

Çelebi Bandırma Uluslararası Limanı İşletmecili AŞ

## **Port of Bandırma Environmental and Social Assessment Report**

*Final Report*

14<sup>th</sup> May 2010

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# Port of Bandırma Environmental and Social Assessment Report

## Final Report

Prepared by Environmental Resources Management Ltd  
in association with  
ELC Group Consulting and Engineering Ltd

14<sup>th</sup> May 2010

For and on behalf of  
Environmental Resources Management Limited

Approved by: Karen Raymond

Signed:



Position: Partner

Date: 14<sup>th</sup> May 2010

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## EXECUTIVE SUMMARY

### BACKGROUND

*This draft environmental and social assessment report, prepared by Environmental Resources Management Ltd (ERM) in association with ELC Consulting and Engineering Group (ELC), on behalf of Çelebi Joint Venture Group (Çelebi) presents the findings of an independent environmental and social due diligence assessment of the development of the Port of Bandırma (the Port) in Turkey (the Project), by Çelebi. Although Çelebi is the beneficiary of this due diligence report, it has been prepared independently of Çelebi and lenders may seek reliance on the report (subject to a reliance agreement mutually agreed between ERM and the individual parties).*

*In May 2008, Çelebi was selected as the preferred bidder for a 36 year transfer-of-operating-rights scheme for the Port by the Turkish Privatisation Administration (PA). The Transfer of Operating Rights Agreement (TOORA) has been reviewed by the Council of State and the privatisation tender has been approved. The TOORA is expected to be signed between TCDD (the Government-owned Turkish Railways and the current operator of the Port who will act as the regulatory body for the ports privatized by the PA), PA and Çelebi on May 18<sup>th</sup> 2010 and the same day the Port will be transferred to Çelebi..*

*Çelebi is seeking support for the financing of the payment of the Operating Right Fee to the PA and for the financing of refurbishment and investments in purchase of equipment to be made in the Port (the Project) from a consortium of financial institutions including UniCredit Bank AG (UniCredit) who will hold the structuring bank mandate and Yapı Kredi Bankası AŞ (YKB). The Multilateral Investment Guarantee Agency (MIGA) will provide PRI cover for the underwriting amount for UniCredit.*

*In accordance with the Environmental and Social Policy and Performance Requirements of the "Equator Principles" which UniCredit has adopted, Çelebi has commissioned ERM as an independent environmental and social consultant to undertake environmental and social due diligence of the Project on behalf of the consortium of financial institutions before their approval of financing.*

*ERM's due diligence assessment is based on the review of the documents provided by Çelebi and a site visit between 22-24 March 2010 including interviews with staff from Çelebi, TCDD, and certain other Project stakeholders. At the date of ERM's assessment, Çelebi had a staff of five on site (General Manager, Operations Manager, Technical Manager and two Management trainees) who were preparing for the handover. The day-to-day operations of the Port were being managed by TCDD staff.*

### THE PROJECT

*The Project will involve refurbishment, upgrading and modernisation of port facilities and the purchase of new equipment to increase the capacity of the Port from 3.0 million t/year to up to 6.0 million t/year within 5 years of transfer to Çelebi, and the*

management of services at the Port. The Project will achieve the capacity increase through the following:

- Immediate replacement of all 339 existing TCDD staff with 40 Çelebi management employees and 276 subcontracted staff (for unloading/ loading, towing, health services, and security services).
- From one year following the transfer date, purchase of state-of-the-art cranes to allow Çelebi to undertake unloading/loading themselves, and reduce the use of sub-contracted staff for unloading/loading to peak times.
- Use of the currently redundant railway infrastructure.

The above will be supported by the following construction and demolition activities on-site:

- structural improvements of quays to increase load-bearing capacity;
- surface covering of quays;
- railroad upgrade and maintenance;
- 
- converting an existing berth into an area for container operations;
- fire safety systems installation;
- upgrade of water and waste treatment facilities;
- renovation of warehouses, workshops, port entrances and administrative building; and
- demolishing one warehouse and social building.

In a later phase (after 2015) a multi-storey car parking area may be constructed if there is sufficient demand.

In addition, as the single rail line to the Port will not have the capacity to deal with the projected increase in cargo, a cargo storage area will be constructed in existing land at the port where rail cargo can be transferred to trucks and delivered to the Port. In future a further storage area may be developed south of the port adjacent to the railway and highway but this is not part of the activities currently planned as part of the Project.

#### **REDEPLOYMENT OF EXISTING PORT STAFF**

Under the TOORA, the Port will be transferred to Çelebi without its current workers, and Çelebi has no obligations regarding their future employment. TCDD is retaining all responsibility and has offered current workers three options following transfer of the Port: retirement, redundancy or redeployment to one of TCDD's operating ports

at Izmir, Derince, Haydarpaşa or İskenderun. TCDD's site Personnel Director advised that 40% (older workers) were expected to select retirement as TCDD workers are entitled to retirement after 25 years (and are reportedly exempt from the new Turkish Law which specifies a retirement date of 65). Retirees are entitled to a % of their basic salary, based on time worked and rank. The remaining 60% of younger blue-collar workers have requested redeployment. The redeployments are at the same working conditions as Bandırma although the workers expect limited opportunities for overtime which reportedly comprises 20% (quote from union leader) to 50% (quote from TCDD management) of their income. Redeployed workers are entitled to a relocation allowance based on distance and including additional allowances for family members.

We are advised by Çelebi that redeployment arrangements are now complete.

In terms of the redeployment process there have been complaints from both TCDD management and union representatives about:

- lack of information and support from TCDD Ankara;
- lack of choice for redeployment within TCDD infrastructure (only 4 choices although TCDD has many operations throughout Turkey);
- fast time-frame (3 days to make decision on receipt of questionnaire with options from TCDD Ankara);
- uncertainty as to fate of Ports of İzmir and Derince re privatization, resulting in the redeployed workers possibly needing to move again in 2-5 years; and
- uncertainty on timing of redeployment, and short-time frame for relocation - all TCDD staff must leave immediately on Çelebi's take-over of the Port.

No information is available on the plans for 74 existing white-collar TCDD workers, although it is expected that the majority will take the retirement option, as they are all eligible.

Çelebi has met regularly with representatives of Liman-İş (Port Workers Union) over the past 8 months, and offered workers opportunities to apply for positions in the new structure. 5-6 workers who are applying for retirement approached Çelebi of whom 2-3 will be employed. They are workers over 55 and will likely be employed for 3 to 5 years. Reportedly all those who responded were eligible for retirement. It is expected that this is due to the reduced wages on offer compared to TCDD's current salary structure.

## **REPORT STRUCTURE**

This environmental and social due diligence assessment includes:

- description of the current Port of Bandırma and its environment and proposed Project activities;

- methodology for the Environmental and Social Due Diligence;
- assessment of compliance of the Project against local regulations, Equator Principles, relevant MIGA Performance Standards and MIGA/World Bank/IFC General and Sectoral Environmental and Health & Safety Guidelines;
- an Environmental and Social Action Plan (ESAP) to address identified impacts, risks and non-compliances; and
- an outline Stakeholder Engagement Plan.

## FINDINGS

### **Compliance with Local Legislation**

ERM identified a number of non-compliances and potential non-compliances with Turkish regulatory requirements related to current Port activities.

- A number of unsafe practices were observed including the presence of personnel in hazardous areas where equipment was in operation.
- The Port does not hold an environmental licence and permit in contravention of the new 2009 Regulation on Permits and Licences that should be received in accordance with the Environmental Law. It should apply for a temporary activity permit and follow this with an application for a full permit and licence governing air and noise emissions, discharges to water and wastes. The application for a full permit and licence must be made within 6 months of the temporary permit. If the Port has held an emissions permit under the Industrial Air Pollution Control Regulation it could possibly have relied upon this until it expired but no such permit has been obtained.
- Domestic waste water on site is discharged to two septic pits in contravention of the Water Pollution Control Regulation which requires sites with more than 84 staff to either treat domestic wastewater or connect to the local municipal sewer under a permit.
- All surface runoff water is discharged directly to the sea without treatment. As surface runoff water may become contaminated by bulk cargo residues and oil, this is a potential contravention of the Water Pollution Control Regulation.
- The on-site separator for treatment of bilge water and contaminated ballast water is in disrepair (refer photo 1.7 in Annex A), and oily bilge and sludge are stored on site prior to removal by a licensed sub-contractor. Whilst the operations appear to be in compliance there is evidence of past discharges of bilge and sludge to ground in the vicinity of the separator (refer photo 1.8) and this may constitute a non-compliance with the Soil Pollution Control Regulation.
- There are two underground diesel storage tanks of 20 and 10 tonnes storage capacity, with no information on integrity tests. It is likely that they age from the

*establishment of the Port and that they have impacted the surrounding soil and groundwater quality, and may constitute a non-compliance with the Soil Pollution Control Regulation.*

- An area within managed by the roads authority (Karayolları Genel Mudurlugu) is significantly contaminated with oil products, and is likely to have impacted the surrounding soil and groundwater quality (refer photos 1,8, 1.9 and 1.10). This may constitute a non-compliance with the Soil Pollution Control Regulation. The area is with the Port boundaries and will be under Çelebi's responsibility but the roads authority will be responsible for removal of any contamination.*
- Waste oils (from workshops and other machinery) appear to be burnt on-site and therefore their disposal is not in compliance with the Waste Oil Control Regulation.*
- The Port operates five transformers. Given their age, it is likely they contain Polychlorinated Biphenyls (PCBs). Under the Regulation on the Control of Polychlorinated Biphenyls and Polychlorinated Terphenyls, transformer oils should be analysed. If PCB is present, oil and contaminated equipment should be disposed of according to Hazardous Waste Control Regulation.*
- A number of stakeholders (the municipality, fishermen and residents representatives) reported dust from Port activities as a significant issue, and this was observed on site. The problem is due to a number of factors: poor road conditions (refer photo 1.5), poor unloading/loading practices, poor gripping equipment in the cranes, and open-trucks travelling within the Port. Reportedly grain dust is the primary source of dust (refer photo 1.18). The most sensitive and vulnerable receptors are residential areas immediately south of the Port in the predominant wind direction. It is understood that no dust monitoring has been undertaken at the site or in the vicinity.*
- The Port does not have environmental insurance in contravention of the Law Pertaining to the Principles of Emergency Intervention And Indemnification of Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances. Also it does not have approval from the local authorities for its Emergency Response Plan.*

### **Local Concerns**

*Given its urban location, and the fact that ground water is not used for supply and there are no surface freshwater resources or designated ecological or cultural heritage protection areas in the vicinity, the Port's setting is considered to be of low environmental sensitivity and vulnerability.*

*The social and community setting is more sensitive, being within the urban area of Bandırma, close to residential areas (50m), schools (Trade Chamber Primary School: 1 km to the Port and 100 m to the Truck Road, 17 Eylül Primary School-900m to the Port, Marmara Primary School-600 m to the Port), recreational areas (300 m-Bandırma Square), and a fishing port (adjacent). The residential area is down-gradient of prevailing winds from the Port.*



*Development will be undertaken within the Port as part of the Project but the planned actions are not expected to pose significant risks or impacts during the life-time of the Project. A full Environmental and Social Impact Assessment is not therefore considered to be necessary and the review has focused principally on an audit/analysis of existing operations and conditions. There will, however, be some changes in operating arrangements and a rapid assessment of these has identified the following non-exhaustive list of potential risks and impacts.*

- Risks of increased environmental and community impact (noise, dust, road traffic accidents) as a result of increased road traffic to and from the Port. Whilst the majority of the road route into the Port is on highways and away from residential areas, there are reported complaints of trucks travelling through and parking in residential areas and of congestion at specific traffic intersections (reported by the Municipality and observed during the site visit). If a new off-site storage area is developed at a later stage of Port operations this may cause impacts on its site and surroundings.*
- Potential concerns related to replacement of existing TCDD staff with Çelebi management employees and sub-contracted workers, related to conflicts between incoming new workers and the existing community.*
- The Project will result in increased number of vessels using the Port. Currently ships queue outside the Port and are reported to keep their lights on all night and to hinder fishing. The Fishermen Association stated that up to 18 tankers can be waiting at any one time and this was observed during the site visit. Increased capacity has the potential to increase shipping traffic and any resulting impacts. Çelebi will have no responsibility for control of shipping movements outside the Port. The area immediately outside the Port is not used for fishing.*
- A general increase in activity at the Port will lead to the potential for increased disturbance of neighbouring communities from noise, dust, lighting, traffic and general activity. Planned mitigation measures will lead to a reduction in dust emissions.*

*As discussed above, the retrenchment resulting from Port privatisation is not the responsibility of Çelebi and its consequences for the workforce and the local community are not identified as impacts of the Project. . The impacts of shipping on fishing are also not identified as impacts of the port.*

## **COMPLIANCE WITH THE EQUATOR PRINCIPLES AND PERFORMANCE STANDARDS**

### ***Relevant International Standards***

*The ten Equator Principles address the following:*

- EP1: Categorisation and Review;*
- EP2: Social and Environmental Assessment;*

- EP3: Applicable Social and Environmental Standards (MIGA Performance standards);
- EP4: Action Plan and Management System;
- EP5: Consultation and Disclosure;
- EP6: Grievance Mechanism;
- EP7: Independent Review;
- EP8: Covenants in Loan Agreement;
- EP9: Independent Monitoring and Reporting;
- EP10: EPFI Reporting.

All except the last (which relates to reporting on EP activity by financial institutions) have direct application to the Project.

The social and environmental standards which are applicable to the Project under EP3 are the IFC Performance Standard on Social and Environmental Sustainability, the supporting EHS General Guidelines and the Sectoral Guidelines on Ports, Harbours and Terminals. MIGA has also adopted these standards.

Based on available information in the due diligence assessment, it is considered that of the eight MIGA/IFC Performance Standards (PS1-PS8) the following are applicable in terms of managing the Project's impacts under EP3:

- PS 1: Social & Environmental Assessment and Management Systems;
- PS 2: Labour & Working Conditions;
- PS 3: Pollution Prevention & Abatement; and
- PS4: Community Health, Safety & Security.

PS5-8 are not considered in the due diligence assessment for the following reasons.

- PS5: Land Acquisition & Involuntary Resettlement – there is no acquisition of land outside the Port envisaged within the Project.
- PS6: Biodiversity Conservation & Sustainable Natural Resource Management - there are no protected areas or resources of importance for nature conservation or biodiversity in the vicinity of the Port. Whilst the sustainable use of the sea is of concern the principal threat is from water pollution and this is addressed by PS3.
- PS7: Indigenous Peoples - there are no indigenous communities affected by the Project.
- PS 8: Cultural Heritage - there are no historic or archaeological sites, scenic areas or relics in the immediate vicinity (the nearest protected site is Kayacık Village 3.4km from the site).

### **Environmental and Social Categorization**

ERM recommends that the Project should be classified as Category B according to MIGA's Policy on Social and Environmental Policy and review procedures. Category B projects have 'potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through

*mitigation measures' and do not necessarily require a full scale social and environmental impact assessment.*

### **Compliance with Equator Principles and MIGA Performance Standards**

*The Project is currently in partial compliance with the Equator Principles and MIGA/IFC Performance Standards, with the most significant gaps at the time of the assessment were as follows.*

- *There was no Project Environmental, Social or Health and Safety Management System (ESHMS) including management programme, organisational structure, training, community engagement, monitoring and reporting.*
- *There was no plan for Stakeholder Engagement.*
- *Parties potentially affected by the Project, including vulnerable groups, had not been identified.*
- *There was no grievance mechanism related to the Project's social and environmental performance that was freely and easily accessible to the local communities.*

### **ENVIRONMENTAL AND SOCIAL ACTION PLAN**

*An Environmental and Social Action Plan has been developed to address risks, impacts and non-compliances with local legislation, relevant Equator Principles and MIGA Performance Standards. Key actions within the Plan include:*

- *Develop and implement an Environmental Social, and Health and Safety Management System (ESHMS) to include policy, management programme, organisational structure, training, community engagement monitoring and reporting. The ESHMS should include detailed action plans for a number of topics including waste management, dust and water pollution prevention and emergency prevention and response.*
- *Develop and implement a Stakeholder Engagement Plan, including regular public consultations, and implementation of a grievance mechanism related to the Project's social and environmental performance which is easily accessible to the local communities. The key findings of the assessment and the Action Plan should be made available in the Turkish language to local communities and regular updates provided on progress.*
- *Review organizational responsibilities for Environmental, Health and Safety and Quality.*
- *Include provisions in sub-contractors' conditions of contract on compliance with Client's H&S requirements, highlighting the need for compliance with Article 5 of the Labour Code (discrimination) and with the rights of employees under national legislation. The H&S Management System should clearly indicate that Client is responsible for compliance of sub-contractors with PS2 and Turkish*

*Labour Law, and include provisions for management, training, implementation and monitoring of contract work to ensure H&S performance.*

- *Include in site's HR policy clauses on provision of information regarding workers' rights under national labour and employment law including rights to form workers' associations and H&S requirements.*
- *Engage with the Ministry of Environment and Forests to develop a plan for application for all required permits and obtain a temporary Environmental Permit and then apply for a full Environmental Permit and Licence within 6 months.*
- *Construct a domestic wastewater treatment plant or connect with the municipal sewer system.*
- *Improve dust control measures for trucks and storage areas.*
- *Install new oil separators and settlement units at the surface-water discharge points to Sea.*
- *Prepare a waste management plan covering all types of wastes generated on site (e.g. waste oils, waste batteries, vegetable waste oil and packaging).*
- *In conjunction with TCDD, undertake a soil/groundwater site investigation according to Turkish regulations in identified contaminated areas, to establish baseline conditions on transfer of the Port to the Client, such that when the Port is returned it can be demonstrated that the contamination was not caused by their operations. Following investigation, undertake a risk-based screening in accordance with the EHS Guidelines on contaminated land and work with the responsible parties (TCDD, roads authority and others) to mitigate risk as necessary.*
- *Analyse transformers for Polychlorinated Biphenyls and buildings for asbestos-containing materials.*
- *Engage with Ministry of Environment and Forests to obtain approval of the Emergency Action Plan. Update the Emergency Response Plan taking into account the views of the local community.*
- *Work with the Municipality and the roads authority to prepare a Port traffic management plan, seeking to minimise the impact of Port traffic by controlling traffic within the Port and encouraging drivers outside the Port to adopt driving practices which minimise disturbance to residents and other road users.*
- *Engage with the roads authority regarding improvements to the access route to the Port to reduce impacts of port traffic on residents and other road users.*

*The above actions are additional to the actions which are already budgeted in the Port's development plan.*

# 1 INTRODUCTION

## 1.1 OVERVIEW

This draft report, prepared by Environmental Resources Management Ltd (ERM) on behalf of Çelebi Joint Venture Group (Çelebi) <sup>(1)</sup>, presents the findings of an independent environmental and social due diligence assessment of the development of the Port of Bandırma (the Port), in Turkey (the Project), by Çelebi. Although Çelebi is the beneficiary of this due diligence report, it has been prepared independently of Çelebi and it is understood that potential lenders may seek reliance on the report in the future (subject to a reliance agreement mutually agreed between ERM and the individual parties).

## 1.2 BACKGROUND

In May 2008, Çelebi was selected as the preferred bidder for a 36 year transfer-of-operating-rights scheme for the Port by the Turkish Privatisation Administration (PA). The Transfer of Operating Rights Agreement (TOORA) has been reviewed by the Council of State and the privatisation tender has been approved. The TOORA is expected to be signed between TCDD (the Government-owned Turkish Railways and the current operator of the Port who will act as the regulatory body for the ports privatized by the PA), PA and Çelebi on May 18<sup>th</sup> 2010 and the same day the Port will be transferred to Çelebi..

Çelebi is seeking support for the financing of the payment of the Operating Right Fee to the PA and for the financing of refurbishment and investments in purchase of equipment to be made in the Port ( the Project) from a consortium of financial institutions including UniCredit Bank AG (UniCredit) who will hold the structuring bank mandate and Yapı Kredi Bankası AŞ (YKB). The Multilateral Investment Guarantee Agency (MIGA) will provide PRI cover for the underwriting amount for UniCredit.

The intention, subject to due diligence, is to provide financing for the payment of a concession fee in the amount of USD 175.5 million and capital expenditure estimated at around USD 37 million for refurbishment, upgrading and modernisation of port facilities and the purchase of new equipment to increase the capacity of the Port from 3.0 million t/year to up to 6.0 million t/year within 5 years of transfer to Çelebi, and for the management of services at the Port.

In accordance with the Environmental and Social Policy and Performance Requirements of the Equator Principles, which UniCredit has adopted, Çelebi

(1) Now Çelebi Bandırma Uluslararası Limanı İşletmecili AŞ.

has commissioned ERM as an independent environmental and social consultant to undertake environmental and social due diligence of the Project on behalf of the consortium of financial institutions before their approval of financing.

ERM was commissioned to:

1. Undertake environmental and social due diligence of the Port privatisation, including an environmental and social audit to assess the environmental and social issues associated with existing facilities and operations, and an analysis of the environmental and social impacts and benefits of the priority investments to be financed.
2. Based on the findings of these initial investigations develop an Environmental and Social Action Plan (“ESAP”). Where gaps are identified between current and future predicted performance and relevant standards identify options for measures to mitigate any legacy issues and potential future impacts. The plan should also outline the proposals for future stakeholder engagement.

### 1.3

#### *STRUCTURE*

The remainder of the report is structured as follows:

Section 2: Site and Project Information;  
Section 3: Methodology and Approach;  
Section 4: Audit and Analysis Report; and  
Section 5: Environmental and Social Action Plan and Stakeholder Engagement Plan

Annex A: Site Photos

### 2.1 EXISTING SITE DESCRIPTION

The Port of Bandırma (the Port) is located to the south of the Marmara Sea between Ense Cape (40°23'42"N/27°42'12"E) and Levent district (40°22'00"N/27°59'30"E).

Plans for a port at Bandırma began in 1952 followed by construction in 1963, and the Port operations were formally handed over to TCDD in 1969 from the Ministry of Public Works.

The main units are shown in *Figure 2.1*.

**Figure 2.1** Bandırma Port: Main Units



The Port is built on an area of 268,348 m<sup>2</sup> and has 20 berths with depths between 4-12 meters and a total length of 2,844 meters. Open storage area is 150,000 m<sup>2</sup>, and there are 3 warehouses with a total area of 9,000 m<sup>2</sup>. There is no specially separated parking area for trucks; however there is an area for truck parking at front of the Operation Management Building. There is also a

social building for workers, and 2 breakwaters with lengths of 1,000 and 500 meters respectively.

The border of the Port is enclosed with a wired barrier of 1.85 m height. There are 3 entrance gates a passenger gate, Gate A assigned for cars and Gate B assigned for cargo trucks. There are 6 security points at the Port area; 3 of which are at the entrance gates and the rest are in the terminal area as security towers.

Loading and unloading processes are handled with cranes. Current Port handling equipments include 3 quay cranes, 5 mobile cranes, 2 loaders, several forklifts and other vehicles. The Port also has 3 towing boats, 1 pilot boat, 2 mooring boats and 2 lash ships.

Electricity demand is provided via the grid. High voltage energy is reduced to 280 volt with 5 on-site transformers. Total power capacity is 2500 kVA. Communication is provided by the TELEKOM lines and internal lines. VCH radios are used for sea traffic follow-up and communication. There is no radar. Heating of the buildings is provided by a coal-fire boiler which is owned and managed by the municipality.

A waste reception facility has been established on site in order to receive, store and transfer the operational ship waste to disposal facilities. The facility lifetime was planned as 25 years <sup>(1)</sup> and its units are shown in *Table 2.1*.

**Table 2.1** *Bandırma Port Waste Reception Facility Units*

Unit	No	Capacity
Bilge tank	1	150 m <sup>3</sup>
Sludge tank	1	40 m <sup>3</sup>
Dewatered bilge tank	1	50 m <sup>3</sup>
Wastewater tank	1	40 m <sup>3</sup>
Separator	1	1.5 m <sup>3</sup> /hour
Solid waste container	1	50 m <sup>3</sup>
Mobile tank	2	6 m <sup>3</sup>
Waste truck	1	10 m <sup>3</sup>
Vacuum track	1	10 m <sup>3</sup>
Tanker	1	15 m <sup>3</sup>

TCDD employs 265 blue-collar workers (40 operators, 60 shipmen, 55 technical workers, and the rest general workers) and 74 white-collar workers employed by TCDD. All the current workers at the Port are members of The National Port and Land Stevedores Union of Turkey (Liman-Is).

The main operations carried out in the Port are:

(1) Owing to the aggressive nature of the coastal environment.



- loading and unloading;
- storage;
- pilotage – towage service;
- potable water transfer to the ships; and
- waste acceptance from the ships.

The Port serves bulk cargoes, general cargo and passengers. The average annual cargo handled in the last three years (2007-2009) was 3,070,000 tonnes.

Export goods are mainly mine ores, while the import goods are mainly animal feed such as crushed seeds and soybean (up to 2,000,000 t/yr) , phosphoric and sulphuric acid and vegetable oil (up to 200,000 t/yr) .

There are the following ongoing long-term contracts with tenants of the Port;

- ETI (ETI Mine Works General Management): Up to 2037;
- TMO (Turkish Grain Board): Up to 2036;
- IDO ( Istanbul Municipality Ferry Lines): Up to 2042; and
- Various cabotage operators.

Berth No. 12-13-14 is dedicated to ETI and is segregated from the Port area. ETI is one of the biggest customers for the Port, exporting approximately 900,000 t cargo annually. ETI has its own facilities for handling 60% of its cargo including 9 vertical silos for borax pentahydrate storage with a total capacity of 9,000 tonnes, an integrated conveyor band system and 2 continuous loader cranes. The remaining 40% of cargo of ETI is handled by the Port. ETI also has an off-site ore storage area located adjacent to the site. ETI has a total number of 100 employees comprising 20 permanent workers and 80 subcontractors.

Berth No.11 is dedicated to TMO but is not segregated from the Port area. This berth can also be used by the Port when not used by TMO. TMO has 18 silos, each with 1,000 tonnes capacity and 8 star-shaped bins (interstice bins formed between four cylindrical silos), each with 250 tonnes capacity. These silos have a combined total capacity of approximately 20,000 tonnes and a volume of 55,000m<sup>3</sup>. Three of these silos have ventilation systems to aerate damp grain. Silos are used to store grain purchased by TMO prior to it being sold. Companies which import or export grain can rent TMO's silos for periods of around 10-15 days to avoid demurrage charges. TMO also has a horizontal warehouse located just outside the Port area, which has a capacity of 30,000 tonnes. This warehouse can also be rented by companies for periods of about 3-5 months and is connected to the Port by a conveyor line. There are also two cranes belonging to TMO, one for loading and one for both loading and unloading. TMO's operation at the Port is decreasing year by year and it did not operate any vessels in 2009, only using its facilities for storage operations.

Berth No. 1 is dedicated to IDO and it is segregated from the Port area.

In the area where cabotage cargos are handled, the yard is rented out, in parts that are deemed appropriate by the Port Management, to companies on request using long-term rental contracts. Customers can carry out loading/discharging of both cabotage and import/export cargo in the Port of Bandırma, using their own equipment. There is no equipment belonging to the Port in the area where cabotage cargo operations are carried out.

Turkish trading ships with more than 1000 GT capacity and foreign ships with more than 150 GT capacity are obliged to use the pilotage service provided by the Port.

## 2.2

### *PLANNED PROJECT OPERATIONS*

Main port operations are planned to be provided by subcontractors and a total of 316 workers will be employed after the handover (276 workers will be employed by subcontractors while 40 employees will be permanent and employed directly by Çelebi).

All operations will be controlled by Çelebi's management including decision making and planning. Implementation of operations will be undertaken by subcontractors.

Planned subcontractor services will be as follows:

- *Loading-Unloading Services:* Vessel loading/unloading, yard and warehouse operations, terminal and all related labour services (trimming, sweeping etc.) will be provided by subcontractors employing 167 persons.
- *Towage Services:* Towage and mooring services will be provided by subcontractors employing 32 persons. Only the pilotage service will be provided by the Port administration.
- *Health Services:* 1 medical doctor will be employed by the subcontractor.
- *Security Services:* All security services and vehicle traffic arrangements will be provided by subcontractors employing 53 persons.
- *Cleaning and Catering Services:* Cleaning services in the administrative buildings and offices, and catering services will be provided by subcontractors employing 4 persons.

After the first year Çelebi will procure its own equipment to replace the current cranes. Subcontractor equipment will then be used only at peak times. During the period of handover, subcontractor equipment will include:

- mobile harbour cranes,
- material handling equipment and excavators, and

- loaders, mini loaders, forklifts and skid steer loaders.

Çelebi is also planning to undertake some new structural works at the site. These include:

- structural improvement of quays;
- surface covering of quays;
- railroad upgrade and maintenance;
- conversion of an existing berth for container operations;
- fire safety system installation;
- upgrade of waste treatment facilities;
- renovation of warehouses, workshops, Port entrances and administrative building; and
- demolishing one warehouse and social building.

In addition a multi-storey car park may be constructed at some point in the future if there is sufficient demand.

Rail transport is not used at present but there are plans for cargo to be carried by rail in future. The length of railroad within the Port area is around 5 km. It is operated by TCDD in coordination with the Port operator. The upgrading works involve repair of disused rails, crossing points and sleepers as well as improvement of the ground within the Port area. In future a further storage area may be developed south of the port adjacent to the railway and highway but this is not part of the activities currently planned as part of the Project.

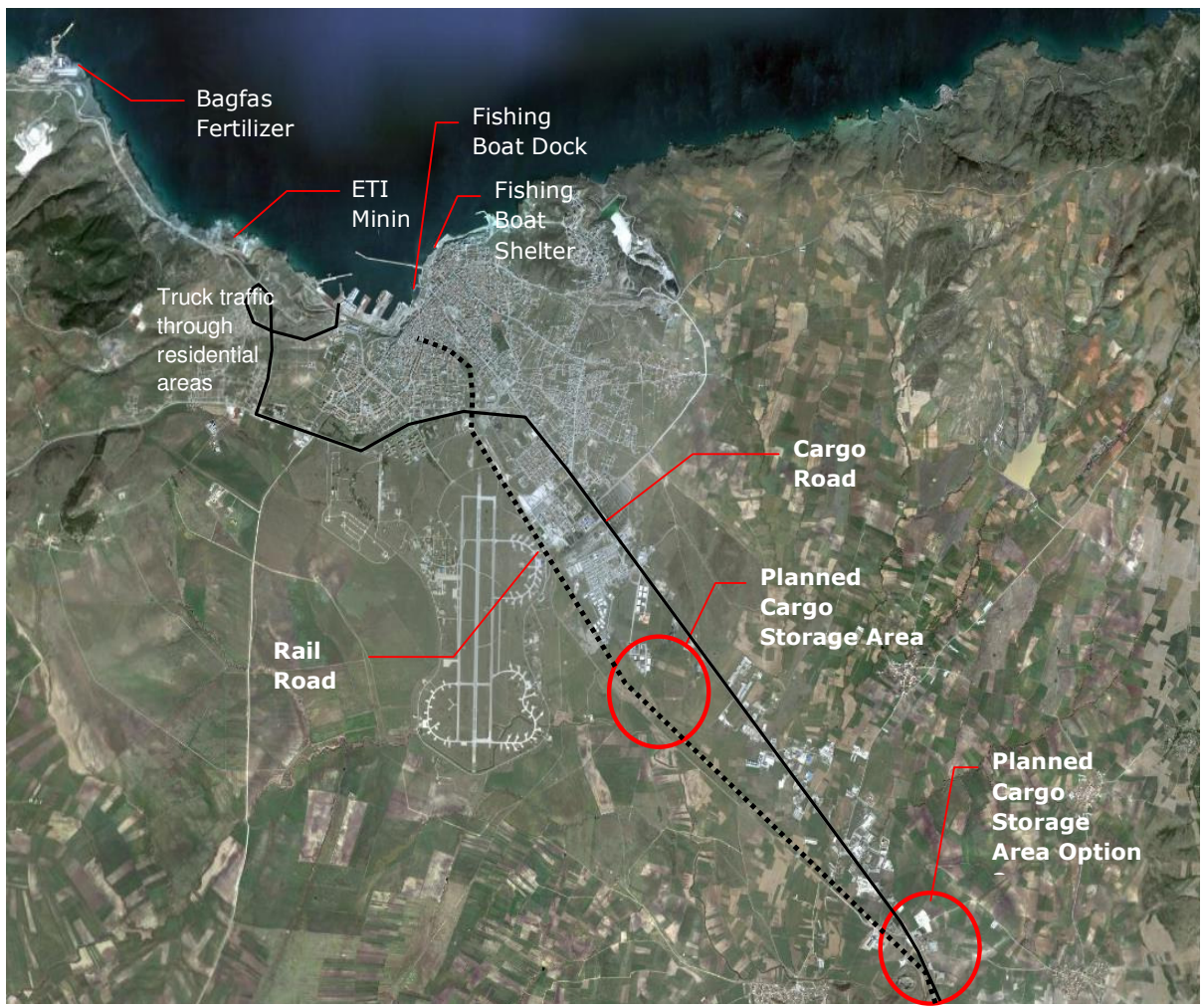
The proposed improvements will not require any extension of the railroad or additional land acquisition. Trains will be diesel powered for the foreseeable future.

## 2.3 ENVIRONMENTAL AND SOCIO-ECONOMIC SITE SETTING

### 2.3.1 Overview

The town centre of Bandırma is to the east and southeast of the Port, however there are also residential areas directly adjacent to the south and south west of the Port. ETI Acid Production is located 4.5 km to the northeast. A fishing boat dock and wholesale fish market are located 300 m east of the Port entrance. The Port and its immediate surroundings are illustrated in *Figure 2.2* below.

Figure 2.2 The Port and its Surroundings



### 2.3.2 Physical Environmental Setting

#### Climate

The climate in Bandırma is strongly influenced by its location on the Marmara Sea, and to a lesser extent by the Anatolian land-mass, the Mediterranean and the Black Sea. Summers are hot and dry, with winters mild and wet.

#### Temperature

The annual mean temperature, annual mean maximum temperature and annual mean minimum temperature observed in Bandırma are 7.1°C, 18.4 °C and 10.0°C, respectively. Temperature data for Bandırma are presented in Tables 2.2 and 2.3. The warmest months are July and August, whereas the coldest month is February.

**Table 2.2** *Temperature data from Bandırma Meteorological Station (1975 – 2006)*

Month	Mean Temperature (°C)	Mean Maximum Temperature (°C)	Mean Minimum Temperature (°C)
January	5.3	8.9	2.1
February	5.4	9.3	2.1
March	7.6	12.1	3.8
April	12.1	17.1	7.5
May	16.6	21.3	11.7
June	21.4	26.3	16.0
July	23.6	28.0	19.1
August	23.6	27.9	19.6
September	20.0	24.8	15.5
October	15.6	20.1	11.7
November	10.5	14.8	6.8
December	7.1	10.6	3.9
Annual	7.1	18.4	10.0

**Table 2.3** *Maximum and minimum temperatures (1975 – 2006)*

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Max Temp (°C)	20.0	22.5	28.0	31.8	35.0	40.1	42.4	42.0	38.0	36.6	28.6	23.0
Min Temp (°C)	2.1	2.1	3.8	7.5	11.7	16.0	19.1	19.6	15.5	11.7	6.8	3.9

*Precipitation and Cloud Cover*

Bandırma’s annual average total rainfall is 703.7 mm. Average annual number of snowy, foggy and cloudy days are 15.3, 20.6 and 213.8, respectively. *Table 2.4* presents the precipitation and cloud cover data.

**Table 2.4** *Precipitation and cloud cover data*

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Average Total Precipitation (mm)	101.3	74.6	67.9	55.5	34.4	23.2	17.5	15.3	33.3	69.3	97.7	113.7	703.7
Average number of snowy days	4.3	5.0	2.7	0.1	-	-	-	-	-	-	0.5	2.7	15.3
Average number of foggy days	2.6	2.3	2.1	1.2	1.0	0.1	0.2	0.2	0.9	3.2	4.5	2.7	20.6
Average number of cloudy days	14.3	13.8	17.1	19.2	21.4	17.9	17.4	18.6	19.2	20.9	18.0	16.0	213.8

### Relative Humidity and Pressure

The annual average relative humidity is 71%. Maximum, minimum and average pressure measured at Bandirma are 1033 hPa, 983.2 hPa and 1009.6 hPa, respectively. Table 2.5 shows the relative humidity and pressure values.

**Table 2.5** *Relative Humidity and Average Pressure*

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Average Relative Humidity(%)	76	74	74	72	71	66	67	69	68	72	73	75	71
Minimum Relative Humidity(%)	26	23	12	18	14	16	14	19	13	14	19	19	12
Average Pressure (hPa)	1012.8	1011.9	1010.3	1007.4	1007.9	1006.9	1005.7	1006.3	1009.2	1011.9	1012.4	1012.4	1009.6

### Wind Speed and Direction

The prevailing wind direction in Bandirma is from north-northeast (NNE). The maximum wind speed is recorded as 32.8 m/s. The average number of stormy days in Bandirma is 24.4. Average wind speed is 4.0 m/s. Average wind speeds, average number of stormy days, average number of days with strong winds and prevailing wind directions are listed in Table 2.6. In addition, Table 2.7 shows the direction and speed of the fastest wind.

**Table 2.6** *Wind Data for Bandirma District*

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Average Wind Speed (m/s)	4.0	4.3	4.0	3.2	3.4	3.6	4.7	4.9	4.2	4.2	3.5	4.0	4.0
Average number of stormy days (wind speed $\geq$ 17.2 m/s)	3.3	3.4	2.6	1.1	1.4	0.6	1.3	1.2	1.6	2.3	2.1	3.5	24.4
Average number of days with strong winds (10.8-17.1 m/s)	8.1	8.1	8.7	6.9	8.0	8.0	12.6	13.2	9.2	8.9	7.3	8.6	107.6
Prevailing wind direction	NNE	NE	NNE	NNE	NNE	NNE	NNE	NNE	NE	NNE	NE	NNE	NNE

**Table 2.7** *Direction and speed of the fastest wind*

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Direction of the Fastest Wind	N	NE	NNE	S	WSW	NNE	N	N	NE	NNE	NE	N	N
Speed of the Fastest Wind (m/s)	32.8	26.7	29.4	29.4	23.6	20.1	23.5	20.0	23.8	27.2	24.0	28.5	32.8

Strong winds are most frequently from the NE-NNE resulting in difficult manoeuvring of Ro-Ro and container vessels with high freeboard, arriving and departing at the Port against the prevailing winds. These create challenging conditions for berthing/unberthing vessels as well.

There is a dust problem at the Port as a result of uncovered stored materials and use of equipment for bulk cargo handling that is not dust-tight. Due to the prevailing wind direction, dust spreads towards residential areas immediately south of the Port. Public and civil society organisations have expressed concerns to Port Management about this in past years.

### *Geology*

The majority of the Port facilities were constructed on fill material obtained from the nearby area, with steel pilings and a layer of concrete. Areas behind the Port were built on fill material with shallow ground water levels underlain by recent silty fine sand and beach and alluvial deposits.

Neogene deposits, which cover large areas at the region (conglomerate, sandstone, marl, claystone, clayey limestone and limestone alteration), underlies the coastal plain where the Port is located and also the south part of Bandırma town. The elevations at the east and west of the Port have exposed surfaces of metamorphic schists that belong to Paleozoic Fazlıkonağı formation comprising marble and serpentinite masses in lens and band shapes, which underlay the Neogene deposits.

### *Local Hydrology and Hydrogeology*

The nearest significant fresh surface-water feature to the Port is Eğri Dere river located 5 km to the south. Eğri Dere flows into the Manyas Lake which is located 13 km to the south. There are no other significant continuously flowing streams in the surrounding area.

The Port area is located in the Susurluk hydrogeological basin. The most significant groundwater and surface water resources are in the area between south of the Port and Manyas Lake in the Neogene units. The closest water reservoir is Manyas Dam which is located 45 km to the south.

According to past investigations at the Port area, groundwater levels are 1,10-2,20 m in alluvium deposits, 2,85-8,60 m in Neogene aged rocks, and 1,85-8,10 m in metamorphic units. The highest levels of ground water are observed in March and April, while lowest levels are in August, September and October.

Groundwater flow direction is generally from south to the north in the region towards the Marmara Sea with hydraulic gradient between 5 and 35%.

There are 3 groundwater wells utilized by the site located 100-200 m to the south, up-gradient of the Port.

There are no geothermal resources in Bandirma.

#### *Tectonic Movements and Seismicity*

The Port is located in a 1<sup>st</sup> Level Earthquake Zone as defined by the Turkey Earthquake Zones Map of the Ministry of Public Works and Settlement. The most significant active faults around the Port area and their specifications are:

- Manyas Fault: located 28 km to the south of the Port. Its length is approximately 60 km and direction is east to west with right lateral strike slip. It caused an earthquake in 1964 having an intensity of 7.0. An earthquake of 7.0-7.4 intensity can be expected on this fault.
- Edincik Fault: the closest fault to the area, located 5 km to west. Its length is approximately 30-35 km and direction is northeast to southwest. This right lateral strike slip fault caused an earth quake of 6.4 intensity in 1935. An earthquake of 6.0-6.5 intensity can be expected on this fault.
- Yenice-Gönen Fault: located 46 km to the southwest of the Port with northeast-southwest direction and length of approximately 55 km. It caused and earth quake of 7.2 intensity in 1953. Regarding the relation between fault length and earthquake intensity, an earthquake of 7.0-7.4 intensity can be caused by this fault.
- Sarıköy Fault: located 22 km southwest to the Port, with northeast-southwest direction and length of approximately 60 km. This right lateral strike slip fault can cause an earth quake of 7.2-7.5 intensity.

All buildings in the Port area should comply with the requirements of Regulation No 26100 of 06.03.2006 on Structures to be Constructed in Earthquake Zones dated.



## *Flood and Landslide Potential*

There are natural drainage channels (e.g. creeks, dry creeks) of various sizes that drain rainwater and surface runoffs in Bandirma residential area. There are no surface water bodies around the Port which may cause floods or other hazards such as landslides and rock falls.

Along the shoreline, there are cliffs with nearly vertical slopes and active wave scourings, and disturbances such as small sized rock falls, block slides and rock creeps are observed. At the west of the Port area near the ETI Lodgings, there are highly weathered rocks belonging to the Neogene deposits and metamorphic basement. Here slopes have collapsed as a result of wave scour and mass movements to the sea occur occasionally. It is likely that these currently non-impacting mass movements will move inland from the coastal slopes as long as heel scouring continues, however, it is unlikely that the Port and access truck road will be affected .

### 2.3.3 *Ecological Setting*

#### *Overview*

Information on the ecological environment is extracted from the Emergency Response Plan prepared for the Port. Studies have been carried out between September and December 2007.

#### *Phytoplankton*

A total of 86 species were observed including 44 species belonging to Dinophyta division, 28 species belonging to Bacillariophyta division, 3 species belonging to Euglenophyta division, 3 species belonging to Phaeophyta division, 1 species belonging to each Rhodophyta, Prymnsiophyta and Dictyochophyta divisions.

#### *Zooplanktons*

A total of 19 species were observed including 3 species of Rotifera and 16 species of Arthropoda.

#### *Invertebrates*

A total of 32 species were observed including the following species: 1 species of Porifera, 3 species of Cnidaria, 10 species of Mollusca, 4 species of Annelida, 6 species of Arthropoda and 8 species of Echinodermata.

#### *Fish species*

The following fish species were observed around the Port: *Raja clavata*, *Raja stellata*, *Alosa caspia*, *Clupea pilchardus*, *Clupea aurita*, *Belone belone*, *Gadus merlangius*, *Morone labrax*, *Pomatomus saltator*, *Mullus barbatus*, *Mullus surmuleus*, *Maena smaris*, *Boops boops*, *Pagrus pagrus*, *Sparus auratus*, *Dentex*

*dentex, Scomber scomber, Scomber japonicus, Sarda sarda, Mugil cephalus, Solea solea and Scorpaena scrofa.*

### *Bird Species*

A total of 13 bird species were observed around the Port. These species include *Haliaeetus albicilla, Gavia stellata, Gavia arctica, Phalacrocorax carbo, Ardea cinerea, Tadorna tadorna, Charadrius alexandrinus, Calidris ferruginea, Larus canus, Larus ridibundus, Sterna sandvicensis, Sterna hirundo and Sterna albifrons.*

9 of the bird species are listed in Annex-2 of the Bern Convention, and 4 in Annex-3. All of the bird species are listed in the “least concern” category under the 2006 IUCN Red List.

### *Mammals*

No mammals have been observed around the Port area. However, it is likely that *Tursiops truncatus, Delphinus delphis* and *Phocoena phocoena* may be present in the open sea. All are listed in Annex-2 of the Bern Convention and in the 2006 IUCN Red List.

### *Protected Sites*

The nearest “natural protected sites” are Edincik Town and Manyas Lakes. These are 1st degree natural protected sites located 8.5 km to the west of the Port and 12 km to the south of the Port, respectively.

Manyas Bird Lake and its immediate surroundings is located in Bandirma and Manyas Districts, and was designated as 1<sup>st</sup> level Natural Site in 1981. It is also designated as a National Park and as a wetland protected under the Ramsar Convention.

### *Cultural Setting*

Edincik Town (8.5 km to the west of the Port) is designated as an “urban protection site” under Turkish legislation. Kayacık Village-Hayantarla Region (3.5 km to the east of the Port) is designated as an “archaeological protection site” under Turkish legislation.

There are other archaeological protected sites in Bandirma, however they are located south of the Port at distances ranging from 55 km to 130 km.

There are long natural beaches at the side of the Kapıdağ peninsula which front the Port.

There are no fish production facilities near the Port.

### *Socio-Economic Setting*

Bandirma district (population: 132,077 in 2009) is one of the leading industrial districts in Turkey with industrial facilities concentrated at Bandirma town (population: 113,385 in 2009). Although the establishment of industry dates back centuries, the number of industrial facilities and industrial production increased significantly in the 1980s, following establishment of the Port in 1970.

The ETI Mining Bor and Acid factories and Bagfas fertilizer factories are the most important industrial facilities in Bandirma. 15% of the chemical fertilizers that are produced in Turkey are produced in Bandirma. Manufacturing industry constitutes nearly all of the industrial output.

In addition to industrial activities, Bandirma is also an important trading town. The Port is the second largest port in the Marmara Sea, and the main factor in the development of trade in the region. The majority of exports are industrial products, minerals, chicken, eggs, sea and aquatic products. Industrial raw materials constitute 70% of imports.

Agriculture is also important in the economy of Bandirma district outside Bandirma town, due to productive soils and the climate. Grain, cotton, sugar beet, olive and grape are raised in the region. In addition, fishery and aquatic products are among important sources of income.

#### **2.3.4** *Transport*

There is access to the Port via single track rail line but this is not currently used by the Port.

Road access is northward from the main east-west Cahakkale-Bursa Highway (E90) via a 1km dual carriageway highway with central reservation (Erdok Yolu C) which leads to a 1km single carriageway road (Liman Yolu C) from which the Port is accessed across a roundabout. The municipality indicated that this roundabout can become heavily congested.

Trucks pass through residential areas before reaching the main highway and this is reportedly of concern for local residents. Trucks are also reported to park in residential areas causing disturbance.

Celebi report that the Municipality is considering possible road improvements and they are in discussions with them about managing truck traffic and creating parking areas both to reduce the risk of disturbance and improve efficiency at the Port, especially as cargo volumes increase.

### 3 METHODOLOGY AND APPROACH

#### 3.1 OVERVIEW

In accordance with the Environmental and Social Policy and Performance Requirements of the Equator Principles, which UniCredit has adopted, the UniCredit and YKB asked Çelebi to commission this independent environmental and social assessment of the Project before approving financing. The due diligence involves assessment of the Project against the Equator Principles, MIGA/IFC Performance Standards and supporting guidelines and local legislation.

#### 3.2 EQUATOR PRINCIPLES

The Equator Principles (EPs) represent a financial industry benchmark for determining, assessing and managing social and environmental risk in project financing. They are a set of ten principles which have been adopted by over sixty financial institutions (Equator Principles Financial Institutions - EPFIs) in order to ensure the projects they finance are developed in a manner that is socially responsible and reflect sound environmental management practices, and are listed in *Box 3.1*

##### ***Box 3.1. Equator Principles***

- Equator Principle 1: Review and Categorization
- Equator Principle 2: Social and Environmental Assessment
- Equator Principle 3: Applicable Social and Environmental Standards
- Equator Principle 4: Action Plan and Management System
- Equator Principle 5: Consultation and Disclosure
- Equator Principle 6: Grievance Mechanism
- Equator Principle 7: Independent Review
- Equator Principle 8: Covenants
- Equator Principle 9: Independent Monitoring and Reporting
- Equator Principle 10: EPFI Reporting

##### 3.2.2 ***EP 1: Review and Categorization***

Principle 1 of the Equator Principles applies to all Projects and requires social and environmental categorisation of the Project by the financing institution based on the International Finance Corporation (IFC)'s environmental and social screening criteria. The IFC criteria screen projects based on their potential environmental impacts, in order to classify them as A (high), B (medium) or C (low).

Whilst financial institutions vary in their interpretation of the IFC screening criteria, it is considered that the Project would be classified as a Category B, as, whilst there is the potential for adverse environmental and social impacts they can be easily mitigated.

### **3.2.3 EP 2: Social and Environmental Assessment**

For any Category A or B project, a social and environmental assessment must be prepared that includes mitigation and management measures for predicted impacts. Where a project does not involve significant new development the assessment should take the form of an analysis of existing operations to establish their compliance with relevant standards. This report presents the findings of an environmental and social assessment of the current and proposed port operations.

### **3.2.4 EP 3: Applicable Social and Environmental Standards**

For Category A and B projects in non-high income OECD countries (such as Turkey) the assessment referred to in EP2 must consider compliance with local laws and all applicable IFC Performance Standards and EHS Guidelines including IFC Sector guidelines. This report addresses compliance with relevant standards as set out in *Sections 3.2 and 3.2*

### **3.2.5 EP 4: Action Plan and Management System**

For Category A and B projects in non-high income OECD countries an action plan (AP) should be prepared based on the findings of the assessment and setting out measures to effectively mitigate and manage the impacts and risks identified. A comprehensive environmental management system (EMS) for all the stages of Project implementation should be developed setting out dates, priorities, objectives, environmental and social measures, reporting and monitoring system. An Environmental and Social Action Plan is set out in *Section 5* of this report. This includes a commitment to develop a comprehensive Environmental, Social and Health and Safety Management System (ESHMS) for the Project.

### **3.2.6 EP 5: Consultation and Disclosure**

As appropriate, Category B projects should be subject to consultation with project-affected communities <sup>(1)</sup> in a structured and culturally appropriate manner as appropriate to the level of predicted impacts. Given the Port's location within the urban area of Bandirma, local concerns about dust emissions and traffic, and the potential for adverse impacts if these are not appropriately managed, it is considered appropriate for this Principle to apply. A outline Stakeholder Engagement Plan for the Port is provided in *Section 5* of this report.

(1) According to the Equator Principles, "affected communities" are those of the local population within the project's area of influence who are likely to be adversely affected by the project. Where such consultation needs to be undertaken in a structured manner, EPFIs may require a Public Consultation and Disclosure plan to be prepared.

### **3.2.7** *EP 6: Grievance Mechanism*

As appropriate, Category B projects must establish an appropriate grievance procedure as part of the management system. The purpose of this procedure is to provide a clear and accessible mechanism for communication and resolution of any concerns about the Project from the surrounding community. Whilst the likelihood of local concern is expected to decrease with improved environmental standards at the port it is considered appropriate for this Principle to apply and for a grievance procedure to be available to local people. This will be established as part of the ESHMS for the Port,

### **3.2.8** *EP 7: Independent Review*

As appropriate, an independent social or environmental expert not directly associated with the borrower should review Category B projects in order to assist EPFI's due diligence and assess Equator Principles compliance. This report has been prepared in accordance with this Principle.

### **3.2.9** *EP 8: Covenants*

As a Category B project, the lenders have developed covenants that address compliance with social and environmental host country laws, and the findings of the due diligence assessment and Action Plan.

### **3.2.10** *EP 9: Independent Monitoring and Reporting*

Where appropriate for Category B projects, Lenders may require appointment of an independent environmental and/or social expert, or require that the borrower retain qualified and experienced external experts to verify and share monitoring information with the EPFIs. The Lenders will establish requirements for reporting by the Port as part of the loan covenants.

### **3.2.11** *EP 10: EPFI Reporting*

An EPFI adopting the Equator Principles must report publicly at least annually on implementation of the Equator Principles and Lenders should therefore include a report on this loan as part of this process.

## **3.3** *MIGA AND IFC STANDARDS*

As discussed above, as the Project is not located in a high-income OECD country, the Project must comply with applicable MIGA/IFC Performance Standards in order for the Project to be aligned with the Equator Principles.

### *Box 3.2 MIGA (IFC) Performance Standards*

- Performance Standard 1: Social and Environmental Assessment and Management System;
- Performance Standard 2: Labour and Working Conditions;
- Performance Standard 3: Pollution Prevention and Abatement;
- Performance Standard 4: Community Health, Safety and Security;
- Performance Standard 5: Land Acquisition and Involuntary Resettlement;
- Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management;
- Performance Standard 7: Indigenous Peoples; and
- Performance Standard 8: Cultural Heritage.

The Performance Standards refer additionally to IFC EHS Guidelines providing general and industry-specific examples of good international practice in environmental management. They represent the standards normally considered acceptable by the IFC, and generally considered to be achievable in new facilities at reasonable costs by existing technology. For the purposes of the Project, the General and Ports, Harbours and Terminals IFC EHS Guidelines are considered to be applicable.

#### *3.3.2 Applicable Standards*

Based on available information in the due diligence assessment, it is considered that the following Performance Standards are applicable in terms of managing the Project's impacts:

- PS1: Social & Environmental Assessment and Management Systems;
- PS2: Labour & Working Conditions;
- PS3: Pollution Prevention & Abatement; and
- PS4: Community Health, Safety and Security.

PS6: Biodiversity Conservation and Sustainable Natural Resource Management is considered unlikely to be of direct application as there are no habitats of importance for biodiversity or of economic significance in the vicinity of the Port, nevertheless the sustainable use of the marine environment is at risk from pollution and disturbance associated with port activities and the requirements of PS3: Pollution Prevention and Abatement will be important in ensuring that marine resources are protected.

PS5, 7 and 8 are not considered further for the following reasons:

- PS5: Land Acquisition and Involuntary Resettlement - no land will be acquired or resettlement required for the Project;
- PS7: Indigenous Peoples - there are no indigenous communities potentially affected by the project; and
- PS8: Cultural Heritage; there are no known resources of importance for archaeology, history, landscape value of other cultural significance in the

vicinity of the Port (the nearest protected site is Kayacık Village 3.4km from the site). PS8 could apply if any artefacts are encountered during works planned at the Port but this is considered unlikely to occur given the past development of the site. Nevertheless the ESHMS should include a procedure for any chance finds encountered during works within the Port.

### 3.4

#### *LOCAL LEGISLATION*

Turkish environmental, employment and health and safety legislation relevant to operation and plans at the Port has been identified and the purpose and relevant provisions of the laws and regulations are provided in *Tables 3.1* and *3.2* below.



**Table 3.1 Summary of Relevant Environmental Legislation**

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
<b>ENVIRONMENT</b>		
<p><i>Environmental Law</i> (Law No: 2872) (Official Gazette Date/Number: 16.08.1983/18132)</p>	<p>The purpose is to protect the environment, which is the common asset of all the living beings, in line with the principles of sustainable environment and sustainable development.</p>	<p>Article 8: Pollution Ban It is forbidden to discharge, store, carry and transfer any type of waste contrary to defined standards and methods given in relevant regulations and in a way that gives harm to the environment. When there is a possibility of pollution, the concerned parties are liable to prevent pollution. In case of pollution occurs, the concerned parties are liable to eliminate pollution and to take necessary measures to remove or minimize the effects of pollution.</p> <p>Article 11: Permitting, Treatment and disposal The producers of waste are responsible of taking the necessary measures to reduce the amount of waste they create to the minimum level possible by using appropriate technologies and methods. It is essential to recover the waste and collect the recoverable waste at its source separately. The principles pertaining to the preparation of waste management plans shall be arranged by the relevant regulations issued by the Ministry. The waste that cannot be recovered shall be disposed of by using the appropriate methods that are determined in the relevant regulations.</p> <p>Article 12: Inspection, information supply and declaration liability The concerned parties are obliged to provide the information and the documentation, which can be requested by the Ministry or the other competent authorities responsible of inspection, as well as cover the costs of the measurements and the analysis which will be performed by the authorities or their staff and to provide every convenience during the inspection process. If requested by the Ministry or the authorized inspection unit, the concerned parties are obliged to provide information and documentation related with the raw materials and fuel used the products and the waste, as well as production diagrams, emergency response plans, monitoring systems, pollution reports and other related information, regarding their activities that may cause environmental pollution.</p> <p>Article 15. Suspension of Activities Those who violate this law and related regulations can be granted a period only for once and not exceeding one year, for correcting the noncompliance issue. The activity is suspended immediately if no period is given, or in case a period is given, at the end of this period if the noncompliance issue is not corrected. Activities that create danger to human health and the environment are suspended indefinitely.</p> <p>Article 28: Responsibility of the Polluter Those who pollute and damage the environment are responsible without searching for a fault condition for the damage arising from pollution and deterioration that they cause.</p>
<p>Environmental Audit Regulation (Official Gazette Date/Number: 21.11.2008/27061)</p>	<p>The purpose of this regulation is to provide a standard for collection and upkeep of</p>	<p>The regulation requires that competent employees be designated to act as environmental auditors. Ports are listed in Annex-1 of the regulation meaning that they should meet one of the following requirements: (i) establish an “environmental management unit” involving at least three competent employees (referred to as “environment responsible”), (ii) employ at least 2 responsible environment staff, or (iii) sign an agreement with an authorized firm.</p>

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
	environmental information on the facility so that it can be reviewed by auditor inspection by the government.	Environment responsible will be responsible for filling the forms, performing internal audits and be present for providing information to the authorities during the time of the external audit.
Regulation on Permits and Licences that should be received in accordance with the Environmental Law (Official Gazette Date/Number: 29.04.2009/27214)	The purpose is to define the responsibilities of the competent authorities, the environmental management units and responsible environment staff working at the facilities, and the liabilities of the facilities, facility owners and environmental consultancy firms that take part in works related to permitting and licences.	<p>Article 4. Facilities are classified into two groups according to their environmental impacts: Annex 1 includes facilities that have a high pollution impact on the environment; Annex 2 includes facilities that have a pollution impact on the environment. Ports are listed in Annex 1 of the regulation and should get an “environmental permit and license” in accordance with this regulation. Environmental permit is defined as a permit including at least one of the issues of emissions, discharge, noise control, deep sea discharge or hazardous materials discharge. Environmental license covers the collection, recovery, recycle and disposal of wastes.</p> <p>Article 7. Port should get a temporary activity permit which is valid for one year. Within six months after the receipt of the temporary activity permit, the Port should apply for the environmental permit &amp; licence. Otherwise, the temporary activity permit is cancelled.</p> <p>Temporary article 1. Existing facilities that have received their permits or licenses separately before the enforcement date of this regulation, should apply for environmental permit/license at least thirty days before the expiry date of the existing permit/licence whose validity will be expired first.</p>
<b>Emergency Response</b>		
Law Pertaining to the Principles of Emergency Intervention And Indemnification of the Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances (Law No: 5312, Official Gazette Date/Number: 11.03.2005/25752)	The law determines the principles for (i) emergency plans to prevent, mitigate and cure the pollution; (ii) determination of damages and their compensation; (iii) fulfilment of international obligations after the occurrence of damages; and (iv) duties and liabilities of sea vessels, facilities, persons and public entities within the scope of Law No.	<p>“Coastal facilities” is defined as “Facilities engage in activities which may cause sea pollution with petroleum and other dangerous elements at the coast or zones near the coast including open sea facilities and pipelines” in Article 3 of the Law No. 5312.</p> <p>Pursuant to the law; owners, operators, captains, directors, lessees, possessor and guarantors of the coastal facilities are liable to comply with all necessary requirements envisaged in the international law for the safety of lives, navigation, goods and environment.</p> <p>Coastal facilities should take financial liability insurance against the damages within the scope of this Law. Coastal facilities that fail to comply with the requirement to take insurance are not allowed to operate.</p>

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
	5312.	
Implementation Regulation of the Law Pertaining to the Principles of Emergency Intervention And Indemnification of the Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances (Official Gazette Date/Number: 21.10.2006/26326)	The purpose of this regulation is to determine the principles to effectively implement the provisions of Law No. 5312 and the implementation-oriented measures to be taken; authority, duty and responsibilities with respect to issues stated in the Law; and procedures and principles regarding implementation.	In accordance with this regulation, coastal facilities must prepare emergency response plans for all levels defined in the regulation as follows: Level 1 includes incidents that may cause small scale pollution at the coastal facility or as a result of the operational activities at the vessels. These incidents can be controlled by the own capabilities of the coastal facilities or the vessels. Level 2 includes medium scale incidents that the capability of the coastal facility or the vessel is not sufficient to control and regional capabilities are required. Level 3 includes large scale incidents resulting from serious accidents that occur at the seas and/or coastal facilities.  Equipments to be used at the coastal facilities for emergency response should have nationally and internationally accepted standards. In order to ensure compliance of the equipments with each other, equipment standardization is required.
<b>Protection of air, water and soils</b>		
Industrial Air Pollution Control Regulation (Official Gazette Date/Number: 03.07.2009/27277)	The purpose is to control air emissions, to protect humans and the environment from air pollution, and to ensure that adverse effects do not occur.	For the operation of the facilities that have air emissions and that are within the scope of “Regulation on Permits and Licences that should be received in accordance with the Environmental Law”, environmental permit should be received. The following conditions will apply for the operation of the Port: <ul style="list-style-type: none"> <li>• Emission limits defined in the regulation should not be exceeded.</li> <li>• Air quality limit values defined in annex-2 of the regulation should not be exceeded in the project impact area.</li> <li>• Emissions from stacks should be measured by the facility owners. For non-stack emissions, hourly mass flowrates (kg/hour) should be calculated.</li> <li>• If the mass flowrates defined in Table 2.1 of annex 1 is exceeded, air quality in the facility-impact area should be measured and the contribution value of the Port to air pollution should be calculated by using an internationally accepted distribution model.</li> <li>• If the concentrations of air pollutants in the region where the facility operates, exceed the limit values, the facility should comply with the action plans prepared by the Governorships.</li> </ul> In accordance with the regulation, the following measures are recommended for the temporary storage of materials outside: (i) wind barriers can be placed to the area, (ii) top of the conveyors and other carriers can be covered, (iii) loading and unloading are carried out without scattering, (iv) materials are covered with canvas or with materials that have particle sizes greater than 10 mm, (v) the top layers are stored at a moisture content of 10%.
Water Pollution Control	The purpose of this	In accordance with the regulation, sites having a staff of more than 84 persons should either treat domestic wastewater or

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
Regulation (Official Gazette Date/Number: 31.12.2004/25687)	Regulation is to set the legal and technical principles to be followed in the control of water pollution, in order to protect the ground and surface waters, and to prevent water pollution taking into consideration the sustainable development objectives.	connect to the local municipal sewer with permission. The Provincial Directorate of Environment and Forestry is authorized about all wastewater discharge permits into the receiving waterbody. The regulation forbids the discharge of garbage, petroleum and its derivatives; bilge waters, dirty ballast waters, sludge, slop, oil and similar solid and liquid wastes that may also be contaminated with petroleum and its derivatives; and all types of cargo wastes into the seas. It is also prohibited to discharge excavated soils, debris, sludge and similar waste to seas and coastal waters.
Regulation on Pollution Control Caused by Dangerous Substances in Aquatic Environment (Official Gazette Date/Number: 26.11.2005/26005)	This Regulation includes technical and administrative basis regarding the determination of dangerous substances in surface waters, estuary waters and regional waters; organization of pollution reduction programs; prevention and monitoring of pollution; creating an inventory of dangerous substances discharged into water; determination of discharge standards and quality criteria.	Pursuant to the Article 4 of the Regulation, regarding the control of water pollution due to hazardous substances, sewer connection quality control permit for discharge of each hazardous substance or (in case of direct discharge) environmental permit issuing hazardous substance discharge should be obtained. The hazardous substance concentrations in the environmental permit, issuing hazardous substance discharge, should not exceed the limits in the Regulation.  Pursuant to Article 9 of the Regulation, direct discharge of wastewater containing hazardous substances to the receiving environment is forbidden.  In the discharge of wastewater containing hazardous substances to receiving environment or to sewage specified within the scope of this Regulation; it is essential to obtain permits from relevant administration, and that the permits obtained conform to pollution reduction programs and special programs that are to be prepared.
Soil Pollution Control Regulation (Official Gazette Date/Number: 31.05.2005/25831)	The purpose of the regulation is to determine the measures for the discharge, disposal, leakage of hazardous	It is forbidden to discharge any kind of waste directly or indirectly on the soils. At areas where there is a risk of contamination, potential polluters are liable to prevent pollution; whereas at contaminated areas potential polluters are liable to stop contamination, to determine the extent of contamination and to carry out necessary work and take measures to remediate the site.

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
	substances and wastes into soil as well as the principles regarding the controlled usage of sludge created as a result of the treatment of domestic and industrial wastewater.	
Regulation on the Assessment and Management of Environmental Noise (Official Gazette Date and Number: 07.03.2008/26809)	The regulation applies to noise to which humans are exposed, in particular in built-up areas, in public parks or other quiet areas, near schools, hospitals and other noise-sensitive buildings or areas. The regulation also covers principles and criteria for buildings exposed to vibration.	Environmental noise levels are designated for ports which are 65 dBA, 60 dBA, and 55 dBA for day time, evening time and night time.
<b>Waste</b>		
Regulation on the Collection of Wastes from Vessels and Control of Wastes (Official Gazette Date/Number: 26.12.2004/25682)	The purpose of the regulation is to define the procedures to establish and operate waste reception facilities, and for waste reception vessels, for the prevention of marine environment.	It is forbidden to discharge directly and/or indirectly vessel-generated wastes to the marine environment. Those responsible for waste reception should jointly or individually establish waste reception facilities with enough capacity and technical equipments, for the collection of vessel-generated wastes and get a temporary operation certificate or an environmental licence for these facilities. Port should fill "waste transfer forms" and submit them to Provincial Directorate of Environment and Forestry. For any request by the vessels regarding reception of any type of waste other than listed in the licence of the facility, ports should get permit from MoEF. Ports should prepare a waste management plan and submit it to MoEF every three years. General criteria for waste reception facilities include the following: (i) capacity to receive the wastes within 24 hours after the vessel notifies the port, (ii) standard discharge connection flange defined in MARPOL 73/78, (iii) enough capacity and criteria that is found appropriate by MoEF.
Regulation on Services for Waste Reception from Vessels (Official Gazette Date/Number: 11.03.2004/25399)	The purpose is to set procedures for the establishment and operation of waste reception facilities at ports, in order to	In accordance with the regulation: (i) Ports giving services to international-cruise vessels heavier than 400 gross ton berth, should have a waste reception facility to receive the oily wastes from vessels. (ii) Ports giving services to international-cruise vessels heavier than 200 gross ton or to vessels that are lighter than 200 gross ton but include more than 10 people, should have waste reception facilities to receive the wastewaters from vessels.

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
	implement MARPOL 73/78 in an effective manner.	(iii) All ports in Turkey should have facilities to receive garbage from vessels. Ports with above mentioned criteria should receive "Waste Management Compliance Certificates" (WMCC) for each type of waste they receive (e.g. for (i) WMCC for MARPOL Annex-1, (ii) WMCC for MARPOL Annex-IV, (iii) WMCC for MARPOL Annex-V. In order to receive WMCC, ports should prepare a waste management plan that is in accordance with their activity area and waste reception facilities, and submit it to the Regional Directorate of Undersecretariat of Maritime Affairs. If the waste reception facility and plan is found appropriate after the Regional Directorate examines the site, port is granted a WMMC.
Regulation on Control of Excavated Soil, Construction and Debris Wastes (Official Gazette Date/Number: 18.03.2004/25406)		Regarding demolition activities to be performed: Disposal and filling of excavated soil, construction and debris wastes in seas, lakes, rivers or any other place except the recovery and storage facilities (permitted by municipalities or the greatest civil administrator of the location) is forbidden. The producers of excavated soils and construction wastes must obtain "Waste transportation and acceptance certificate" from the municipality if the amount of waste exceeds 2 tons. Before starting demolition, demolition permit should be received from the municipality. Recoverable materials and hazardous materials should be collected separately from other materials. In case asbestos containing materials are present, demolition of those buildings are performed in accordance with the "Regulation on the Health and Safety Measures in working with Asbestos" to protect the health and safety of the workers. Those who perform demolition activities are liable to take measures to minimize noise and visual pollution and dust emissions..  Asbestos, dye, fluorescent, mercury, acids and similar hazardous wastes contained in construction/debris wastes shall be collected separately and disposed of in accordance with the provisions of the Hazardous Waste Control Regulation.
Solid Waste Control Regulation (Official Gazette Date/Number: 14.03.1991/20814)	The Solid Waste Control Regulation lays down the principles and procedures for production, collection, temporary storage, recycling, and disposal of solid wastes. The regulation provides information on landfilling, composting and incineration of solid wastes.	It is forbidden to dump solid wastes into seas, lakes and similar receiving medium; in streets, forests and places that may cause adverse effects on the environment. Solid wastes shall be kept in closed containers and disposed of in disposal facilities of the relevant municipalities. Producers of solid wastes are liable not to mix any hazardous wastes into the solid wastes and also participate to works related to recovery of solid wastes.
Hazardous Waste Control Regulation (Official Gazette Date/Number: )	The regulation lays down the principles and procedures for	The amount and type of hazardous waste, if generated any shall be recorded. Hazardous wastes shall be collected separately and kept in a "Temporary Storage Area" and finally disposed of in recovery and/or disposal facilities that are licensed by the Ministry of Environment and Forestry.

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
14.03.2005/25755)	production, collection, temporary storage, transportation, exportation, recycling and disposal of hazardous wastes. The Regulation also provides design criteria and standards for hazardous waste management, and hazardous waste storage and treatment facilities.	Facilities producing hazardous wastes are responsible for submitting hazardous waste declaration forms to the relevant provincial environmental directorate each year indicating the amount of hazardous wastes produced at their site. List of hazardous wastes is given in the "Regulation on the General Principles of Waste Management (Official Gazette dated 05.07.2008 and numbered 26927).
Waste Oil Control Regulation (Official Gazette Date/Number: 30.07.2008/26952)	The purpose of the Waste Oils Regulation is to provide standards for storage, transportation and disposal of waste oils and to prevent their discharge into the receiving environment.	<p>Under the Waste Oils Regulation, waste oils are categorized into three categories and can be managed as defined below:</p> <ul style="list-style-type: none"> <li>○ Category I waste oils are those that are appropriate for recycling by way of refining or regeneration or can be used as additional fuel in those facilities that acquired a license from the Ministry.</li> <li>○ Category II waste oils are those that are appropriate to use in facilities that have acquired a license from the Ministry for use as a secondary fuel.</li> <li>○ Category III waste oils are not appropriate for refining and regeneration, and pose risk to human and environmental health if used as fuel and therefore shall be returned to harmless products by incineration in hazardous waste incineration facilities.</li> </ul> <p>Waste oils should not be discharged directly or indirectly to sea, underground water, sewage system or soil. Waste oil producers are liable to take all the necessary measures to minimize waste oil generation, to analyze waste oils (or have them analyzed) and temporarily store them separately depending on their categories, not to mix different category waste oils and with PCBs and any other hazardous wastes, to have waste oils transferred to licensed disposal facilities by licensed transporters, to keep records and to fill the waste oil declaration form and send it to MoEF by the end of February of the succeeding year.</p> <p>Category III oils that are not appropriate for recycling and that need to be disposed of in hazardous waste incineration facilities are required to be disposed of in licensed facilities in accordance with the provisions of Hazardous Waste Control Regulation.</p>
Regulation on the Control of Polychlorinated Biphenyls and Polychlorinated Terphenyls (Official Gazette Date/Number: 27.12.2007/26739)	The purpose is to determine the principles for the disposal of materials and equipments containing polychlorinated biphenyls	PCB containing materials and equipments should be purified or disposed of until 2025. Those who have materials and equipments that contain 5 litres or more PCB, have to register these materials and equipments with the MoEF's PCB inventory. The equipments and insulation liquids should be analyzed for PCB content. Equipments that contain more than 500 ppm PCB should be purified to decrease the concentration of PCB below 500 ppm, and if possible below 50 ppm.

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
	without giving harm to the environment and human health.	
Regulation on the Control of Waste Battery and Accumulators (Official Gazette Date/Number: 31.08.2004/25569)	The regulation lays down procedures to prevent direct release of batteries and accumulators to the receiving environment.	The producers of waste battery and accumulators are liable to collect these wastes separately and not to mix them with domestic wastes. It is essential that the waste batteries and accumulators are recovered. The accumulators of vehicles that are to be renewed shall be provided free of charge to the temporary storage areas. Waste batteries that contain hazardous substances shall be disposed of in accordance with the Hazardous Waste Control Regulation.
<b>Land use, physical planning and zoning</b>		
Regulation on the Principles for Giving Operation Permits to Coastal Facilities (Official Gazette Date and Number: 18.02.2007/26438)	The purpose is to regulate the principles related to the operation permits to be given to the coastal facilities by the Undersecretariat of Maritime Affairs.	Coastal facilities are required to get an operation permit from the Undersecretariat of Maritime Affairs. Port may be granted a temporary operation permit for a period of 6 months to 1 year, for the following case: To allow for the completion of the 1/1000 scaled development plan by the Privatization High Council and other activities that are within the jurisdiction of General Directorate for the Construction of Railways, Seaports and Airports, for coastal facilities that are built before the enforcement date of the Coastal Law (17.04.1990), that are operated by public bodies and are within the scope of privatization. Temporary article 2 of the regulation includes transition provisions for the current facilities: For coastal facilities that are in operation before this regulation comes into force: (i) It is obligatory to apply to the Undersecretariat of Maritime Affairs until 01.01.2010 to get a operation permit or temporary operation permit (ii).It is obligatory to get the operation permit or temporary operation permit until 01.07.2010. Otherwise, it is not allowed for vessel berthing until the permit is received.
Coastal Law (Law No: 3621) (Official Gazette Date/Number: 17.04.1990/20495)	Protection of the coastal line of seas, lakes and streams	Pursuant to article 15 of the law, it is prohibited to dump waste such as debris, soil, garbage, into the coastal environment. Those who dispose of waste in such a manner will be penalized based on the type of waste and its damaging effect on the environment, in accordance with the Turkish Penal Code, Faults Law and Environmental Law.
Regulation on the Implementation of Coastal Law (Official Gazette Date/Number: 03.08.1990/20594)		Article 5 of the implementation regulation also prohibits the discharge of waste into the coast and states that the provisions of Water Pollution Control Regulation is valid.  Pursuant to article 12 of the regulation, planning and the construction on coast shall not start before the preparation and the approval of development plan with a scale of 1/1000.



**Table 3.2 Summary of Relevant Employment, Health and Safety Legislation**

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
<b>HEALTH AND SAFETY</b>		
<p>Labour Law (Official Gazette Date/Number: 10.6.2003/25134)</p>	<p>The purpose of this law is to regulate the working conditions and work-related rights and obligations of employers and employees working under an employment contract.</p>	<p>Article 3. Declaring the establishment: The employer who sets up or takes over an establishment covered by this Act, who completely or partly changes the nature of his business, or who permanently closes down an establishment due to the completion of work or for any other reason must, within one month, notify the regional directorate of labour of the name and surname or trade mark and address as well as the names, surnames and addresses of employer representatives, if there are any.</p> <p>Article 5. The principle of equal treatment: No discrimination based on language, race, sex, political opinion, philosophical belief, religion and sex or similar reasons is allowed. Unless there are essential reasons, the employer must not make any discrimination between a full-time and a part-time employee or between an employee working under a fixed-term employment contract (contract made for a definite period) and one working under an open-ended employment contract (contract made for an indefinite period).</p> <p>Article 8. Written form is required for employment contracts with a fixed duration of one year or more, Such written documents are exempt from the stamp tax and all kinds of fees.</p> <p>In cases where no written contract has been made, the employer is under the obligation to provide the employee with a written document, within two months at the latest, showing the general and special conditions of work, the daily or weekly working time, the basic wage and any wage supplements, the time intervals for remuneration, the duration if it is a fixed term contract, and conditions concerning the termination of the contract. This subsection shall not apply in the case of fixed term contracts whose duration does not exceed one month. If the employment contract has expired before the lapse of two months, this information must be communicated to the employee in written form on the expiration date at the latest.</p> <p>Article 28. The employer must furnish the employee leaving employment with a certificate stating the nature and duration of employment.</p> <p>The employee who suffers a loss or the new employer who has recruited him may claim compensation from the previous employer for the latter's failure to furnish the certificate on due time or for the incorrect information contained in the certificate. Such certificate is exempt from taxes and fees.</p> <p>Article 63. In general terms, working duration is at most forty-five hours a week.</p> <p>Article 69. Night hours and night work: Night work for employees must not exceed seven and a half hours. Suitability of employees for night work shall be certified by a health report that will be obtained before the employees start working. Night workers shall be subjected to a periodic health examination at least once every two years by the employer. The costs of workers' health examinations shall be met by the employer.</p> <p>The employer is liable to submit the list of night workers as well as a copy of the health reports issued before starting work and those that are periodical, to the relevant regional directorate of labour.</p> <p>Article 73. Children and young employees under the age of eighteen must not be employed on industrial work during the night.</p> <p>Article 75. The employer shall arrange a personnel file for each employee. The employer is obliged to keep the employee's</p>

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
		<p>identity information and all the documents and records which he has to arrange in accordance with this law and other legislation in this personnel file and to show them to authorised persons/authorities upon request.</p> <p>Article 77: Occupational health and safety obligations of employers and employees:  With a view to ensure occupational health and safety in their establishments, employers shall take all the necessary measures and maintain all the needed means and tools in full; and employees are under the obligation to obey and observe all the measures taken in the field of occupational health and safety.</p> <p>In order to ensure compliance with and supervision of the measures taken for occupational health and work safety at the establishment, the employer must inform the employees of the occupational risks and measures that must be taken against them as well as employees' legal rights and obligations and, in this connection, he must provide the employees with the necessary training on occupational health and safety.</p> <p>The principles and methods of training shall be indicated in the regulation to be issued by the Ministry of Labour and Social Security.</p> <p>Employers shall notify, in written form, any work accident and occupational disease which occurs in the establishment to the relevant regional directorate of labour within two working days at the latest.</p> <p>The provisions contained in this chapter as well as in the bylaws and regulations related to occupational health and work safety shall also apply to the apprentices and trainees in the establishment.</p> <p>Article 80. Occupational Health and Safety Board:  In workplaces that are regarded as industrial works (loading, unloading and storage of raw materials, semi-finished and final products at ports are included in works that are regarded as industrial works in accordance with the "Regulation Related to Works that are Regarded as Industry, Trade, Agriculture and Forestry works" published in the Official gazette dated 03.09.2008 and numbered 26986) and where a minimum of fifty employees are employed and where permanent work is performed for more than six months, the employer should establish an occupational health and safety board.</p> <p>Article 85. Arduous and dangerous work:  Young employees who have not completed the age of sixteen years, children and workers who have not got an occupational training about the work they are responsible must not be employed on arduous or dangerous work.</p>
<p>Worker Health and Occupational Safety Bylaw (Official Gazette Date/Number:11.01.1974/14765)</p>	<p>The bylaw defines safety requirements in places where workers stay, measures and tools to prevent illnesses caused by equipments, machinery and raw materials, necessary tools and safety measures to be taken to prevent work accidents.</p>	<p>Detailed requirements on health and safety at workplaces are set by this bylaw and the employer is liable to create a safe working environment, provide workers all the required personal protective equipments, regularly check all devices/machinery/fire equipments and ensure that they are working appropriately, take necessary measures to prevent occupational illnesses.</p>
<p>Occupational Health and Safety</p>	<p>This regulation determines</p>	<p>Article 6. Employer's General Liabilities</p>

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
<p>Regulation (Official Gazette: 09.12.2003 No:25311) The enforcement of this regulation is ceased but all the other HS regulations listed are based on this regulation. For this reason, it is included in this list.</p>	<p>the measures to improve the health and safety provisions in work places. For this purpose the following provisions are managed with this regulation: a) Prevention of occupational risk, protection of health and safety, removal of risk and accident factors, b) Training and informing of workers on health and safety, taking the workers' opinions and providing their balanced participation, c) Working conditions for the people who need to be protected specially due to their age, gender and special conditions.</p>	<p>a)To protect the health and safety of workers, the employer must prevent occupational risks, provide training and information, take all sorts of measures, establish organization and provide equipments. The employers shall aim to improve the health and safety measures. b)The employer shall obey the following general principles for the protection of health and safety: Prevention of risks Evaluation of risks that can not be prevented Fighting with risks at their source Adaptation to the technical developments To change dangerous things with non-dangerous or less dangerous. Development of a prevention policy covering the factors related technology, work organization, working conditions, social relations and work environment. Giving a priority to collective protection measures with regard to personal protection. Giving appropriate instructions to workers. c) Considering the characteristics of the work; The employer evaluates all of the risks on working equipment to be used, selection of chemicals and equipments, working environment in a workplace. Based on the result of this evaluation, the preventative measures taken, method of working and production methodology shall improve the protection level of workers related to their health and safety. The employer considers the adequacy of the worker related to his health and safety before giving a duty to the worker. The employer takes measures for the places of serious danger where only workers who are well-informed and instructed can enter. Article 7. Protective and preventative measures: The employer assigns one person or more in a workplace to perform health and safety risk prevention and protective measures. If there isn't any qualified personnel to perform this duty, employer gets assistance from a competent expert or organization outside the workplace. Article 8. First Aid, Fire Fighting, Evacuation of people, Serious and Close Danger The employer must implement all the necessary preventive measures to reduce the risk of fire at workplace, to ensure appropriate first aid, and to fulfil the evacuation for all the employees in the facilities. Employers must provide necessary equipment and training on first aid, fire fighting and evacuation responsibilities to the employees. Article 9. The employer performs a risk assessment related to health and safety. The employer is responsible for providing all of the personal protective equipment and preventive measures based on the risk assessment conducted at site. Article 10. The employer is responsible for informing the workers on the performed activities, health and safety risks, protective and preventative measures. Article 11. The employer is responsible for taking workers' opinion on health and safety issues, giving a right to workers to give suggestions and providing their participation in this kind of meetings. Article 12. The employer is responsible for training the workers on all aspects of the risks involved in the process as well as health and safety training, PPE usage and emergency plan implementation.</p>

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
		<p>Article 14. The employer is responsible for the medical surveillance of the workers: At the beginning of employment, workers get a medical certificate showing that they are eligible for the relevant work. Depending on the characteristics of the work, medical examination is performed regularly.</p>
<p>Arduous and Dangerous Works Regulation (Official Gazette Date/Number:16.6.2004/25494)</p>	<p>The purpose of this regulation is to decide which works will be considered as arduous and dangerous, and in which arduous and dangerous works women and young workers who completed 16 years of age but not at the age of 18 yet can be employable.</p>	<p>Article 4. It is forbidden to employ young workers below the age of 16 for arduous and dangerous works. Article 5. Medical Certificate At the beginning of the employment, depending on the characteristics and conditions of the work, workers should be determined as eligible and enduring by physical examination and if necessary by a doctor report based on laboratory findings. This report should be renewed once a year. It is forbidden to employ any worker without taking a medical certificate. Article 7. Employer is liable to keep a copy of identity cards of workers that work on heavy and dangerous works and show them to the auditors upon their request. Article 9. Appendix 1 shows which works are considered as arduous and dangerous, and in which arduous and dangerous works women and young workers who completed 16 years of age but not at the age of 18 yet can be employable. In Appendix I: Any loading, unloading and storage works at the ports are regarded as heavy and dangerous works, and no women and young workers are employable.</p>
<p>Regulation on Workplace Health and Safety Units and Shared Workplace Health and Safety Units (Official Gazette Date/Number: 15.08.2009/27320)</p>	<p>This Regulation determines qualification, number, employment, responsibility, authority, working conditions, training and certification of the workplace doctors and health safety specialists to be assigned in Workplace Health and Safety Units and Shared Workplace Health and Safety Units. It sets forth the principles on qualification and authorization of these units and how they will serve. It also determines the staff, equipments and tools to be utilized.</p>	<p>Pursuant to the Article 4, employers should form Workplace Health and Safety Units and employ one or more workplace doctors and in case of industrial works one or more health and safety specialists in workplaces where more than 50 personnel are continuously employed. Employers may fulfil this liability by getting complete or partial workplace health and safety service from Shared Workplace Health and Safety Units.  The qualifications and work durations for workplace doctors and health &amp; safety specialists are defined in related sections of the Regulation regarding work type and total number of workers.</p>
<p>Regulation on the provisions of occupational health and safety training of employees</p>	<p>The regulation sets forth the principles for health and safety trainings to be</p>	<p>Article 4. Liabilities of the employer Employers are responsible for (1) informing workers on their legal rights and responsibilities, (2) preparing occupational health and safety training programs on the occupational risks they are faced and the necessary precautions that need to be taken, (3)</p>

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
(Official Gazette Date/Number: 07.04.2004/25426)	given at workplaces to employees by the employers.	organization of the trainings, (4) ensuring the participation of employees to these trainings. Employers are responsible for providing the necessary training to employees regardless of the type of employment contract. Article 9. Developing Training Programs A yearly training program is developed consisting information on the aim, subject, duration, and date of the training, the names and titles of the trainers, the number of the participants. Article 17. The trainings are recorded and kept in the workers' personal files.
Regulation on the Use of Personal Protective Equipment in Workplaces (Official Gazette Date/Number: 11.2.2004/25370)	The purpose of this regulation is to determine the principles regarding the properties, supply and use of personal protective equipments in cases when risks are not prevented or minimised sufficiently with collective protection based on technical measures or working methods.	Article 8. The employer shall supply the necessary personal protective equipment defined in Appendix II to the workers when it is not possible to prevent or restrict risks by collective protection methods in works and relevant workplaces defined in Appendix III. The employer shall take all the measures to ensure the proper use of personal protective equipment by the workers. Informing workers Article 9. The employer shall inform the workers and/or their representatives on the necessary measures to be taken with respect to health and safety in the use of personal protective equipment. Article 10. The employer shall take the opinions of workers and/or their representatives and ensure their participation about the issues stated in this regulation.
Regulation on Health and Safety Requirements in the Use of Work Equipments, 2004 (Official Gazette Date/Number:11.2.2004/25370)	The regulation sets forth the minimum requirements to be met in terms of health and safety in the use of work equipments.	Article 5. General Liabilities of the Employer The employer shall take all the necessary measures to ensure that work equipment is appropriate to the work to be done and this equipment does not endanger the health and safety of workers. While selecting the work equipment, by considering the specific working conditions and hazards regarding health and safety of workers the employer shall mind that the equipment will not pose an additional hazard. In cases where the work equipment is not free from danger, the employer shall take measures to reduce the risk to a minimum level. Article 6. The employer will ensure that the work equipments meet the minimum requirements defined in Annex 1 of the regulation and that they are at an appropriate safe level in accordance with the defined issues in Annex 2. Article 7. Control of the work equipment In cases where the safety of the work equipment depends on its installation conditions, the equipment will be checked after its installation, before used for the first time and when its position is changed. Accordingly, a document will be prepared showing that the equipment is correctly installed and working safely. Periodical control of the equipment that may pose a hazard will be done by specialists. The results of the controls will be recorded and kept. Article 10. Informing workers The employer is responsible for informing the workers on work equipment and their use by giving them written instructions. Written instructions will consist of at least the following information: (i) the provisions of the use of work equipment, (2) the predictable abnormal conditions in the work equipment, (3) the results of the previous use experiences. Workers, even if they do not use the equipment, shall be informed about the hazards of the work equipment and hazards that

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
		<p>arise upon modification of the work equipment.  All the information and the written instructions shall be understandable by the relevant workers.  Article 11. Training workers  The workers who use the work equipment shall be trained on the risks that may be caused by the use of the work equipment and ways to avoid these risks.  Workers, who are responsible in the repair, control and maintenance of the work equipment, shall be given an adequate special training.</p>
Regulation on Safety and Health Signs(Official Gazette Date/Number:23.12.2003/25325)	The regulation sets forth the rules for the implementation of health and safety signs in workplaces.	<p>Article 5. The employer must supply and properly use the health and safety signs when risks can not be prevented or restricted by working methods, work organization and collective protective measures.  Article 7. The employer shall inform workers and/or their representatives on health and safety signs and provide written instructions about the meaning of the signs and the required action of the sign.</p>
Regulation on Workplace Health and Safety Units, and Common Health and Safety Units (Official Gazette Date/Number: 15.08.2009/27320)	The regulation determines the principles on the quality, number, recruitment, duties and responsibilities and training of workplace doctors and occupational safety specialists, as well as principles on the properties of the health units to be established, the required equipments and tools in these units, the personnel to be assigned and how these units provide service.	Workplaces with 50 employees or more, and workplaces with 50 workers or more where works regarded as industrial are carried out, are liable to establish a health and safety unit. The qualification, number and duties of the medical personnel and occupational safety specialists are set by this regulation.
Regulation on Occupational Health and Safety Boards (Official Gazette Date/Number: 07.04.2004/25426)	The regulations determines in which workplaces health and safety boards are established, and the working methods and responsibilities of these boards.	The employer is liable to establish an occupational health and safety committee at workplaces where (i) works regarded as industrial is carried out, (ii) with minimum 50 workers that work permanently, and (iii) with permanent jobs that last more than 6 months.
Noise Regulation	The purpose of this regulation is to determine	<p>Article 5. Exposure limit values and exposure effective values for noise are set.  Article 6. Risk determination and assessment: The employer shall assess and, if necessary, measure the levels of noise to which</p>

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
(Official Gazette: 23.12.2003, No: 25325)	the necessary measures to protect the workers from health and safety risks, especially from risks associated with hearing due to exposure to noise.	workers are exposed. Article 7. Prevention and reducing exposure: Risks associated with the exposure to noise shall be prevented at source or reduced to a minimum level. Article 8. Personal protection: If the risks associated with noise can not be prevented, ear-protectors that exactly fits the worker will be given and these protectors will be used by the workers. Article 10. The employer is responsible for informing workers about these risks associated with noise and measures for their prevention, and training them on the appropriate use of ear protectors. Article 12. Medical Surveillance: Workers will be subject to medical surveillance when it is confirmed by the risk assessment that there is health risk.
Vibration Regulation (Official Gazette: 23.12.2003, No: 25325)	The purpose of this regulation is to determine the necessary measures to protect the workers from health and safety risks due to exposure to mechanical vibration.	Article 5. Exposure limit values and exposure effective values for hand-arm and for whole body vibration are set. Article 6. Risk Determination and assessment: The employer shall assess and, if necessary, measure the levels of mechanical vibration to which workers are exposed. Article 7. Risks associated with the exposure to mechanical vibration shall be prevented at source or reduced to a minimum level. Article 8. The employer is responsible for informing workers about these risks and measures for their prevention. Article 10. Workers will be subject to medical surveillance when it is confirmed by the risk assessment that there is health risk. To prevent the health problems due to exposure to mechanical vibration and for the purpose of early diagnosis, necessary protective measures will be taken by taking into account the medical surveillance results.
Regulation on Working Duration Related to Labour Law (Official Gazette Date/Number:06.04.2004/25425)	Regulates the principles for the implementation of working duration.	Article 4. The maximum working duration is 45 hours a week. The daily working duration can not exceed 11 hours in any case. Article 9. The employer should document the working durations of workers by appropriate means.
Regulation on Overworking and Working in Excess Durations Related to Labour Law (Official Gazette Date/Number: 06.04.2004/25425)	Regulates the principles for the implementation of overwork.	Overworking is defined as works exceeding the duration of 45 hours/week as mentioned in the Labour Law. Article 4. Wages that will be paid for each excess hour are 50% higher than the hourly wage of the normal working duration. Article 5. Overworking duration should not exceed 270 hours/year. Article 6. If the worker prefers a to use a free time instead of getting a wage for excess work and if he applies to the employer in written, he can use a free time for 1.5 h for each excess hour he works. Article 8. Even if the workers agree for excess work in their work agreements or collective bargain agreements, if it is documented by the workplace medical doctor or by a medical doctor of the social security administration, these workers should not be worked overworked. Workers with temporary work agreements should also not be overworked. Article 9. Written approval of the workers should be received for overwork. Article 10. The employer should document the excess time for each worker who overworks and keep a copy of the document in their personal files.
Regulation on Special Principles in Works Carried out by	Principles on work durations, night work,	Article 3. The employer is liable to announce the start and end time of each shift, the names and surnames of workers who are

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
Employing Workers in Shifts (Official Gazette:07.04.2004/25426)	week holidays and breaks in works with shifts are set forth in the regulation.	working in shifts, their breaks and week holidays in a way that is easily seen and readable by the workers. Article 4. Shifts are arranged in a manner that there are at least 3 shifts in a duration of 24 hour. Article 12. The employer is liable to submit the list of night-shift workers as well as a copy of their health reports issued before starting work and those that are periodical, to the relevant regional directorate of labour.
Regulation on the Health and Safety Measures in working with Asbestos (Official Gazette:26.12.2003/25328)	Regulates the principles for the prevention of the exposure of the workers to asbestos fibre and to define limit values and measures.	Regarding demolition works: Article 12. The employer should determine the asbestos containing materials before starting demolition. If there is a doubt that asbestos is present the provisions of this regulation will apply. Article 13. Despite the technical measures in demolition works, if there is a possibility that asbestos concentration will exceed the limit value of 0.1 fibre/cm <sup>3</sup> (8-hour time-weighted-average), the employer should take the following measures for the protection of workers: (i) determination of the appropriate respiratory system protective equipment and other personal protective equipments and which workers will use these equipments, (ii) Putting safety signs in places where there is a possibility of exceedance of the limit value, (iii) prevention of the release of asbestos or asbestos fibre out of the facility or the working area. Before starting the demolition works, opinions of the workers or their representatives should be received about the measures to be taken. Article 14. A work plan should be prepared before starting demolition works. Work plan should include the measures for the protection of health and safety of the workers. This work plan should be submitted to Ministry of Labour and Social Security. Article 15. The employer should provide training to all the workers who are exposed to or have a possibility to be exposed to asbestos fibre. Article 16. Demolition works should be carried out by competent person(s) or entities.
Regulation on Protection of Buildings from Fire (Official Gazette:27.11.2007/26735)	This Regulation comprises all the fire protection and fighting measures to be taken in every kind of building and facilities with open and closed areas. It also includes design, construction, utilization, maintenance and operating principles to minimize hazards on health and property safety due to fires.	Pursuant to the Article 126 of the Regulation, the minimum number of personnel in the emergency action team for buildings where over a total number of 50 persons are occupied is defined as follows: <ul style="list-style-type: none"> <li>• Extinguishing team: Min. 3</li> <li>• Rescue Team: Min. 3</li> <li>• Protection Team: Min.2</li> <li>• First aid Team: Min.2</li> </ul>
Regulation on First Aid (Official Gazette:22.05.2002/24762)	This Regulation determines the number of personnel to	Pursuant to the Article 16, at least one tenth of the staff should be trained for "heavy and dangerous works" group as certificated first aiders by authorized training centres.



Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)
	be employed in public and private institutions regarding the total number of staff.	

## 3.5 *SITE VISIT*

### 3.5.1 *Overview*

A site visit was undertaken over a three day period (22 – 24 March 2010) by three ERM/ELC staff (). The site visit included a walkover of the whole of the port (including the two parts of the site leased to TMO and ETI), interviews with a number of key staff and stakeholders, and review of available documentation.

### 3.5.2 *Interviews*

Interviews were conducted with the following staff and stakeholders:

#### *Çelebi*

At the date of ERM's assessment, Çelebi had a staff of five on site (General Manager, Operations Manager, Technical Manager and two Management trainees) who were preparing for the handover. Interviews were held with the staff occupying the three permanent positions:

- Özgür Durmaçalı (General Manager);
- Umut Özkan (Operation Manager); and
- Tarık Kendir (Technical Manager).

#### *TCDD (Government owned Turkish Railways and current operator of the Port)*

- Orhan Kılıç (Vice General Manager);
- Adnan Deniz (Operation Manager);
- Can Emre (Communication and Documentation Responsible);
- Erdinç Gülşener (Vice General Manager); and
- Mehmet Molu (Security Manager).

#### *Port Clients*

##### *TMO:*

- İlhan Girgin – Stock Technician

##### *ETI Mining:*

- Mustafa Cebi – Port Facility Manager

#### *External Stakeholders*

##### *Bandırma Fishermen's Association:*

- Harun Öner (President) and members

Bandırma Trade Chamber:

- Nihat Yazıcı (Vice President)
- Tayip Serpen (member)

Bandırma Municipality:

- Yalçın Cömert (Vice President)
- Dursun Mirza (Vice President)

### 3.6 *REVIEW OF EXISTING INFORMATION*

Collection of baseline information was limited to research through online sources including webpages of the Ministry of Environment and Forestry and Balıkesir Municipality. The majority of the information was extracted from Balıkesir Province Environmental Status Report (2008). Information was also obtained from the Emergency Response Plan prepared for the Port in 2007 and The Evaluation Report on the Current Condition of Bandırma Port.

### 3.7 *LIMITATIONS*

The following limitations were placed on the environmental and social audit which constrained the scope and level of detail of the audit report and associated action plan:

- The environmental and social audit was undertaken over a three week period from project kick off to completion of the draft audit report and action plan.
- The site visit was undertaken over a three day period with limited time available in advance of the site visit to both identify appropriate interviewees and make them available for interview.
- Baseline information on environmental and social issues of note was obtained wherever practicable, but time limitations prevented information being requested/received from external sources such as universities and NGOs.

This section presents the findings of the environmental and social due diligence in the following tables:

*Table 4.2:* Summary of Compliance with Equator Principles;

*Table 4.3:* Summary of Compliance with MIGA Performance Standards; and

*Table 4.4:* Detailed Assessment of Compliance with Relevant Performance Standards.

In the compliance assessment the following classification is used:

**Table 4.1** *Compliance Definitions*

<b>Rating</b>	<b>Definition</b>
Compliant	Information available indicates the site and operation fulfils the requirement and/or is aligned with intended outcome of the requirement.
Partially Compliant	Information available indicates the site and operations fulfil the requirement and/or are aligned with intended outcome of the requirement.
Non Compliant	Information available indicates the site and operation does not fulfil the requirement.
Insufficient Information	There is insufficient information to make an assessment of the level of compliance
Not Applicable	The requirements do not apply to the site and operations at the current time.

**Table 4.2 Summary of Compliance with the Equator Principles**

EP	Principle	Requirement	Comments	Recommended Actions/ Additional Information Needed
1	Review and Categorization	The project has been categorized under Category A, B or C.	According to Exhibit I of Equator Principles, the project is Category B.	<b>Compliant:</b> No further action required.
2	Social and Environmental Assessment	If category A or B, an assessment has been prepared by borrower, consultant or external expert, and includes mitigation and management measures.	This is an operational site, and the Project does not involve significant works beyond refurbishment and modernisation, therefore no ESIA is required, instead a focused environmental and social due diligence assessment was undertaken as described herein.	<b>Compliant:</b> Refer to <i>Table 4.4</i> for audit results and to <i>Table 5.1</i> for actions required.
3	Applicable Social and Environmental Standards	<u>Non-OECD countries and OECD not High-Income:</u> The project complies with, or establishes a justified deviation from, applicable Performance Standards and EHS Guidelines. Refer to <i>Table 4.3</i> below.	IFC and MIGA performance standards have been used to assess compliance. PS 5, 6, 7 and 8 have been scoped out of the audit. Refer to <i>Table 4.3</i> below for details of compliance with PS1-4..	<b>Partially Compliant:</b> Refer to <i>Table 4.4</i> for audit results and to <i>Table 5.1</i> for actions required.
4	Action Plan and Management System	The borrower has prepared an Action Plan (AP) to address findings, prioritize mitigation measures, and take corrective actions and monitoring measures. The borrower has established a Social and Environmental Management System.	An Action Plan has been developed. Preparation of an ESHMS will be a requirement of the Action Plan, to be developed following transfer of operating rights.	<b>Compliant:</b> Refer to <i>Table 5.1</i> for Action Plan
5	Consultation and Disclosure	The borrower, government or third party expert has consulted with project-affected communities in a culturally appropriate way. The consultation process has ensured free, prior and informed consultation and participation to include community concerns.	The Client has undertaken some consultations (e.g. with trades unions and local authorities) but not in a comprehensive or coordinated manner.	<b>Partially Compliant:</b> Refer to Section 5.2: Stakeholder Engagement Plan
6	Grievance Mechanism	To ensure that consultation, disclosure and community engagement occurs throughout construction and operation of the project, the borrower has established a grievance mechanism, scaled to the risks and adverse impacts of the project,	There is currently no grievance mechanism in place.	<b>Non-Compliant</b> Grievance mechanism to be developed. Refer to <i>Table 5.1</i> .

EP	Principle	Requirement	Comments	Recommended Actions/ Additional Information Needed
		as part of the management system. The grievance mechanism addresses concerns promptly and transparently, in a culturally appropriate manner and is accessible to the community.		
7	Independent Review	For Category A projects and as appropriate for Category B projects, the Assessment, AP and consultation process documentation have been reviewed by an independent expert to assist the EPFI's due diligence and to assess compliance with Equator Principles.	This report has been prepared in compliance with EP7.	<b>Compliant: None</b>
8	Covenants	The borrower has covenant(s) linked to the following: <ul style="list-style-type: none"> <li>• Comply with social and environmental host country laws, regulations and permits;</li> <li>• Comply with the AP during construction and operation;</li> <li>• Provide periodic reports (at least annually);</li> <li>• Decommission facilities according to plan.</li> </ul>	The TOORA includes covenants relating to: <ul style="list-style-type: none"> <li>• Compliance with legislation and permits</li> </ul> The TOORA includes covenants relating to: <ul style="list-style-type: none"> <li>• Compliance with the Action Plan.</li> <li>• Annual reporting of the Action Plan and compliance with environmental and social legislation.</li> </ul> Decommissioning is not considered to be relevant as the Port is expected to continue in operation for the foreseeable future Annual reporting will be required	<b>Compliant: None</b>
9	Independent Monitoring and Reporting	The project has appointed an independent or external environmental and/or social expert to ensure ongoing monitoring and reporting.	Annual reporting will be required	<b>Compliant: None</b>
10	EPFI Reporting	The EPFI reports publicly at least annually the EP processes and experience, considering confidentiality.	Not directly applicable	<b>Not Applicable</b>

**Table 4.3 Summary of Compliance with MIGA/IFC Performance Standards**

Performance Standard	Significant Issues	Recommended Actions/ Additional Information Needed
PS 1 Social and Environmental Assessment and Management Systems	Significant issues: There is no Environmental Social and Health and Safety Management System in place for Çelebi's proposed operations at the Port	<b>Partially Compliant:</b> An Environmental, Social and Health, Safety Management System needs to be developed for the site and its operations (to include the activities of sub contractors and of clients such as ETI/TMO). . This should include Action Plans on key issues, policy, management programme, organisational structure, training, community engagement monitoring and reporting).
PS 2 Labour and Working Conditions	Significant issues Refer to <i>Table 4.4</i>	<b>Partially Compliant:</b> Refer to <i>Table 4.4</i>
PS 3 Pollution Prevention and Abatement	Significant issues Refer to <i>Table 4.4</i>	<b>Partially Compliant:</b> Refer to <i>Table 4.4</i>
PS 4 Community Health, Safety and Security	Significant issues: Refer to <i>Table 4.4</i>	<b>Partially Compliant:</b> Refer to <i>Table 4.4</i>
PS 5 Land Acquisition and Involuntary Resettlement	Significant issues: None	<b>None</b>
PS 6 Biodiversity Conservation and Sustainable Natural Resource Management	Significant issues: None other than pollution risks addressed by PS3	<b>See PS3</b>
PS 7 Indigenous Peoples	Significant issues: None	<b>None</b>
PS 8 Cultural Heritage	Significant issues: None	<b>Include chance finds procedure in ESHMS</b>

Table 4.4 Detailed Review against MIG/IFC Performance Standards

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Social and Environmental Management System</b>			
The client will establish and maintain a Social and Environmental Management System appropriate to the nature and scale of the project and commensurate with the level of social and environmental risks and impacts.	Interview with Celebi	<p>No environmental, social and health and safety management system (ESHMS) is yet in place for the Port.</p> <p>There are plans to develop such a system for Bandirma Port and Celebi Holding have such systems in place for one of their airport operations which will be used as a basis of the ESHMS</p> <p>There is agreement in place from Celebi Holding that a Quality Management System will be developed and will be accredited to ISO 90001. There is not yet such agreement for accreditation to ISO14001 or ISO 18001.</p> <p>The scope of the ESHMS will cover all operations within Çelebi's land and inside of the breakwater (although vessels start to communicate to the Port 0.5miles outside of the breakwater).</p> <p>All sub contractors will be covered by the ESHMS also.</p> <p>ETI work to a corporate EHS Management System. Their central health and safety team come to the Bandirma site each month to inspect compliance. A sub contractor is used for environmental checks and they have just commenced compliance checks.</p>	<p>An ESHMS to be developed as detailed in <i>Table 5.1</i>.</p> <p>Celebi are currently recruiting for the H&amp;S Specialist Post who will develop and subsequently implement the H&amp;S aspects of the Management System. The target is to develop this by end July 2010.</p> <p>Celebi has employed a consultant to develop the Environmental and Social aspects of the Management System, to identify the requirements and what actions are needed for compliance. The consultant will develop the main elements of the system by the end of July.</p> <p>The Quality and Environment Specialist will be responsible for implementation of this system.</p> <p>Subcontractors will need to work under Çelebi's ESHMS and arrangements for sub contractors will need to be included in the ESHMS.</p> <p>The Celebi ESHMS needs to incorporate a framework for managing TMO and ETI activities. TMO and ETI should be required to have an ESHMS in place if operating on Çelebi's land.</p>



Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		No information was available on whether TMO has an ESH Management System in place.	Celebi will be responsible for checking compliance of ETI and TMO against EHS legislation.
The Management System will incorporate the following elements	Interview with Celebi	Celebi confirmed that the ESHMS will cover all of these elements once developed.	ESHMS to be developed.
(i) Social and Environmental Assessment			
(ii) management program			
(iii) organizational capacity			
(iv) training			
(v) community engagement			
(vi) monitoring			
(vi) reporting			
Social and Environmental Assessment			
The client will conduct a process of Social and Environmental Assessment that will consider in an integrated manner the potential social and environmental (including labour, health, and safety) risks and impacts of the project.	N/A	This is an operational facility so an Environmental and Social Impact Assessment (ESIA) is not required. An environmental and social audit has been undertaken as part of the due diligence process.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.
The assessment process will be based on current information, including an accurate project description, and appropriate social and environmental baseline data.	N/A	The audit was undertaken using information gathered from desk based sources plus interviews with Celebi, TCDD (the existing Port Administration) and external stakeholders.	None
The assessment will consider all relevant social and environmental risks and impacts of the project, including the issues identified in Performance Standards 2 through 8, and those who will be affected by such risks and impacts.	N/A	The environmental and social audit considered all the IFC/MIGA Performance Standards. Performance Standards 5, 6, 7 and 8 were scoped out of the audit. Refer to <i>Table 5.3</i> .	None

**Performance Standard 1 Social and Environmental Assessment and Management Systems**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
Applicable laws and regulations of the jurisdictions in which the project operates that pertain to social and environmental matters, including those laws implementing host country obligations under international law, will also be taken into account.	N/A	Celebi acknowledge the requirement to work to applicable laws and regulations and that the ESHMS will identify such legislation.  Reference <i>Section 3.3</i> for further information on relevant legislation. Compliance with specific legislation is covered in the relevant sections below.	None
Risks and impacts will be analyzed in the context of the project's area of influence. This area of influence encompasses, as appropriate: (i) the primary project site(s) and related facilities that the client (including its contractors) develops or controls , such as power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow and disposal areas, construction camps;	N/A	The project's area of influence was defined within the assessment as comprising the operational site and any area potentially affected by impacts from the Port , for example by increased transport on local roads/rail networks.	None
(ii) associated facilities that are not funded as part of the project (funding may be provided separately by the client or by third parties including the government), and whose viability and existence depend exclusively on the project and whose goods or services are essential for the successful operation of the project;	N/A	N/A	None
(iii) areas potentially impacted by cumulative impacts from further planned development		N/A	None
(iv) areas potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location. The area of influence does not include potential impacts that would occur without the project or independently	N/A	N/A	None

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
of the project.			
Risks and impacts will also be analyzed for the key stages of the project cycle, including preconstruction, construction, operations, and decommissioning or closure.	N/A	This is an operational site. Construction works will be limited to improvements within the site, improvements to the railway and development of a stock layout facility at an industrial site south of the Port.. These works are considered unlikely to have significant adverse environmental or social impacts. The Port is envisaged to continue in operation for the foreseeable future and decommissioning is not therefore considered to be relevant to the assessment.	None
Where relevant, the Assessment will also consider the role and capacity of third parties (such as local and national governments, contractors and suppliers), to the extent that they pose a risk to the project, recognizing that the client should address these risks and impacts commensurate to the client's control and influence over the third party actions.	N/A	Local and national government authorities will have a role in regulating and granting permits for operation of the Port and lack of capacity to fulfil these roles would present a risk to operations. The key regulators will be the Undersecretariat for Maritime Affairs and MoEF and lack of capacity in their resources is not considered to be of concern.  Lack of capacity to undertake ESH management amongst subcontractors working at the Port and in key customers with operations in the Port (TMO and ETI) is considered to present risks, Subcontractors will be managed through the ESHMS. Key customers operating at the Port (TMO and ETI) will be required to operate suitable EHS Management Systems.	Risks will be managed through the ESHMS.

**Performance Standard 1 Social and Environmental Assessment and Management Systems**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The impacts associated with supply chains will be considered where the resource utilized by the project is ecologically sensitive, or in cases where low labour cost is a factor in the competitiveness of the item supplied.	N/A	N/A	None
The Assessment will also consider potential transboundary effects, such as pollution of air, or use or pollution of international waterways, as well as global impacts, such as the emission of greenhouse gasses.	N/A	N/A	None
The Assessment will be an adequate, accurate, and objective evaluation and presentation of the issues, prepared by qualified and experienced persons. In projects with significant adverse impacts or where technically complex issues are involved, clients may be required to retain external experts to assist in the Assessment process.	N/A	Environmental and Social Audit was undertaken by ERM, environmental and social consultants with 35 years experience.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.
Depending on the type of project and the nature and magnitude of its risks and impacts, the Assessment may comprise a full-scale social and environmental impact assessment, a limited or focused environmental or social assessment, or straightforward application of environmental siting, pollution standards, design criteria, or construction standards. When the project involves existing business activities, social and/or environmental audits may need to be performed to determine any areas of concern. The types of issues, risks and impacts to be assessed, and the scope of the community engagement can also vary considerably, depending on the nature of the project, and its size, location, and stage of development.	N/A	This is an operational facility so an ESIA is not required.  Environmental and social audit has been undertaken as part of the due diligence process.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.

**Performance Standard 1 Social and Environmental Assessment and Management Systems**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<p>Projects with potential significant adverse impacts that are diverse, irreversible, or unprecedented will have comprehensive social and environmental impact assessments. This assessment will include an examination of technically and financially feasible alternatives to the source of such impacts, and documentation of the rationale for selecting the particular course of action proposed. In exceptional circumstances, a regional, sectoral or strategic assessment may be required.</p>	<p>N/A</p>	<p>This is an operational facility so an ESIA is not required. No alternatives need to be considered because this is an operational site.</p> <p>Environmental and social audit has been undertaken as part of the due diligence process.</p>	<p>Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.</p>
<p>Narrower scopes of Assessments may be conducted for projects with limited impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.</p>	<p>N/A</p>	<p>This is an operational facility so an ESIA is not required.</p> <p>Environmental and social audit has been undertaken as part of the due diligence process.</p>	<p>Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.</p>
<p>Projects with minimal or no adverse impacts will not be subject to further assessment beyond their identification as such.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
As part of the assessment, the client will identify individuals and groups that may be differentially or disproportionately affected by the project and propose and implement differentiated measures for them.		There is considerable opposition to the privatization of the Port from the Trades Unions. Reference Performance Standard 2 Labour and Working Conditions. There is concern from local residents about current operations, in relation to pollution (specifically dust).	Refer to PS 2, 3 and 4  The ESHMS will identify affected groups/individuals.
<b>Management Program</b>			
Taking into account the relevant findings of the Social and Environmental Assessment and the results of consultation with affected communities, the client will establish and manage a program of mitigation and performance improvement measures and actions that address the identified social and environmental risks and impacts.	N/A	Actions have been identified as part of this Audit.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  Program for compliance with Action Plan to be developed and monitored as part of the ESHMS.
The measures and actions to address identified impacts and risks will favour the avoidance and prevention of impacts over minimization, mitigation, or compensation, wherever technically and financially feasible.	N/A	Will be an integral part of the ESHMS.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  Program for compliance with Action Plan to be developed and monitored as part of the ESHMS.
The program will define desired outcomes as measurable events to the extent possible, with elements such as performance indicators, targets or acceptance criteria that can be tracked over defined time periods, and with estimates of the resources and responsibilities for implementation. These must be responsive to changes.	N/A	Will be an integral part of the ESHMS.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  Program for compliance with Action Plan to be developed and monitored as part of the ESHMS.

**Performance Standard 1 Social and Environmental Assessment and Management Systems**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Action Plan</b>			
The client will prepare action plans for specific mitigation measures and actions	N/A	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  This will need to be developed and implemented to form part of the ESHMS.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  Program for compliance with Action Plan to be developed and monitored as part of the ESHMS.
These measures and actions will reflect the outcomes of consultation.	N/A	Some limited consultation has taken place between Celebi and stakeholders including the Trades Unions and Chamber of Commerce. No consultation has been undertaken with residents.	An outline Stakeholder Engagement Plan has been prepared (see <i>Section 5.2</i> ) and will be further developed and implemented by Celebi following transfer of the site.
The action plan will			
(i) describe the actions necessary to implement the various sets of mitigation measures or corrective actions to be undertaken.	N/A	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  This will need to be developed and implemented to form part of the ESHMS.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan. A program for compliance with the Action Plan to be developed and monitored as part of the ESHMS.
(ii) prioritize these actions	N/A	Actions are scheduled within <i>Table 5.1</i> Environmental and Social Action Plan.	To be further developed by Celebi as part of ESHMS following transfer of the site.
(iii) include the timeline for their implementation	N/A	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  This will need to be developed and implemented to form part of the ESHMS.	Refer to actions required in <i>Table 5.1</i> Environmental and Social Action Plan.  Program for compliance with Action Plan to be developed and monitored as part of the ESHMS.
(iv) be disclosed to the affected communities	N/A	No disclosure has been undertaken by Celebi to date.	An outline Stakeholder Engagement Plan has been prepared (see <i>Section 5.2</i> ) and will be further developed and implemented by the Client following transfer of the site.

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
(v) describe the schedule and mechanism for external reporting	N/A	Loan covenants include provision for reporting to Lenders. The outline Stakeholder Engagement plan proposes arrangements of local reporting	To be completed by the Client as part of the ESHMS and SEP following transfer of the site including plans for disclosure of E&S information to the local community in the local language
<b>Organizational Capacity</b>			
The client will establish, maintain and strengthen as necessary an organizational structure that defines roles, responsibilities and authority to implement the management program, including the Action Plan.	Organization Chart and interview with Celebi.	An organization chart has been developed. The responsibilities for each role have yet to be fully defined.	EHS responsibilities for each position to be identified within the ESHMS.
Specific personnel, including management representative(s) with clear lines of responsibility and authority should be designated.	Organization Chart and interview with Celebi.	<p>An organization chart has been developed. The responsibilities for each role have yet to be fully defined.</p> <p>Key roles include the Quality and Environment Specialist and the Health and Safety Specialist.</p> <p>All staff will have some EHS responsibilities.</p> <p>10% of all staff will need to be qualified in fire prevention and first aid.</p> <p>According to the "Regulation on Workplace Health and Safety Units and Shared Workplace Health and Safety Units, the operator or a subcontractor should form Workplace Health and Safety Units where one or more workplace doctors and one or more health and safety specialists are employed.</p>	EHS responsibilities for each position to be identified within the ESHMS.



Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>The qualifications and work durations for workplace doctors and health and safety specialists are defined in related sections of the Regulation regarding work type and total number of workers.</p> <p>Ports are listed in Annex-1 of the Environmental Audit Regulation, meaning that they should meet one of the following requirements:            (i) establish an “environmental management unit” involving at least three competent employees (referred to as “environment responsible”), (ii) employ at least 2 environment responsible, or (iii) sign an agreement with an authorized firm. Environment responsible are responsible for filling the forms, performing internal audits and being present to provide information to the authorities during external audit.</p>	
Key social and environmental responsibilities should be well defined and communicated to the relevant personnel and to the rest of the organization	Interview with Celebi	EHS responsibilities will all be documented in the ESHMS and will be communicated through training, booklets, posters, etc.	Communication plan to be developed as part of the ESHMS.
Sufficient management sponsorship and human and financial resources will be provided on an ongoing basis to achieve effective and continuous social and environmental performance.	Interview with Celebi	Celebi advise this will be provided. Needs to be incorporated into the ESHMS to ensure this occurs.	Commitments to be set out within the ESHMS.
<b>Training</b>			
The client will train employees and contractors with direct responsibility for activities relevant to the project's social and environmental performance	Interview with Celebi.	<p>All staff will be trained in technical, health and safety issues before any work commences (this is required to comply with legislation).</p> <p>The main contractor will be responsible for training any sub contractors.</p>	Training program to be defined and implemented within the ESHMS.

**Performance Standard 1 Social and Environmental Assessment and Management Systems**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>Certificates of training will be provided to Celebi. If not available, training will be provided.</p> <p>The International Labour Organization (ILO) has a program for the training of labour which Celebi will utilize within the Port operations.</p> <p>Training will be detailed and specific to the Port operations. For example it will include training on handling dangerous cargo and on emergency spills.</p> <p>Photos were provided of such training being undertaken at other Celebi operations.</p>	
<b>Community Engagement</b>			
<p>The nature and frequency of community engagement will reflect the project's risks and adverse impacts on the affected communities.</p>	<p>Interview with Celebi</p>	<p>There are not currently any plans to include requirements for community engagement in the ESHMS.</p> <p>Some ad hoc engagement has been undertaken with community groups such as the Bandirma Trade Chamber of Commerce and the Bandirma Municipality. These discussions have been as required and have identified a number of concerns from the community groups affected/in the vicinity of the Port.</p> <p>This engagement will continue. There are no plans for a structured engagement program, but will be as required.</p> <p>Issues raised by the engagement will be addressed</p>	<p>The Stakeholder Engagement Plan needs to be developed and formalized within the ESHMS. Stakeholders need to be properly mapped to ensure that all potentially affected groups/individuals have been identified. A structured program of engagement needs to be identified, appropriate to the requirements of the stakeholders. This should include a grievance procedure for addressing concerns raised and including a feedback mechanism.</p>

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>within the ESHMS. For example, dust was identified as a concern and therefore this is being addressed through the purchase of new equipment and dust suppression measures.</p> <p>Feedback to the stakeholders will be undertaken.</p>	
Community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information.	Interview with Celebi	Addressed in outline Stakeholder Engagement Plan	To be developed in Stakeholder Engagement Plan and established as part of the ESHMS.
<b>Disclosure</b>			
<p>The client will publicly disclose the assessment document.</p> <p>If communities may be affected by risks or adverse impacts from the project, the client will provide such communities with access to information on the purpose, nature and scale of the project, the duration of proposed project activities, and any risks to and potential impacts on such communities. Disclosure should occur early in the Social and Environmental Assessment process and in any event before the project construction commences, and on an ongoing basis.</p>	N/A	Addressed in outline Stakeholder Engagement Plan	The ESHMS and SEP will provide for disclosure of the assessment findings and action plan to affected communities in the local language.
<b>Consultation</b>			
The client will undertake a process of consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts, and mitigation measures, and allows the client to consider and respond to them.	Interview with Celebi	No formal consultation process is currently in place.	Stakeholder Engagement Plan to be developed and formalized as part of the ESHMS.

**Performance Standard 1 Social and Environmental Assessment and Management Systems**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<p>The consultation process will be undertaken in a manner that is inclusive and culturally appropriate.</p> <p>The client will tailor its consultation process to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups.</p> <p>Informed participation involves organized and iterative consultation, leading to the client's incorporating into their decision-making process the views of the accepted communities on matters that affect them directly.</p>			
<b>Grievance Mechanism</b>			
<p>The client will establish a grievance mechanism to receive and facilitate resolution of the affected communities' concerns and grievances about the client's environmental and social performance.</p>	<p>Interview with Celebi</p>	<p>No formal grievance mechanism is currently in place.</p>	<p>A grievance procedures will be developed as part of the ESHMS and SEP.</p>
<b>Monitoring</b>			
<p>As an element of its Management System, the client will establish procedures to monitor and measure the effectiveness of the management program. This should also include dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes.</p>	<p>Interview with Celebi</p>	<p>There will be a monitoring plan for environmental issues.</p> <p>Monitoring will include:</p> <ul style="list-style-type: none"> <li>• noise (for workers health and safety);</li> <li>• dust inside and outside the Port (for worker health and safety and ambient air quality); and</li> <li>• water quality (visual check).</li> </ul>	<p>A monitoring program will be identified and formalized as part of the ESHMS. Further details will be set out in Action Plans on specific topics prepared as part of the ESHMS.</p>
<b>Reporting</b>			

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will disclose the Action Plan to the affected communities. In addition, the client will provide periodic reports that describe progress with the implementation of the Action Plan on issues that involve ongoing risk to or impacts on affected communities, and on issues that the consultation process or grievance mechanism has identified as of concern to those communities.	Interview with Celebi	<p>Celebi will develop an information exchange system between the key staff and management in order to report on EHS performance management.</p> <p>The Celebi General Manager will report annually (minimum) to the Celebi Holding Board of Directors. These reports will include EHS updates. Reporting can be more often if required.</p> <p>There is no mechanism currently in place to report to external stakeholders on EHS performance.</p>	<p>Formalize internal reporting system in the ESHMS.</p> <p>Develop an external reporting system as part of the ESHMS.</p>

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Working Conditions and Management of Worker Relationships</b>			
<b>6. Human Resources Policy</b>			
The client will adopt a human resources policy that sets out its approach to managing employees consistent with the requirements of this Performance Standard.	Client Corporate HR policy	Client does not have a site-specific HR policy, but will develop its existing corporate policy to provide a specific HR Policy and system for the Port. The policy was reviewed and is broadly consistent with the requirements of PS2	Development of Port HR policy
Under this policy, the client will provide employees with information regarding their rights under national labour and employment law	Client Corporate HR policy	Not specified in the corporate HR policy	Include in clause on provision of information regarding worker rights under national labour and employment law in the Port HR Policy.
<b>7. Working Relationships</b>			
The client will document and communicate to all employees and workers, directly contracted by the client, their working conditions and terms of employment, including their entitlement to wages and any benefits.	Client Corporate HR policy	Not specified in the corporate HR policy Initially the Port will have 316 staff comprising 40 Celebi employees and 276 subcontracted staff. All Celebi staff will be in managerial positions. The 316 staff will comprise 224 blue collar workers 60 white-	Not considered an issue as all the direct employees will be in managerial positions

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		collar workers and 32 seamen. The sub-contracts will cover: <ul style="list-style-type: none"> <li>- Loading and unloading services including warehouse operations, terminal and related labour (167 subcontracted employees)</li> <li>- health services (1 subcontracted employee)</li> <li>- towage services (32 subcontracted employees)</li> <li>- security services (53 subcontracted employees)</li> <li>- cleaning and catering (4 subcontracted employees)</li> </ul>	
<b>8. Working Conditions and Terms of Employment</b>			
Where the client is a party to a collective bargaining agreement with a workers' organization, such an agreement will be respected.		The Client is not party to a collective bargaining agreement with a workers' organization at present. It is expected that a collective agreement may be developed in the medium-term.	Not considered an issue as all the direct employees will be in managerial positions
<b>9/10. Worker's Organisations</b>			
The client will not discourage workers from forming or joining workers' organisations of their choosing or from bargaining collectively, and will not discriminate or retaliate against workers who participate, or seek to participate, in such organisations that bargain collectively. Clients will engage with such worker representatives. Worker organizations are expected to fairly represent the workers in the workforce.		The Client has indicated that it will permit and will not discourage workers from joining workers' organisations. Although unions are not present in many private ports in Turkey, at the one port in which Client has a 40% stake (Port Akdeniz, Antalya) workers are represented by Liman-İş (Port Workers Union). In another example, 4 years ago Mersin port was privatised and purchased by PSA/Akfen. Initially sub-contractors were used but now there are directly employed workers who are members of a workers' organisation (Liman-İş)	Client will allow employees to form or join a workers' organisations of their choosing and to bargain collectively, and will not discriminate or retaliate against workers who participate
<b>11. Non-Discrimination and Equal Opportunity</b>			

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. The client will base the employment relationship on the principle of equal opportunity and fair treatment, and will not discriminate with respect to aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, promotion, termination of employment or retirement, and discipline.		The Client has indicated it will comply with Article 5 of the Labour Law which states that discrimination due to race, language, gender, political opinion, religion and alike is forbidden. Part time workers must be treated the same as full time workers and indefinite period workers the same as definite period workers unless justifiable reasons provide otherwise. If the article is violated the worker may claim compensation up to four times of his/her wage.	Client will comply with Article 5 of the Labour Law
The client will comply with national law on non-discrimination		The client will comply with Article 5 of the Labour Law	None
<b>12. Retrenchment</b>			
The client will develop a plan to mitigate the adverse impacts of retrenchment on employees, if it anticipates the elimination of a significant number of jobs or a layoff of a significant number of employees.		Under the concession agreement, the Port will be transferred to Client without its current workers, and Client has no obligations regarding their future employment. TCDD, the current Port owner, is retaining responsibility for current employees who are all Turkish State employees with open-ended contracts providing all applicable rights and benefits until retirement. As state employees they can be redeployed and relocated to other TCDD facilities at any time. TCDD has offered three options following transfer of the Port to Client: <ul style="list-style-type: none"> <li>• retirement</li> <li>• redundancy</li> <li>• redeployment to one of TCDD's operating ports at Izmir, Derince, Haydarpaşa or İskenderun.</li> </ul> TCDD's site Personnel Director advised that 40% (older workers) were expected to select retirement as TCDD workers are entitled to retirement after 25 years (and are reportedly exempt from the new Turkish Law which specifies a retirement date of 65). Retirees are	None, as retrenchment is not the responsibility of the Client. Client should to continue to offer opportunities to apply for positions to current workers and their family members.

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>entitled to a % of their basic salary, based on time worked and rank. The remaining 60% of younger blue-collar workers have requested redeployment. The redeployments are at the same working conditions as Bandırma although the workers expect limited opportunities for overtime which reportedly comprises 20% (quote from union leader) to 50% (quote from TCDD management) of their income. Redeployed workers are entitled to a relocation allowance based on distance and including additional allowances for family members.</p> <p>There have been complaints from both TCDD management and union representatives relating to:</p> <ul style="list-style-type: none"> <li>- lack of information and support from TCDD Ankara;</li> <li>- lack of choice for redeployment within TCDD (only 2 choices although TCDD has many operations throughout Turkey);</li> <li>- fast time-frame (3 days to make decision on receipt of questionnaire from TCDD Ankara);</li> <li>- uncertainty as to fate of İzmir and Derince in privatization, resulting in the redeployed workers needing to move again in 2-5 years;</li> <li>- uncertainty on timing of reemployment, and short-time frame.</li> </ul> <p>Çelebi advise that redeployment arrangements are now complete.</p> <p>There are 74 white-collar workers, however no information is available on their plans, although it is expected that the majority are eligible for and will take retirement.</p>	



Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>Çelebi has met regularly with representatives of Liman-İş (Port Workers Union) over the past 8 months, and offered workers opportunities to apply for positions in the new structure. 5-6 workers who are applying for retirement approached Çelebi of whom 2-3 will be employed. They are workers over 55 and will likely be employed for 3 to 5 years. Reportedly all those who responded were eligible for retirement . It is expected that this is due to the reduced wages on offer compared to TCDD's current salary structure. It is reported that currently 90% of revenues from the Port go to labour costs, and that salaries are double market rates.</p> <p>The Client has indicated that it will give preference in employment to local people including family members of retired TCDD staff.</p>	
<b>13. Grievance Mechanism</b>			
The client will provide a grievance mechanism for workers (and their organizations, where they exist) to raise reasonable workplace concerns.		Client's Operations manager previously was operations manager at Arkas operations in Marport (Ambarlı Port) and plans to bring his experience on employee grievance mechanisms to Bandırma. This involved hosting "experience sharing meetings" with operators and workers but without senior management to air grievances and discuss matters. The meetings covered best practice and EHS matters and provided direct link from operators and workers to the operations manager.	Employee Grievance Mechanism to be implemented and designed so confidential reporting can be undertaken
<b>Protecting the Work Force</b>			
<b>14. Child Labour</b>			
Where national laws have provisions for the employment of minors, the client will follow those laws		There is no evidence of child labour, nor is the Client expected to employ any child labour at the Port.	Compliance with "Regulation on Codes and Principles of Employing Child and Adolescent

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
applicable to the client.		Personnel department reported currently no workers below the age of 30 which reflects the age profile in the sector	Workers" (under Article 71 of Labour Law).
Children below the age of 18 years will not be employed in dangerous work.		There is no evidence of anyone under 18 years being employed, nor is any expected.	None
<b>15. Forced Labour</b>			
The client will not employ any form of forced labour.		There is no evidence of forced labour, nor is any expected.	Compliance with Article 18 of the 1982 Turkish Constitution, prohibiting forced labour .
<b>16. Occupational Health and Safety</b>			
The client will provide workers with a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client's work areas, including physical, chemical, biological, and radiological hazards.		<p>Currently H&amp;S is managed through conditions in the Collective Labour Agreement between the union and TCDD. No apparent HSMS management system with policy, plan and procedures, and risk assessment of workplaces is in place. Likewise enforcement of conditions in the labour agreement is minimal and poor H&amp;S practices were observed on site.</p> <p>H&amp;S Statistics were requested (as they are obliged to be provided to the government) but were not available. Management reported verbally one fatality in 25 years; most accidents are during unloading/loading operations and no serious occupational illnesses of workers at present.</p> <p>Monthly meetings of H&amp;S board are held (as required if facility has &gt;50 employees) Periodic H&amp;S inspections of workers are undertaken by government inspectorate.</p> <p>The site retains a medical doctor and when hiring new employees, they undertake medical checks.</p> <p>The working environment could be improved.</p>	<p>Inclusion of implementation of EH&amp;S provisions in their employment contract on responsibilities.</p> <p>According to "Regulation on Protection of Buildings from Fire" for staff more than 50, the minimum number of personnel in the emergency action team is defined as follows:</p> <ul style="list-style-type: none"> <li>• Extinguishing team: Min. 3</li> <li>• Rescue Team: Min. 3</li> <li>• Protection Team: Min.2</li> <li>• First aid Team: Min.2</li> </ul> <p>According to the "Regulation on First Aid" at least one tenth of the staff should be trained as certificated first aiders for "heavy and dangerous works by authorized training centres".</p> <p>EHS Manager to raise awareness of H&amp;S matters through training, posters, etc</p>

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>primarily in the following areas:</p> <ul style="list-style-type: none"> <li>- demarcated areas for traffic flows</li> <li>- enforced wearing of PPE</li> <li>- H&amp;S induction for site visitors</li> </ul>	
The client will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, so far as reasonably practicable, the causes of hazards.		<p>The responsibility of H&amp;S in the organizational chart is unclear, with a H&amp;S specialist reporting through the human resources manager, and a Quality and Environmental Specialist reporting directly to the General Manager</p> <p>The chiefs of pilotage/towage, warehouse and operations will have responsibility for implementation and training and inspecting of H&amp;S for their reports</p>	Review of the organizational structure so that an H&S Specialist reports directly to the General Manager alongside the Quality and Environment Specialist. Together they will be responsible for the ESHMS
The client will address areas, including: the identification of potential hazards to workers, particularly those that may be life-threatening; provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; training of workers; documentation and reporting of occupational accidents, diseases, and incidents; and emergency prevention, preparedness and response arrangements.		No workplace risk assessments have been undertaken as yet (as not strictly required under Turkish Law). A training programme is planned using mentoring programme to train operators into more complex positions, and the use of theory workshops and training videos (as used in Operation Manager's previous company)	As best practice undertake risk assessment of work places within ESHMS.
<b>17. Non-Employee Workers</b>			
When the client contracts non-employee workers directly, the client will use commercially reasonable efforts to apply the requirements of this Performance Standard (except for paragraphs 6, 12, and 18).		The client does not envisage contracting non-employee workers directly	

**Performance Standard 2 Labour and Working Conditions**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<p>With respect to contractors or other intermediaries procuring non employee workers, the client will use commercially reasonable efforts to: (i) ascertain that these contractors or intermediaries are reputable and legitimate enterprises; and (ii) require that these contractors or intermediaries apply the requirements of this Performance Standard (except for paragraphs 6, 12, and 13).</p>		<p>The Client will engage reputable and legitimate sub-contractors: no problem is envisaged in finding reputable sub-contractors.</p> <p>Tender documents are being prepared for subcontractors which will cover conditions of workers employment:</p> <ul style="list-style-type: none"> <li>- salary band levels to ensure high quality operators</li> <li>- no overtime (shifts less than 11 hrs)</li> <li>- requirement to wear PPE and comply with Client's H&amp;S</li> </ul> <p>Client undertook analysis of salary structure within 21 other ports that engage subcontractors and in Turkey For 5 ports they have salary ranges of 18 working posts (Mersin, Istanbul, Izmit, Bursa and section of Izmir operated by private sector). The salary ranges specified for sub-contactors were</p> <ul style="list-style-type: none"> <li>• Unskilled worker: 635 TL-700TL/mth</li> <li>• Mobile crane operator 1500-2200TL/mth</li> <li>• Operation Chief 2500TL-3000TL/mth</li> </ul> <p>Client will monitor compliance with salary bands by requesting Social Security Institution forms (SSKs) monthly.</p> <p>Each sub-contractor worker will be interviewed by Client Operations Manager for competency, and (as is required by legislation) to check the worker is certified for the job description.</p> <p>The Client will use a finger print and card entry system at one entrance to prevent overtime working. If overtime working occurs the sub-contractor will be warned.</p>	<p>Opportunities to include provisions in the conditions of subcontracts regarding employment conditions for subcontractor employees including::</p> <ul style="list-style-type: none"> <li>- compliance with Client's H&amp;S requirements</li> <li>- compliance with Article 5 on Labour Code (discrimination)</li> <li>- rights to form workers association</li> <li>- communication of rights under national legislation and employment contracts.</li> </ul> <p>Include H&amp;S considerations in the assessment of sub-contractors.</p>
<p><b>18. Supply Chain</b></p>			

**Performance Standard 2 Labour and Working Conditions**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The adverse impacts associated with supply chains will be considered where low labour cost is a factor in the competitiveness of the item supplied. The client will inquire about and address child labour and forced labour in its supply chain, consistent with paragraphs 14 and 15 above.		There are no significant supply chains in the Project (the most significant being provision of high-specification cranes). These are from Italian and German suppliers in which low cost is not a factor, and child labour and forced labour are not considered to be issues	None

**Performance Standard 3 Pollution Prevention and Abatement**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>General Requirements</b>			
During the design, construction, operation and decommissioning of the project (the project lifecycle) the client will consider ambient conditions and apply pollution prevention and control technologies and practices (techniques) that are best suited to avoid or, where avoidance is not feasible, minimize or reduce adverse impacts on human health and the environment while remaining technically and financially feasible and cost-effective.		<p>Under Regulation on Permits and Licenses that should be obtained in accordance with the Environmental Law (Official Gazette Date/Number: 29.04.2009/27214), ports are listed in Annex 1 and require an “environmental permit and license”.</p> <p>The environmental permit is defined as a permit including at least one of the issues of emissions, discharges, noise control, deep sea discharge or hazardous materials discharge. The environmental license covers the collection, recovery, recycling and disposal of wastes.</p> <p>The Port may obtain a temporary activity permit which is valid for one year. Within six months after the receipt of the temporary activity permit, it should apply for the environmental permit and license. Otherwise, the temporary activity permit will become invalid.</p> <p>The Client has yet to engage with the local Directorate of Environment and Forests regarding the environmental permit and license.</p>	<p>Client should engage with Directorate of Environment and Forests and develop a plan to obtain the necessary environmental permit and license. The application procedure will require measurements of noise and air emissions.</p> <p>Alternative arrangements should be made for domestic waste water either construction of a wastewater treatment plant or obtaining a permit from the Municipality to connect with the municipal sewer system.</p>

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		Domestic waste water on site is discharged to two septic pits in contravention of the Water Pollution Control Regulation. Sites having a staff of more than 84 persons should either treat domestic wastewater or connect to the local municipal sewer with permission.	
The project-specific pollution prevention and control techniques applied during the project life-cycle will be tailored to the hazards and risks associated with project emissions and consistent with good international industry practice, as reflected in various internationally recognized sources, including IFC's Environmental, Health and Safety Guidelines (the EHS Guidelines)		The current status of the roads is in disrepair. 30 year old cranes cause dust emissions due to loose grips. Moreover, operators of the cranes have a tendency to open up the jaws while load is still elevated on ground. Some trucks carry uncovered bulk material. Dominant wind direction is from NNE towards residential areas and dust emissions may impact on residents. Residents have expressed considerable concern about dust issues.	Client is planning to replace existing 30-year old cranes with state-of-the-art unloading/loading systems with silicon grips to prevent loss of material. Also will engage best practice , to limit dust emissions during unloading/loading including jaw opening at lower levels and will avoid carrying uncovered bulk cargo by truck.. In addition road maintenance is planned.
<b>Pollution Prevention, Resource Conservation and Energy Efficiency</b>			
The client will avoid the release of pollutants or, when avoidance is not feasible, minimize or control the intensity or load of their release. This applies to the release of pollutants due to routine, non-routine or accidental circumstances with the potential for local, regional, and trans-boundary impacts.		All surface runoff water is discharged directly to the sea. However, surface runoff water may become contaminated by bulk cargo residues and oil.	Surface runoff should be treated with oil separator and ideally with a settlement unit before discharge into the sea.
The client should examine and incorporate in its operations resource conservation and energy efficiency measures, consistent with the principles of cleaner production.		Port equipment is generally old and not energy efficient.  Cargo is currently carried mostly by road transport.	New modern loading/unloading equipment will be more energy efficient than the old.  Client is planning to increase the share of railway transport to 1/3 <sup>rd</sup> of cargo .
<b>Wastes</b>			
The client will avoid or minimize the generation of hazardous and non-hazardous waste materials as far as practicable.		The site does not have a waste management plan. It holds a license for reception of ship waste (Annex I waste: bilge, sludge, waste oil, contaminated water,	There are plans to repair the oil separator at the waste reception facility to separate category II oil (defined under Waste Oil Control Regulation)

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		Annex IV: domestic wastewater, Annex V: domestic solid waste) which is valid to Feb 2011. Previously oil was separated from bilgewater on site in a separation unit, and the oil was sold to a licensed disposal contractor. However, the separation unit has not operated since 2006 and currently 222 m <sup>3</sup> of bilge waste containing oil and 74 m <sup>3</sup> of sludge is stored on site in the separator and in train wagons. The site appears to be in compliance with MARPOL, however ships may discharge their bilge at sea (reported by fishermen)	from bilgewater. Category II waste oil can be disposed at licensed facilities for energy recovery.  TCDD should remove and dispose accumulated 297 m <sup>3</sup> hazardous waste before transfer of the Port, since the waste storage capacity of the waste reception facility is exceeded.  All hazardous waste (including waste oil, MARPOL Annex I waste from ships, waste batteries) should be transported by licensed vehicles for disposal at suitably licensed facilities and in accordance with to the relevant Regulations.
Where waste generation cannot be avoided but has been minimized, the client will recover and reuse waste		No current measures.	A waste management plan is required covering all types of activities on site and providing for recovery or reuse of waste as far as is practicable. The waste collection area should be re-designed for separating recyclables (glass, paper, cardboard, plastics, metals). Ships should also be encouraged to separate their recyclables under Regulation on Waste Reception Service to Ships.
Where waste can not be recovered or reused, the client will treat, destroy, and dispose of it in an environmentally sound manner.		The Port has a license to accept domestic solid waste from ships and store it temporarily before removal by the municipality. The Port can also accept sanitary wastewater from ships (but management do not recall instances where this has happened).	A waste management plan is required covering all types of activities on site and ensuring appropriate treatment and disposal of all waste that cannot be recovered or reused.
If the generated waste is considered hazardous, the client will explore commercially reasonable alternatives for its environmentally sound disposal considering the limitations applicable to its trans-boundary movement.		The fate of waste batteries from forklifts and other equipment is unknown.	Waste batteries should be collected by licensed transporters and disposed by licensed facilities under the Regulation on Control of Waste Batteries .

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		Waste oils (from workshops and other machinery) are not disposed in compliance with Waste Oil Control Regulation. It is possible that waste oils are burnt in heaters.	Waste oils should be analyzed and disposed of according to the waste oil classification under Waste Oil Control Regulation.
When waste disposal is conducted by third parties, the client will use contractors that are reputable and legitimate enterprises licensed by the relevant regulatory agencies.		Waste disposal is undertaken by the Municipality or by licensed contractors.	All hazardous waste (including waste oil, MARPOL Annex I waste from ships, waste batteries) should be disposed by licensed facilities and transported by licensed vehicles.
<b>Hazardous Materials</b>			
The client will avoid or, when avoidance is not feasible, minimize or control the release of hazardous materials resulting from their production, transportation, handling, storage and use for project activities.		<p>There are 2 underground diesel storage tanks of 20 and 10 tonnes storage capacities, with no information on integrity tests. Likely they age from the establishment of the Port and that they have leaked and impacted the surrounding soil and groundwater.</p> <p>A part of the site (approximately 5,000 m<sup>2</sup>) was formerly used by the General Directorate of Highways for storing asphalt. Most of this area is contaminated with asphalt residues. Sludge residues were observed on an area of approximately 3,500 m<sup>2</sup> located between the waste reception unit and the former asphalt facility. Additionally, along the route of a decommissioned pipeline, which was formerly used to transfer asphalt from the berth to the asphalt facility, contamination was observed.</p>	<p>According to the Soil Pollution Control Regulation, it is forbidden to discharge any kind of waste directly or indirectly on soil. Potential polluters are required to prevent pollution; and at contaminated areas polluters are required to stop further contamination, to determine the extent of contamination and to carry out necessary work and take measures to remediate the site.</p> <p>It is recommended that a Phase II intrusive investigation is undertaken to establish baseline conditions on transfer of the Port to the Client, such that responsibility for pre-existing contamination on site can be established and when the Port is returned it can be demonstrated whether contamination was caused by Celebi operations. If required the Client will engage with the relevant parties responsible for any identified past contamination to develop an appropriate response.</p> <p>The underground diesel tanks should be investigated and if necessary repaired or</p>



Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
			replaced..
The client will avoid the manufacture, trade, and use of chemicals and hazardous materials subject to international bans or phase-outs and consider the use of less hazardous substitutes for such chemicals and materials.		<p>Site has five transformers which may potentially contain PCB.</p> <p>Some insulation and roof material may contain asbestos.</p> <p>No surveys have been carried out.</p>	<p>Under Regulation on the Control of Polychlorinated Biphenyls and Polychlorinated Terphenyls, transformer oils should be analyzed for PCB. If PCB is present, oil and equipment contaminated with PCB should be disposed according to Hazardous Waste Control Regulation or purified until 2025.</p> <p>Any asbestos containing materials encountered during demolition or maintenance works should be disposed under the Hazardous Waste Control Regulation. An asbestos survey is recommendable to determine the baseline condition.</p>
<b>Emergency Preparedness and Response</b>			
The client will be prepared to respond to process upset, accidental, and emergency situations in a manner appropriate to the operational risks and the need to prevent their potential negative consequences.		<p>Emergency Preparedness and Response is a well regulated issue. Under Law pertaining to the Principles of Emergency Intervention and Indemnification of the Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances (2005), the Site commissioned a certified consultant to develop an Emergency Action Plan. The Plan was reviewed, however it has yet to be approved (positive or negative) by the Ministry of Environment and Forests. The absence of approval could not be explained. The Plan includes a risk assessment and identifies potential environmental impacts.</p> <p>Under Implementation Regulation of the above Law, ports should have insurance in case of any harm to the environment. Bandirma Port does not currently hold the required insurance.</p>	<p>The Ministry of Environment and Forests should be engaged to obtain approval for the Emergency Action Plan. The Plan should also be updated since the identified responsible entity and activities and management arrangements at the Port will change and to achieve compliance with IFC Guidelines..</p> <p>The equipment necessary for emergency actions is identified in the Emergency Action Plan. Further study is needed to identify the costs to purchase or rent the required equipment and give necessary training to staff.</p> <p>Authorized insurance companies should be engaged to obtain insurance covering environmental damage.</p>

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		Fire Safety report 2008 was received approval from fire brigade to state they have enough fire fighting capacity for the buildings. However, to obtain a Port Operation License under Regulation a fire assessment by a registered engineer is required.	A fire safety report prepared by a registered engineer is required. Results of this survey will possibly identify further investments such as installing a fire hydrant system. Further study is needed to determine the costs of installing required equipment and systems.
This preparation will include a plan that addresses the training, resources, responsibilities, communication, procedures, and other aspects required to effectively respond to emergencies associated with project hazards.		Covered above.	Covered above.
<b>Technical Guidance</b>			
The client will refer to the current version of the EHS Guidelines when evaluating and selecting pollution prevention and control techniques for the project. When host country regulations differ from the levels and measures presented in the EHS guidelines, clients will achieve whichever is the more stringent.		The proposed pollution prevention control measures proposed by Celebi are broadly in compliance with IFC General EHS Guidelines and Guidelines for Ports, Harbours and Terminals, and with Turkish Law.	
<b>Ambient Conditions</b>			
To address adverse project impacts on existing ambient conditions, the client will			
(i) consider the finite assimilative capacity of the environment, existing and future land use, existing ambient conditions, the project's proximity to ecologically sensitive or protected areas, and the potential for cumulative impacts with uncertain and irreversible consequences	The State of Environment Report (2007)  Bandirma Port Emergency Action Plan (2005)  Bandirma Fishers	The Port is in an environmentally sensitive area as the Marmara Sea is used for fishing especially in September, October, November and December. In addition some beaches at Kapıdağ Peninsula facing the Bandirma Port are valuable for tourism.  The closest protected natural area is Manyas Bird Lake which is located approximately 13 km to the south. There are no close historical, cultural and archaeological assets which could be adversely	Measures are covered under emergency action plan.

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
	Association  President (Harun Öner)	affected by the Port activities.	
(ii) Promote strategies that avoid or, where avoidance is not feasible, minimize or reduce the release of pollutants, including strategies that contribute to the improvement of ambient conditions when the project has the potential to constitute a significant source of emissions in an already degraded area.	Bandirma Fishers Association  President (Harun Öner)	<p>The following sources of contamination have been identified:</p> <ul style="list-style-type: none"> <li>- Soil (and possibly groundwater) contamination related to underground storage tanks, and historical dumping of waste sludge</li> <li>- Dust emissions from operations</li> <li>- Emissions from trucks accessing the harbour through residential areas</li> <li>- Emissions from coal fired boiler</li> </ul> <p>The boiler is owned and operated by the municipality.</p> <p>In addition local fishermen have identified adverse effects on fishing caused by light from ships anchored outside the harbour. It is noted that movement of ships outside the harbour is not the responsibility of the Port operator and control of this impact is therefore outside the remit of the Client. No fishing takes place within the area under the authority of the Port operator.</p>	<p>As noted above a Phase II investigation of soil contamination is proposed and the Client will engage with the relevant parties responsible for any identified past contamination to develop an appropriate response.</p> <p>Removal of old underground storage tanks is proposed.</p> <p>Measures are proposed to improve the dust emission characteristics of port equipment ( grabs, etc) and to require covering of dusty loads.</p> <p>A traffic management plan will be prepared with the Municipality and the roads authority which will control traffic within the Port and seek to minimise impacts on residential areas and other road users outside the Port.</p>
These strategies include, but are not limited to, evaluation of project location alternatives and emissions offsets.		Not applicable	
<b>Greenhouse Gas Emissions</b>			
The client will promote the reduction of project-related greenhouse gas (GHG) emissions in a manner appropriate to the nature and scale of project operations and impacts.		The opportunities for GHG emissions are limited given the nature and the scale of the Project.	A traffic management plan (for ships and trucks) will result in more efficient transport and reduced emissions

<b>Performance Standard 3 Pollution Prevention and Abatement</b>			
<b>PS Requirements</b>	<b>Reference</b>	<b>Sponsor/Client Status</b>	<b>Follow Up actions/Evidence Required</b>
The client will quantify direct emissions from the facilities owned or controlled within the physical project boundary and indirect emissions associated with the off-site production of power used by the project		Not applicable	None
Quantification and monitoring of GHG emissions will be conducted annually in accordance with internationally recognized methodologies		Not applicable	None
In addition, the client will evaluate technically and financially feasible and cost-effective options to reduce or offset project-related GHG emissions during the design and operation of the project.		Not applicable	
<b>Pesticide Use and Management</b>			
The client will formulate and implement an integrated pest management (IPM) and/or integrated vector management (IVM) approach for pest management activities.		Not applicable	

<b>Performance Standard 4 Community Health, Safety and Security</b>			
<b>PS Requirements</b>	<b>Reference</b>	<b>Sponsor/Client Status</b>	<b>Follow Up actions/Evidence Required</b>
<b>Community Health and Safety Requirements</b>			
<b>General Requirements</b>			
The client will evaluate the risks and impacts to the health and safety of the affected community during the design, construction, operation, and decommissioning of the project.		The Project is not expected to pose significant risks or impacts to the community during the life-time of the Project, and it is not considered necessary to develop a specific Environmental and Social Impact Assessment. However a preliminary assessment of risks and impacts to the community based on site visit and consultation as part of the this due diligence identified the following (non-exhaustive): - queues of trucks in eastern area of town waiting for unloading/loading (reported by Municipality)	Engage with local community through Stakeholder Engagement Plan to discuss concerns

**Performance Standard 4 Community Health, Safety and Security**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<ul style="list-style-type: none"> <li>- congestion at roundabout (reported by Municipality) and trucks passing through residential areas (observed on site visit).</li> <li>- dust in summer (reported by Municipality and fishermen) primarily from poor feedstock unloading practices. Also trucks after loading, are weighed at TMO site and then have to travel across the site (uncovered) to be covered, creating dust clouds. Dust from coal was previously an issue but has ceased due to low level of activity (only 5 ships a year).</li> </ul> <p>Although the Project is away from the main commercial area of Bandirma it is considered to be in a sensitive area being close to residential areas (50m), schools (Trade Chamber Primary School: 1 km to the Port and 100 m to the Truck Road, 17 Eylül Primary School-900m to the Port, Marmara Primary School-600 m to the Port), recreational areas (300 m-Bandirma Square), and the fishing harbour (adjacent). The residential area is downwind of the Port.</p>	
<p>The client will establish preventive measures to address them in a manner commensurate with the identified risks and impacts. These measures will favour the prevention or avoidance of risks and impacts over minimization and reduction.</p>		<p>Client is taking a pro-active approach to the above risks, engaging with stakeholders in the community and considering minimization measures as follows:</p> <ul style="list-style-type: none"> <li>- development of a Port traffic management plan</li> <li>- inclusion of state-of-the art equipment and plans for managing unloading/loading and movement of dusty materials to minimise dust impacts</li> </ul>	<p>Further measures could include:</p> <ul style="list-style-type: none"> <li>• Engagement with municipality to discuss upgrading of access road , and creation of a truck park to prevent parking and traffic in residential areas. Enforce parking restrictions if possible through traffic management plan (need to consider socio-economic benefits of truckers in the area and ensure any changes do not adversely impact this).</li> <li>• Consider covering area at the TMO site to prevent dust dispersion</li> <li>• Active management of unloading and loading</li> </ul>
<p>Where the project poses risks to or adverse impacts on the health and safety of affected communities, the client</p>		<p>It is not expected that the project will pose risks to or adverse impacts to the health and safety of the</p>	<p>The client will disclose the action Plan under PS1 (see above).</p>

Performance Standard 4 Community Health, Safety and Security			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
will disclose the Action Plan and any other relevant project-related information to enable the affected communities and relevant government agencies to understand these risks and impacts, and will engage the affected communities and agencies on an ongoing basis.		community that cannot be mitigated through a workshop. The Project is expected to reduce current impacts of the Port in terms of impacts to air quality and traffic	
<b>Infrastructure and Equipment Safety</b>			
The client will design, construct, and operate and decommission the structural elements or components of the project in accordance with good international industry practice, and will give particular consideration to potential exposure to natural hazards, especially where the structural elements are accessible to members of the affected community or where their failure could result in injury to the community.		A number of buildings will be demolished which potentially contain asbestos-containing materials.	Asbestos survey of buildings and asbestos management plan for maintenance and demolition of buildings.  All new structures to be designed in accordance with relevant earthquake protection standards
Structural elements will be designed and constructed by qualified and experienced professionals, and certified or approved by competent authorities or professionals.		No issues envisaged	
When structural elements or components, such as dams, tailings dams, or ash ponds, are situated in high-risk locations, and their failure or malfunction may threaten the safety of communities, the client will engage one or more qualified experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, and commissioning.		Not applicable	
For projects that operate moving equipment on public roads and other forms of infrastructure, the client will seek to prevent the occurrence of incidents and accidents associated with the operation of such		Client commissioned a feasibility study which included a transport study to study connections of Port to various markets via rail and road. the railway is not currently used and truck traffic accesses the Port	The railway will be improved and a feasibility study undertaken into siting of a stock layout facility outside the Port. The existing road network is considered sufficient to handle future

**Performance Standard 4 Community Health, Safety and Security**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
equipment.		<p>through residential areas. The transport study indicated that the majority of the clients will continue to provide their goods via road, and that the existing road network around Bandirma is sufficient to handle the increase in truck traffic.</p> <p>The single rail line will be insufficient to deal with 10,000 t./day, so Client plans to establish a stock layout area 40ha in area, south of Bandirma at a site yet to be identified. A feasibility study will be undertaken in 2 years and will examine alternative locations. The facility will require permitting. Assuming a doubling in capacity in 3 years time would require 20 trucks working continuously 24hrs, undertaking 20 trips a day.</p>	<p>increases in road traffic, so long as the following are undertaken:</p> <ul style="list-style-type: none"> <li>- creation of a new connection between two roads avoiding residential areas;</li> <li>- upgrading of the roundabout</li> <li>- construction of a truck park to avoid vehicles waiting in residential areas.</li> </ul>
<b>Hazardous Materials Safety</b>			
The client will prevent or minimize the potential for community exposure to hazardous materials that may be released by the project.		<p>Under the ISPS code it is defined what chemicals can be handled by the Port. The Port is not permitted to store any chemicals, and chemicals (phosphoric acid, sulphuric acid) are directly transferred between trucks and ships, under observation of the Port operator. Approval for ISPS expired in January 2010, but the Port expects to obtain and extended ISPS license which will be valid for 5 years. License is valid for passenger, bulk carrier, chemical tankers and cargo ships (passenger high speed craft, cargo high speed craft, oil tanker, gas carriers, and also mobile offshore drilling units)</p>	Obtain updated ISPS approval
Where there is a potential for the community (including workers and their families) to be exposed to hazards, particularly those that may be life-threatening, the client will exercise special care to avoid or minimize their exposure by modifying, substituting or		See above	See above

<b>Performance Standard 4 Community Health, Safety and Security</b>			
<b>PS Requirements</b>	<b>Reference</b>	<b>Sponsor/Client Status</b>	<b>Follow Up actions/Evidence Required</b>
eliminating the condition or substance causing the hazards.			
Where hazardous materials are part of existing project infrastructure or components, the client will exercise special care when conducting decommissioning activities in order to prevent exposure to the community. In addition, the client will exercise commercially reasonable efforts to control the safety of deliveries of raw materials and of transportation and disposal of wastes.		See above	See above
<b>Environmental and Natural Resources Issues</b>			
The client will avoid or minimize the exacerbation of impacts caused by natural hazards, such as landslides or floods that could arise from land use changes due to project activities.		No significant issues identified	None
The client will also avoid or minimize adverse impacts due to project activities on soil, water, and other natural resources in use by the affected communities.		No significant issues identified	None
<b>Community Exposure to Disease</b>			
The client will prevent or minimize the potential for community exposure to water-borne, water-based, water-related, vector-borne disease, and other communicable diseases that could result from project activities.		Not applicable	None
Where specific diseases are endemic in communities in the project area of influence, the client is encouraged to explore opportunities during the project life cycle to improve environmental conditions that could help reduce their incidence.		Not applicable	None



**Performance Standard 4 Community Health, Safety and Security**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will prevent or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labour.		No significant issues identified	None
<b>Emergency Preparedness and Response</b>			
The client will assess the potential risks and impacts from project activities and inform affected communities of significant potential hazards in a culturally appropriate manner.		Emergency Preparedness and Response is a well regulated issue. Under Law pertaining to the Principles of Emergency Intervention and Indemnification of the Damages in Case of Sea Pollution by petroleum and other Harmful Substances (2005), the Site commissioned a certified consultant to develop an Emergency Action Plan. (see PS3)	Need to include consultation with community and municipality on Emergency Plan
The client will also assist and collaborate with the community and the local government agencies in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations.			More collaboration with the community and government agency on the Emergency Plan (within the Stakeholder Engagement Plan)
If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project.		No significant issues identified	
The client will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information in the Action Plan or other relevant document to affected communities and relevant government agencies.			See above
<b>Security Personnel Requirements</b>			

**Performance Standard 4 Community Health, Safety and Security**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<p>When the client directly retains employees or contractors to provide security to safeguard its personnel and property, it will assess risks to those within and outside the project site posed by its security arrangements. In making such arrangements, the client will be guided by the principles of proportionality, good international practices in terms of hiring, rules of conduct, training, equipping and monitoring of such personnel, and applicable law.</p>		<p>Client plans to engage a sub-consultant with 53 security personnel to run the security land-side under the Manager of the Administrative Affairs and Security Manager. The number of required security personnel is defined by the police. Under Turkish Law private security must also receive training from the Government's Directorate of security.</p> <p>Under ISPS, seamen can come onshore controlled by sea police, customs, port security. No significant issues expected</p>	<p>None</p>
<p>The client will make reasonable inquiries to satisfy itself that those providing security are not implicated in past abuses , will train them adequately in the use of force (and where applicable, firearms) and appropriate conduct toward workers and the local community, and require them to act within the applicable law. The client will not sanction any use of force except when used for preventive and defensive purposes in proportion to the nature and extent of the threat.</p>		<p>Present site management - No incidences of security breaches. Expect this as cargoes are in bulk, a switch to more containers may provide more opportunities for theft</p>	<p>Switching to containers from bulk handling may increase the risk of theft and security breaches – prepare for this in security plan.</p>
<p>If government security personnel are deployed to provide security services for the client, the client will assess risks arising from such use, communicate its intent that the security personnel act in a manner consistent with paragraph 13 above, and encourage the relevant public authorities to disclose the security arrangements for the client's facilities to the public, subject to overriding security concerns.</p>		<p>Government security personnel are not planned to be deployed to provide security services.</p> <p>Sea police and coastal defence patrol the general area and are responsible for security sea-side. If there is an unregistered vessel this is handled by the sea police, and sea police and customs monitor the number of people on ships entering and leaving.</p> <p>No complaints from vessel operators regarding the behaviour of the police and/or customs.</p>	
<p>A grievance mechanism should allow the affected community to express concerns about the security</p>		<p>The present security manager reports that there have been no complaints on security</p>	<p>See PS1</p>

<b>Performance Standard 4 Community Health, Safety and Security</b>			
<b>PS Requirements</b>	<b>Reference</b>	<b>Sponsor/Client Status</b>	<b>Follow Up actions/Evidence Required</b>
arrangements and acts of security personnel.		There is no formal grievance mechanism under current management	
The client will investigate any credible allegations of unlawful or abusive acts of security personnel, take action (or urge appropriate parties to take action) to prevent recurrence, and report unlawful and abusive acts to public authorities when appropriate.		Not applicable at this stage	None

**Performance Standard 5 Land Acquisition and Involuntary Resettlement – Not Applicable.**

**Performance Standard 6 Biodiversity Conservation and Sustainable Natural Resource Management – Not Applicable**

**Performance Standard 7 Indigenous Peoples – Not Applicable**

**Performance Standard 8 Cultural Heritage – Not Applicable**

## 5 ENVIRONMENTAL AND SOCIAL ACTION PLAN AND STAKEHOLDER ENGAGEMENT PLAN

### 5.1 INTRODUCTION

This section presents the proposed Environmental and Social Action Plan and an outline Stakeholder Engagement Plan for the port. These have been developed to address the gaps in compliance with the standards outlined in *Section 2* identified in the audit findings presented in *Section 4*.

The Environmental and Social Action Plan is set out in *Table 5.1*. It identifies the issue requiring attention, the proposed action, the timetable, responsibilities and estimated cost of completion, and an indication of the way in which achievement of the action should be checked (indicator).

### 5.2 STAKEHOLDER ENGAGEMENT

The environmental and social action plan identifies the need for a Stakeholder Engagement Plan to be developed and implemented. The following sets out a suggested outline for this plan which will be developed by Celebi within 50 days of transfer of operations.

#### 5.1.1 Objectives:

1. To provide maximum practical opportunity for stakeholders to express overall positive or negative views about the historical, existing and future operations of the port so that this can be registered in judging the level of community support or concern at present, to inform environmental and social management at the port and in developing environmental and social mitigation.
2. To build constructive working relationships with community representatives, potentially affected people, NGOs and government departments which can be continued throughout port operations, so that their views and concerns can be addressed in the operation of the port and in the identification of future actions to mitigate environmental and social concerns.
3. To ensure vulnerable and marginalised groups have access to the process.

#### 5.1.2 Stakeholders

The first stage of the stakeholder engagement plan will be to map the relevant stakeholders to be included. These are currently considered to include:

- Bandırma Municipality;
- Bandırma District Governorship;
- The Ministry of Environment and Forestry;
- Balıkesir Provincial Directorate of Environment and Forestry;
- Ministry of Transportation, Undersecretariat of Maritime Affairs;
- Çanakkale Regional Directorate of Undersecretariat of Maritime Affairs (there is no regional directorate in Balıkesir. Bandırma Port Authority is under the jurisdiction of Çanakkale Regional Directorate);
- Bandırma Port Authority;
- Ministry of Labour and Social Security;
- Bursa Regional Directorate of Labour and Social Security (There is no regional directorate in Balıkesir. Bursa Reg. Dir. is responsible for Balıkesir Province);
- Neighbouring land owners and occupiers;
- Elected representatives, muhtars and similar for local communities;
- Local community representatives;
- The general public in the local area;
- Bandırma Fishermen Association;
- Bandırma Trade Chamber;
- Tourism and recreation operators using nearby facilities and resources;
- Trades Unions with members at the Port;
- Local non-governmental organisations (or local branches of national or international NGOs) concerned with environmental protection, nature conservation, cultural heritage, community issues, workers rights and similar;
- ETI Mining; and
- Turkish Grain Board (TMO).

### 5.1.3 *Engagement Approach*

Once mapping of stakeholders is complete, the appropriate engagement mechanism for each stakeholder or group of stakeholders will be identified. These are likely to include the following:

- public announcement following handover of port to Celebi;
- issue information letter to national, metropolitan and district governments responsible for environmental protection, community groups and NGOs;
- direct contact with Elected Community Leaders (Muhtars) in Bandırma to advise them of the project and ask for community views;
- regular dialogue with national, metropolitan and district governments responsible for environmental protection, social and labour affairs,

community groups and NGOs, through face to face meetings or other agreed approaches (frequency to be determined following initial dialogue);

- press releases, media stories and formal advertising in the press about the handover and regular updates to inform local people about on-going operations;
- placing of regular information updates on public noticeboards and distribution of newsletters in Muhtar offices and community centres within Bandirma.

Engagement will be designed to inform interested parties about:

- transfer of operations at the port;
- regular updates on existing and future operations of the port;
- the port Environmental and Social Action Plan, progress with implementation and delivery and future updates to the plan;
- feedback from government and NGOs regarding any concerns over environmental and social impacts.

It will be accompanied by a grievance procedure designed to ensure that all contacts with the port by external stakeholders are received logged and appropriately responded to, whether these are to raise a complaint or to make general enquiries. The procedure will be designed to comply with MIGA PS1 and supporting IFC Guidance. It will be open and freely accessible to all and information on the procedure and on contact points will be made widely available (on port signboards, newsletters, posters etc).

#### **5.1.4** *Timescales*

The stakeholder engagement plan should be developed within 50 days following transfer and activities should commence as soon as reasonably practicable. Following an initial round of information and consultation, an on-going programme of dialogue will be identified and agreed which will continue throughout operations at the port.

**Table 5.1 Environmental and Social Action Plan**

Ref	Issue	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs	Indicator
PS1	No ESH Management System is in place	<p>Develop and implement Environmental, Social and Health and Safety Management Systems (ESHMS) in accordance with the principles of ISO14001 and ISO18001 to include arrangements for:</p> <ul style="list-style-type: none"> <li>establishment and updating of policies objectives, targets and programmes;</li> <li>identifying legal and other requirements applying to the port;</li> <li>identifying significant aspects and risks;</li> <li>detailing management arrangements to manage significant aspects and risks and achieve compliance with requirements (work instructions, method statements, technical measures, etc);</li> <li>describing arrangements for response to abnormal events and incidents;</li> <li>detailing responsibilities for implementation;</li> <li>detailing how the organisation will ensure the competence of staff to fulfil their responsibilities;</li> <li>describing internal and external communications;</li> <li>detailing arrangements for monitoring and audit of performance and compliance;</li> <li>providing for regular review of the system</li> </ul>	75 days from transfer of operations	Çelebi to develop with support of external consultants. General Manager to take overall responsibility for implementation with support of Q&E and H&S Specialists.&	Management time plus 25 000 € for external support..	Completion of draft ESHMS for external review of compliance with principles of ISO 14001 and 18001. Finalisation and implementation of ESHMS within 9 months as demonstrated by internal and external audit. Annual review and updating as needed.
PS1	No Action Plans in place.	<p>This ESAP provides a short term action plan but this should be supplemented with detailed Action Plans forming part of the ESHMS for key topics as follows:</p> <ul style="list-style-type: none"> <li>occupational health and safety</li> <li>traffic management</li> <li>domestic and hazardous waste management</li> <li>water and wastewater management and water discharge (including surface run-off)</li> <li>storage and handling of bulk cargoes</li> </ul>	Development programme for preparing all detailed Action Plans by end 2010, to be prepared within 75 days of Transfer	Çelebi with support of external consultants. General Manager to take overall responsibility for implementation with support of Q&E and H&S Specialists.	Management time. Costs of implementing detailed Action Plans will be identified in plans but certain measures are already identified	Action plans in place according to programme and updated annually

Ref	Issue	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs	Indicator
		<ul style="list-style-type: none"> <li>dust control</li> <li>management of legacy contamination</li> <li>emergency prevention and response</li> <li>monitoring and reporting</li> <li>organisational capacity and training</li> </ul> <p>in accordance with the laws of Turkey and with the MIGA Performance Standards and World Bank Group/IFC General EHS Guidelines and the Guidelines for Ports, Harbours and Terminals. The Action Plans should form part of the ESHMS to ensure delivery.</p>			below.	
PS1	No Stakeholder Engagement Plan or Grievance Mechanism in place.	Map stakeholders and develop and implement Stakeholder Engagement Plan, including grievance procedure, non-compliance with MIGA Performance Standards and supporting IFC Guidance.  SEP to provide for disclosure of the key findings of this assessment and of the ESAP in Turkish language to local communities and for publication of regular updates on progress.	Within 75 days of Transfer	Çelebi with support of external consultants. General Manager to take overall responsibility for implementation with support of Q&E Specialist	Management time	SEP in place and implemented. Updated annually as part of ESHMS management review
PS1	External reporting	Provide an annual report to Lenders regarding implementation of the ESAP and ESHMS, on compliance with requirements and regarding updating and revision of the ESHMS.  Report to local community in accordance with Stakeholder Engagement plan (see below)	Annually in May for the duration of the agreement.  As specified in SEP	Celebi	Management time	Annual reports submitted to Lenders
PS2	HR policy not fully developed	Develop site HR policy based on Celebi corporate policy extended to include clauses on provision of information regarding workers' rights under national labour and employment law, rights to form a workers association, and non-discrimination.	End May 2010	Çelebi	Management time.	HR Policy in place and implemented. Workers aware of rights as demonstrated by random checks..



Ref	Issue	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs	Indicator
PS2	Grievance mechanism for workers not fully developed	Grievance procedure to be implemented for workers to include provision for confidential reporting	End Oct 2010	Çelebi	Management time.	Workers Grievance Procedure in place and awareness of this confirmed by random checks
PS2	The responsibility of H&S in the organizational chart is not fully developed	Review organizational structure so that Q&E and H&S specialists both report directly to the General Manager, consider separation of Quality and Environmental/Social responsibilities (to allow Quality Manager to focus on obtaining ISO9001 certification).	Within 75 days of Transfer	Çelebi	Management time.	Clear definition of E, S and H&S responsibilities and reporting lines
PS2	Contracts with sub-contractors not fully developed with conditions	Review provisions in sub-contractor conditions of contract to require: <ul style="list-style-type: none"> <li>- compliance with Client's H&amp;S requirements</li> <li>- compliance with Article 5 on Labour Code (discrimination)</li> <li>- Rights to form workers associations</li> <li>- Communication of workers' rights under national legislation and their contract</li> </ul> The ESHMS should clearly indicate that Celebi is accountable for compliance of sub-contractors with PS2 and Turkish Labour Law, and shall include provisions for management, training, implementation and monitoring of contract work to ensure compliance with all requirements.	End- September 2010	Çelebi	Management time	Measures in place as scheduled as demonstrated by internal audit
PS3	Discharging domestic wastewater in non-compliance with Water Pollution Control Regulation	Construct a domestic wastewater treatment plant or connect with the municipal sewer system	End 2011	Çelebi	40 000 €	Measures in place as scheduled as demonstrated by internal audit

Ref	Issue	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs	Indicator
PS3	Lack of required permits	Engage with Regional Directorate of the Ministry of Environment and Forests to develop a plan and programme to obtain the required Environmental Permit and Licence (temporary and full).	End May 2010  Implement as agreed with MoEF	Çelebi (probably with external support)	To be determined	Permit obtained by agreed timetable and kept up to date as required
PS3	Uncontrolled dust from loading/unloading operations	Replace existing 30-year old cranes with state-of-the-art unloading/loading systems with silicon grips to prevent loss of material (planned). Apply best practice for dust control from unloading/loading including jaw opening at lower levels (planned).  When necessary cover trucks carrying dusty material and stockpiles of dusty material with canvas covers.  Engage with roads authority regarding potential for improving road conditions on approaches to port (planned)	End 2010	Çelebi	Within existing budget	Measures in place as scheduled as demonstrated by internal audit
PS3	Discharging possibly contaminated surface run off in non-compliance with best practices.	Install small oil separators and a settlement units at discharge points from site drainage channels	End 2011	Çelebi	50 000 €	Measures in place as scheduled as demonstrated by internal audit

Ref	Issue	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs	Indicator
PS3	Operation of licensed waste reception unit in non-compliance with best practice.	Engage with previous port operators to arrange for removal and disposal of accumulated 297 m <sup>3</sup> of hazardous waste	Already completed	TCDD	-	Measures in place as scheduled as demonstrated by internal audit
		Examine feasibility of repairing main oil-water separator at ship waste reception facility or if not feasible replace with oily waste collection system and disposal off-site by MoEF approved contractor (planned). If this solution is not acceptable to MoEF a new oil-water separator may need to be installed. In interim before separator is repaired or replaced provide facilities to receive oily wastes and monitor ships to identify any discharges to sea within the harbour jurisdiction.	End 2011	Çelebi	Up to 35 000 € (in existing budget) (if required cost of new separator could be 250000 €)	
PS3	Uncontrolled waste practices	Re-design solid waste storage area for separate collection of recyclables (glass, paper, cardboard, plastics, metals, batteries, electronic equipment, etc).	June 2010	Çelebi	10 000 €	Action Plan in place according to programme and updated annually
		Prepare a waste management plan covering all types of wastes generated on site (e.g. waste oils, waste batteries, vegetable waste oil and packaging waste.)	According to Action Plan programme prepared within 50 days (see above)	Çelebi	Management time	
PS3	Potential and actual contaminated areas identified at: <ul style="list-style-type: none"> <li>• Directorate of Highways Facility</li> <li>• Dump area near waste reception</li> <li>• Diesel storing UST's</li> </ul>	Undertake a soil/groundwater site investigation pursuant to Turkish Law to establish baseline conditions on transfer of the port, so that responsibility for pre-existing contamination on site can be established and when the Port is returned it can be demonstrated whether contamination was caused by Celebi operations. Undertake risk-based screening in accordance with IFC EHS Guidelines on contaminated land and if required will engage with the relevant parties responsible for any identified past contamination to develop an appropriate response (isolation or remediation). Identify and any urgent measures needed to stop continuing contamination where sources remain in action and engage with previous operators to agree approach to prevent future contamination .	End 2010	Çelebi	70 000 €	Investigation complete as scheduled and plan in place for required actions

Ref	Issue	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs	Indicator
PS3	Two old underground diesel storage tanks	Investigate and if required repair or replace underground diesel tanks.	End 2011	Çelebi	Up to 50 000 €	Investigation complete as scheduled and plan in place for required action
PS3	Five transformers possibly containing PCB	Analyse transformers for PCB content. If present remove and dispose of PCB oil before 2025.	Analysis complete by end 2010	Çelebi	5 000 €	Investigation complete as scheduled and plan in place for required action
PS3	Potential asbestos containing materials in existing buildings.	Undertake an asbestos survey to determine if any Asbestos Containing Material is present in existing buildings and in buildings to be demolished. Record findings re existing buildings and take measures to prevent any disturbance of material during use and maintenance. Ensure asbestos is safely removed and disposed of prior to any demolition.	End Sept 2010	Çelebi	20 000 €	Investigation complete as scheduled, records of asbestos on site established and plan in place for required action
PS3	Lack of approval of Emergency Action Plan	Engage with Ministry of Environment and Forests to agree timetable for Approval of the existing Emergency Action Plan. Update the Plan to address potential environmental and health and safety incidents on and offshore from operations and to comply with IFC Guidance. Undertake staff training and emergency drills in accordance with Plan.	End July 2010	Çelebi	Management time	Approved updated plan in place as scheduled
PS3	Lack of the emergency response equipment defined under the Emergency Action Plan	Obtain emergency response equipment (planned)	Within 3 Months of approval by Ministry of Environment of Emergency Action Plan	Çelebi	Provisional budget allocated (to be confirmed following further study)	Equipment in place as required by plan and as demonstrated by internal audit

Ref	Issue	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs	Indicator
PS3	Absence of fire safety system	Procure a fire safety report from a registered engineer from Chamber of Mechanical Engineers and install necessary equipment such as hydrant system.	End 2010  As programmed in Fire Safety Report	Çelebi – with support from registered engineer from Chamber of Mechanical Engineers	250 000 € (in existing budget)	
PS4	Communities not included in the process	Engage with local community through Stakeholder Engagement plan to discuss impacts of port on local community and develop mitigation.	End 2010	Çelebi	Management time	Implemented as scheduled through SEP
PS4	Increase in Port capacity could have adverse impacts on local road traffic	Engage with highways directorate regarding potential for improvements to access route and roundabout.  Work with the Municipality and roads authority to develop a traffic management plan for the Port (to include traffic controls within the Port and actions to encourage drivers outside the Port to adopt practices to minimise risk of disturbance to residents and other road users).  Undertake improvements to railway and increase proportion of cargo carried by rail.	End 2010  End 2010  Phase 2 of operations	Çelebi	Management time   Excluded from present agreement	Plan in place as scheduled

**Box1.1**

**Bandirma Port**



**Box 1.2**

**Bandirma Port**





**Box 1.3**

***Bandirma Port***



**Box 14**

***Proximity of Local Residents***



**Box 1.5**

**Unmade Roads within the Port**



**Box 1.6**

**Fuel Tank**





**Box 1.7**

***Waste and Contamination at Waste Storage and Separator Facilities***



**Box 1.8**

***Waste and Contamination at Waste Storage and Separator Facilities***





**Box 1.9**

***Contamination from Removal of Acid Tanks***



**Box 1.10**

***Contamination from Removal of Acid Tanks***





**Box 1.11** *Contamination from the Removal of Acid Tanks*



**Box 1.12** *ETI Operations*



*Box 1.13 ETI Operations*



*Box 1.14 Dust from ETI Operations*





**Box 1.15** *ETI - Dust Suppression*



**Box 1.16** *ETI Health and Safety Management*



*Box 1.17 TMO Grain Siloh*



*Box 1.18 Dust from TMO Operations*



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