# RAPID SUPPORT FOR MICRO AND SMALL ENTERPRISES PROJECT ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

Financial Intermediaries (FIs) are required to develop and maintain an effective Environmental and Social Management System (ESMS) in accordance with the World Bank Environmental and Social Framework (ESF). KOSGEB as a financial intermediary sets out how it will assess and manage environmental and social risks and impacts associated with the Project. It also promotes good environmental and social management practices.

ESMS examines the overall risks and impacts of the project and determines the comprehensive environmental and social management approach to be adopted to address the potential environmental and social impacts. ESMS complies with World Bank Environmental and Social Framework and appropriate national legislation. KOSGEB puts in place and maintains this ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of the Project on an ongoing basis. The ESMS will be commensurate with the nature and magnitude of environmental and social risks and impacts of the Project.

## REGULATORY AND INSTITUTIONAL FRAMEWORK

## NATIONAL REQUIREMENTS

The Ministry of Environment and Urbanization (MoEU) is the responsible organization for the implementation of policies adopted for protection and conservation of the environment, and for sustainable development and management of natural resources in Turkey. For the management of environmental and social issues, MoEU collaborates with other ministries (including their provincial organizations where relevant), government agencies and relevant stakeholders, such as; Ministry of Transport and Infrastructure, Ministry of Agriculture and Forestry, Ministry of Culture and Tourism, Ministry of Energy and Natural Resources, Ministry of Family, Labour and Social Services (General Directorate of Occupational Health and Safety, General Directorate of Labour) and Ministry of Health.

National requirements for management of environmental and social issues are set out in:

* Environmental Law (Law No: 2872)
* Labor Law (Law No: 4857)
* Occupational Health and Safety Law (Law No: 6331)
* Social Insurance and General Health Insurance Law (Law No: 5510)
* Conservation of Cultural and Natural Property Law (Law No: 2863)
* National Parks Law (Law No: 2873)
* Forestry Law (Law No: 6831)
* Soil Conservation and Land Use Law (Law No: 5403)

Under the relevant laws, regulations, communiques and by-laws are applicable to the Project include but are not limited to:

* Regulation on Environmental Impact Assessment
* Regulation on Environmental Permits and Licenses
* Regulation on Environmental Audit
* Regulation for Starting Up and Opening a Workplace
* Regulation on Assessment and Management of Air Quality
* Regulation on Control of Industrial Air Pollution
* Regulation on Control of Exhaust Gas Emission
* Regulation on Monitoring of Greenhouse Gas Emissions
* Regulation of Control of Air Pollution Originated from Heating
* Regulation on Reduction of Sulphur Rates in Certain Types of Fuels
* Regulation on Assessment and Management of Environmental Noise
* Regulation on Environmental Noise Emission Caused by Equipment Used Outdoors
* By-Law on Protection and Use of Agricultural Lands and Land Consolidation
* Regulation on Land Consolidation
* Regulation on the Control of Soil Pollution and Lands Contaminated by Point Sources
* Water Pollution Control Regulation
* Regulation on Monitoring of Surface Water and Groundwater
* Regulation on Surface Water Quality
* Regulation on Protection of Groundwater against Pollution and Deterioration
* Regulation on Control of Pollution Caused by Hazardous Substances in the Aquatic Environment and Its Surroundings
* Regulation on Water Intended for Human Consumption
* Regulation on Pit Opening Where Sewer System Construction is not Applicable
* Regulation on Waste Management
* Regulation on the Control of Excavation Soil, Construction and Demolition Waste
* Communique on Transportation of Wastes by Highway
* Regulation on the Landfill of Wastes
* Regulation on Control of Packaging Wastes
* Regulation on the Control of Medical Wastes
* Regulation on the Control of Waste Oils
* Regulation on the Control of Waste Batteries and Accumulators
* Regulation on the Control of Waste Tires
* Regulation on the Control of Waste Vegetable Oils
* Regulation on the Control of Waste Electrical and Electronic Equipment
* Communique on Recovery of Some Non-Hazardous Wastes
* Regulation on the Control of End-of-Life Vehicles
* Zero Waste Regulation
* Regulation on Classification, Labelling and Package of the Materials and Mixtures
* Regulation on the Control of Polychlorinated Biphenyls (PCBs) and Polychlorinated Terphenyls (PCTs)
* Regulation on Occupational Health and Safety Services
* Regulation on Risk Assessment for Occupational Health and Safety
* Communiqué on Hazard Classes List related to Occupational Health and Safety
* First Aid Regulation
* Regulation Concerning the Classification, Packaging and Labelling of Dangerous Substances
* Regulation Concerning the Protection of Workers from Risks Associated with Noise
* Regulation Concerning the Protection of Workers from Risks Associated with Vibration
* Regulation on Management of Dust
* Regulation on Personal Protective Equipment
* Regulation Concerning the Use of Personal Protection Equipment at Workplaces
* Regulation on Emergency Situations in Workplaces
* Regulation on Health and Safety at Construction Works
* Regulation on Health and Safety Conditions Regarding Use of Work Equipment
* Regulation on Health and Safety Regarding Temporary and Time Limited Works
* Regulation on Health and Safety Precautions Regarding Working with Chemicals
* Regulation on Health and Safety Signs
* Regulation on Material Safety Data Sheets on Hazardous Materials and Mixtures
* Regulation on Methods and Principals for Workers Health and Safety Trainings
* Regulation on Protecting Workers from Hazards of Explosive Environments
* Regulation on Prevention and Mitigation of Impacts of Large-Scale Industrial Accidents
* Regulation on Subcontractors
* Regulation on Suspension of Work in Workplaces
* Regulation on the Transportation of Dangerous Materials on Motorways
* Regulation on Vocational Training of the Employees Working in Dangerous and Highly Dangerous Workplaces
* Regulation on the Protection of Buildings from Fire
* Regulation on Implementation of Resettlement Law

## INTERNATIONAL REQUIREMENTS

The World Bank Environmental and Social Standards (ESSs) set the requirements to be met by Borrowers with respect to the identification, evaluation and mitigation of environmental and social risks and impacts associated with projects supported by the Bank through Investment Project Financing. These standards also set out the World Bank’s commitment to sustainable development with the aim of ending poverty and promoting shared prosperity.

The standards of the Environmental and Social Framework will support KOSGEB in achieving good international practice relating to environmental and social sustainability; will assist KOSGEB in fulfilling their national and international environmental and social obligations; will enhance nondiscrimination, transparency, participation, accountability and governance; and will enhance the sustainable development outcomes of projects through ongoing stakeholder engagement. Environmental and Social Standards that the KOSGEB and the Project will meet through the project life cycle, as follows:

Table 3: ESSs Relevance of the Project

|  |  |  |
| --- | --- | --- |
| **World Bank E&S Standards** | | **Relevance** |
| **ESS1** | Assessment and Management of Environmental and Social Risks and Impacts | Relevant |
| **ESS2** | Labor and Working Conditions | Relevant |
| **ESS3** | Resource Efficiency and Pollution Prevention and Management | Relevant |
| **ESS4** | Community Health and Safety | Relevant |
| **ESS5** | Land Acquisition, Restrictions on Land Use and Involuntary Resettlement | Not Relevant |
| **ESS6** | Biodiversity Conservation and Sustainable Management of Living Natural Resources | Not Relevant |
| **ESS7** | Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities | Not Relevant |
| **ESS8** | Cultural Heritage | Not Relevant |
| **ESS9** | Financial Intermediaries | Relevant |
| **ESS10** | Stakeholder Engagement and Information Disclosure | Relevant |

The World Bank environmental, health, and safety (EHS) guidelines are also technical reference documents with general and industry-specific examples of good international industry practice (GIIP). When Turkish regulations differ from the levels and measures presented in the EHS guidelines, projects are expected to achieve whichever is more stringent. If less stringent levels or measures than those provided in these EHS guidelines are appropriate, in view of specific project circumstances, a full and detailed justification for any presented alternatives is needed as part of the site-specific environmental assessment.

The Bank will classify all projects (including projects involving Financial Intermediaries) into one of four classifications: High Risk, Substantial Risk, Moderate Risk or Low Risk. Environmental and Social risk classification of the Project is Moderate according to Project Appraisal Document.

**ESS1 - Assessment and Management of Environmental and Social Risks and Impacts**

The World Bank requires assessment, management and monitoring of environmental and social risks and impacts of projects supported by the Bank to ensure that projects are environmentally and socially sound and sustainable. The objectives of ESS1 is; (i) to identify, evaluate and manage the environmental and social risks and impacts of the project in a manner consistent with ESSs; (ii) to adopt mitigation hierarchy approach to (a) anticipate and avoid risks and impacts, (b) where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels, (c) once risks and impacts have been minimized or reduced, mitigate, and (iv) where significant residual impacts remain, compensate for or offset them, where technically and financially feasible, (iii) to adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing development benefits and opportunities resulting from the project, (iv) to utilize national environmental and social institutions, systems, laws, regulations and procedures in the assessment, development and implementation of projects whenever appropriate, and (v) to promote improved environmental and social performance in ways which recognize and enhance capacity.

As per requirements of ESS1, KOSGEB will: (i) conduct an environmental and social assessment of the MSEs; (ii) undertake stakeholder engagement and disclose appropriate information in accordance with ESS10; (iii) update the Environmental and Social Commitment Plan (ESCP) if necessary, and implement all measures and actions set out in the legal arrangement including the ESCP; and (iv) conduct monitoring and reporting on the environmental and social performance of the MSEs against the ESSs.

**ESS2 - Labor and Working Conditions**

The objectives of ESS2 is to: (i) promote safety and health at work; (ii) promote the fair treatment, nondiscrimination and equal opportunity of project workers; (iii) protect workers including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with ESS2) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate; (iv) prevent the use of all forms of forced labor and child labor (v) support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law; and (vi) provide project workers with accessible means to raise workplace concerns. The applicability and scope of application of ESS2 depends on the environmental and social assessment described in ESS1 and the type of employment relationship between the Borrower and the project workers.

**ESS3 - Resource Efficiency and Pollution Prevention and Management**

The objectives of ESS3 is to: (i) promote the sustainable use of resources, including energy, water and raw materials; (ii) avoid or minimize adverse impacts on human health and the environment by avoiding minimizing pollution from project activities; (iii) avoid or minimize project related emissions of short and long-lived climate pollutants; (iv) avoid or minimize generation of hazardous and non-hazardous waste; and (v) minimize and manage the risks and impacts associated with pesticide use. The applicability of ESS3 depends on the environmental and social assessment described in ESS1.

ESS3 requirements cover: (i) resource efficiency including energy, water and raw material use; and (ii) pollution prevention and management including management of air pollution, hazardous and non-hazardous wastes, chemicals and hazardous materials, and pesticides.

**ESS4 - Community Health and Safety**

ESS4 addresses potential health, safety, and security risks and impacts on project-affected communities and corresponding responsibility of KOSGEB to avoid or minimize these, with particular attention to vulnerable people. The objectives of ESS4 is to: (i) anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life cycle from both routine and nonroutine circumstances; (ii) promote quality and safety, and considerations relating to climate change, in the design and construction of infrastructure, including dams; (iii) avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials; (iv) have in place effective measures to address emergency events; and (v) ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities. The applicability of ESS4 depends on the environmental and social assessment described in ESS1.

ESS4 requirements cover: (i) community health and safety including infrastructure and equipment design and safety (including safety of dams), safety of services, traffic and road safety, ecosystem services, community exposure to health issues, management and safety of hazardous materials, and emergency preparedness and response; and (ii) security personnel.

**ESS9 – Financial Intermediaries**

Financial Intermediaries (FIs) are required to monitor and manage environmental and social risks and impacts of the projects they finance. The objectives of ESS9 is to: (i) set out how the FI will assess and manage environmental and social risks and impacts associated with the subprojects it finances; (ii) promote good environmental and social management practices in the subprojects the FI finances; and (iii) promote good environmental and sound human resources management within the FI. ESS9 applies to FIs that receive financial support from the Bank including public and private financial services providers.

ESS9 requirements cover: (i) environmental and social management system including environmental and social policy, environmental and social procedures, organizational capacity and competency, and monitoring and reporting; and (ii) stakeholder engagement.

**ESS10 – Stakeholder Engagement and Information Disclosure**

Open and transparent engagement between the Borrower and project stakeholders is one of the essential elements of good international practice and effective stakeholder engagement improves the environmental and social sustainability of projects. The objectives of ESS10 is to: (i) establish a systematic approach to stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties; (ii) assess the level of stakeholder interest and support for the project and to enable stakeholders’ views to be taken into account in project design and environmental and social performance; (iii) promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life cycle on issues that could potentially affect them; (iv) ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format; and (v) provide project-affected parties with accessible and inclusive means to raise issues and grievances, and allow Borrowers to respond to and manage such grievances. ESS10 applies to all projects supported by the Bank through Investment Project Financing.

ESS10 requirements cover the development of a stakeholder engagement framework and/or plan that will define the following; (i) engagement during project preparation including stakeholder identification and analysis, stakeholder engagement plan, information disclosure, and meaningful consultation; (ii) engagement during project implementation and external reporting; (iii) grievance mechanism; and (iv) organizational capacity and commitment.

## ENVIRONMENTAL AND SOCIAL POLICY

KOSGEB’s overall vision is ‘’stronger SMEs and developing economy’’. Fundamental values underlying KOSGEB’s overall strategy and policy are honesty, accessibility, reliability, target group orientation, accountability, open to collaboration, respectability, transparency, impartiality and innovativeness.

KOSGEB has its own environmental and social policy signed by vice president. This policy remarks that KOSGEB’s overall mission is to increase the shares of SMEs and entrepreneurs in economic and social development to reach an innovative, technological and competitive structure through effective supports and services. Therefore, KOSGEB adopts the following environmental and social policies by aiming to avoid or reduce the negative environmental and social impacts of its activities and to leave a sustainable world for the future generations with a growing environmental awareness. KOSGEB:

* Complies with applicable Turkish and international legal requirements in order to strive for continual improvement in Environmental and Social Management System,
* Aims at supporting enterprises which may have environmental awareness and fully satisfy the environmental and social needs,
* Acknowledges new standards and sets new goals with constant focus on development and continual improvement,
* Plans projects by considering energy efficiency and aims to reduce energy consumption,
* Monitors the environmental and social performance of enterprises with continual improvement approach by developing their capacity,
* Focuses on resource efficiency, avoids wastage and contributes to environmental protection,
* Considers to support sustainable use of resources while undertaking all its activities,
* Respects the values, views and rights of the affected communities and establishes strong, open and fair relationships with affected communities.
* Implements engagement activities and discloses project related information through appropriate and transparent means considering the needs and expectations of related parties,
* Respects cultural background of the affected communities and supports enterprises by avoiding impacts on tangible and intangible cultural heritage.

This policy will be examined annually and revised if needed to meet the national and international requirements of the organization. KOSGEB will consistently implement and monitor its Environmental and Social Management System in all activities and ensure that they are in line with this policy.

## ORGANIZATIONAL CAPACITY AND COMPETENCY

## ROLES AND RESPONSIBILITIES

Project Implementation Unit has been formed under the KOSGEB Project Management Department within the scope of the Project, and will work in coordination with other KOSGEB Units.

**Project Manager**

* Be responsible for decision making, evaluation and design of the support program to be applied
* Be responsible for overall coordination of the project and high level communication
* Be responsible for taking, implementing and directing all technical, administrative, legal and financial measures required to finalize the project
* Be responsible for overall ESMS implementation

**Deputy Project Manager**

* Be responsible for the execution of the components of the project, monitoring the results, providing briefing to the Project Manager at regular intervals, and coordination with the PIU and other relevant units

**Project Coordinator**

* Be responsible for overall supervision and coordination for Project implementation
* Be responsible for the daily implementation of the project, the management of the PIU team, preparation of the documents deemed necessary by the World Bank and updating them when necessary
* Be responsible for the coordination of the components and communication with the financial managers and directorates in provinces within the scope of the relevant components
* Be responsible for monitoring, evaluation and reporting of performance indicators, and the survey studies
* Be responsible for submitting weekly activity reports, information notes and promotional documents to the Deputy Project Manager.

**Environmental and Social Specialist**

* Contribute to the development and updating of the Project Operation Manual
* Coordinate the implementation and monitoring of the ESMS within the scope of the project by other relevant units
* Ensure that project activities are carried out and reported in accordance with the World Bank environmental and social standards and Environmental and Social Commitment Plan
* Prepare environmental and social control criteria and commitments to be added to the application forms of MSEs and create guidelines for relevant units to control applications according to environmental and social criteria
* Coordinate the screening of MSEs applications by KOSGEB staff in provincial directorates for activities that cannot be financed within the framework of the ESMS and for eligibility for the project
* Conduct and report stakeholder consultation activities in accordance with the Stakeholder Engagement Plan
* Update the ESMS and SEP when necessary in the course of preparation, development and implementation of the Project, as well as in case the domestic legislation changes in any aspects meeting with World Bank representatives when necessary
* Carry out the updating, implementation and reporting activities of the grievance mechanism according to the project needs within the scope of the project
* Prepare environmental and social information and documents to be included in the project reports
* Be in cooperation and coordination with the Project Coordinators and providing support when necessary
* Be in cooperation and coordination with Project Implementation Unit staff and other relevant units
* Be responsible to the manager of the Project Implementation Unit and make the necessary reporting
* Supervise and monitor the whole E&S process to ensure the proper application of the World Bank ESSs and safeguard policies are applied
* Train SME experts in provincial directorates for execution of spot-checks and E-S risk categorization

**SME Specialist under the Project**

* Assist E&S specialist in establishing environmental and social management system and in managing stakeholder engagement plan
* Create E&S reports and statistics regarding the supports provided to MSE’s within the scope of the project
* Assist E&S specialist in identification, assessment, reporting and management of environmental and social risks and impacts
* Carry out the updating, implementation and reporting activities of the internal grievance mechanism for KOSGEB employees

**SME Specialists in Provincial Directorates of KOSGEB**

* Consolidate all payments within their region on a firm-by-firm basis and share the list with the PIU
* Introduce the support program to the enterprises and receive and evaluate support applications and payment requests
* Perform on-site inspections when necessary in order to determine whether the environmental and social conditions in the letter of commitment are fulfilled, and prepare due diligence report
* Check whether the tax and social security institution debt amounts of the MSEs are below the legal limits

**MSEs’ Directors**

* Be responsible for ensuring compliance of E&S national and international legislation
* Provide sufficient detail regarding the incident or accident, findings of the Root Cause Analysis (RCA), indicating immediate measures or corrective actions taken or that are planned to be taken to address it, compensation paid, and any information
* Provide all necessary documents and information during on-site monitoring conducted by E&S specialist and/or SME specialists in Provincial Directorates of KOSGEB
* Obtain necessary E&S and OHS licenses and permits
* Fulfill obligations regarding national environmental legislation and will continue to do as long as they benefit from the support
* Fulfill obligations regarding national occupational health and safety legislation and will continue to do as long as they benefit from the support
* Comply with principles such as treating its employees honestly and fairly, providing a safe and healthy working environment, non-discrimination, creating appropriate working conditions for the disabled, and not employing child labor
* Use resources efficiently and take the necessary measures to prevent environmental pollution
* Do not take any actions that will adversely affect the health and safety of the community
* Engage with stakeholders and take their suggestions into account If there are environmental and social risks that affect the society

## ENVIRONMENTAL AND SOCIAL ORGANIZATIONAL STRUCTURE

**Project Manager**

**Deputy Project Manager**

**Project Coordinator**

**SME Specialist**

**Environmental and Social Specialist**

**SME Specialists**

Provincial Directorates of KOSGEB

Figure 1: Environmental and Social Organizational Structure

## TRAINING

There are three training organizations planned for the Project.

1. E&S specialist has participated in a capacity-building workshop on the World Bank’s Environmental and Social Framework (ESF). This workshop is part of the ongoing effort to build in-country capacity on the ESF and organized virtually on February 22 – 26, 2021 with the Bank’s experts.
2. The Project Training has been organized for KOSGEB call center employees in order to increase their knowledge about the Project and E&S awareness. In this way, they are able to handle all external grievances filed from stakeholders and/or MSEs.
3. Environmental and social training will be organized for SME specialists of Provincial Directorates of KOSGEB. Since they will be working with E&S specialist to monitor, review and report E&S issues. They will be responsible for ESMS implementation on-site. Besides they will have to fill out On-Site Monitoring Form as a guide for site visits. The training will include how to fill out the form appropriately related to E&S topics.

## IDENTIFICATION, ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

## EXCLUSION LIST UNDER THE PROJECT

Manufacturing enterprises whose main activity code is below cannot apply for this program. Application software (KBS) will block the applications automatically submitted by MSEs that are in sectors in exclusion list.

Table 4: Exclusion List of the Project

|  |  |
| --- | --- |
| **Manufacturing Sector** | **NACE REV2 Code** |
| Production of pesticides and herbicides | 20.20 |
| Production of weapons and munitions | 25.40 |
| Production of alcoholic beverages | 11.01  11.02  11.03  11.04  11.05  11.06 |
| Production of tobacco | 12.00 |

Enterprises in the following activities cannot apply:

* Production or trade in any product or activity deemed illegal under Turkey laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES (Wild game or products regulated under the Convention on International Trade in Endangered Species of Wild Animals and Plants; manufacture or trade or the implementation of activities,)
* Weapons and munitions trade
* Alcoholic beverages trade
* Tobacco trade
* Gambling, casinos and equivalent enterprises
* Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded
* Production or trade in unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
* Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
* Production or activities involving harmful or exploitative forms of forced labor/harmful child labor
* Commercial logging operations for use in primary tropical moist forest
* Production or trade in wood or other forestry products other than from sustainably managed forests.

## LABOR MANAGEMENT PROCEDURES

ESS2 Labor and Working Conditions’ objectives are:

* to promote safety and health at work,
* to promote the fair treatment, nondiscrimination and equal opportunity of project workers, to protect project workers, including vulnerable workers and persons with disabilities and migrant workers, contracted workers, community workers and primary supply workers, as appropriate,
* To prevent the use of all forms of forced labor and child labor,
* To support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law,
* To provide project workers with accessible means to raise workplace concerns.

In recent years, Turkey has undergone a reform to improve its national OHS system through adapting a set of international and regional standards into its national level requirements for the prevention occupational risks defined in the ILO Occupational Safety and Health Convention, 1981 (No. 155). During 2012, a stand-alone Law on OHS (No. 6331) was put into force (20 June 2012). The OHS Law governs workplace environments and industries (both public and private) as well as virtually all classes of employees including part-time workers, interns, and apprentices. The legislation is comprehensive and is generally applicable across all sectors and many industries.

Turkey is party to a multitude of ILO conventions, including but not limited to conventions on: equal treatment of employees, gender equality, child labor, forced labor, OHS, right of association and minimum wage. Accordingly, the current Turkish Labor Law (No.4857) is to a large extent consistent with requirements of ESS2.

The current workforce of KOSGEB is 1943 (664 in center, 1279 in provinces) according to report on 31 December, 2020. KOSGEB has published a corporate level Human Resource Regulation (dated July 24, 2009 in the Official Gazette numbered 27298) that is also in line with national regulations as well as World Bank ESS2 requirements. KOSGEB employees are civil servants. The HR policy aims to define the employee’s personal rights including; working hours, leaves (maternity, social events, unpaid), financial rights, working conditions, promotions etc. As KOSGEB is a government agency no one under the legal age (18 years) is permitted to work within the institution thus no child labor and forced labor related issues exist. All KOSGEB employees have been provided with information and documentation that is clear and understandable regarding their terms and conditions of employment.

All KOSGEB facilities are equipped with fire safety instruments as required by local regulation. The staff receives routine training on occupational health and safety including fire safety and first aid. Regular drills are conducted and reported.

KOSGEB is committed to ensure compliance of KOSGEB Human Resource Regulation for its own operations. KOSGEB is also committed to ensure compliance of MSEs with the Turkish Labor Law, Law on OHS and World Bank ESS2 requirements. Beneficiary MSE’s director will be responsible for ensuring compliance of E-S legislation and will be responsible for commitments that are declared on application form and commitment letter.

## GRIEVANCE MECHANISM FOR PROJECT WORKERS

KOSGEB aims to meet the needs and expectations of its employees through a grievance mechanism. There is an internal grievance mechanism for KOSGEB employees including direct workers and contracted workers to receive, recognize, classify, investigate, respond and resolve complaints in a timely, planned and respectful manner. Such workers have been informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against any reprisal for its use. All KOSGEB employees have the right to file their grievances and requests and to bring a lawsuit due to the administrative procedures applied to them by their supervisors or the workplace. The grievance mechanism has been adapted to receive sexual exploitation and abuse and sexual harassment complaints.

Grievances are filed verbally or in writing. Grievances are managed starting with the closest supervisor, bypassing the supervisors who are complained. Written grievances are filed with a petition written in accordance with the legislation. The elimination of the deficiencies identified in the petition and the grievances that do not constitute a crime are handled by the superiors who accept the grievance. These principles are also followed in verbal grievances. All personnel have the right to fill out a petition and submit it to the KOSGEB Human Resources Department.

After the petition is evaluated by KOSGEB Human Resources Department, necessary measures are taken in accordance with the KOSGEB Human Resources Regulation and Disciplinary Regulation. This regulating is easily accessible on the intranet and KOSGEB web page. If the subject of the grievance is related to the working conditions, KOSGEB Administrative Support Services Department will be involved for redress.

Grievances about ethical issues such as sexual abuse / harassment received from KOSGEB employees (including PIU) are evaluated by paying attention to the confidentiality of employee information. Since grievances received on ethical issues include sensitive cases such as sexual abuse / harassment, they are definitely shared with the Guidance and Supervision Board for review. Grievances are reviewed and resolved within 30 days. Reports on the grievances received and resolved are listed internally on the system and can be accessed by employees through their own intranet. Anonymous complaints are allowed by e-mail to PIU (covid19hizlidestek@kosgeb.gov.tr).

## ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS OF THE PROJECT

Project activities are expected to have minimal, limited, temporary and manageable environmental and social impacts. The Project environmental and social risks are assessed as moderate according to Project Appraisal Document. The project aims to support employment and avert the permanent closure of otherwise viable MSEs during the COVID-19 crisis. The World Bank’s Exclusion List will apply to the MSE applying for reimbursable support financing. The World Bank financing provided under the Project will be utilized mostly in the form of working capital by MSEs. Reimbursable support financing will cover eligible operating expenses such as employee salaries, supplies, rent, and utilities. KOSGEB and the PIU will verify that firms which received reimbursable support financing maintain employment at the level of the base month (March, 2020). This support will help to keep these businesses afloat and maintain their employment during the current acute phase of the health crisis. Proceeds from the Bank loan will not be used to finance beneficiaries’ activities of substantial and/or high environmental and social risks, activities requiring land acquisition and involuntary resettlement, and those with impacts on sensitive areas (for example, nationally and internationally protected areas) and cultural heritage, as well as activities involving child and forced labor. Civil works will not be financed under the project.

ESMS is incorporated into reimbursable support financing-approval process, which integrates the proposed applicable requirements, the ESSs, the applicable national environmental and social laws of the Republic of Turkey, WB Exclusion List, and specific eligibility criteria determined by the World Bank for the project. KOSGEB hired an environmental and social specialist to the PIU in order to ensure that its financing activities comply with the identified applicable requirements. KOSGEB ensures that suitable resources are provided for the implementation of the ESMS and will provide monitoring reports on environmental and social performance to the World Bank, as agreed in the Environmental and Social Commitment Plan. This ESMS should be revised from time to time during Project implementation, to reflect adaptive management of the Project changes and unforeseen circumstances.

Overall environmental and social risk of the project is evaluated as moderate and there are no sub-projects to be considered. Project implementation is expected to have no significant negative environmental impacts. Social aspects of the project are largely in positive manner. The main social and environmental risks are associated with labor and working conditions, occupational health and safety, dust, noise, energy use and waste management at the firm level. These risks and impacts may be associated with business activities of firm beneficiaries. These impacts are expected to be site specific, temporary and easily managed with standard mitigation measures and compliance with national laws. Eligible MSE beneficiaries will be required to comply with national environmental, labor and occupational health and safety (OHS) laws.

Almost 600 women-owned businesses worldwide reported how the current pandemic crisis has affected their businesses. In Turkey, a survey by WEConnect International among 56 firms conducted in April 2020 showed that 91% of women-owned firms have been negatively affected by the crisis. The World Bank Business Pulse Survey (BPS) showed that in addition to the financial constraints, MSEs exhibit higher firm closure rates that is computed as the ratio of the number of temporarily or permanently closed firms to partially or fully open firms. Female ownership of enterprises in Turkey is most common among MSEs. For example, 98.4 percent of all female-owned firms are MSEs, and are, therefore, disproportionately affected by the COVID-19 crisis in comparison to male-owned MSEs. Moreover, while the average share of female ownership for all the economy ranges between 20 and 21 percent during 2014-2017, the female ownership in the manufacturing sector as the main focus of this project is higher. Given that MSEs are among the hardest hit during the crisis and it is in MSEs that female business ownership is concentrated, it is safe to say that female-owned MSEs have been hit disproportionately during the pandemic. While the data from the BPS does not allow to estimate the gap between female- and male-owned MSEs, we assume that it exists and has even widened due to pre-existing gaps due to lower access to finance, collateral and lower share of female entrepreneurship.

The Project will help in reducing the gender gap though a reimbursable support financing mechanism by addressing significant financial challenges that women-led enterprises faced during COVID-19 pandemic. The Project tackles the gender gap through specific gender-inclusive actions. Under Component 1, the Project will provide performance-based reimbursable support financing to eligible manufacturing MSEs to prevent the reduction of employment and closures, thereby minimizing the disruption of firms’ relations with employees, suppliers and creditors. Reimbursable support financing of different amounts proportional to the firm size will be made available to eligible MSEs. At least ten percent of the reimbursable support financing under this component would be targeted to women-owned businesses. This activity will support the reduction in the gap in economic opportunities between men and women and will improve the economic empowerment of women. Under Component 2, performance-based reimbursable support financing will be allocated for eligible innovative young firms in manufacturing, software programming and scientific research & development (R&D) sectors. This component has a target for women, i.e., at least 10 percent of the available reimbursable support financing will be targeted at women-owned innovative young firms. While 10% of overall reimbursable support financing under components 1 and 2 will be earmarked for female-owned MSEs, the project will have ambitious targets in its Results Framework. Thus, it will target 50% of applicant female-owned or majority-female-employee manufacturing and innovative young MSEs to meet the eligibility criteria and receive reimbursable support financing. These are ambitious targets and, if achieved, could result in a large number of female-owned or majority-female employee MSEs to be beneficiaries under the Project (given they are mostly micro firms). The Project’s monitoring and evaluation will be used, among other things, to assess the Project’s impact on female-owned MSEs.

Overall project implementation is expected to have positive social impacts, particularly on employment. MSEs which receive payment under this project will be able to overcome the inconveniencies caused by Covid-19 and pursue their activities while also maintaining their employment level.

At the moment, the locations and details of the beneficiary firms are not known, however it is expected that the Project will provide support to MSEs countrywide for the “manufacturing sector”, “software programming” and “scientific R&D”. Potential E&S risks and impacts are summarized in Table 5 and in Table 6 below.

Table 5: Environmental and social risks and impacts of the overall portfolio

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Risk/Impact** | **Action/Mitigation Measure** | **Responsibility** |
| 1 | Raising awareness of environmental issues | Positive impact | KOSGEB |
| 2 | Raising awareness of social issues | Positive impact | KOSGEB |
| 3 | MSEs maintain their employment levels during crisis | Positive impact | KOSGEB |
| 4 | Innovative young firms survive the COVID-19 crisis | Positive impact | KOSGEB |
| 5 | Woman-owned/managed firms survive the COVID-19 crisis | Positive impact | KOSGEB |

Table 6: Environmental and social risks and impacts of the MSEs during their disbursement

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Risk/Impact** | **Action/Mitigation Measure** | **Responsibility** |
| 1 | Pollution to the air, soil and water | Beneficiary MSEs will fill out a Commitment Letter stating that firm activities are carried out in accordance with national E&S regulations. They will make a declaration regarding compliance with E&S application criteria in Application Form, and their activity will be monitored by PIU. | MSEs |
| 2 | Increased production of any type of waste and wastewater | Beneficiary MSEs will fill out a Commitment Letter stating that firm activities are carried out in accordance with national E&S regulations. They will make a declaration regarding compliance with E&S application criteria in Application Form, and their activity will be monitored by PIU. | MSEs |
| 3 | Increased demand for energy use | Beneficiary MSEs will fill out a Commitment Letter stating that firm activities are carried out in accordance with national E&S regulations. They will make a declaration regarding compliance with E&S application criteria in Application Form, and their activity will be monitored by PIU. | MSEs |
| 4 | Dust and noise pollution | Beneficiary MSEs will fill out a Commitment Letter stating that firm activities are carried out in accordance with national E&S regulations. They will make a declaration regarding compliance with E&S application criteria in Application Form, and their activity will be monitored by PIU. | MSEs |
| 5 | Impacts on the health and safety of communities associated with transportation, storage, use, or disposal of toxic or hazardous materials | Beneficiary MSEs will fill out a Commitment Letter stating that firm activities are carried out in accordance with national E&S regulations. They will make a declaration regarding compliance with E&S application criteria in Application Form, and their activity will be monitored by PIU. | MSEs |
| 6 | Noncompliance with national and international labor and working conditions | Beneficiary MSEs will fill out a Commitment Letter stating that firm activities are carried out in accordance with national E&S regulations. MSEs must maintain their employment levels during the crisis for their monthly support payment. | MSEs |
| 7 | Noncompliance with national and international occupational health and safety standards | Beneficiary MSEs will fill out a Commitment Letter stating that firm activities are carried out in accordance with national E&S regulations. They will make a declaration regarding compliance with E&S application criteria in Application Form. | MSEs |

## ENVIRONMENTAL AND SOCIAL MONITORING, REVIEWING AND REPORTING

## ENVIRONMENTAL AND SOCIAL PERFORMANCE

Environmental and social risk is a combination of the probability of certain hazard occurrences and the severity of impacts resulting from such an occurrence. These types are:

**High Risk:** is likely to generate a wide range of significant adverse risks and impacts on human populations or the environment, for example, as a result of its large scale, hazardous nature or the sensitivity of its location, and effective mitigation of some impacts may be not possible or likely.

**Substantial Risk:** may be less complex, and smaller in scale or in a less sensitive area than a High Risk. Alternatively, it may be complex but be prepared and implemented in an environment where the technical capacity is high, mitigating technology available, and legal frameworks strong so that avoidance or effective mitigation of significant adverse impacts is more likely.

**Moderate Risk:** is one in which the potential for adverse risks and impacts is not likely to be significant.

**Low Risk:** is one in which the potential for adverse risks and impacts is minimal or negligible. Following initial screening, these projects will likely require no additional assessment.

Proceeds from the Bank loan will not be used to finance beneficiaries’ activities of substantial and/or high environmental and social risks according to the Project Appraisal Document. Reimbursable support financing will be provided in the form of working capital. MSEs will not be implementing any projects which may have environmental and social risks.

Environmental and social monitoring system starts from the MSEs’ application phase of the reimbursable support. KOSGEB will monitor the environmental and social impacts of the Project on a regular basis. When KOSGEB notices any problems in ESMS implementation during E&S monitoring, it will inform the relevant MSEs and agree with them on steps to rectify these problems.

MSEs are expected to fill out the particular section in the Support Application Form (Appendix 8) with regard to declarations and commitments regarding compliance with environmental and social application criteria. This section consists of environmental and social aspects, which are eligibility criteria, types of environmental permits and licenses that the enterprise must have and sectoral environmental and social risks. The application system including Application Control Form ((Appendix 9) will not allow MSEs to continue if MSEs do not declare abovementioned environmental and social eligible criteria.

MSEs are expected to approve Commitment Form (Appendix 10) that includes two substantial parts of their environmental and social commitments. These are:

1. Complying with the applicable national and international legislation,
2. Incident and accidents reporting that have a potential significant negative impact on the environment affected communities, public or employees.

As the part of the post review of MSEs’ environmental and social performance, the first five of MSEs that is confirmed by provincial directorates will be visited by PIU team in order to assess and monitor environmental and social risks and impacts. On-Site Monitoring Form (Appendix 11) will be used as a guide for these visits.

As the last and continual monitoring of the MSEs‘ environmental and social performance, largest five MSEs that is confirmed by provincial directorates will be visited by PIU team on a quarterly basis. On-Site Monitoring Form will be used as a guide for these visits. The forms that will be used for these assessments will be reported to World Bank as the part of the regular progress reports. The main steps for ensuring the beneficiary MSEs’ compliance with E&S requirements are summarized in Table 7.

Table 7: Main steps for ensuring beneficiary MSEs’ compliance with E&S requirements

|  |  |
| --- | --- |
| **Stages** | **Steps** |
| Application Stage | * MSEs will declare that their activities comply with national environmental and social legislation in application form. * Application software (KBS) will block the applications submitted by MSEs that are in sectors in exclusion list. * MSEs will approve commitment letter which includes declarations about conformity with national environmental and social legislation and World Bank Group’s Anti-Corruption policies. This commitment letter will also include their declaration stating that they will convey incidents and accidents to KOSGEB. |
| Control Stage | * KBS system will semi-automatically control eligibility criteria (scale, sector, foundation year, minimum income, annual sales loss etc.). Some of the controls will be made by SME Experts (social security-tax debt, being innovative young firm criterion etc.) * The applications of MSEs that are in the WB exclusion list sectors are blocked automatically by KBS. * The applications of all MSEs for reimbursable support financing under the project will be reviewed and categorized according to their potential environmental and social risks and impacts based on declarations MSEs on Application Form and Commitment Letter. Application Control Form will be used to record review result, including risk category. Application Form, MSE Commitment Letter and Application Control Form are annexes of Reimbursable Financing Support Manual. |
| After Support Payment | * The first five Environmental and Social Due Diligence (ESDDs) for the first five support payment of MSEs that is confirmed by provincial directorates will be sent to the World Bank for post review in terms of E-S assessment. An on-site monitoring form has been designed for due diligence. * ESDDs of the largest (in terms of amount) five support payment of MSEs that is confirmed by provincial directorates will be sent to the World Bank on a quarterly-basis for post review in terms of E-S assessment. |

Formats of Support Application Form, Application Control Form, Commitment Form and On-Site Monitoring Form are provided under Reimbursable Support Financing Manual.

## REGULAR PROGRESS REPORTS

Implementation of the material measures and actions set out in ESMS will be monitored and reported to the Bank by KOSGEB as required by the ESCP and the conditions of the legal agreement. PIU will prepare and submit to the Bank regular monitoring reports on the environmental and social performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of stakeholder engagement activities, performance of the grievance mechanism(s) and ESMS implementation on a quarterly basis throughout the Project implementation. Such reports will highlight any issues arising from non-compliance with E&S requirements and how it has been/is being addressed.

Timeframes for reporting system has been summarized before:

* KOSGEB submits to the World Bank ESDDs conducted for the first five MSEs in no later than sixty days after the Effective Date,
* KOSGEB submits to the World Bank ESDDs conducted for the largest five MSEs on a quarterly-basis,
* KOSGEB submits to the World Bank regular progress reports in 90 days after the Effective Date and then on a quarterly-basis.

Environmental and Social Due Diligence will include:

* On-site monitoring forms of visited MSE
* Compliance of MSE with national regulation and ESSs (particularly ESS1, ESS2, ESS3 and ESS4)
* Exclusion list status of MSE
* Permits and licenses of MSE if any (permit and license list that MSE must obtain will be prepared before site visit according to its sector and activity)
* MSE information and background
* Stakeholder activities and grievance mechanism of MSE if any
* E&S review and summary of MSE
* E&S category of MSE (Moderate or Low)
* E&S action plan (to address identified gaps if any)
* Confirmation by MSE that there is not child and forced labor
* Confirmation about the compliance with national labor and OHS laws

Regular progress reports regarding E&S performance of the project will include:

* Implementation of ESCP, SEP and ESMS
* Stakeholder engagement activities including surveys
* Internal grievance list (grievance mechanism for project workers including PIU)
* External grievance list (grievance mechanism for community, stakeholders, beneficiaries)
* Incident and accident list related to the Project
* Incident and accident reports related to the Project
* On-site monitoring forms of visited MSEs
* ESDDs of visited MSEs (including their E&S categorization, risks and impacts)
* Detailed E&S performance of the World Bank supported portfolio
* Other E&S Implementations if any

## INCIDENTS AND ACCIDENTS

PIU promptly notifies the Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including but not limited to; incidents and accidents encountered during implementation of the KOSGEB’s ESMS. PIU will report details of any significant environmental or social incidents (e.g., fatalities, lost time incidents, environmental spills, etc.) within 48 hours from the occurrence of the incident. KOSGEB shall submit an incident report, including Root Cause Analysis (RCA), precautions and compensation measures taken within 30 business days. According to the national OHS Law, all employers must notify the Ministry in 3 work days after OHS related incidents.

MSEs that receive reimbursable support financing is supposed to provide sufficient detail regarding the incident or accident, findings of the RCA, indicating immediate measures or corrective actions taken or that are planned to be taken to address it, compensation paid, and any information provided by the involved MSE, as appropriate. Subsequently, as per the Bank’s request, PIU will prepare a report on the incident or accident and propose any measures to prevent its recurrence. When any incident and accident related to the Project occurs, incident and accident reporting system has been followed as illustrated in Figure 2.

|  |  |  |
| --- | --- | --- |
|  | MSEs | Notify Social Security Institution **in 3 work days** |
| * Notify KOSGEB **within 24 hours** * Submit detailed report to KOSGEB **within 2 weeks** |  |  |
|  | KOSGEB |  |
| * Notify the Bank **within 48 hours** * Submit detailed report to the Bank **within 30 business days** |  |  |
|  | World Bank |  |

Figure 2: Incident and Accident Reporting Flow Diagram

## EXTERNAL COMMUNICATION MECHANISM

## STAKEHOLDER ENGAGEMENT

Pursuant to the World Bank ESS10 requirements, stakeholder engagement is an inclusive process implemented throughout the project life-cycle, and it is most effective if launched at early stage of project development. Engagement should begin as early as possible at project preparation, as timely identification of and consultation with the stakeholders enable views and opinions of these groups to be taken into account in the project design and implementation.

KOSGEB prepared and disclosed Stakeholder Engagement Plan and continuous stakeholder engagement will be implemented throughout the lifetime of the project. The Project’s Stakeholder Engagement Plan (SEP) is the main document governing the means by which project-related information will be managed from, and communicated to, stakeholders. PIU is responsible for all external communications to the community. In accordance with SEP, PIU will maintain a record of all consultation and correspondence (verbal or written) with stakeholders.

KOSGEB Provincial Directorates will disseminate project-related information to potential MSE beneficiaries. These directorates participated in a training organization held over video conferencing platform.

All stakeholders including vulnerable groups have equal opportunity to access information, provide feedback, or submit grievances. The current KOSGEB website (http://www.kosgeb.gov.tr) is being used to disclose project documents, including in both Turkish and English. KOSGEB created a webpage on the project on its existing website. All project-related environmental and social monitoring reports are disclosed on this webpage. All information documents are posted on the website. KOSGEB updates and maintains the website regularly.

In addition, the SEP envisages regular surveys among beneficiary MSEs and other affected parties as well as additional feedback mechanisms for stakeholder and citizen engagement, such as online platforms, social media, and focus groups. KOSGEB will utilize existing online communication channels and facilities for project promotion and stakeholder engagement. Project updates will be posted on KOSGEB’s website and, where applicable and preferred by the stakeholders, KOSGEB will also communicate project information and updates through other means, such as social media, one-to-one interviews and consultation meetings when needed and allowed, after the restriction measures are lifted. Both beneficiary MSEs and citizens are expected to participate and provide feedback on the Project before, during and after implementation. Continuous stakeholder engagement will be implemented throughout the lifetime of the Project.

KOSGEB PIU will conduct a survey of beneficiary enterprises under their respective components to solicit views on experience with project implementation. The survey content will be agreed with the World Bank, and the surveys will be conducted within 6 months of project effectiveness and again within three months of the end of the project. A summary of survey results will be shared with beneficiaries and with the World Bank team and inform further project implementation, as appropriate. KOSGEB PIU will also conduct focus group meetings with beneficiary enterprises to share the survey results and provide feedback on actions taken to address any concerns expressed in the surveys.

Affected Parties are defined as persons, groups and other entities that may be directly or indirectly impacted by the project and/or have been identified as most susceptible to change associated with the project. The following identified individuals and groups fall within this category:

* Eligible MSEs under lockdown
* MSEs under partial lockdown/operating below capacity
* MSEs that were deemed to be viable before COVID19
* Employees of the above mentioned firms

Other interested parties are individuals/groups/entities that may not experience direct impacts from the project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way:

* KOSGEB Executive Committee members (Ministry of Industry and Technology, Ministry of Treasury and Finance, The Union of Chambers and Commodity Exchanges of Turkey (TOBB), Turkish Federation of Tradesmen and Craftsmen (TESK), Turkey Exporters Assembly, TUBITAK and Turkey Investment and Development Bank representatives)
* KOSGEB personnel,
* Government institutions associated with the project (Social Security Institution, Revenue Administration, Credit Guarantee Fund)
* Public Institutions and Organizations, NGOs

The vulnerable group involved in this project can be considered as; (i) innovative young businesses since they have limited experience about KOSGEB supports and communication tools of KOSGEB related to consultation & grievance. Besides, the disadvantaged groups are considered as (ii) women - owned enterprises and (iii) enterprises owned by refugees. KOSGEB ensures that every engagement activity is culturally appropriate, sufficient and disseminated in a timely manner with equal access to all relevant stakeholders allowing for their increased participation and feedback.

The vulnerable group defined as innovative young businesses will be informed by specialized methods in order to ensure that they are aware of the Project and communication tools. An e-announcement will be sent to firms located in technoparks (by means of technopark administration offices) and KOSGEB Technology Development Centres. Women-owned enterprises will be informed by relevant NGOs. Firms owned by refugees will be informed by Turkish/English informative documents.

Stakeholder engagement has been explained in detail on SEP. The SEP will be periodically revised and updated as necessary in the course of project implementation in order to ensure that the information presented herein is consistent and is the most recent, and that the identified methods of engagement remain appropriate and effective in relation to the project context and specific phases of the development. Any major changes to the project related activities and to its schedule will be duly reflected in the SEP.

## COMMUNITY GRIEVANCES

The Grievance Redress Mechanism (GRM) is a process that enables any stakeholder to make a complaint or a suggestion about the way a project is being planned or implemented. KOSGEB has a transparent and comprehensive Grievance Redress Mechanism in order to receive and resolve concerns, queries, complaints and grievances (including sexual abuse and harassment) related to the Project. To mitigate potential risks and address received grievances, KOSGEB has adapted its existing grievance mechanisms to address inquiries or concerns in line with project SEP.

The main objective of a Grievance Redress Mechanism is to assist to resolve complaints and grievances in a timely, effective and efficient manner that satisfies all parties involved. Specifically, it provides a transparent and credible process for fair, effective and lasting outcomes. It also builds trust and cooperation as an integral component of broader community consultation that facilitates corrective actions. Specifically, the GRM provides affected people for making a complaint or resolving any dispute that may arise during the course of the implementation of projects. It ensures that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants and avoids the need to resort to judicial proceedings.

GRM is based on KOSGEB’s existing communication channels. The processes regarding the grievance mechanisms are operated through the means of application for the followings:

* Application with petition
* Application with CİMER
* Application with KOSGEB Online Information Center and KOSGEB Call Center

Anonymous complaints are allowed to be sent by e-mail to Project Implementation Unit. The e-mail (covid19hizlidestek@kosgeb.gov.tr) will be added to the page created specifically for the World Bank project on the KOSGEB website. Grievances received in this way will be recorded by the PIU. Other interested parties will also be able to submit their opinions and suggestions via this e-mail.

PIU will keep a record of all grievances in a grievance log, and is required to work with the Project Management if necessary to resolve grievances in accordance with grievance mechanism as set out in the SEP. Grievance mechanism has been explained in detail on SEP. PIU will report grievances to the World Bank on a quarterly basis throughout the Project.