

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	ISBANK CLIMATE CHANGE FACILITY
Project Number:	2012-0037
Country:	Turkey
Project Description:	Framework loan to finance small and medium-sized renewable energy and energy efficiency projects in Turkey.

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The allocations under this intermediated Framework Loan (FL) included: (a) five on-shore wind farms with a cumulative capacity of 103.8MW (with individual capacities ranging from 21 to 45MW), (b) two hydro-power plants (HPPs) with a total capacity of 47MW and (c) a geothermal power plant (GEPP) of 12MW. All projects have been built and are currently in operation.

Each project, to which the Intermediary Bank (IB) allocated EIB funds, was appraised and monitored by the technical consultants hired under the Mid-Size Sustainable Energy Financing Facility (MidSEFF) in Turkey, which is co-financed with the EBRD. The MidSEFF consultant –acting as the Lenders’ engineer- had the responsibility to support the IB in identifying allocations eligible for EIB’s financing, and subsequently to appraise and to monitor the implementation of the projects according to the MidSEFF policy requirements. As part of the due diligence process, the projects were screened in terms of compliance with national legislation and with the MidSEFF policy, which is based on EBRD’s Environmental and Social policy. The consultant and the EIB reviewed the eligibility and E&S compliance of each project prior to allocating the related funds.

With regards to the permitting process, the two HPPs and one wind farm (extension) were screened in for a full EIA Report by the competent authorities in Turkey. The rest of the projects were screened out from the obligation of a full EIA Report.

The EIAs were produced and the projects obtained all necessary permits for the start of construction and for the operational phase.

At the time of implementation of the projects, the Turkish environmental legislation was not fully aligned with EU environmental and social regulation in areas such as cumulative impact assessment (CIA) and stakeholder engagement (not required by Turkish legislation). The identified gaps were addressed through supplementary studies and analyses, which were reviewed or produced by the MidSEFF technical consultants. Supplementary assessments included:

- A CIA was conducted by an external consultant of the sponsors for all projects for which it was deemed necessary, due to their proximity to other RES (renewable energy sources) projects and in some cases because of the extended grid connection works required. The focus of the assessments was on landscape impact, noise emission, tree cutting, biota visual census impact (referring to the HPPs) and dust

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Luxembourg, 28 October 2019

emission during construction. Mitigation measures were proposed for each impact (indicatively: spraying the construction area with water, using the excavated soil as filling material etc.). The CIAs were deemed satisfactory by the MidSEFF consultants involved in the appraisal and monitoring process.

- A visual impact assessment was performed for all projects (by external consultants of the sponsors).
- An Environmental and Social Action Plan (ESAP), as well as a Stakeholder Engagement Plan were developed by the MidSEFF consultant for all projects. Public consultations took place for the construction and/or operation of the plants (also for projects that were screened out from an obligation for an EIA). The MidSEFF consultant monitored the environmental and social actions included in the ESAP.

None of the projects approved for financing under the FL, involved physical resettlement or economic displacement of local population.

EIB notes the following key Environmental and Social aspects to be monitored during operations:

For the wind farms, requirements during the operational phase included bird monitoring and/or noise measurements. The first sets of noise measurements were submitted to the MidSEFF consultant and were found compliant with the limits set by law in Turkey. The MidSEFF consultant reviewed some bird-monitoring reports, which concluded that no significant impact on bird species has occurred due to the projects.

For the HPPs, post construction requirements included flow rate metering, landscape and biota monitoring. Fish protection devices and flow measurement stations were installed at both HPPs.

Concerning the GEPP, the plant entered its operational phase without having implemented Non-Condensed Gases (NCG) emission mitigation measures. Such measures were deemed necessary in order to ensure compliance with the emissions' threshold set in the ESAP. The project's sponsor proceeded with corrective actions and installed a NCG and brine re-injection system, which was inspected by an external consultant hired by the MidSEFF. The emissions' measurements obtained in Q1 2019, indicate that the plant complies with emissions' threshold, as set in the ESAP. Due to the early stage of operation of the NCG abatement system, the Bank will require the results of the emissions' measurements for one more year of operation of the system.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion, based on reports provided by the promoter and by the technical consultants involved in the monitoring process, that the project has been implemented partially in line with EIB Environmental and Social Standards, applicable at the time of appraisal.