

ILLER BANK

**SUSTAINABLE CITIES PROJECT-II  
ADDITIONAL FINANCING**

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Land Acquisition & Resettlement Policy Framework (LARPF)

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## 1. Objective of the Land Acquisition & Resettlement Policy Framework

The procedures presented in this Land Acquisition & Resettlement Policy Framework (LARPF) detail actions, which will be taken to ensure the compliance with Turkish Legislation and Procedures (Turkish Legislation listed below) and the World Bank (WB) Policies and Procedures as specified in the World Bank Operational Policy OP/BP 4.12 on Involuntary Resettlement for the additional finance of the second series of Sustainable Cities Project (SCP-II) to be implemented by Iller Bank.

According to OP 4.12, sub-projects identified before appraisal that involve land acquisition or resettlement require the preparation of Land Acquisition and Resettlement Action Plans (LARAPs) that detail the preparation and implementation arrangements for the involuntary land acquisition and resettlement impacts. When sub-projects cannot be identified before appraisal, OP 4.12 requires the preparation of a LARPF instead. Under the additional finance of SCP-II, at this point, exact sub-projects and locations have not been identified yet. As a result, in accordance with World Bank's Operational Policy OP 4.12 this LARPF has been prepared.

This LARPF clarifies resettlement principles to be applied during implementation and the organizational arrangements for preparing LARAPs for each of the sub-projects. The LARPF lays out the principles for resettlement and the institutional arrangements for the municipalities to prepare LARAPs for the sub-projects. The LARPF also includes arrangements for Iller Bank to supervise LARAP preparation and implementation and to ensure consistency with OP 4.12.

LARAP or Abbreviated Land Acquisition and Resettlement Action Plan (ALARAP)<sup>1</sup> depending on the magnitude of impacts, is required for any land acquisition and/or resettlement from private individuals carried out by a Municipality or Municipal Water and Wastewater Utility after the LARPF has been approved. This is regardless of when the corresponding sub-loan agreement is signed. The plan will be submitted to Iller Bank for initial review and clearance. After Iller Bank clears, it will submit the plan to review and approval by the World Bank. The Municipality or Municipal Water and Wastewater Utility is responsible for the implementation of the plan; Iller Bank is responsible for the supervision of the implementation of the plan; and the World Bank will ensure compliance in implementation through selective supervision. The plan should be completed, disclosed before the construction starts on the site. The outline of LARAP is given in Annex 1 and the outline of the ALARAP is given in Annex 2. If the Municipality / Municipal Water and Wastewater Utility have land acquisition only from public institutions, confirming that there are no land users that would trigger OP 4.12, it will be possible to prepare a Report instead of a LARAP by using the format of the LARAP Progress Report (in Annex-4) to give detailed information about the land acquisition process for the project.

OP 4.12 also applies if land was acquired in anticipation of or in preparation for a project and the land is directly linked to the WB project. If land acquisition procedures were completed at the time this LARPF is approved, a retroactive audit report (Ex-Post Social Audit Reporting format is given in Annex 3) will be prepared by the Administration (Municipality or Municipal Water and Wastewater Utility) and submitted to Iller Bank to be submitted to the Bank to ensure that land

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<sup>1</sup> OP 4.12 states that “Where impacts on the entire displaced population are minor (if the affected people are not physically displaced and less than 10% of their productive assets are lost), or fewer than 200 people are displaced, an Abbreviated resettlement plan may be agreed with the borrower.”

acquisition was completed in accordance with the objectives and principles of OP 4.12. Should an Ex-Post Social Audit Report reveal that a sub-project is non-compliant with OP 4.12, the borrowing Administration will take necessary actions defined under this LARPF to ensure that all land acquisition works are scaled up and gaps are bridged, mitigating or compensating for impacts generated by the sub project(s).

All land acquisition and resettlement activities under the Sustainable Cities Project-II (AF) will be subject to the terms and provisions of the LARPF. Prior to appraisal of the project, Municipality or Municipal Water and Wastewater Utility will inform potentially affected persons through dissemination of the LARPF on line and through holding public consultations as described in the LARPF.

## **2. Project Description & Components**

Ilker Bank (Turkey's Bank of Provinces) and The World Bank (WB) agreed to proceed with the additional financing of the second series of Sustainable Cities Project (SCP-II AF) to establish a support mechanism for participating Municipalities and Water and Waste Water Utilities to plan and invest in a sustainable future. The SCP-II AF will establish a support system for developing cities to identify, prepare and finance bankable investments and enhance city planning capacities aimed at supporting this objective. The investments carried out through SCP-II AF will adhere to both the Republic of Turkey Environmental and Land Acquisition related Regulations and the World Bank Safeguard Policies. In order to do so, Ilker Bank will act as the financial intermediary to ensure that related WB policies and procedures are followed after the Municipality / Utility ensure that all Turkish environmental and land acquisition related approvals, licenses and permits have been secured.

Previously, the WB has financed four similar projects namely; the Municipal Services Project-I and II (MSP-I, MSP-II AF), Sustainable Cities I and II (SCP I and II) through Ilker Bank. Heretofore, the MSP successfully provided financing in three specific areas, including water supply, wastewater and solid waste investments for 12 participating municipalities and 2 water utilities. MSP was closed on 30 November 2016. Currently, SCP-I and SCP II are under implementation with 2 cities in each project; Muğla and Denizli for SCP I and Antalya and Muğla for SCP II with water and wastewater investments. In this respect, SCP-II AF will also be targeting the similar investment priority areas, as well as emerging investments needs in urban transport, social services, waste management, disaster risk management, environment, energy and energy efficiency.

The primary objective of the Sustainable Cities Project (SCP) is for participating municipalities to incrementally improve their environmental, financial/economic and social sustainability. Sustainability measures include: reducing unaccounted for water losses by water utilities, decreasing the discharge of untreated wastewater into the environment, reducing electricity consumption through energy efficiency improvements, lowering traffic congestion, air pollution and carbon emissions by improving public transport and increased options for pedestrian mobility, and expanding social participation and services to those parts of the province that do not benefit from network services.

Similar to its mother project SCP-II, the SCP-II AF project will consist of:

- a) **Component A – Municipal Investments** which will finance demand driven municipal infrastructure investments. Sectors eligible for investment include but are not restricted to public transport, water and sanitation, solid waste management, social services, waste management, disaster risk management, environment, energy and energy efficiency. In the water sector, it is anticipated that the sub-borrower will be the utility company, with a guarantee provided by the municipality. The component will finance goods, works and consultancy services. Participating municipalities and investments have not been identified yet, as they must go through a screening process for eligibility. Investment projects to be financed have to be technically, economically and financially viable and compatible with WB’s safeguards policies.
- b) **Component B – Project Management** which will finance goods and consultancy services for project management, monitoring and evaluation, outreach and communication.

## SCP II AF Potential Investment Fields

The Sustainable Cities Project aims to support improved sustainability (three dimensions of sustainability-environmental, economic/financial, and social) of Turkish cities and improve access to targeted municipal services in participating municipalities and utilities.

**Eligible Sectors:** The project finances demand- driven municipal infrastructure investments. Sectors eligible for investment include, but are not restricted to, public transport, water and wastewater, solid waste management, and energy.

Non-eligible subprojects include:

- Administrative services and facilities of political parties, trade unions, etc.
- Religious infrastructure facilities and services
- Investments in facilities with commercial characters (restaurants, conference centers, etc.) or for military or prisons
- Recreational and tourist facilities such as ski resorts, theme parks, hotels, cable cars, funiculars

**Eligibility Criteria:** The Law on Regulating Public Finance and Debt Management (Law No. 4749) restricts borrowing by any institution/municipality if it has overdue payments to Treasury. Investment projects have to be technically, economically and financially viable and compatible with WB’s safeguards policies.

## Potential Eligible Projects

Sector	Objectives (Sustainable Urban Development)	Potential Investments and Support
Water and Waste Water	- Promote integrated and sustainable management of water resources	- New Construction/Expansion or Rehabilitation/Upgrade for Advanced Technologies of

Sector	Objectives (Sustainable Urban Development)	Potential Investments and Support
	<ul style="list-style-type: none"> <li>- Improve quality of water and wastewater service delivery,</li> <li>- Increase energy efficiency in water and wastewater services,</li> <li>- Reduce non-revenue water (NRW)</li> <li>- Access to safe drinking water</li> <li>- Protection of water resources,</li> <li>-Improve storm water services</li> </ul>	<ul style="list-style-type: none"> <li>* Wastewater treatment plants (WWTPs),</li> <li>* Water treatment plants (WTPs),</li> <li>* Water transmission lines, reservoirs, distribution networks</li> <li>- * Wastewater and storm water networks and collectors,</li> <li>- Active Water Leak Detection and Pressure Management Systems,</li> <li>- Establishment of comprehensive Energy Management Systems for WTPs and WWTPs,</li> <li>- Replacement of existing systems with Energy Efficient Water Pumps and Equipment (e.g. upgrading aeration blowers), establishment of automatic control systems, etc.</li> <li>- Energy production from wastewater sludge/biogas,</li> <li>- Procurement of goods (e.g. water meters, vehicles, sewage channel inspection systems etc.)</li> </ul>
<p style="text-align: center;"><b>Public Transport</b></p>	<ul style="list-style-type: none"> <li>- Reduce air pollution</li> <li>- Improve affordability and accessibility of public transport</li> <li>- Improve quality and performance of urban transport infrastructure and services</li> <li>- Better urban and public transport management</li> <li>- Improve road safety</li> <li>- improved and cleaner bus transport services</li> </ul>	<ul style="list-style-type: none"> <li>- Transit Oriented Development</li> <li>- Metro line system and network</li> <li>- Light rail system and network</li> <li>- Ferry transport projects</li> <li>- Urban road rehabilitation</li> <li>- Promotion of alternative transport – bike paths/bike sharing, pedestrianization in city centers</li> <li>- Traffic management systems to improve efficiency of transport services</li> <li>- Municipal and City Bus Efficiency: bus system improvement and environment friendly buses</li> <li>- Smart transport system solutions/ big data analysis/data center/data standards for public transport data/</li> <li>- Traffic Flow Optimization – Green Wave Technologies</li> </ul>
<p style="text-align: center;"><b>Waste Management</b></p>	<ul style="list-style-type: none"> <li>- Promoting sustainable, safe and environmentally/socially sound management of solid waste,</li> <li>- Promoting integrated solutions for solid waste management,</li> <li>- Increase energy efficiency in solid waste services,</li> <li>- Improve quality of solid waste management services</li> </ul>	<ul style="list-style-type: none"> <li>- Integrated waste management systems including prevention, reduction, recovery/reuse, recycling/composting of solid wastes through awareness raising and public participation activities.</li> <li>- Waste transfer stations (including optimization of transfer system),</li> <li>- Landfills,</li> <li>- Solid waste incineration plants,</li> <li>- Waste-to-Energy Systems</li> <li>- Procurement of goods (vehicles, equipment, etc.)</li> </ul>
<p style="text-align: center;"><b>Energy</b></p>	<ul style="list-style-type: none"> <li>- Increase environment friendly energy sources</li> <li>- Reduce GHG emissions</li> <li>- Improve energy efficiency of municipal service infrastructure and models</li> </ul>	<ul style="list-style-type: none"> <li>- Solar energy</li> <li>-Geothermal Energy</li> <li>- Solar fields and Municipal Building Wind Turbines</li> <li>- Energy efficiency projects reducing energy consumption in any municipal sector</li> <li>- Biogas Energy Generation from WWTPs and Solid Waste facilities</li> </ul>

Sector	Objectives (Sustainable Urban Development)	Potential Investments and Support
		<ul style="list-style-type: none"> <li>- Sanitary Landfill construction or expansion (or Waste to Energy Incineration)</li> </ul>
<p><b>Social Services</b></p>	<ul style="list-style-type: none"> <li>- Improve quality of life and livability</li> <li>- Improve social inclusion in public services</li> </ul>	<ul style="list-style-type: none"> <li>- Community centers (that have specialized areas for youth and women, mostly giving vocational training, psycho-social support, and also other services such as non-formal education activities—hobby courses (painting, garment etc) etc)</li> <li>- Houses/Shelters for Elderly (huzurevi)</li> <li>- Women Shelters</li> <li>- Neighborhood creches</li> <li>- Youth centers</li> <li>- Disabled rehabilitation centers</li> <li>- Kindergartens.</li> </ul>
<p><b>Disaster Risk Management</b></p>	<ul style="list-style-type: none"> <li>- Improve resilience of cities</li> </ul>	<ul style="list-style-type: none"> <li>- Disaster risk management and responsiveness</li> <li>- Retrofitting and reconstruction of municipal and public buildings</li> <li>- Flood control and protection system and infrastructure</li> <li>- Fire-fighting services</li> </ul>
<p><b>Environment</b></p>	<ul style="list-style-type: none"> <li>- Environment clean up</li> <li>- Pollution reduction</li> </ul>	<ul style="list-style-type: none"> <li>- Marine litter management</li> <li>- Plastic waste reduction</li> <li>- Investments necessary for implementing municipal clean air compliance (CAP) action plans</li> </ul>
<p><b>Consultancy Services and Capacity Building in all sectors above</b></p>	<ul style="list-style-type: none"> <li>- Improve institutional capacity and efficiency</li> <li>- Improve technical and planning capacity</li> </ul>	<ul style="list-style-type: none"> <li>- Consultancy services (Supervision Consultancy)</li> <li>- Capacity building activities (trainings, workshops, study tours, etc.)</li> <li>- Planning studies, feasibility studies, technical designs, environmental and social assessments, etc.</li> <li>- Financial management performance and systems including own resources enhancement</li> <li>- IT and Management Information Systems (city data, management information systems, SCADA system, etc.)</li> <li>- Geographical Information Systems (Streamlining of business processes involving land/geospatial data; Designing geospatial information systems (GIS); Geospatial data management; Interoperability of GISs within Turkey’s NSDI framework/services)</li> </ul>

Land acquisition and resettlement impacts under the project are expected to be entirely under Component A. The project will include municipal investments for urban infrastructure under Component A that will have temporary and permanent land acquisition, and potential resettlement impacts. If a Municipality or Municipal Water and Wastewater Utility has more than one project that involves land acquisition issues, the Administration will prepare a separate LARAP for each project. Site-specific impacts will be determined by Iller Bank, the municipalities/utilities and the World Bank, and in case of a need, sub-project LARAPs will be prepared and implemented by the sub-borrowers. Iller Bank will supervise the implementation of LARAPs. Currently, the possible project sites are not known since neither the municipalities nor the specific sub-projects have been identified.

### 3. Principles & Objectives Governing Resettlement

Land acquisition and resettlement will be governed by the following principles:

- The relevant Turkish legislation and World Bank OP 4.12 will both be followed, in cases where there are gaps between the legal regimes, measures will be taken to meet the standards set in OP 4.12.
- The property and inheritance rights of persons will be respected.
- Potential economic and social impacts of land acquisition/resettlement on affected persons (on livelihood of them also) will be assessed.
- Categories of stakeholders, including vulnerable groups, will be identified and consulted with.
- Categories of affected persons and their respective entitlements will be identified.
- The public will be fully informed and processes will be transparent. Furthermore, affected persons will be meaningfully consulted, they will be given opportunities to participate in planning and implementation of resettlement programs.
- All possible steps will be taken to minimize acquisition of productive, privately owned land and to avoid acquisition of residential areas (and thus involuntary resettlement) through careful selection of the needed sites.
- Valuation of land, businesses, and other assets for which compensation is given will be based on the full replacement cost as defined in OP 4.12<sup>2</sup>.
- In the case of agricultural land, valuation of the land will include crops value as well as other land related livelihoods and assets.
- In cases when there are people working on the affected land or businesses but they are not land owners (tenants, users, or wage earners), the compensation should be in an amount or manner to ensure that they will not be worse off than before the project.
- Regardless of the formality of ownership, for those whose livelihood depends on land and common resources, (including common lands), the compensation provided would be at the level to ensure that the affected people could restore their livelihood to pre displacement levels.
- If the land needed for expropriation is public land used informally, the project affected people, without formal title, will be compensated for the crops and any investment they have made on the land. In the case where land is needed in a temporary basis, owners will be compensated in full market rental price for the period during which the land is used and the land will be given back to the owner in the same condition as before it was rented.
- In exceptional cases if resettlement is unavoidable, in addition to the full replacement cost, affected people will be provided assistance for relocation and related expenses in line with the resettlement plans. Resettlement activities will be conceived and executed as sustainable development programs, providing sufficient investment resources to enable displaced persons to share in project benefits.

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<sup>2</sup>The Bank's policies require that all affected assets (land and structures) are compensated at their replacement cost. Replacement cost of an affected asset is equivalent to the amount required to replace the asset in its existing condition. The replacement cost of structures should be equal to the cost of constructing/purchasing a new structure, without making any deductions for depreciation.



- Special assistance programs for vulnerable groups (if any) including the persons without any immovable property, will be provided.
- Provide and prepare the plans for grievance redress and LARAP implementation monitoring in line with the WB policy guidelines.
- Land acquisition and resettlement activities will be monitored and reported on a regular basis to ensure timely and effective implementation of LARAPs.
- Preparation and implementation of the Land Acquisition and Resettlement Action Plan will be done in a transparent manner with the participation of affected persons and relevant institutions.
- All relevant stakeholders will be informed and updated as deemed necessary on the sub-projects' land requirements, their LARAP implementation process, entitlements, grievance redress mechanisms etc.
- Any such infrastructure facilities as roads, water pipelines, and communication networks etc. disrupted by the construction of sub-projects will be replaced.
- All needed steps will be taken to ensure compensation, registration and transfer issues are resolved with owners without seeking court intervention, unless unavoidable.
- Affected people will be compensated in full before construction begins and all activities and procedures will be formally documented.
- Expropriation Law No 2942 shall be taken into consideration in the determination of compensation amount to be paid to the affected people.

#### **4. Process for Preparing and Approving Resettlement Plans**

The expropriation procedure starts after the Municipality or municipal water and wastewater utility determines the need to acquire land or other properties and related assets as a result of a given sub-project. The feasibility studies carried out and relevant documents prepared for each sub-project will provide information on the need to carry out a land acquisition process or resettlement.

Consistent with best practice as indicated in OP 4.12, the implementing agency (Municipality or the Utility) will conduct a survey of the land, crops, buildings, and census/survey (including asset inventory) of affected persons. This will form the basis of land-acquisition and/or resettlement plans. This survey and census should be carried out as soon as possible after the identification of a given sub-project for which there is a need for displacement, land acquisition, or resettlement. This census/survey is the primary means of data collection, which should be conducted as soon the project area is defined. Census/survey should be carried out prior to land acquisition works; which should be planned to commence within maximum 1 year from the execution of the census/survey. Should land take works commence after 1 year from the time of census/survey, the information collected should be updated by the implementing agency for any changes that might have occurred within that period.

After the census/survey, the relevant Municipality or municipal water and wastewater utility shall prepare a LARAP, or if the affected people are less than 200 and relocation is not required, then an ALARAP shall be prepared in line with the World Bank safeguard policies. Since the LARPF sets out the policy principles and spells out the entitlements, eligibility criteria, institutional

arrangements for monitoring and evaluation, the framework for participation as well as mechanisms for grievance redress, the LARAPs or ALARAPs to be submitted need not include this information and can refer to the LARPF. The subprojects' specific land acquisition and resettlement plan needs to be prepared according to the principles indicated in OP 4.12.

The LARAP or the ALARAP prepared by the relevant Municipality or municipal water and wastewater utility shall be submitted to Iller Bank for review and comments. Once Iller Bank is satisfied with the document, the plans will then be submitted to the World Bank for review and clearance. After the clearance, the Municipality or municipal water and wastewater utility is responsible for disclosing these documents at the local level in a manner that is accessible to Project Affected People (PAPs) and other stakeholders in Turkish language and any other languages that the affected population or stakeholders would require. Iller Bank and World Bank will disclose the plans on their respective websites both in Turkish and English.

All plans should be cleared and disclosed before construction begins on the affected land.

## **5. Potential Impacts of the Project and Affected Persons**

PAPs are the owners of land, properties, and businesses that will be used for the implementation of the sub-projects, either permanently or temporarily, as well as those whose livelihoods are connected to the affected land or properties. They include the following categories:

- Landowners who lose all or part of their land,
- Owner of businesses affected by temporary or permanent land acquisition or which have access restriction,
- Employees and workers of businesses that may be affected by temporary or permanent land acquisition,
- Property owners who, as a result of the project, have to be resettled;
- Property owners whose land will be needed during the construction on a temporarily basis;
- Formal renters of land or property affected by land acquisition
- Those who are not owners or formal renters of the affected land or properties but they either reside on or their livelihoods are directly dependent on, the affected land or properties (e.g., tenants, those earning wages from working on the affected agricultural land or working on the affected businesses, or are using the land informally with or without the permission of the owner).

In case that the sub-project is located in rural areas and agricultural land could be affected, the impact goes beyond the value of the land, which is taken and includes crops and other affected land-related livelihoods and assets.

Land requirements of the sub-projects may necessitate ownership rights or easement to be established on subject lands. Permanent land take will require ownership rights to be established while easement will be established on lands that will require temporary land take. On lands with easement, land may be handed back to rightful owners with some limitations; such as not building any structures or planting deep rooted plants and trees, allowing for the land to be used to a certain extent.

## 6. Eligibility Criteria

Any person who will suffer loss or damage to an asset, business, trade or loss of access to productive resources, as a result of the project will be considered eligible for compensation and/or resettlement assistance.

The *cut-off date* for being eligible for compensation and/or resettlement assistance will be the last day during the completion of the census/inventory of assets, which represents a provisional cut-off date for eligibility for resettlement assistance. Sufficient public awareness of the cut-off date will be given to the community through the responsible agencies, media, community elders and leaders by the implementing agency.

## 7. Legal Framework

### Turkish Legal Framework for Land Acquisition and Resettlement

#### *Land Acquisition*

The legal basis for the acquisition of the land will be as follows:

1. Expropriation Law (Law No. 2942-approval date: 04.11.1983) and Laws concerning amendments to the Expropriation Law (which includes Law No. 4650-approval date: 24.4.2001 and other laws);
2. Municipal Law (Law No. 5393- approval date: 03.07.2005)

In the scope of Turkish legal framework, land acquisition/expropriation is based on the Expropriation Law No: 2942 (amended by Law No: 4650 in 2001). In addition, Article 46 of the Turkish Constitution explains that state and legal public entities, in cases of public benefit, are entitled to entirely or partially expropriate immovable properties in private possession, on condition that the real value of those immovable properties are paid in advance and in cash; and to establish easement rights on these immovable properties in compliance with the procedures and principles set by expropriation law. In other words; Constitution implies that any immovable property cannot be confiscated unless its expropriation compensation is paid to the owner/s in advance and in cash.

Compensation for the expropriated estate is determined pursuant to procedures and principles in Articles 8, 10 and 11 of the Expropriation Law No 2942. Valuation criteria are stated in the Article 11 of the Law. The Expropriation Law defines that determination of the compensation for the expropriated land depends on average annual net income derived from that land by taking into account rotation system, valuation of structures includes the calculation of construction unit prices, and valuation of plots (housing) depends on peer assessment. Valuation commission is internally established by the organization responsible for land acquisition, and comprised of at least three members. In case of a necessity, this commission can get information from Chamber of Industry and Commerce, real estate agencies and other individual or institutional authorities that are specialized on those points.

## **Announcement**

The valuation commission delivers valuation document to negotiation commission, which is internally established by responsible agency. This negotiation commission is also comprise of three members and conducts negotiations with property owners. Then, the municipality or the municipal water and wastewater utility (responsible agency) notify the affected people through an official registered mail, and invites them for negotiations. In the case of land and property owners, the notification mentions the intent of the municipality or municipal water and wastewater utility to purchase the land (or to establish easement right on the land in question) through a negotiated settlement and clearly describe steps in the land acquisition process and provisions for litigation available to the landowner and relevant steps.

In case of the owners do not live on the land, reasonable efforts are made to reach them by: 1) Local inquiries for current address research from villagers and village head (muhtar), 2) Inquiry of last known residence from land registry and cadaster records, and law enforcement records through their national identification number, and 3) official advertisement in newspaper pursuant to Article 10 of the Expropriation Law 2942. If the owners can still not be reached, the compensation for the land is deposited in their name to a Bank account. The owner can withdraw the compensation at any point in time.

## **Transaction**

The purchase of land and affected properties can take place through two processes: negotiated settlement, or court settlement.

Negotiated Settlement: The process for purchasing the land and the related immovable property through negotiated reconciliation, pursuant to the principles and procedures set out in Article 8 of Expropriation Law No.2942 and this LARPF. If the owner agrees to a negotiated settlement, then discussions between the owners and the municipalities or municipal water and wastewater utilities take place to finalize the transaction. Minutes of the proceedings regarding this agreement are signed by two sides. Then the expropriation compensation is paid to rightful owner within 45 days and the property is registered in the name of government following alienation. This way of purchase is considered as expropriation and right to sue against this expropriation and amount of expropriation compensation cannot be processed. The municipality or municipal water and wastewater utilities should make it clear that negotiations will last for no more than 3 months and will provide the landowner a description of the land acquisition steps and the owner's rights to due process and litigation at each step. Failure to reach a negotiated settlement will result in a court settlement.

Court Settlement: A court settlement will occur if: a) the negotiated settlement fails; or b) the owner, after receiving notification from the municipality or municipal water and wastewater utility, declines to negotiate; c) in case of customary rights; d) in case of deceased or absentee owners. Prior to requesting a court settlement, rights to due process and litigation will be explained fully to the landowner.

A lawsuit will be filed by the Municipality or municipal water and wastewater utility with a relevant court of first instance for valuation and registration, pursuant to Article 10 of the

Expropriation Law. The costs of the court process are born by the responsible agency according to the Expropriation Law. Particularly, in case of the court process cannot be concluded within 4 months, legal interest rate is applied to determined compensation amount as from this deadline.

In general, according to the article 12 of the Expropriation Law, if a land is partially expropriated and in case of the remaining part is not usable, this part shall also be expropriated upon the request of the owner within 30 days following receiving expropriation decision.

**Urgent Expropriation:** Article 27 of the Expropriation Law authorizes the organization responsible for expropriation to confiscate the immovable assets required by the project earlier than the time needed in normal expropriation procedure. This process does not prevent challenges of the property owners against the determined valuation.

If the urgent expropriation is unavoidable, right owners (displaced persons) should be meaningfully informed at initial phase of land acquisition by responsible agency.

### *Involuntary Resettlement;*

In case of physical or economic resettlement comes into agenda in any project, Municipality or municipal water and wastewater utility which is responsible for land acquisition, can provide collaboration with other organizations related with resettlement planning and implementation according to the Municipal Law (Law No. 5393).

## **Objectives and Required Measures under OP 4.12**

The World Bank OP 4.12 on Involuntary Resettlement includes safeguards to address and mitigate risks resulting from involuntary resettlement under development projects, and covers any involuntary land taking.<sup>3</sup>

The overall objectives of the Bank's policy on involuntary resettlement are the following:

- (a) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- (b) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- (c) Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

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<sup>3</sup> The full text of the policy and guidance on implementation can be accessed at:  
<http://go.worldbank.org/ZDIJXP7TQ0>

To address the impacts covered under involuntary settlements of this policy, the policy requires the borrower to prepare the LARPF whereas the Municipalities (implementing agencies) will prepare the LARAPs where necessary. LARAP or ALARAP will cover the following:

- (a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are
  - (i) informed about their options and rights pertaining to resettlement;
  - (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
  - (iii) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.
  
- (b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are
  - (i) provided assistance (such as moving allowances) during relocation; and
  - (ii) provided with residential housing, or housing sites, or as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site, compensation for their losses at full replacement cost and assistance in improving their former living standards, income earning capacity and production levels or at least restoring them.

OP 4.12 requires that no land shall be acquired before compensation is paid completely to the affected people.

Moreover, OP 4.12 requires the Project to create and implement a resettlement plan, the preparation of which involves the involuntary resettlers and hosts in planning. In this regard, OP 4.12 requires the Project to systematically inform and consult affected persons about their options and rights during the preparation of the resettlement plan.

“**Replacement cost**” is the method of valuing assets endorsed by OP 4.12: “For agricultural land, it is the pre-project market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.”

OP 4.12 also recognizes that some types of loss, such as access to public services, customers and suppliers, grazing or forest areas, cannot easily be compensated for in monetary terms and, therefore, requires the Project to attempt to make or establish access to equivalent and acceptable resources and earning opportunities.

While OP 4.12 covers all affected people, it calls on the Project to pay particular attention to the needs of the vulnerable people.

## Gap Analysis

National legislation and processes regarding land acquisition have a long lasting history in Turkey. They have been updated in the years of implementation to improve the process to solve the problems encountered and to incorporate some requirements from international best practice. However, there are still some issues creating gaps between Turkish legislation and World Bank OP 4.12. In this regard main gaps can be summarized under the following issues:

(i) Compensation/assistance to renters, and other informal users of lands, who do not own property: According to Bank's policies, as well as official users of the land, unofficial users of the land are also defined as PAPs. Turkish legislation does not require payment of compensation to tenants and unofficial users of land/properties<sup>4</sup>. However, according to Bank's operational policies, persons who have spent money and constructed buildings or other structures on the lands of other persons are compensated at full replacement cost. They are also compensated for standing crops and economic trees they planted on the land they use unofficially, and assistance if needed to restore income/livelihood lost as a result of being displaced from the land in question.

Compensation provided will ensure that the livelihoods of renters and other informal users of land are not affected. In addition to the legal compensation amount for the official landowners, for other people who have no legal rights, cost will be provided from social aid funds of the Municipalities and/or governorates.

ii) Replacement Cost: According to Bank's policies, loss of immovable such as land and other fixed assets should be compensated at full replacement cost before the construction starts. Considering the cash equivalent to replacement cost will be used as a compensation method, legal landowners will be compensated for loss of land, and tenants, public land users and squatters would be entitled to the replacement cost of what they have invested in the land. According to Turkish legislation, only the legal property owners can get monetary compensation and there is a clause in the law indicating that depreciation shall be deducted in the valuation process for the buildings (for expropriation), which may cause the expropriation value to be less than the full replacement cost as defined in OP 4.12 (which does not allow for applying depreciation). The compensation for the loss of income, access to common properties or social losses (such as opportunity costs) is not clearly stated in the Turkish legislation.

The difference between full replacement cost and compensation to be paid will be provided from social aid funds of the Municipalities and/or governorates.

(iii) Request for the expropriation of unviable land due to partial expropriation: According to law, land owners subject to partial expropriation have a right to request the expropriation of the remaining land within 30 days. OP 4.12 does not define a time limit for such requests. If there is a

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<sup>4</sup> According to the amendment on article 19 of Expropriation Law, persons who have spent money and constructed/erected buildings or other structures on the lands of other persons are compensated at full cost for trees and material costs for buildings. But material costs need to be reached replacement cost according to Bank's operational policies.

partial expropriation request for the remaining part of the land, sub-borrower will ensure to receive this request within 30 days.

(iv) Scope of project affected people: According to Turkish legislation, only people who lose legally owned land are considered as project affected people (PAP). Thus, the possible losses of other project affected persons such as the non-title holders and users of public lands, host population, nomadic/migrants (using the project area) or economically displaced people are not recognized and there are no provisions to mitigate the adverse effects of the projects on these people. In Turkish legislations, most of these groups are not considered as PAP.

For such people who are affected and fall under the definition of OP 4.12, mitigation measures such as occupational education or some job opportunities etc. will be provided.

(v) Resettlement Action Planning: There is no statutory arrangement for preparation of a Resettlement Action Plan covering all displaced persons and host families. Therefore, the preparation of LARAPs by the sub-borrowers will be required. This will be a full or abbreviated Land Acquisition and Resettlement Action Plan (LARAP) depending on the number of people affected and whether physical relocation involved. If land is acquired before the sub-loan agreement is signed, ex-post (retroactively) reporting procedures will be carried out (outline provided in Annex 3). Also, for the projects that entail additional land acquisition in the future, proactive study and reporting will be carried out by the sub-borrowers.

(vi) Public Information Disclosure, Consultation and Participation: There are no provisions regarding information disclosure to public, public consultation and participation in the Turkish legislation regarding land acquisition. In the scope of normal expropriation procedures, an invitation letter is sent to property owners for the aim of informing and inviting rightful owner to negotiations within 15 days. Therefore rightful owner becomes aware of land acquisition and has the opportunity to negotiate and/or challenge the proposed compensation amount.

OP 4.12 requires full public disclosure of LARPF and LARAPs.

For this project, Municipalities/ Water and Waste Water Utilities are responsible for arranging consultation meetings before land acquisition procedures begin with affected persons to inform about the land requirements of the sub projects as well as the availability of a LARPF, the draft LARAPs that include entitlements, and resettlement planning and implementation if any.

In addition, the LARPF and LARAPs (and Resettlement Action Plan (RAP) if any) will be disclosed at the local level and on Ilker Bank's website.

The municipality or the municipal water and wastewater utility will also notify the other affected groups and stakeholders in addition to the people who have legal rights, including those who have made investment in public land or are occupying the land without formal rights, and tenants, through an official registration mail as they notify the land and property owners and with consultations. In the letter, information about the related sub-projects and impacts due to land requirements will be provided.



(vii) Grievance Redress Mechanism: There are channels for lodging grievances under different laws of Turkey (2942 Expropriation Law, 3071 Grievances Law, and 4982 Access to Information Law), but these are through more formal and legalistic mechanisms.

For this project, grievance redress mechanisms will be developed within the municipalities/ Water and Waste Water Utilities, consisting of accessible and documented grievance redress handling at sub-project and municipal levels. These project level grievance redress mechanisms are supplementary, but do not substitute for the formal legal mechanisms, which remain available to PAPs who choose to pursue them.

## 8. Methods of Valuing Assets

Under Turkish Law, a valuation committee is internally established by the relevant Municipality and/or municipal water and wastewater utility. This committee needs to determine the estimated expropriation value of an asset through having reports of expert persons, institutions and organizations or if needed making use of information from chambers of industry and commerce. The Expropriation Law defines that the compensation for the expropriated estate equals the commercial value of the asset.

The valuation commission determines the estimated ceiling value of immovable properties in the expropriation area. During the valuation of immovable assets or resources, valuation commission has to take into account the following valuation criteria, which is mentioned in Article 11 of the Expropriation Law:

- a) The nature of the immovable property or resource
- b) The size of the immovable property or resource
- c) All the characteristics and elements, which could affect the value of the immovable property or resource, including the individual value of each element
- d) Tax declaration (*taxes paid on that immovable property or resource*), if any
- e) Previous values of property determined by official bodies at the date of expropriation
- f) For lands, the net income that could be derived from the immovable asset or resource (without undertaking any changes, using the immovable property or resource in the same conditions as of the expropriation date)
- g) For house plots, the amount for which equal (similar) house plots have been sold without any special purpose, prior to the date of expropriation
- h) For structures, official unit prices (annually issued by the Ministry of Environment and Urbanization) at the expropriation date, calculations of the cost of building, and depreciation for wear and tear
- i) Any other objective criteria that could affect the value of the property or resource

In addition to the consideration of the above variables under Turkish law, defining entitlements under the Sustainable Cities Project-II AF will be in accordance with the entitlement matrix below.

During implementation, Municipality/Utility, will determine the compensation amount according to the entitlement matrix below by using the gap analysis. If there are any gaps to be found by Iller Bank, measures will be taken to meet the OP 4.12 standard of replacement cost.

<b>Affected Categories</b>	<b>Entitlement</b>
Loss of entire land holding	Full replacement cost (market prices + transaction costs) Maximum effort to avoid land take before harvest (on agricultural lands).
Partial loss of land	Full replacement cost of the part of land lost. (market prices + transaction costs) Maximum effort to avoid land take before harvest (on agricultural lands).
Unviable, redundant parcels of land/structures	If the remaining parcel of land after expropriation of a part of it is not economically viable, it will also be acquired and compensated (at full replacement cost) if the owner so desires.
Structures and other fixed assets on the land (barns, shacks, wells, fences, etc.)	Full replacement cost. Depreciation will not be deducted. Additional supports such as moving allowances and transitional allowance (depending on the case, income restoration assistance package such as equivalent of 6 months of minimum wage or a job opportunity or other social support mechanisms facilitated by municipality and/or other institutions) will be provided.
Crops, trees, and other land based products	The crop value (market price) and investment amount made for the crop (input, labor, age of trees). Each crop and/or tree will be considered according to its characteristics (annual or perennial, maturity, average yield on a minimum of 3 years etc.)
Land needed on temporarily bases	The market rental price for the duration of the lease. The land should be returned to the project affected individual, in the same condition as it was taken. If agricultural land and crops lost during the lease, the owner should be compensated for the crop losses for the duration of lease. If land is used for business and income is affected during the lease, the business shall be compensated for losses for the duration of the lease.
House	Full compensation based on the replacement cost in a similar/comparable area plus moving and transitional allowance (depending on the case, income restoration assistance package such as equivalent of 6 months of minimum wage or a job opportunity or other social support mechanisms facilitated by municipality and/ or other institutions). Depreciation will not be deducted.

Legal Renters	Assistance with finding a new place and moving and transition allowance. If lease is terminated early, compensation to ensure that renters do not suffer losses.
Employees or workers on the land or businesses	Compensated for their income earned from the land, crops, and any investment made on the land, in a manner that they will not be worse off than before the project. For employees and workers additional allowance (depending on the case, income restoration assistance package such as equivalent of 6 months of minimum wage or a job opportunity or other social support mechanisms facilitated by municipality and/ or other institutions) will be paid.
Informal users of public land	Compensated for the crops and the value (at full replacement cost) of investment made on the land.
Affected people without formal title whose livelihood depends on the use of public or third-party private land	Assisted in their effort to improve their livelihoods and standard of living to restore them to pre-displacement levels.
Businesses affected	Full replacement cost of affected business place. Transitional assistance to re-establish business in new location and compensation for lost income (depending on case and time lost) as necessary.
Vulnerable Groups	Assisted in their effort to improve their livelihoods and standard of living to restore them to pre-displacement levels. Additional supports such as employment priorities or additional support such as relocation assistance will be provided.

### **Valuation of Easement Rights**

As a basic principle for the indemnification of temporarily acquired land, the landowner shall be compensated for the restricted access and usage rights as well as the loss of productivity and income experienced during the period of limited or restricted land usage.

During the production of expropriation plans, the area on which easement right will be established is determined together with its coordinates, and then the plan is produced.

In areas where permanent easement right will be established; the loss of value caused on the property by the easement is taken as the cost of easement right. Permanent easement right is annotated to the land register and its cost is paid to the right-holder.

In areas where temporary easement right will be established; the loss of income caused on the property by the easement is taken as the cost of easement right and paid to the right-holder.

For easement right, the procedures required under ownership rights shall be applied; however, the areas subjected to establishment of temporary and permanent easement right are restored before they are handed over to their owner.

To ensure accurate calculations, appraisers firstly visit the expropriation area and take account of its current status of use, determine all the factors (soil structure, status of use, topography, climate, proximity to settlements and roads, favorable transportation conditions, location, current pattern of rotating plants in the region and whether or not irrigated and dry agricultural activities are carried out) that may affect the value of the relevant immovable property in accordance with Article 11 of the Expropriation Law.

For long term easement, the plot price determination for compensation cannot surpass 35% of value of the market price if the land were sold. This represents the top allowable price according to Turkish law. There is no change in ownership and restrictions are removed when the use of the area ends.

In addition to the national legal requirements, the relevant Municipality and/or municipal water and wastewater utility will follow the Entitlement Matrix above which details the entitlements in order to comply with the World Bank's OP 4.12.

## 9. Organizational Procedures & Implementation Process

As the Borrower, Iller Bank would on-lend the loan to municipalities by sub-loan agreements. Specifically;

- Iller Bank will ensure that any land acquired or/and any resettlement<sup>5</sup> which may result from any of the sub-projects proposed by the Municipalities or municipal water and wastewater utilities financed by the Bank loan will be in compliance with this framework document.
- Before financing the sub-projects, Iller Bank will make sure that the social and social safeguards issues are identified by the Municipality or municipal water and wastewater utility, the processes spelled out in this framework are followed, and in the cases when there will be a need for land acquisition or resettlement, a LARAP is prepared in accordance with this framework, submitted to the World Bank for review and clearance and disclosed, locally on the Iller Bank website. The Iller Bank's role includes instructing and building capacity of municipalities to understand and implement the LARPF; through support, review and comments, ensuring that municipalities prepare LARAP or ALARAPs according to the LARPF; and monitoring and implementation of the LARAPs and ALARAPs by the municipalities, and reporting to the Bank, using the reporting format attached to this LARPF (Annex 4).

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<sup>5</sup> Under OP 4.12, Involuntary Resettlement is referred to the involuntary taking of land resulting in (i) relocation or loss of shelter; (ii) loss of assets, including land or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location. In summary, "involuntary resettlement" under the OP 4.12 not necessarily involves physical relocation and refers to all types of land taking and the impact on all assets, which can include physical relocation. However, for the purpose of this LARPF the term "land acquisition" is used in addition to "resettlement", former only refers to taking of land and latter includes physical relocation.

- Ilker Bank will ensure that, to the extent possible, sub-projects, which involve land acquisition or resettlement, are avoided. In other words, land acquisition is kept to a minimum level based on the technical requirements within this framework document.

When land acquisition or resettlement is expected, Ilker Bank will inform the Bank of the need to carry out an expropriation or resettlement process for the proposed sub-investments. Ilker Bank then will follow that the municipality or municipal water and wastewater utilities carry out the procedures in this framework in a satisfactory manner and prepare the relevant safeguards documents.

During the implementation of the LARAP or the ALARAP, Ilker Bank will monitor the implementation. Upon the transfer of ownership of the land to the municipality or municipal water and wastewater utility, based on appropriate documentation inform the Bank that the expropriation or resettlement process is over and the municipality or municipal water and wastewater utility has full control of the land. Only after the expropriation process is over, following the specifications included in this framework policy document and including payment of all compensation and provision of all assistance required, construction process would start to be financed by the World Bank.

To improve the supervisory role of the Ilker Bank, based on the lessons learned from the Municipal Services Project and SCP I and II, Ilker Bank PMU, as well as staff involved at the municipal level, will be provided training on the WB safeguards policies. As Ilker Bank signs sub-loan agreements with municipalities, contact staff who will be involved with land acquisition and resettlement aspects of the project at the municipal level will be identified. The World Bank, together with Ilker Bank, will provide initial training and support on OP 4.12 safeguards requirements to such municipal staff, after which Ilker Bank will assume responsibility for implementation support to the municipalities.

## **10. Grievance Redress Mechanism & Right for Litigation**

Under Turkish Law, the landowner can file an annulment lawsuit at administrative jurisdiction and correction lawsuit against mistakes of fact at jurisdiction within thirty (30) days of the official announcement of intent to expropriate. After failure or refusal to negotiate and at the conclusion of a court settlement, the owner can appeal the compensation level stated in the judgment at the Supreme Court of Appeals.

Moreover, to comply with OP 4.12 and to reduce the cases of litigation, the followings will be implemented:

1. The Municipalities and municipal water and wastewater utilities will assign a community liaison officer (CLO). The CLO will be in close contact with the representative of the affected people. The representative will be chosen by the community that will be impacted by the project in a participatory, accessible and transparent manner. The CLO needs to be accessible to the affected people. Depending on the severity of impact and the need of different municipalities, contact numbers of responsible officers will be provided to the affected people. CLO will arrange meetings during the implementation of the LARPF in a

place and time which is accessible to the affected people and will be in communication with them in advance, depending on a given situation. In either case, CLO will keep grievance logbook where he/she documents all received grievances, how these were responded to and resolved, and the time taken for these actions to happen. Besides keeping the logbook, two grievance forms will be used for grievance mechanism. First forms will be comprised as “grievance application form”. Following corrective action and redressing the grievance “close out” for is filled by the CLO. Sample Grievance Form is added as Annex 5 for the Municipality/Utility to use. The CLO mechanism is not a legal mechanism and only can address issues related to compensation amount, entitlement issues, problems which may come up during the processes of land acquisition and resettlement, among other things. The CLO will try to work with the affected party to solve the issues brought to him/her through negotiation and reaching an agreement with the affected parties to avoid or minimize, to the extent possible, the need for involvement of the formal channels for dispute resolution such as courts. Information on the CLO will be included in the LARAPs.

2. More generally, the following information in the following format will be included in all of the LARAPs:

<b>Level</b>	<b>Authority</b>	<b>Method</b>	<b>Procedures</b>	<b>Response Time</b>
2.	Community Liaison Officer (CLO) Municipality (phone number, address, e-mail)	In person, by phone, by writing, electronically - in all cases grievances will be recorded in a grievance logbook.	Lodging of grievance will be confirmed.  Grievance will be assessed. If needed will be examined on-site  Response / redress of grievance will be communicated to petitioner.  If cannot be resolved, Level 3 or Court of First Instance depending on grievance.	2 weeks
3.	Iller Bank in Ankara (phone number, address, e-mail)	By phone, by writing, electronically	Lodging of grievance will be confirmed.  Grievance will be assessed by the sub-borrower and IB will be informed.  Response / redress of grievance will be communicated to petitioner by the sub-borrower. IB will monitor the sub-borrower to run the grievance mechanism smoothly.	4 weeks

			If cannot be resolved, petitioner will be referred to Court of First Instance.	
5.	World Bank’s Corporate Grievance Redress Service		For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service, please visit <a href="http://www.worldbank.org/GRS">http://www.worldbank.org/GRS</a> For information on how to submit complaints to the World Bank Inspection Panel, please visit <a href="http://www.inspectionpanel.org">www.inspectionpanel.org</a>	
4.	Responsible Court of First Instance (address)	By writing	Pursuant to legal regime	Pursuant to legal regime

Grievance redress mechanism will operate in collaboration with monitoring system. Complaints/grievances of women will be logged separately for easy monitoring of any possible gender specific vulnerability.

Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or also to the World Bank’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB’s attention, and Bank Management has been given an opportunity to respond. The contact details for the World Bank GRS are:

Email: [grievances@worldbank.org](mailto:grievances@worldbank.org)

Fax: +1-202-614-7313

Letter: The World Bank Grievance Redress Service (GRS) MSN MC 10-1018, 1818 H St NW Washington, DC 20433, USA

## 11. Funding

The land acquisition and resettlement process for the investments will be carried out by the Municipalities or municipal water and wastewater utilities. Iller Bank will confirm that the process followed is in line with relevant Turkish laws and World Bank policies, mainly OP 4.12. Iller Bank-PMU, will assist monitoring the processes of land acquisition and resettlement, noting when the process is out of compliance, and reporting to the Bank on progress made on regular basis.

Municipalities and municipal water and wastewater utilities will finance the land acquisition and resettlement from their own sources of financing.

## 12. Consultation & Participation

A key step in World Bank policies on resettlement, land acquisition and compensation is a framework for public consultation, participation, and the establishment of a process to redress the grievances of affected people.

This LARPF will be officially disclosed on the website of the Ilker Bank in both English and Turkish languages and distributed as hard copies to all interested parties. In addition, it will be available in all relevant Municipalities or municipal water and wastewater utilities and posted in their web site. It will also be made available through the WB's external website. The ESMF has been disclosed on 29.03.2019 on Ilker Bank's website. ILBANK has already conducted a public consultation meeting on March 27, 2019 in order to introduce the SCP II AF Project and its relevant safeguards documents including the ESMF and LARPF.

The stakeholder Participation Meeting has been conducted on March 27, 2019 and the following institutions were invited:

- General Directorate of Land Registry and Cadaster
- General Directorate of Local Administrations
- Union of Municipalities
- General Directorate of Environmental Impact Assessment , Permitting and Inspection
- General Directorate of National Estate

Among the invited parties, Environmental Impact Assessment, Permitting and Inspection General Directorate did not attend to the meeting.

In the Stakeholder Engagement Meeting, “Environmental and Social Management Framework (ESMF)” which has been prepared in line with WB OP 4.01 and Turkish Regulation and “Land Acquisition and Resettlement Framework (LARPF)” which has been prepared in line with WB OP 4.12 were discussed. At the end of the meeting, question and answer session was held. Participants list and minutes are prepared for the meeting and is presented in Annex 6.

During the preparation of the LARAPs at the municipality level, consultations will be held with project affected people to discuss the LARPF and/or the draft LARAP to ensure participation and that everyone's opinions are taken into account. Consultation and participation will be held in an accessible and meaningful manner. LARPF and/or LARAPs will be disclosed before meetings for affected persons to view and discuss. Municipalities and/or Ilker Bank will respond to affected person's questions in the consultation meetings. Consultation meetings, attendants and issues raised will be documented.



### 13. Monitoring

The purpose of monitoring will be to verify that:

- Actions and commitments described in the LARAP are implemented fully and on time
- Eligible affected people receive their full compensation entitlements within agreed time frames
- Complaints and grievances lodged by project affected people are followed up and that where necessary, appropriate corrective actions are implemented

Primary monitoring responsibility will rest with Municipality or Municipal Water and Wastewater Utility. For monitoring, administrations preparing LARAP will insert above-mentioned bullets into their reporting formats and they will send these Reports to Ilker Bank to be submitted to the Bank. Municipality or Municipal Water and Wastewater Utility has the responsibility to ensure that project implementation is fully consistent with the LARPF and also to provide for adequate monitoring and reporting of the activities set out in the LARAP.

Ilker Bank will monitor the processes of land acquisition and resettlement, noting when the process is out of compliance, and reporting to the Bank on progress made every six months in accordance with the reporting format in Annex 4. The Reporting Format in Annex 4 will also be used by Municipalities / Utilities to report to Ilker Bank on LARAP progress.

In addition, the World Bank will, as noted above, in its regular supervision missions also monitor the processes and if needed recommend mitigation measures to resolve any outstanding issues.

## **Annex 1. Outline for Land Acquisition and Resettlement Action Plan**

1. Description of Project and Potential Impacts
2. Objective and Rationale for Preparing LARAP
3. Legal Framework
4. Survey of Affected Persons and Assets (baseline census, asset inventory and socioeconomic survey information)
5. Valuation, Compensation (specific compensation rates and standards)
6. Policy entitlements related to any additional impacts identified through the census or survey, Entitlement Matrix
7. Description of Resettlement Sites and Programs for Improvement or Restoration of livelihoods and Standards of Living, (*including Resettlement Implementation Plan –RIP- and Income Restoration Plan – IRP-*) – description of resettlement sites can be explained only should there be any physical displacement, otherwise the document will discuss livelihood restoration strategy if need be for economic displacement
8. Implementation Schedule for Resettlement Activities
9. Public Consultation and Disclosure Activities for LARAP
10. Institutional Responsibility of Implementation
11. Procedures for Grievance Redress
12. Monitoring and Implementation
13. Timetable and Budget with Detailed Cost Estimate

## **Annex 2. Outline for Abbreviated Land Acquisition and Resettlement Action Plan**

The abbreviated LARAP should include minimum the following elements:

1. A census survey of project affected people and valuation of assets
2. Description of compensation and other land acquisition and resettlement assistance to be provided
3. Consultations with affected people about acceptable alternatives
4. Institutional responsibility for implementation and grievance redress procedures
5. Arrangement for monitoring and implementation
6. Timetable and budget.

### Annex 3. Ex Post Social Audit Format

1. Information About Project	
Name & Location of Sub-project	
Project Cost	
Key Dates of Implementation	
Project Components & Land Requirements	

2. Entitlement Matrix				
Project Component	Project Impact	Category of Affected Person	Entitlement	Additional Provisions

3. Inventory of Land & Assets Acquired from Private Owners (Completely Volunteer Purchased) (Provided in Excel Sheet)
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3.1. Inventory of Land & Assets Acquired from Private Owners (Expropriation)	
Name of Owners/land user	
Project Component: Area(s) / plots(s) acquired (ha)	
Owner's/user's total land holding (ha); % taken for project	
Land use: pasture, agriculture, residence, etc.	
Inventory of any structures or other fixed or productive assets (wells, fences, trees, field crops, etc.) affected	
Indicate if land was rented or informally used by another party	
Indicate if non-owner users had assets, trees, crops, etc. affected	
Indicate if land-based activity is significant source of income for owner or land user	
Compensation paid (add transaction fee)	
Dates delivered	
Impact on income of owner	

3.2 Inventory of Public, Community, or State Land Acquired
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Land parcels / plots acquired (ha)	
Land type / land use: Forest, commons for grazing, other	
Ownership: State, community, other. Structures or other fixed assets	
Compensation, land transfer, or other measures to mitigate impacts on land users. Specify measures and dates of delivery	

<b>4.Consultations, Communications &amp; Management of Grievances and Implementation Issues</b>
<p><b><u>General Information About Project and Project Area:</u></b></p> <p><b><u>Consultations, Communications &amp; Management of Grievances:</u></b></p> <p><b><u>Identification of Vulnerable PAPs:</u></b></p>

## **Annex 4. LARAP Progress Reporting Format**

**Ilker Bank will report to the Bank in every 6 months on the status of land acquisition and resettlement under the project. The sub-loan agreements between Ilker Bank and municipalities/ water and wastewater utilities will reflect that:**

- Municipalities / Water and Wastewater Utilities will be responsible for resettlement and land acquisition as per Municipal Law (Law No. 5393), Expropriation Law (Law No. 2942) and Law concerning amendment to the Expropriation Law (Law No.4650), other relevant laws and OP. 4.12; and;
- Ilker Bank will monitor resettlement and acquisition under Expropriation Law (Law No. 2942) and Law concerning amendment to the Expropriation Law (Law No.4650), other relevant laws (such as Resettlement Law if applicable/implemented) and OP. 4.12.

A short report should be submitted to the Bank if there is any land acquisition or resettlement involved. The following format is used as the basis for the report. Each report should include for each case the number of consultation which took place with people, dates of the consultation and places where the consultation took place. The sample of the Reporting format below will be prepared by the Municipalities / Utilities to be submitted to Ilker Bank. After the review of Ilker Bank, the reporting format will be submitted to the Bank:

### **Sustainable Cities Project (SCP)-II AF (LARAP) Progress Report**

*The cover of the Report should include date of preparation and the reporting period as (month) to (month) 20XX*

#### **1 - Sub-project Description**

Brief description / overview of the sub-project, including: any associated or linked facilities needed for its functionality and success, including those linked facilities financed by other sources; key components; reports should up-date any changes or variations in design which may change land access requirements. *(This section remains relatively unchanged in the reports unless there is change in design).*

#### **2 – Implementation Summary**

The summary of all tasks and activities undertaken up to date on land acquisition and/or resettlement should be provided. Progress on issues such as negotiations for land, court cases, compensation payments, community engagement, site selection, physical relocation, livelihood restoration and grievances should be explained.

#### **3 - Emerging Issues and Recommendations**

This section should describe the key issues and report on its state of resolution / non-resolution.

#### **4 –Follow-up on Previous Recommendations**

This section will not exist for the first report as it will not have any follow up requirements from a previous period. As of the second report this section will provide information on key issues brought up in the previous report and measures taken to mitigate them. Any unresolved issue will once again be pointed out in this section.

#### **5 – Conclusion**

General progress of LARAP implementation will be evaluated and future actions in line with the recommendations will be discussed in this section.

#### **6- Summary Tables for LARAP Implementation**

In line with its monitoring indicators set out in the LARAP, this section will provide through several tables, both period specific and accumulated information on LARAP implementation. The tables can be provided separately in an excel worksheet or directly under this section depending on the content of information presented. *(An excel sheet with several tables have been provided as reference and can be adapted as necessary to each sub project.)*

## Annex 5. Sample Grievance Forms

Page 1 part must be shared in the project site and village/district headmen's office in order to collect written complaints from the locals.

If the complaint is received via phone or verbally through meetings and visits to sponsor (either in its office or site) grievance form must be filled by the Community Liaison Officer (CLO) assigned by the sub-borrower.

If the complaint is received via mail or email, grievance form can be filled by the Community Liaison Officer (CLO) assigned by the sub-borrower, or the email print-out or mail can be attached to the close-out form.

<b>GRIEVANCE REGISTER FORM</b>			
Name of Person receiving grievance:		Date:	
Title:			
<b>INFORMATION ABOUT COMPLAINANT</b>		<b>Ways of Receiving Grievance</b>	
Name – Surname		Phone	<input type="checkbox"/>
Phone number		Meetings	<input type="checkbox"/>
Address		Application to Office	<input type="checkbox"/>
Village		Mail/email	<input type="checkbox"/>
Signature (if possible)		Field visit	<input type="checkbox"/>
		Other: .....	<input type="checkbox"/>
<b>DETAILS OF GRIEVANCE</b>			

Close out form must be filled by the CLO assigned by the sub-borrower.

<b>GRIEVANCE CLOSE-OUT FORM</b>		
<b>ASSESSMENT OF THE GRIEVANCE</b>	Expropriation	<input type="checkbox"/>
	Damages to households or livelihoods	<input type="checkbox"/>
	Environmental and social	<input type="checkbox"/>
	Employment	<input type="checkbox"/>
	Other	<input type="checkbox"/>
<b>Compensation Required:</b>	<input type="checkbox"/> <b>YES</b>	<input type="checkbox"/> <b>NO</b>
<b>RESULT</b>		
<p><b>CLOSE OUT</b></p> <p><i>(This part will be filled in and signed by the complainant and the Community Liaison Officer (CLO) assigned by the sub-borrower when he/she receives the compensation or file is closed-out. (Instead of taking the signature of the complainant, bank receipt can be documented with the form)</i></p>		
<b>Responsible</b>	<b>Complainant</b>	
Name-Surname	Name-Surname	
Date and Signature	Date and Signature (If possible. Reasons of non-signing should be explained)	



## **Annex 6. STAKEHOLDER CONSULTATION MEETING MINUTES AND ATTENDANCE LIST**

**SUSTAINABLE CITIES PROJECT-II (ADDITIONAL FINANCE)  
ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK  
LAND ACQUISITION AND RESETTLEMENT FRAMEWORK  
MINUTES OF MEETING**

**27.03.2019**

**QUESTION 1 (General Directorate of National Estate):** Within the scope of the project, it was stated that only 2942 Expropriation Law was used and different land acquisition methods such as permutatio (trampa) could be used in big projects such as the project realized in Ceyhan Private Industry Specialized Region. With this method, it is stated that alternative lands can be proposed to the owners by using the equivalence principle. In addition, it is stated that by using Article 18 of Law no. 3194, the citizens have not been behaved unjustly. It is also stated that there are other means of implementations for land acquisition. For example, for agricultural lands, land consolidation can be made by zoning application.

**ANSWER:** Since the impact area of the project is limited, it is stated that only the Expropriation Law is focused on and that land acquisition transactions do not only include expropriation; it is stated that the establishment of the right of easement and the temporary leasing of the land are also used. In addition, it was stated that there would not be projects such as large dam projects, and therefore a collective resettlement within the scope of the project was not expected. Considering the risk of not finding an equivalent land, permutatio (Trampa) was not considered as a method in the Framework documents.

Currently, local administrations to be invested have not been identified. With the determination of the municipalities that will benefit from the loan, they will determine the legal regulations that are appropriate for their own projects for land acquisition.

The general approach in projects financed by the World Bank is to complete the investment by keeping the land acquisition operations to a minimum.

**QUESTION 2 (General Directorate of National Estate):** During the preparation of the project, it was asked whether a study was carried out regarding the zoning plans and technical infrastructure requirements.

**ANSWER:** The first series of the Sustainable Cities Project includes a planning component funded by the European Union as a grant. However, the investment component of the Project and the planning component are carried out in parallel to meet the increasing urgent investment needs of the local governments with the entry into force of Law No. 6360.

Two mandatory plans (Capital Investment Plan and Integrated Urban Water Management Master Plan) will be made for 10 selected municipalities and Water and Sewerage Administration. In this way, local governments will be able to plan their investments for a long term with a holistic approach.

**QUESTION 3(General Directorate of Local Governments):** It was asked whether the EU Funds and the World Bank funded projects can be carried out together.

**ANSWER:** There is an example of a 3 billion-euro FRIT project financed by the EU as a grant for use in the southeastern provinces of Turkey where the Syrian host community is existing substantially. The European Union makes use of this financing by using International Finance Institutions (World Bank, French Development Agency, etc.) as an intermediary. In this context, the grant is provided to be spent by the procurement rules and environmental and social safeguard policies of the mentioned Financial Institutions. Our priority is to use the grant resources provided to our country and in case of further need to apply to the use of loans.

**QUESTION 4 (General Directorate of Land Registers):** The sectors financed under SCP-2 (Additional Loan) are also financed by internal financing by İller Bank. For example, Bicycle Road Projects are funded by İller Bank with a grant of 45%. How will local governments make their preference?

**ANSWER:** In general, general information was given about the loan conditions of the World Bank and it is stated that there are appropriate long-term loans with 5-year grace period. As the World Bank is a non-profit development bank, they are able to provide low-interest loans with long-term. However, based on the prepared Feasibility Reports, local governments will be able to decide on the loans which they will use.

Ilker Bank – Sustainable Cities Project-II (AF) – Land Acquisition & Resettlement Policy Framework





TOPLANTI KATILIMCI TUTANAĞI						
Tarih:	27 Mart 2019					
Yer:	İller Bankası - Gukurambar - 4.Kat Toplantı Odası					
Konu:	SŞP-2 (Ek Finansman) Paydaş Katılım Toplantısı					
No	Ad-Soyad	Kurum	Görev	Telefon	e-posta	
1	Okan AKSUOĞLU	Temel Yönetimler Gn.Md.	Genel ve Şeh. Uzmanı	410 81 62	okan.aksuoglu@csb.gov.tr	
2	Ahmet ERUN	Türkiye Belediyeler Birliği	Proje ve Finans Uzmanı	421 90 00	ahmet.erun@tbb.gov.tr	
3	Ahmet ALGUN	Tapu ve Kadastro G.	Tapu ve Kadastro Uzmanı		ahmet.algun@tsm.gov.tr	
4	Esra ARIKAN	Dünya Bankası	Genel Uzman	4598377	earikan@worldbank.org	
5	Dila F. UYKUSU	İLBANK A.Ş.	Teknik Uzman	508 79 36	duykusut@ilbank.gov.tr	
6	Merve YUZUKURAN	Dünya Bankası	Genel Uzman	4598377	merve.yuzukuran@worldbank.org	
7	Pınar Eray	Dünya Bankası	SESYEL Uzmanı		kerem@worldbank.org	
8	Cemal GÜLHAN	İLBANK A.Ş.	Teknik Uzman	50779 32	cgulhan@ilbank.gov.tr	
9	Selvak AYDEMİR	Millî Emek G-M	D. BİK	586 2813	selvak.aydemir@csb.gov.tr	
10	Ayfer ZARARLI	İLBANK A.Ş.	Teknik Uzman	508 79 27	ayfer.zararli@ilbank.gov.tr	
11	Günel EVDEROĞLU	İLBANK	Teknik Uzman	508 79 45	zeynep@ilbank.gov.tr	
12	Sevil UYSAL	İLBANK	Teknik Uzman	508 79 03	sevil@ilbank.gov.tr	
13	Gaye ASLAN	"	Müdür		gayslan@ilbank.gov.tr	



TOPLANTI KATILIMCI TUTANAĞI						
Tarih:	27 Mart 2019					
Yer:	İller Bankası Gülcambaz - 4. Kat Toplantı Salonu					
Konu:	SŞP-2 (Ek Finansman) Paydaş Katılım Toplantısı					
No	Ad-Soyad	Kurum	Görev	Telefon	e-posta	
14	Yusuif AK	İller Bankası A.Ş. Ulusal ve Bölgesel İşletme Birimleri	Teknik Uzman	532 580 1878	yak@ilbank.gov.tr	
15	Tamer BAŞAR	"	"	508 7911	tbasar@ilbank.gov.tr	
16	Sine GÜMÜŞEK	"	"	908 7909	sgumus@ilbank.gov.tr	
17	Gülizar Eroglu	"	Uzman	508 7929	geroglu@ilbank.gov.tr	
18	Emre Yalgin	"	Teknik Uzman	508 7916	eyalgin@ilbank.gov.tr	
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