



Luxembourg, 12.07.23

Environmental and Social Data Sheet

Overview

Project Name:	<i>EARTHQUAKE RECONSTRUCTION FRAMEWORK LOAN</i>
Project Number:	<i>2023-0153</i>
Country:	<i>Türkiye</i>
Project Description:	<i>The Project is designed as a framework loan for the provinces affected by the earthquakes in south-eastern Türkiye in February 2023. The project concerns rehabilitation, construction and extension of drinking water, sewerage and stormwater networks as well as drinking water, wastewater treatment plants, purchase and installation of water utilities' smart systems, machinery and equipment.</i>
EIA required:	This is a Framework Loan operation. Some of the schemes may require an EIA.
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The operation concerns the promoter's (ILBANK, the bank of municipalities) capital investments and technical assistance needed to reconstruct and recover the affected areas after the 06.02.23 two earthquakes suffered in south-eastern Türkiye.

As an affiliate to the Ministry of Environment Urbanization and Climate Change (MoEUCC), ILBANK, as institution financing environmental and basic needs of the regions, is responsible for the application of various laws and regulations including the Environment Law, the Expropriation Law, the Resettlement Law and Water legislation.

The loan of EIB Global is structured as a framework loan concerning investments in six regions, among the seventeen affected by the earthquakes. The project beneficiaries will be public water utilities, municipalities and ultimately the population, both in the most affected cities, where population remained and infrastructure needs to be urgently reconstructed, as well as in less affected cities that are hosting internally displaced people. The reconstruction and recovery activities will support basic municipal infrastructure with the aim of restoring normal living conditions for 3.3 m internally displaced people and over 1.7 m Syrian refugees already living in the affected areas. In the overall affected region counting over 15 m inhabitants, the project will benefit cities with ca. 6 m people.

The current pipeline includes around thirty sub-projects (schemes) on rehabilitation, construction or extension of drinking water, sewerage and stormwater networks as well as drinking water, wastewater plants, purchase and installation of water utilities' smart systems, machinery and equipment. The project will ensure the continuous access to compliant potable water and sanitation in line with the applicable EU Directives. The sub-projects will be selected following a need assessment and prioritization methodology.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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Compliance with applicable Environmental Legislation

The main legal framework in which Public Water Utilities and municipalities providing the services operate includes the main laws harmonized with EU directives (drinking water, wastewater urban and industrial treatment, pollution control, groundwater).

Investments in water systems will contribute to improving the quality of the water supplied and treated, as required by the Drinking Water Directive 98/83/EC and Urban Wastewater Treatment Directive 91/271/EEC.

The main Water Authority in Türkiye is the General Directorate of Water Management, affiliated to the Ministry of Agriculture and Forestry. Among its remit there is the determination of policies related to protection, improvement and usage of water resources, to provide coordination of water management at national and international level and to prepare the river basin management plans (RBMP). Currently, nine RBMP have been completed and six are ongoing, out of the 25 river basins in the country. The areas affected by the earthquakes lie mainly within three basins: Ceyhan, Asi and Euphrates-Tigris.

The Ministry of Environment Urbanization and Climate Change (MoEUCC) is the responsible organization for the implementation of policies for protection and conservation of the environment. The latest EIA Regulation has recently been published in the Official Gazette dated July 29th, 2022 (nr 31907). The EIA Regulation classifies projects, like in the equivalent EU directive, into two categories:

- Annex-I projects: These are projects that have significant potential impacts and require an EIA study. Annex I of the EIA Regulation lists these project types, so project promoters are expected to directly start the EIA procedure without need for a prior screening process.
- Annex-II projects: Annex II of the EIA regulation covers the projects that may or may not have significant effects on the environment. Promoters of Annex II projects are required to submit a Project Information File (PIF) to the Ministry of Environment Urbanization and Climate Change (MoEUCC)

It is expected that, depending on the scope, sub-projects would fall either under Annex II (i.e., be subject to screening by the Competent Authority – MoEUCC) or outside the scope. Therefore, some of them might require a full ESIA. At this stage only two Wastewater Treatment plants (WWTP) may require an environmental and social ((E&S) impact assessment. No impact is foreseen in terms of transboundary waters.

The sub-projects including wastewater treatment components are expected to result in the reduction of related GHG emissions. Although at this stage no WWTP triggers the carbon footprint threshold of +/- 20 000 Ton CO₂/y, an initial estimation of the overall impact of this operation, for the part of the EIB loan, results in greenhouse gas savings (mainly through enhanced wastewater treatment) of around 40 000 Ton CO₂/y.

Environmental Impacts

The schemes are expected to have minor negative impacts during construction and minor residual impacts during the operational phase. Most schemes will be located in urban environments, on the existing main routes of water mains and sewers and/ or within the perimeter of existing facilities. According to the promoter information received, project schemes are not likely to have negative impacts on nature conservation areas. Nevertheless, compliance with the National Biodiversity and Habitats Legislation and its alignment with the EU Habitats and Birds Directives (92/43/EEC, 2009/147/EC) and EIB E&S Standards will be further checked during assessment of individual schemes, before allocation.

It is expected overall, that the operation will have positive impacts, specially from pollution prevention in water bodies through improved or new wastewater treatment plants, savings in water through improvement in efficiency of the new and rehabilitated networks and GHG savings also through WWTPs.

The project is considered Paris Aligned and compliant with the EIB Climate Road Map.



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Promoter's E&S capacity

The promoter has experience in management of environmental and social plans and is familiar with the application of other international financing institutions' standards. However, given the unique nature and scale of the tasks, technical assistance is still required and will be made available to support the Promoter in the preparation and implementation of the schemes. The technical assistance will also support the promoter in setting up an environmental and social monitoring and reporting system.

Social Assessment

Based on the information provided to the Bank, the potential schemes are not likely to trigger any large land acquisition and/ or any permanent physical or economic displacement. Works will be kept as much as possible along the existing rights of way (for buried assets) and within the perimeters of existing facilities. All schemes are expected to have a positive impact on the living conditions of the inhabitants. In addition, the investment will provide job opportunities during the works phase.

Compliance with EIB's standards will be further checked during assessment of individual schemes, before their allocation to schemes under the project. The technical assistance will support the promoter in screening the schemes against the EIB social standards.

Public Consultation and Stakeholder Engagement

For all schemes, the promoter will be requested to conduct an identification and analysis of stakeholders exercise and put in place an effective grievance mechanism. For projects requiring an ESIA, the promoter will be required to develop a stakeholder engagement plan, consistent with the level of E&S risks and impacts anticipated in the ESIA.

The operation takes place in a context and area characterized by the presence of internally displaced persons (IDPs) as a result of the earthquakes. The promoter will take actions so that that IDPs have the opportunity to equally participate in public consultations and engagement activities related to the project and have equal access to its benefits.

Other Environmental and Social Aspects

Overall, the outcome of the operation is expected to be beneficial to IDPs, among others, as it should facilitate their (re)integration in their initial or new places of settlement.

Conclusions and Recommendations

Given that detailed information on the sub-projects is not available at this stage, the environmental and social impacts and mitigants will be evaluated at allocation stage. The Bank will require the Promoter implement the sub-projects according to EIB environmental and social standards. The Promoter shall provide the Bank proof of no negative impacts on biodiversity or that the appropriate mitigation measures are being taken according to the applicable national law, EU relevant legislation and EIB E&S Standards.

Conditions for second disbursement:

- The Promoter commits to produce to the satisfaction of the bank an Environmental and Social Management Framework (ESMF) as well as Resettlement Policy Framework (RPF), Labour management Procedures (LMP) and Stakeholder Engagement Plan (SEP) including the Grievance Mechanism (GM).



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Conditions for all disbursements:

- The Promoter shall seek ex-ante, the Bank's approval and allocation of the schemes to be financed on the basis of completed and duly signed fiches (the draft template for which is provided in Appendix A3). Fiches shall contain information on the technical, environmental, and economical criteria, inclusive of the procurement plan, EIA and/ or screening decision and the assessment of impact on areas of nature conservation where applicable, as well as any additional information required by the Bank. For projects over EUR 5 million investment amount, a complete feasibility study to the satisfaction of the Bank will be required, also ex-ante.
- The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to national law aligned with EU EIA related Directives without, prior to commitment, receiving the consent from the competent authority, and the EIA having been made available to the public, for publication on EIB's website.
- For the whole Framework Loan and dedicated ESIA's for sub-projects falling under Annex I or screened-in under Annex II or deemed necessary on the basis of Annex 1A of the Standard#1 from EIB E&S standards. The ESIA will include Labour and Health and Safety measures and will be supported by Stakeholders Engagement Plan including the Grievance Mechanism.
- For sub-projects (to be procured as Works) not requiring ESIA, the Promoter will conduct an identification and analysis of stakeholders exercise and put in place an effective Grievance Mechanism.
- For sub-projects entailing physical or economic displacement the promoter will prepare Resettlement Action Plan (RAP) and/ or Livelihood Restoration Plan in line with the RPF.

The following undertakings shall be included in the finance contract:

- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the ESIA, screening decisions, Nature/Biodiversity Assessments, Environmental, Social Management Plans, Resettlement Action Plans and Stakeholder Engagement Plans) to be provided to the Bank upon request. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.
- The Promoter shall implement and operate the Project in compliance with EIB's Environmental and Social Standards, the ESMF and ILO core labour standards, in particular with the inclusion of provisions (for contractors) for the respect of principles of equal treatment and non-discrimination in employment and at the workplace, and equal access for men and women to employment opportunities and grievance mechanism.
- The Promoter shall assure that compensation has been paid to the people affected by the schemes, before start of the relevant works on the project sites, and according to EIB Standards.
- The Promoter commits to have an own standard procedure and an expert on Climate Risk Assessment in place that draws on information from climate projections to systematically screen, assess in detail, classify and reduce physical climate risks in its operations and for managing physical climate risks to the sub-projects of this operation, to the satisfaction of the bank. A dedicated consultancy from EIB loan could be mobilised to fulfil this commitment.
- The Promoter commits to produce to the satisfaction of the bank an Environmental and Social Management System (ESMS).
- Considering the above, the project is acceptable for EIB financing from an environmental and social point of view.