

**Development and
Investment Bank of Turkey
(TKYB)**

**EMERGENCY FIRM SUPPORT PROJECT
(P174112)**

**Final Revised
ENVIRONMENTAL and SOCIAL
COMMITMENT PLAN (ESCP)**

April 28, 2022

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. Development and Investment Bank of Turkey (TKYB), the Financial Intermediary, will implement the Emergency Firm Support Project (P174112) (the Project), with the involvement of participating financial institutions (PFIs). The International Bank for Reconstruction and Development (hereinafter the Bank) has agreed to provide financing for the Project.
2. TKYB shall implement material measures and actions so that the Project is implemented in accordance with the Environmental and Social Standards (ESSs). This Environmental and Social Commitment Plan (ESCP) sets out material measures and actions, any specific documents or plans, as well as the timing for each of these.
3. TKYB shall also comply with the provisions of any other E&S documents required under the Environmental and Social Framework (ESF) and referred to in this ESCP, Environmental and Social Management System (ESMS), Stakeholder Engagement Plan (SEP), and the timelines specified in those E&S documents.
4. TKYB is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by a Ministry, agency or unit referenced in 1. above.
5. TKYB shall ensure that all Subsidiary Financing for which the use of retroactive financing is proposed has been assessed to be in compliance with the the environmental and social requirements of the TKYB's respective part of the Project under the ESF, as specified in the Loan Agreement and this ESCP, and that all such Subsidiary Financing, and the related Subprojects, are implemented in accordance with all said E&S requirements.
6. Implementation of the material measures and actions set out in this ESCP shall be monitored and reported to the Bank by TKYB as required by the ESCP and the conditions of the legal agreement, and the Bank shall monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.
7. As agreed by the Bank and TKYB, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, TKYB shall agree to the changes with the Bank and shall update the ESCP to reflect such changes. Agreement on changes to the ESCP shall be documented through the exchange of letters signed between TKYB and the Bank. TKYB shall promptly disclose the updated ESCP.
8. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, through the application of its ESMS TKYB shall assess these risks and shall ensure that additional funds are provided, if needed, to implement actions and measures to address such risks and impacts, which may include risks and impacts on labor and working conditions, livelihoods, occupational and community health and safety, and environment.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the environmental and social performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S documents required under the ESCP, stakeholder engagement activities, performance of the grievance mechanism(s) and ESMS implementation.</p> <p>Each PFI shall submit the first five (5) Environmental and Social Due Diligence (ESDDs) conducted for the first 5 sub-borrowers (eligible SMEs) to the World Bank.</p> <p>Submit ESDDs for the top 5 firm exposures to the World Bank.</p> <p>Submit separate ESDDs for 2 sub-borrowers (eligible SMEs) of each PFI for which TKYB is proposing to extend financing through use of retroactive financing under the Loan.</p>	<p>Starting 180 days after the Effective Date and then semi-annually (every 6 months) throughout the Project implementation</p> <p>Submit to the World Bank and TKYB the first 5 ESDDs for review no later than 60 days after the Signature Date of the Subsidiary Agreement.</p> <p>Semi-annually each PFI submits ESDDs for top 5 exposures to TKYB and World Bank for review throughout the Project implementation.</p> <p>Separately submit to the World Bank and TKYB the first 2 ESDDs, obtained by TKYB from the respective PFI, for subprojects eligible for retroactive financing no later than 60 days after the signature date of the Subsidiary Financing Agreement between TKYB and the respective PFI.</p>	<p>TKYB Project Implementation Unit (PIU)</p> <p>PFIs, TKYB PIU</p> <p>PFIs, TKYB PIU</p> <p>PFIs, TKYB PIU</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
B	<p>INCIDENTS AND ACCIDENTS</p> <p>Promptly notify the 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 but not limited to; incidents and accidents encountered during implementation of the FI's ESMS.</p> <p>Require sub-borrowers to provide sufficient detail regarding the incident or accident, findings of the Root Cause Analysis (RCA), indicating immediate measures or corrective actions taken or that are planned to be taken to address it, compensation paid, and any information provided by any sub-borrower, as appropriate.</p> <p>Subsequently, as per the Bank's request, prepare a report on the incident or accident and propose any measures to prevent its recurrence.</p> <p>Specify in subsidiary loan agreement with PFIs that prompt notification of accidents and incidents are to be included under PFIs ESMS adapted from TKYB's ESMS.</p>	<p>TKYB shall obligate PFIs to report details of any significant environmental or social incidents (e.g. fatalities, lost time incidents, environmental spills etc.) within 48 hours.</p> <p>TKYB shall obligate PFIs to submit an incident report, including RCA, precautions and compensation measures taken within 30 business days.</p> <p>TKYB will submit the incident report to the Bank immediately upon receipt from PFIs.</p>	TKYB PIU
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>Enhance and maintain the capacity of the Project Implementation Unit (PIU) with full-time qualified staff and resources to support management and monitoring of E&S risks by appointing; two technical staff - one environmental and one social expert. If needed, additional staff to be recruited.</p> <p>Ensure that above-mentioned staff remain on assigned duty until end of Project implementation.</p> <p>Obligate PFIs to hire or appoint qualified and experienced environmental and social staff for management of sub-projects' E&S risks. This obligation to be included as condition of the subsidiary loan agreements with PFIs.</p>	<p>An organizational structure including one environmental and one social expert, will be established under the the Project by TKYB by Effective Date. All designated TKYB staff will serve for the duration of the Project.</p> <p>PFIs to hire or appoint environmental and social staff, under the Terms of Reference and qualification and experience, satisfactory to the World Bank, for the Project after signing of the respective Subsidiary Financing Agreement between the PFI and the Borrower and prior to first disbursement.</p>	TKYB

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
1.2	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENT</p> <p>Ensure that the corporate ESMS of TKYB is fully operational and maintained throughout the life of the project.</p> <p>PFIs will have their own E&S assessment procedures acceptable to TKYB and the World Bank.</p> <p>The subprojects rated as High and Substantial social and environmental risks and activities relevant to ESS 5, ESS 6 and ESS 8 and the WBG Exclusion List will be excluded from financing.</p>	<p>Corporate ESMS of TKYB, in form and substance satisfactory to the Bank, approved by the Bank prior to the Project appraisal to be implemented throughout the project.</p> <p>All PFIs shall produce ESAP documents, in form and substance satisfactory to the Bank, addressing World Bank ESSs and TKYBs ESMS. The ESAP documents of PFIs acceptable to TKYB to be prepared prior to loan approval by the PFIs.</p> <p>PFIs' E&S assessment procedures reviewed and approved by TKYB and the World Bank prior to signing sub-borrowers loan agreements</p>	<p>TKYB PIU</p> <p>TKYB PIU and PFIs</p>
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>Maintain and implement human resources (HR) policies and procedures consistent with requirements under national law and ESS2 and ensure that Project workers are informed of and have access to these policies.</p> <p>Ensure that PFIs have HR policies and procedures consistent with requirements under national law and ESS2.</p>	<p>Implement and monitor HR policies and procedures starting on the Effective Date and throughout Project, and report through semi-annual progress reports.</p> <p>Before the Signature Date of the sub-loan agreement with PFIs and throughout the Project, and report through semi-annual progress reports.</p>	<p>TKYB PIU</p> <p>PFIs, TKYB PIU</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
2.2	<p>GRIEVANCE MECHANISM FOR PROJECT WORKERS</p> <p>Establish, maintain, and operate an accessible grievance mechanism (GM) for Project workers as described in the HR policies and procedures, consistent with requirements under the national law and ESS2. The GM will be adapted to receive sexual exploitation and abuse (SEA) and sexual harassment complaints (SH).</p> <p>Ensure that PFIs establish GM for Project workers, consistent with requirements under national law and ESS2.</p>	<p>Grievance mechanism operational within 15 days following Effective Date and maintained throughout Project implementation.</p> <p>Report semi-annually through Project Progress Reports</p> <p>Grievance mechanism operational within 30 days following the signature date of subsidiary loan agreement and maintained throughout Project implementation.</p>	<p>TKYB PIU</p> <p>PFIs</p>
2.3	<p>OCCUPATIONAL HEALTH AND SAFETY (OHS) MEASURES</p> <p>Maintain and implement occupational health and safety (OHS) procedures consistent with requirements under national law and ESS2, and ensure that Project workers are informed of and have access to these procedures.</p> <p>Ensure that PFIs have OHS procedures consistent with requirements under national law and ESS2.</p> <p>As part of the E&S due diligence (ESDD) to be conducted for each sub-borrower at TKYB and the PFIs under action 1.2 above, ESS 2 will be applied within the scope of the respective FI's ESMS as relevant.</p>	<p>Implement and monitor OHS procedures starting with the Effective Date and throughout the Project, and report through semi-annual progress reports.</p> <p>Before the Signature Date of the sub-loan agreement with PFIs and throughout Project, and report through semi-annual progress reports.</p> <p>Where assessed as relevant, ESS 2 will be assessed as part of the sub-project's ESDD and ESAPs shall be developed to address identified gaps prior to loan approval.</p>	<p>TKYB PIU</p> <p>PFIs</p>
<p>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</p>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY/AUTHORITY
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 sub-borrower at TKYB and the PFIs under action 1.2 above, ESS 3 will be applied within the scope of the respective FI's ESMS as relevant.</p>	Where assessed as relevant, ESS 3 will be assessed as part of the sub-project's ESDD, and ESAPs shall be developed to address identified gaps prior to loan approval by PFIs.	TKYB PIU, PFIs
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 for each sub-borrower at TKYB and the PFIs under action 1.2 above, ESS 4 will be applied within the scope of the respective FI's ESMS as relevant.</p>	Where assessed as relevant, ESS 4 will be assessed as part of the sub-project's ESDD, and ESAPs shall be developed to address identified gaps prior to loan approval by the PFIs.	TKYB PIU PFIs
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	Not Relevant to the Project		
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	Not Relevant to the Project		
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
7.1	Not Relevant to the Project		
ESS 8: CULTURAL HERITAGE			
8.1	Not Relevant to the Project		
ESS 9: FINANCIAL INTERMEDIARIES			

9.1	<p>ESMS</p> <p>Maintain and satisfactorily implement the corporate ESMS, acceptable to the World Bank.</p> <p>Notify the World Bank for a No Objection prior to making changes to the TKYB's corporate ESMS throughout the Project's lifecycle.</p> <p>Obligate PFIs to adopt an ESMS, based on TKYB' ESMS acceptable to TKYB and the World Bank.</p> <p>Develop guidelines and organize trainings to establish ESMS at the PFI level and enhance E&S assessment capacity of PFIs.</p>	<p>Corporate ESMS to be maintained and operated, throughout Project implementation.</p> <p>Obtain No Objection from the Bank before making changes to the ESMS.</p> <p>PFIs' ESMSs reviewed and approved by TKYB and the Bank prior to signing subsidiary loan agreements.</p> <p>Before PFIs lending at the sub-project level.</p>	TKYB PIU
9.2	<p>FI ORGANIZATIONAL CAPACITY</p> <p>Establish and maintain an organizational capacity and competency for implementing the corporate ESMS with clearly defined roles and responsibilities described under action 1.1.</p>	All defined experts to be assigned by TKYB before the Effective Date	TKYB PIU
9.3	<p>SENIOR MANAGEMENT REPRESENTATIVE</p> <p>Designate a senior management representative to have overall accountability for environmental and social performance of FI subprojects.</p>	Before the Effective Date.	TKYB PIU
9.4	<p>APPLICABLE E&S STANDARDS</p> <p>Apply Bank's ESSs, as a part of the applicable E&S standards, to moderate risk sub-projects (category B- according to TKYB's E&S risk categorization) within the scope of this project.</p> <p>Apply national laws to the low risk sub-projects (category C according to TKYB's E&S risk categorization), where the sub-projects are likely to have minimal or no adverse E&S risks and impacts.</p>	Throughout Project implementation.	TKYB PIU
9.5	<p>PFIs</p> <p>Adopt and implement the ESMS, in line with TKYB's ESMS, satisfactory to the World Bank, and commensurate to the level of environmental and social risks of the proposed financing, and report to TKYB on the ESMS performance.</p>	Before the signing of Subsidiary Loan Agreements between TKYB and each respective PFIs and implemented throughout the Project.	TKYB PIU
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			

10.1	<p>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION Prepare, disclose, maintain and Implement project SEP in a manner acceptable to the Bank.</p> <p>PFI to implement project SEP in coordination with TKYB.</p>	<p>Finalize SEP no later than 30 days after the Effective Date and implemented throughout the Project.</p>	<p>TKYB PIU</p> <p>PFI</p>
10.2	<p>PROJECT GRIEVANCE MECHANISM Develop, adopt, maintain and operate a grievance mechanism, as described in the SEP. Broadly publicize grievance mechanism to project beneficiaries.</p> <p>Assign staff to manage and monitor project grievances.</p> <p>Ensure similar GRM is established at PFI level. Obligate PFI to broadly publicize GRM to beneficiary firms.</p>	<p>TKYB Level – No later than 15 days from the Effective Date of the Project</p> <p>Reporting – Semi annually in progress reports.</p> <p>PFI Level –No later than 15 days after signing of subsidiary loan agreement, and thereafter throughout the Project implementation</p>	<p>TKYB PIU</p> <p>PFI</p>
CAPACITY SUPPORT (TRAINING)			
CS1	<p>TKYB PIU staff to be trained by the Bank on E&S requirements of the Bank.</p>	<p>No later than 90 days after the Effective Date of the Project.</p>	<p>WB</p>

CS2	<p>TKYB and all PFIs shall ensure that all staff responsible for the implementation of the E&S Management System are trained to be able to ensure its effective implementation. This includes:</p> <ul style="list-style-type: none"> a) Development of a training plan for the ESMS, including a budget provision; b) Participation of the TKYB E&S officers as well as all staff with functions and responsibilities for the ESMS implementation in the IFC's online STEP training or similar training programs on E&S risk management developed by other DFIs. c) TKYB to obligate all participating PFIs E&S officers and all staff with functions and responsibilities for the ESMS implementation to participate in the IFC's online STEP training or similar training programs on E&S risk management developed by other DFIs. 	<ul style="list-style-type: none"> a) Submit detailed training and training roll out plan for World Bank approval within 30 days of ESCP amendment; b) TKYB: Training and completion certificate provided to the World Bank within 90 days of the ESCP amendment; c) PFIs - Training and completion certificate provided to TKYB within 90 days signing of subsidiary loan agreement 	<p>TKYB PIU and PFIs</p> <p>TKYB PIU and PFIs</p> <p>TKYB PIU</p> <p>TKYB PIU and PFIs</p>
CS3	<p>PFIs E&S designated staff to be trained by TKYB PIU and the Bank, when needed, on TKYB's corporate ESMS and E&S requirements of the Bank.</p>	<p>No later than 30 days from signing of subsidiary loan agreement.</p>	<p>TKYB PIU</p>