



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

### **(ESRS Appraisal Stage)**

Date Prepared/Updated: 01/24/2022 | Report No: ESRSA01773



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Turkey	EUROPE AND CENTRAL ASIA	P176608	
Project Name	Turkey Earthquake, Floods and Wildfires Emergency Reconstruction Loan		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	1/14/2022	2/28/2022
Borrower(s)	Implementing Agency(ies)		
Ministry of Treasury and Finance	Iller Bankas? A.S. (Ilbank)		

**Proposed Development Objective**

The Project Development Objective (PDO) is to support green and resilient reconstruction of municipal buildings and infrastructure affected by earthquakes, floods or wildfires, and to strengthen municipal capacity for disaster resilience. In case of an eligible emergency or crisis, to provide immediate response as needed.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>481.00</b>

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

Yes

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

Floods and wildfires (with associated extreme heat) in Turkey in the summer of 2021 led to loss of lives, damaged infrastructure and buildings across many cities and municipalities in Turkey. These disasters came after the October 30, 2020, Aegean Sea earthquake and tsunami which led to significant damage in Izmir and surrounding areas. These disasters have highlighted urgent actions required to reduce future disaster damage and to enhance resilience to climate change.

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The proposed 4-year, US\$481 million Turkey Earthquake, Floods and Wildfires Emergency Reconstruction Project will support the municipalities to undertake urgent repairs, structural strengthening, and if needed demolition/reconstruction, of damaged municipal buildings and infrastructure. All investments will integrate, where feasible, improvements in energy efficiency and opportunities to harness renewable energy, and other design elements aimed at increasing climate change adaptation (e.g. increased capacity in storm water pipes, nature-based solutions and reducing urban heat island effects). The Project will also support measures to reduce the impact of future disasters and to strengthen emergency response.

### Project Design.

The Project is anticipated to include four components: (a) Green and Resilient Reconstruction of Municipal Buildings and Infrastructure and Actions to Strengthen Municipal Resilience; (b) Technical Assistance to Support Green, Resilient and Inclusive Cities; (c) Project Management and Operations; and a (d) Contingent Emergency Response Component.

### Component 1. Green and Resilient Reconstruction of Municipal Buildings and Infrastructure and Actions to Strengthen Municipal Resilience

The earthquake, floods and wildfires have damaged key municipal owned buildings that have now been evacuated for the safety of building occupants and users. Based on technical and economic analysis, these buildings will be either repaired, structurally strengthened, and renovated or demolished and reconstructed. Renovated buildings will aim for energy Performance Class B and reconstructed buildings to at least energy performance Class A. In some cases municipal buildings may need to be relocated to areas of lower flood risk.

The disasters have also damaged critical municipal infrastructure (transport, water supply, waste water) and highlighted urgent actions that need to be taken to reduce city disaster risks (enhanced response, expanded storm water systems etc).

This component will finance engineering assessments, design and supervision consultancies, civil works, and outreach and support to occupants and users of damaged municipal buildings.

### Component 2. Technical Assistance to Support Green, Resilient and Inclusive Cities

This Component will finance activities that support the Ilbank and municipal authorities to build a green and resilient future by ensuring that there is sufficient institutional and technical capacity to design, supervise and implement investment projects that consider disaster and climate risks, the need to reduce carbon emissions and promote air quality.

### Component 3. Project management and Operations

This Component will finance project management and implementation support activities, including, inter alia, engineering, architectural, Occupational Health and Safety (OHS), individual consultants and other necessary technical expertise; sub-project supervision; monitoring and evaluation of the Project; communication with Project beneficiaries; training of PIU staff, etc. It would also finance requirements related to the Bank's fiduciary policies and



guidelines, Project audits, as well as the implementation of environmental and social framework. This Component would also support the significant public outreach and communication critical to success of this Project.

#### Component 4. Contingent Emergency Response Component (CERC)

This funded CERC will enable the provision of immediate support to municipalities affected by disasters during the lifetime of the Project.

#### Implementation Arrangements.

A Project Management Unit (PMU) was established under the International Relations Department of Ilbank for the implementation of the Sustainable Cities Projects. The PMU is organized according to functions and specializations. The PMU staff is grouped into four functional units: Technical Management Unit, Contract Management Unit, Financial Management Unit and Business Development Unit. Ilbank management appointed staff in the International Relations Department to expand staff capacity. These functional units are led by unit managers and have sufficient technical and staff capacity in procurement, FM, and technical sectors particularly for water, wastewater, solid waste management and transport. When needed, Ilbank will hire consultants to obtain technical support in areas or sectors Ilbank has limited capacity and experience. The PMU within the International Relations Department of Ilbank will oversee fund flow and ensure compliance of procurement for goods, works, and services.

Project Implementation Units (PIUs) will be set up under the Project in Project municipalities. These PIUs should be adequately staffed with a PIU Director, technical experts in construction, engineering, architecture, etc., and experts covering financial management, procurement, environment, and social responsibilities. Most of PIU staff would be drawn from existing municipal staff and where necessary, additional experts would be hired as independent consultants. For smaller district municipalities, actions under the Project may be directly supported by Ilbank.

### **D. Environmental and Social Overview**

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

Turkey is located between Asia and Europe, a crossroad of the Balkans, Caucasus, Middle East, and the eastern Mediterranean with an 83 million population and 783,356 km<sup>2</sup> area. Located in Eurasia, the country is between the Black, Mediterranean, Marmara, and Aegean Seas, bordering Bulgaria, Greece, Syria, Iraq, Iran, Armenia, and Georgia. Turkey is an upper-middle-income country, with the world's 19th largest economy with a Gross Domestic Production (GDP) of US\$753.7 billion in 2019, according to the TurkStat. Seventy-five percent of its population lives in urban areas, and there are 81 provinces across the country.

Long term sustainable growth in Turkey requires a reduction in the physical, social, and economic shocks associated with geophysical and climate change-induced disasters. Floods, wildfires, storms and landslides are frequent events in Turkey and result in localized losses. Observed and anticipated climate change impacts, such as more intense precipitation, extreme heat and rising sea level, are expected to lead to increasing risks to natural disasters, including more frequent and intense flooding in low-lying areas of river deltas and coastal cities and other extreme weather



events, such as storms, hail, and tornados. For coastal cities, flooding will not only be an increasing threat to human life, but economic losses are projected to increase as well. Going forward climate models predict increasing anomalies in precipitation patterns with increased incidence of extreme rain and flooding on the one hand as well as protracted drought, extreme heat and forest fires on the other. In fact, 2021 marked both the most severe forest fires in Turkey's south and west regions recorded in history as well catastrophic flooding in the north region. As a result of rising temperatures, extreme variability in rainfall and protracted heatwaves, both flooding and wildfires are likely to become more frequent with implications on cities, agriculture and tourism. Increased incidence of forest fires and the decreased rainfall for hydropower, in turn may further contribute to GHG emissions in the future.

The project will support the municipalities affected by Wildfires, Floods and Earthquakes, including Izmir, Adana, Balıkesir, Bursa, Hatay, Konya, Samsun, Tokat, Antalya, Düzce, Elazığ, Kastamonu, Malatya, Muğla, Rize, Sinop and Zonguldak municipalities (the Project municipalities).

The residents of Izmir Metropolitan Municipality (IMM) suffered a series of disasters throughout 2020 and 2021. Drought conditions prevailed through 2020 threatening city water supplies, a damaging earthquake and tsunami struck on October 30, 2020, and then through December to February 2021 the city was hit with three devastating flash floods. These events have resulted in significant damage to private and public buildings and municipal infrastructure, leaving residents homeless, displacing municipal employees and disrupting the provision of critical social and medical services. Between December 2020 and February 2021, the city of Izmir was heavily affected by intense rainfall and flash flooding events. In February 2021 for example, 150 percent of the average monthly rainfall fell in under 10 hours, triggering flash floods across the city. In the most affected area, homes and workplaces were inundated, cars washed away, roads blocked with debris, bridges and culverts damaged and two fatalities were reported. Bridges sustained significant damage and rural areas were disconnected due to flooded roads.

Extreme heat and wildfires in the summer of 2021 severely impacted southern and western Turkey, particularly tourist destinations such as Antalya and Muğla. These wildfires were the worst ever in Turkey's history and resulted in severe ecological, economic, cultural and social damage, a severe deterioration in air quality and increase in Greenhouse Gas (GHG) emissions. The summer 2021 fires destroyed an estimated 170,000 hectares of forests (25 times the average between 2008 and 2020), triggered extensive evacuations, damaged urban and agricultural infrastructure, impacted 35 neighborhoods and 200 households and nine people are reported to have died. Antalya and Muğla suffered the most devastating damage, 88% of the deaths were in Antalya. These extreme weather conditions are likely to increase as the climate warms and place even more lives, livelihoods and assets at risk. Increased incidence of forest fires, increased heat waves and need for cooling, and the decreased rainfall for hydropower, in turn may further contribute to GHG emissions in the future.

Municipalities, located predominantly along the Black Sea, suffered a series of flood disasters over summer 2021. In August 2021, flooding devastated cities in the northern Black Sea region. According to Disaster and Emergency Management Presidency (AFAD), an estimated 2,500 people were evacuated from flood-affected areas and 83 people are reported to have died, 73 in Kastamonu district, 10 in Sinop. The floods also destroyed buildings (predominantly homes) and infrastructure such as bridges, electricity, drinking water and sanitation networks and silted rivers, streams and stormwater infrastructure. The flooding was attributed to excessive rainfall resulting in rivers bursting their banks, landslides, overwhelmed stormwater infrastructure. Poor construction management practices such as excavation soils being deposited on riverbeds and stormwater culverts made some areas especially vulnerable. Declarations of disasters were made in affected areas and financial support offered to affected citizens.



#### D. 2. Borrower’s Institutional Capacity

The Project will be implemented by seventeen Project Implementation Units (PIUs) established under the Project municipalities, with support and oversight from ILBANK PMU. As an affiliate to the Ministry of Environment, Urbanization and Climate Change (MoEUCC) and subject to Turkish national laws and regulations, ILBANK is responsible for applying national legislation, including Environment Law, Expropriation Law, Resettlement Law, etc. to the sub-projects it finances. ILBANK currently has no E&S Policy or a formal E&S Management system (ESMS) in place to manage the E&S risks of its financing activities, but it has an environmental and social team – led by a Senior Manager in the International Affairs Department – which has been supervising E&S due diligence for Bank-financed projects based on the project-specific E&S Management Framework (ESMF) developed for a Bank-financed municipal project, as well as some elements of an ESMS. ILBANK also has an established and functioning Grievance Mechanism (GM). ILBANK is in the process of developing an ESMS, – which requires some substantive work – with support from Bank E&S specialists to manage the E&S risks of its lending activities. The ESMS will be adopted no later than 60 days after the project becomes Effective. In the meantime, ILBANK is preparing a project ESMF, Resettlement Framework and Labor Management Procedures which will be developed and disclosed no later than 30 days after the project becomes Effective. While the ESMF and ESMS are being prepared, and with the Bank’s no-objection, E&S due diligence for Low risk sub-projects, including advance procurement, for which ILBANK provides on-lending will be prepared and supervised in accordance with national law and the requirements of the Stakeholder Engagement Plan (SEP). No Moderate or Substantial risk sub-projects will be financed by the project until the ESMS is established and the E&S instruments are cleared and disclosed. The project is not financing on-lending for high risk sub-projects.

The project ESMF will describe the E&S management process, including screening, environmental and social assessment, public consultations, the Bank’s clearance of E&S instruments, incorporation of E&S documents into works contracts, information disclosure, and supervision and monitoring. The ESMF will also include the requirements of the ESMS, namely: an Environmental and Social Policy; procedures for the identification, assessment and management of the environmental and social risks and impacts of subprojects; organization structure and staff capacity; monitoring and review of environmental and social risks of subprojects and the portfolio; and an external communications mechanism. ILBANK will sign sub-loan agreements with municipalities, and the obligation to follow the ESMF and the Resettlement Framework (RF) is a part of these agreements.

ILBANK has extensive experience in the World Bank’s operations and safeguards management for substantial, moderate, and low risk projects, including the Municipal Services Improvement Projects (MSIP) 1 and 2; Sustainable Cities Project (SCP) 1, 2, and 2AF, and the recently approved MSIP, which has been prepared under the Environmental and Social Framework (ESF) is applied. ILBANK staff has received several trainings related to the Bank’s Operational Policies on E&S Safeguards and the ESF. To strengthen its institutional capacity for E&S management of operations financed by IFIs, ILBANK has established an “Evaluation and Monitoring Department.” The newly hired environmental, social, and OHS specialists have recently received training on the ESF and its requirements, but additional capacity-building may be needed. ILBANK’s Project Management Unit (PMU) has been established under its International Affairs Department for the implementation of SCP. The PMU is grouped into four functional units, including Technical Management, Contract Management, Financial Management, and Business Development. ILBANK management appoints staff in the IAD to expand staff capacity. These functional units are led by unit managers and have sufficient technical and staff capacity in procurement, FM, and technical sectors particularly for water, wastewater, solid waste management, and transport. When needed, ILBANK will hire consultants from project resources for technical support in areas or sectors it has limited capacity and experience. The PMU will provide project implementation support to the Project municipalities and carry out the supervision of the sub-loan agreements. All participating municipality PIUs



which will finance civil works (demolition, new construction, etc.) will be assigned or hire one Social, one Environmental and one OHS specialist, commensurate to the impacts of the sub-project and with the no-objection of the Bank. These specialists will receive preliminary ESF training to be organized by the ILBANK PMU. In cases where a municipality is only purchasing equipment (e.g. firetrucks), then the PIUs will not hire E&S specialists.

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

**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**Environmental Risk Rating**

Substantial

The environmental risk rating is rated as Substantial. The project is expected to generate positive impacts by increasing disaster and climate risk resilience at the municipal level and by incorporating disaster management, urban transportation and environmental infrastructure sectoral developments. However, during the implementation phase, there will be environmental risks and impacts due to demolition, retrofit, and construction activities, which will be implemented across the 17 municipalities. The potential adverse environmental risks and impacts associated with the proposed demolition, retrofit, and construction activities will include emissions of dust and vehicle exhausts impacting air quality; noise and vibration causing disturbances; generation of hazardous (including Asbestos-Containing Materials – ACM) and non-hazardous waste; OHS-related risks due to unsafe practices; traffic and road-related risks from increased traffic volume and movement of heavy-duty vehicles; closure of roads and blockades of sidewalks and access to certain public facilities; risks associated with labor influx that may impact community health and safety (CHS); and risks of spreading COVID-19 infection. In addition, the potential presence of contaminated soils that may need to be either removed and disposed of, or remediated on/offsite prior to any works commencing is a substantial risk factor in the project. Although the project locations and a list of potential investments have been determined, the exact subprojects design and details are not identified yet. However, given the types of planned subprojects (i.e., related to urban transportation such as highway and junction construction, and related to environmental infrastructure such as drinking water transmission line, stormwater, wastewater network construction, WWTP and pumping station construction), these sub-projects are not expected to produce significant or irreversible adverse effects on human health and/or the environment. It is also expected that the project will not result in significant adverse cumulative or transboundary impacts. The substantial environmental risk rating is also due to the client’s lack of experience in implementing the Bank’s ESF. Although ILBANK has experience with many Bank-financed projects under both Safeguard Policies and the ESF, the main Implementing Agencies being most municipal and utility PIUs, have little or no prior experience with IBRD-financed projects and will likely not be familiar with the requirements of WB ESF and ESSs. Therefore, the Substantial environmental risk rating was determined considering that: (i) the project is not located in a sensitive area; (ii) the environmental risks and impacts from the activities are mostly temporary, reversible, spatially limited, and medium in magnitude; (iii) mitigation measures can be readily designed and implemented; and (iv) that the limited experience of the Borrower and implementing agencies in developing projects under the Bank’s ESF can be readily addressed through implementation support and capacity building activities.

**Social Risk Rating**

Substantial

The social risk is rated as Substantial. Th PIUs to be established have ERSF limited capacity, and some have never worked before with the World Bank. The project has mainly positive impacts as it will enable Ilbank to support municipalities to undertake urgent repairs, structural strengthening, and if needed demolition/reconstruction of

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damaged municipal buildings (including fire fighting buildings) and infrastructure and to put in place measures aimed at disaster preparedness and climate adaptation. Besides, through the Project Ilbank and municipalities will be supported to build a green, resilient and inclusive future by ensuring that there is sufficient institutional and technical capacity to design, supervise and implement investment projects that consider disaster and climate risks. The Project will be implemented in 17 provinces from different geographical regions those have been affected by wildfires, floods and earthquakes. The project has one main component where social risks and impacts would need to be mitigated and managed carefully. Component-1 will finance engineering assessments, design and supervision consultancies, civil works, outreach and support to users of damaged municipal infrastructure and buildings and hiring of local technical consultants for engineering design and supervision. Based on damage sustained and requests received, the investments under this component will include expansion of stormwater systems, increased municipal capacity to respond to flood and wildfire, restoration of water and wastewater services, restored and resilient transport investments and rehabilitation or reconstruction of municipal buildings. Component 1, through its activities under 1a,1c,1d and 1e will mainly support the infrastructure (water network lines, storm, drinking water, wastewater collection networks, bridges, connection roads and municipal buildings) of the municipalities and Water and Sewerage Utilities that were damaged and need strengthening or to be newly built. Besides, through the activities to be carried out under 1b municipal firefighting services will be strengthened buildings to increase their response capacity for wildfires, floods, storms and earthquakes through procurement of vehicles/equipment and building new firefighting buildings or renewing existing. A majority of the investments to be financed under Component-1 will support expansion, rehabilitation and restoration of infrastructures and also reconstruction/construction/retrofitting of new buildings. Therefore, no major resettlement and land acquisition issues are expected. There may be some potential access restrictions and construction-induced impacts on the adjacent lands and fixed assets. As none of the exact designs and locations of the subprojects to be supported under the Project are yet known, a RF will be prepared for the Project to be able to manage any potential and unexpected land acquisition impacts and risks. Other risks could include: construction related impacts on CHS such as dust emissions, noise, vibration, increased traffic and potential accidents, spreading of the COVID-19 infection; economic displacement&temporary involuntary land take impacts; involvement of multi-stakeholders and delicate coordination & engagement needs as well as the additional E&S management capacity needed on ILBANK and municipalities to be involved in the Project. Labor influx risk is estimated as low. The majority of workforce is anticipated to be Turkish, and the project will undertake efforts to use local workforce for unskilled jobs for most sub-projects. The risk of forced labor is not expected. Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks associated with civil works are assessed as low. The national law and legislation on SEA/SH is in place and it includes robust measures for addressing SEA/SH risks, including Codes of Conduct for employees and contractors.

## **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 generate environmental benefits from the demolition, retrofit, and construction works and purchase of goods to be used for disaster management, urban transportation and environmental infrastructure to be realized in cities damaged by the earthquake and flash floods. These benefits will include reduced vulnerability to disaster, and climate risks from structural strengthening and resilient measures reduced energy consumption intensity and



associated costs from energy-efficient measures, and less interrupted and better access to municipal infrastructure services from the project activities. However, during the implementation phase, there will be environmental risks due to retrofit, and construction activities, which will be implemented in the Project municipalities. The potential adverse environmental risks and impacts associated with the proposed activities will include emissions of dust and vehicle exhausts impacting air quality; noise and vibration causing disturbances; generation of hazardous (including ACM) and non-hazardous waste; OHS-related risks due to unsafe practices; traffic and road-related risks from increased traffic volume and movement of heavy-duty vehicles; closure of roads and blockades of sidewalks and access to certain public facilities; and risks of spreading COVID-19 infection. As the project will involve the demolition of many damaged buildings and structures, the cumulative waste generated from removing rubles may be significant causing substantial risks to the environment and requiring an assessment of whether the municipalities have the capacity to manage these wastes and/or whether alternative approaches will be required. The project will not support any subprojects or activities that will adversely impact Biodiversity and Protected Areas and Cultural Heritage (CH) sites. Similarly, the project will not support any subprojects or activities assessed as High risk and any subprojects or activities that trigger the policy on Projects on International Waterways (OP 7.50). Measures will be put in place to ensure these subprojects are excluded from the project scope.

While potential project activities are planned, the specific subprojects and their exact locations and design are not yet identified and there are some significant environmental and social risks. Thus, the project will prepare, disclose, consult upon, redisclose, adopt and implement a project-level Environmental and Social Management Framework (ESMF) - which establishes requirements and procedures for the identification, assessment and management of the environmental and social risks and impacts of subprojects, including screening criteria for classification of subprojects in terms of environmental and social risk, and to guide the development of environmental and social assessments and/or management plans for subprojects that require them - in a manner acceptable to the Bank. Since the project is being prepared as an emergency operation, the ESMF will be disclosed no later than 30 days after the Loan effective date. It will be prepared based on the applicable requirements of the Turkish national laws and regulations, the WB's ESF and its ESSs, WB Group's Environmental Health and Safety (WBG's EHS) General and sector-specific (if applicable) Guidelines, and Good International Industrial Practices (GIIP). If there are gaps among the different requirements and standards, the most stringent ones will be applied to the project. The key gaps between the national legislation and WB ESF are the requirements of environmental and OHS management plans, Grievance Mechanism (GM), and the absence of E&S assessment obligations for the activities to be carried out within the project scope. The ESMF content will include: (a) a general baseline analysis of Turkey and the municipalities of concern, including an assessment of the beneficiary municipalities' existing waste- and storm water, and solid waste management systems, and the gaps between WB ESSs requirements and national regulations; (b) description of proposed subproject types; (c) assessments of the potential E&S risks and impacts and well-known generic mitigation measures for proposed investments (including the assessment of social risks associated with the housing retrofit and reconstruction program and mitigation measures); (d) criteria and guidelines for screening out subprojects that will impact cultural heritage (CH) sites, biodiversity and Protected Areas, and/or be assessed as High risk; (e) guidelines and procedures for conducting E&S Impact Assessment (ESIA); (f) guidelines for and content outlines of subproject-specific ESA documents, including a template for generic mitigation measures for repairs, structural strengthening and, demolition/reconstruction of moderately damaged buildings under component 1 activities; outlines of the ESMPs, ESMP Checklists and additional management plans that may be deemed necessary based on the initial assessments, including updates to municipalities' existing Waste Management Plans, Hazardous Waste Management Plans, Traffic Management Plans, OHS Management Plan, etc.; (g) description and requirements for the monitoring



plan and implementing responsibilities for site-specific ESMPs, ESMP Checklists and sub-management plans; (h) guidance on Chance Find Procedure; and (i) proposed ESMF implementing arrangements, and necessary ESF capacity building activities for the PIUs and participating entities. The ESMF will also include an Exclusion List that would screen out High risk projects, projects having significant adverse impacts on cultural heritage, critical habitats, etc.

Moreover, the ESMF (and LMP) will include a section specifying the necessary actions to address health and safety risks related to COVID 19, in line with the national guidelines and WB Note on “COVID-19 considerations in construction/civil works projects.” The ESMF document will include the LMP and a summary of the SEP and project GM details. Site-specific E&S instruments will be identified and prepared based on the initial E&S assessments under the ESMF and additional ESAs if deemed necessary. The site-specific instruments will be required, which may include ESIA, ESMPs and ESMP Checklists (and possibly, sectoral management plans as specified above); they will be initiated once the exact subproject technical details are finalized, and completed and disclosed before the completion of respective bidding document packages for each subproject. The Project will also support rapid response to future disasters through a funded CERC Component (CERC). A standalone CERC-ESMF will be prepared and disclosed prior to CERC activation and be implemented throughout the CERC component timeframe.

The project is expected to result in both positive and negative social impacts. Positive impacts are mainly related to the responding urgent needs of municipalities to undertake urgent repairs, structural strengthening, and if needed demolition/reconstruction of damaged municipal buildings and infrastructure and to put in place measures aimed at disaster preparedness and climate adaptation. The improvement of disaster risk management capacity and infrastructure and services is very critical since the recent disasters resulted in significant damage to private and public buildings and municipal infrastructure, leaving residents homeless, displacing municipal employees and disrupting the provision of critical social and medical services. The Project will address the urgent repair needs and strengthening measures to prevent further damages and suffering of people. Main adverse social impacts under the project may include potential economic displacement and temporary involuntary land take impacts; restriction of land use and access; construction related impacts on community health and safety (CHS), such as dust emissions, noise, vibration, increased traffic and potential accidents; labor risks related to OHS and CHS due to civil works expected under the project. Since the project aims to support the restoration and reconstruction of damaged municipal infrastructure and buildings, any resettlement or land acquisition impacts are expected to be low. All proposed sub-projects will be screened in terms of resettlement and land acquisition requirements as well as other social impacts and relevant ESF instruments such as ESIA, RP, SEP etc. will be prepared and implemented in accordance with the ESMF and RF to be prepared for the Project.

### **ESS10 Stakeholder Engagement and Information Disclosure**

During the preparation of the Project level SEP by Ilbank, the initial stakeholder identification and mapping has been carried out. The major stakeholders will be the disaster-affected people and the municipalities, local communities of the provinces included in the project who will be affected by the construction related impacts, legal and illegal users of the lands who will be affected by the construction activities, workers of the municipal building (including fire fighting buildings), vulnerable groups (women, elder, youth, people with disabilities) and the provincial and district level government institutions who will be engaged by the municipalities during project implementation.

According to the EIA Regulation of Turkey, the construction activities to be carried out within the scope of the Project, including the demolition and reconstruction of public buildings do not fall into the Annex lists of EIA



Regulation. Thus, the scope of the project activities is exempt from the national EIA process; which means there is no formal stakeholder engagement process required under national legislation. Therefore, the PIUs will prepare SEPs for the subprojects for which they will be responsible, in line with the project level Stakeholder Engagement Plan (SEP) prepared by ILBANK.

The project level SEP, prepared by ILBANK, outlines the process, procedures, and methods of consultations with various stakeholders and the project grievance mechanism (GM) in order to design, plan and implement the project activities of the PIUs throughout the project life cycle. The SEP also considers the potential virtual consultation methods and approach under the Covid-19 situation. The SEP will be publicly disclosed prior to project appraisal. Based on the SEP, the PIUs will specify the stakeholders prior to project implementation of specific investments and consult with them as required to ensure continuous and accurate information flow during implementation. The PIUs will conduct a series of consultations with relevant stakeholders in order to get their views and preferences in the design and implementation of the project.

As with other E&S requirements, the progress of engagement activities and any documents or tools produced under the SEP will be disclosed publicly and regularly reported to the Bank via project progress reports.

The SEP process requires consultation and dissemination of project-related information (including social and environmental risks and impacts) with all identified and potential stakeholders/beneficiaries of the Project, where and when necessary. In case stakeholders (internal or external) who may be considered vulnerable (in terms of gender, disability, age, etc.) are identified during the project implementation, the SEPs will need to be updated, and other ESA documents should define the tools and method to engage with and include measures to avoid adverse impacts to these groups and provide benefits, where possible.

ILBANK has an established and functioning GM of which implementation is under the overall responsibility of the Department of International Relations. The GM is accessible to anyone, any group, institution or organization including ILBANK staff who wishes to provide feedback or raise concerns on ILBANK projects funded by different IFIs. ILBANK also prepared a GM Policy and Procedure in close collaboration with the Bank team; and the PMU is responsible for the dissemination and implementation of the policy. ILBANK will use this GM to receive, assess and resolve the grievances to be received within the scope of the Project.

## **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**

The project will comprise considerable civil works and various types of project workers. Hence, the ESS2 on Labor and Working Conditions applies.

Project workers will include direct workers, contracted workers, primary supply workers, and civil servants. The project will prepare an LMP that describes working terms and conditions; principles of non-discrimination and equality of opportunity; establishment of workers' organizations; restrictions concerning child and prohibitions of forced labor; and a workers' grievance mechanism.



For Occupational Health and Safety (OHS), Turkey has undergone a reform in recent years to improve its national OHS system by adapting a set of international and regional standards into its national-level requirements. In addition to ILO ratification, Turkey has also passed Law No. 6331 on Occupational Health and Safety in 2012. The OHS Law governs workplace environments and industries (both public and private) as well as all classes of employees including part-time workers, interns, and apprentices. The legislation is comprehensive and is generally applicable across all sectors and many industries. The Ministry of Labor, Family, and Social Services has a Labor Inspectorate that enforces the law and conduct regular OHS and labor audits. The construction contractors shall be subject to national OHS legislation.

The project will generate several OHS risks associated with repair/rehabilitation, demolition, and construction activities, including emissions of dust, noise, and vehicle exhausts, generation of hazardous (including ACM) and non-hazardous waste, traffic-related risks, risks of spreading/contracting COVID-19 virus, and risks of accidents and injuries when working at heights, working with heavy and electrical machinery and equipment, and working in areas with unbarricaded/uncovered holes, etc. The ESMF will assess specific OHS risks associated with proposed subprojects and identify appropriate risk management and mitigation measures, following the applicable requirements of the national policies, ESS2, WBG's EHS General and sector-specific (if applicable) Guidelines, and WB's interim guidance on COVID-19 Considerations in Construction/Civil works. Furthermore, the ESMF will prescribe the procedure for identifying, removing, storing, and transporting hazardous materials, including asbestos-containing material (ACM), along with the requirements for the protection and training of on-site workers. OHS-related risks and mitigation measures will be elaborated in detail in site-specific ESIA reports, ESMPs and/or ESMP Checklists consistent with the principles and procedures prescribed in the ESMF and applicable requirements of the national policies, ESS2, WBG's EHS General and sector-specific (if applicable) Guidelines, and WB's interim guidance on COVID-19 Considerations in Construction/Civil works. Furthermore, - all projects with civil works will require contractor OHS Management Plans, commensurate with the risks and impacts. Additional management plans such as Traffic Management Plans may be required as deemed necessary through initial assessments included in the ESMF. The project will also include measures to address SEA/SH risks for employees, including Codes of Conduct, training and outreach. ILBANK's GM will also handle labor complaints and suggestions (including inquiries for information or whistle-blower complaints). For each sub-project, the Contractors are required to establish, maintain and monitor GMs for contracted workers.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

This standard is relevant. The project will address resource efficiency and pollution prevention and management measures through the project lifecycle consistent with WB ESF and GIIP to ensure sustainable use of resources and minimizing adverse impacts on human health and the environment. Project activities, including demolition, repair/rehabilitation, and construction of municipal infrastructures, will entail the use of energy, water, and materials such as sand, cement, timber, etc. The potential risks and impacts of sub-project activities during the demolition and construction phase include noise and dust emissions and the generation of construction wastes, including hazardous (i.e., ACM) and non-hazardous waste. Beneficiary municipalities are fully responsible for transporting and recycling/disposing of all non-hazardous and hazardous wastes.

The ESMF will identify and assess all the potential risks and impacts associated with material use and waste generation of all subprojects and determine if additional management plans are necessary based on the initial assessments, including updates to beneficiary municipalities' existing Waste Management Plans and Hazardous Waste Management Plans. Generic risk and impact management and mitigation measures will be laid out in the ESMF



and further elaborated in detail in site-specific instruments, following applicable national regulations, ESS3 and the ESF's mitigation hierarchy, WBG's EHS General, and sector-specific (if applicable) guidelines, and GIIP. The Project aims to reduce carbon emissions in municipal buildings by investing in: (a) EE through insulation, improved lighting, modern and efficient heating and cooling systems; (b) exploration of rooftop solar and other renewable energy solutions; and (c) promotion of zero waste initiatives in municipal buildings. Where technically and financially feasible, the opportunities for energy and resource efficiency and climate resilience and adaptation will be sought throughout project preparation and implementation. In the current design, the project will support the incorporation of energy-efficient measures, renewable energy solutions and other measures to address climate change risks, if feasible, in the retrofit and new construction of municipal infrastructure such as pumping stations and wastewater treatment plants. The ESMF will also include guidance for assessing in detail the current cities' waste management system and determine if the municipalities have the capacity to manage these wastes and, if not, which updates or alternative approaches may be required to address the incremental risks and impacts.

### ESS4 Community Health and Safety

This standard is relevant. The potential risks and impacts on community safety and health (CSH) are associated with the proposed demolition, retrofit, and construction activities under the project. These potential risks and impacts include emissions of dust, noise, odor, and vehicle exhausts; traffic jams and traffic and road safety risks due to increased traffic volume and movements of heavy-duty vehicles; risks of accidents and injuries posed by uncovered or unbarricaded open holes and exposed electric cables; temporary road blockades and closures; temporary blocks of access to certain municipal buildings/facilities; increased waste and wastewater generation (including hazardous waste like ACM); and potential disruptions to local communities and increasing pressure on public services due to potential influx of construction workers and presence of workers camps. Community's potential exposure to waste (including hazardous waste), stagnant water, wastewater, particulate matters, and construction workers may lead to increased risks of health issues, including water-borne and vector-borne diseases (resulting from poor site management), and communicable diseases relating to labor influx (i.e., COVID-19 virus, HIV/AIDS, and STDs). Exposure to hazardous materials (including ACM) and chemicals used/stored by contractors also poses CSH-related risks. The project is not expected to affect ecosystem services, and security arrangements for personnel and property protection during sub-project implementation are currently unknown.

The ESMF and site-specific ESMFs and/or ESMP Checklists will assess the risks and impacts to the health and safety of project-affected communities, including groups that might be vulnerable. These instruments will also detail management and mitigation measures to secure community health and safety during construction and operations, as well as monitoring and reporting requirements. Separate Community Health and Safety (CHS) Plans may be developed in consultation with the local communities, in the case of potential significant impacts on communities, including residential areas, schools, and hospitals, etc., as assessed in the ESMF. When preparing E&S instruments, particular attention should be given to i) avoiding and minimizing exposure to project-related traffic and road safety risks; ii) identifying risks associated with physical hazards, such as uncovered, unbarricaded and no signage excavated sites, trenches, open holes, open electric cables, etc. and specifying CHS measures; iii) assessing the likelihood of excessive noise and dust emission and potential exposure to hazardous waste (including ACM) and proposing mitigation measures (i.e., dust control, notification of risks to communities, clear procedures for handling hazardous waste); iv) preparing an emergency preparedness and response plan when applicable; and v) in case of negative impacts of labor influx in urban areas, assessing the risks of communicable diseases, Gender-Based Violence (GBV), and SEA/SH and putting in place adequate mitigation measures depending on the GBV/SEA/SH and disease-related



risk assessment. If during the project’s life cycle, the PIUs or their contractors decide to employ security personnel to safeguard the staff and properties, the arrangements regarding hiring, rules of conduct, training, equipping, and monitoring of such workers shall be guided by the principles of proportionality and GIIP, and applicable national regulations to minimize any potential risks and impacts on CHS. If the Project engages security forces, the Borrower will prepare sub-project level security management plans consistent with the requirements of ESS4, in a manner acceptable to the Bank.

Appropriate experts shall be involved with the project considering that it will take place in a high-risk location prone to earthquakes and floods and the repaired and new buildings and structures shall be adapted to improve disaster and climate resilience. These experts should also be engaged in the assessment that might be required to address these risks. In addition, functional upgrades and the design and construction of new buildings and structures will be in accordance with national requirements, the WBG EHS Guidelines, and GIIP, and take into consideration safety risks to third parties and affected communities and support those with disabilities to ensure universal access. Climate change impacts will also be taken into considerations; for example, buildings located in flood-prone locations will not be financed by the project.

Furthermore, this project will also generate certain environmental and social benefits to the local communities since the proposed repair and new construction will incorporate energy-efficient measures and renewable energy solutions (if feasible), structural strengthening, and other climate and disaster-resilient measures. These interventions will potentially help increase savings from reduced energy use, increase comfort level, and reduce communities' vulnerabilities. Care will be exercised so that vulnerable groups will not be excluded from project benefits or face disproportionately significant adverse impacts from planned urban regeneration and disaster resilience activities.

Labor influx is anticipated to be low for the project. However, the risks of labor influx will be detailed and addressed both in the ESMF and LMP, through appropriate risk management measures identified. As the unemployment rate has been high, an unskilled workforce is expected to be utilized in certain works and hence, there will be certain measures (additional training, induction training, code of conduct, and additional health and safety measures) proposed under the LMP and also the contractor-level sub-management plans for work in these construction sites.

### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

This standard is relevant as some of the Project activities such as expansion, rehabilitation and restoration of infrastructures and also reconstruction/construction/retrofitting of new buildings may result in limited land acquisition and land use restrictions. Since sub-project details are not expected to be available until after Board approval, the project will prepare and disclose a Resettlement Framework (RF) no later than 30 days after project Effectiveness which will clarify resettlement principles and set out the entitlement matrix , implementing arrangements for RPs, and design criteria to be applied to sub-projects to be prepared under the project. The RF will be finalized by the date of project effectiveness.

The RF will comprise a gap analysis between Turkish resettlement and expropriation laws, and the WB requirements under ESS5. The gaps will be identified, and measures will be put in place to bridge these gaps in order to ensure that any land acquisition and resettlement under the project will be based on the Turkish legal framework as well as being compliant with ESS5. Major gaps may be compensation and livelihood support mechanisms for informal users, those affected PAPs with title-deed issues whose livelihoods may be affected by the project, and whose compensation may not all be covered under the national laws. Non-land-induced livelihood losses will be assessed and mitigated under the ESMF and relevant ESIA's.



Subproject-specific RPs will be prepared as relevant, which will also include a detailed livelihood restoration option and a grievance mechanism. Such RPs will have to be extensively consulted, cleared by the WB, and implemented before the acquired land-related assets are taken in possession by the relevant public agency. In addition, livelihood restoration and improvement programs will commence in a timely fashion to ensure that affected persons are able to take advantage of these as needs arise.

### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

This standard is relevant. The activities of rehabilitation and reconstruction within the existing footprint will be mostly concentrated in urban and peri-urban landscapes and involve repairs, demolition and construction of moderately damaged buildings. The likelihood of impacting natural habitats and biodiversity is low. However, the details of the sub-project areas of the municipal infrastructures (i.e., crossings, and wastewater and stormwater lines) have not yet been assessed and could potentially be located outside of existing public lands; therefore, they could impact biodiversity and its supporting habitats. When selecting the locations of the infrastructures, the PIU shall avoid all types of sensitive habitats, potential overlap with Key Biodiversity Areas, Important Bird Areas, nationally protected areas, critical habitats, and areas on IUCN Lists. An initial screening of the area surrounding Izmir revealed the presence of a protected area and eight Key Biodiversity Areas within a 50 km radius of the city center. Any sub-projects that overlap with those areas or impact natural habitats (including critical habitats) will not be ineligible for financing. The ESMF will include specific criteria for screening out these subprojects.

If the locations of municipal infrastructure are outside currently existing modified landscapes, site-specific ESA documents should be prepared and include analysis of flora and fauna species, habitats, and identification of any potential impacts on biodiversity. The risks should be addressed in a robust and comprehensive site-specific ESMP, following the mitigation hierarchy and precautionary approach. The ESA should also include an assessment of the system and verification practices used by primary suppliers and assess the potential impacts of Project-financed construction materials such as timber, sand, gravel, stones, etc.

For municipal infrastructure investments under Component 1, the ESMF shall include a detailed assessment of sub-project activities' risks and impacts to natural habitats (including both modified and critical), taking into account adverse impacts on aquatic ecosystems during construction and operation of the project area of influence. The assessment should include potential direct, indirect, and cumulative impacts on key biodiversity and aquatic ecosystem, and the appropriate measures to avoid, mitigate, minimize or compensate for such disturbances. The project will avoid the discharge of wastewater/sewage to or in the proximity of any critical natural habitat or area of high biodiversity value.

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

This standard is not relevant since there are no groups or communities in Turkey who meet the definition of this standard.

### **ESS8 Cultural Heritage**

This standard is relevant. Although the project will not finance subprojects that rehabilitate/involve Cultural Heritage (CH) sites, there are chances that CH could be encountered when the proposed project activities, especially those that include excavation and earthworks, are implemented. The ESMF will include criteria and a screening mechanism



to ensure that the project will not finance any subprojects that involve the CH sites or any subprojects that may cause impacts on them. The ESMF will also include an outline of a Chance Find Procedure and guidelines on mitigation measures in case of potential impacts on CH. The Chance Find Procedure and mitigation guidelines will be included in site-specific ESMPs for all earth-moving sub-projects, especially for the proposed activities on urban infrastructure, including construction of waste and storm water pipelines, pumping stations and retention ponds. These procedures and guidelines will be followed in all cases of previously unknown CH encountered during project activities and included in all project's construction contracts that involve excavation, demolition, movement of earth, flooding, and/or any other changes to the physical environment.

### **ESS9 Financial Intermediaries**

This standard is relevant. ILBANK will act in the capacity of a Financial Intermediary (FI), transferring the funds received by IBRD to the Project municipalities through the sub-loan agreements and providing support and oversight to the PIUs. ILBANK currently has no E&S Policy or a formal E&S Management system (ESMS) in place to manage the E&S risks of its financing activities, but it has an environmental and social team – led by a Senior Manager in the International Affairs Department – which has been supervising E&S due diligence for Bank-financed projects based on a project-specific E&S Management Framework (ESMF) developed for a municipal project, along with limited elements of an ESMS. ILBANK also has an established and functioning Grievance Mechanism (GM). ILBANK is in the process of developing an ESMS – which requires some substantive work – with support from Bank E&S specialists to manage the E&S risks of its lending activities. The ESMS will be adopted no later than 60 days after the project becomes Effective. In the meantime, ILBANK – with the Bank's no-objection – will provide on-lending for Low risk sub-projects for which the E&S due diligence will be carried out in accordance with national law and the requirements of the SEP. No Moderate or Substantial risk sub-projects will be financed by the project until the ESMS is established and the E&S instruments are cleared and disclosed. The project is not financing on-lending for high risk sub-projects.

The PMU established under the International Relations Department of ILBANK is responsible to ensure that PIUs work in full compliance with this project's ESMF and the eventual ESMS to be adopted, and that sub-project specific E&S documents are prepared and implemented in compliance with the national legislation, the Bank's ESF requirements, WBG's EHS General and sector-specific (if applicable) guidelines, and GIIP. These framework documents will be integrated into the Project Operational Manual (POM) and the core elements will be included in the PAD and the Project Loan Agreement. The ESMF and RF may require that site-specific environmental and social assessment (ESA) and/or ESMPs, RPs and other E&S documents are prepared for relevant sub-projects, and these will become a part of the sub-loan agreements between ILBANK and the Project municipalities. Through these sub-loan agreements, ILBANK and the WB will manage and oversee sub-projects in compliance with the WB's environmental and social requirements.

The ILBANK PMU will provide guidance and support the PIUs in the screening of sub-projects to determine their respective E&S risks. Before reaching a final agreement on the E&S risks, the ILBANK PMU will consult with the Bank's E&S specialists for the final decision. Depending on the sub-project risk rating, the appropriate E&S instrument will be prepared. ILBANK will also undertake the initial review of the subproject E&S instruments, but the Bank will provide prior reviews and approval for sub-projects before the ESMF is disclosed and ESMS adopted; afterwards the Bank will do prior review for the first five sub-projects screened as Low or Moderate risk. All substantial sub-projects will be reviewed by the Bank, which will provide a no-objection for the relevant environmental and social assessment documents. After site visits and evaluation of E&S documents, the ILBANK team, based on progress and supervision



reports presented by the PIUs will prepare semiannual progress reports for the Bank which will include analysis of E&S performance under the sub-projects.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?** No

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

NA

**IV. CONTACT POINTS**

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**Implementing Agency(ies)**

Implementing Agency: Iller Bankas? A.S. (Ilbank)

**V. FOR MORE INFORMATION CONTACT**

Public Disclosure



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## VI. APPROVAL

Task Team Leader(s):	Ahmet Kindap, Joanna Mclean Masic, Alanna Leigh Simpson
Practice Manager (ENR/Social)	Anne Olufunke Asaolu Cleared on 21-Jan-2022 at 08:16:1 GMT-05:00
Safeguards Advisor ESSA	Sunrita Sarkar (SAESSA) Concurred on 24-Jan-2022 at 13:22:49 GMT-05:00