications. KOSGEB team will conduct thorough analysis on the proposed project plans, by taking various factors into consideration (i.e. changes in net sales, net exports, and employment). The analysis reports will be evaluated by a higher committee and ranked accordingly. If there are more demands for this support than the funds available, KOSGEB will follow the ranking, and continue until no funds are available. The applicants of the new entrepreneur support will participate in the applied entrepreneurship program of KOSGEB as well.

#### Component 2. Institutional Support for KOSGEB (EUR 435,000)

This component will finance activities that support the KOSGEB to deliver, monitor, and evaluate services and programs to be provided to SuTP and Turkish businesses in a selected locality under this project. Component 2 aims supporting KOSGEB to enhance its capacity for designing, delivering and monitoring of services implemented under Component 1. This will include translation of existing Entrepreneurship Training Modules into Arabic and English, field visits to countries having similar experiences with refugees (i.e. Germany, Lebanon), and training for relevant KOSGEB staff in business mentorship, migration policies, and project management. KOSGEB will also conduct outreach and communication activities to inform and attract SuTP in universities, and potential entrepreneurs.



KOSGEB will also establish a project implementation unit (PIU) in headquarters that will be responsible for overall project coordination, and a liaison office in the field for day-to-day implementation. The costs of human resources to be contracted out for the PIU and liaison office, and the relevant operating costs and cost of equipment will be financed under this sub-component.

#### 4. PROJECT LOCATION AND SALIENT PHYSICAL CHARACTERISTICS RELEVANT TO THE SAFEGUARD ANALYSIS (IF KNOWN)

Project will be implemented in Gaziantep, Turkey.

#### 5. ENVIRONMENTAL AND SOCIAL SAFEGUARDS SPECIALISTS ON THE TEAM

Arzu Uraz Yavas, Social Specialist  
Esra Arikan, Environmental Specialist

#### 6. SAFEGUARD POLICIES TRIGGERED

Safeguard Policies	Triggered	Explanation
Environmental Assessment OP/BP 4.01	Yes	KOSGEB will distribute small grants to Syrian and Turkish entrepreneurs. The sub-projects that will benefit from the grants are expected to be Category B and C projects. The environmental and social management framework (ESMF) is being prepared for describing the national environmental assessment procedures and WB safeguard requirements and will be disclosed on both the Borrower and Bank's website. The ESMF will include screening criteria for assessing project risk and categories and will be guiding KOSGEB for screening Category A projects out. It is anticipated that there will be no large scale significant and/or irreversible impacts from the project. Most of the sub-projects to benefit from the grant are expected to be training, consultancy, rehabilitation/renovation activities of existing facilities or establishment of small scale new production facilities within existing buildings. The locations and the scope of sub-projects will be identified during the project implementation and relevant environmental forms will be filled in line with the ESMF document. It should be noted that KOSGEB will be approached for financing of sub-



projects after the sub-project sponsors have obtained all necessary environmental permits and environmental clearance from Turkish Government. After ascertaining that all Turkish requirements have been met and clearances obtained, the sub-projects will be screened according to World Bank categorization and the corresponding assessment and review procedures will be followed as described in details in the environmental review procedures of the ESMF. Regarding the Bank's review, the first 3 sub-project grant applications will be submitted to the Bank by the KOSGEB for "prior review". Following this "pilot" period, if World Bank and KOSGEB agrees, the World Bank will change to spot checking the screening and environmental review process on a "post review" basis. Regarding social impacts, the project does not expect to have any adverse impact. Since the grant program will not allow any purchasing of land or civil works there will not be any land acquisition impacts, as per OP 4.12. Other non-safeguards impacts are expected to be positive as it will help create new business and employment opportunities for both Syrian and host communities in Gaziantep, which is impacted by the Syrian refugee influx. The Turkey portfolio has ongoing engagement and various projects for SuTPs (Syrians under Temporary Protection) since 2015. The social dynamics of the SuTP is constantly analyzed through analytical work and through routine engagement with the relevant government entities, and also through site visits from time to time. The team has been to the region during the project inception stage. The likelihood of a potential social conflict in this project is very low as the beneficiaries of this small grant project will be SuTP and Turkish entrepreneurs who confirm the eligibility criteria of KOSGEB's microgrant. Since the target is very limited and the project is implemented in a pilot city Gaziantep, which has more than 400.000 SUTP and is very well-known for its thriving economy fostered by both Syrian and Turkish entrepreneurs, there are already various ongoing entrepreneurship grant supports and programs for the Turkish citizens. Formal Syrian entrepreneurs are eligible for government-led



support programs. However, their knowledge on these programs and access are limited. This will be the first pilot to assess how the grants mechanism works for the SuTP community. In its communication efforts, KOSGEB will pay attention on the fact that this grant program is financed through EU's FRIT money and will not only benefit the SuTP entrepreneurs but also the entrepreneurs from the host community. As the project's aim is to foster the economy and create new employment, the indirect beneficiaries of this project will be employees, both Turkish and SuTPs. KOSGEB will insert language in their sub-grant agreement with the entrepreneurs, that they would follow the national labor law and hire employees accordingly (which usually is not the case for SuTPs, they are usually hired informally). Even though the government has introduced work permits in 2016 for Syrians under temporary protection, there is a rule that a company should employ ten Turks for every foreigner. In terms of gender, the same Bank task team is engaged in another gender-specific project funded under the EU-FRIT, EUR 55 million was allocated to the World Bank to finance three projects. The project will not have gender specific activities, but will have positive discrimination against women entrepreneurs and those with disabilities who fit into the selection criteria. In its grant sub-agreement with the entrepreneur, KOSGEB requires a commitment from the grant receiver to oblige by the national law. For this project, even though the scale of the sub-projects will be small grant projects and hence environmental and social risks are low, the commitment plan will be modified and explicitly have some language on the environmental and social compliance with World Bank requirements. Due to the limited resources of the grants, in order not to inflate any demand and potential tension among the host and Syrian communities, KOSGEB will have a targeted communication strategy about the eligibility criteria and grant selection process. Hence, KOSGEB will not promote the program to public at large. Given that the target group of the small grants is limited to one city and KOSGEB is experienced in managing entrepreneurial



programs, KOSGEB's call-center and its local office in Gaziantep will be addressing any type of inquiry or concerns, as a GRM. There will be a designated personnel to deal with the communications amongst the grant applicants in KOSGEB's Gaziantep local branch.

Natural Habitats OP/BP 4.04	No	Project activities in natural habitats will not be eligible for application.
Forests OP/BP 4.36	No	No forest or nature related activities are planned.
Pest Management OP 4.09	No	No agricultural activities or any other type that includes pest agents or control are to be funded.
Physical Cultural Resources OP/BP 4.11	No	The grant will not support activities that will have any impacts on cultural properties and chance finds will not be an issue since project is not expected to provide any grants to construction activities.
Indigenous Peoples OP/BP 4.10	No	N/A
Involuntary Resettlement OP/BP 4.12	No	Under this small grant program, KOSGEB does not support any purchasing of immovable assets, civil works or retrofitting. Therefore, the project will not trigger the Bank's safeguard policy on Involuntary Resettlement (OP 4.12).
Safety of Dams OP/BP 4.37	No	Envisaged activities do not include any type of intervention on dams.
Projects on International Waterways OP/BP 7.50	No	No activities impacting international waterways will take place.
Projects in Disputed Areas OP/BP 7.60	No	N/A

## II. KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. SUMMARY OF KEY SAFEGUARD ISSUES

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

The project has been assigned as Category 'B' in accordance with World Bank safeguard policy OP/BP/GP 4.01 (Environmental Assessment). The sub-projects that will benefit from the grants are expected to be Category B and C projects only. The environmental and social management framework (ESMF) is being prepared for describing the national environmental assessment procedures and WB safeguard requirements and the document will be disclosed in country and shared on Bank's external website as soon as the appraisal is completed and before effectiveness. It is anticipated that there will be no large scale significant and/or irreversible impacts from the project. Most of the sub-projects to benefit from the grant are expected to be rehabilitation/renovation activities of existing facilities or establishment of small scale new production facilities within existing buildings. The locations and the scope of sub-projects will be identified during the project implementation and relevant environmental forms will be filled in line with the ESMF document. It should be noted that KOSGEB will be approached for financing of sub-projects after the



grant users have obtained all necessary environmental permits and environmental clearance from Turkish Government. After ascertaining that all Turkish requirements have been met and clearances obtained, the sub-projects will be screened according to World Bank categorization and the corresponding assessment and review procedures will be followed as described in detail in the environmental review procedures of the ESMF.

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

No

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

N/A

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.

Borrower is preparing an ESMF. Since the sub-projects are expected to be category B and C, the Borrower will not experience any in difficulty to comply with the ESMF. The first 3 sub-project grant applications will be submitted to the Bank by KOSGEB for “prior review”. Following this “pilot” period, if World Bank and KOSGEB agree, the World Bank will change to spot checking the screening and environmental review process on a “post review” basis.

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

The sub-projects will mainly focus on investments within existing infrastructure (i.e. equipment renewal, renovation) it is not anticipated that external stakeholders will be negatively impacted. The World Bank team expects a positive impact on grant users and the local public. All details are included in the ESMF which is to be disclosed before project effectiveness.

**B. DISCLOSURE REQUIREMENTS**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank

14-Dec-2018

Date of submission for disclosure

28-Dec-2018

For Category ‘A’ projects, date of distributing the Executive Summary of the EA to the Executive Directors

“In country” Disclosure





**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
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	NA
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes

**The World Bank Policy on Disclosure of Information**

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

**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

**III. APPROVALS**

Task Team Leader(s)	Ahmet Levent Yener Sirma Demir Seker
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Approved By		
Safeguards Advisor	Nina Chee	19-Oct-2018
Practice Manager/Manager	Cem Mete	21-Oct-2018

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