



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 04/02/2024 | Report No: ESRSA03406



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P500777	Investment Project Financing (IPF)	Türkiye EEPB2	2024
Operation Name	Türkiye Second Energy Efficiency in Public Buildings		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Turkiye	Turkiye	EUROPE AND CENTRAL ASIA	Energy & Extractives
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Turkiye	Ministry of Environment, Urbanization and Climate Change	28-Mar-2024	30-May-2024
Estimated Decision Review Date	Total Project Cost		
26-Mar-2024	300,000,000.00		

Proposed Development Objective

The Project Development Objectives are to enhance energy efficiency in existing central government buildings and strengthen the energy efficiency requirements for new and renovated public buildings

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 proposed Project is part of the Scaling-Up Energy Efficiency in Europe and Central Asia - Multi-phase Programmatic Approach (E3 MPA). The Project will be implemented by the Ministry of Environment, Urbanization, and Climate Change (MoEUCC) and consists of two components: (i) Energy efficiency (EE) investments in central government buildings and (ii) technical assistance (TA) and Project implementation support. Under Component 1, MoEUCC will finance the preparation and implementation of renovations of central government and central-government affiliated buildings (i.e.,



public buildings under central line ministries) to save energy and increase on-site renewable energy (RE) use. The Project aims to renovate about 400 buildings, each of which will receive a Turkish Energy Performance Certificate (EPC). Investment measures would include upgrades of the building envelope (insulation, windows, doors), space and water heating, cooling, ventilation, air conditioning, pumps/fans, lighting, and installation of on-site RE systems that primarily aim to offset the facility's energy consumption. For selected buildings, the Project would also pilot the innovative approaches (water efficiency, performance-based payments in conventional contracting, renovations under a sustainable financing scheme), which – if successful – could be expanded to a larger number of buildings. Component 2 will include subproject development costs such as marketing and outreach, screening of subproject candidates, and review of energy audits and technical designs; technical support to develop and assess approaches for deeper renovations; day-to-day project management such as preparation and management of procurements, contract management, and supervision of renovation works; implementing financing requirements in compliance with the Bank's fiduciary policies and guidelines; project monitoring and evaluation; training, capacity building, and knowledge sharing for the Project Implementation Unit (PIU) staff, service providers such as energy auditors and designers, construction firms, and any other relevant project stakeholders. This component would also include TA activities to strengthen EE requirements for public buildings and expand sustainable financing for EE building renovations.

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]

Energy efficiency (EE) is critical for Türkiye to sustain economic growth and improve energy security while meeting its climate commitments. As of 2021, majority of Türkiye's primary energy supply was based on fossil fuels. Türkiye's ratification of the Paris Agreement in October 2021 and its pledge to achieve net zero emissions by 2053 was a strong signal of the commitment to addressing the climate emergency. In 2020, the building sector emitted about one-quarter of the direct greenhouse gas (GHG) emissions from the final consumption sector of the country. In line with these policy requirements and focusing on this, one of the major GHG emitting, sector, the Project will contribute to the reduction of GHG emissions with the EE renovations of 400 buildings.

The scope of the Project is nationwide, and the sub-projects activities will be carried out in the existing public buildings in the urban/ peri-urban areas. Building renovations would result in minimum energy savings of 30 percent and seek to achieve a Turkish Class B EPC or higher. Investment measures would include upgrades of the building envelope (insulation, windows, doors), space and water heating, cooling, ventilation, air conditioning, pumps/fans, lighting, and installation of on-site RE systems that primarily aim to offset the facility's energy consumption. In order to ensure further decarbonization and deeper renovations, the Project will (i) maximize the replacement of fossil fuel-based boilers by electric heat pumps or RE-based heating to the extent that is technically and financially feasible ; (ii) introduce a standard taxonomy for building renovations that prescribes a set of mandatory EE and on-site RE measures; (iii) finance rooftop or ground-mounted (e.g., parking lot canopy) solar photovoltaic (PV) installations; and (iv) seek to reach NZEB standard for at least 20 percent of the renovated buildings. Agreed eligibility criteria for subprojects are defined in the Project Appraisal Document and considers; (i) the property is owned or legally assigned to the central government ; (ii) there are no plans for move, closure, demolition, or privatization of the facility; (iii) the property is not exposed to high flood risk ; (iv) facilities are not associated with military or security-related purposes (e.g., prisons, police stations); and (v) buildings are structurally and seismically safe.



The potential environmental and social risks and impacts are associated with the limited civil works under Component-1. The environmental risks associated with Component 1 activities are traffic, dust, noise and air emissions, generation of waste, traffic, handling of hazardous material and waste, etc. as well as OHS issues.

Component-2, being mainly technical assistance and project management related, will be neutral for environmental and social risks and impacts. However, the TA activities will integrate E&S concerns into ToRs, studies and any other analytical products, that will ensure that the planning process includes adequate assessment of E&S implications and that the advice provided are consistent with the ESF.

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 Project will be implemented by General Directorate of Construction Affairs (GDCA) at MoEUCC, which has the mandate for construction and renovation of central government buildings. GDCA has an existing PIU that is implementing two World Bank projects, the Energy Efficiency in Public Buildings (EEPBP, P162762) and Public and Municipal Renewable Energy Project (P179867). The current E&S staff resources of the PIU which include one environmental, one social, one stakeholder engagement & communications and one occupational health and safety specialist will continue to support the Project as they are already familiar with the Bank procedures and project activities of EEPBP which are almost the same with the new proposed project. The PIU will hire additional environmental and social specialists, if need be, during the implementation of the Project.

However, the EEPBP is being implemented under the safeguard policies and the PIU has limited experience in implementing a project under ESF, this would hence warrant further capacity-building to strengthen the PIU’s capacity to manage the environmental and social risks as per the ESF. Such capacity building will be realized through project specific training on ESF and for environmentally and socially responsive sub-project planning and implementation.

The EEPBP has an operational and well functioning Grievance Mechanism in place, and this GM will also be used for the EEPBP-2.

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

A. Environmental and Social Risk Classification (ESRC)

Moderate

A.1 Environmental 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 environmental risk is mostly during the construction stage of Component 1 and moderate, as the potential adverse risks and impacts on human populations and/or the environment are not likely to be significant and the Project’s risks and impacts can be easily mitigated in a predictable manner. The Project will bring positive impacts in the form of energy efficiency and reduction of air pollution. The negative environmental risks are expected from the limited civil works under Component 1. These civil works will include the construction of heating/cooling

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systems/water pumps, energy efficiency interventions, cover building envelope, construction of water heating systems, fans, lighting, and automatic control systems, building renovation, water efficiency improvements, measures for fire safety and renewable energy applications. The environmental risks that may arise from these activities are traffic, dust, noise and air emissions, generation of waste (traffic, handling of hazardous material and waste including end of life and not -in-use solar panels, etc. as well as Occupational Health and Safety (OHS) issues. The sub-projects are expected to be implemented in the existing public buildings. Activities adversely affecting the known cultural heritage sites other than the building to be renovated and natural/critical habitats (as in ESS8 and ESS6) will be screened out through the ES screening process that would be detailed in the Project Environmental and Social Framework (ESMF). Some of the government buildings selected for renovation under the Project may be registered as cultural heritage in the property inventory. In such cases, MoEUCC will obtain the permits from related institutions of Ministry of Culture and Tourism before any civil works begin. In such cases, civil works will be performed under the allocations of the given Permit. The Project implementing agency, has an existing PIU implementing World Bank Projects under the safeguard policies with limited experience in implementing a project under ESF.

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 is assessed as moderate considering that the Project activities are limited in the nature and scope to energy efficiency measures which will have standard, temporary and site-specific construction impacts. Social risks and impacts are associated with labor and working conditions, and community health and safety. The project activities that would require land acquisition or lead to economic displacement as referred to in ESS5, will not be eligible for financing. Labor influx risk is low since the majority of the workforce will be engaged locally; only a small number will come from other parts of the country, if necessary. The Project is not expected to have adverse impacts on vulnerable/disadvantaged groups/individuals considering that the project activities will be implemented in the existing public buildings in the urban and peri-urban areas. On the positive side, the Project is expected to generate positive impacts as it will create employment opportunities within the investments financed under the Project.

[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]

To address potential environmental and social (E&S) risks, Ministry of Environment, Urbanization and Climate Change (MoEUCC), has prepared an Environmental and Social Management Framework (ESMF), Labour Management Procedures (LMP) and Stakeholder Engagement Plan (SEP) in compliance with the requirements of the national legislation and Environmental and Social Framework (ESF). The ESMF includes relevant Environmental and Social Standards (ESSs) requirements, along with the potential project level impacts and risks, as well as rules and procedures for site specific project activities. Based on the E&S screening of the subprojects, in line with the the

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project level Environmental and Social Management Plan (ESMP) and Occupational Health and Safety Plan (OHSP), which are given in the ESMF, will be adjusted for the proposed subprojects. The consultations will be carried out by the Project Implementation Unit (PIU) (with the support of the Supervision Consultant) and completed before start of the bidding process. The ESMP/OHSP which have been adjusted for the proposed subprojects, will be revised, if needed, using the results of consultations by the Supervision Consultant. The tendering process will be initiated with the "adjusted and consulted ESMP" annexed to the bidding documents. Once the Contract is awarded, the Contractor will prepare the site-specific Contractor's ESMP/OHSP (C-ESMP/C-OHSP) for the subprojects they will be responsible for. Activities (i) adversely affecting the known cultural heritage sites other than the building to be renovated (as in ESS8), (ii) adversely affecting the natural/critical habitats (as in ESS6), (ii) that require land acquisition or lead to economic displacement, as referred to in ESS5, will be screened out through the ES screening process that has been detailed in the ESMF.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

The Project stakeholders will include public sector workers/employees, users of services located in central government buildings, as well as residents and business owners residing or operating close to these government buildings. MoEUCC has prepared a Stakeholder Engagement Plan (SEP) to meet the requirements of ESS10 and to ensure engagement with identified stakeholders throughout the Project. The SEP has identified vulnerable/disadvantaged persons, who are more likely to be excluded from the consultation process/not be able to participate in the consultation process and developed a process to ensure that they are not excluded from consultations and project benefits. The SEP covers different modalities for engagement with different stakeholders. The Project, in addition to the national and ministry level GMs in Türkiye, will utilize also the GM established for the EEPBP (P162762).

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

Project workers will include direct (MoEUCC and full time staff), contracted (consultants, expert, etc.) and primary supply workers. The Project will not engage community workers. The MoEUCC has prepared an LMP that outlines the policies and procedures for all categories of workers, identifies key labor requirements and risks associated with the Project, and assists the MoEUCC in determining the resources required to address project labor issues. For the site-specific civil works, the contractors will comply with the LMP (including Code of Conduct and SEA/SH risk requirements). Türkiye has comprehensive OHS legislations which is generally applicable across all sectors and industries. The OHS risks associated with proposed civil works have been assessed both in the ESMF and LMP and appropriate risk management and mitigation measures have been identified and provided in the ESMF and LMP. The OHS risks have also been addressed by the project-level (annexed to the ESMF) and site-specific OHSP.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

[Explanation - Max. character limit 10,000]

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The project design is for increased energy efficiency, thus efficient use of resources, in the public buildings. Other possible measures to ensure sustainable use of resources have been included in the ESMF and detailed as preliminarily in the project level ESMP available in the ESMF; and then will be detailed in the C-ESMPs. The pollution risks and impacts of proposed civil works include traffic, noise and dust emissions, handling of hazardous materials and the generation of wastes (including end-of-life and not in use solar panels). The project will address pollution prevention and management measures through the project lifecycle consistent with WB ESF and minimize adverse impacts on human health and the environment. Based on the E&S screening of the subprojects, the C-ESMPs with additional management plans (if necessary based on the initial assessments) will include the mitigation and monitoring requirements for issues including traffic, dust, noise and air emissions management, waste management. Whenever possible, these measures will instruct use of the locally sourced and renewable materials from licensed and registered facilities.

ESS4 - Community Health and Safety

Relevant

[Explanation - Max. character limit 10,000]

Potential community health and safety risks and impacts are mostly associated with construction works. The ESMF has already assessed these risk and impacts. The project level and C-ESMPs/C-OHSPs will assess the potential risks and impacts on the health and safety of project-affected communities, including groups that might be vulnerable. The C-ESMPs/C-OHSPs, in line with the ESMF, will also detail management and mitigation measures to secure community health and safety during civil works and operations, as well as monitoring and reporting requirements. The public buildings will probably need to be in use during the proposed works therefore all works are to be planned and agreed with minimal disruptions and potential risks to the users. The Project also includes measures for addressing SEA/SH risks, including a Code of Conduct for workers, a mechanism to report SEA/SH cases and training and awareness sessions for project workers and affected communities.

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

Not Currently Relevant

[Explanation - Max. character limit 10,000]

The proposed subprojects will be implemented in existing central government buildings. Project activities that require land acquisition or lead to economic displacement, as referred to in Environmental and Social Standard 5 (ESS5), will be screened out through the E&S screening list.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not Currently Relevant

[Explanation - Max. character limit 10,000]

Activities adversely affecting the natural/critical habitats will be screened out through the ES screening process that is detailed in the Project ESMF.

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

Not Currently Relevant

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[Explanation - Max. character limit 10,000]

This standard is not relevant since there are no indigenous groups in Türkiye who meet the definition of this standard.

ESS8 - Cultural Heritage

Relevant

[Explanation - Max. character limit 10,000]

Activities adversely affecting the known cultural heritage sites other than the building to be renovated are to be excluded through screening. Some of the government buildings selected for installing EE equipment under the Project may be registered as cultural heritage/cultural assets in the property inventory. In such cases, MoEUCC will obtain the relevant permits from related institutions of Ministry of Culture and Tourism before any civil works begin. In such cases, civil works will be performed under the allocations of the given Permit. The relevant permits necessary and the processes to obtain these have been outlined in the ESMF and Cultural Heritage plans may be required as part of C-ESMPs. Additionally, in the event that any construction takes place, all construction contracts will include a “Chance Find” clause which will require contractors to stop construction in the event that cultural property sites are encountered during construction.

ESS9 - Financial Intermediaries

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This standard is not relevant as there is no Financial Intermediary in the Project.

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]

Not applicable.

Use of Common Approach

No

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

Not applicable.

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

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[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 and social impacts and risks of the Project are rated as Moderate as the potential impacts and risks of the Project are; (i) predictable and expected to be temporary and/or reversible, (ii) low in magnitude; (iii) site-specific, without likelihood of impacts beyond the actual footprint of the Project; and (iv) low probability of serious adverse effects to human health and/or the environment (e.g. routine safety precautions are expected to be sufficient to prevent accidents, etc.)

These impacts will be resulting from limited civil works under Component 1 including energy efficiency interventions and renovation/improvement activities. The potential negative environmental risks from civil works can be listed as traffic, dust and noise generation, vehicle and machines emissions, generation of construction waste, handling of hazardous material and waste (including end-of-life and not in use solar panels) together with OHS risks as well. The Component 2 of the Project is not expected to create any environmental and social impacts and risks. However, the TA activities will integrate E&S concerns into ToRs, studies and any other analytical products, that will ensure that the planning process includes adequate assessment of E&S implications and that the advice provided are consistent with the ESF.

The proposed sub-projects will be implemented in the existing public government buildings. Therefore the Project is not expected to create land use impacts and risks; and project activities require land acquisition or lead to economic displacement as referred to in ESS5, will be screened out through the E&S screening list. Social risks and impacts are associated with labor and working conditions and community health and safety. Labor influx risks are low since the majority of the workforce will be engaged locally; only a small number will come from other parts of the country, if necessary. Furthermore, activities adversely affecting the known cultural heritage sites and natural and critical habitats as referred to in ESS6 and ESS8, respectively, will not be supported under this project. Some of the government buildings selected for renovation under the Project may be registered as cultural heritage/cultural assets in the property inventory. In such cases, MoEUCC will obtain the relevant permits from related institutions of Ministry of Culture and Tourism before any civil works begin. In such cases, civil works will be performed under the allocations of the given Permit.

To address potential E&S risks and impacts MoEUCC, based on requirements of the national legislation, the WB's ESSs and other relevant policies, has prepared an ESMF including a project level ESMP/OHSP, LMP and SEP. The site-specific E&S instruments (ESMPs/OHSPs) will be prepared based on the initial E&S assessments once the investments and their location details are finalized.

Based on the E&S screening of the subprojects, in line with the the project level Environmental and Social Management Plan (ESMP) and Occupational Health and Safety Plan (OHSP), which are given in the ESMF, will be adjusted for the proposed subprojects. The consultations will be carried out by the Project Implementation Unit (PIU) (with the support of the Supervision Consultant) and completed before start of the bidding process. The ESMP/OHSP which have been adjusted for the proposed subprojects, will be revised, if needed, using the results of consultations by the Supervision Consultant. The tendering process will be initiated with the "adjusted and consulted ESMP" annexed to the bidding documents. Once the Contract is awarded, the Contractor will prepare the site-specific Contractor's ESMP/OHSP (C-ESMP/C-OHSP) for the subprojects they will be responsible for.

The GDCA, Implementing Agency of the Project, has an existing PIU that is implementing the Energy Efficiency in Public Buildings (EEP, P162762) and Public and Municipal Renewable Energy Project (P179867). The current E&S staff resources of the PIU which include one environmental, one social, one stakeholder engagement & communications and one



occupational health and safety specialist will continue to support the Project as they are already familiar with the Bank procedures and project activities of EEPBP which are almost the same with the new proposed project. The PIU will hire additional environmental and social specialists, if need be, during the implementation of the Project.

However, the EEPBP is being implemented under the safeguard policies and the PIU has limited experience in implementing a project under ESF, this would hence warrant further capacity-building to strengthen the PIU's capacity to manage the environmental and social risks as per the ESF. Such capacity building will be realized through project specific training on ESF and for environmentally and socially responsive sub-project planning and implementation.

The PIU will (i) oversee the preparation of project level ESMPs/OHSPs (ii) be responsible for the review and the quality of each C-ESMP/C-OHSP, and overall SEP implementation, (iii) monitor the implementation of the C-ESMPs/C-OHSPs, (iv) report the status of implementation to the Bank. The Contractors will be responsible for (i) the implementation of the preparation and implementation of C-ESMPs/C-OHSPs, and (ii) setting up a site-specific GM for the public and the workers.

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 MoEUCC has now 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) is now been prepared, consulted upon and redisclosed on the MoEUCC's webpage.
- Labor Management Procedures (LMP) is now prepared and is disclosed on the MoEUCC's webpage.
- Environmental and Social Management Framework (ESMF) is now been prepared, consulted upon and redisclosed on the MoEUCC's webpage. The ESMF includes a comprehensive project-level ESMP/OHSP. If the project is eligible for finance within the scope of the Project, then the PIU (or the supervision consultant on behalf of the PIU) will adjust the project level ESMP/OHSP (included in the ESMF) to the proposed subproject, and both PIU and WB will clear the document for consultation. Before the tendering process, consultations will be carried out by the PIU (with the support of the Supervision Consultant) and completed before start of the bidding process. The adjusted ESMP/OHSP will be finalized and updated, if needed, using the results of consultations by the supervision consultant. The outcomes of the consultations will be disclosed on the MoEUCC's and the institution's web sites (school, hospital, government institution - where the project activities will be carried out) and local government web site if relevant. After the consultations, the tendering process will be initiated with the "final adjusted ESMP/OHSP" annexed to the bidding documents.
- Once the Contractor is awarded, the Contractor will prepare the site-specific Contractor's ESMP/OHSP (C-ESMP/C-OHSP) for the subproject they will be responsible for.



III. CONTACT POINT

World Bank

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V. APPROVAL

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