

Republic of Türkiye

Türkiye Kalkınma ve Yatırım Bankası A.Ş.
(also known as Development and Investment Bank of Türkiye)

Formal Employment Creation 2 Project
P507276

ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)

Negotiated
28-February-2025

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. Türkiye Kalkınma ve Yatırım Bankası A.Ş. (the Borrower, also known as Development and Investment Bank of Türkiye or “TKYB”) will implement the Formal Employment Creation 2 Project- (P507276) (the Project), as set out in the Loan Agreement (the Agreement). The International Bank for Reconstruction and Development (the Bank) has agreed to provide financing for the Project, as set out in the Agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreement, the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Borrower agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Borrower’s Representative specified in the Agreement or its Head of Sustainability and Environmental Social Impact Management Department. The Borrower shall promptly disclose the updated ESCP.
5. The subsection on “Indicators for Implementation Readiness” below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the “Timeframe” column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	ORGANIZATIONAL STRUCTURE Establish and maintain a Project Implementation Unit (PIU) with qualified staff and resources to manage environmental, social, health and safety (ESHS) risks and impacts of the Project. This includes appointing staff dedicated to the Project; one environmental specialist, one social specialist, and one occupational health and safety (OHS) specialist, all with experience and qualifications acceptable to the Bank, to ensure full compliance with the ESSs, ESCP, and other relevant instruments.	Establish the PIU by the Loan Effective Date and thereafter maintain the PIU and these positions throughout Project implementation.	Development and Investment Bank of Türkiye (PIU)
B	CAPACITY BUILDING PLAN/MEASURES Organize capacity building activities on relevant environmental and social aspects under the Project as required in the TKYB Environmental and Social Management System (ESMS) and Stakeholder Engagement Plan (SEP) for PIU staff, consultants, and other stakeholders as required. Thematic training topics may include, but are not limited to: • TKYB's ESMS • National environmental and social legislation • Stakeholder Engagement Plan • Specific aspects of environmental and social assessments, and preparation and implementation of project and site-specific E&S Instruments • Monitoring and reporting of E&S aspects of the Project • Community health and safety (including SEA/SH, etc.) • Emergency preparedness and response • Code of conduct	Initial training no later than thirty (30) days after the Loan Effective Date and refresher trainings as agreed with the Bank	Development and Investment Bank of Türkiye PIU
MONITORING AND REPORTING			
C	REGULAR REPORTING Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (E&S) performance of the Project. The reports shall include:	Submit reports on semi-annual basis to the Bank throughout Project implementation, commencing after the Loan Effective Date.	Development and Investment Bank of Türkiye PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	• Status of preparation and implementation of E&S documents required under the ESCP, • Summary of stakeholder engagement activities carried out as per the SEP, • Functioning of the Grievance Mechanism (GM) (i.e., complaints submitted to the GM, grievance log, and progress made in resolving them, etc.) • E&S performance of subprojects • Number and status of resolution of incidents and accidents reported under Action E below. • Updates on the implementation of actions and mission recommendations within agreed timelines as specified in the World Bank's implementation support mission Aide Memoires.	Submit each report to the Bank no later than 30 days after the end of each reporting period.	
D	SUB-PROJECT REPORTING Require Eligible Beneficiary Firms (firms receive access to financing and capacity building support under the project) to provide monitoring reports on E&S performance to the PIU as will be defined in the sub-loan agreements between TKYB and Eligible Beneficiary Firms in accordance with TKYB's ESMS. Submit the monitoring reports to the Bank.	Require submission of the monitoring reports on a frequency that is defined in each sub-loan agreement concluded with a Eligible Beneficiary Firm. Submit the monitoring reports to the Bank upon request	Development and Investment Bank of Türkiye PIU
E	INCIDENTS AND ACCIDENTS Notify the Bank of any incident or accident relating to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; dam failure; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease	Notify the Bank no later than 48 hours after learning of the incident or accident. Provide available details upon request.	Development and Investment Bank of Türkiye PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	outbreaks. Provide available details of the incident or accident to the Bank upon request. Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.	Provide review report and Corrective Action Plan to the Bank no later than ten (10) days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.	
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS a. Apply TKYB's ESMS to this Project in a manner satisfactory to the Bank, consistent with the requirements of ESS9, as further detailed in action 9.1 below. b. As part of the Borrower's subproject approval process, apply E&S review and ESRET (Environmental Social Risk Evaluation Tool) to each proposed Eligible Beneficiary Firm, in accordance with the Project Operations Manual and TKYB's ESMS, with full consideration of the list of Excluded Activities, relevant national laws as confirmed by the Bank, ESSs and eligibility criteria, and where applicable, cause Eligible Beneficiary Firms to develop E&S action plans (ESAP) to address identified gaps following the due diligence review. c. Ensure that each Eligible Beneficiary Firm prepares, discloses, adopts, and implements site-specific E&S Instruments (such as ESIA, ESMP and E&S sub-management plans) for subprojects in accordance with the relevant ESAP in line with TKYB's ESMS. d. Submit to the Bank for prior review and approval of the first two subprojects of category B+ (in TKYB's ESMS) and the first two subprojects of category B- (in TKYB's ESMS) under the Project, including Environmental and Social Evaluation for each respective subproject prepared by TKYB.	a. Throughout Project implementation b. Before approval of each respective subproject c. Ensure that Eligible Beneficiary Firms prepare, disclose and adopt E&S Instruments prior to carrying out the subproject activities, and thereafter implement throughout subproject implementation, including mitigation measures contained in the relevant ESAPs. d. Prior to the disbursement of the loan proceeds by the Borrower to the Eligible Beneficiary Firms for the financing subprojects.	Development and Investment Bank of Türkiye PIU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.2	MANAGEMENT OF CONTRACTORS Require and ensure that each Eligible Beneficiary Firm incorporates the relevant aspects of the ESCP, including, inter alia, the relevant E&S Instruments and code of conduct, into the E&S specifications of the procurement documents and contracts with contractors and supervising firms. Thereafter, ensure that the contractors and supervising firms comply with the E&S specifications of their respective contracts. Provide copies of the relevant contracts with contractors/subcontractors and supervision firms to the Bank.	As part of the preparation of procurement documents and respective contracts. Ensure that contractors are supervised throughout Project implementation. Copies of relevant contracts provided to the Bank upon request.	Development and Investment Bank of Türkiye PIU
1.3	ASSOCIATED FACILITIES If the construction of associated facilities, as described in the TKYB's ESMS, is required for the implementation of subprojects, ensure that all activities related to the construction of associated facilities – such as energy transmission lines, wastewater or water supply networks – are carried out in accordance with the applicable requirements of this ESCP and TKYB's ESMS.	Prepare E&S documents (ESDD, ESIA, ESMP, RP, LRP) for associated facilities prior to the commencement of their construction and ensure their implementation throughout the subproject implementation.	Development and Investment Bank of Türkiye PIU
1.4	TECHNICAL ASSISTANCE Carry out the consultancies, studies (including feasibility studies if applicable), capacity building, training and any other technical assistance activities under the Part 2 of the Project in accordance with terms of reference acceptable to the Bank, that are consistent with the ESSs and TKYB's ESMS. Thereafter, prepare and finalize the outputs of such activities in accordance with the terms of reference.	Throughout Project Implementation	Development and Investment Bank of Türkiye

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
1.5 USE OF BORROWER'S ENVIRONMENTAL AND SOCIAL FRAMEWORK Ensure that the E&S risks and impacts of the Project, are managed in accordance with this ESCP and the TKYB's ESMS dated January 2020, which includes by reference the relevant laws, regulations, procedures, and implementation arrangements for the Project. Promptly notify the Bank of any changes to the TKYB's ESMS that may materially and adversely affect the Borrower's ability to manage the E&S risks and impacts of the Project in line with the ESSs (including any relevant changes to said laws, regulations, procedures and implementation arrangements set out in the ESMS). The Borrower shall notify the immediate measures taken or that are planned to be taken to address said changes and the ensuing potential risks and impacts of the Project. If, in the opinion of the Bank, such changes materially and adversely affect relevant E&S risk management aspects of the Project, the Borrower shall agree to implement measures and actions to address them in a reasonable manner acceptable to the Bank. The ESCP shall be updated to reflect such agreed actions.	Throughout Project implementation Notify the Bank immediately in case of such changes to the TKYB's ESMS. Subsequent actions, if requested by the Bank, shall be reflected in an updated ESCP as indicated in paragraph 4 of the initial section of this ESCP.	Development and Investment Bank of Türkiye PIU

ESS 2: LABOR AND WORKING CONDITIONS			
2.1	LABOR MANAGEMENT PROCEDURES Maintain and implement, and cause Eligible Beneficiary Firms to maintain and implement, Project labor and working conditions consistent with national legislation, TKYB's Human Resources Policy and ESS2, that include, <i>inter alia</i>, the following requirements: ▪ Project Workers, as defined under ESS2, will be hired, promoted and their employment, where needed, terminated based on principles of non-discrimination and equal opportunity, no-harassment, and freedom of association. ▪ All Project Workers are provided with information and documentation that is clear and understandable regarding their terms and conditions of employment, their rights under national labor and employment laws (including their rights related to hours of work, payment of wages and deductions, overtime, benefits such as periods of rest and leave, written notice of termination and details of severance payments, as well as those arising from the requirements of ESS2); ▪ Adoption of the appropriate occupational health and safety (OHS) measures is ensured in line with ESS2, at the workplace (no matter their locations and including without limitation on field assignments), which shall consider, <i>inter alia</i>, an assessment of the potential OHS risks associated with the tasks to be carried out and include mitigation measures, such as protocols for protection against communicable diseases (i.e. Covid-19, etc.) as issued by the Ministry of Health, and the Bank; ▪ Adoption of a code of conduct that sets out measures against practices related with SEA/SH at the workplace, including the dissemination of the referral services available in the country to respond to such behaviors;	Implement and monitor compliance with labor management procedures consistent with ESS2 requirements throughout Project implementation and report through semi-annual progress reports.	Development and Investment Bank of Türkiye PIU

	▪ Adoption of measures, as applicable: (i) to prevent the use of all forms of child labor as well as forced labor, per ESS2 requirements and applicable national laws (ii) enable workers to benefit from, inter alia, access to grievance mechanisms without fear of retaliation; and (iii) ensure that workers are allowed to form and join workers organizations or alternative mechanisms for expressing their concerns and protecting their rights related to labor and working conditions per ESS2 requirements and applicable national laws; ▪ Incorporate the relevant requirements above in the E&S specifications of the procurement documents and contracts with third parties that engage workers in the implementation of the Project, including contractors, subcontractors, and supervising firms; and ▪ Reporting on compliance with these labor management procedures as part of the reports to be submitted under Action C above.		
2.2	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT PLAN Require contractors to prepare and implement OHS Management Plans as needed in accordance with TKYB's ESMS.	Ensure contractors prepare OHS Management Plans prior to the commencement of the works and thereafter implement the plan throughout Project implementation.	Development and Investment Bank of Türkiye PIU
2.3	GRIEVANCE MECHANISM FOR PROJECT WORKERS Cause Eligible Beneficiary Firms (for projects with moderate or higher risks) to establish, maintain, and operate GMs for Project Workers as described in the Project SEP and consistent with ESS2.	Establish a GM, prior to the disbursement of the Sub-loan and thereafter maintain and operate it throughout Subproject implementation.	Development and Investment Bank of Türkiye PIU

ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			
3.1	WASTE MANAGEMENT PLAN Cause Eligible Beneficiary Firms to prepare and implement a Waste Management Plan (WMP), as part of subproject specific E&S Instruments to manage hazardous and non-hazardous wastes, in accordance with TKYB's ESMS.	Same timeframe as for the preparation and implementation of subproject specific E&S Instruments under Action 1.1c.	Development and Investment Bank of Türkiye PIU
3.2	RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT Cause Eligible Beneficiary Firms to incorporate resource efficiency and pollution prevention and management measures in the subproject specific E&S instruments.	Same timeframe as for the preparation and implementation of subproject specific E&S Instruments under Action 1.1c.	Development and Investment Bank of Türkiye PIU
ESS 4: COMMUNITY HEALTH AND SAFETY			
4.1	TRAFFIC AND ROAD SAFETY Cause Eligible Beneficiary Firms to develop and implement road safety management procedures in accordance with TKYB's ESMS to address potential hazards on communities resulting from construction activities and operationalization of construction equipment. Cause beneficiaries to include actions under the above procedure in the subproject specific E&S Instruments.	Same timeframe as for the preparation and implementation of subproject specific ESMPs under Action 1.1c.	Development and Investment Bank of Türkiye PIU

4.2	COMMUNITY HEALTH AND SAFETY Cause Eligible Beneficiary Firms to prepare, adopt, and implement measures in accordance with TKYB's ESMS to assess and manage specific risks and impacts to the community arising from subproject activities that may generate from behavior of subproject workers; risk of labor influx, Gender Based Violence (GBV)/ SEA/SH risks, emergency situations, limitations on land, potential for community exposure to communicable diseases, dust and noise; and include these measures in subproject specific E&S Instruments to be prepared in accordance with the TKYB's ESMS, in a manner acceptable to the Bank.	Same timeframe as for the preparation and implementation of subproject specific E&S Instruments under Action 1.1c.	Development and Investment Bank of Türkiye PIU
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT			
5.1	RESETTLEMENT PLANS Where the subprojects involve involuntary land acquisition and expropriation, cause Eligible Beneficiary Firms to prepare and implement a Resettlement Plan (RP) or a Livelihood Restoration Plan (LRP) as necessary, consistent with TKYB's ESMS and WB ESS5.	Cause the preparation and implementation of the respective RP or LRP prior to carrying out the relevant works, including ensuring that before taking possession of the land and related assets, full compensation has been provided, and, as applicable, displaced people have been resettled and moving allowances have been provided.	Development and Investment Bank of Türkiye PIU
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES			
6.1	Cause Eligible Beneficiary Firms to assess biodiversity risks and impacts and incorporate relevant mitigation measures in the subproject specific E&S Instruments, as appropriate, in accordance with TKYB's ESMS.	Same timeframe as for the preparation and implementation of subproject specific E&S Instruments under Action 1.1c.	Development and Investment Bank of Türkiye PIU
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES			
This standard is not relevant as there are no Indigenous Peoples who meet the criteria under ESS7 in Türkiye.			
ESS 8: CULTURAL HERITAGE			
8.2	CHANCE FINDS Cause Eligible Beneficiary Firms to prepare, adopt, and implement the Chance Finds Procedure described in the subproject specific E&S Instruments under Action 1.1c above.	Same timeframe as for the preparation and implementation of subproject specific E&S Instruments under Action 1.1c.	Development and Investment Bank of Türkiye PIU

	Ensure the Chance Finds Procedure is included in all civil works contracts and contractors are obligated to adhere.		
ESS 9: FINANCIAL INTERMEDIARIES			
9.1	ESMS Fully utilize TKYB's ESMS for this Project. Maintain and implement an ESMS satisfactory to the Bank to assess, manage and monitor the environmental and social impacts of the Project. The ESMS shall include, inter alia, the following elements: • Identification of the subprojects that may receive support from the Bank financing; • An environmental and social policy endorsed by TKYB's senior management. • Clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of subprojects, in accordance with ESS9, including, inter alia, stakeholder engagement and disclosure requirements for subprojects. • List of Excluded Activities with the activities that are not eligible for financing, consistent with the list of Excluded Activities in the Loan Agreement. • An organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. • Monitoring and reporting of environmental and performance of subprojects and the effectiveness of the ESMS. • Incidents and accidents notification and subsequent reporting requirements as set out in action E above.	Maintain and operate TKYB's ESMS throughout Project implementation.	Development and Investment Bank of Türkiye PIU

	• An external communications mechanism, including measures to respond to public enquiries and concerns in a timely manner. • Other documents and procedures to ensure that its investment activities are, in the opinion of the Bank, compliant with the list of Excluded Activities defined in the Loan Agreement, relevant national laws as confirmed by the Bank, the Environmental and Social Standards and the Subproject eligibility criteria as set forth in the Loan Agreement, which shall all be acceptable to the Bank. Disclose a summary of each of the elements of the ESMS through the relevant website.		
9.2	EXCLUSIONS Screen all proposed subprojects against the list of Excluded Activities set out in the Loan Agreement and exclude activities that are listed in the exclusion list including any of the activities listed, or activities that produce and/or use materials listed, in the World Bank Group / International Finance Corporation Exclusion List, and such other activities and/or materials listed in the POM and which are classified and referred to as part of the negative list in said manual, the activities classified as Category A per TKYB's ESMS, having significant adverse impacts on cultural heritage and biodiversity and activities involving the use or risk of polluting waterways, as defined and applicable under World Bank's Policy O.P. 7.50, including feasibility, engineering and design studies for such activities or discuss and agree recategorization of the Project with the World Bank before agreeing to finance such subproject with Project funds.	Screen subprojects before determining whether they are eligible to receive support from the Project.	Development and Investment Bank of Türkiye PIU
9.3	FI ORGANIZATIONAL CAPACITY Maintain an organizational capacity and competency for implementing the corporate ESMS with clearly defined roles and responsibilities described under Section A.	The same timeframe as established for Section A.	Development and Investment Bank of Türkiye PIU

9.4	SENIOR MANAGEMENT REPRESENTATIVE Designate a senior management focal point on environmental and social performance of subprojects.	The same timeframe as established for Section A.	Development and Investment Bank of Türkiye PIU
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	STAKEHOLDER ENGAGEMENT PLAN Prepare, disclose, consult and implement the Stakeholder Engagement Plan (SEP) developed for the Project, consistent with ESS10, which shall include measures to, inter alia, provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. Cause Eligible Beneficiary Firms to implement the Project SEP for each subproject throughout a subproject life.	SEP was disclosed and consulted prior to Project Appraisal and shall be implemented throughout implementation of the Project. Ensure that all relevant consultations and stakeholder engagement activities are conducted for each subproject before the start of project activities.	Development and Investment Bank of Türkiye PIU
10.2	PROJECT GRIEVANCE MECHANISM Establish, publicize, maintain, and operate an accessible GM to receive and facilitate resolution of concerns and grievances in relation to the Project promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10. Ensure the GM is equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.	Establish and operationalize a GM no later than thirty (30) days after the Effective Date. Update as necessary and implement throughout implementation of the Project. Report semi-annually through Project Monitoring Reports on E&S described in Action C.	Development and Investment Bank of Türkiye PIU

INDICATORS FOR IMPLEMENTATION READINESS

The following actions are indicators for implementation readiness:

- i. Assignment and training of E&S and OHS specialists within PIU as described in **Action A**.
- ii. Delivery of trainings specified in **Action B**.
- iii. Preparation of E&S assessments and plans by the Borrower at the onset of Implementation as specified in **Action 1.1**.
- iv. Establishment and operationalization of the workers' GMs and the Project GM as specified **Action 2.3 and Action 10.2** respectively.