

 Early Warning System

IFC-33753

Cimko Cement II

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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### Quick Facts

<b>Countries</b>	Turkiye
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	B
<b>Borrower</b>	CIMKO CIMENTO VE BETON SANAYI TICARET ANONIM SIRKETI



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## Project Description

### PROJECT DESCRIPTION

IFC is considering a loan of up to \$40 million to Cimko Cement (hereafter referred as "Cimko" or "the Company"), an existing IFC client and member of the Sanko Group (the "Group" or the "Sponsor"). IFC's previous investment involved construction and operation of the Narli cement plant and related infrastructure at Kahramanmaras, and a modernization program at the Adiyaman plant in the city of Adiyaman, both of which are located in Turkey. The current investment under consideration is expected to cost \$96 million and will comprise: (i) efficiency improvement projects at the Narli plant, the Adiyaman plant including a waste heat recovery system at this plant, and the existing ready mix concrete (RMC) plants; (ii) three new RMC plants to be established in the Mediterranean region of Turkey; (iii) construction of a railway system for the transportation of clinker at the Narli plant; and. (iv) provision of working capital. These activities constitute "the Project" as referenced in this document. There are five key investment projects envisaged for the Narli plant which include: i) modification of the pre-calciner to allow firing with petroleum coke and domestic lignite; ii) replacement of fans in the coal milling system, iii) installation of the grate cooler waste heat recovery system for electricity production; iv) conversion of cement transport from the mills to the silos to mechanical rather than pneumatic means; and v) the railway connection to the factory. The investment program for the Adiyaman plant comprises installation of a roll press ahead of the Cement Mill 1, replacement of existing electric motors with high efficiency motors and the waste heat recovery system. The Narli plant was commissioned in 2008 and has a clinker capacity of some 2.9 million tons per annum and the Adiyaman plant a clinker capacity of some 673,000 ton per annum. Cimko currently operates 14 RMC batching plants on 11 different sites four of which are in the city of Gaziantep with six batching plants. There are further batching plants in Adana, Antakya, Osmaniye, Kahramanmaras and the neighboring Adiyaman and Kilis provinces with the Adiyaman RMC plant being co-located with the Adiyaman cement plant.

### OVERVIEW OF IFC'S SCOPE OF REVIEW

The scope of the appraisal by IFC's environmental and social (E&S) specialist included the following: Site visits to the Narli plant as well as the Central RMC plant located in Gaziantep Meeting with the Cimko Cement Project and Planning Manager, the Narli and Adiyaman Plant Managers, Human Resources (HR) Manager of Cimko as well as the HR manager responsible for each plant, Environmental Engineers and Occupational Health and Safety (OHS) coordinators at Narli and Adiyaman, contractor company representative and the union representative at the Narli Plant Review of key documents provided by Cimko including the feasibility reports for the energy efficiency improvements at the Narli and Adiyaman plants, as well as the three new RMC plants, available operational licenses, emission permits, sewage connection permits, risk assessment studies and incident statistics and related reports.

### IDENTIFIED APPLICABLE PERFORMANCE STANDARDS\*\*

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards. PS 1 - Assessment and Management of Environmental and Social Risks and Impacts PS 2 - Labor and working conditions PS 3 - Resource Efficiency and Pollution Prevention PS 4 - Community Health, Safety and Security PS 5 - Land Acquisition and Involuntary Resettlement If IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards



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### **Investment Description**

- International Finance Corporation (IFC)



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## Contact Information

### ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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### Other Related Projects

- IFC-46580 Sanko Climate