

Republic of Turkey

KOSGEB

TÜRKİYE GREEN INDUSTRY PROJECT

(P179255)

Draft

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

March 14, 2023

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The Republic of Türkiye (hereinafter the **Borrower**) will implement the Türkiye Green Industry Project (**the Project**), with the involvement of the Small and Medium Enterprises Development Organization (also known as *Küçük ve Orta Ölçekli İşletmeleri Geliştirme ve Destekleme İdaresi Başkanlığı* or KOSGEB) as set out in the Loan Agreement. The International Bank for Reconstruction and Development hereinafter the Bank has agreed to provide financing for the Project.
2. KOSGEB shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the World Bank. The ESCP is a part of the Loan Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement(s).
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the KOSGEB shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the World Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the World Bank.
4. As agreed by the World Bank and the KOSGEB, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Borrower through KOSGEB and the World Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the World Bank and the KOSGEB PIU director. The KOSGEB shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING		
<p>A</p> <p>REGULAR REPORTING</p> <p>(i) Prepare and submit to the World Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).</p> <p>(ii) Submit to the Bank the first ten (10) Environmental and Social Due Diligence (ESDDs) conducted for the first ten (10) SMEs selected for reimbursable grant support.</p> <p>(iii) Submit to the Bank the first ten (10) Environmental and Social Due Diligence (ESDDs) conducted for the first ten (10) Solar Energy Investments by Industrial SMEs under component 1.1</p> <p>(iv) Submit ESDDs for the largest twenty five (25) amounts by SMEs proposed to receive reimbursable grant support under the Project.</p>	<p>Submit six-monthly reports to the World Bank throughout Project implementation, commencing after the Effective Date of the Loan. Submit each report to the World Bank no later than 15 days after the end of each reporting period.</p> <p>(ii) Submit to the World Bank the first ten (10) ESDDs for review no later than ninety (90) days after the Effective Date.</p> <p>(iii) Submit to the World Bank the first ten (10) ESDDs of solar energy investments by industrial SMEs for a No Objection approval prior to commencement of construction.</p> <p>(iv) On a six-monthly basis, submit to the Bank for review the ESDDs for the largest twenty five (25) amounts by SMEs approved to receive reimbursable grant support under the Project throughout the Project implementation.</p>	<p>KOSGEB Project Implementation Unit (PIU)</p> <p>KOSGEB PIU</p> <p>KOSGEB PIU</p> <p>KOSGEB PIU</p>
<p>B</p> <p>INCIDENTS AND ACCIDENTS</p>		

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>Promptly notify the World Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury. Provide sufficient detail regarding the scope, severity, and possible causes of the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and/or supervising firm, as appropriate.</p> <p>Subsequently, at the World Bank's request, prepare a report on the incident or accident, including Root Cause Analysis (RCA) report and propose any measures to address it and prevent its recurrence.</p>	<p>Notify the World Bank no later than 48 hours after learning of the incident or accident.</p> <p>Provide subsequent report to the World Bank, including RCA, precautions and measures to remediate the incident or accident, no later than 30 calendar days after the notifying the World Bank.</p>	KOSGEB PIU
C	<p>ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)</p> <p>Develop and implement an ESMS which includes a procedure for screening, monitoring and reporting of moderate and low risk activities of the reimbursable grant support beneficiary firms in line with World Bank's ESS 9.</p>	An ESMS, in form and substance acceptable to the Bank shall be developed, disclosed and adopted no later than 30 days after the Effective Date of the Loan.	KOSGEB PIU
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Establish and maintain a PIU with qualified staff and resources to support management of ESHS risks and impacts of the Project including one environmental, one social and one occupational health and safety specialist.</p>	Establish and maintain a PIU, as set out in the Loan Agreement. Hire or appoint one environmental, one social and one occupational health and safety specialist, under the Terms of Reference and qualifications acceptable to the World Bank, no later than 30 days after the Effective Date, and thereof maintain these positions throughout Project implementation.	KOSGEB
1.2	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENT</p>		KOSGEB PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>KOSGEB shall develop, disclose, maintain and implement a satisfactory ESMS, in line with the requirements of ESS9, that is acceptable to the World Bank. The ESMS shall include documents and procedures to ensure that its reimbursable grant support activities are, in the opinion of the Bank, compliant with the WBG Exclusion List, relevant national laws as confirmed by the Bank, and the Environmental and Social Standards.</p> <p>As part of its reimbursable grant support approval process through its Bank-approved ESMS, KOSGEB shall conduct E&S due diligence review of each beneficiary SME in line with the Exclusion List, relevant national laws as confirmed by the Bank, ESSs and eligibility criteria for all potential investments and, where applicable, E&S action plans (ESAP) that shall be developed to address identified gaps following the due diligence review. These reviews shall be conducted by ESMS-trained, SME experts in provincial directorates based on the declarations provided by the SME beneficiaries of the reimbursable grant support.</p> <p>KOSGEB shall present to the Bank for prior review the initial set of ten (10) beneficiaries selected by KOSGEB for reimbursable grant support financing, and ten (10) for solar energy investments under component 1.1 and thereafter during project implementation conduct supervision spot checks of selected MSE beneficiaries of reimbursable support financing.</p>	<p>ESMS, in form and substance acceptable to the Bank, shall be prepared, disclosed and adopted no later than 30 days after the Effective Date of the Loan, and implemented throughout the Project.</p> <p>Where applicable, ESAP documents addressing World Bank ESSs acceptable to World Bank shall be prepared prior to reimbursable grant support is approved by KOSGEB for an individual SME beneficiary.</p>	
1.4	<p>TECHNICAL ASSISTANCE</p> <p>Ensure that the consultancies, studies, capacity building, training, and any other technical assistance activities under the Project are carried out in accordance with terms of reference acceptable to the World Bank, that are consistent with the ESSs. Thereafter ensure that the outputs of such activities comply with the terms of reference.</p>	Throughout Project implementation.	KOSGEB PIU
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Adopt and implement the Labor Management Procedures (LMP) for the Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for Project workers, and applicable requirements for contractors and subcontractors. Ensure that Project workers are informed of and have access to these procedures.</p>	Adopt the LMP no later than 30 days after the Effective Date and thereafter implement the LMP throughout Project implementation and monitor and report its implementation status through progress reports semi-annually (every 6 months).	KOSGEB PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish and operate a grievance mechanism for Project workers, as described in the LMP in line with national laws and consistent with ESS2. The GM shall be adapted to receive and respond to SEA/SH complaints. The GM shall be easily accessible and promptly disclosed to Project workers, in line with ESS2 and national laws.</p>	<p>Establish grievance mechanism prior engaging Project workers, and no later than 30 days after the Effective Date and thereafter maintain and operate it throughout Project implementation and report its implementation status through progress reports semi-annually (every 6 months).</p>	KOSGEB PIU
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	<p>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p> <p>As part of the E&S due diligence (ESDD) to be conducted for each beneficiary SME firm of reimbursable grant support by KOSGEB under action 1.2 above, ESS3 shall be applied within the scope of KOSGEB's ESMS as relevant.</p>	<p>Where assessed as relevant, ESS 3 shall be assessed as part of the ESDD of each SME beneficiary of reimbursable grant support, and ESAPs shall be developed to address identified gaps prior to KOSGEB's approval to extend reimbursable support financing to an SME. This shall be implemented throughout Project implementation</p>	KOSGEB PIU
ESS 4: COMMUNITY HEALTH AND SAFETY [
4.1	<p>COMMUNITY HEALTH AND SAFETY</p> <p>As part of the E&S due diligence (ESDD) to be conducted by KOSGEB for each beneficiary SME firm of reimbursable grant support under action 1.2 above, ESS4 shall be applied within the scope of KOSGEB's ESMS, as relevant.</p>	<p>Where assessed as relevant, ESS4 shall be assessed as part of the SME beneficiary's ESDD, and ESAPs shall be developed to address identified gaps prior to KOSGEB's approval of reimbursable grant support to the SME. This shall be implemented throughout Project implementation</p>	KOSGEB PIU
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
	Not Relevant to the Project		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Not Relevant to the Project		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
	Not Relevant to the Project		
ESS 8: CULTURAL HERITAGE			
	Not Relevant to the Project		
ESS 9: FINANCIAL INTERMEDIARIES			
9.1.	<p>As part of its reimbursable grant support approval process and within its existing reimbursable grant support financing approval framework, KOSGEB shall develop and implement an E&S management system (ESMS) that is acceptable to the Bank. The ESMS, commensurate to the E&S risks of its reimbursable grant support activities, shall include a process with the following key elements:</p> <ul style="list-style-type: none"> (a) An overall strategy and policy commitment; (b) Environmental and Social Procedures with respect to the principles below: <ul style="list-style-type: none"> a. Screening all SMEs proposed for reimbursable grant support against any Exclusion Lists under the Project. b. Screen, review, and categorize all SMEs proposed for reimbursable grant support financing under the Project according to their potential environmental and social risks and impacts, including conducting Environmental and Social Assessment (ESIAs) of supported activities as required by national laws of Türkiye. c. Require that all SMEs proposed for reimbursable grant support under the Project are checked, prepared, and ready to implement relevant national laws and the relevant requirements of the ESSs. d. Ensure that the measures needed to satisfy the requirements of (c) above are set out in the legal agreement between KOSGEB and each SME beneficiary of the reimbursable grant support under the Project. e. Monitor, maintain, and regularly update environmental and social information on each SME beneficiary of reimbursable grant support under the Project. f. Monitor the environmental and social risk of the World Bank supported portfolio. 	An ESMS, in form and substance acceptable to the Bank, shall be developed, disclosed and adopted no later than 30 days after the Effective Date of the Loan.	KOSGEB PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>(c) Organizational Capacity and Competency – KOSGEB shall hire/assign experienced staff including one environmental, one social and one occupational health and safety expert.</p> <p>(d) Provide adequate training and capacity building support for its staff responsible for implementation of the ESMS.</p>		
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</p> <p>Adopt and implement a Stakeholder Engagement Plan (SEP) for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.</p>	Adopt the SEP no later than 30 days after the Effective Date of the Loan, and thereafter implement the SEP throughout Project implementation, and report its implementation status through progress reports semi-annually (every 6 months).	KOSGEB PIU
10.2	<p>PROJECT GRIEVANCE MECHANISM</p> <p>Establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> <p>The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p>	Establish the grievance mechanism no later than 30 days after the Effective Date of the Loan and thereafter maintain and operate the mechanism throughout Project implementation, and report its implementation status through progress reports semi-annually (every 6 months).	KOSGEB PIU
CAPACITY SUPPORT			
CS1	KOSGEB PIU staff to be trained on the environmental and social risk management in the financial intermediary type of operation.	No later than 90 days after the Effective Date of the Loan.	KOSGEB PIU in collaboration with the World Bank.