

Environmental and Social Data Sheet

Overview

Project Name: Petlim Port

Project Number: 20140377

Country: Turkey

Project Description:

The project consists of the redevelopment of existing port facilities at the port of Petkim to provide a 1.3 million TEU container terminal. The facilities are located within the port of Aliaga which is to the north of Izmir on the Aegean coast of Turkey

EIA required: yes

Project included in Carbon Footprint Exercise¹: no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project consists of the redevelopment of existing port facilities at the port of Petlim to provide a 1.3 million TEU container terminal. Works consist of the demolition, replacement and extension of quay structures, dredging to deepen port access, reclamation and construction of container yard, construction of a breakwater and removal of existing breakwater, building, road construction. Construction started in 2013 with completion in 2016.

The project has been the subject of two full environmental and social impact assessments (ESIA). The first was undertaken in 2011² in accordance with the Turkish Environmental Law No. 2872. This law is in the process of being harmonised with the appropriate EU directives as part of the nation's pre-accession preparation. The second ESIA was undertaken in 2012³ in accordance with the requirements of the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (2012 version).

The purpose of the IFC ESIA was to review the original ESIA and build on it to provide compliance with international standards as well as national legislation. A gap analysis was undertaken and any gaps identified were filled by undertaking additional field work.

An "EIA Positive Decision" has been granted to the project (decision dated 26/01/2012 and numbered 2400) by the Ministry of Environment and Forestry (now Ministry of Environment and Urbanization and General Directorate of Environmental Impact Assessment, Permission and Auditing).

An Environmental and Social Management Plan (ESMP) has been prepared which complies with all applicable Turkish legislation as well as Equator Principles and relevant IFC guidelines. The ESMP implements internationally recognised best management/industry practices and best available techniques to minimise the potential environmental and social impacts identified by the ESIA during the construction, operation and closure phases

Environmental Disbursement Undertaking

- The Promoter shall ensure that the environmental mitigation measures will be implemented in accordance with the project EIAs and corresponding environmental

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

² Petkim (2011). Port (Pier, Backfill and Wharf Extension) capacity increase. Final Report on Environmental Impact Assessment (National EIA for Petkim port)

³ Petlim (2013) Environmental and Social Impact Assessment Study for Petlim Container Terminal Project

authorisations, and will notify the Bank of any unexpected impact identified during environmental monitoring

Subject to the above undertaking being met the project is considered acceptable to the Bank for financing.

Environmental and Social Assessment

Environmental Assessment

The project is located in a heavily industrialised area adjacent to a major petrochemical plant and no critical species or critical habitats are present in the study area. Impacts on biological components are limited and mainly occur during the construction phase. For this reason special attention should be paid to dredging and sediment disposal activities. Mitigation measures on the terrestrial portion of the study area concerned mainly dust control measure, fauna survey prior to vegetation clearing and progressive reclamation. In the marine portion main measures regard sediment disposal methods and offshore construction techniques.

With regards to the social components, possible impacts could result from immigration of workers, with consequences on the housing market, on infrastructures and on the employment conditions in the area, however, the project also bring benefits to the local economy. The project will have an impact on the visual aesthetic component which cannot be easily mitigated. However, where numerous large-scale industrial facilities are already present the overall impact is much reduced. Mitigation measures include the use of landscaping and revegetation.

To construct the container yard a small hill has to be reduced in height. The EIA has identified concerns regards these works, related to possible soil contamination and the cumulative impact on air quality. A soil characterisation was undertaken before the beginning of the works. Measures are also being taken to minimise the impact of traffic increase on air quality. Mitigation measures are in place for stock piling of soil; drainage system and water treatment measures, sediment disposal techniques and prevention of air and noise pollution. Monitoring measures include water and soil sampling and analysis (especially in area where the use of pollutant substances is expected) and monitoring of sediment accumulation in the inner port area.

No critical species or critical habitats are present in the study area. Fauna and flora species that are found in the area are already impacted by anthropogenic factors. Impacts on biological components are limited and mainly occurring during the construction phase. Dredging and sediment disposal activities are being closely monitored. For the operational phase, the risk of introduction of invasive species, due to the increased marine traffic, is being addressed following the IMO recommendations and guidelines. Mitigation measures on the terrestrial portion of the study area concern mainly dust control measure, fauna survey prior to vegetation clearing and progressive reclamation. In the marine portion main measures concern sediment disposal methods and offshore construction techniques.

Social Assessment, where applicable

As stated above, the main social impact was considered to result from immigration of workers, with consequences for the housing market, for infrastructures and for the employment conditions in the area. However, the project also brings benefits to the local economy. The local town of Aliagar is growing rapidly as other major employment is being established in the area, with a new oil refinery under construction owned by the same promoter. The promoter is aware of the effects of this growth on the community and has provided a new high school for the town.

There may also be a minor impact on the local fishing industry, particularly during the construction phase. On the basis of concerns expressed by stakeholders through engagement activities, Petlim is supporting and promoting a local development strategy in

order to establish positive relationships with stakeholders from the fishing industry and to avoid resentment and grievances from the local community.

Public Consultation and Stakeholder Engagement

A public consultation on the project was undertaken as part of the National ESIA in March 2011.

The purpose of the consultation, which included a public meeting, was to brief the local population on the project, obtain their views on it, and take these into consideration in the development process. The parties most affected by the planned activity are the nearest residential areas, and final users that will benefit from the planned activity.

Stakeholder engagement is continuing during design, construction and operation of the project. The promoter has appointed a Community Relations Officer who is the primary point of contact between the promoter and the local community. A grievance mechanism has been prepared to ensure an open dialogue with local stakeholders