



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 02/08/2024 | Report No: ESRSA03279



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180173	Investment Project Financing (IPF)	SoGreen	2024
Operation Name	Türkiye Socially Inclusive Green Transition Project		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Turkiye	Turkiye	EUROPE AND CENTRAL ASIA	Social Sustainability and Inclusion
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Türkiye	Ministry of Industry and Technology (MoIT)	08-Feb-2024	28-Mar-2024
Estimated Decision Review Date	Total Project Cost		
02-Feb-2024	400,000,000.00		

Proposed Development Objective

The Project Development Objective (PDO) is to improve women and youth economic opportunities to contribute to and benefit from Türkiye's Green Transition.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The Socially Inclusive Green Transition Project (SoGreen) aims to improve women and youth economic opportunities to contribute to and benefit from Türkiye's Green Transition. The project will support Türkiye's Green Transition in line with the Government's commitment to achieve resilient net zero by 2053 and to ensure the Green Transition is inclusive. Direct beneficiaries are women and youth to either maintain their economic occupation in the context of the green transition, or access new economic opportunities in the Green Transition. Entrepreneurs, MSMEs and



cooperatives and producer unions will be beneficiaries of reimbursable and grant financing under component one. Local public development stakeholders such as municipalities, governorates, chambers of commerce/industry, and other public entities, will be beneficiaries of green economic infrastructures under component two. SoGreen will address some of the key challenges identified with regards to women and youth access to economic opportunities, with a focus on supporting women, youth, and SMEs located in less developed provinces and districts to access new, green, economic opportunities. Türkiye has traditionally experienced strong employment growth with investment ; a recent World Bank Jobs Diagnostic estimates an average employment to growth elasticity of 0.49 between 2005 and 2017. A meta-analysis of the literature on the relationship between investments and job creation for ‘green’ versus ‘non-green’ investment found green investments generally create more jobs per US\$1 million than non-green investments. Recent research carried out by the World Bank and finds substantial country-level heterogeneity in relative labor intensity and gender inclusiveness of green and non-green investments, indicating scope for targeting investments that support green, inclusive jobs. This will be done through the provision of reimbursable financing to support green investments for women and youth-owned SME, and SMEs located in less developed areas (component 1a); through the provision of grants and support services (including financial and digital literacy) to women and youth small and micro-entrepreneurs and entrepreneurs (component 1b); and investment in facilities for green economic development (component 2), and support to DAs’ analysis and planning capacity for inclusive green development (component 3a), capacity building of relevant stakeholders for an inclusive, green transition (component 3b), and project management (3c). The Ministry of Industry and Technology (MoIT) Directorate General of Development Agencies will serve as the main coordinating body for the project. A central project implementation unit (PIU) at the MoIT will be established and will be in charge of coordinating the project across the implementing Development Agencies (DAs). Project activities under components one and two will be implemented by the DAs. Component three will be implemented by MoIT. The SoGreen PIU will benefit from the knowledge of the experienced Social Entrepreneurship, Empowerment and Cohesion Project (SEECO) PIU. The designated account for the project will be established by the MoIT and be administered by the central PIU within the MoIT. The MoIT will sign subsidiary agreements with the implementing DAs, with each of them opening a separate operational bank account for the project. Funds will then flow from these separate operational bank accounts to local development stakeholders. The project will rely on the unique ability of DAs to tailor development interventions to address regional and intra-regional disparities in Türkiye. The project will use existing disbursement mechanisms and processes that DAs and all relevant stakeholders are already familiar with. Existing tools will be adapted to strengthen participation and consultations with stakeholders. The project will be implemented in a sequenced manner, with an initial two-year phase where project activities will be implemented in selected regions.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation’s environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The proposed SoGreen project aims at addressing the social impacts of the green transition, through two complementary approaches: (i) mitigating the negative social impacts of the transition for those who are at risk of becoming “losers” in the process and could lose their livelihoods; and (ii) maximizing the potential positive impacts of the transition by supporting those who are already excluded from access to livelihoods, but whom could benefit from new opportunities brought by the green transition. The project is national in scope and project-supported activities will take place in all 26 regions, and in selected provinces.



Environmental Management: Turkey’s legal frameworks for the management of air quality, waste, wastewater, noise, etc. are well advanced in aligning with EU environmental acquis. The national environmental legislation has been developing and there are no major gaps with the WB ESF requirements. The new regulation on Environmental Impact Assessment was published on July 29, 2022, which requires the preparation of Cumulative Impact Assessments, Environmental and Social Action Plans, Greenhouse Gas Reduction Plans, Stakeholder Engagement Plans etc. These will include risks and impacts associated with community health and safety, occupational health and safety, cultural heritage, biodiversity and means to minimize/mitigate those impacts during pre-construction, construction and operational phases of the projects.

Climate change: The 2022 Türkiye Country Climate and Development Report (CCDR) considers that Türkiye can achieve 2053 net zero target emissions with major investments, and changes in many economic sectors, including the power sector, industries, agriculture, and water management. The transition towards a green economy may negatively affect groups that, if not well prepared or equipped, are set to lose their livelihoods in the process. Many of these groups, including low-skilled men in brown sectors, women and youth, already face significant vulnerability, and other groups could likely become vulnerable as a result of the green transition, such as low-skilled workers. The green transition is also a process that could allow vulnerable groups to take advantage of the new opportunities generated, if provided with timely support, guidance, and adequate skills.

Gender: Women-led or managed firms face more barriers in access to finance. In Türkiye, 58 percent of loans require collateral when the business is managed by a woman, versus 38 percent when a business is managed by a man. Although the situation has recently improved — 69 percent of adults now have an account in Turkey, up from 57 percent in 2014 — only 54 percent of women have an account, compared with 83 percent of men. This 29 percent gender gap is roughly three times as large as the average gender gap in emerging economies. Women’s participation in the economy is still very limited. The gap between women and men’s overall labor force participation remains large: 38.2 percent for women (the lowest in the OECD and ECA) and 78.4 percent for men in 2019. The World Economic Forum’s 2021 Gender Gap Index ranks Türkiye 133 out of 156 countries for gender equality across socioeconomic dimensions.

Disadvantaged groups: Less than half of young people in Türkiye (45 percent) participate in the labor market. Youth have higher rates of unemployment than the rest of the population (22.6 percent in 2021). Persons with disabilities (who comprise more than six percent of the population) are less than half as likely to work (21 percent vs. 48 percent) and are over five times as likely to be illiterate (23 percent vs. 4.5 percent) than the general population. Spatial inequalities are also strong, with the eastern regions of the country historically lagging the western regions in income, educational attainment, and consumption. Although poverty has declined across the country, poverty reduction has been slower in less developed regions than elsewhere.

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower’s capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]



The Ministry of Industry and Technology (MoIT) Directorate General of Development Agencies (DAs) will be the main implementing and the main coordinating agency. The project Implementation will be anchored within the MoIT, where a Project Implementation Unit (PIU) will be established and tasked with day-to-day project implementation, including technical supervision, financial management and procurement functions, environmental and social support, results monitoring and evaluation, and public relations management. Project activities under Components 1 and 2 will be implemented with the support of the DAs. 5 out of 26 DAs have been involved in the Bank financed Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Türkiye Project (SEECO) (P171456).

The MoIT is currently implementing two Bank-financed projects under the Environmental and Social Framework (ESF), namely, the Türkiye Organized Industrial Zones Project (P171645) and Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Türkiye Project (P171456). Both projects established the PIUs, staffed with dedicated environmental and social (E&S) specialists. The E&S performance ratings of both projects are Satisfactory as all environmental and social requirements have been met to date. The existing PIU staff at MoIT also received Bank provided training on ESF and GBV prevention.

The MoIT will establish a separate PIU for this Project which will include dedicated social, environmental and occupational health and safety (OHS) staff to implement and monitor the ESF requirements for the proposed SoGreen project. The requirement to staff the PIU with one social staff, one environmental staff, and one OHS staff is included in the ESCP. Component 2 will also provide an institutional capacity strengthening program to support local authorities as well as targeted national-level authorities in selected sectors to improve capacities in designing, planning and implementing socially inclusive green development initiatives. This component is aligned with the CCDR's recommendation to invest in capacity building and institutional strengthening. There will be funds available for institutional capacity- strengthening and project management for MoIT and regional DAs under Component 3.

The DAs provide financial and technical assistance to development projects that are expected to contribute to the realization of the priorities and objectives identified in the regional development plans. The DAs focus on various thematic areas under social and economic development, such as small-scale infrastructure, investment promotion and cooperation for development in the regions. Most DAs specialize in and focus on specific issues according to the potential in their regions. Entrepreneurship, low carbon economy, renewable energy, social inclusion and cohesion, agriculture and rural development are among the most commonly supported areas. The DAs can provide support to various entities including public institutions, private sector, and non-governmental organizations such as associations, foundations and producer unions.

The DAs will hire or assign dedicated E&S Focal Points for this Project in order to implement the ESF within the scope of the project. The DAs that are involved in the SEECO project have gained experience in Bank-financed projects and dedicated capacity-building activities are being provided to their staff including training on the Bank's ESF and GBV prevention. All 26 DAs are expected to be involved in the SoGreen project. Some of those DAs will not have previous experience with the WB financed projects. Therefore, there will be a need for capacity-building activities for the new DAs who are not familiar with WB projects. The ESCP includes capacity building and training for the DAs.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial



A.1 Environmental Risk Rating

Substantial

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The environmental risk is assessed as Substantial. The project has a national-wide scope (all 26 regions), and the exact locations of the sub-projects will not be known during the project preparation and appraisal stages. In general, the environmental impacts from the project are expected to be positive given that the green transition and infrastructure investments will be supported under the project. However, during the construction of new facilities, renovation of the existing facilities, equipment installation and etc., the implementation activities might entail a series of adverse risks and impacts and specifically: dust and noise generation, vehicle and machines emissions, generation of construction waste, hazardous material and waste including oil, grease, hydrocarbons, old electrical appliances, lead-based paints, etc. as well as OHS issues such working at height, rotating and moving equipment, vibration, welding / hot works, industrial vehicle driving and site traffic, ergonomics, repetitive motion, manual handling, fire, etc. While the construction activities might have some adverse impacts on natural habitats and cultural heritage, all investments with significant adverse impacts on natural habitats and cultural heritage will be excluded from financing, based on the initial environmental screening. The impacts related to the project activities under Component 1 are expected to be moderate, temporary, reversible, and manageable through the application of the national laws as well as the use of the Environmental, Health and Safety Guidelines (EHSGs) of the World Bank Group and Good International Industrial Practices (GIIP). However, activities to be supported under Component 2 might require substantial investment and time to manage environmental risk and impacts of the construction of new facilities while medium to low probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, hazardous waste management, OHS, etc.). Therefore, the proposed overall environmental risk rating for the project is Substantial.

A.2 Social Risk Rating

Moderate

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The social risk rating is Moderate. The project is expected to have positive social impacts on vulnerable groups as its main target groups are women, youth, lower-skilled workers, unemployed persons, and those employed in brown industries. Social inclusion aspects are at the core of the project design, and other vulnerable groups such as refugees and persons with disabilities will also be able to benefit from project support under Component 1. The project is not expected to cause direct irreversible or unmanageable impacts, as the project will exclude from sub-grant financing any activities assessed as High or Substantial social risk, and any causing impacts on cultural heritage. The project is expected to support both new investments/construction of new facilities and rehabilitation of existing facilities; therefore, civil works will be eligible under the project. Community health and safety, and labor and OHS impacts during civil works are expected to be manageable and will be addressed by adhering to the standard mitigation measures included in the Environmental and Social Management Framework (ESMF), including the application of the national laws, use of the World Bank EHSG, Code of Conduct for construction workers, and stakeholder engagement activities. While the project will largely aim to avoid land acquisition impacts, there may be some involuntary land acquisition due to associated facilities or land that has been acquired through eminent domain in anticipation of subprojects. A Resettlement Framework (RF) has been prepared to address involuntary land acquisition risks. Risks of child and forced labor are not expected, and the project labor management procedures (LMP) includes a clear

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minimum working age of 18 and procedures for age verification. To facilitate social inclusion and participation of stakeholders, the project has also prepared a Stakeholder Engagement Plan (SEP), and stakeholder engagement activities have been ongoing during project preparation. Sexual exploitation and abuse/sexual harassment (SEA/SH) risk is assessed as moderate. MoIT and some of the DAs already have experience with Bank-financed projects and the ESF.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]

B. Environment and Social Standards (ESS) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

[Explanation - Max. character limit 10,000]

The project objective is to improve local-level green livelihood opportunities for target vulnerable groups. The project is expected to have overall positive social impacts and target beneficiaries will include women, youth, lower-skilled workers, unemployed persons, and those employed in brown industries. Social inclusion issues are at the core of the project design, and the local communities and vulnerable groups will participate in the decision-making process about subprojects. The environmental impacts from the project are expected to be positive given that the project will support the green transition. The project will exclude from financing any sub-projects rated as High for environmental and social (E&S) risks and impacts, rated as Substantial for social risks, and those with significant impacts on biodiversity and cultural heritage. While MoIT will pay utmost attention to avoid any new land acquisition, there may be cases of prior land acquisition carried out by local authorities for proposed subproject investments or land acquisition needed for associated facilities. The project activities will include construction of new facilities, rehabilitation of existing facilities and installation of equipment. The project has a national-wide scope (all 26 regions and some selected provinces) and the exact locations of the subprojects will not be known until the implementation stage, when subprojects will be selected based on needs assessments and calls for proposals. Under Component 1: Inclusive and Green Livelihoods for Women and Youth, the project will support access to green livelihood opportunities for women and youth, with investments directed at provinces and districts identified as vulnerable by DAs, through the provision of loans and grants to support inclusive green activities. The E&S risks and impacts associated with Component 1 are not likely to be significant and are expected to be reversible, temporary, low in magnitude, and site-specific, thus, to be moderate. E&S risks and impacts include noise, generation of dust and waste, use of energy, OHS and community health and safety issues which are all manageable with standard mitigation measures. Labor influx is not expected within the scope of this sub-component. It is possible that some private sector activities may require land acquisition for associated facilities, like energy transmission lines. Under Component 2, Inclusive and Green community Livelihood Facilities, the project will support local investments in facilities supporting the establishment of green and inclusive livelihoods. This component will also focus on building the capacity of DAs and other relevant local authorities in supporting a green and inclusive transition in Türkiye. E&S risks and impacts for Component 2 are expected to be in the range of Moderate to Substantial. Moderate risk subprojects may include 'green' renovations or additions to existing facilities, such as installing solar panels to



increase energy efficiency in an existing production facility; building a recycling center as an extension to an existing factory; or installing a waste management system to process waste from an existing industrial facility. Substantial risk subprojects may include the new construction of medium-scale green facilities, waste management facilities, geothermal greenhouses, or facilities for the production of renewable energy equipment. The E&S risks and impacts associated with Component 2 include dust and noise generation, vehicle and machines emissions, generation of construction waste, hazardous material and waste including oil, grease, hydrocarbons, old electrical appliances, lead-based paints, etc. as well as OHS issues such working at height, rotating and moving equipment, vibration, welding / hot works, industrial vehicle driving and site traffic, ergonomics, repetitive motion, manual handling, fire; limited labor influx and potential prior land acquisition issues. While the construction activities might have some adverse impacts on natural habitats and cultural heritage, all such investments will be excluded from financing, based on the initial environmental screening. Overall, SEA/SH risks are assessed as moderate. To manage E&S risks and impacts, the MoIT has prepared an Environmental and Social Management Framework (ESMF), Labor Management Procedures (LMP), Stakeholder Engagement Plan (SEP) and Resettlement Framework (RF), which has been disclosed in Turkish and English and consulted with stakeholders before the end of appraisal. The ESMF outlines E&S exclusion criteria in line with the project design, screening procedure for E&S risks and impacts, procedures for E&S risks and impacts management, and mitigation measures for potential risks and impacts such as waste management, noise, dust, energy use, labor, OHS and community health and safety, and outlines of instruments that can be applied to avoid or mitigate potential E&S adverse impacts and risks of the project activities. The ESMF includes requirements for compliance with applicable national laws, EHSG, and GIIP. The ESMF describes which E&S risk management instruments (Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) or ESMP checklists) will be prepared for subprojects on a site-specific basis, based on the E&S risk criteria determined through screening. The details of the LMP, RF, and SEP are described in the ESS2, ESS5 and ESS10 sections. In addition to the SEA/SH mitigation measures such as SEA/SH trainings and Code of Conduct for workers and grievance procedures for SEA/SH, the project design also includes awareness raising on broader gender-based violence issues and prevention. The project has developed an extensive stakeholder engagement program with diverse local stakeholders and will rely on a participatory approach and active consultation in the selection of subproject activities. The Contingency Emergency Response Components (CERC) Manual to be prepared for the Project will include a description of the environmental and social risk assessment and management arrangements if the CERC component becomes activated. This may include a standalone CERC ESMF or an Addendum to the existing ESMF based on the subproject activities that will be funded under the CERC component to be prepared and disclosed prior to CERC activation and to be implemented throughout the CERC component timeframe. If such additional documentation or revision to documentation is needed, the MoIT will prepare, consult, adopt, and disclose these in accordance with the CERC Manual, and implement the measures and actions necessary.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

MoIT has prepared a SEP for the project with consultation activities at key government agencies, business associations, and local authorities, and DAs. The SEP identifies and analyze key stakeholders (i.e., affected parties, other interested parties and disadvantaged and vulnerable groups) and describes the process and modalities for sharing information on the project activities, incorporating stakeholder feedback into the project design and implementation and reporting and disclosure of project documents. The regional needs assessments to be conducted under Component 2(a) of the project will also be designed to be conducted in a participatory manner. The main



stakeholders for the project are DAs and municipalities in targeted regions, business associations, green oriented SMEs, organizations involved in developing green economy, and other organizations working on climate change issues, decarbonization and greening of firms. Additionally, vulnerable groups include women, youth, low- skilled workers, those employed in brown industries, unemployed, and refugees who may face more barriers to access green jobs or finance. The project will target women and youth-led firms in order to narrow the identified gap in access to finance and labor markets. Strategies for information disclosure and consultations include digital technologies, such as virtual meetings and focus groups, social media, and MoIT's and the DA's webpages, as well as in-person forums of engagement. MoIT has disclosed the draft SEP and other E&S instruments (in Turkish and English languages) on May 29th, 2023, and carried out stakeholder consultations on the project design and environmental and social aspects of the project. The final SEP and other E&S instruments will be redisclosed by MoIT and the Bank before the end of appraisal. MoIT will establish a grievance mechanism (GM) to manage and address E&S concerns and grievances by stakeholders. The GM will also include channels for handling SEA/SH complaints sensitively and confidentially. MoIT has gained experience in establishing and managing grievance mechanisms under two existing Bank funded projects. The GM established for the SEECO project also defines roles and responsibilities for DAs at the regional level, and MoIT provides GM training to DA staff regularly. MoIT has also gained experience in creating communication materials for information dissemination on GM, including posters, leaflets, announcements on the project website and social media channels, etc. which were developed considering the needs of vulnerable groups. The new SoGreen project will benefit from these experiences gained in existing Bank-financed projects. In addition, there is a national-level grievance mechanism - the Presidency Communication Center (CIMER), which is accessible to any Turkish citizen and is functioning well. MoIT is mandated to receive and record grievances that are received through CIMER. In general, previous experience in the WB-funded projects indicates that citizens use this feedback mechanism to raise a wide range of concerns and government agencies and business entities address grievances received through CIMER. Detailed project GM procedures are described in the SEP, including departments responsible for receiving and addressing grievances, different means of receiving grievances (e-mail, webpage, phone number, mail) and stipulated time frames to address and respond to grievances. The SEP includes a budget and strategies to report back to stakeholders during project implementation. The SEP will be updated, as needed, during project implementation, with stakeholder mapping for stakeholders across different regions where the DAs are working. Under Component 3, the project will support large-scale public information campaigns to raise local stakeholders' awareness (public sector, private sector, civil society, and the wider public) on green transition-related opportunities and challenges.

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. The project will include direct, contracted and primary supply workers. Community workers are not anticipated to be engaged within the scope of this project. Direct workers in this project are (i) Employees of MoIT and technical consultants assigned/engaged to work within the PIU; and (ii) employees of DAs, municipalities, and technical consultants engaged to support the core activities of the project under Component 2. Contracted workers are employees of technical and consulting firms engaged to provide technical advice and capacity building under Components 1 and 2, as well as any construction contractor workers engaged under these Components. It is anticipated that employees of MoIT assigned to work within the PIU will be civil servants. The terms and conditions of public sector employment will continue to apply to civil servants. Employees of development agencies and municipalities are also public sector employees, and the terms and conditions of their public sector employment shall continue to apply. The provisions of ESS2 paragraphs 17 to 20 (Protecting the Workforce) and paragraphs 24 to 30

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(OHS) will apply to civil servants working in connection with the project. In the ESCP, MoIT will commit that any individual consultants directly hired to carry out the activities related to the project or to work in the PIU, will be employed under the terms and conditions as required by the national labor law and ESS2. These requirements will also be included in the LMP. ESS2 requirements will apply to the direct, contracted and primary supply workers. Working conditions and OHS requirements in line with ESS2 are integrated into the project LMP. The minimum working age in the project will be 18 years and the LMP describes relevant age verification measures to implement this minimum working age. Occupational health and safety: MoIT facilities are equipped with fire safety instruments as required by local regulation and have emergency action plans in place. The staff receives routine training on fire safety and first aid. Regular drills are conducted and reported. MoIT has incident reporting procedures and, as per national OHS Law, they must notify the Ministry of Labor within 3 business days about OHS-related incidents. The ESCP includes the requirement that any significant incident/accident should be reported to the Bank no later than 48 hours after learning of the event. Although a large-scale labor influx is not expected within the scope of this project, small-scale workers' accommodation may be needed during the construction of new green facilities. Any worker accommodation that will be established within the scope of the project will follow the WB guidelines on standards for worker accommodation. The current Turkish Labor Law (No.4857) is to a large extent consistent with ESS2 requirements. Turkey ratified all the four Core ILO Conventions and OHS ILO Conventions. The main gap with ESS2 is related to the requirement for the grievance mechanism for workers. Forced labor is prohibited by the Turkish Constitution. In terms of OHS regulations, government agencies are subject to the national OHS law (Law No. 6331), and the Ministry of Labor and Social Security is responsible for its enforcement. The OHS Law governs workplace environments and industries (both public and private) as well as all classes of employees including part-time workers, interns, and apprentices. The legislation is comprehensive and is generally applicable across all sectors and many industries. The Labor Inspectorate, which is an agency under the Ministry of Labor and Social Security, oversees the enforcement of the law and conducts regular OHS and labor audits. Grievance mechanism: MoIT has in place an internal GM for its employees. The employees have the right to file complaints about any administrative actions and procedures, which can be submitted to the human resources departments. Complaints are assessed and necessary measures are taken under existing human resources regulation and disciplinary regulation. These regulations cover instances of harassment and sexual harassment and are included in the LMP. The LMP also includes mechanisms for other direct and contracted workers to raise their grievances through contractors, DAs and the MoIT PIU. The project-level GM will also be able to receive anonymous and sensitive complaints on SEA/SH. The prepared LMP outlines responsibilities for managing labor and working conditions issues, policies and procedures to manage labor risks and OHS risks, minimum working age and the age verification procedure, contractor management and grievance mechanism for workers. The LMP also included a suggested Code of Conduct and a requirement to carry out SEA/SH sensitization and prevention training for MoIT, the DAs, contractors, and any private or public entities receiving funding under the project.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. The project activities under Component 1 (such as enhancement of dissemination of solar power systems in agricultural irrigation) and Component 2 (such as construction of new waste recycling centers) may result in environmental pollution and inefficient use of resources (raw materials, water, and energy). This would require adequate assessment and management to ensure sustainable use of resources and minimize related adverse impacts on the environment (air, water, soil). The potential risks and impacts associated with subproject activities



during construction and operation phases may include noise, vibration, odor and dust, aerosol emissions, hazardous and non-hazardous waste, greenhouse gas emissions, energy and water consumption, wastewater and sludge and contamination of surface and groundwater. Energy efficiency measures and renewable energy replacements will be considered during the design phase of the sub-project activities, as possible. In addition, any subproject with high water demand may have potentially significant adverse impacts on communities, other users or the environment, all such subprojects site specific ESIA/ESMPs will include a water balance assessment of current and/or potential use after the project implementation, to estimate the amount of water that will be used along with the current water use situation in the area of impact. The ESMF provides guidance and criteria when to prepare ESIA/ESMPs, and when to use the ESMP Checklist based on subproject screening. The ESMF also identifies and assesses the potential risks and impacts associated with material use and waste generation. Given the lack of knowledge on the typology of subprojects to be financed under the project, generic risk and impact management and mitigation measures are included in the ESMF. These will be developed into detailed site-specific safeguards instruments, following applicable national regulations, ESS3, WB ESF's mitigation hierarchy, general and sector-specific (if applicable) EHS, and GIIP. In addition, opportunities for energy and resource efficiency will be sought throughout all project activities.

ESS4 - Community Health and Safety

Relevant

[Explanation - Max. character limit 10,000]

Community health and safety risks will be based on construction phase impacts of subprojects, such as noise and air quality including gas and dust emissions, traffic management including temporary road closures and transport of wastes (including hazardous), hazardous chemical management, and construction waste management. Although a large-scale labor influx is not expected, small-scale workers' accommodation may be needed for the construction of new green facilities. It is not expected that workers' accommodation will be needed for the operation of these facilities. Any worker accommodation that will be established within the scope of the project will follow the WB guidelines on standards for worker accommodation. The ESMF identifies potential impacts of construction on community health and safety, as well as mitigation measures, monitoring and reporting requirements. Site-specific ESIA/ESMPs/ESMP Checklists will include measures addressing disturbance of the community members as well as the staff in the buildings in addition to traffic management measures/plans that will cover management of traffic safety risks, accident prevention, training programs, relevant stakeholder engagement activities and site safety awareness and access restrictions, depending on the level of risk. Security forces will not be utilized within the project. Depending on the location of the sub-projects, surrounding communities, settlements or businesses in addition to building users will need to be informed of any project-related activity or impact prior to implementation as will be defined in the sub-project specific E&S documents. The DAs and contractors will be required to appoint a focal person who will be responsible for the dissemination of project information and execution of stakeholder engagement activities. SEA/SH risks are assessed as moderate. These risks will be managed through the development of a SEA/SH Prevention and Response Action Plan, utilization of a Code of Conduct across all subprojects, a SEA/SH grievance mechanism process able to manage such grievances in a confidential manner, and trainings and awareness raising on SEA/SH prevention and risk management delivered to MoIT, DAs and municipalities and any private or public entities receiving subproject funding. A mapping of GBV service providers has already been carried out for Türkiye and the DAs will be familiarized with service providers in their respective regions. The action plan will outline how the project will put in place the necessary protocols and mechanisms to minimize the SEA/SH risks in the project, as well as to address any SEA/SH allegations that may arise. The plan will also include an Accountability and Response

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Framework which details how allegations of SEA/SH will be handled (investigation procedures) and disciplinary action for violation of the Code of Conduct by workers.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

[Explanation - Max. character limit 10,000]

This standard is expected to be relevant within the scope of this project. While the project will aim to avoid activities which may cause restrictions on land use, land acquisition and/or physical relocation, the land acquisition issues and impacts cannot be completely ruled out. Under Component 1 and 2, there may be associated facilities for the subprojects that require some land acquisition, such as access roads and electricity transmission lines. Under Component 2, public entities may have acquired subproject lands in anticipation for the subproject in the past 5 years. The RF includes a screening procedure for land impacts, as well as an eligibility matrix, compensation methods, and procedure for preparing a Resettlement Plan or an Ex-Post Audit as needed. In addition, the screening process includes due diligence of existing public lands to ensure that they are free of use and/or any formal/informal users. The RF has been prepared, disclosed and consulted before project appraisal.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. The details of the subproject areas for the construction and subproject activities have not yet been identified or assessed for their impact on biodiversity and supporting habitats. Potential damage to biodiversity and habitats may come from soil removal, clearance of vegetation, soil compaction due to machinery and heavy vehicles, water pollution, and disturbance of surface water bodies. Sites potentially classified as critical habitats will be determined by the MoIT once the specific locations for activities are determined. Furthermore, the site-specific documents will include an analysis of flora & fauna species, habitats, and identify any potential biodiversity impacts. If any of the proposed subprojects may generate significant impacts on sensitive environments, such as natural and critical habitats, they will not be eligible for financing. The ESMF outlines procedures for screening project activities that will identify potential risks to biodiversity.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This standard is considered Not Relevant as there are no people in Türkiye meeting the criteria in ESS7 for IP/SSAHUTLC.

ESS8 - Cultural Heritage

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. Türkiye is rich in cultural heritage, as a home to many civilizations over centuries. While subprojects on registered cultural heritage sites will be excluded from project funding, excavations during

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construction may lead to chance finds. Accordingly, the ESMF includes a “Chance Finds” Annex, which outlines the steps and procedures for contractors to follow in the event that cultural property is encountered during construction.

ESS9 - Financial Intermediaries

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This ESS is not relevant because the project does not envision involvement of financial intermediaries.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

No

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No

[Explanation including areas where “Use of Borrower Framework” is being considered - Max. character limit 10,000]

The Use of Borrower Framework is not being considered.

Use of Common Approach

No

[Explanation including list of possible financing partners – Max. character limit 4,000]

N/A

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

The environmental risk is assessed as Substantial. The project has a national-wide scope (all 26 regions), and the exact locations of the sub-projects will not be known during the project preparation and appraisal stages. In general, the environmental impacts from the project are expected to be positive given that the green transition and infrastructure investments will be supported under the project. However, during the construction of new facilities, renovation of the existing facilities, equipment installation and etc., the implementation activities might entail a series of adverse risks and impacts and specifically: dust and noise generation, vehicle and machines emissions, generation of construction waste, hazardous material and waste including oil, grease, hydrocarbons, old electrical appliances, lead-based paints, etc. as well as OHS issues such working at height, rotating and moving equipment, vibration, welding / hot works, industrial vehicle driving and site traffic, ergonomics, repetitive motion, manual handling, fire, etc. While the construction activities might have some adverse impacts on natural habitats and cultural heritage, all investments with significant adverse impacts on natural habitats and cultural heritage will be excluded from financing, based on the initial environmental

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screening. The impacts related to the project activities under Component 1 are expected to be moderate, temporary, reversible, and manageable through the application of the national laws as well as the use of the Environmental, Health and Safety Guidelines (EHSGs) of the World Bank Group and Good International Industrial Practices (GIIP). However, activities to be supported under Component 2 might require substantial investment and time to manage environmental risk and impacts of the construction of new facilities while medium to low probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, hazardous waste management, OHS, etc.). Therefore, the proposed overall environmental risk rating for the project is Substantial.

The social risk rating is Moderate. The project is expected to have positive social impacts on vulnerable groups as its main target groups are women, youth, lower-skilled workers, unemployed persons, and those employed in brown industries. Social inclusion aspects are at the core of the project design, and other vulnerable groups such as refugees and persons with disabilities will also be able to benefit from project support under Component 1. The project is not expected to cause direct irreversible or unmanageable impacts, as the project will exclude from sub-grant financing any activities assessed as High or Substantial social risk, and any causing impacts on cultural heritage. The project is expected to support both new investments/construction of new facilities and rehabilitation of existing facilities; therefore, civil works will be eligible under the project. Community health and safety, and labor and OHS impacts during civil works are expected to be manageable and will be addressed by adhering to the standard mitigation measures included in the Environmental and Social Management Framework (ESMF), including the application of the national laws, use of the World Bank EHSG, Code of Conduct for construction workers, and stakeholder engagement activities. While the project will largely aim to avoid land acquisition impacts, there may be some involuntary land acquisition due to associated facilities or land that has been acquired through eminent domain in anticipation of subprojects. A Resettlement Framework (RF) has been prepared to address involuntary land acquisition risks. Risks of child and forced labor are not expected, and the project labor management procedures (LMP) includes a clear minimum working age of 18 and procedures for age verification. To facilitate social inclusion and participation of stakeholders, the project has also prepared a Stakeholder Engagement Plan (SEP), and stakeholder engagement activities have been ongoing during project preparation. Sexual exploitation and abuse/sexual harassment (SEA/SH) risk is assessed as moderate. MoIT and some of the DAs already have experience with Bank-financed projects and the ESF. As mentioned above, to manage ES risks and impacts, the MoIT has prepared an Environmental and Social Management Framework (ESMF), Labor Management Procedures (LMP), Stakeholder Engagement Plan (SEP) and Resettlement Framework (RF), which are disclosed in both Turkish and English and discussed and consulted with stakeholders.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

[Description of expectations in terms of documents to be prepared to assess and manage the project's environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]

- Environmental and Social Commitment Plan (ESCP): The WB and MoIT has agreed on the ESCP, which sets out the material measures and actions required for the Project to meet the ESSs over a specified timeframe.
- Stakeholder Engagement Plan (SEP) has been prepared, disclosed and consulted prior to appraisal. It will be implemented throughout the life of the Project.



- Labor Management Procedures (LMP) has been prepared, disclosed and consulted prior to Appraisal.
- Environmental and Social Management Framework (ESMF) has been prepared, disclosed and consulted by end of Appraisal. The ESMF describes which E&S risk management instruments (Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) or ESMP checklists) will be prepared for subprojects on a site-specific basis, based on the E&S risk criteria determined through screening.
- Resettlement Framework has been prepared, disclosed and consulted prior to Appraisal. It includes a screening procedure for land impacts, as well as an eligibility matrix, compensation methods, and procedure for preparing a Resettlement Plan or an Ex-Post Audit as needed.

III. CONTACT POINT

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