



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Turkey	EUROPE AND CENTRAL ASIA	P169996	
Project Name	Municipal Services Improvement Project in Refugee Affected Areas		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Water	Investment Project Financing	11/18/2019	1/16/2020
Borrower(s)	Implementing Agency(ies)		
Ministry of Treasury and Finance	Iller Bank		

Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve access to, and use of municipal services, including water supply, wastewater and solid waste services in municipalities affected by the Syrian refugee influx in Turkey.

Financing (in USD Million)	Amount
Total Project Cost	290.74

B. Is the project 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 [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

Proposed activities to achieve the project objectives will focus on the construction and rehabilitation of water supply infrastructure investments, wastewater systems, and solid waste facilities. It will also include technical assistance for project management, supervision and capacity building to the project implementing agencies at the central and regional level.

Envisaged results include: (a) improved access to safely managed water supply services; (b) improved access to safely managed wastewater collection / sewerage services; (c) improved wastewater treatment; (d) improved solid waste



disposal in targeted municipalities; and (e) strengthened institutional capacity to manage municipal services in municipalities and utilities.

The geographic scope of the project will cover five provinces in Turkey affected by the refugee influx: Adana, Kahramanmaras, Kayseri, Konya, and Osmaniye. The project would be co-financed through a combination of a grant from the European Commission (EC) in the amount of Euro 139,812,400 and an IBRD loan in the amount of Euro 120,790,000 .

The project is being processed under condensed processing procedures, based on World Bank OP 10.00, Paragraph 12. The rationale for processing the project under the condensed procedures is the urgent need for assistance to support the Government of Turkey's efforts to mitigate rising pressures on service delivery from the continual influx of people across the border and from camps to cities. Currently, UNHCR estimates that there are approximately 4 million refugees in Turkey; the majority originating from bordering Syria. Although most refugees are located in cities rather than camps, about 3 percent of refugees are located in camps. However, the government intends to close the camps and is transitioning people, except the most vulnerable, into cities this year (2019). This change poses various challenges to most cities in Turkey, already hosting thousands of refugees, including issues such as increased social tensions, increased service delivery pressures, and pressures on availability of resources.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social] Turkey is both a transit and reception country of migrants and refugees. Following the crisis in its southern border with Syria in 2011, Turkey has been hosting an increasing number of refugees and foreigners seeking international protection. Turkey currently hosts the highest number of refugees in the world including more than 3.6 million Syrians who are under temporary protection, about 400,000 asylum seekers and refugees from other countries. Turkey's response to refugee crisis has been progressive but the magnitude of the refugee and migrant influx continues to pose challenges for displaced persons, host communities, and the country at large. More than 96 percent of Syrian refugees live in privately-arranged accommodation among the host population in urban settlements across Turkey, while 108.000 refugees are housed in 11 temporary accommodation centers (TACs) which are managed by Turkey's Directorate-General of Migration Management (DGMM) and located in eight provinces (Sanliurfa, Adana, Kahramanmaras, Kilis, Hatay, Osmaniye, Malatya and Gaziantep) in the south eastern part of the country. This project will be implemented in five of these provinces, namely, Adana, Kahramanmaras, Kayseri, Konya, and Osmaniye which are among the most impacted by refugee influx. The sub-projects will take place in semi-urban and urban areas, where refugee presence is high and access to municipal infrastructure needs improvement. Refugees settling in TACs will gradually move into urban settlements, which most likely will result in additional demand for municipal services.

The project aims to improve water supply, wastewater and solid waste services in selected municipalities that have seen significant population increases due to refugee arrivals. Most of the municipalities in these provinces already had operational problems such as high water losses, inadequate water treatment, inadequate access to wastewater collection, lack of wastewater treatment due to deficiencies in financial capacity and insufficient institutional capacity. However, increased population has put additional pressure on infrastructure and municipal services, requiring immediate actions. Component 1 will finance the construction and rehabilitation works for water, wastewater and solid waste facilities in the 5 selected municipalities. Water supply investments will include but not be limited to construction and/or rehabilitation of water treatment plants, extension of water distribution networks and



transmission line, expansion of water reservoir capacities, and non-revenue water reduction activities such as installation of Supervisory Control and Data Acquisition (SCADA) systems and development of district metering areas. Wastewater investments will include construction of new wastewater treatment plants (WWTPs) or expanding their capacity, and construction of new or extension of existing sewerage collection networks. Solid waste facilities will include new waste collection, transfer equipment and construction of a landfill in Kahramanmaraş municipality. Preliminary environmental and social (E&S) assessment of 13 proposed investments based on available information through site visits conducted by the Bank in July-August 2019 found that of the subprojects, 1 is High risk and 5 are Substantial risk which are large in scale and include some impacts which can be long-term or even permanent. E&S impacts associated of the wastewater treatment plants and solid waste landfills, such as noise, dust, wastewater generation, air emissions, contaminated runoff, leachate generation, landfill gas emissions, groundwater contamination, fire and explosion risks due to landfill gas, community health, safety, livelihood impacts and involuntary land acquisition. The Bank will prior review all proposed investments with High or Substantial E&S as per Ilbank's ESMF prepared during preparation. The Bank may transfer E&S due diligence responsibilities to Ilbank if they develop sufficient capacity

D. 2. Borrower's Institutional Capacity

The implementing agency for the proposed project is Ilbank. Ilbank is subject to Turkish national laws and regulations and has adopted international standards and policies for the management of environmental and social issues through working with IFIs. Albeit, Ilbank does not have a certified Environmental and Social Management System (ESMS) applicable for its entire portfolio. Projects that Ilbank administers with support of international financing institutions are governed by E&S framework documents based on the international standards. For the WB-financed projects, Environmental and Social Management Framework (ESMF) documents are applied. These documents describe the E&S management process including screening, environmental and social assessment, public consultation, WB clearance, incorporation into works contracts, information disclosure and supervision and monitoring in WB financed projects. In non-IFI funded projects, Ilbank completely uses national laws and regulations on E&S standards. Ilbank has established an International Affairs Department which oversees and administers all internationally financed projects. This Department utilizes key procedural documents (such as ESMFs for Bank funded projects) for internationally financed investments. Ilbank's International Affairs department has assigned staff in technical, procurement, environmental, social and FM related procedures of the WB. Ilbank staff received numerous trainings related to WB's safeguard operational policies including recent ESF as a part of the ESF Borrower Training roll out program. Ilbank's safeguards team consists of 2 technical experts - one acting as the environmental focal point and the other as the social development/land acquisition focal point. For each sub-project's environmental and social risk identification and monitoring, Ilbank and WB's environmental and social teams conduct regular meetings, discussions and joint meetings with the sub-borrowers as necessary. Ilbank and WB team also conduct and attend site visits during sub-project risk identification and implementation. Ilbank team gained significant experience during the implementation of previous projects financed by the Bank, however, due to increased workload and number of IFI funded projects, Ilbank will hire more staff for both environment and social risk management.

Until now, Ilbank has managed many WB, EIB, and JICA-financed projects. The WB-financed projects include Municipal Services Project (MSP) 1 and 2 and Sustainable Cities Project (SCP) 1 and 2. Furthermore, SCP 2 AF has recently been approved.

Ilbank has extensive experience in Bank's operations and safeguards management for moderate and low risk projects. However, Ilbank will require assistance from the WB to manage substantial- and high-risk projects. The E&S documents required for the project's environmental and social screening, review and monitoring procedures for sub-



projects are ESIA, ESMF and LARPF, LAP/RAP, SEP/SEF, LMPs which are implemented throughout the lifetime of the internationally-funded projects. For WB-financed projects, these framework documents are integrated into the Operational Manuals of projects and the core elements are referred in the PADs and Loan Agreements. Therefore, Ilbank becomes fully responsible for the satisfactory implementation of the environmental and social framework documents. Strengthening Ilbank’s capacity for environmental and social management of operations is instrumental for successful implementation of this project in addition to its other ongoing Bank lending operations. This would imply hiring of additional E&S staff with TORs satisfactory to the WB, raising awareness and understanding of WB’s ESF, and implementing the project’s ESMF fully and if possible organizing Ilbank’s E&S management practice, procedures and documents into a fully-fledged Environmental and Social Management System (ESMS) for both IFI and non-IFI funded projects.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

High

Environmental Risk Rating

High

The environmental risk is rated as High. Component 1 of the project consists largely of 13 infrastructure investments in 5 identified municipalities. The 8 water supply sub-projects will include the construction and rehabilitation of water treatment plants, extension of water distribution networks and transmission line, expansion of water reservoir capacities, and non-revenue water reduction activities such as installation of SCADA systems and development of water metering areas. The 4 wastewater investments will include construction of new wastewater treatment plants or expanding their capacity, construction of new and extension of existing sewerage collection networks. Solid waste facilities will include new waste collection and transfer equipment and construction of a landfill at Kahramanmaras municipality. Overall, the project will finance a variety of sub-projects carrying moderate, substantial or high environmental risks which may materialize both at the construction and operation phases. The impacts of high-risk water supply, sanitation and solid waste management sub-projects may be large in spatial scale and sensitive sites may be allocated for their placement. Moreover, some impacts can be long-term or even permanent. The environmental risks associated with the construction and operation of the wastewater treatment plants and solid waste landfills can be considered as: (i) construction related impacts such as noise, dust, wastewater generation etc., (ii) air emissions such as dust and bio-aerosols, odors, and vehicle emissions due to waste collection and transportation, (iii) contaminated runoff, leachate generation and landfill gas emissions, groundwater contamination, (iv) noise and vibration due to waste processing equipment, (v) fire and explosion risks due to landfill gas, (vi) community health and safety impacts such as visual, dust and odor problems as well as scavenging related impacts and physical, chemical and biological hazards (vi) occupational health and safety impacts such as accidents and injuries, chemical exposure, noise and vibration exposure and exposure to pathogens and vectors, (vii) closure and post-closure management of the landfills, (viii) discharge of treated wastewater to receiving bodies, (ix) sludge and solids generation from wastewater treatment plants, (x) air emissions such as hydrogen sulfide, methane, ozone, gaseous or volatile chemicals used for disinfection processes from WWTPs and, (xi) ecological impacts on the nearby sensitive receptors. As can be anticipated, some of the significant environmental risks may require complex mitigation measures or technologies. Although the Ilbank - the project implementing entity - has extensive experience in Bank’s operations and safeguards management through Municipal Services Projects 1-2, and Sustainable Cities Project (1 and 2), it lacks experience in managing complex and high-risk projects in Fragility-Conflict-Violence (FCV) contexts.

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Therefore, the proposed environmental risk rating for the project is High. The ESMF will state how ILBANK will screen E&S risks of the project, how reviews and monitoring will be carried out for site specific plans. Before reaching a final agreement on the E&S risks, the ILBANK will consult with the WB safeguards team for final decision. The appropriate ESA instrument is then decided upon the mutually agreed E&S risks. ILBANK also undertakes the initial review of the ESA instruments, however safeguard documents of the subprojects will be subject to prior review and approval of the Bank. According to the performance of Ilbank, it can be agreed during implementation that Moderate risk projects can be subject to WB's post review.

Social Risk Rating

High

The social risk is rated as High. The project's target provinces are known to host the largest numbers of refugees in urban settlements. With the immediate influx, provinces have encountered (i) capacity problems in municipal infrastructure such as increased amount of waste and hence, undercapacity of treatment plants, (ii) rising social tensions because of competition in labor market, especially in the informal job market and also due to lack of social cohesion. Although the region is familiar with the Arabic language and culture due to long trade relations with Syria and other middle-eastern countries, the unexpected high numbers of influx has caused some interruptions in public services and amenities which the host communities could not immediately cope with in the beginning of the refugee crisis. Through government's expansion in support to the provincial administrations and municipalities, with international organizations, local stakeholders and NGOs' facilitation the situation is being managed diligently and in high-capacity of governmental bodies.

There are some sub-projects that are complex in nature and are located in socially sensitive areas (in terms of possible tensions/conflicts between host and refugee populations), such as the sites of the new wastewater treatment plans (Adana and Kahramanmaras) and the solid waste landfill (Kahramanmaras). These two provinces have been dealing with the refugee influx for the past several years and have employed various support systems for the integration of refugees with host communities. In general, both host communities and refugees have managed to create a harmonized environment however contextual incidents are still likely to occur, thus the project will fully exploit ESS10 in the design phases of sub projects to identify such cases of social conflict and select among proper methods to avoid or mitigate them through project specific SEPs.

Social risks are considered high due to the following reasons: (i) all sub-projects will take place in provinces most impacted by Syrian refugee influx and which have occasionally had history of incidents of social unrest among the refugee and host communities, (ii) miscommunication and lack of information in former investment projects have led to limited knowledge among host communities leading to an understanding that public investments are carried out for the sole benefit of refugees. Thus, there maybe significant concerns and resistance from host communities regarding investments and the aid provided to Syrian refugees; (iii) although initial screening studies indicate that there are no organized groups involved in waste-picking activities in the wild dumpsites, there still maybe ad-hoc waste-picking activities that may impact livelihoods; (iv) majority of the sub-projects that require land take have already completed acquisition works thus creating a need to further investigate gaps with ESS5 through ex-post social audits; (v) The issue of gender-based violence experienced by Syrian women in selected provinces will be assessed by the Bank during project planning as part of the GBV risk assessment to avoid any further vulnerability caused by construction impacts of the sub-projects; and (vi) dust, noise, impacts of construction and odor impacts to surrounding settlements during operation of waste water and land fill sites are similar to those of environmental impacts; (vii) The Borrower would need capacity support in dealing with projects in socially sensitive or conflict areas. ILBANK and sub-borrower municipalities will mitigate these environmental and social risks through framework

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documents (ESMF and LARPF), site specific plans (ESIAs/ESMPs/SEPs/RAPs/LMP) including measures to mitigate GBV risks.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The project will include municipal investments devoted to the delivery of utility services, such as water supply, wastewater collection and treatment, and solid waste management. These investments will have primarily positive environmental impacts. However, these sub-projects are expected to have some significant environmental and social impacts. The risks are related to construction and operation phases of the investments. The construction-related impacts are habitat disturbance, air and noise emissions, community health and safety (including traffic management related risks and gender-based violence risks) and occupational health and safety risks, labor influx, land acquisition, loss of livelihoods, etc. Since, the locations of all sub-projects were not seen at this stage, there is also a risk of having impacts on culturally or naturally sensitive areas. Operation phase impacts are generation and discharge of treated wastewater, generation and disposal of leachate and landfill gases, odor generation from wastewater treatment plants and landfill, etc. Although, the sub-projects are identified at this stage and preliminary feasibilities/designs are being reviewed, this project is processed as a framework project and there is a possibility of a change in the project list during preparation and implementation. For this purpose, relevant environmental and social issues associated with the construction and operation of each type of sub-project will be elaborated in the ESMF and LARPF documents of the project, to be prepared by Ilbank and approved by the World Bank. The existing ESMF used for SCP 1 and 2 can be taken as a basis for the proposed project, since SCP 1 ESMF already covers sub-projects in solid waste management, water and sanitation. Site-specific issues/impacts will be determined by IlBank during the screening process, as described in the ESMF. Should there be any non-land based income losses particularly due to the landfill sub-project, the ESMF will define income restoration options by Appraisal. In addition, Ilbank will prepare a Land Acquisition and Resettlement Policy Framework, Labor Management Procedures to include application of ESS 2 to Ilbank employees and application to contracted workers, a Stakeholder Engagement Framework (as annex to ESMF) by appraisal. Stakeholder Engagement Plans for each municipality and an Environmental and Social Commitment Plan will also be ready by appraisal. Ilbank will immediately start preparation of site specific environmental and social assessment documents (e.g. ESIAs/ESMPs, LAP/RAP/Expost Social Audit) but the completion of these documents will be finalized during implementation (due to application of emergency procedures). It'll be required that all site specific environmental and social assessment documents will be finalized, approved by the Bank and disclosed before the completion of respective bidding processes of each sub-project. Municipalities will produce these documents according to the environmental and social risk categorization of the sub-projects. During ESMF and sub-project E&S document preparation, the WBG EHS General Guidelines as well as Waste Management Facilities, Water and Sanitation guidelines will be used in addition to the national legislation requirements. The most stringent discharge and emission standards will be applied in project specifications. At this stage, no information is available regarding associated facilities. As soon as the exact sub-project technical details are finalized, the site-specific environmental and social instruments which will discuss the impacts related to associated facilities as well as cumulative impacts will be prepared as well.



Social impacts and risks such as involuntary land take, potential non-land income losses, labor influx and GBV risks, community health and safety, impacts on cultural assets and heritage, vulnerable groups, stakeholder relations and social cohesion risks due to the refugee influx including positive social impacts such as local employment and procurement opportunities, social welfare impacts as a result of improved access to municipal services will be assessed in details in these environmental and social documents during implementation. Vulnerable and disadvantaged groups (such as elderly, illiterate, people unable to understand host language, women, disabled etc.) will be identified through the ESIA, LAPs/RAPs. Additionally, local NGOs/CSOs, community leaders, and local government representatives residing or working in the project areas will also be considered as stakeholders.

The Bank and ILBANK have agreed on the E&S risks of each sub-project with the available information at hand. Out of the 13 sub-projects, 1 is High risk (Landfill subproject), 5 of them are Substantial risk (water treatment plants including water transmission lines and collectors) and other remaining 7 are moderate risk which are only either water network or sewage network projects with limited environmental and social impacts. No-objection responsibility of H&S risk sub-project documents stays with the WB, unless during implementation the Bank is satisfied that ILBANK has the capacity to undertake this responsibility. Site specific environment and social safeguard documents to each subproject have been identified. ILBANK's will have its ESMF including project specific risks, and activity (water supply, waste water network, landfill, etc.) specific mitigation and monitoring tables. This document is still under preparation and to be completed by appraisal. The ESMF will also give clear guidance on the review and approval processes of all identified H, S and M risk subprojects. TORs for the preparation of identified site specific safeguards documents (ESIA, ESMPs, RAPs) have been completed and ILBANK will hire consultant(s) to prepare these documents. Given the emergency procedures and the European Union Commission's requirements, the instruments to be prepared by Appraisal will be (i) ESMF with briefs including environmental and social risks and footprints of proposed 13 investments which were compiled from available project information documents that ILBANK has shared with WB and initial site visit findings that team has conducted in July and August (iii) Land Acquisition and Resettlement Policy Framework (LARPF) also including land acquisition details and impacts of the subprojects (iv) draft version of Six SEPs – one per each municipality and one for the solid waste union and (v) Labor Management Procedures (to include application of ESS2 to IL Bank employees and ESS2 application to contracted workers since this is a High risk project). The Appraisal stage ESRS will have the draft ESCP with the relevant wording to include (i) Preparation and implementation of Site specific ESIA, ESMPs, RAPs (ii) Preparation and implementation of Contractors LMP (iii) Revised Stakeholder Engagement Plan (SEP) (if needed after the preparation of site specific safeguards documents) and (iv) implementation arrangements and time bound action items to improve ILBANK's environmental and social management capacity in order to achieve a sound ESMS.

Areas where “Use of Borrower Framework” is being considered:

Given the High environmental and social risk rating of the project, and the lack of a full and formalized ESMS and lack of experience in implementing the ESF in the implementing agency, the Borrower's E&S framework will not be used.

ESS10 Stakeholder Engagement and Information Disclosure



A Stakeholder Engagement Framework, as an annex to the ESMF, and six separate Stakeholder Engagement Plans (per each municipality/utility and an additional for the solid waste union for the landfill project) will be prepared by the Borrower by appraisal. Some of the sub-projects have already initiated involuntary land acquisition and resettlement. For high and substantial risk sub-projects, public consultation meetings will be required for the project-affected communities. Majority of the municipalities have citizen engagement and grievance redress mechanisms in place and additionally, some have established community centers for refugees to serve their special needs and improve social cohesion (i.e.. psycho-social counseling, Turkish language training, child care services, life and vocational skills training). Since the project E&S risk is rated as High, the Borrower's and municipalities' capacities for stakeholder engagement will be improved considerably during project preparation in order to minimize the risk of community resistance against the municipal investments. Lack of proper engagement strategies in previously conducted projects in refugee intense provinces have occasionally led to social unrest of the host communities thus, the project will employ a rigorous engagement strategy with the application of ESS10 throughout the project life. The existing capacity of the Borrower municipalities will be supported through inclusion of communication and stakeholder engagement specialists in order to manage the communication, information disclosure and consultation activities of the sub-projects.. All municipalities will conduct public campaigns or other relevant engagement activities to ensure that there are no social tensions among host communities and refugees and disseminate clear, culturally appropriate and timely information. As part of their stakeholder engagement plans, sub-borrower municipalities will work with other relevant stakeholders and local government authorities to enhance the quality of the communication activities for targeted refugee groups and host communities.

Vulnerable and disadvantaged groups (such as elderly, illiterate, people unable to understand host language, women, disabled etc.) will be identified through the ESIA's, LAPs/RAPs. Additionally, local NGOs/CSOs, community leaders, and local government representatives residing or working in the project areas will also be considered as stakeholders.

Grievance Redress Mechanism: Generally, all municipalities and utilities adopt a service called "White Table" or "Help Desks" which aims to collect complaints and requests, and resolving them. Under the ongoing projects of Ilbank, SCP 1 and SCP 2, GRMs are functional and receive grievances from local communities. So far, Ilbank has not received any major grievances due to the municipal sub-projects that it has financed by World Bank so far. Usually, most of the grievances are either due to construction related noise, dust, traffic interruption or odor of the treatment plants. Sub-borrower municipalities (i.e. Mugla Municipality Water Utilities under SCP 1) have taken additional measures during design phase of those treatment plants in order to minimize the odor problem. Similar approach will be undertaken in this project. During appraisal, these municipal level GRMs will be assessed to determine whether they are capable of receiving requests and also complaints from the refugee communities in different languages as well. If need be, the Project will aim to enhance and improve the current application of the White Table mechanism through project-specific arrangements in order to allow grievances to be collected in both national and other languages spoken by refugees. Any grievance related to a sub-project will be first logged at the municipality level and will be addressed by designated staff within a pre-defined period. If the complainant is not satisfied with the complaint resolution, then the case will be submitted to further levels. There will also be other means of logging grievances such as a toll-free number, online forms, social media channels of the municipalities that have been made available for citizens to submit grievances. Since the civil works of treatment plants will be more labor intensive, compared to the construction of other water transmission line sub-projects or sewage network projects, based on the sub project GBV risk assessment and social sensitivities on the ground, the community level GRM will be enhanced to accept GBV-related issues/cases.



B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Project workers include the direct workers, contracted workers and primary supply workers. Ilbank PIU employees are civil servants and direct employees of this project. Contractors engaged in civil works are contracted workers. Primary supply workers will be determined under ESA studies of the sub-projects. Since the risk rating is High and the Borrower is a financial intermediary in municipal financing, the ESS2 will be applied to both Ilbank and the sub-projects. Ilbank will prepare its own LMP by appraisal which will include policies and procedures for different categories of workers including contracted workers.

During project implementation, when bidding for civil works will take place, LMP will be attached to bidding documents. Awarded contractors will then prepare their own LMPs (including Code of Conduct) based on the principles and procedures outlined in the Ilbank's LMP. Main contractors will be responsible to manage their subcontractors.

Turkey is party to a multitude of ILO conventions, including but not limited to conventions on: equal treatment of employees, gender equality, child labor, forced labor, OHS, right of association and minimum wage. Accordingly, the current Turkish Labor Law (No.4857) is consistent with international labor standards and the Bank's ESS2 requirements.

Labor Management Procedures: Ilbank has published a corporate level Human Resource Policy (dated January 4, 2013 in the Official Gazette numbered 28518) that is also in line with national regulations as well as WB requirements. The document aims to define the employee personnel rights including; working hours, leaves (maternity, social events, unpaid), financial rights, working conditions, promotions etc. The policy allows for equal opportunity and employment rights. As Ilbank is a government agency no one under the legal age (18 years) is permitted to work within the institution thus no child labor related issues will exist. Detailed assessment of labor management within the scope of evaluation of Ilbank's current operational procedures will be made during project preparation before appraisal in order to ensure that cases including unregistered/ uninsured employment of refugees, unequal employment opportunities for women etc. do not occur under the civil works conducted by the borrowing municipality's contractors.

Ilbank has an Occupational Health and Safety Policy, however, it lacks detailed procedures. As a government agency, Ilbank is subject to national law on OHS of the Ministry of Family, Labor and Social Security. According to the national OHS Law, all employers must notify the Ministry in 3 work days after OHS related incidents. The time period and conditions for Ilbank to notify WB will be defined and agreed as detailed in relevant sections of the project ESMF document. All Ilbank facilities are equipped with fire safety instruments as required by local regulation. Fire safety plans are also prepared and revised by the responsible department. The staff receives routine training on fire safety and first aid. Regular drills are conducted and reported. For the substantial and high-risk sub-projects, Ilbank will



require the sub-borrower municipality and ensure that OHS measures are undertaken according to the national OHS law.

Grievance Redress Mechanism for Ilbank Employees Ilbank aims to follow-up on customer satisfaction as well as to meet the needs and expectations of its employees through a grievance mechanism. For this purpose, there are Request and Complaint Boxes in various parts of Ilbank buildings. Additionally, requests, grievances and suggestions can be sent to the Quality Management Unit via the utilization of, 'Send Message' and 'Communication' sections of the Quality Management website. Requests, grievances and suggestions received are evaluated every 30 days and presented to management. The evaluation results are listed internally on the grievance system and can be accessed by employees through their own intranet. Similar grievance systems may also exist in some of the sub borrower municipalities, however details to whether there is an employee based grievance mechanism will be further investigated during project preparation. If not in place, Ilbank will require the sub-borrower municipalities to also establish a grievance mechanism for project workers. The sub project level GR mechanism should allow for the recording of grievances received by both workers and other stakeholders impacted or influenced by the project.

ESS3 Resource Efficiency and Pollution Prevention and Management

Feasibility studies of the sub-projects will be evaluated in details during the project preparation stage to evaluate the ESS3 aspects of the sub-projects. The discharge locations for the wastewater treatment facilities will also be reviewed with regards to identification of appropriate discharge standards. But it is mandatory that the effluent quality of treated wastewater will be in line with Turkish legislation (adopted from EU Directives) and WBG General EHS Guidelines. Blueprint for managing leachate and landfill gas, assimilative capacity of receiving environments, sludge, odor, noise and air quality will be included in the project's ESMF, and all these aspects will be detailed in sub-project-specific ESIA/ESMPs. GHG emissions will arise from the construction works but this will be limited spatially and quantitatively. More significant GHG can arise from the landfill gasses and wastewater sludge generation, however, with proper technologies the GHGs can be collected and managed in the most efficient way and also can be used as an energy generating resource. The alternatives for sludge and landfill gas management will be discussed in the sub-project specific E&S instruments. Energy and resource efficient equipment such as water pumps, WWTP units, pipes, valves, etc. will be preferred during the project design studies. Leachate management is also critical for conservation of ground water quality and national and WBG EHS guidelines will be applied.

ESS4 Community Health and Safety

Ground water monitoring against potential pollution due to leachate seepage is a critical issue and proper mitigation and monitoring arrangements will be discussed in the sub-project specific E&S documents. The proposed sub-projects will be located in semi-urban areas and urban areas (for water and wastewater network systems). Traffic will be major issue due to transportation of solid wastes to the landfill and also for the treatment sludge from WWTP to disposal facilities. The construction sites for all sub-projects will be surrounded with appropriate fencing for avoiding nearby population's entrance to the project sites. Traffic management plans should be prepared for all the sub-projects and should be integrated into the E&S documents. Nearby communities and settlements will be informed in a timely manner of the construction activities and their implications prior to any activity. Generic guidance for achieving site integrity against floods, land slides and earthquakes will be provided in the project's ESMF and specific



measures will be spelled out in sub-project-specific ESIA/ESMPs. Livelihood patterns and living conditions of the nearby communities including waste pickers will be investigated during sub-project ESIA/ESMPs to develop proper measures in securing daily routines and avoiding health and safety issues that may be caused by sub projects. The cumulative impacts related to community health and safety arising from construction phases of several municipal infrastructure projects (or similar public goods projects) will be evaluated in the sub-project specific ESIA/ESMPs.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

At this stage the details of the land acquisition requirements of these sub-projects are limited. From the available data, a few of the sub-projects require involuntary land take which have either started or about to be completed. Thus, ex-post social audits will be carried out for the Bank's approval and measures to fill material gaps from ESS5 be implemented, if any, before construction works start. For some sub-projects that do not have final designs yet, the LARPF will serve as a guiding document to address land based impacts and compensation measures. Should there be any non-land based livelihood losses, those impacts will be addressed under the requirements of ESS 1. Relevant social impacts associated with the construction and operation phase of each sub-project and corresponding entitlement and mitigation measures will be elaborated in a LARPF produced by Ilbank and approved by the World Bank and/or a RAPs/LAPs, ex-post social audits for involuntary resettlement impacts known by appraisal. The LARPF will clearly detail the institutional implementation arrangements between Ilbank and the borrowing municipalities.

The sub-projects are likely to have temporary (for network pipelines) and permanent land acquisition (for treatment plants and landfill). Ilbank and borrowing municipalities in previous projects have made efforts to utilize public lands and existing roads for their investments that have required land take. In cases where public lands are not available, land acquisition has been kept to a minimum during project design. Where land take is inevitable, Ilbank has ensured that borrowing municipalities have compensated for economical loss in compliance with Bank standards at replacement cost. It is not known at the concept stage whether there will be physical displacement, but economic displacement is highly likely to happen. Entitlements regarding economic displacement will be diagnosed in the LARPF and set in the sub project specific LAPs/RAPs. The solid waste landfill may encounter informal waste pickers, informal users and the sub-project specific land acquisition and resettlement action plan will define livelihood measures at appraisal stage.

Site-specific impacts will be determined by Ilbank and the relevant municipalities, and sub-project RAPs/LAPs/ex-post social audits will be prepared and implemented by the municipalities. Ilbank will provide close support to municipalities during RAP/LAP preparation and will supervise the implementation of RAP/LAPs. Generally water and sewage network projects tend to follow public roads and are in their right-of way, which minimizes both physical and economic displacement. However, during appraisal the land requirements of all sub-projects will be assessed. At concept stage, which of the sub-projects have land acquisition and involuntary resettlement impacts in the sub projects are not known. Once RAPs/LAPs are prepared by Municipalities, Ilbank will review all and then send to Bank for no-objection.

Lessons Learnt from previous projects: There are three LARPFs for SCP 1, SCP 2 and the SCP 2 AF which has been recently approved. In SCP 1, there were 2 LARAPs prepared and approved by the Bank. One was for the expansion of water treatment plan in Mugla (western Turkey) and for establishing easement rights for collector lines of sewage network in Denizli. None of the sub-projects had significant livelihood impacts. There was no physical resettlement in



the sub-projects. Ilbank improved its safeguards implementation throughout the project. They also attended various safeguards training offered by the Bank staff, which helped improve their safeguards implementation capacity.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The ESMF will guide the municipalities to select their sub-project sites by considering the KBAs, IBA, nationally protected areas, critical habitats, and IUCN lists. The first preference will be avoiding all types of sensitive habitats. The site-specific E&S document will include a detailed analysis of flora & fauna species, habitats and the significance of impacts on those. If any of the sub-projects have significant impacts on biodiversity values, a separate biodiversity management plan, including mitigation and monitoring measures will be prepared. The feasibility studies of the identified sub-projects will be evaluated by Ilbank and existence of critical natural habitats, natural habitats and modified habitats will be determined (according to the definitions of ESS6). The criteria will also be integrated into the ESMF for further evaluation of the 3 sub-projects for which feasibility studies and/or designs are not available by appraisal. World Bank specialists will also provide support to Ilbank for drafting the TORs for the ESIA and Biodiversity Management Plans (if needed).

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

The project does not involve any indigenous groups as there are no indigenous groups in Turkey that meets the definition of this standard.

ESS8 Cultural Heritage

The project involves large-scale construction works in selected 5 municipalities of Turkey and there is a risk of chance finds during excavation stages. Therefore, the ESMF of the project and the sub-project specific E&S documents will need to include chance find procedures at a minimum.

ESS9 Financial Intermediaries

The project will be implemented by Ilbank – the Financial Intermediary, and it'll transfer the funds received from EU IPA and IBRD to clearly identified sub-projects of targeted municipalities. As an affiliate to the Ministry of Environment and Urbanization of Turkey, Ilbank is subject to Turkish national laws and regulations. Therefore, it is responsible for the application of various law and regulations including Environment Law, Expropriation Law, Resettlement Law etc. for the sub-projects it finances or signs sub-loan agreements. Credit evaluation process of Ilbank includes technical, economic and financial assessment of subject loans. However, there is no specific environmental and social assessment criteria defined in the scope of technical assessment.

Projects that Ilbank finances through international financing such as WB, EIB, JICA are handled by International Affairs Department which utilizes key procedural documents for internationally financed investments. The key procedural documents managing the projects' environmental and social screening, review and monitoring procedures for sub-projects are the ESMF and LARPF to be implemented throughout the lifetime of the internationally-funded projects. Ilbank signs sub-loan agreements with the municipalities and the ESMF is a part of these agreements. Ilbank ensures



that municipalities work in full compliance with the ESMF, and the sub-project-specific E&S documents are prepared and implemented in line with the WB’s ESF. For WB-financed projects, these framework documents are integrated into the Operational Manuals of the projects and also the core elements are referred in the PADs and Loan Agreements. Therefore, Ilbank is fully responsible for the satisfactory implementation of the E&S framework documents. The ESMF and LARPF additionally require that site-specific environmental and social assessment (ESA) documents are prepared for the sub-projects and these become a part of the sub-loan agreements between Ilbank and sub-borrowers. Through these sub-loan agreements, Ilbank and WB manage and oversee sub-projects in conformity with the WB’s environmental and social requirements. The ESMF developed for the Municipal services Improvement Project in line with the WB’s ESF describes the sub-project screening criteria according to the WB requirements, and comparison of WB requirements and standards with the national regulatory framework is also included. Similar to the ESMF, the LARPF compares national law and WB policy requirements on land acquisition and sets the principles for a best practice land acquisition process. As a rule of thumb, the most stringent standards apply to the projects for all environmental and social standards.

The screening of sub-projects is initially discussed between the Ilbank PIU and sub-borrowers to determine the E&S risks of the project. Before reaching a final agreement on the E&S risks, the Ilbank PIU consults with the WB safeguards team for final decision. The appropriate ESA instrument is then decided upon the mutually agreed E&S risks. Ilbank also undertakes the initial review of the ESA instruments, however high and substantial risk sub-projects will be subject to prior review and approval of the WB. After site visits and evaluation of ESA documents, Ilbank team prepares semiannual progress reports for the WB which also includes environmental and social performances related to the sub-projects.

Until the appraisal stage, the gaps between the ESF and the existing E&S management criteria of Ilbank will be evaluated in detail and the relevant actions for fulfilling the gaps will be described in the ESCP.

Public Disclosure

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

The operation has been designed to avoid triggering OP 7.50 by carefully screening and selecting sub-projects which do not trigger this OP, in view of the Government of Turkey's opposition to the application of this policy. The process was done in consultation with the Borrower.

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? Yes

Financing Partners



The main financier of the proposed project will be EU Commission through grants under the Facility for Refugees in Turkey (FRIT). Turkish environmental legislation related to water, wastewater and solid waste management is mainly in line with EU Directives. The ESSs will be followed in this project as E&S standard.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

- Preparing, disclosing and consulting of ESMF and LARPF including a brief summary of environmental and social risks of proposed 13 projects based on available information including through joint site visits conducted in July and August, 2019
- Ilbank preparing Labor Management Procedures
- Developing, disclosing and consulting on SEP for five municipalities and one solid waste union
- Developing ESCP
- Developing environmental and social management capacity of Ilbank by recruiting additional specialists of the field.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- Development, disclosure and public consultation on sub-project-specific E&S instruments,
- Development of Labor Management Procedures for contractors,
- Inclusion of sub-project-specific E&S instruments into bidding documents and ensuring contractors’ adherence to these instruments,
- Formalizing the existing framework documents of Ilbank into a full ESMS,
- Implementation of SEP,
- Enhanced environmental and social management capacity of Ilbank by recruiting additional specialists of the field

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

30-Oct-2019

IV. CONTACT POINTS

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Borrower/Client/Recipient

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Implementing Agency(ies)

Implementing Agency: Iller Bank

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VI. APPROVAL

Task Team Leader(s):	Canan Yildiz, Sanyu Sarah Senkatuka Lutalo, Joanna Mclean Masic
Practice Manager (ENR/Social)	Kevin A Tomlinson Recommended on 23-Sep-2019 at 08:00:58 EDT
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 02-Oct-2019 at 10:54:53 EDT