



Export Credit Bank of Turkey  
(Turk Eximbank)

**MIGA FACILITIES  
OPERATIONAL MANUAL  
FOR  
ENVIRONMENTAL AND SOCIAL REVIEW PROCEDURES**

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## I. PREFACE

1. Sub-project means a defined set of business activities undertaken by the Sub-borrower where specific physical elements, aspects and facilities are likely to generate environmental and/or social risks and/or impacts, which the Sub-loan will be used to finance and/or support. Two types of Sub-loans/Projects will be considered under the MIGA Guaranteed Facilities: (a) corporate credits, and (b) buyer's credits.

2. All Sub-loans to be financed under the MIGA Guaranteed Facilities are to be subjected by Turk Eximbank to an environmental and social review process incorporating the procedures described in this section. Turk Eximbank will use these procedures in reviewing and appraising enterprise, and to inform the eligible borrowers' environmental and social requirements for Sub-loan appraisal, so that Sub-projects can be implemented in an environmentally and socially sound manner.

These procedures and requirements shall be in compliance with the Republic of Turkey's regulatory requirements for Environmental and Social Review (Regulation on Environmental Impact Assessment published in Official Gazette No: 29186, dated 25 November 2014, as supplemented by Article 10 of Environmental Act No: 2872 dated August 9th, 1983) from the Ministry of Environment and Urbanisation (MoEU) and Labour Law no: 4857, wherever applicable.

3. The procedures essentially consist of environmental and social screening, impact assessment, and monitoring where necessary. The environmental and social screening will be carried out by Turk Eximbank at an early stage in their project review procedures to determine the appropriate environmental and social risk category for the projects, and may require the contracting of external expertise. Following screening, further studies may be required from the enterprise. The enterprises will be responsible for carrying out any necessary environmental and social analysis/studies and for confirming that the proposed Sub-projects comply with national guidelines, and for obtaining the necessary clearance from the appropriate licensing authorities. Once the analysis is performed and recommendations incorporated into the Sub-project, Turk Eximbank will appraise the proposed project which would include, where appropriate, an environmental and social mitigation plan. The implementation of the mitigation plan will be monitored by Turk Eximbank, if not otherwise agreed by the Turk Eximbank.

4. Turk Eximbank shall:

- i) commit to Climate Finance, no later than 24 months after the MIGA Contract of Guarantee Effective Date, at least USD fifty million Dollars (USD 50,000,000) of the principal of the MIGA Guaranteed Facilities, and
- ii) ensure that thereafter, for the remainder of the Guarantee Period (as defined in the MIGA Contracts of Guarantee), the sum of the amounts of Climate Finance committed and disbursed by Turk Eximbank shall not be less than fifty million Dollars (USD 50,000,000) at any time.

5. Turk Eximbank shall ensure that at least 20 % (twenty percent) of the sub-borrowers will be SMEs under the MIGA Guaranteed Facilities.

6. Turk Eximbank shall not extend loans under the MIGA Guaranteed Facilities to Sub-Borrowers where the Sub-Borrower Operations constitute High Risk Projects without the prior consent of MIGA.
7. Turk Eximbank shall ensure that all Sub-Borrower Operations comply with Applicable E&S Laws.
8. Turk Eximbank shall not extend loans under the MIGA Guaranteed Facilities to Sub-Borrowers/Sub-projects engaging in any Prohibited Practice or Money Laundering.
9. None of the expenditure items relating to any person or corporate in World Bank Debarment and Temporary Suspension List will be financed with the proceeds of MIGA Guaranteed Loan. Screening and relevant checks will be done from the following link: (<http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>)
10. Turk Eximbank shall ensure that each Climate Finance Project meets MIGA's Eligibility Criteria for Climate Finance Projects and maintain accurate and complete data and records to demonstrate such eligibility.
11. Turk Eximbank shall:
  - (i) comply in all material respects with all laws to which it may be subject, including all laws and regulations of the BRSA, the Central Bank and any other monetary, regulatory or other authority having jurisdiction over the Borrower in Turkey, any Environmental Requirements, the MIGA Anti-Corruption Guidelines, any Corrupt Practices Laws, or any Anti-money Laundering.
  - (ii) conduct its business in compliance with such laws, regulations and rules and
  - (iii) maintain policies and procedures designed to promote and achieve compliance with such laws, regulations and rules.

## II. DEFINITIONS

The "**MIGA Operational Manual**" presented here is designed to document Turk Eximbank's procedures for implementing Performance Standards and Environmental Guidelines to be in line with MIGA guaranteed loan agreements.

**Sub-project Environmental and Social Review:** Turk Eximbank will be responsible for environmental and social classification of sub-borrowers/Sub-projects, and for ensuring that each Sub-loan/Sub-project proposal includes an evaluation of its environmental and social impact. Turk Eximbank will also have to monitor that environmental and social mitigation measures, agreed under a Sub-loan agreement. Section III of this manual contains a summary of the applicable environmental and social review procedures.

**Turk Eximbank Environmental and Social Team (E&S Team):** Turk Eximbank Environmental and Social Team shall be responsible for the implementation, administration and compliance oversight of the E&S Management System, and, if such staff is replaced, promptly notify MIGA in writing of the replacement staff reasonably acceptable to MIGA.

This Turk Eximbank Team will supervise the enforcement of this operational manual. Turk Eximbank Team will be also responsible for screening and reporting of environmental and social issues to senior management. Day to day implementation of the Procedure will be the responsibility of the Turk Eximbank Team. Turk Eximbank Team will organise on-the-job training for their personnel to undertake environmental and social screening. Track shall be kept of all national laws and regulations pertaining to environmental and social issues and efforts shall be made to comply with them. In the conduct of environmental and social impact studies, internationally-accepted environmental and social assessment standards and approaches shall be taken into account along with national rules and regulations during Sub-project-assessment and financing stages.

**Annual Monitoring Report** means the annual monitoring report setting out the specific environmental, social and developmental impact information in respect of Turk Eximbank and the operations and activities financed by it. Information to be provided in the report includes a brief description of the portfolio and information on environmental and social screening of transactions, including information on training provided, any new policies and procedures developed during the reporting period, compliance with MIGA Exclusion List (Annex G), and details of any material environmental and social issues associated with the sub-borrowers / Sub-projects during the reporting period. This report will be compiled by the relevant Turk Eximbank Environmental and Social Team and will be submitted to MIGA within 60 days of the end of each calendar year or as otherwise agreed with MIGA in writing.

Turk Eximbank shall also submit to MIGA, within 180 days of the end of each calendar year, or as otherwise agreed with MIGA in writing, a report confirming the number of projects for that fiscal year benefiting from Turk Eximbank's Climate Finance Projects; such report to contain the information on Climate Finance Projects as set out in Annex I and specified in the Annual Monitoring Report or in such other form as may be agreed with MIGA.

**"E&S Management System"** or **"ESMS"** will be a part of the Turk Eximbank's Sustainability Management System (SMS) and means the environmental and social management system implemented or to be implemented by Turk Eximbank to incorporate environmental and social considerations into Turk Eximbank's financing approval process for Sub-Borrower Operations, which system shall:

- (a) ensure that all medium and long-term Sub-loans, including buyer's credits financed by Turk Eximbank are screened in accordance with, and do not violate, the MIGA Exclusion List;
- (b) ensure that activities posing limited environmental and social risk are required to comply with Applicable E&S Laws; and
- (c) include manuals and related documents including, but not limited to, policies, management programs and plans, procedures, requirements, performance indicators, responsibilities, training, and periodic audits and inspections with respect to environmental and social matters designed to identify, assess, and manage risk on an ongoing basis.

**"Applicable E&S Laws"** means any applicable laws, regulations or rules in Turkey for corporate loans or in case of buyer's credits, in addition to any applicable laws and regulations in host country, IFC's Performance Standards on Environmental and Social Sustainability and Environmental Guidelines where justified and/or practicable due to site and/or structure of the transaction.

**"MIGA Anti-Corruption Guidelines"** means MIGA's Anti-Corruption Guidelines as set out in Annex H (*MIGA's Anti-Corruption Guidelines*). Turk Eximbank shall ensure that the Sub-projects are carried out in accordance with the provisions of the MIGA's Anti-Corruption Guidelines.

**"Environmental and Social Guidelines"** means with respect to the Sub-project and Turk Eximbank:

- (i) the General Environmental, Health, and Safety Guidelines of the World Bank Group and,
- (ii) the Industry Sector Guidelines specified in Schedule 8 (IFC's Performance Standards on Environmental and Social Sustainability and Environmental Guidelines).

**"Environmental and Social Permits"** means any permit, licence, consent, approval and other Authorisation and the filing of any notification, report or assessment required under any Applicable E&S Laws.

**"Environmental and Social Requirements"** means those environmental and social standards and requirements referred to in:

- (a) IFC Performance Standards and Environmental Guidelines to the extent applicable to Turk Eximbank;
- (b) the environmental and social standards under any Applicable E&S Laws;
- (c) the Action Plan; and
- (d) *MIGA Covenants* as the covenants therein relate to environmental and social issues.

**"Hazardous Materials"** means (a) petroleum and petroleum products, by-products or breakdown products, radioactive materials, asbestos containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Applicable E&S Laws.

**"High Risk Projects"** means projects (classified as Category A according to World Bank criteria) that pose significant adverse environmental or social risks or have impacts that are diverse, irreversible or unprecedented.

**"Performance Standards"** means with respect to Sub-projects and Turk Eximbank the Performance Standards on Environmental and Social Sustainability listed in *IFC's Performance Standards on Environmental and Social Sustainability and Environmental Guidelines* effective since January 1, 2012 that can be accessed via [https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC\\_Performance\\_Standards.pdf?MOD=AJPERES](https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES).

**"SME"** means any business or enterprise that employs fewer than 250 employees.

**"Sub-Borrower"** means any borrower or other entity financed directly or indirectly by Turk Eximbank with the proceeds of MIGA guaranteed Loan;

**"Sub-Borrower Operations"** means any operations and/or activities of a Sub-Borrower financed directly or indirectly by Turk Eximbank by the MIGA guaranteed Loan.

**"Climate Finance"** means the financing of, and any guarantee, credit or other financial support for Climate Finance Projects supported by the proceeds of the MIGA guaranteed Loan.

**"Climate Finance Project"** means any Sub-Borrower Operations financed or otherwise supported by Turk Eximbank, from the proceeds of the Loans, that meets MIGA's Eligibility Criteria for Climate Finance Projects described in Annex I in detail. MIGA Climate Change Policy, Climate Finance Procedure together with the relevant tracking and reporting formats (PX.R1. Climate Finance Tracking Report and PX.D2. Climate Finance Reporting Template) are integral parts of MIGA Operational Manual herein.

### III. INTRODUCTION

#### *The main steps of environmental and social assessment (ESA):*

- ***Environmental and Social Screening and Assessment***

In accordance with Turkish Environmental Law, the Ministry of Environment and Urbanization (MoEU) is currently responsible for initial environmental Sub-project screening in Turkey.

Within the Turk Eximbank's ESMS/SMS, the Environmental and Social Screening will be carried out by a specific team determined by Turk Eximbank (**Turk Eximbank Environmental and Social (E&S) Team - Turk Eximbank E&S Team**) for the Sub-loan review procedures to determine the appropriate environmental and social risk category for the enterprises.

**Turk Eximbank E&S Team** consists of :

- Marketing I Department (Örsan Özer) for corporate loans,
- International Loans Department (Yasin Baysan) for buyer's credits,
- Structured Finance and IFIs Department (Pinar Çalışkan) for all coordination with MIGA,
- Audit Department (Mesut Ercan) for auditing the compliance with all E&S procedures

The above team may be updated with the integration of the Turk Eximbank Sustainability Management System. In such case, MIGA will be informed about the relevant update in due time.

Unless otherwise agreed by Turk Eximbank in compliance with Sustainability Management System, **Turk Eximbank E&S Team** will review the documentation prepared in accordance with the screening made by MoEU and for each proposed Sub-projects a screening will be conducted according to MIGA criteria set in this Operational Manual to identify those cases where MIGA safeguards require additional due diligence.

Turk Eximbank E&S Team will review the Sub-project documentation submitted by the Sub-Borrower and Turkish screening decision and further classify projects as Category A, Category B or Category C in accordance with the MIGA's Environmental and Social Sustainability Policy. The decision on ESIA category will be made based on the information available to Turk Eximbank team by the Sub-Borrower at the time of screening and in accordance with Turk Eximbank Sustainability Management System that would be in effect in 2019. After this date, in case of any discrepancies with the terms of Sustainability Management System and this Operational Manual, Turk Eximbank Sustainability Management System will prevail.

- ***Procedure for response to any inquiries with regards to Category A and Category B Transactions***

1. Turk Eximbank will maintain procedures, responsibilities and be staffed with qualified personnel capable of managing the process of responding inquiries with respect to Category A and Category B Transactions.
2. Turk Eximbank E&S Team will be in charge of: (i) handling inquiries with respect to Category A and Category B Transactions (ii) day to day screening of the email generic e-mail address of International Loans Department '[uluslararasıkrediler@eximbank.gov.tr](mailto:uluslararasıkrediler@eximbank.gov.tr)' that parties are directed through the below Turk Eximbank's website:

<https://www.eximbank.gov.tr/en/about-us/sustainability/environmental-and-social-impact-assessment/category-a-and-b-transactions>

(iii) organizing all correspondences to prepare the responses of the inquiries (iv) gathering required documentation internally and/or obtaining additional documents from Sub-borrower, if necessary (v) conducting final assessment on the inquiry and (vi) responding to the third party.

3. If the inquiry sent to the generic e-mail address ([uluslararasıkrediler@eximbank.gov.tr](mailto:uluslararasıkrediler@eximbank.gov.tr)) is about corporate loans (not to be associated by buyer's credits), the inquiry will be forwarded to the e-mail address of Marketing I Department ([pazarlama12@eximbank.gov.tr](mailto:pazarlama12@eximbank.gov.tr)).

Since in Turk Eximbank, handling/responding branch depends on the location of corporates in question, Marketing I Department will channel the inquiry e-mail to the relevant branch through the branch's generic e-mail address, after consultation with Marketing and Coordination. An employee of the relevant branch will respond to the inquiry, after consultation with the branch manager. The response will be sent from the generic e-mail address of the branch, if not directly from the e-mail address of manager or assistant manager.

In case of any clearance required, in addition to relevant branch manager, consultation will also be received from Marketing I Department and final response to the inquiry will be sent in 30 days. Any matters would be escalated to Deputy General Manager in charge of the department. Timeline will be extended by 45 days in case of queries regarding a specific Category A transaction requiring external review from third parties such as consultant or MIGA. All related documentation will be properly filed and recorded.

4. If the inquiry sent to the generic e-mail address ([uluslararasıkrediler@eximbank.gov.tr](mailto:uluslararasıkrediler@eximbank.gov.tr)) is about buyer's credits, the inquiry will be handled by International Loans Department.

In case of any clearance required, consultation will be received from senior management and/or external parties regarding a specific Category A transaction. Any matters would be escalated to Deputy General Manager in charge of the department. The initial response will be sent no later than 30 days from the generic e-mail address of the department, if not directly from the e-mail address of manager or assistant manager. Final response to the inquiry will be sent in 90 days. Timeline will be extended by 90 days

in case of queries regarding a specific Category A transaction requiring external review from third parties such as related Ministries, consultant or MIGA. Information related to a Category A transaction will be made publicly available 30 days before providing final commitment to the sub-project. All related documentation will be properly filed and recorded.

- ***Documentation***

Sub-borrowers will be responsible for preparing ESIA documents. Accordingly, carrying out any environmental analysis and for confirming that the proposed Sub-projects comply with national environmental and social rules, and for obtaining the necessary clearance from the appropriate authorities. For further documentation, please refer to section Environmental and Social Review Documentation.

- ***Review and Approval***

Review and assessment will be realized in accordance with Environmental and Social Review Procedures in parallel to the ***Procedures for response to any inquiries with regards to Category A and Category B Transactions.***

For corporate loans not associated with project loans, review would be realized in accordance with the Environmental & Social Review Documentation section of this Manual.

For each individual Sub-loan, Sub-borrower will send brief project information to Turk Eximbank and information regarding the Turkish legislation requirements and information on the prepared documents, translation of the documents together with the proposed associated environmental category. The document will provide justification on category against following criteria: type and scale of project, project activities (including the main project and all relevant project activities such as access roads, material borrow sites, transmission lines, etc.), location of the project, nature and magnitude of potential project impacts, and sensitive issues.

Turk Eximbank relevant E&S Team will review the information provided and provide comments if any doubt arises in compliance with Turkish legislation requirements and request the type of the environmental and social assessment documents to meet IFC Performance Standards wherever applicable. If the assessment is appropriate and there is no need for further clarification for the proposed category, application package is finalized.

Once the analysis is performed and recommendations are incorporated into the Sub-project, Turk Eximbank will appraise the proposed Sub-loan package which would include, where appropriate, an environmental and social mitigation plan. The implementation of the mitigation plan will be monitored by Turk Eximbank, unless otherwise agreed by Turk Eximbank.

For the avoidance of doubt, for buyer's credits, Turk Eximbank, may require the advice of a consultant, about the review of the environmental and social impact assessment (ESIA) Report and type of measures to prevent, minimize, mitigate or compensate for

adverse potential environmental and social impacts of the sub-project. The consultant will organize the information in the ESIA Report and benchmark the project against international standards (IFC; MIGA, WB etc.) and assert his opinions and suggestions as a review report.

Proceeds of MIGA Guaranteed loan cannot be used in financing the expenditures from the individuals and corporates listed in World Bank Debarment and Temporary Suspension List. Screening and relevant checks can be done from the following link: (<http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>)

For climate change finance and Category A (high risk) projects, prior approval of MIGA may be required. For other projects, the review may transition from prior to post review, after a review of the categorization to date indicates that it has been carried out in a manner satisfactory to Turk Eximbank.

Following the completion of Environmental and Social Review, approval of the loan package will be in accordance with credit risk measures and therefore will be subject to relevant Credit Committee approval as explained below:

Pursuant to the Banking Law (Law No. 5411), the Credit Committee is responsible for approving credit allocations under the supervision of the Board of Directors. There are four Credit Committees:

- i) **The Credit Committee** is composed of two members to be elected by the Board of Directors from among its members, who meet the same conditions, save the term, sought for a general manager as per the Banking Law, and has the Acting General Manager or Deputy General Manager as the third member. The Credit Committee is vested with the authority to issue credit up to a maximum of 10 per cent. of the Bank's shareholders' equity, limited to credits provided with 100 per cent. first-class warranties (allocations under Treasury-backed KGF guarantees, have an upper limit of TL 50 million).
- ii) **The General Manager Credit Committee** is vested with the authority to issue credit up to a maximum 1 per cent. of the Bank's shareholders' equity, limited to credits provided with 100 per cent. first-class warranties (allocations under Treasury-backed KGF guarantees, have an upper limit of TL 10 million). It is chaired by the General Manager and its other members include the Deputy General Manager in charge of Loan/Insurance Allocation, the Deputy General Manager of Marketing, the Head of the Allocation Department, the Head of the Marketing Department and the Head of the Financial Analysis and Intelligence Department.
- iii) **The Deputy General Manager Credit Committee** is vested with the authority to issue credit up to a maximum of 0.9 per cent. the Bank's shareholders' equity, limited to the credits provided with 100 per cent. first-class warranties (allocations under Treasury-backed KGF guarantees, have an upper limit of TL 5 million). It is chaired by the Loan/Insurance Allocation Deputy General Manager and its other members include the Deputy General Manager of Marketing, the Head of the Allocation Department, the Head of the Marketing Department and the Head of the Financial Analysis and Intelligence Department.

- iv) **The Department Credit Allocation Committee** is vested with the authority to issue credit up to a maximum 0,7 per cent. of the Bank's shareholders' equity, limited to the credits provided with 100 per cent. first-class warranties (allocations under Treasury-backed KGF guarantees, have an upper limit of TL 3 million). It is chaired by the Head of Allocation Department and its other members include the Head of the Financial Analysis and Intelligence Department, the Allocation Manager and the Head of Marketing Department.

The risk limits of the international loans are determined by the annual programme of the Bank, in accordance with foreign economic policy priorities of Republic of Turkey. According to the Article 10 of Act no. 4749 dated 28 March 2002 related to the regulation of Public Finance and Debt Management, international loans with a tenor of 2 years or more are granted with the approval of the Board of Directors of the Bank and the approval of the Minister in charge of Turkish Treasury. However, according to the Council of Ministers' Decree no. 2013/5148 published in the Official Gazette dated 31 July 2013 and numbered 28274, for such transactions with a tenor of two years or more, the Board of Directors of the Bank has been authorised to grant international loans under its sole discretion up to (including) U.S.\$20 million.

## IV. ENVIRONMENTAL AND SOCIAL REVIEW PROCEDURES

### SUB-PROJECT ENVIRONMENTAL AND SOCIAL ASSESSMENT PROCEDURES

#### Environmental Screening Categories

1. Environmental Screening is the first step in the environmental assessment process of reviewing the project application to determine the environmental risk category of the project and identify the type of environmental documentation that will be required.

In relation to corporate loans, each Sub-loan application package submitted by the Sub-Borrower to Turk Eximbank should include environmental screening forms Annex A and Annex B. Annex A is to be completed by the Sub-Borrower and Annex B is to be completed by Turk Eximbank. The environmental screening form shall summarize the nature of the Sub-Borrower/Sub-project and the screening category.

2. Under the World Bank EA system projects are classified as Category A, Category B or Category C depending upon estimated potential environmental risk.

- **Category A (high risk):** A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. The environmental assessment for a Category A project examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives (including the "without project" situation), and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. For a Category A project, Turk Eximbank may require an external consultant for reviewing and monitoring environmental and social impacts.

These would include project which may have highly significant, negative and/or long-term environmental impacts, the magnitude of which are difficult to determine at the project identification stage. High risk projects will not be financed with the proceeds of MIGA guaranteed facilities without the prior consent of MIGA.

- **Category B (intermediate risk):** A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas--including wetlands, forests, grasslands, and other natural habitats--are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects. The scope of environmental assessment for a Category B project may vary from project to project, but it is narrower than that of Category A assessment. Like Category A, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance generally within an Environmental and Social Mitigation Plan, pre-EIA, checklist, etc.

These would include projects whose environmental impacts are certified as negligible by report given by the MoEU. 'Project Introduction Files' (a simplified EIA Report) prepared

in compliance with EIA Regulation and shall be examined and evaluated by MoEU then the decision will be formed in compliance with environmental effects of the projects.

There are 3 consequences: (i) Certificate of EIA is positive, (ii) Certificate of EIA is not required and (iii) EIA is negative.

- **Category C (low risk):** A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. Beyond screening, no further environmental assessment action is required for a Category C project.

These would include projects whose environmental impacts are expected to be negligible, for which is not in the scope of EIA Regulation, consequently no EIA would be required.

The Letter given by relevant ministry responsible for environmental issues (currently held by MoEU) or its local branches which indicates that the sector is not in the list of EIA Regulations is acceptable.

- **Ineligible for MIGA guaranteed financing:**

- i. Projects which would include the production and/or use of materials (listed in the related section of Annex G (MIGA Exclusion List) and
- ii. Projects whose sub-borrowers are listed in World Bank's Listing of Ineligible Firms and Individuals shown on <http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>.

3. Turk Eximbank E&S Team will review the Sub-project documentation submitted by the Sub-Borrower. After ensuring that all Turkish requirements have been met and clearances obtained, the Sub-project shall be assessed according to World Bank-MIGA categorization (Category A, B or C) for classifying as Category A, Category B or Category C in accordance with the IFC's Performance Standards on Environmental and Social Sustainability and Environmental Guidelines. The decision on ESA category will be made based on the information available to Turk Eximbank team by the Sub-Borrower at the time of screening and in accordance with Turk Eximbank Sustainability Management System that would be in effect in 2019. After this date, in case of any discrepancies with the terms of Sustainability Management System and this Operational Manual, Turk Eximbank Sustainability Management System will prevail.

4. Upon that screening, Sub-projects falling within Category B or Category C may be considered as eligible for financing without prior consent of MIGA. A Sub-project categorized as a high risk project, falling into Category A according to World Bank criteria, will only be eligible for financing with the prior consent of MIGA.

For climate change finance and Category A (high risk) projects, prior approval of MIGA may be required to be classified as eligible for financing. For other projects, the review may transition from prior to post review, after a review of the categorization to date indicates that it has been carried out in a manner satisfactory to Turk Eximbank.

### **Social Screening Categories**

Social Screening is one of the main steps in the assessment process of reviewing the project application to determine the social risk category of the project and identifying the type of social

documentation that will be required. Each project application package submitted by the Sub-Borrower to Turk Eximbank should include social screening forms (Annex C and D), of which there are two parts, the first form (Annex C) to be completed by the Sub-Borrower and the second (Annex D) to be completed by Turk Eximbank. The social screening form will summarize the nature of the Sub-Borrower/project and the screening category.

- **High Social Risk** - Projects with potential significant adverse social impacts that are diverse, irreversible or unprecedented. High social risk projects will not be financed with the proceeds of MIGA guaranteed facilities without the prior consent of MIGA.
- **Medium Social Risk** – Projects with potential limited adverse social impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
- **Low Social Risk** – Projects with minimal or no social impacts.

**ENVIRONMENTAL & SOCIAL REVIEW DOCUMENTATION**

For each Sub-loan in relation to corporate loan, the required environmental and social documentation package shall include below items:

<b>Environmental Category</b>	<b>Environmental and Social Documentation to be included in Sub-loan Application Package for corporate loans</b>
Category C	Environmental Screening Forms (Annex A and B) Social Screening Forms (Annex C and D)
Category B	Environmental Screening Forms (Annex A and B) Certificate of ‘EIA is not Required Decision’ from MoEU (if applicable), otherwise EIA report Social Screening Forms (Annex C and D)
Category A	Only eligible for financing with the prior consent of MIGA Environmental Screening Forms (Annex A and B) Certificate of ‘EIA is not Required Decision’ from MoEU (if applicable), otherwise EIA report Social Screening Forms (Annex C and D)

For buyer’s credits, all E&S documentation shall be received in accordance with the applicable laws, regulations and rules in that particular country of the buyer. Therefore, all environmental and social permit(s) required for the purposes of the project issued by the authority of the buyer country shall be received for Category A and Category B transactions. For Category C, there is no additional information and/or documentation required for buyer’s credits.

For buyer’s credits, Turk Eximbank requests information as per the Environmental, Social and Human Rights Impacts Questionnaire in Annex E, during the application stage, in order to pre-screen the potential environmental, social and human rights impacts of the transaction. The

requested information includes the potential environmental, social and human rights impacts of the Project, the identification of the project including size, sector and aim and also the location of the Project and whether it is close to sensitive areas.

**Environmental Impact Assessment (EIA) Process in Turkey:** A “Project Introduction File (simplified EIA)” would be required for Category B type project where the potential for negative impacts are localized, easily identified and the required mitigating actions are well-known and easily prescribed. According to the Regulation on Environmental Impact Assessment published on the official gazette No: 29186 at 25 November 2014; a simplified EIA is required for the projects listed in Annex – 2 of the regulation unless projects are deemed risky that the ministry finds a full EIA necessary.

The scope of the EIA will vary widely depending on the nature and location of a Sub-Borrower; thus, it is difficult to give clear guidance on the length of time required for an EIA or the associated costs. The preparation and financing of the EIA is the responsibility of the Sub-Borrower and normally closely linked to the feasibility study of the proposed activities. According to the Regulation on Environmental Impact Assessment published on the official gazette No: 29186 at 25 November 2014; an EIA is mandatory for the projects listed in Annex – 1 of the regulation as well as other projects that has been deemed risky that the ministry finds an EIA necessary.

**Current list of Projects Subject to Environmental Impact Assessment of the Regulation (as revised from time to time) is available at Annex J.**

Turk Eximbank will also be responsible for collecting further documentation to be requested from Sub-borrowers and preparation of Site Visit Reports as per Annex K, in the cases inscribed under the section named as ‘**Environmental and Social Review Procedures**’. Please refer to **Annex K** for a sample Site Visit Report and **Annex L** for a Mitigation Plan format.

## **ENVIRONMENTAL AND SOCIAL REVIEW PROCEDURES FOR APPLICATION OF PERFORMANCE STANDARDS**

### **1. Performance Standards**

In addition to compliance to national legislative requirements, main evaluations regarding the environmental and social risks are carried out in accordance with IFC's Performance Standards. IFC's Performance Standards on Environmental and Social Sustainability may be found at: [https://www.miga.org/Documents/MIGA\\_Performance\\_Standards\\_October\\_2013.pdf](https://www.miga.org/Documents/MIGA_Performance_Standards_October_2013.pdf)

These Performance Standards define roles and responsibilities for the Sub-Borrower where the Sub-project is evaluated basically under these eight standards listed as below:

**PS1:** Assessment and Management of Environmental and Social Risks and Impacts

**PS2:** Labour and Working Conditions

**PS3:** Resource Efficiency and Pollution Prevention

**PS4:** Community Health, Safety and Security

**PS5:** Land Acquisition and Involuntary Resettlement

**PS6:** Biodiversity Conservation and Sustainable Management of Living Natural Resources

**PS7:** Indigenous Peoples

**PS8:** Cultural Heritage

The General Environmental, Health and Safety Guidelines and Industry Sector Guidelines may apply.

The General Environmental, Health, and Safety Guidelines may be found at:

[http://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+sustainability/our+approach/risk+management/ehsguidelines](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/ehsguidelines)

Prerequisites for a Sub-project to be financed by Turk Eximbank include the necessary approvals and permits required by the national authorities as well as the environmental and social requirements that is set forth on Sustainability Management Guidelines of the Bank and the IFC's Performance Standards.

Turk Eximbank is committed, irrespective of the size of the loan, not to finance any activity that is prohibited or restricted by Turkish laws and regulations or by any agreement to which Turkey is a party.

## 2. Thresholds for environmental and social classification and application of the Performance Standards

The Sub-loans above the following thresholds will be subject to IFC's Performance Standards on Environmental and Social Sustainability Guidelines.

Table A

Classification	Loan type	Loan amount	Loan tenor	Applicable PSs
1.	Corporate (not associated with project finance)	>USD5 million	>36 months	PS1 and PS2 only
2.	Corporate (not associated with project finance) structured as a revolver, e.g. working capital	Single facility >USD5 million over a 3-year period	>36 months	PS1 and PS2 only
3.	Corporate; working capital overdraft facility	Any amount	≤36 months	Not applicable
4.	Corporate (associated with a project) and project finance	Any amount where total capital project cost is >USD10 million	>36 months	All PSs
5.	Corporate (proved to be associated with a project) and project finance	Any amount where total capital project cost is <USD10 million	Any tenor	Not applicable

where

- **PS1 (Performance Standard 1):** Assessment and Management of Environmental and Social Risks and Impacts.

PS1 applies to all projects that have environmental and social risks and impacts.

- **PS2 (Performance Standard 2):** Labour and Working Conditions.

PS2 recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by the protection of fundamental rights of workers.

According to Table A, which represents thresholds for environmental and social classification and application of the Performance Standards, in addition to compliance with Turkish regulations in accordance with IFC's Performance Standards on Environmental and Social Sustainability Guidelines PS1 (Assessment and Management of Environmental and Social Risks and Impacts) and PS2 (Labour and Working Conditions) should be assessed and relevant documentation should be obtained for the Sub-projects falling into classifications 1, 2 and 4.

It should be noted that, while conducting the steps of environmental assessment, not only the Sub-project itself but all the integrated elements required for construction and full operation of the sub project (construction of access roads, extraction of material from material borrow sites, transmission line which will be established by the realization of the hydroelectric or wind power plant, etc.) should also be assessed as a whole integrated project.

For Sub-projects falling into classification 4, in addition to PS1 and PS2, all PSs should be assessed. On the other hand, for Sub-projects falling into classifications 3 and 5, there is not any requirement for any PSs.

Turk Eximbank will ensure that the Sub-Borrowers shall provide any documents such as invoices but also all other relevant procurement documents requested during the post review of the MIGA. All Sub-project and contract information and sites shall be available to MIGA's staffs and consultants assigned by the MIGA for this purpose.

For all PS 1 and PS 2 reviews, Annex A-B-C-D should be requested not only from the Sub-borrowers but also from the main supplier within the procurement chain. For buyer's credits, Turk Eximbank requests information as per the Environmental, Social and Human Rights Impacts Questionnaire in Annex E. These are to ensure that the project is implemented with due concern for environment and social safeguards (IFC's Performance Standards). The review methodology to be applied includes reviewing records and documents, site visit observations and consultation with external consultants, where deemed necessary under Turk Eximbank's Sustainability Management System.

### **3. Sub-project Follow Up /Site Visits**

Turk Eximbank carries out mandatory site visits to the Sub-projects to any corporate (associated with a project) and project finance related Sub-loans including buyer's credits amounting to more than 10 million USD and all Sub-loans financed under the Category A Transactions shall be visited annually until the end of the disbursement period of the Sub-loan. The frequency of the site visits for Category A Sub-loans can differ i.e. semi-annually depending on Turk Eximbank's Sustainability Management System and/or external consultant's opinion, if applicable. If any external consultant needs to be appointed for project loans including buyer's credits in accordance with Sustainability Management System, their opinion with regards to the frequency of site visit will be binding. For the avoidance of doubt, following their review, external consultant's opinion may also be distant monitoring, if appointed.

For all Category B Sub-loans above 5 million USD loan in relation to corporate investment projects (not to be associated with working capital) and having more than 3 years of maturity, site visits to the production facilities and/or project locations will be realized not to be later than nine months after the allocation and a '**Site Visit Review Report**' will be prepared accordingly to ensure the requirements of MIGA in addition to documental proof of Annexes A-B-C-D defined in the Operational Manual as well as official statistical data with regards to child labor. A Site Visit Report format is available at **Annex K**. Must monitor criteria to be followed are displayed in Annex B and Annex D in addition to the monitoring of compliance with the applicable Performance Standards.

For all corporate Sub-loans, site visits will be coordinated by Marketing I Department and realized either by themselves or relevant branches, unless otherwise agreed by Turk Eximbank. The Site Visit Report is to be submitted to the Marketing I Department, if not realized by themselves, for control. Finalized reports are to be submitted to Managers and Division Heads relevant to the particular Sub-loan. If there are further matters to escalate such as Significant E&S Event and/or a need to implement a mitigation plan, Reports would be presented to both Deputy General Managers in charge of Allocations and Marketing as well as Deputy General Manager in charge of Finance and Treasury. In case of non-compliance, mitigation measures will be demanded from the Sub-Borrower and to be monitored quarterly. If the situation is not remedied within 6 months, the Sub-loan will be repaid to by the Sub-Borrower. A Mitigation Plan format is available at **Annex L**.

For all buyer's credits, site visits applicable for Sub-loans will be coordinated and realized by International Loans Department, unless otherwise agreed by Turk Eximbank in compliance with Sustainability Management System. For Category A Transactions may be subject to on-site visits by an external consultant wherever required by Sustainability Management System, the Environmental and Social Monitoring Report will have the scope indicated below:

- General Information (project name, lender, borrower, contracting company, project country, date of the report, people responsible for the reporting, etc.)
- Introductory Information (type of the project, plant capacity, plant base location, business plan, financial resources, etc.)
- Contractor company Information (organization chart related to project, nationality and number of workers/staff in the project, plants in the worksite, environmental and social corporate governance structure and strategy)
- Evaluation of current Environmental and Social Practice via Project Information and Current Status and risk analyses (Environmental and Social Impact Assessment Report – ESIA), and if applicable; Environmental and Social Status Assessment Report (ESSAR), comparison with international standards of environmental and social risk management (IFC Performance Standards), field photos, current problems, etc.
- Evaluation and Conclusion

#### 4. Environmental and Social Review Process

For international project loans, Environmental and Social Review Process can be found in detail at:

<https://www.eximbank.gov.tr/content/files/8b61a662-bc88-4f7f-a377-bc8cec1559c9/turk-eximbank-environmental-and-social-guidelines>

For corporate loans that are not associated with projects, environmental and social review process is as explained below:

##### i) Environmental Review Process

***The main steps of environmental and social assessment (ESA)*** introduced in the earlier sections of this Manual will be followed where all corporate Sub-loans will basically follow the environmental review process presented schematically below:

STEP 1: The Sub-Borrower prepares an initial project concept. Following informal discussion with the Sub-Borrower, in which Turk Eximbank alerts the Sub-Borrower its environmental assessment requirements. The Sub-Borrower provides all the environmental requirement of the project (certificate, documents, etc.) to Turk Eximbank. It will be the responsibility of the Sub-Borrower to submit the appropriate permits and licenses as required by applicable law in order to comply with the requirement of MIGA.

STEP 2: The Sub-Borrower will obtain a certificate of 'positive EIA', a certificate of 'EIA is not required' or a certificate of 'negative EIA', given by the MoEU, in conformity with applicable Environmental Regulations.

For the current list of EIA required projects that may be revised from time to time in line with the Regulation, please refer to Annex J.

In addition, Examples of the Eligible Sub-Borrower / Sub-project Categories can be found at Annex F. After Turk Eximbank Sustainability Management System would be in effect in 2019, in case of any discrepancies with the terms of Sustainability Management System and this Operational Manual, Turk Eximbank Sustainability Management System will prevail.

STEP 3: Turk Eximbank E&S Team as well as relevant branch in charge of the corporate under review screens the project and informs the Sub-Borrower about the environmental categorization of the Sub-loan processing. Turk Eximbank reviews the environmental analysis that has been submitted and discuss its findings with the Sub-Borrower.

STEP 4: The Sub-Borrower incorporates the recommendations provided in the analysis into the project design and implementation plan, including associated estimated costs.

STEP 5: The Sub-Borrower finalizes the Sub-loan application package, including the relevant environmental documentation, and submits it to Turk Eximbank for its appraisal.

STEP 6: The Sub-loan becomes effective approval and clearance if necessary, upon verification of the MoEU.

STEP 7: Turk Eximbank E&S Team monitors the implementation of the EIA mitigation plan if necessary.

### **Social Security/Policy Review Process**

STEP 1: The Sub-Borrower provides all the social requirements of the project (certificate, documents, etc.) to Turk Eximbank. It will be the responsibility of the Sub-Borrower to submit the appropriate permits and licenses as required by national law.

STEP 2: Turk Eximbank screens the project and informs the Sub-Borrower about the social categorization of the Sub-loan processing.

STEP 3: The Sub-Borrower finalizes the Sub-loan application package, including the relevant documentation, and submits it to Turk Eximbank for its appraisal.

STEP 4: For corporate loans, Ministry of Labour, Social Security and Family has routine reviews in accordance with the Labour Act of Turkey and the enterprises are obliged to obey the law. In case of any non-compliance, firms are charged fines by Ministry of Labour, Social Security and Family. Turk Eximbank receives written commitment from the firms for the compliance. Risk Assessment Division monitors the financial statements of the firms to detect such fines arising from any non-compliance.

### **Prior and Post-Review**

Environmental, social evaluations and review procedures will be subject to ad-hoc review by the Turk Eximbank. The review of evaluations will ensure that: the work was of satisfactory quality, community participation took place when appropriate, the appropriate recommendations were made, all documentation was properly filed and recorded. All other documentation that may be needed by MIGA's supervision team should be kept on file by Turk Eximbank or will be provided by the sub-borrower upon request.

Sub-projects falling within Category B or Category C may be considered as eligible for financing without prior consent of MIGA. However, a Sub-project categorized as a high risk project, falling into Category A according to World Bank criteria, will only be eligible for financing with the prior consent of MIGA.

In addition to Category A (high risk) Sub-projects, for any climate change finance, prior approval of MIGA may be required to be classified as eligible for financing. For other projects, the review may transition from prior to post review, after a review of the categorization to date indicates that it has been carried out in a manner satisfactory to Turk Eximbank.

For further information, please see **Environmental and Social Review Procedures for application of Performance Standards**, particularly sub-section **Sub-project Follow Up**.

## **Significant E&S Event**

Significant E&S Event means

- (i) any significant social, labour, health and safety, security or environmental incident, accident, or circumstance relating to Turk Eximbank, any Sub-Borrower, or any Sub-Borrower Operations, including, without limitation, explosions, spills, any workplace accidents that result in death, serious or multiple injury, material pollution, or any violent labour unrest or dispute between Turk Eximbank, any Sub-Borrower, or any applicable security forces and local communities; or
- (ii) any other event or circumstance having, or which could reasonably be expected to have, any material adverse effect or impact on the compliance with the Performance Standards and Environmental Guidelines by Turk Eximbank with respect to its operations or any Sub-Borrower with respect to Sub-Borrower Operations.

Turk Eximbank shall within three (3) business days after becoming aware of the occurrence, notify MIGA of any Significant E&S Event with respect to Turk Eximbank, any Sub- Borrower or in relation to any the Sub-projects, specifying in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken, to address them and prevent any future similar event; and keep MIGA informed of the on-going implementation of those measures.

# **Annex A: Environmental Screening Form**

**(To be completed by Sub-Borrower and their main supplier, for corporate loans)**

*Sub-Borrower / Enterprise:*

*Project title:*

*Manufacturing Sector/Product:*

*Brief description of Project (nature of project, Sub-project cost, physical size [site area, production per year, etc.], existence of any property transfer, or on-going operations, plans for expansion of operations or new construction, potential estimated impact on production)*

## **Working Capital Loans**

Will raw materials be purchased with loan proceeds?

If yes, indicate the common name, chemical name or type of material?

Are any of these materials officially identified as hazardous or dangerous under Turkish regulations? Please specify.

## **Investment Loans**

### *Process Improvement Loans*

Will any equipment/machinery be purchased with loan proceeds?

If yes, are any of these items officially recognized as presenting a significant potential health or safety risk?

### *Construction of Physical Facilities.*

Is the project identified under Annex I of the Turkish Environmental Regulation?

Is the project identified under Annex II of the Turkish Environmental Regulation?

*Preliminary environmental information (list of environmental documents already available at time of screening)*

*SIGNATURES*

*DATE*

## **Annex B: Environmental Screening Form**

**(To be completed by Turk Eximbank, for corporate loans)**

- *Screening Category:*
- *Environmental issues apparent at screening (what environmental issues are raised by the sub-borrower/Sub-project)*
- *Reason for screening category*
- *Compliance with pollution control standards (discuss status of compliance of current and planned operations)*
- *Proposed mitigation (indicate measures to be taken to address the environmental issues raised by the sub-borrower/Sub-project, how they may be incorporated into the Sub-project design, and any potential covenants)*
- *Terms of Reference for environmental studies to be undertaken (indicate scope, time frame, and appropriate cost of any environmental analysis required)*
- *Community participation requirements (list any requirements under national or local laws for the enterprise/project sponsor to inform, consult or involve the public, NGOs etc.)*
- *Next Steps (list actions for Turk Eximbank, the sub-borrowers, the environmental consultant if any)*

SIGNATURES

DATE

SUB-BORROWER / ENTERPRISE

TURK EXIMBANK LOAN OFFICER

ENVIRONMENTAL SCREENER:

## ***Annex C: Social Screening Form***

**(To be completed by Sub-Borrower and their main supplier, for corporate loans)**

*Sub-Borrower / Enterprise:*

*Project Type: Working Capital Needs of Exporters/ Investment?*

*Project title:*

*Brief description of Project (nature of project, Sub-project cost, physical size [site area, production per year, etc.], existence of any property transfer, or on-going operations, plans for expansion of operations or new construction, potential estimated impact on production)*

*In case the project to be financed is an investment project, do any occupational health and safety risks inherent in the project? Is the Sub-Borrower compliant with national rules and regulations to prevent such risks?*

Do you have any employee under the age 14?

How many employees that will work in the project will be subject to the regulation of child labour? (An employee who is 14 years old)

How many employees that will work in the project will be subject to the regulation of young labour? (An employee between the ages 15 and 18)

Are the specific working conditions required by law secured for people working under the status of child labour or young labour?

Are all the precautions taken to prevent or minimize any occupational health hazard?

Are all the precautions taken to secure a safe working environment? Is there any employees subject to harmful or exploitative forms of forced labour/harmful child labour?

Does the project involve any involuntary resettlement?

Has the Sub-Borrower been a subject of any law suit or penalty regarding the areas mentioned above?

For loan requests > USD 5 million, please provide a list of your primary suppliers (if you source from many small suppliers, you can just list them as a group – e.g. 10 hazelnut farms).

SIGNATURES

## ***Annex D: Social Screening Form***

**(To be completed by Turk Eximbank, for corporate loans)**

- *Screening Category:*
- *Social issues apparent at screening, if any (Are there any social issues raised by the sub-borrower/Sub-project)*

*Proposed mitigation (indicate measures to be taken to address the social issues if raised by the sub-borrower/Sub-project, how can they be incorporated into the Sub-project design, and any potential covenants)*

- *Next Steps (list actions for Turk Eximbank, the sub-borrowers, the social consultant if any)*
- *For loan requests > USD 5 million:*
  - a. Based on the industry sector and type of suppliers, is there a high risk of child labour or a high risk of significant safety issues in the supply chain? (Y/N)*
  - b. If yes (child labour), does the client have a system in place to monitor the potential use of child labour by its primary suppliers? Please describe.*
  - c. If yes (safety), does the client have a system in place to ensure that primary suppliers are compliant with national OHS laws?*

SIGNATURES

DATE

SUB\_BORROWER / ENTERPRISE:

TURK EXIMBANK LOAN OFFICER:

SOCIAL SCREENER:

## ***Annex E: Environmental, Social and Human Rights Impacts Questionnaire***

**(To be completed by exporter/contractor for any buyer's credits)**

Please specify the name of your application.

*Write the name of your application here.*

Please check the appropriate box to indicate the type of the product you are applying for:

- Loan             Guarantee     Insurance

Is your application aimed at exports of military equipment?

- Yes                     No

Is your application aimed at exports of agricultural commodities?

- Yes                     No

Is your application aimed at exports of mobile assets? (e.g. ship, oil platform, plane, rubber-tired vehicles, construction equipment)

- Yes                     No

Is your application aimed at exports of capital goods and/or services?

- Yes                     No

Is Turk Eximbank's share in your application equal to or more than SDR (Special Drawing Rights)<sup>1</sup> 10 million?

- Yes                     No

Please check the appropriate box to indicate the type of your application:

- New commercial, industrial or infrastructure undertaking at an identified location  
 Existing undertaking that is undergoing material change in output or function  
 Other

Does your application comply with any of the following project descriptions?

- Project with emissions in excess of 25.000 tonnes CO<sub>2</sub>-equivalent annually<sup>13</sup>
- Fossil-fuel power plant project

- Yes                     No

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<sup>1</sup> You can find the currency converter at [http://www.imf.org/external/np/fin/data/rms\\_sdrv.aspx](http://www.imf.org/external/np/fin/data/rms_sdrv.aspx)

Is your application destined to identified location in or near sensitive areas listed below?

- National Parks
- Natural Parks
- Tropical Forests
- Rain Forests
- Mangrove Forests
- Habitat of endangered species
- Nationally protected wild lands
- Areas with archaeological or cultural significance
- Important areas for indigenous or unprotected groups
- Properties on the UNESCO World Heritage List

Yes  No

Will your application involve of severe project-related human rights impacts?

Yes  No

Will your application involve of labour under the age of 18?

Yes  No

Will your application involve of forced labour?

Yes  No

Will your application involve of migrant worker(s)?

Yes  No

Will your application involve of involuntary resettlement of local population?

Yes (How many persons?: )  No

Will your application involve of land acquisition and/or expropriation?

Yes  No

Please indicate the positive effects of your application on the local population.

*Please write positive effects here.*

Date  
Seal / Authorized Signature

\_\_\_\_\_

<sup>2</sup> You can find the calculator at <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> to measure CO2-equivalent of greenhouse gas emissions

## ***Annex F: Examples of the Eligible Sub-Borrower / Sub-project Categories***

The following examples of enterprise and their suggested categorization are indicative only and will need to be reviewed throughout the project implementation to assess their appropriateness concerning the types of projects which are actually submitted to the Turk Eximbank.

The final decision on the category will be made based on the information available to Turk Eximbank team by the Sub-Borrower at the time of screening and in accordance with Turk Eximbank Sustainability Management System.

### **Category C (Low Risk)**

This category includes the enterprises which have no environmental impacts and do not belong to categories A, B and ineligible projects for financing. Some examples of this category are:

1. Manufacture of wood products/small scale furniture manufacturing, carving, crafting, etc.,
2. Small scale stone crafting,
3. Small scale meal fabrication and upgrading,
4. Small scale instruments and hardware manufacturing,
5. Software development and manufacturing,
6. Establishment and equipping of art, design and telecommunications studios,
7. Purchase of computer equipment, and
8. Purchase of transportation equipment.

### **Category B (Intermediate Risk - Requiring Project Introduction File according to the Turkish Environmental Regulation)**

1. Facilities designed for production of chemicals, production of lubricants from oil or processing of intermediary products, and recovery of waste oil;
2. Facilities where pesticides and pharmaceutical products, paints and waxes, elastomer based products and peroxides are produced or where elastomer based products are processed;
3. Soap or detergent production facilities;
4. Production or repairing of metal materials for railways or aircrafts;
5. Textile;
6. Engines and motor vehicles production or assembly facilities;
7. Glass or fiberglass production facilities
8. Hide processing facilities (excluding facilities obtaining final products from processed hide)

9. All kinds of paper, cardboard or pasteboard production facilities;
10. Tire coating facilities with a capacity of 100,000 units/per year and over;
11. Tire production facilities (inner tubes and tire covers for motor vehicles and airplanes, columns, tire cord, etc.);
12. Projects related to animal and plant products;
13. Mining projects:
  - facilities with a capacity of 5,000 m<sup>3</sup>/year and above for the extraction and processing of marble blocks or pieces, decorative stones, and facilities with an annual capacity of 100,000 m<sup>2</sup> and above for cutting, processing and polishing marble;
  - extraction of a raw material, or any kind of processing thereof, in accordance with the Regulation for Quarries (25.000 m<sup>3</sup>/year and above)
  - extraction of 50,000 tons/year and above of salt, and/or all sorts of salt processing facilities
14. Clinker grinding facilities or facilities producing ready-mixed concrete or pre-stressed concrete components
15. Facilities producing brick or roof tiles (workshop-type of facilities excluded)
16. Facilities producing ceramic or porcelain (workshop-type of facilities excluded)
17. Lime factories

**Category A (High risk) – only to be eligible after consultation with MIGA**

1. Crude oil refineries (excluding undertakings manufacturing only lubricants from crude oil) and installations for the gasification and liquefaction of 500 tonnes or more of coal or bituminous shale per day.
2. Thermal power stations and other combustion installations with a heat output of 300 megawatts (equivalent to a gross electrical output of 140 MWe for steam and single cycle gas turbines power stations) or more and nuclear power stations and other nuclear reactors, including the dismantling or decommissioning of such power stations or reactors (except research installations for the production and conversion of fissionable and fertile materials, whose maximum power does not exceed 1 kilowatt continuous thermal load).
3. Installations designed for the production, or enrichment of nuclear fuels, the reprocessing, storage or final disposal of irradiated nuclear fuels, or for the storage, disposal or processing of radioactive waste.
4. Installations for the extraction of asbestos and for the processing and transformation of asbestos and products containing asbestos: for asbestos-cement products, with an annual production of more than 20 000 tonnes finished product; for friction material, with an annual production of more than 50 tonnes finished product; and for other asbestos utilisation of more than 200 tonnes per year.
5. Installations for the manufacture and/or recovery of chemicals (including but not limited to petrochemicals, fertilisers, pesticides & herbicides, health care products, detergents, paints, adhesives, agro-chemicals, pharmaceuticals, explosives) on an industrial scale using physical, chemical and/or bio-chemical processes and for large scale distribution of such chemicals via pipelines/terminals and associated facilities.

6. Integrated works for the initial melting of cast-iron and steel, e.g. installations for the production of primary steel by blast furnace route or direct reduction; installations for the production of non-ferrous crude metals from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic processes.
7. Accumulator and battery production facilities
8. Sugar factories
9. Construction of airports with a basic runway length of 2 100 metres or more.
10. Construction of motorways and express roads.
11. Construction of a new road, or realignment and/or widening of an existing road, where such new road, or realigned and/or widened section of road, would be 10 km or more in a continuous length.
12. Construction of railway lines that go beyond urban areas and of long-distance railway lines.
13. Sea ports and also inland waterways and ports for inland-waterway traffic which permit the passage of vessels of over 1 350 tonnes; trading ports, piers for loading and unloading iv connected to land and outside ports (excluding ferry piers) which can take vessels of over 1 350 tonnes.
14. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous, toxic or dangerous wastes.
15. Large dams and other impoundments designed for the holding back or permanent storage of water.
16. Groundwater abstraction activities or artificial groundwater recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million cubic metres or more.
17. Industrial plants for the production of pulp, paper and board from timber or similar fibrous materials.
18. Operations that involve large scale extraction, via underground or open-pit mining, solution mining, or marine or riverine operations to obtain precious metals, base metals, energy and industrial minerals, or construction materials. It may also include the processing of the extracted material.
19. Greenfield cement plants where the project includes a greenfield quarry.
20. Large scale oil, gas, or liquefied natural gas development that may include any or all of:
  - exploration (seismic and drilling);
  - field development and production activities;
  - transport activities, including pipelines/terminals, pump stations, pigging stations, compressor stations and associated facilities; or
  - gas liquefaction facilities.
21. Installations for storage of petroleum, petrochemical, or chemical products with a capacity of 200 000 tonnes or more.
22. Large-scale logging.
23. Municipal wastewater treatment plants with a capacity exceeding 150 000 population equivalent.
24. Municipal solid waste-processing and disposal facilities.
25. Large-scale tourism and retail development.
26. Construction of overhead electrical power transmission lines with a length of 15 km or above and a voltage of 110 kV or above.

## ***Annex G: Ineligible for the MIGA Guaranteed Financing***

### **MIGA EXCLUSION LIST**

Turk Eximbank shall not lend to the following types of Sub-Borrower Operations:

Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB, wildlife or products regulated under CITES;

- Production or trade in weapons and munitions;
- Production or trade in alcoholic beverages (excluding beer and wine);
- Production or trade in tobacco;
- Gambling, casinos and equivalent enterprises;
- Production or trade in radioactive materials, other than the purchase of medical equipment, quality control (measurement) equipment and any equipment where MIGA considers the radioactive source to be trivial and/or adequately shielded;
- Production or trade in unbonded asbestos fibers, other than the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 percent;
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length;
- Projects requiring land acquisition and involuntary resettlement;
- Production or activities involving harmful or exploitative forms of forced labour/harmful child labour;
- Commercial logging operations for use in primary tropical moist forest;
- Production or trade in wood or other forestry products other than from sustainably managed forests;
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals; or
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

## ***Annex H: MIGA's Anti-Corruption Guidelines***

The purpose of these Guidelines is to clarify the meaning of the terms "Corrupt Practices", "Fraudulent Practices", "Coercive Practices", "Collusive Practices" and "Obstructive Practices" in the context of MIGA operations (as in effect on October 15, 2006).

### **Corrupt Practices**

A "Corrupt Practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another person.

#### **Interpretation**

- Corrupt Practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery) to violate or derogate a duty owed by the recipient in order for the payor to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of Corrupt Practices.
- It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payor's books and records. Similarly, an investor will not be held liable for Corrupt or Fraudulent Practices committed by entities that administer bona fide social development funds or charitable contributions.
- In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally-accepted industry standards shall not constitute Corrupt Practices unless the action violates applicable law.
- Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.
- The World Bank Group does not condone facilitation payments. For the purposes of implementation, the interpretation of "Corrupt Practices" relating to facilitation payments will take into account relevant law and international conventions pertaining to corruption.

## **Fraudulent Practices**

A "Fraudulent Practice" is any action or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit or to avoid an obligation.

### **Interpretation**

- An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a "Fraudulent Practice" for purposes of World Bank Group sanctions.
- Fraudulent Practices are intended to cover actions or omissions that are directed to or against a World Bank Group entity. It also covers Fraudulent Practices directed to or against a World Bank Group member country in connection with the award or implementation of a government contract or concession in a project financed by the World Bank Group. Frauds on other third parties are not condoned but are not specifically sanctioned in IFC1, MIGA, or PRG2 operations. Similarly, other illegal behavior is not condoned but will not be sanctioned as a Fraudulent Practice under the World Bank sanctions program as applicable to IFC, MIGA and PRG operations.

## **Coercive Practices**

A "Coercive Practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any person or the property of a person to influence improperly the actions of a person.

### **Interpretation**

- Coercive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.
- Coercive Practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation.

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1 "IFC" means the International Finance Corporation, a member of the World Bank Group.

2 "PRG" means the Partial Risk Guarantee operations conducted by the Project Finance Group of the International Bank for Reconstruction and Development.

## **Collusive Practices**

A "Collusive Practice" is an arrangement between two or more persons designed to achieve an improper purpose, including to influence improperly the actions of another person.

### **Interpretation**

Collusive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

## **Obstructive Practices**

An "Obstructive Practice" is: (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making of false statements to investigators, in order to materially impede a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice, and/or threatening, harassing or intimidating any person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (b) acts intended to materially impede MIGA's access to contractually required information in connection with a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice.

### **Interpretation**

Any action legally or otherwise properly taken by a person to maintain or preserve its regulatory, legal or constitutional rights such as the attorney-client privilege, regardless of whether such action had the effect of impeding an investigation, does not constitute an Obstructive Practice.

### **General Interpretation**

A person should not be liable for actions taken by unrelated third parties unless the first person participated in the prohibited act in question.

## **Annex I: Climate Finance**

### **i) Climate Finance Action Plan:**

<b>Action</b>	<b>Deliverable</b>	<b>Completion Date</b>
Appoint staff responsible for developing and implementing the climate screening and reporting procedure, and notify MIGA via email of such appointment and provide indication of where this person sits within the organization.	Email notification confirming appointment of staff responsible for climate procedure.	30 days of the MIGA Contract of Guarantee Effective Date
Engage a qualified consultant to support the development of a procedure for screening and reporting climate finance, and other relevant activities (e.g. training), as necessary. Provide evidence of the hiring of the consultant.	(i) Terms of reference finalized (ii) Confirmation of hiring the consultant	(i) 60 days of the MIGA Contract of Guarantee Effective Date (ii) 190 days of the MIGA Contract of Guarantee Effective Date
Submit to MIGA a procedure for screening and reporting climate finance for project finance and corporate loans with tenor equal to or greater than 12 months.	Climate screening and reporting procedure documented.	Before the end of May 2019
Implement staff training plan on MIGA's requirements and methodology for identifying climate finance investments.	Note of completion of training plan	Before the end of May 2019
Provide MIGA a business plan demonstrating Turk Exim's approach to support climate finance over the lifetime of MIGA's guarantee endorsed by Turk Eximbank senior management	Business plan document	No later than 1 year after the MIGA Contract of Guarantee Effective Date

## ii) Information on Climate Finance Projects:

(to be contained in the report to be delivered to MIGA):

1. Renewable Energy (RE): Information about RE eligible subprojects including renewable energy technology type, installed capacity (megawatts), and annual electricity generation or produced by the Sub-project (megawatt-hours/year);
2. Energy efficiency (EE): Information about EE eligible Sub-projects including information about estimated energy savings expressed as percentage of estimated baseline energy consumption per unit output for all fuels plus electricity;
3. Savings for energy efficiency can be defined as follows:
  - Annual electricity savings (megawatt-hours/year) from energy efficiency projects
  - Annual fuel savings (joules/year or tons of oil equivalent/year) from energy efficiency projects with type(s) of fossil fuels identified;
4. Manufacturing of renewable energy and energy efficient technology equipment: description of the type of renewable energy and energy efficient equipment or finished goods being financed;
5. Water efficiency: description of investment to demonstrate a reduction in water use, such as annual water savings (cubic meter per year); water use per unit of output (water use per ton; water use per guest night (in hotel); water use per equivalent product (pharmaceutical plant); percentage of water discharged; evidence of water management strategy signed by the CEO that will result in 10% reductions in water use. Supporting documentation shall be provided to MIGA.
6. Green building: information in the form of the following table, a copy of which shall be provided to MIGA in the annual report.

Loan #	Name of Development	City	Total Project Cost	Loan Amount and currency	Tenor	Built Area	# of units	Stage of Construction	Certification Type	Certification Status	Certification #
						(m. sq)		e.g. Design / Under construction / Construction	e.g. IFC EDGE / LEED / BREEAM / other	Design certified / Post construction certified	

### iii) Eligibility Criteria:

The following criteria shall be applied for purposes of determining what projects qualify as Climate Finance Project and for the evaluation of Climate Finance Projects (“MIGA’s Eligibility Criteria for Climate Finance Projects”).

1. **Renewable Energy (RE):** the installation or construction measure implemented by a corporate entity and aimed at investing into fixed assets that enable generation or productive use of electricity, heat, cooling and any other form of energy from renewable resources, including but not limited to solar, wind, hydropower, biomass, geothermal and tidal.

In the case of RE technology equipment, the eligible Sub-project should be directly manufacturing or supplying a component that is exclusively for the purpose of producing or supporting RE.

Renewable energy projects including geothermal and hydropower projects larger than 15 MW would need to demonstrate that the implementation of the project will result in net greenhouse gas emissions reductions. GHG emission reductions will be estimated in accordance with internationally accepted methodology and in a manner acceptable to MIGA.

2. **Eligible Energy Efficiency (EE):** the measures implemented by a corporate entity aimed to acquire, replace, redesign or refurbish equipment, systems and/or contracting services/products to improve the energy efficiency every unit of service/output of the corporate entity. This includes utilizing waste energy and any other measure to the efficiency of energy use (or reducing specific energy consumption) of the system directly affected by the Sub-project based on minimum requirements below:

(A) An Energy Efficiency or GHG reduction Sub-project is defined as the implementation of measures that achieve any of the following minimum thresholds within the project boundary to qualify as EE:

- Reduce absolute energy consumption by at least 15%, OR
- Reduce GHG emissions by at least 25,000 tCO<sub>2</sub>e/year, OR
- Reduce electricity consumption by at least 50 GWh/year

(B) Eligible Sub-projects can include the manufacturers and suppliers of equipment or products intended for EE and RE projects. In the case of EE equipment or products, the eligible Sub-project should be directly manufacturing or supplying the energy-efficient technology equipment or appliance. The EE equipment or products should either be verified as energy-efficient based on a reasonable benchmark in the market of the technology or product being sold, OR be directly supplied to EE projects (per definition of eligible EE Sub-project above).

(C) Equipment, appliances and lighting that show an energy efficiency assurance label assuring at least 15 percent of energy savings compared to the baseline are automatically accepted, as specified and satisfactory to MIGA in form and substance.

(D) Electric cars, hybrid cars or flex-fuel4 cars

(E) EE for vehicles that will be used to replace existing vehicles that use the same fuel. The new vehicles require 15 percent fuel efficiency improvement, expressed in miles or kilometers per gallon or liter of fuel, compared to the vehicles to be replaced. In the case of fleet replacement Sub-projects, MIGA will request evidence that the replaced vehicles will be retired/removed from the borrowers' business.

(F) EE due to fuel switching to lower-carbon fuels in retrofit or replacement vehicles. Vehicles switching from gasoline to any of the following fuels are automatically qualified. Subprojects financing vehicles switching from diesel to biodiesel are automatically qualified.

Other projects that result in the reduction of GHG emissions or increases to energy efficiency would be discussed in advance with MIGA to determine possibility of inclusion/reporting as climate finance support.

## **Annex J**

### **List of Projects Subject to Environmental Impact Assessment Annex – 1 of the Regulation (as revised from time to time)**

#### 1- Refineries:

- a) Crude oil refineries,
- b) 500 tons / day of hard coal and bituminous materials gasification and liquefaction projects,
- c) Natural gas liquefaction and gasification facilities,

#### 2- Thermal power plants:

- a) Thermal power plants with a total thermal power of 300 MWt or more and other combustion systems,
- b) Establishment or dismantling of nuclear power plants or other nuclear reactors, (excluding research projects intended for the transformation and proliferation of atomic nuclei, whose maximum power does not exceed 1 kilowatt in terms of continuous thermal load,

#### 3- Nuclear fuel plants:

- a) Reprocessing of nuclear fuels,
- b) Production or enrichment of nuclear fuels,
- c) Processing of radiation-free nuclear fuels or wastes containing radiation above the limit value,
- ç) Final disposal of radiation nuclear fuels,
- d) only the final disposal of radioactive waste,
- e) Storage of radiation-only nuclear fuels (planned for more than 10 years) or radioactive waste in a different area than the production area,
- f) Final disposal of radiation-free nuclear fuels,

#### 4- Metal industry facilities:

- a) Plants producing iron and / or steel from ore (250.000 tons / year and above)
- b) Iron and / or steel-producing plants (including scrap) (250,000 tons / year and above)
- c) Facilities where iron and / or steel are melted and cast (including scrap) (250,000 tons / year and above)
- ç) Plants where the non-ferrous metals are melted and dumped (250.000 tons / year and above)
- d) Hot rolling plants,
  - 1) Plants where iron or steel is rolled, (250.000 tons / year and above)
  - 2) Non-ferrous metals rolling mills (250,000 tons / year and above)

#### 5- Asbestos removal and processing or conversion of products containing asbestos:

- a) Asbestos mining enterprises and enrichment facilities,
- b) Facilities with a capacity of 50 tons / year and friction (Friction) production as a final product,
- c) other facilities using asbestos of 200 tons / year or more,
- ç) Facilities with asbestos concrete with a capacity of 10.000 tons / year and above,

#### 6- Chemical plants producing industrial scale by using a variety of functionally interconnected units:

- a) Production of organic chemicals,
- b) Production of inorganic chemicals,

c) Production of simple or compound fertilizers based on phosphorus, nitrogen and potassium of 20.000 tons / year.

7- Facilities where explosive and / or combustible materials are produced,

8- Roads and airports:

a) 100 km and over railway lines,

b) Airports with runway length of 2.100 m and above,

c) Highways and state highways,

ç) Construction of inter-city high and high lane roads,

d) renewing or expanding existing intercity roads with two or less traffic lanes to have four or more traffic lanes, and extending the length of the reorganized or expanded section to a length of 10 km or more;

9- Waterways, harbors and shipyards:

a) Inland inland waterways which allow the passage of sea vehicles with a weight of 1.350 DWT and above and the ports to be built for inland water traffic,

b) Commercial docks, piers, berths and dolphins with berths of 1,350 DWT and above,

c) Shipyards,

ç) Facilities that are one of the manufacturing, maintenance and repair services of yachts or boats of 24 m and above,

d) Ship dismantling sites,

e) Yachts,

10- Hazardous and / or special treated wastes:

a) Facilities where hazardous and / or special treated wastes are recovered and incinerated (thermal processes such as combustion by combustion, pyrolysis, gasification, thermal processes such as plasma, etc.) are regularly stored and / or disposed of,

b) Incineration plants designed for medical wastes with a capacity of 1 ton / day or more,

c) Facilities projected for waste oil recovery with an annual processing capacity of 2,000 tons or more,

11- It is stated that the wastes which are more than 10 hectares and / or target year, including construction debris and excavation wastes, are recovered and burned (thermal processes such as incineration, pyrolysis, gasification, plasma etc.) are stored regularly and / or facilities where final disposal is carried out,

12- 10 million m<sup>3</sup> / year and over groundwater extraction or water storage underground projects,

13- Water transfer projects of 100 million m<sup>3</sup> / year or more between river basins except those for carrying water with drinking pipes,

14- Dams or ponds with a lake volume of 10 million m<sup>3</sup> and above,

15- Hydroelectric power plants with an installed capacity of 10 MWm and above,

16- Waste water treatment plants with a capacity of 150,000 equivalent and / or over 30,000 m<sup>3</sup> / day,

17- Plants with daily capacity of 100 tonnes or more, where feces produced by animal breeding are burned, recovered and / or disposed,

18- Animal cutting plants:

a) Cattle and / or sheep slaughtering facilities, [(100 cutting units / day and above), (each cutting unit equivalents: 1 head cattle, 2 head ostrich, 4 head pigs, 8 head sheep, 10 head goats , 130 rabbits)]

b) Plants in which poultry are slaughtered, [(60,000 pcs / day and other poultry and other poultry) (1 turkey = 7 chicken)

19- Animal breeding facilities:

a) Cattle rearing facilities of 5,000 head and above,

b) 25.000 head and small breeding facilities,

c) Breeding of cattle and ovine animals,

ç) 900 head and above pig feed plants,

d) Poultry breeding facilities, [(60,000 chickens (chicks, brood, chickens, etc.) or other equivalent poultry in one production period (1 turkey = 7 chickens should be taken as basis)]

20- Aquaculture projects, (1,000 tons / year and above production)

21- Plants where crude oil production or refining process is carried out from plant products, [200 tons / day oil and above (excluding thyme, chamomile and similar essential oils)]

22- Milk processing facilities, (Raw milk processing capacity 100.000 liters / day and above)

23- Yeast plants, (25.000 tons / year and above)

24- Sugar factories,

25- Forest products and cellulose plants:

a) Cellulose production facilities,

b) Pulp production facilities from lumber or similar fibrous materials,

c) All kinds of paper production facilities (60.000 tons / year and over capacity)

26- Yarn, fabric or carpet factories with dyeing units with an annual capacity of 3.000 tonnes or higher (desizing, bleaching, mercerization, causticisation and the like) or with an annual capacity of 3,000 tonnes or more.

27- Mining projects:

a) Open enterprises in the working area of 25 hectares (as excavation and casting area total),

b) Extraction of coal with open operation method in the working area exceeding 150 hectares (as excavation and casting area sum),

(c) waste-enrichment facilities for biological, chemical, electrolytic or heat treatment methods and / or waste facilities for these enrichment plants,

ç) Facilities making at least one of the processes of crushing, sieving, washing and ore preparation of more than 400,000 tons / year.

28- 500 tons / day of crude oil, 500.000 m<sup>3</sup> / day natural gas or rock gas extraction,

29- Transportation of petroleum, natural gas and chemicals with pipes with diameter of 600 mm and more than 40 km,

30- Cement factories,

31- Facilities where the capacity of petroleum, natural gas, petrochemicals and chemicals with a capacity of 50.000 m<sup>3</sup> and above are stored,

32- Raw leather processing plants (excluding garment products) (2.000 tons / year and above)

33- Specialized Organized Industrial Zones, (Annex-1 list and Annex-2 list projects)

34- Battery and / or battery production facilities, (except for installation facilities)

35- Plants in which the active substances of pesticides and / or pharmaceutical products are produced,

36- Manufacture of motor vehicles, [Land vehicles (cars, buses and the like); agricultural machinery (tractors, harvesters and the like); construction equipment (dozer, excavator and the like); defense industry vehicles (tanks, armored vehicles, etc.)] (excluding assembly facilities) (10,000 units / year and above)

37- Facilities for the production of railway vehicles, (except for installation facilities) (1,000 units / year and above)

38- Manufacture of motor vehicles,

- 39- Glass, glass fiber, stone wool and similar production facilities, (100.000 tons / year and above)
- 40- Tire manufacturing facilities, (Internal and external motor and aircraft tires, column, tread rubber, cord fabric and the like)
- 41- Ceramic or porcelain production facilities [Raw material capacity (materials used in mud preparation, priming, glazing, etc.)] (300.000 tons / year and above)
- 42- Tourism accommodation facilities: Hotels, resorts and / or tourism complexes and similar, (500 rooms and above)
- 43- Wind power plants with installed capacity of 50 MWm and above,
- 44- Extraction and use of geothermal source (thermal capacity 20 MWe and above)
- 45- Solar power plants with an installed capacity of 10 MWe and above,
- 46- 154 kV (Kilovolt) and over voltage of 15 km or more in length electric power transmission lines.

## **ANNEX K : Site Visit Report**

*Turk Eximbank Loan Officer: [Name, Title]*

*Sub-Borrower:[Name, Title]*

*Other Persons Accompanying the Visit, if any:*

*Loan Type: [Corporate/Project]*

*Brief Description Of Loan/Project:*

*Loan/Project Status:*

*Date of Visit:*

<b>MIGA PS1: Assessment and Management of Environmental and Social Risks and Impacts</b>			
<b>Subject</b>	<b>Findings</b>	<b>Compliance with PS</b>	<b>Recommendations</b>
<b>Environmental and Social Assessment and Management System</b>			
<b>Policy</b>			

Identification of the Risks			
Organizational Capacity and Competency			
Monitoring and Review			
Stakeholder Engagement			
External Communications & Grievance Mechanism			

<b>MIGA PS2: Labor and Working Conditions</b>			
<b>Subject</b>	<b>Findings</b>	<b>Compliance with PS</b>	<b>Recommendations</b>
Human Resources Policy and Management			
Working Conditions and Terms of Employment			
Occupational Health and Safety			
Grievance Mechanism			

MIGA PS3: Resource Efficiency and Pollution Prevention			
Subject	Findings	Compliance with PS	Recommendations
Resource Efficiency			
Air Quality and Greenhouse Gases			
Water Consumption (Drinking & Domestic)			
Wastewater Management and Groundwater Protection			
Waste Management Hazardous Materials Management			

Environmental Noise			
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MIGA PS4: Community Health, Safety, and Security			
Subject	Findings	Compliance with PS	Recommendations
Infrastructure and Equipment Design and Safety			
Hazardous Materials Management and Safety			
Emergency Preparedness and Response			

Security Personnel			
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<b>MIGA PS5: Land Acquisition and Involuntary Resettlement</b>			
Subject	Findings	Compliance with PS	Recommendations
Involuntary Settlement			
Land acquisition			

<b>MIGA PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>			
Subject	Findings	Compliance with PS	Recommendations

Flora and Fauna			
Wetlands and protected areas			
Biodiversity conservation and sustainable management of living natural resources			

<b>MIGA PS7: Indigenous People</b>			
<b>Subject</b>	<b>Findings</b>	<b>Compliance with PS</b>	<b>Recommendations</b>
Indigenous People			

MIGA PS8: Cultural Heritage			
Subject	Findings	Compliance with PS	Recommendations
Protection of Cultural Heritage			

Code	Compliance	Description
EC	Exceeding Compliance	The Project has gone beyond the expectations of the PS requirements. The Lenders should be able to use Projects rated EC as a role model for positive Environmental and Social effects.
FC	Fully Compliant	The Project is fully in compliance with PS requirements, and EU and local environmental, health and safety policies and guidelines.
PC	Partial Compliance	The Project is not in full compliance with PS requirements, but has systems, processes or mitigation measure in place which are working towards addressing the deficiencies.
MN	Material Non-Compliance	The Project is not in material compliance with PS requirements, and the systems, processes and mitigation measures in place are not working towards addressing the deficiencies.

## ANNEX L : Mitigation Plan

MITIGATION PLAN						
Related PS	Subject	Observation	Suggested Corrective Action	Responsible Party	Expected Completion Date	Importance
[PS1 to PS8 Name of the related PS]	[Name of the Subject under the related PS]	[Your findings related to the Subject that needs corrective action plan]	[The recommended way of correcting the respective finding]	[For example the Contractor]	[A possible time frame]	[From Low to High given the severity of the finding]

Code	Description
Low	Initial impression raises cause for minor concern
Medium	Initial impression provides potential cause for concern, and may affect project value
High	Initial impression raises sufficient concern to have a detrimental effect on project value