



Export Credit Bank of Turkey  
(Turk Eximbank)

**LONG TERM EXPORT FINANCE PROJECT  
(P156252)**

# **ENVIRONMENTAL REVIEW PROCEDURES**

**2016**

Saray Mahallesi Ahmet Tevfik İleri Caddesi No.19  
34768 Umraniye/Istanbul/Turkey  
Phone:+90 216 666 5500 Fax:+90 216 666 5599  
Trade Registry Office:Istanbul / Trade Registry Number: 845859  
[www.eximbank.gov.tr](http://www.eximbank.gov.tr)

## **INTRODUCTION**

**1. Sub-Project Environmental Review:** Turk Eximbank will be responsible for environmental classification of sub-borrowers/sub-projects, and for ensuring that each sub-loan/sub-project proposal includes an evaluation of its environmental impact. Turk Eximbank will also have to monitor that environmental mitigation measures, agreed under a Subsidiary Financing Agreement (SFA).

**2. Environmental Officer:** Hüseyin Egemen Kılıç, Loan Allocation II Manager will supervise the enforcement of this operational manual. Environmental Officer is also responsible for screening and reporting of environmental issues to senior management. Day to day implementation of the Procedure will be the responsibility of the Loan Allocation II Department. Loan Allocation II Department will organise on-the-job training for their personnel to undertake environmental screening. Track shall be kept of all national laws and regulations pertaining to environmental issues and efforts shall be made to comply with them. In the conduct of environmental impact studies, internationally-accepted environmental assessment standards and approaches shall be taken into account along with national rules and regulations during project-assessment and financing stages. Firms shall be regularly monitored on environmental impact of investment projects so as to determine whether or not measures are being taken as necessary.

## **ENVIRONMENTAL REVIEW ARRANGEMENTS**

### **A. BACKGROUND**

Turk Eximbank will extend a minimum of US\$240 million of Loan proceeds to PFIs, subject to a maximum US\$60 million equivalent per PFI, using Subsidiary Financing Agreements (SFAs). Selection of PFIs and all SFAs are subject to prior review and acceptance by the World Bank. SFAs will be Islamic finance compliant in the case of participation bank PFIs.

Turk Eximbank will directly lend a maximum of US\$60 million of the Loan proceeds.

Turk Eximbank will maintain, during project implementation, a Project Implementation Unit (PIU) with procedures, responsibilities and staffed with qualified personnel capable of implementing all aspects of the project in a satisfactory manner.

Turk Eximbank and PFIs must be in compliance with the requirements (including the Environment and Procurement requirements) listed in the Operational Manual (OM).

Turk Eximbank will on-lend/finance PFIs for a maximum of US\$240 million of Loan proceeds. Before final selection of the PFIs, Turk Eximbank will submit to the World Bank the evaluation report, including financials of the proposed PFIs, together with a request to include the PFIs in the project. The World Bank will review and clear Turk Eximbank's assessment by conveying no objection for each PFI's participation. The no objection will be based on the criteria included in

this section. Turk Eximbank will send the financials of the proposed PFIs to the World Bank every year to ensure that the selected PFIs continue to meet the required criteria throughout the life of the project. The no objection is not required for the continued participation of the PFIs.

PFIs will be selected based on their expression of interest in participating in the project and on acceptance by Turk Eximbank of their credit risk, as well as the necessary eligibility criteria.

PFIs will be responsible for ensuring that sub-beneficiaries comply with the World Bank's procurement procedures for the procurement of goods, works, non-consulting services and consultant services under sub-finance, applicable Turkish environmental legislation and regulations, and the World Bank policy on environmental assessment.

PFIs will provide Turk Eximbank with a set of documentation for all sub-finance to enable it to maintain all project records and make them available for ex-post review by the World Bank or by external auditors as necessary.

PFIs and the final beneficiaries of the credit line will be required to provide reasonable information for the purpose of monitoring and impact assessment during the life of the project (and for a certain period after the project), as may be requested by the World Bank and Turk Eximbank.

Two types of sub-loans/projects can be considered under the project: (a) working capital, and (b) investment.

Only environmental assessment Category B and C sub-projects would be eligible, therefore, projects having large scale environmental impacts (Category A) would be excluded. Due to the planned scope of the project the only safeguard policy triggered was OP 4.01 (environmental assessment) and since the specific investments under the project will not be identified until project implementation, this environmental management framework is prepared under the scope of the Operational Manual to guide the FI bank regarding environmental review procedures.

Environmental issues of sub-borrowers and their sub- projects will be addressed through the sub-loan environmental eligibility assessments. Environmental assessments will be carried out in accordance with both Ministry of Environment and Urbanization (MoEU) Environmental Assessment Regulation and World Bank environmental assessment (OP 4.01) requirements.

The environmental impact assessment process is carried out to determine the possible positive or negative impacts of proposed sub-projects; to evaluate the precautions to be taken in order to prevent or minimize negative impacts which may damage the environment (for example by construction and mitigation measures); and for supervision and inspection of sub-project implementation.

Turk Eximbank will extend a maximum of US\$240 million of Loan proceeds to PFIs, Turk Eximbank will select PFIs pursuant to criteria agreed between Turk Eximbank and the World Bank, and subject to no-objection by the World Bank. The selected PFIs will in turn make sub-finance to firms, the final beneficiaries of the credit line. The PFIs will assume the credit risk of the sub-borrowers who will be selected based on agreed upon selection criteria. Turk Eximbank will have exposure only to the selected PFIs and will assume the credit risk for lending funds to PFIs.

Turk Eximbank will extend US\$60 million of Loan proceeds directly to firms, the final beneficiaries of the credit line. Turk Eximbank will assume the credit risk of the sub-borrowers, who will be selected based on agreed upon selection criteria. Credit will be extended on market terms to avoid any distortion.

Environmental issues of sub-borrowers and their sub-projects will be addressed through the sub-loan environmental eligibility assessments. Environmental assessments will be carried out in accordance with both the Ministry of Environment and Urbanization (MoEU) Environmental Assessment Regulation and WB environmental assessment (OP 4.01) and Physical/Cultural Property (OP 4.11) requirements.

The sub-loans to be financed under the Long Term Export Finance Project should be subjected to an environmental review process by PFIs incorporating procedures described in this section. However, Turk Eximbank will be responsible for successful implementation of the project. The PFIs will be responsible for environmental classification of sub-borrowers/sub-projects, and for ensuring that each sub loan/lease and sub-project proposal includes an evaluation of its environmental impact and clearance documentation from the local authorities.

## **B. INITIAL SCREENING STEP FOR DETERMINING THE ELIGIBILITY OF THE GUARANTEE OPERATION**

As a first screening step, the PFIs should identify and reject the following types of sub-project proposals, as NOT eligible for financing under this project:

- (a) if it is a Category A<sup>1</sup> project;
- (b) if the sub-project is in the Annex B list of this Operational Manual
- (c) if the sub-project triggers World Bank policy on Safety of Dams (OP/BP 4.37), i.e. the project involves construction or rehabilitation of a dam, or achievement of the project's objectives is dependent upon an existing dam;
- (d) if the sub-project triggers the World Bank policy on Projects on International Waterways (OP/BP 7.50) i.e. the investment can involve the use or pollution of, or otherwise affect the quality or quantity of water of an international waterway, as

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<sup>1</sup> The WB categorization is described in Section B.

defined in OP/BP 7.50.<sup>2</sup> The waterways identified as NOT international waterway (does not trigger OP 7.50) in Turkey are as follows: Susurluk, North Aegean, Gediz, Küçük Menderes, Büyük Menderes, Western Mediterranean, Antalya, Sakarya, Western Black Sea, Yesilirmak, Kizilirmak, Konya Kapali, Eastern Mediterranean, Seyhan, Ceyhan, Eastern Black Sea, Burdur, Afyon, Orta Anadolu and Van; or

(e) if the sub-project supports any investment requiring land acquisition or associated involuntary resettlement, as defined by the WB's policy on Involuntary Resettlement (OP/BP 4.12).<sup>3</sup>

It should be noted that PFIs should be approached for financing of sub-projects after the sub-project sponsors have obtained all necessary environmental permits and environmental clearance from Turkish Government. For sub-projects including investments, which fall under Annex I of the Turkish EIA Regulation, there should be a "EIA Positive Decision" from MoEU indicating that the EIA for the project has been approved. For sub-projects falling under Annex II of the Turkish law, an "EIA Not Necessary" decision from the relevant Provincial Directorate of MoEU should be obtained. If the sub-project is a "No Annex" project no Turkish clearance documentation will be needed.

After ascertaining that all Turkish requirements have been met and clearances obtained, PFIs should screen the project according to World Bank categorization (Category A, B or C) according to OP 4.01 (details on World Bank categorization is given in Section VI.2). Upon that screening, if the sub-project is categorized as a Category A according to WB criteria then it should be stated to the sub-borrower that it is not eligible for financing. Only projects falling within Category B or Category C may be considered for financing under this project.

For projects which are categorized as Category B, OP 4.01 requires preparation of a partial EIA or an EMP, depending on the nature of the project. **One of the following three situations will apply in the case of sub-projects classified as Category B:**

**(a) If the Category B sub-project falls under Annex I** according to Turkish EIA Regulation then there should be a Turkish EIA report sent to MoEU for clearance. It is expected that such projects would require a partial EA under OP 4.01. PFI should check the existing EIA and determine whether it meets WB requirements in accordance with OP 4.01, or whether there are gaps that need to be filled. It can be

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<sup>2</sup> International water body is defined as: (i) any river, canal, lake, or similar body of water that forms a boundary between, or any river or body of surface water that flows through, two or more states; (ii) any tributary or other body of surface water that is a component of any such waterway; and (iii) any bay, gulf, strait, or channel bounded by two or more states or, if within one state, recognized as a necessary channel of communication between the open sea and other states—and any river flowing into such waters.

<sup>3</sup> OP/BP 4.12 covers "direct economic and social impacts that both result from Bank-assisted investment projects, and are caused by (a) the involuntary taking of land resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or mean of livelihood, whether or not the affected persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons."

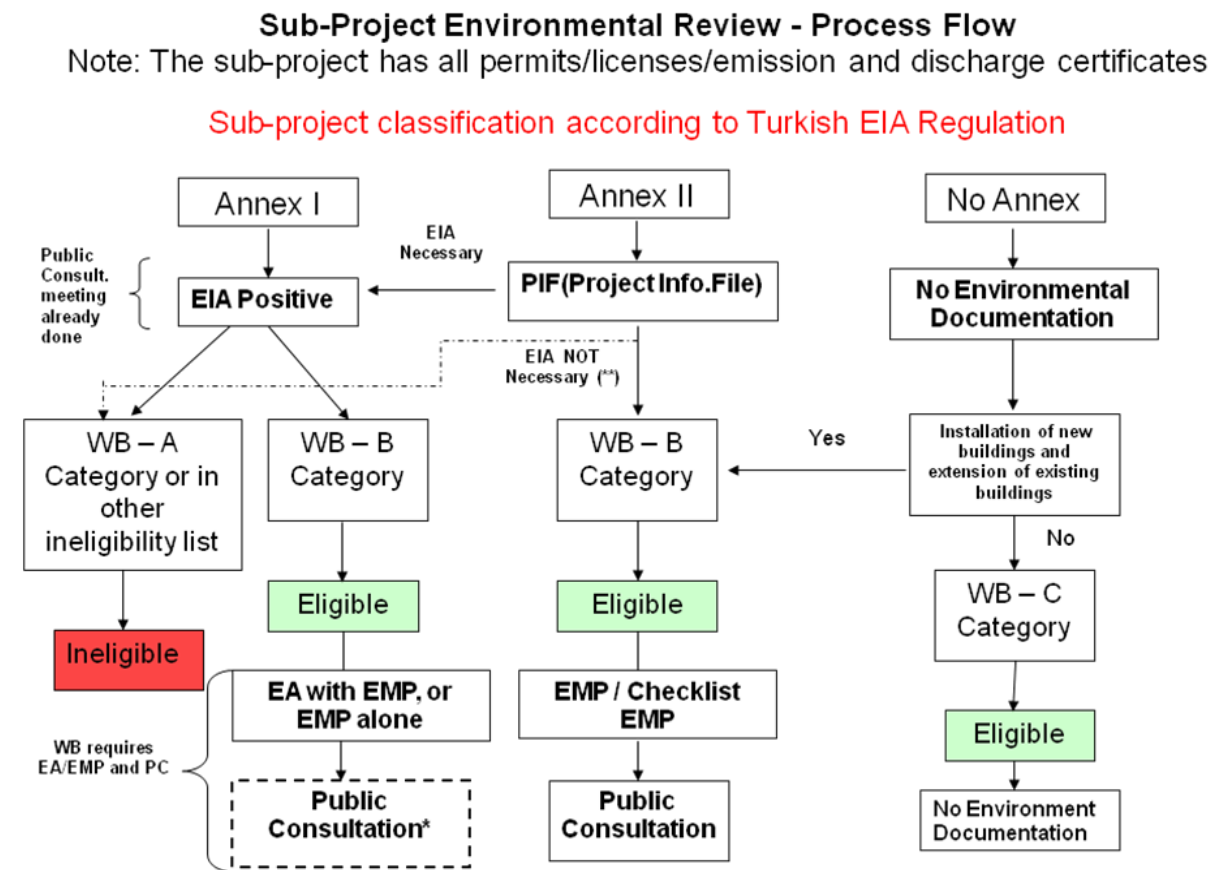
noted here that the most likely gaps to occur would be the need for an explicit Environmental Management Plan which clearly and concretely summarizes all the required mitigation and monitoring measures, and the need for additional public consultation on the EIA document. PFIs will advise the sub-borrower on the nature of these gaps if any, and what additional actions would be required to comply with WB requirements.

**(b) If the Category B sub-project falls under Annex II** according to Turkish EIA Regulation, then instead of an EIA there should be a Project Information File (PIF) sent to the relevant provincial directorate MoEU for clearance. It is expected that such projects would require an EMP under OP 4.01. The Project Information File will be reviewed by the PFI and additional requirements of WB will be identified. Since EMP and public consultation are not required by the MoEU for Turkish Annex II projects, it is expected that these will be identified as gaps that need to be filled by the sub-project sponsor.

**(c) If the Category B sub-project does not fall under either Annex I or Annex II (i.e. is a “No Annex” project)** according to Turkish EIA Regulation, then most probably there will not be any existing environmental documentation. Again, it will be necessary for the sub-project sponsor to prepare a simple EMP and arrange for a public consultation on it in order to meet the WB requirements.

If the sub-project is classified as Category C, it does not require any environmental documentation under the WB's OP 4.01. It is expected that such projects will also be “No Annex” projects according to the Turkish system, so no environmental reports will have been prepared (see the figure below).

**Figure 1. Sub-project Environmental Review – Process Flow**



\*: If PC meetings and disclosure is properly conducted before receiving the EIA Positive decision this additional step is not necessary.

\*\* : For the Annex II Projects having EIA NOT Necessary Decision, WB OP.4.01 should still be checked for categorization of A or B.

It is anticipated that many of the sub-project will involve extension, modernization or capacity increase of facilities that already exist and are in operation. In this case the environmental screening and review procedure will focus on the new investment. According to Turkish EIA regulations, increase in capacity is treated in the same way as new investment, so that the scale of the incremental capacity will determine whether the investment falls under Annex I or Annex II. Similarly, screening to assign a WB EIA Category (A, B or C) will focus on the proposed new investment rather than on the existing facility/operation. However, through the use of the Screening Forms the PFI should ascertain that the existing facility/operation is in compliance with Turkish environmental regulations and has all required licenses and permits (see the first form in Annex 1).

The most important issue will be the proper screening by PFIs according to World Bank screening criteria. During the screening process PFIs can request advice from Turk Eximbank and/or the WB (see the second form in Annex 1).

Since projects involving any type of land acquisition are not eligible for financing, PFIs should be ensured that all civil construction works planned will be executed on existing land plots that are already in the possession of the respective factory/production buildings and/or industrial zones, and assessment of the investments will confirm that the locations are not occupied or being used for economic activities by any person.

## **C. ENVIRONMENTAL ASSESSMENT PROCEDURES AND SCREENING CATEGORIES**

### **Turkish EIA Regulation Requirements**

The investment projects that would have a potential to create significant adverse environmental impacts are subject to the preparation of EIA Reports and Project Information File (PIF) according to the Environmental Impact Assessment Regulation of the MoEU.

Project Information Files are applied to the projects which are listed in **Annex II** of the EIA Regulation and submitted to the Provincial Environmental Directorates that are located in all 81 provinces of Turkey. A decision is made by the Provincial Environmental Directorates either “EIA Necessary” or “EIA Not Necessary”. If the final decision is “EIA Necessary” the full EIA procedure that is described in the following paragraph is applied.

Full EIAs are applied to the projects that are listed in **Annex I** of the EIA Regulation and submitted to the MoEU. After scoping and evaluation phases, which are described below, a decision is made by MoEU either “EIA Positive” or “EIA Negative”.

The EIA process starts with submitting a brief report (EIA Application File), summarizing the characteristics of the project and the impact area, and the potential environmental impacts and mitigation measures to the MoEU. Then MoEU’s General Directorate of EIA, Permitting and Inspection forms a Scoping and Assessment/Reviewing Committee (the institutions attending to the Scoping and Reviewing Committee are the same) from related governmental and non-governmental agencies, which also includes the project owner and the consultant that would prepare the EIA report. With the formation of this committee the scoping phase starts. After submitting the EIA Application File to MoEU, the Scoping and Assessment Committee consisting of relevant component authorities are established and the date of the Public Participation Meeting and the Scoping Meeting is determined. The Public Participation Meeting is conducted with the necessary arrangements and after that the Scoping Meeting is held and a “Special Format” is given. While giving the Special Format any issues appeared during the public participation meeting is integrated. The EIA report is prepared according to that format and Draft Final EIA is submitted to MoEU. Then the Draft Final Report is finalized based on the comments



of the Review and Assessment Committee. The final EIA Report is made publicly available in the related Provincial Environmental Directorate for 10 work-days. Unless a significant comment is obtained on the Report, an “EIA Positive” decision is given by the MoEU. Moreover, the final EIA Report is made available to the public on MoEU’s official web page.

### ***World Bank Environmental Screening Procedures (from OP 4.01)***

The Bank undertakes environmental screening of each proposed project that is proposed for WB financing, to determine the appropriate extent and type of environmental assessment required. The Bank classifies the proposed project into one of the following categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.

**(a) Category A:** A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. The environmental assessment for a Category A project examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives (including the "without project" situation), and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. For a Category A project, the borrower is responsible for preparing a report (generally a full EIA).

**(b) Category B:** A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas--including wetlands, forests, grasslands, and other natural habitats--are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects. The scope of environmental assessment for a Category B project may vary from project to project, but it is narrower than that of Category A assessment. Like Category A, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance generally within an EMP, pre-EIA, checklist, etc. For some Category B projects, an Environmental Management Plan or other instrument (e.g. environmental audit) may be sufficient.

**(c) Category C:** A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. Beyond screening, no further environmental assessment action is required for a Category C project.

It should be noted that installation of new buildings and extension of existing buildings are generally treated as “No Annex” projects according to Turkish EIA system but could be classified as Category B by the WB. In such cases, as noted above, no environmental documentation is

required under Turkish law but a simple EMP must be prepared in order to meet the requirements of OP 4.01.

For the renovation works which include only machinery/equipment replacement works are also treated as 'No Annex' under Turkish EIA system and could be treated as Category C under WB safeguard policies, if the types of wastes generated, emissions released, wastewater discharged, etc. are not significantly changing as a result of this renovation process.

Again, it is important to conduct the environmental due-diligence studies of the existing facilities which are applying to PFIs. According to the type (type of production, process, etc.) and scale of the firm, existence of different environmental permits should be checked by the PFI. If the type of the industry has air emissions which are falling under 'Regulation on Air Pollution Control Sourced from Industry', then there should be a valid air emission permit, if the industry is producing any type of wastewater (domestic and/or industrial) then they are subjected to Water Pollution Control Regulation and there should be a valid discharge permit (or a sewer connection permit), if there's a hazardous waste storage in the industry then relevant permits should be in place regarding waste storage, etc.<sup>4</sup> The PFI should also check the situation of the applicant according to the 'Permits and Licenses in Accordance with the Environmental Law', check if the applicant is subjected to this regulation, and if they're subjected then the timing of receiving the integrated environmental e-permit should be asked/documentated.

Sub-projects, which include supply/discharge operations within the following river basins, shall be eligible for finance: Susurluk, North Aegean, Gediz, Kuçuk Menderes, Buyuk Menderes, Western Mediterranean, Antalya, Sakarya, Western Black Sea, Yesilirmak, Kizilirmak, Konya Kapali, Eastern Mediterranean, Seyhan, Ceyhan, Eastern Black Sea, Burdur, Afyon, Orta Anadolu and Van.

## **D. PUBLIC CONSULTATION AND DISCLOSURE**

Since the Category A projects will not be eligible for financing, the public consultation and disclosure policies of WB Category A projects will not be discussed in this document.

If the sub-project is a Category B and treated as Annex I according to Turkish EIA regulation, it means that during the EIA report preparation a public consultation meeting was conducted at the first stages of the EIA process. According to Turkish EIA regulation, the Public Participation Meeting is announced on the MoEU's web page, local and national newspapers, brochures, announcements and public inquiries (minimum 10 days in advance of the meeting date). During the public participation meeting a brief and understandable presentation is made by the consultant to the public and opinions of the participants are obtained to be included during the EIA preparation process. Moreover, before the final EIA decision is given, the draft final version of the EIA report is made publicly available. Any comments received from the public are taken

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<sup>4</sup> These are just few examples among the environmental permits defined by different regulations under the Environmental Law. It's important that the type and scale of the services provided by the applicant is examined and all the relevant environmental permits are checked.

into consideration before giving a “EIA Positive” or “EIA Negative” and before finalizing the report. This procedure for public disclosure and consultation is considered to be sufficient to meet the WB’s requirements for Category B projects. Therefore, in this case there is no need for additional consultation or disclosure activities beyond what is required under Turkish law.

If the sub-project is a Category B and treated as Annex II according to Turkish EIA regulation and a PIF is prepared, then no public consultation will have been required under Turkish law and it will be necessary to conduct a public consultation meeting to comply with WB policies. Moreover, it is necessary that a document summarizing the impacts and mitigation activities that will be realized with the implementation of the sub-project (this document can be a draft EMP or an informative brochure providing the same information) should be made publicly available (on web page and as hard-copies, in local language) in advance (approximately 3-4 weeks before the public consultation meeting). Necessary announcements should also be made about the disclosure of this environmental documentation in whatever media are appropriate to ensure effective dissemination of this information to all likely interested parties.

If the sub-project is a Category B and treated as “No Annex” according to Turkish EIA regulation, then again it will be necessary to conduct a public consultation on the draft EMP which must be prepared to comply with OP 4.01. The PFI together with the sub-project proponent will decide on the appropriate form for this public consultation based on local circumstances. In some cases this will involve a public meeting while in other cases it may be decided that a procedure to make information on the project and the draft EMP available and invite comments from the public will be more appropriate and effective.

In addition, once a PFI officially transmits the relevant environmental documentation (EMP, etc.) to the Turk Eximbank for onwards transmission to WB, the WB makes the report available through its InfoShop. After prior review process, Turk Eximbank will share the relevant due-diligence and environmental and social documentation with WB via frequent progress reports.

For Category C there are no specific consultation/disclosure requirements.

## **E. ENVIRONMENTAL REVIEW PROCESS FOR DIRECT LOANS EXTENDED BY TURK EXIMBANK**

Any sub-loan applicant will apply to a Turk Eximbank for financing after all the necessary environmental clearance is obtained from Turkish environmental authorities (the MoEU or relevant Provincial Directorate of MoEU). Then it is the responsibility of Turk Eximbank to make the World Bank screening to the sub-projects. In order for the World Bank to fulfill its fiduciary responsibilities, for the first two sub-sub-project applications submitted to Turk Eximbank, they will provide information on the sub-project to the WB for “prior review”, together with its proposed classification of the sub-project (Category B or C) and the advice it proposes to give to the sub-borrower regarding additional actions needed to fulfill World Bank requirements as detailed in this Operational Manual. Following this “pilot” period, if the Turk Eximbank and the

World Bank agree, the World Bank will change to spot checking the screening and environmental review process on a “post review” basis.

Implementation of environmental procedures as defined for Category B and C sub-projects above is the responsibility of Turk Eximbank as the FI. Regarding the monitoring issues, Turk Eximbank should monitor the sub-project implementation to assure that all conditions specified in the granting of the approvals are being followed. The first two sub-projects under the loan will be subject to WB’s environmental prior review and no-objection. After mutual agreement, for the following sub-projects the environmental evaluations and review procedures will be subject to ad-hoc post review by World Bank supervision missions. The World Bank will have the authority to review and post review all sub-projects. The review of evaluations will ensure that: screening was performed consistently and accurately, the work was of satisfactory quality, recommendations specified by the granting of the approvals were followed, all documentation was properly filed and recorded, and that the conditions of approval by the Turkish authorities and post review were met. During implementation, World Bank missions will supervise the overall screening process and implementation of environmental recommendations for selected sub-borrowers/ sub-projects.

The World Bank supervision team will also review, ad-hoc, environmental documentation. Therefore, all this documentation should be kept on file with Turk Eximbank and forwarded to the World Bank upon request. Turk Eximbank has worked with the World Bank projects as a FI bank for several years and has developed a good capacity regarding safeguards. Turk Eximbank is experienced in screening and evaluating the sub-projects regarding environmental safeguards.

## **F. ENVIRONMENTAL REVIEW PROCESS FOR LOANS EXTENDED THROUGH PFI’S**

Any sub-borrower will apply to a PFI for financing after all the necessary environmental clearance is obtained from Turkish environmental authorities (the MoEU or the relevant Provincial Directorate of MoEU). It is the responsibility of the PFI to make the WB screening of the sub-projects. In order for the WB to fulfill its fiduciary responsibilities, for the first two sub-project applications submitted to each of the PFIs, the PFIs will provide information on the sub-project to Turk Eximbank for the WB’s “prior review” basis, together with its proposed classification of the sub-project (Category B or C) and the advice it proposes to give to the sub-borrower regarding additional actions needed to fulfill WB requirements as detailed in this Operational Manual. After Turk Eximbank reviews the environmental documentation for the first two applications, it will submit all the documents to the WB for final review. Following this “pilot” period, if Turk Eximbank and the WB agree, the WB will change to spot checking the screening and environmental review process on a “post review” basis. Turk Eximbank could decide on its ‘prior review’ procedures with the relevant PFI separately, through the sub loan agreements.

After screening, according to WB categorization, the PFI should review the quality of the environmental documentation to identify any gaps/incompliance according to WB safeguard

policies (mainly OP 4.01). If there are any gaps, additional activities (documentation, public consultation, etc.) should be requested from the sub-borrower by the PFI. This means, if an EIA exists, the PFI should check in case all impacts and relevant mitigation measures together with the monitoring requirements are clearly explained in the document. If the EIA or PIF does not include an explicit EMP, then the PFI will request that additional documentation from the sub-borrower.

For the applications involving renovation, equipment/machinery purchases for an existing facility, and the projects which are categorized as C, the PFI will collect all relevant environmental permits/licenses/information from the sub-borrower, and, within the scope of the prior review process, the PFI will submit these, in addition to the other application documents, to Turk Eximbank.

Regarding the monitoring issues, PFIs should monitor the sub-project implementation to assure that all conditions specified in the granting of the approvals are being followed. Turk Eximbank should monitor the compliance of this process by all PFIs.

Environmental evaluations and review procedures will be subject to ad hoc post review by WB supervision missions. The WB will have the authority to review and post review all sub-projects. The review of evaluations will ensure that: screening was performed consistently and accurately, the work was of satisfactory quality, recommendations specified by the granting of the approvals were followed, all documentation was properly filed and recorded, and that the conditions of approval by the Turkish authorities and post review were met. During implementation, WB missions will supervise the overall screening process and implementation of environmental recommendations for selected sub-borrowers/ sub-projects. The WB supervision team will also review, ad hoc, environmental documentation. Therefore, all this documentation should be kept on file with PFIs and forwarded to the Turk Eximbank and/or the WB upon request.

In order to ensure that the loan program suffers no setbacks, it is of critical importance that the PFIs have the necessary capabilities to properly carry out environmental review procedures. In that sense, it is important to build a good capacity in Turk Eximbank's project team regarding environmental review procedures, since it will be expected from relevant Turk Eximbank staff to share their experience with WB safeguard policies with the PFIs, to provide training to these PFIs, and supervise them during implementation. Therefore, along with support to Turk Eximbank as the PIU, it is suggested that, with no regard to prior experience, an institutional capacity assessment will be conducted for PFIs in order to evaluate their understanding about the WB's operational policies and relevant national regulations on environment and social aspects.

## Annex 1: Environmental Screening and Due Diligence Forms

ENVIRONMENTAL ASSESSMENT SCREENING FORM			
(To be completed by PFIs)			
<b>PFI :</b>			
<b>BRANCH :</b>			
<b>Sub-project title:</b>			
<b>Brief Description</b>	Brief description of sub-project (nature of sub-project, sub-project cost, physical size [site area, production per year, etc.], existence of any property transfer, or on-going operations, plans for expansions [nature of new investment, change in type or capacity of production ]or new construction, potential estimated impact on production)		
<b>Screening Category According to MoEF Turkish Regulations</b>	ANNEX -I	<input type="checkbox"/>	
	ANNEX-II	<input type="checkbox"/>	
	NO ANNEX	<input type="checkbox"/>	
<b>Environmental Clearance According to Turkish Regulations</b>	EIA POSITIVE	<input type="checkbox"/>	
	EIA NOT NECESSARY	<input type="checkbox"/>	
	NO NEED FOR OFFICIAL CLEARANCE	<input type="checkbox"/>	
<b>Screening Category According to World Bank Safeguard Policies</b>	<b>INELIGIBLE IF:</b>	<b>CATEGORY B</b>	<b>CATEGORY C</b>
	- Category A <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- Under Annex B of this manual <input type="checkbox"/>		
	- Triggers WB policy Safety of Dams <input type="checkbox"/>		
	- Triggers WB policy Projects on International Waterways <input type="checkbox"/>		
	- Triggers WB policy (Involuntary Resettlement) <input type="checkbox"/>		
<b>Next Steps regarding Environmental Assessment (if the sub-project is eligible)</b>	There is an EMP <input type="checkbox"/>	There is no EMP <input type="checkbox"/>	EA Documentation is not Necessary (only for Category C projects)
	EMP is satisfactory <input type="checkbox"/>	- EMP Necessary <input type="checkbox"/>	<input type="checkbox"/>
	EMP is not satisfactory and should be revised <input type="checkbox"/>	- Environmental Checklist Necessary <input type="checkbox"/>	
<b>Next Steps regarding Public Consultation (if the sub-project is eligible)</b>	<b>Public Consultation (PC) Activities and Documentation are satisfactory</b>	<b>PC Activities and Documentation are NOT satisfactory</b>	<b>PC Activity is not Necessary (only for Category C projects)</b>
	<input type="checkbox"/>	- Notification of public via public consultation meeting/publishing environmental documentation, etc. is necessary <input type="checkbox"/>	<input type="checkbox"/>
<b>Additional Comments for Improving the EMP and PC Activities</b>			
<b>DATE:</b>			
<b>PFI LOAN OFFICER</b>		<b>SUB-BORROWER</b>	
<b>ENVIRONMENTAL SCREENER</b>			
<b>SIGNATURES:</b>		<b>SIGNATURES:</b>	

ENVIRONMENTAL DUE DILIGENCE FORM FOR THE EXISTING FACILITIES					
(To be completed by Sub-borrower)					
<b>Sub-borrower:</b>					
<b>Sub-project title:</b>					
<b>Location</b>	Organized Industrial Zone	<input type="checkbox"/>			
	Industrial Parcel	<input type="checkbox"/>			
	Other (please explain):	<input type="checkbox"/>			
<b>What is the intended use of the loan?</b>	Investment Loan	<input type="checkbox"/>			
	Please explain briefly (changing of machinery, insulataion works, etc.):				
	Other (please explain):				
<b>Will the loan support any new line of business or type of production (different from the ongoing activities)?</b>	NO	YES	If YES, please give a brief explanation:		
	<input type="checkbox"/>	<input type="checkbox"/>			
<b>Valid Environmental Licenses</b>	EIA Positive or EIA Not Necessary	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	
	Emission Permit	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	EXPIRED <input type="checkbox"/>
	Wastewater Discharge	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	EXPIRED <input type="checkbox"/>
	Wastewater Connection	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	EXPIRED <input type="checkbox"/>
	Deep Sea Discharge	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	EXPIRED <input type="checkbox"/>
	Hazardous Waste Storage (temporary)	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	EXPIRED <input type="checkbox"/>
	Hazardous Waste Transportation	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	EXPIRED <input type="checkbox"/>
	Reclamation Plan for Mining Facilities	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	EXPIRED <input type="checkbox"/>
	Environmental e-Permit	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N.A. <input type="checkbox"/>	APPLIED <input type="checkbox"/>
	Other (please explain):				
<b>Are there any pending environmental penalties or ongoing court cases/investigations?</b>	YES	NO	If YES, please explain:		
	<input type="checkbox"/>	<input type="checkbox"/>			
<b>DATE:</b>					
<b>SUB-BORROWER</b>					
<b>SIGNATURES:</b>					

## **Annex 2: Category IV Sub-borrowers/sub-projects ineligible for financing**

1. Trade in wildlife and wildlife products prohibited under the CITES convention;
2. Release of genetically altered organisms into the natural environment;
3. Manufacturing, distribution and sale of banned pesticides and herbicides;
4. Drift seine netting in the marine environment;
5. Radioactive products;
6. Hazardous waste storage, treatment and disposal;
7. Manufacturing of equipment and appliances containing CFCs, halons and other substances regulated under the Montreal Protocol;
8. Manufacturing of electrical equipment containing polychlorinated biphenyls (PCBs) in excess of 0.005 percent by weight;
9. Manufacturing of asbestos-containing products;
10. Nuclear reactors and parts thereof;
11. Tobacco, unmanufactured or manufactured; and
12. Tobacco processing machinery.