

TURKEY

INCLUSIVE ACCESS TO FINANCE PROJECT (P163225)

'FINAL'

**ENVIRONMENTAL AND SOCIAL MANAGEMENT
FRAMEWORK**

**TÜRKİYE SİNAİ KALKINMA BANKASI
INDUSTRIAL DEVELOPMENT BANK OF TURKEY**

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ENVIRONMENTAL AND SOCIAL MANAGEMENT ARRANGEMENTS

A. Background

1. The project will be supported by a loan of USD 400 million, divided into equal-sized wholesale lending and direct lending components. The credit line, guaranteed by the Government of Turkey, will be intermediated by Turkish Industrial Development Bank (TSKB), which will be the borrower and implementing agency for the project. The Environmental Category of the project is FI, since TSKB, as the Financial Intermediary, (i) will directly lend to Small and Medium Size Enterprises (SMEs) and Large Enterprises (LEs) using the World Bank (WB) funds, and (ii) will on-lend the WB funds to participating banks and leasing companies, which are defined as Participating Financial Institutions (PFIs). PFIs will in turn finance SMEs. The SMEs/ LEs will be the final beneficiaries of the project.
2. At least 60 percent of the total IBRD loan amount will be earmarked for SMEs, and at most 40 percent can be allocated to LEs. To ensure the balanced allocation of resources between the two target groups of beneficiaries, at least 30 percent of the total IBRD loan amount will be allocated to women-inclusive companies, and at least 30 percent will be allocated to companies operating in less developed sub-regions. There will be no sectoral restrictions and sub-finance will be extended on market terms to avoid any distortion.
3. Under Component 1 (USD 200 million), TSKB will on-lend funds through qualified PFIs to eligible beneficiary SMEs. TSKB will select PFIs according to criteria agreed upon with the World Bank, and subject to no-objection from the World Bank. PFIs can be banks and leasing companies. The selected PFIs will, in turn, provide sub-finance for investment and working capital purposes to eligible beneficiary enterprises. Investment and working capital sub-finance to SMEs must have at least three and two years maturity, respectively. The maximum of USD 40 million can be disbursed through a single PFI. The PFIs will assume the credit risk of the sub-beneficiaries that will be selected based on agreed upon eligibility criteria. TSKB will have exposure only to the selected PFIs and will assume the credit risk for on-lending funds to PFIs.
4. Under Component 2 (USD 200 million), TSKB will on-lend funds directly to eligible beneficiary SMEs and LEs. TSKB's direct lending under this component will be more targeted than the lending by PFIs under wholesale component, reflecting TSKB's unique expertise and capacity as the country's leading development bank. In particular, TSKB will provide primarily investment sub-finance to beneficiary enterprises, while working capital sub-finance extended directly by TSKB shall not amount to more than 10 percent of the component amount. The minimum maturity of investment sub-finance will be four years.
5. Due to the planned scope of the project the only safeguard policy triggered was OP 4.01 (environmental assessment) and since the specific investments under the project will not be identified until project implementation, an environmental and social management framework (ESMF) is prepared. This ESMF will be integrated into TSKB's operational manual and into the sub loan agreement between TSKB and PFIs.
6. Environmental issues of sub-beneficiaries and their sub-projects will be addressed through the sub-finance environmental eligibility assessments. Environmental assessments will be carried out in accordance with both the Ministry of Environment and Urbanization (MoEU) Environmental

Assessment Regulation and WB environmental assessment (OP 4.01) and Physical/Cultural Property (OP 4.11) requirements.

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

8. The sub-finances under the Inclusive Access to Finance Project should be subjected to an environmental and social review process by PFIs and TSKB incorporating procedures described in this section. However, TSKB will be responsible for successful implementation of the project. The PFIs and TSKB will be responsible for environmental classification of sub-beneficiaries/sub-projects, and for ensuring that each sub finance and sub-project proposal includes an evaluation of its environmental impact and clearance documentation from the local authorities.

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

(a) if it is a Category A¹ project;

(b) if the sub-project is in the Annex 2 list of this document;

(c) if the sub-project triggers WB policy on Safety of Dams (OP/BP 4.37), i.e. the project involves construction or rehabilitation of a dam, or achievement of the project's objectives is dependent upon an existing dam;

(d) if the sub-project triggers WB policy on Natural Habitats (OP/BP 4.04), i.e. the project location is in a naturally protected site, or the project activities will result in impacts on natural habitats (critical and non-critical habitats)

(e) if the sub-project triggers the WB policy on Projects on International Waterways (OP/BP 7.50) i.e. the investment can involve the use or pollution of, or otherwise affect the quality or quantity of water of an international waterway, as defined in OP/BP 7.50.² The waterways identified as NOT international waterway (does not trigger OP 7.50) in Turkey are as follows: Susurluk, North Aegean, Gediz, Küçük Menderes, Büyük Menderes, Western Mediterranean, Antalya, Sakarya, Western Black Sea, Yesilirmak, Kizilirmak, Konya Kapali, Eastern Mediterranean, Seyhan, Ceyhan, Eastern Black Sea, Burdur, Afyon, Orta Anadolu and Van; or

¹ The WB categorization is described in Section B.

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

(f) if the sub-project supports any involuntary land acquisition or associated involuntary resettlement that would trigger the WB's policy on Involuntary Resettlement (OP/BP 4.12).³

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

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

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

(a) If the Category B sub-project falls under Annex I according to Turkish EIA Regulation then there should be a Turkish EIA report sent to MoEU for clearance. It is expected that such projects would require a partial EA under OP 4.01. PFI should check the existing EIA and determine whether it meets WB requirements in accordance with OP 4.01, or whether there are gaps that need to be filled. It can be noted here that the most likely gaps to occur would be the need for an explicit Environmental Management Plan, which clearly and concretely summarizes all the required mitigation and monitoring measures, and the need for additional public consultation on the EIA document. PFIs will advise the sub-beneficiary on the nature of these gaps if any, and what additional actions would be required to comply with WB requirements.

(b) If the Category B sub-project falls under Annex II according to Turkish EIA Regulation, then instead of an EIA there should be a Project Information File (PIF) sent to the relevant provincial directorate MoEU for clearance. It is expected that such projects would require an EMP under OP 4.01. The Project Information File will be

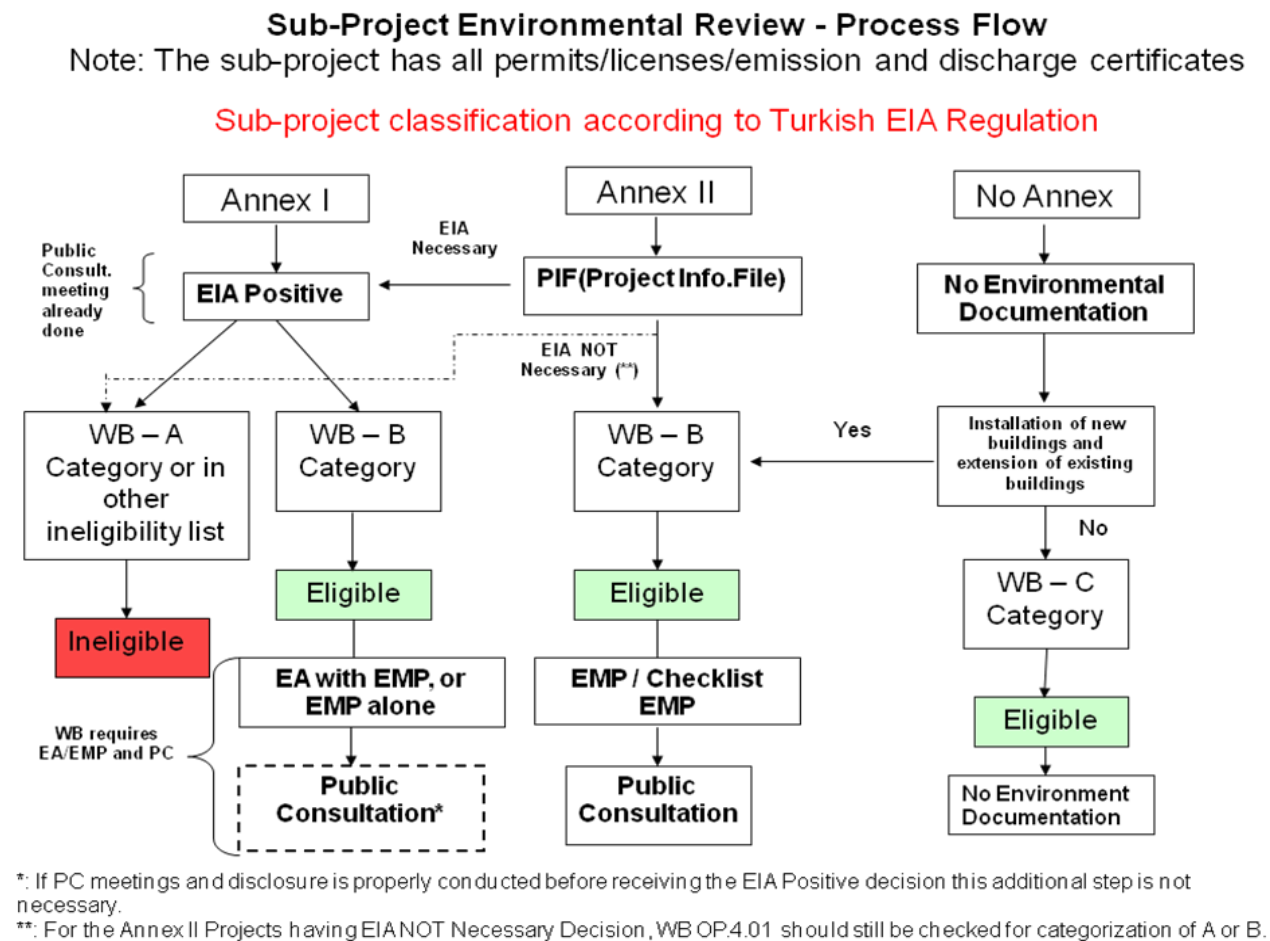
³ OP/BP 4.12 covers "direct economic and social impacts that both result from Bank-assisted investment projects, and are caused by (a) the involuntary taking of land resulting in (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or mean of livelihood, whether or not the affected persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons." The policy "applies to all component of the project that result in involuntary resettlement, regardless of the source of financing...that are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project." Lastly, the policy also applies to land acquisition that has been done shortly prior to the sub-project application, for the purposes of the sub-project.

reviewed by the PFI and additional requirements of WB will be identified. Since EMP and public consultation are not required by the MoEU for Turkish Annex II projects, it is expected that these will be identified as gaps that need to be filled by the sub-project sponsor.

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

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

Figure 1. Sub-project Environmental Review – Process Flow



14. It is anticipated that many of the sub-project will involve extension, modernization or capacity increase of facilities that already exist and are in operation. In this case the environmental screening and review procedure will focus on the new investment. According to Turkish EIA regulations,

increase in capacity is treated in the same way as new investment, so that the scale of the incremental capacity will determine whether the investment falls under Annex I or Annex II. Similarly, screening to assign a WB EIA Category (A, B or C) will focus on the proposed new investment rather than on the existing facility/operation. However, through the use of the Screening Forms the PFI should ascertain that the existing facility/operation is in compliance with Turkish environmental regulations and has all required licenses and permits (see the first form in Annex 1).

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

16. Projects that would trigger the World Bank's OP 4.12 on Involuntary Resettlement are not eligible for financing. Accordingly, for all civil construction works that will be executed on existing land plots in possession, a screening of investments will need to confirm that the locations are not occupied or being used for economic activities by any persons. For all civil construction works that will be executed on land to be newly acquired, a screening of investments will need to confirm that 1) the land is being acquired as a willing buyer – willing seller transaction on the market, where the seller has the option to refuse to sell as well as negotiate on price, and 2) the locations are not occupied or being used for economic activities by any persons. For such projects, where there is a new land acquired, a simple screening form (Annex 3 – Land Acquisition Screening Form) will be filled and documented in order to verify that there is no Involuntary Resettlement and the World Bank's OP 4.12 is not triggered. TSKB will fill Land Acquisition Screening Form for its own projects and keep the required documentation associated with the form. PFIs will be responsible to make their own due diligence for their own projects. They are also required to fill Land Acquisition Screening Form and collect the necessary documentation associated with it. Each sub-finance application package will include this documentation for their respective sub-projects, having land acquisition and/or construction works. During the implementation period, TSKB will supervise the PFIs and organize training sessions related to of screening form and the expected documentation, if it is needed.

17. Because the specific civil works of the existing factory buildings could potentially be within a historic district, the Bank safeguard policy on Physical Cultural Resources (OPO/BP 4.11) is applicable to these investments. For cultural property issues, local municipality is responsible for application of Turkish laws and regulations, including those relating to cultural heritage. If the sub-project is located at a site which is in the inventory of the Ministry of Culture and Tourism, the mitigation and monitoring measures will be provided in detail in the EMP document. In addition to that, the procedures relevant to chance finds should be detailed in the sub-project EMPs which will be annexed to construction contracts. Consideration of such concerns is provided in the works contracts that will include requirements that the contractor is obliged to look for chance finds and immediately stop the construction work at the contested location and alert responsible authorities in case of chance finds. Since the national regulations on the conservation of cultural properties are strict, it is not anticipated that any additional requirements would arise from the WB safeguard policies.

18. Once environmental requirements are established and recommendations incorporated into the sub project, the PFI will appraise the proposed sub-finance package. For their own sub-project

applications, PFIs will consult with TSKB and reach a consensus on the category of the project and acceptance of land acquisition screening form. Sub project's eligibility requires safeguard documentation in line with ESMF. Adherence to any environmental obligations established by the regulatory authorities and the WB safeguard requirements will be monitored by the PFIs.

B. Environmental Assessment Procedures and Screening Categories

Turkish EIA Regulation Requirements

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

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

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

22. The EIA process starts with submitting a brief report (EIA Application File), summarizing the characteristics of the project and the impact area, and the potential environmental impacts and mitigation measures to the MoEU. Then MoEU's General Directorate of EIA, Permitting and Inspection forms a **Scoping and Assessment/Reviewing Committee** (the institutions attending to the Scoping and Reviewing Committee are the same) from related governmental and non-governmental agencies, which also includes the project owner and the consultant that would prepare the EIA report. With the formation of this committee the scoping phase starts. After submitting the EIA Application File to MoEU, the Scoping and Assessment Committee consisting of relevant component authorities are established and the date of the Public Participation Meeting and the Scoping Meeting is determined. The **Public Participation Meeting** is conducted with the necessary arrangements and after that the **Scoping Meeting** is held and a "**Special Format**" is given. While giving the Special Format any issues appeared during the public participation meeting is integrated. The EIA report is prepared according to that format and Draft Final EIA is submitted to MoEU. Then the Draft Final Report is finalized based on the comments of the Review and Assessment Committee. The final EIA Report is made publicly available in the related Provincial Environmental Directorate for 10 work-days. Unless a significant comment is obtained on the Report, an "EIA Positive" decision is given by the MoEU. Moreover, the final EIA Report is made available to the public on MoEU's official web page.

WB Environmental Screening Procedures (from OP 4.01)

23. The Bank undertakes environmental screening of each proposed project that is proposed for WB financing, to determine the appropriate extent and type of environmental assessment required. The Bank classifies the proposed project into one of the following categories, depending on the

type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.

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

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

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

24. It should be noted that installation of new buildings and extension of existing buildings are generally treated as "No Annex" projects according to Turkish EIA system but could be classified as Category B by the WB. In such cases, as noted above, no environmental documentation is required under Turkish law but a simple EMP must be prepared in order to meet the requirements of OP 4.01.

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

26. Again, it is important to conduct the environmental due-diligence studies of the existing facilities which are applying to PFIs. According to the type (type of production, process, etc.) and scale of the SMEs/LEs, existence of different environmental permits should be checked by the PFI. If the type of the industry has air emissions which are falling under 'Regulation on Air Pollution Control Sourced from Industry', then there should be a valid air emission permit, if the industry is producing any type of wastewater (domestic and/or industrial) then they are subjected to Water Pollution Control Regulation and there should be a valid discharge permit (or a sewer

connection permit), if there's a hazardous waste storage in the industry then relevant permits should be in place regarding waste storage, etc.⁴ The PFI should also check the situation of the applicant according to the 'Permits and Licenses in Accordance with the Environmental Law', check if the applicant is subjected to this regulation, and if they're subjected then the timing of receiving the integrated environmental e-permit should be asked/documentated.

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

C. Public Consultation and Disclosure

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

29. If the sub-project is a Category B and treated as Annex I according to Turkish EIA regulation, it means that during the EIA report preparation a public consultation meeting was conducted at the first stages of the EIA process. According to Turkish EIA regulation, the Public Participation Meeting is announced on the MoEU's web page, local and national newspapers, brochures, announcements and public inquiries (minimum 10 days in advance of the meeting date). During the public participation meeting a brief and understandable presentation is made by the consultant to the public and opinions of the participants are obtained to be included during the EIA preparation process. Moreover, before the final EIA decision is given, the draft final version of the EIA report is made publicly available. Any comments received from the public are taken into consideration before giving a "EIA Positive" or "EIA Negative" and before finalizing the report. This procedure for public disclosure and consultation is considered to be sufficient to meet the WB's requirements for Category B projects. Therefore, in this case there is no need for additional consultation or disclosure activities beyond what is required under Turkish law.

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

31. If the sub-project is a Category B and treated as "No Annex" according to Turkish EIA regulation, then again it will be necessary to conduct a public consultation on the draft EMP which

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

must be prepared to comply with OP 4.01. The PFI together with the sub-project proponent will decide on the appropriate form for this public consultation based on local circumstances. In some cases this will involve a public meeting while in other cases it may be decided that a procedure to make information on the project and the draft EMP available and invite comments from the public will be more appropriate and effective.

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

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

D. Environmental Review Process (PFIs, TSKB and WB)

34. Any sub-beneficiary will apply to a PFI for financing after all the necessary environmental clearance is obtained from Turkish environmental authorities (the MoEU or the relevant Provincial Directorate of MoEU). It is the responsibility of the PFI to make the WB screening of the sub-projects. PFIs will decide on the sub-project's environmental category in agreement with TSKB. In order for the WB to fulfill its fiduciary responsibilities, first sub-project application from each PFI will be sent to TSKB for prior review and to make sure that this ESMF is fully complied with. After TSKB's review, the first application will be submitted to World Bank for no objection. In addition, if first sub-project is not category B nature, first category B sub projects of PFIs will follow the same procedure. Following this "pilot" period, if TSKB and the WB agree, the WB will change to spot checking the screening and environmental review process on a "post review" basis. TSKB could decide on its 'prior review' procedures with the relevant PFI separately, through the sub finance agreements. In Component 2, where TSKB can directly lend to its clients, in case of Category B subprojects, first two sub-project will be submitted to World Bank for review and clearance. Assuming the ESMF is being implemented by the TSKB satisfactorily; the next Cat B sub-projects will be reviewed and cleared by TSKB itself. World Bank will conduct post-review for the Cat B sub-projects.

35. After screening, according to WB categorization, the PFI should review the quality of the environmental documentation to identify any gaps/incompliance according to WB safeguard policies (mainly OP 4.01). If there are any gaps, additional activities (documentation, public consultation, etc.) should be requested from the sub-beneficiary by the PFI. This means, if an EIA exists, the PFI should check in case all impacts and relevant mitigation measures together with the monitoring requirements are clearly explained in the document. If the EIA or PIF does not include an explicit EMP, then the PFI will request that additional documentation from the sub-beneficiary.

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

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

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

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

40. Any shortcomings identified on the part of PFIs will be addressed and overcome through training sessions, the content of which will be prepared by WB. The first training session can be co-structured by the WB and TSKB's PIU and joint-training will be provided. The training program will be optimized based on the feedback from the PFIs on later stages, and will be presented by TSKB, and by a WB safeguard specialist as necessary. The capacity assessment tools, assessment results and the improvement measures identified for the PFIs will also be shared with the Bank on a periodical basis and these actions will be done prior to the respective PFI's beginning to on-lend WB funds for any sub-projects with potential Safeguards impacts.

Annex 1a: Environmental Screening and Due Diligence Forms (Sub-Beneficiary)

ENVIRONMENTAL DUE DILIGENCE FORM FOR THE EXITING FACILITIES					
(To be completed by Sub-Beneficiary)					
Sub-beneficiary:					
Sub-project title:					
Location	Organized Industrial Zone				
	Industrial Parcel				
	Other (please explain):				
What is the intended use of the Finance?	Investment Finance				
	Please explain briefly (changing of machinery, insulation works, etc.):				
	Other (please explain):				
Will the Finance support any new line of business or type of production (different from the ongoing activities)?	No	Yes	If YES, please give a brief explanation:		
Valid Environmental Licenses	EIA Positive or EIA Not Necessary	YES	NO	N.A.	
	Emission Permit	YES	NO	N.A.	EXPIRED
	Wastewater Discharge	YES	NO	N.A.	EXPIRED
	Wastewater Connection	YES	NO	N.A.	EXPIRED
	Deep Sea Discharge	YES	NO	N.A.	EXPIRED
	Hazardous Waste Storage (temporary)	YES	NO	N.A.	EXPIRED
	Hazardous Waste Transportation	YES	NO	N.A.	EXPIRED
	Reclamation Plan for Mining Facilities	YES	NO	N.A.	EXPIRED
	Environmental e-Permit	YES	NO	N.A.	EXPIRED
	Other (please explain):				
Are there any pending environmental penalties or ongoing court cases/investigations?	YES	NO	If YES, please explain:		
DATE:					
SUB-BENEFICIARY					
SIGNATURES or NAME OF RESPONSIBLE PERSON OF SUB BENEFICIARY:					

Annex 1b: Environmental Screening and Due Diligence Forms (Sub-Project)

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

Annex 2: Category IV Sub- beneficiary/sub-projects ineligible for financing

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

Annex 3: Land Acquisition Screening Form

LAND ACQUISITION SCREENING FORM	
Sub-beneficiary:	
Sub-project title:	
Location of the Subject Land:	
Province:	
District:	
Quarter:	
Ownership Status:	Publicly Owned, Privately Owned, both.
Type of the Land:	LandType
Info on Subject Land	
Total Area [m ²]:	
Total Area Needed for the sub-project [m ²]:	
Number of Parcels:	
Number of Shareholders:	
Land Acquisition Status:	
Land already acquired:	Yes, No
If YES;	
Date of Acquisition:	
Method of Acquisition:	
Amount Paid / Compensation (TL)	
Pending Court Case	Yes, No
Physical Displacement	Yes, No
Loss of Livelihood	Yes, No
If NO;	
Possible Date of Acquisition:	
Method of Acquisition:	
Physical Displacement Expected:	Yes, No
Use of The Land	
What is the intended use of the land?	Industry, agriculture, building, etc.
Any users on land (formal/informal)	
If used, state the purpose (agriculture, housing, business etc.)	
Any structures/assets on land (number/type)	
Attachments	
	Title Deed
	Permits / Transfer Documents
	Rental Agreements
	Purchase agreements
	Court decisions
	Photos of Land and the Date