



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

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

Date Prepared/Updated: 11/27/2019 | Report No: ESRSA00365



**BASIC INFORMATION**

**A. Basic Project Data**

|                                     |   |                          |                            |
|-------------------------------------|---|--------------------------|----------------------------|
| Country                             | Region  | Project ID               | Parent Project ID (if any) |
| Turkey                              | EUROPE AND CENTRAL ASIA                                   | P171456                  |                            |
| Project Name                        | Social Entrepreneurship, Empowerment and Cohesion Project |                          |                            |
| Practice Area (Lead)                | Financing Instrument                                      | Estimated Appraisal Date | Estimated Board Date       |
| Social                              | Investment Project Financing                              | 11/22/2019               | 12/17/2019                 |
| Borrower(s)                         | Implementing Agency(ies)                                  |                          |                            |
| Ministry of Industry and Technology | Ministry of Industry and Technology                       |                          |                            |

Proposed Development Objective(s)

The PDO is to improve women’s livelihoods and social cohesion for refugees and host communities in target areas in Turkey.

| Financing (in USD Million) | Amount       |
|----------------------------|--------------|
| <b>Total Project Cost</b>  | <b>47.44</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]**

As of August 2019, nearly 3.5 million Syrian refugees (97 percent) were living among host communities in Turkey, the country hosting the largest number of refugees globally. Turkey has adopted a developmental approach, pursuing policies that have granted displaced Syrians access to services and to the labor market. Despite the highly responsive efforts of the Government of Turkey, there are also emerging concerns regarding social cohesion in refugee hosting communities with declines in trust, acceptance, and belonging. In 2016, Turkey established the Emergency Social Safety Net (ESSN) program to address the basic needs of its refugee population, with financial support from the European Union’s Facility for Refugees in Turkey (FRIT). In December 2018, the government developed an ESSN exit strategy to move toward more developmental approaches that help refugees pursue an independent socio-economic



life in Turkey. The exit strategy proposes inclusive business and employment models that link refugees to economic opportunities to build self-reliance and strengthen their resilience. Social enterprises play an important role in the government’s vision, presenting an innovative opportunity that can bring about the dual benefit of jobs for refugees and host community members while focusing on local social needs and benefits.

Building on the experience of social enterprises in Turkey to date, the project will be implemented through three components. Component 1 will finance activities to support social entrepreneurship in refugee and host communities, including training and support services for entrepreneurs and sub-grants for incubation or acceleration of social enterprises. In order to develop sustainable micro-enterprises, women (and other vulnerable) social entrepreneurs supported under Component 1 will need to access a range of supporting facilities at the community level. Component 2 will establish a platform for target beneficiaries to prioritize the local livelihoods facilities needed to support their social enterprises and provide sub-grants for these facilities. Component 3 will finance a set of activities aimed at building the capacity of key stakeholders and support project management, M&E and communication. The Ministry of Industry and Technology will be the grant recipient of the European Commission Facility for Refugees in Turkey and the implementing agency for the project, delegating responsibilities for the implementation of Components 1 and 2 to five regional Development Agencies (DAs) in southeastern Turkey covering 11 provinces that host large numbers of Syrian refugees. The beneficiaries of the project will be refugees and host community members in provinces with high numbers of ESSN beneficiaries. In total, at least 70 percent of direct project beneficiaries will be female. Key results include the percentage of refugees and host community beneficiaries reporting that (a) social enterprise, and/or (b) livelihoods-related facilities have improved social cohesion, percentage of project beneficiaries reporting that social enterprise interventions met their needs, and percentage of beneficiaries with improved access to livelihood facilities that support social enterprises.

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

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

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]  
Turkey is both a transit and reception country for migrants and refugees and, globally, the country hosts the highest number of refugees.

Despite the highly responsive efforts of the Turkish government, there are emerging concerns regarding social cohesion in a number of affected communities. In 2017 and 2018, social cohesion within communities hosting Syrians



measured by trust, acceptance and belonging reportedly declined due to protracted nature of the displacement crisis, the decreasing likelihood of near-term return, economic stresses on communities due to declining economic performance within Turkey, enduring cultural and social distance between refugees and host communities, and broader regional political volatility. Perceptions that Syrians outcompete hosts for low-wage jobs and are pushing rents up, perceived violations of social norms by displaced communities, and perceived preferential access to public services and assistance for Syrians have also contributed to deteriorating social cohesion in host areas. The language barrier is among the most important factors hindering socio-economic harmonization, especially for women and children.

Refugees generally live in a limited number of urban and peri-urban neighborhoods in target provinces. In Gaziantep for instance, refugees have settled in less-well developed communities on the outskirts, in Sahinbey, Sehitkamil, Nizip and Islahiye districts. While the neighborhoods in the municipalities covered by the project are generally provided with basic services and infrastructure (such as roads, water, sewerage and solid waste management), other services such as child care facilities or kindergartens, and access to workshop facilities market places, are either unavailable or only partially available in most of the project locations.

Only 31,185 Syrians had received work permits by March 2019. The low number of work permits issued is indicative of the information, language, and skills barriers facing the refugees, and may also be explained by location-related disincentives as changing registration location is a cumbersome and costly administrative procedure and may also result in foregoing other social benefits. As a result, more than two thirds of Syrian households are unable to rely on predictable job opportunities and those who work in the informal sector may face exploitation and poor working conditions.

Women refugees are particularly disadvantaged, often placing their children at greater risk. In 2019, 1,664,480 Syrian women (45%) are registered under temporary protection. 48 percent of them are under the age of 18, and another 48 percent are between 18-60 years of age. A World Bank assessment (2017) sheds light on the change in intra-household dynamics and patriarchal codes within displaced Syrian communities in Turkey. The pressure to work often affects women and children, specifically forcing families to exploit child labor. Syrian patriarchal practices expected the male to be the sole bread-winner of the family. However, after the influx to Turkey, due to the absence of some male household heads and rising unemployment among displaced men, many women need to secure a livelihood. Tensions, and domestic/intimate partner violence, within families are reported. Children are also often employed informally particularly within single parent households. More male than female children are reportedly working, at the expense of their education and future economic prospects.

Syrian refugees are participating in the Turkish economy by establishing their own businesses – five Syrian businesses are established each working day. There is emerging evidence that, despite the struggle to obtain employment, displaced Syrians in Turkey are contributing positively to the local economy and to the creation of new enterprises. Many MSMEs have been established as start-ups in Turkey, owned by either Syrians or run jointly by Turkish citizens and Syrians. The total number of Syrian-owned businesses in Turkey, including informal (unregistered) ones, is estimated to be more than 10,000, constituting almost one fifth of the foreign-owned companies in the country. According to a recent report, 39 percent of Syrian entrepreneurs plan to establish an additional business in Turkey, and 76 percent intend to retain their businesses in Turkey while expanding their businesses in Syria. As of June 2019, there were 15,160 companies in Turkey with at least one Syrian refugee partner. Estimates put total Syrian capital invested in Turkey at US\$1.0-1.5 billion.



Against this context, the project seeks to support a sustainable socially-oriented business model in which women and youth from refugee and host communities generate an income from self-employment and small-scale economic activity through: (i) provision of subgrants to individuals to address the lack of access to finance; (ii) an accompanying intensive training, mentoring and coaching component to underpin entrepreneurship activities; and (iii) capacity building and facilitation activities for refugees and host communities to engage in participatory decision-making processes over local needs and priorities for livelihoods-related facilities and support for community facilities (such as kindergartens and childcare facilities, child-friendly spaces, refurbishment of incubation facilities, workshops and kitchens, market facilities and virtual platforms) in target areas to address the specific barriers women face in their entry into, and sustained engagement in, income-earning activity. At least 70 percent of direct beneficiaries will be female and in equal numbers from refugee and host communities. 30 percent will be youth (both women and men, aged 18-29).

The project will also promote social cohesion and trust-building between refugees and host communities around socio-economic outcomes from: (i) collaboration through social entrepreneurship, joint businesses, interactive training and coaching; (ii) language skills development to overcome communication and cultural barriers; (iii) increased participation of refugees and host communities in decision making at livelihoods facilities; and (iv) use of livelihoods facilities and social enterprises as avenues for enhanced interaction and trust-building across communities.

The selected/target provinces are the most refugee-impacted areas, where there is a total of 2.15 million Syrian refugees (as of August 2019) residing (i.e. Adana, Mersin, Gaziantep, Adiyaman, Kilis, Mardin, Hatay, Osmaniye, Kahramanmaraş, Diyarbakır, and Sanliurfa). The project will not cover the Temporary Accommodation Centers but will rather focus on the refugee communities residing in mainly urban settlements.

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

The recipient of ECDF grant and the project implementing agency is the Ministry of Industry and Technology (MoIT) and it will delegate its responsibilities for the implementation of Components 1 and 2 to five regional Development Agencies (DAs): Cukurova DA, Dicle (Tigris) DA, Dogu Akdeniz (Eastern Mediterranean) DA, Ipekyolu (Silkroad)DA, and Karacadag DA. MoIT was established in 2018 with the mandate to determine policies toward science, technology and innovation in line with industrial, economic, social development and national security policies and strategies. Through DAs and other financing mechanisms, MoIT provides financial and technical support to entrepreneurs and SMEs. Key staff have moved from the Ministry of Development to MoIT, which had previously limited experience with World Bank-financed projects (TA on Regional Investment Climate Assessment) and working with DAs. Neither MoIT nor the DAs have designated capacity for environmental and social risk management. In addition, the MoIT and DAs have not worked directly on refugee-related issues, hence, there is a need for a capacity building program for the MoIT's and DAs staff who will be working in this project.

MoIT will establish a dedicated Project Implementation Unit (PIU) for the purposes of project management and coordination, and appoint a dedicated Project Coordinator. MoIT will ensure overall compliance with the provisions of a Project Operations Manual (POM) which will establish the guidelines for, and overseeing the implementation of, Components 1 and 2, as well as the implementation responsibility for consistency with the applicable environmental and social standards, procurement, financial management, M&E and overall coordination. The leadership,



coordination and communication/visibility function of the project team will be critical. MoIT will implement Component 3, which includes the capacity building function. The PIU will draw on the staff and capabilities of a number of MoIT departments, and will assign staff or appoint consultants for technical oversight (e.g. on social entrepreneurship and gender for instance). MoIT will also appoint qualified social and environmental staff in order to meet the Bank’s ESF requirements. Depending on the needs, DAs may also hire one environmental and social staff to ensure implementation and monitoring are in line with the ESF. The MoIT will draw on its robust monitoring and evaluation system that tracks financing, progress, results and sustainability, with additional measures as necessary to monitor environmental and social performance of the project. MoIT and DAs will receive training on the implementation of the Bank’s ESF before project implementation starts. There will be funds available for institutional capacity-strengthening and project management for MoIT and DAs under Component 3.

The DA will utilize project funds to appoint qualified Community Implementing Partners (CIPs) with experience of community-level action in their localities, incubation/acceleration support services, grant-making, community development and institutional capacity building. CIP responsibilities will include mobilization of refugee and host community members, training and mentoring activities for incubation and acceleration, disbursing grants to new and existing social entrepreneurs and post-creation supporting services (included under Component 1), and the community mobilization and social cohesion activities envisaged under Component 2. The CIPs will be responsible for the implementation of Component 1B subgrants. The CIPs will have the supervisory role and be responsible to the DAs to ensure that skills and business training provided to project beneficiaries leads to positive employment outcomes for project beneficiaries. CIPs will receive training in the ESF and the project arrangements on environmental and social risk management before start of work.

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

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

Substantial

#### Environmental Risk Rating

Moderate

The environmental risk is rated as Moderate. The activities to be financed through grants are mainly to promote entrepreneurship among refugee and host communities for starting up new, or expanding socially and environmentally-oriented businesses. Given that project funds under Component 2 may be used for small works (such as small construction, retrofitting, refurbishment and IT infrastructure) to improve the social and economic infrastructure for the target groups, the environmental impacts are expected to be small/moderate, limited to the activity sites and temporary. More specifically, some noise, dust, increased traffic and waste generation is expected from small-scale works such as simple construction, refurbishment, and retrofitting. The impacts will be mitigated by application of the environmental and social review procedures to be described in the Environmental and Social Management Framework (ESMF) and integrated into the POM and Sub-Grant Manual (SGM).

#### Social Risk Rating

Substantial

The social risk is rated as Substantial. While intrinsic social risks of the project are moderate, contextual factors contribute to the substantial risk. The project is expected to have positive impacts on vulnerable groups as its main target groups are mainly women and youth from refugee and host communities. It aims to improve livelihood opportunities, inclusion and social cohesion among these groups. The project is not expected to cause direct



irreversible or unmanageable impacts, as the project will exclude from sub-grant and livelihood support financing any activities causing land acquisition, involuntary resettlement and impacts on cultural heritage. Impacts on community health and safety are expected to be low to moderate and will be managed by adhering to mitigation measures included in the ESMF, including a Code of Conduct for construction workers; Occupational Health and Safety risks such as injuries and fatalities during small civil works are expected to be minor due to limited scale and short duration of construction works to be financed under the Project. Child and forced labor are reported to be observed among Syrian refugees and in some industries in Turkey. The risk will be mitigated with procedures included in the ESMF, with more details to be provided in the SGM which will explicitly exclude any activities which involve child and forced labor. While grants are used, DAs together with the CIPs will have the supervisory role to ensure that the grant is utilized as per the SGM and employees who are hired by the social enterprises are registered to the national social security system with appropriate work permits. Contextual risks stemming from geopolitical context and existing social tensions are considered substantial which will be mitigated through various measures built in project designs as well as in the ESMF and sub project ESMPs. The project SEP will be implemented from project start to completion will define various strategies to engage with separate stakeholders in addition to employing communications specialists to prevent any social tension. In addition, participatory assessments will be also utilized in monitoring and evaluation activities to help tailor project support to the needs of potential beneficiaries, helping further avoid disruption in social cohesion. Due to cultural gender norms, women may lack interest and willingness to engage in the project. Risks related to gender based violence directly related to the Project (sexual exploitation and abuse/sexual harassment (SEA/SH)) is deemed to be low, although domestic/intimate partner violence is reported among Syrian refugees which may be unintentionally exacerbated as a result of changes in intra-household relationships as a result of the Project. Such risks will be mitigated through monitoring of the Code of Conduct, training sessions on SEA/SH and SEA/SH sensitive GRM, as provided under the drafts of ESMF and SEP. MoIT and the DAs are new counterparts for the World Bank and will be working with the World Bank on socio-economic issues impacting refugees and host communities for the first time.

The project will include male partners of women in the the beneficiary outreach activities in order to ensure full participation of women and prevent dropouts that may occur due to intrahousehold conflict in decision making. The environmental and social screening and monitoring procedures are included in the draft ESMF, LMP and SEP, and will be integrated into the POM and SGM. Whenever sub-grantees are selected, the DAs will ensure that the Environmental and Social Screening Checklists are filled out properly by the CIPs who will be directly providing technical and financial support to beneficiaries.

## **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 activities to be financed through Component 1 will mainly promote entrepreneurs for starting up new, or expanding socially and environmentally-oriented businesses. The project will have positive social impacts by contributing to the livelihoods and empowerment of women and youth in refugee and host communities and improving or at least preventing disruptions in social cohesion. The project aims to assist women and youth to engage



in micro-businesses in sectors such as agricultural production, food production, small manufacturing, textile and garments, arts and crafts, social services and clean products. The social enterprises and people to be employed by them are the project beneficiaries. These social enterprises shall follow applicable national labor and employment legislation, including those related to child and forced labor, and measures provided in the ESMF. Potential risks related to child and forced labor will be mitigated with procedures included in the ESMF, with more details to be provided in the SGM which will explicitly exclude any activities which involve child and forced labor.

Under Component 2, the project will provide subgrants for the refurbishment, extension or upgrade of unused public buildings to be used as community livelihoods-related facilities. It is likely that it will include kindergartens and childcare facilities, child-friendly spaces, refurbishment of incubation facilities, workshops and kitchens, market facilities and virtual platforms but these will be selected according to the beneficiary-led process. DAs will implement these subprojects through the 'guided project support' instrument. Given that project funds under Component 2 may be used for small works (such as small construction on public land, retrofitting, refurbishment and IT infrastructure) to improve the social and economic infrastructure for the target groups, limited environmental impacts are expected. These impacts may include noise, dust and waste management that are confined to small works such as simple construction, refurbishment, retrofitting. The subprojects will be identified during project implementation. The Project Operations Manual (POM) will set out the details of all procedures and technical aspects of each project component, including ESF related procedures and the M&E requirements and reporting procedures. The project will employ various ways to prioritize, incentivize and target youth, women and Syrian refugees and these are described in the Project Appraisal Document and eligibility criteria will be detailed further in the POM.

MoIT has prepared a draft ESMF to manage environmental and social impacts and risks. The environmental and social procedures defined in the ESMF will be adopted in to the Sub-Grant Manual (SGM) to guide the process for sub-grant provisions under Component 1 by the DAs. The SGM will be developed by the MoIT and approved by the Bank as part of the POM before project effectiveness. The SGM will be a condition of disbursement. The draft ESMF includes the environmental and social review procedures and a template of a checklist environmental and social management plan (ESMP) to be used for low/moderate risk subprojects including small civil works under Component 2.

The draft ESMF includes an list of ineligible activities. Subgrant beneficiaries will not be allowed to engage in: (i) commercial activities affecting habitats and trade in species prohibited within the framework of CITES Convention; (ii) release of genetically modified organisms to wildlife; (iii) production, distribution and sales of prohibited pesticides (that fall under the World Health Organization's Recommended Classification of Pesticides by Hazard Classes 1a (extremely hazardous) and 1b (highly hazardous), or Annexes A and B of the Stockholm Convention, or restricted by Government of Turkey) and herbicides; (iv) trawl fishing; (v) radioactive products; (vi) hazardous waste storage, processing and disposal; (vii) production of equipment and materials containing CFC, halone and other substances regulated under Montreal Protocol; (viii) manufacturing of electrical equipment containing more than 0.005% PCB in weight; (ix) manufacturing of asbestos containing products; (x) nuclear reactors and parts; (xi) unprocessed tobacco and tobacco processing machinery. The ESMF will be consulted with stakeholders and disclosed in the country by project effectiveness as committed to in the Environmental and Social Commitment Plan (ESCP) of the recipient (MoIT).



The project will exclude any subgrant that has impact on biodiversity and cultural heritage and takes place in any natural or critical habitat (relevant to ESS 6 and 8). Real estate purchase and reconstruction works, requiring land acquisition, will also be excluded. Subgrants will be used for consultancy services, equipment and goods and for minor refurbishment/ construction. The site-specific environmental impacts regarding pollution prevention will be discussed in detail in the site-specific ESMPs (mainly ESMP checklists) since the impacts and risks are dependent on the type of construction.

Stakeholder engagement risk is considered to be substantial because of social tensions that are reported to exist in some project areas as Syrian refugee influx is seen by local population as intensifying competition for jobs and access to services. In order to address the risk, the Project will provide assistance both to eligible host community members as well as Syrian refugees. Also, a Stakeholder Engagement Plan (SEP) was prepared to guide meaningful consultations with different stakeholders and project beneficiaries, incorporate their voices into project implementation, and prevent the risk of the Project unintentionally causing social disruption between host communities and Syrian refugee communities, and within each of the communities. The SEP requires a proactive communication and stakeholder engagement strategy throughout the implementation of the project. DAs and MoIT will develop a targeted communication strategy about the Project, including the eligibility criteria and subgrant selection process. The MoIT and DAs will also establish a project-level Grievance Redress Mechanism (GRM) before the project effectiveness. The draft SEP was disclosed on November 13, 2019 and consultations took place with on November 25 and 26, 2019. The SEP will be updated with inputs from consultations and redisclosed as final. The SEP will be a living document and will be updated once GRM details are clear before project effectiveness, and as needed during project implementation.

Since this project is being processed under a condensed procedure per World Bank Policy on Investment Financing Paragraph 12 due to the urgent need to mitigate rising pressures on service delivery from the continual influx of people across the border and from camps to cities and also the urgent need to support them to become self-resilient and reliant through appropriate socio-economic integration tools, a preliminary environmental and social assessment based on existing data was conducted. The objective of the preliminary environmental and social risk assessment is to identify the types and the likely scale of environmental and social risks and impacts associated with the Project as inputs to the project design, and to on-going consultations with stakeholders. The result of the preliminary environmental and social assessment was used to develop a preliminary draft Environmental and Social Management Framework (ESMF), a preliminary draft Labor Management Procedure (LMP) and an advanced draft Stakeholder Engagement Plan (SEP), which will continue to be updated as the project design continues to evolve. The preliminary drafts of E&S instruments (ESMF, LMP and SEP) will be disclosed for stakeholders consultations and finalized before Project effectiveness.

The preparation of this ESRS was informed by: 1) the review of project design documents, 2) consultations with CSOs and women from Syrian refugee and host communities, which have been carried out before project Appraisal; interviews with key stakeholders, including staff from MoIT and DAs; and, 3) review of the existing UN and World Bank social assessments carried out in the past two years in the field and beneficiary assessments as following: [4] International Crisis Group. 2018. 'Turkey's Syrian Refugees: Defusing Metropolitan Tensions' Europe Report N°248. A 2018 WFP survey cites 75 percent of Turkish respondents do not agree that they can live in peace with Syrians and a majority opposes the rights to access jobs or for Syrians to start their own businesses (73%). WFP,



Social Cohesion in Turkey: Refugee and host community online survey, rounds 1-2-3, July 2018. Available at: <https://data2.unhcr.org/en/documents/download/70022>

[5] World Food Programme (WFP). 2018. Social Cohesion in Turkey: Refugee and host community online survey, rounds 1-2-3. Available at: <https://data2.unhcr.org/en/documents/download/70022>

[6] Murat Erdogan. 2017. Syrians-Barometer-2017: A Framework for Achieving Social Cohesion with Syrians in Turkey. Available at: <https://mmuraterdogan.files.wordpress.com/2016/06/syrians-barometer-executive-summary.pdf>

[7] UN Women and the Association for Solidarity with Asylum Seekers and Migrants (ASAM). 2018. Needs Assessment of Syrian Women and Girls Under Temporary Protection Status in Turkey.

[8] Murat Erdoğan (2017): Syrians-Barometer-2017: A Framework for Achieving Social Cohesion with Syrians in Turkey; International Crisis Group (2018): Turkey's Syrian Refugees - Defusing Metropolitan Tensions; UN Women and ASAM (2018): Needs Assessment of Syrian Women and Girls Under Temporary Protection Status in Turkey.

[9] Inter-Agency Coordination Turkey. Regional Refugee Resilience Plan 2019-2020 Turkey Chapter. 2018. Outcome Monitoring Report.

[10] World Bank (2019). Vulnerability and Protection of Refugees in Turkey.

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

Prior to appraisal, MoIT has prepared an advanced draft Stakeholder Engagement Plan (SEP), which identifies: (a) the key stakeholders; (b) means of sharing and disclosing information to the stakeholders ; (ci) frequency of the engagement of project stakeholders and beneficiaries throughout the project; d) feedback mechanisms; e) responsible units/organizations with this engagement; and f) timeline for the engagement. The process of stakeholder engagement has begun during preparation and will continue into project implementation. The draft SEP was disclosed on November 13, 2019 and consultations took place on November 25 and 26, 2019 by MoIT in Ankara. The SEP will be updated with inputs from consultations and re-disclosed as final before appraisal completion. The draft SEP will continue to be updated as the project design evolves and details about the project GRM become clear, and re-disclosed for consultations once again before project effectiveness. The SEP will be revised as needed during project implementation.

The SEP has identified main stakeholder groups as: (1) Project Affected People: Women and youth from host and refugee communities, male household members, community members, community leaders (mukhtars), children of refugee and host community families, social enterprises, people employed by social enterprises, existing community businesses, buyers of goods and users of services provided by the social enterprises. (2) Other interested parties: a) MoIT, Ministry of Trade, Ministry of Family, Labor and Social Services, Ministry of Education, Directorate General for Migration Management, DAs, municipal authorities of 11 target cities, Small and Medium Enterprise Development Agency (KOSGEB ), FRIT Coordination office at Presidency of the Republic of Turkey, Strategy and Budget Office of Presidency as Government Authorities. b) Private sector - existing social enterprises, other enterprises, contractors, chambers of commerce and industry. c) FRIT Project Steering Committee, CIPs, local and international NGOs as project implementing partners. d) International development partners such as but not limited to EU Delegation to Turkey, WB, UNHCR, UNDP, ILO , IOM, GIZ, Turkish Red Crescent, ICMPD and other bilateral organizations operating in the refugee protection and livelihood improvement field and e) Media.



A functional GRM will be established based on the principles laid out in the draft SEP and described in the final SEP and the POM, before project effectiveness to ensure grant recipients can share feedback and/or express grievances in both Turkish and Arabic languages. The project GRM will include a channel to receive and address SEA/SH related complaints. Currently, both the Ministry and the DAs have a preliminary feedback mechanism in place where grant beneficiaries in their current programs can submit any feedback, requests, questions or complaints via phone, website or formal letter. In addition, the Presidency's CIMER (Public Communication Center) are accessible and functional for any Turkish citizen. YIMER, which is the Public Communication Center for the foreigners in the country managed by Ministry of Interior, is open to all foreigners, including the Syrians. However, the current GRM applied by the DAs will need to be upgraded and tailored for the project to ensure accessibility of the Syrian refugees including through allowing inquiries and grievances to be submitted in Arabic. The GRM and stakeholder engagement will need to be available in both Turkish and Arabic languages.

Under current practice, DAs have a targeted communications strategy throughout the life-cycle of the grant programs they implement. By law, DAs have different local stakeholders on their board (such as representatives of the union of commerce, mayor, governor, universities, local NGOs and local business organizations). The DAs will also engage with CSOs, which will act as CIPs, specifically on refugee and migrant issues, to promote outreach of the grant programs and will continue close cooperation and coordination of various agencies and institutions for implementation and follow up of project activities. In disseminating project related information to the direct beneficiaries from refugee and host communities, both Ministry and the DAs will employ competent personnel and use various engagement tools that are specified in the project's SEP. Both Syrian refugee and host communities will be consulted on detailed information about the Project and concrete E&S measures when they become available, before effectiveness. Stakeholder engagement and, specifically, beneficiary engagement is key to the success of the project and building awareness among the target groups. In particular, stakeholder engagement activities will ensure that men and women of all ages are empowered to voice their views and concerns. Specifically, refugees and host community members will be involved in participatory needs assessments, in the participatory decision-making over the form of capacity building most suited to their needs (e.g. training, coaching, mentoring), identifying livelihoods-related facilities and support for community facilities through participatory planning with municipalities and to provide feedback on the quality of the training and mentoring services. The SEP will be closely coordinated with the citizen engagement objectives of the project throughout implementation in order to ensure inclusion of the vulnerable groups in project implementation.

As a part of the Component 3, the project will develop institutional capacity for stakeholder engagement during implementation in order to minimize the risk of social tension and competing interests of communities who would like to benefit from the grants. In addition, depending on the nature of any potential social tensions on the ground, development agencies will undertake targeted and pro-active public communications campaign specialized for both refugee and host communities to emphasize the mutual socio-economic benefits of the project. Since the project is funded under the EU's FRIT funds, EU visibility and communications plan is being prepared and will interact in line with the project's SEP.

## **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**

This standard is relevant. Project workers include direct workers , contracted workers and primary supply workers. Direct workers are employees of PIU which include MoIT staff, employees of DAs and consultants hired by the PIU for the project purposes. MoIT staff are regulated by the Civil Servant’s Act No. 657, whereas the consultants are not civil servants. Employees of DAs are not civil servants, but public workers with open-ended contracts regulated by the Turkish Labor Code 4857. Contracted workers are (i) workers engaged by CIPs who will likely be local NGOs; (ii) workers engaged by construction contractors to carry out small-scale civil works; and (iii) trainers and other service provider firms which will be hired under the project to deliver various project activities. Primary supply workers may be workers engaged by the firms providing construction materials to be used for minor civil works. Workers engaged by the social enterprises to be supported under the Component 1 are project beneficiaries and measures to protect them are included in the ESMF per ESS1.

A preliminary draft LMP has been prepared by MoIT, which will be further refined and finalized before project effectiveness , based on the results of the on-going needs assessment of the beneficiaries and of DAs which may affect content of the LMP. The LMP will apply to all project workers. MoIT and DAs will ensure that small scale civil works contractors comply with the policies and procedures included in the LMP and ESMF. The LMP includes a proposed Code of Conduct for project workers as a measure to prevent any potential risks related to SEA/SH. The final LMP will include principles and procedures for workers’ grievance mechanism, which will be prepared before project effectiveness. The GRM will be designed in such way to enable reporting on any cases of child and forced labor.

Turkey is party to a multitude of ILO conventions, including but not limited to conventions on equal treatment of employees, gender equality, child labor, forced labor, OHS, right of association and minimum wage. The national Labor Code (No. 4857) is to a great extent consistent with the main requirements of the ESS2. Any potential gaps between the national laws and ESS2 will be addressed by the LMP. In recent years, Turkey has undergone a reform to improve its national OHS system by adapting a set of international and regional standards into its national level requirements for the prevention of occupational risks. In addition to ILO ratification, Turkey has also passed a law specific to OHS (i.e. 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 categories of employees including part-time workers, interns, and apprentices. The legislation is comprehensive and is generally applicable across all sectors and many industries. Labor Inspectorate, which is a part of the Ministry of Labor, Family and Social Services, enforces labor and OHS laws, and conducts regular OHS and labor audits. For any construction works under Component 2 , the construction contractors shall be subject to national OHS legislation and ESS2. MoIT and relevant DAs will ensure integration of the provisions regarding OHS into the site-specific ESMPs as indicated in the ESMF. Contractors will be contractually obligated to abide by the safety and labor standards.

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

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The sub-grant applicants will be encouraged to use sub-grant proceeds for energy/water/raw material efficiency improvement in their existing facilities or establish new facilities with most efficient equipment, to the extent technically and financially feasible. Under Component 2, sub-grants for livelihood facilities will also be targeted at improving energy efficiency to the extent technically and financially feasible, as part of the upgrade of infrastructure (e.g. for community centers). In addition, community mobilization activities supported by the project will include awareness-raising on the implications of climate change and training of women as focal points in energy efficiency in order to increase resilience of participating communities.

#### **ESS4 Community Health and Safety**

The project design would limit the types of activities that may be supported with sub-grants so as to minimize potential negative impacts on community health and safety.

For physical structures (e.g. childcare facilities, production or maker spaces), checks for seismic resilience will be part of standard construction approval and oversight. Furthermore, during small construction works, the sites will be protected against trespassing of public, with appropriate signage and fencing. Furthermore, emergency preparedness and response plans will be established, where required. During refurbishment and retrofitting activities, local community members will be informed about construction schedule and works to be conducted. Where technically and financially feasible, the DAs and municipalities will also apply the concept of universal access to the design, refurbishment and construction of such facilities as well as to other grant services and capacity building activities defined under Component 1 .

Labor influx risks and impacts are not expected. The project will make efforts to hire local workers for the small-scale civil works under the Component 2. Social enterprises to be supported under the Component 1 may hire employees, but the number of employees will be small and most if not all of them will be hired locally.

LMP includes Code of Conduct applicable to project workers. Among other issues, Code of Conduct will prohibit behaviors which may lead to sexual exploitation and abuse (SEA).

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

This standard will not be relevant. Simple small scale construction that may be financed under the Component 2 will only be allowed on publicly owned land plots, and any activity that involves land acquisition, restrictions on land use, asset loss and physical displacement will be excluded from activities eligible for project support. The check list included in the draft ESMF will be used to exclude such activities.



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

Not relevant. Project will exclude any subgrants that has an impact on biodiversity and takes place in any natural and critical habitats.

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

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

**ESS8 Cultural Heritage**

Not relevant. The project will exclude any subgrant that has an impact on cultural heritage.

**ESS9 Financial Intermediaries**

Not relevant. The project does not involve Financial Intermediaries as defined by ESS 9.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways**

No

**OP 7.60 Projects in Disputed Areas**

No

**III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)**

| DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED  | TIMELINE |
|---|----------|
| <b>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</b>  |          |
| <b>1.1 ENVIRONMENTAL AND SOCIAL ASSESSMENT</b><br>Complete and disclose the Environmental and Social Management Framework satisfactory to the Bank by Effectiveness.<br><br>1.2 Include detailed environmental and social risk mitigation measures as described in ESMF/ESMPs, POM and/ or SEP in Sub-grant manuals and bidding documents of contract | 03/2020  |
| <b>1.3 ORGANIZATIONAL STRUCTURE</b><br>Establish and maintain a PIU with qualified staff and resources to support management of E&S risks,  | 03/2020  |

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|   |         |
|---|---------|
| qualified social and environmental staff responsible for the day-to-day implementation of the ESMF, SEP and LMP.  |         |
| <b>1.4 ENVIRONMENTAL AND SOCIAL MONITORING</b><br>Regularly monitor the implementation of the Environmental and Social Management Framework.<br>Ensure supervision or ESMP implementation by DAs throughout duration of civil works.<br>Ensure timely reporting of grievances for each sub project. | 12/2024 |
| <b>ESS 10 Stakeholder Engagement and Information Disclosure</b>   |         |
| <b>10.1 SEP PREPARATION AND IMPLEMENTATION</b><br>Finalize, disclose and adopt SEP by effectiveness and monitor its implementation through the project life.<br>Assign a social specialist to oversee the stakeholder engagement activities defined in SEP  | 03/2020 |
| <b>10.2 PROJECT GRIEVANCE MECHANISM</b><br>Prepare and adopt a three-level GRM as described in the SEP by the project effectiveness and operate it throughout the project implementation.<br>Ensure a GRM is established at DA and also CIP level.  | 03/2020 |
| <b>10.3 INFORMATION DISCLOSURE</b><br>Ensure project information disclosure to stakeholders and project beneficiaries in the relevant local languages, in a manner accessible and culturally appropriate, considering any specific needs of groups.   | 12/2024 |
| <b>ESS 2 Labor and Working Conditions</b>   |         |
| <b>2.1. LABOR MANAGEMENT PROCEDURES:</b><br>Finalize the Labor Management Procedures by the Project effectiveness and apply them throughout the project implementation. LMP will include age verification procedure.  | 03/2020 |
| <b>2.2 GRIEVANCE MECHANISM FOR PROJECT WORKERS:</b><br>Establish, maintain and operate a GRM for project workers, as described in the LMP and consistent with ESS2. The grievance mechanism will enable reporting on any cases of child/force labor.  | 03/2020 |
| <b>ESS 3 Resource Efficiency and Pollution Prevention and Management</b>  |         |
| Implement resource efficiency and pollution prevention and management measures per the sub-project specific ESMPs to be prepared as per the ESMF.   | 12/2024 |
| <b>ESS 4 Community Health and Safety</b>  |         |
| Implement community health and safety measures per the sub-project specific ESMPs to be prepared as per the ESMF.   | 12/2024 |
| <b>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</b>  |         |



|   |         |
|---|---------|
| Include in the ESMF and the Sub-Grant Manual procedures and criteria of social screening to exclude any activities that may cause physical or economic displacement, including a screening form | 03/2020 |
| ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources  |         |
| ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities   |         |
| ESS 8 Cultural Heritage   |         |
| ESS 9 Financial Intermediaries  |         |

**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:**

No areas are considered for use of Borrower Framework

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Ministry of Industry and Technology

**Implementing Agency(ies)**

Implementing Agency: Ministry of Industry and Technology

**V. FOR MORE INFORMATION CONTACT**

Public Disclosure



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## **VI. APPROVAL**

|                         |  |
|-------------------------|--|
| Task Team Leader(s):    | Janelle Plummer, Holly Welborn Benner                              |
| Safeguards Advisor ESSA | Darejan Kapanadze (SAESSA) Concurred on 28-Nov-2019 at 05:24:9 EST |