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BANDIRMA NATURAL GAS COMBINED CYCLE POWER PLANT PROJECT SOCIAL MANAGEMENT PLAN



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PLANT PROJECT
SOCIAL MANAGEMENT PLAN**

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ABBREVIATIONS

BOTAS	Petroleum Pipeline Corporation
DOKAY	DOKAY Engineering and Consultancy Ltd.
EIA	Environmental Impact Assessment
H&S	Health and Safety
IFC	International Finance Corporation
NGCCPP	Natural Gas Combined Cycle Power Plant
NGO	Non-Governmental Organization
PROJECT	Bandirma NGCCPP
PROJECT OWNER	ENERJISA Energy Generation Inc.
PS	Performance Standard
SBR	Social Baseline Report
SMP	Social Management Plan
TEIAS	Turkish Electricity Transmission/Distribution Company

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1 PURPOSE AND SCOPE

ENERJISA Energy Generation Inc. (PROJECT OWNER) is planning to construct a natural gas combined cycle power plant (NGCCPP) with 930.75 MW installed capacity in Balıkesir Province, Bandırma District, Sirincavus Village, Hacılibey Location.

The Turkish Environmental Impact Assessment (EIA) Regulation does not require the conduct of social impact assessment. Because of the importance the PROJECT OWNER attaches to the social issues in line with its adherence to the Equator Principles, it has carried out such an assessment. In so doing, it used the guidance provided by International Finance Corporation (IFC) Performance Standards (PS) on Social and Environmental Sustainability. Furthermore, in accordance with these PS, the PROJECT OWNER established a Social Management Plan (SMP) for the Bandırma NGCCPP and its ancillary facilities (access road, transmission lines etc.) (PROJECT) as presented in this document.

The objectives of the SMP are to:

- Discuss the potential social issues and possible social impacts of the PROJECT;
- Specify the mitigation measures to be taken by the PROJECT OWNER; and
- Propose a social monitoring and evaluation framework.

This document basically comprises five sections. Following this introductory part, Section 2 summarizes the legislative framework of the PROJECT with regard to social aspects. Section 3 provides the key findings of the Social Impact Assessment (SIA) and mitigation measures. Section 4 outlines institutional responsibilities to fulfill social commitments and Section 5 provides key indicators for information about the monitoring and evaluation of the social performance.

2 LEGISLATIVE FRAMEWORK

The set of regulations to be complied with within the scope of the PROJECT were provided in the EIA Report. The relevant national and international legislation and standards regarding the social aspects of the PROJECT can be summarized as follows:

TURKISH LEGISLATION:

- The Act on Occupational Health and Safety (Official Gazette dated September 12, 1974 and numbered 15004)
- Labor Health and Safety Regulation (Official Gazette dated December 09, 2003 and numbered 25311)
- Regulation on Occupational Health and Safety (Official Gazette dated January 11, 1974 and numbered 14765)
- Labor Law No: 4857 (Official Gazette dated June 10, 2003 and numbered 25134)

INTERNATIONAL CRITERIA:

- International Labor Organization (ILO) Standards
- IFC Performance Standards (those applicable for the PROJECT)

IFC PS. I "Social and Environmental Assessment and Management Systems"

IFC PS. II "Labor and Working Conditions"

IFC PS. IV "Community Health, Safety and Security"

- Equator Principles (those applicable for the PROJECT)

Principle 2: Social and Environmental Assessment

Principle 3: Applicable Social and Environmental Assessment

Principle 5: Consultation and Disclosure

Principle 6: Grievance Mechanism

3 SOCIAL IMPACT ASSESSMENT

As an initial step of the community consultation process, a field survey has been conducted in Bandirma between September 17 and 25, 2008. The findings are summarized in the Social Baseline Report (SBR) which is presented in Appendix-1.

The PROJECT is classified as 'Category-B' following the "Procedures for Environmental and Social Review of Projects" of IFC. As such, the PROJECT has only limited environmental and social adverse impacts and these can be avoided or minimized.

In the preparation of the social impact assessment, including those subject to safeguard policies, the following IFC PS were addressed and no potentially adverse impacts were observed:

- IFC PS. I "Social and Environmental Assessment and Management Systems"
- IFC PS. II "Labor and Working Conditions"
- IFC PS. IV "Community Health, Safety and Security"
- IFC PS. V "Land Acquisition and Involuntary Resettlement"
- IFC PS. VII "Indigenous Peoples"
- IFC PS VIII "Cultural Heritage"

3.1 Summary of Baseline Information

3.1.1 *Population Size and Composition*

Among the three project-affected settlements, Bezirci is the most populated. According to the results of the 2000 Population Census, the populations of Sirincavus, Hidirkoy and Bezirci villages are 249, 129 and 368, respectively. All villages have almost equal distributions of male and female populations (Table 1).

Table 1 Populations of Project-Affected Villages by Sex

Villages	Male	Female	Total
Sirincavus	134	115	249
Hidirkoy	70	59	129
Bezirci	183	185	368

With regard to the profiles of the villages by age distribution, Hidirkoý has the youngest age structure with a median age of 25.0, followed by Bezirci (35.2) and Sirincavus (36.6), respectively. In accordance with Table 2, the proportions of the working age population (aged 15-64) in the total village population are 65% for Sirincavus, 74% for Hidirkoý and 69% for Bezirci.

Table 2 Populations of Project-Affected Villages by Age Distribution (%)

Villages	0-14	15-64	65+	Total
Sirincavus	21.3	64.7	14.1	100.0
Hidirkoý	19.4	73.6	7.0	100.0
Bezirci	20.9	69.3	9.8	100.0

3.1.2 Ethnic and Religious Structure

All the three villages are consisted of Muslim Turkish residents. There are no other spoken languages other than Turkish or any other religious affiliations.

3.1.3 Education

On the basis of 2000 Population Census data, Bezirci has the highest literacy rate (94%) followed by Sirincavus (91%) and Hidirkoý (85%). The proportions of the population (aged six and above) who have completed at least primary school are 77% for Bezirci, 69% for Hidirkoý and 67% for Sirincavus (Table 3).

Table 3 Populations (aged six and above) of Project-Affected Villages by Educational Attainment (%)

Villages	Total	Illiterate	Literate				
			Not completed any school	Primary School Education	Secondary School Education	High School Education	Graduate and Post-Graduate Education
Sirincavus	100.0	8.5	24.7	57.9	3.0	5.1	0.9
Hidirkoý	100.0	15.3	16.1	54.2	5.9	6.8	1.7
Bezirci	100.0	5.6	17.0	63.7	6.1	4.4	3.2

Education services are provided from the nearby districts. For primary school education, village children are going to the nearest town, Edincik and for high school education, they are going to Bandirma.

3.1.4 Employment and Income

The people working in the villages are mostly farmers, self-employed workers and housewives. The main economic activities are agriculture and animal husbandry.

Table 4 shows the employment status of the village populations (aged twelve and above) based on 2000 Population Census data. As seen from the table, majority of the village populations are currently employed (88.6% for Sirincavus, 87.0 for Hidirkoy and 82.4 for Bezirci).

Table 4 Populations (aged twelve and above) of Project-Affected Villages by Employment Status (%)

Villages	Total	Employed	Unemployed	Not in the labour force
Sirincavus	100.0	88.6	-	11.4
Hidirkoy	100.0	87.0	-	13.0
Bezirci	100.0	82.4	1.3	16.3

As reported by the muhtars of the three villages, the living conditions have deteriorated for the last 5 years due to the increasing prices of agricultural inputs and the decreasing productivity in agriculture.

3.1.5 Health

There are not any major health problems reported by the muhtars of the three villages. However, the reach for any health services is very hard. The nearest health services are in Edincik.

3.1.6 Infrastructure

Roads are poor quality asphalt in the three villages and there has not been any road construction or improvement for the last 5 years.

The villages all have electricity infrastructure.

The three villages have piped water. However, the muhtar of Sirincavus village said that they are receiving water with cut-offs. Moreover, a neighbourhood in Hidirkoy still does not have piped water. The people in this neighbourhood are having their water from their private wells or from the community wells.

There is a sewage system in all the three villages but there is not any treatment and the sewage is discharged into the sea.

The biggest infrastructure problem in the three villages is about garbage disposal. Sirincavus and Bezirci villages have their own village dumps. However, the dumps are not far enough from the settlement areas and there is not a collection system for the garbage. On the other hand, Hidirkoy does not have a village dump. The people are burning, burying or spreading the garbage into the fields.

The three villages all have telephone lines and most households have telephones. Moreover, all the villages are in the coverage of mobile phone operators. Almost all of the people in Hidirkoy and Bezirci, and almost half of the people in Sirincavus have mobile phones.

3.1.7 Attitudes towards the PROJECT

The communities of Sirincavus, Hidirkoy and Bezirci villages in the vicinity of the PROJECT were all very hospitable. It was observed that people had very little information about the PROJECT and they were generally skeptical about new investments due to their previous unpleasant experiences with other industrial facilities. The concerns were mainly on the potential adverse impacts on agriculture, human health and climate. During the village meetings, the issues were clarified in detail through presentations and q/a sessions and the concerns have largely disappeared.

3.2 Social Issues

3.2.1 Demographics and Population

There is a lack of previous community experience with large-scale investments, such as power plants. As such, there is a relative shortage of qualified labor in the affected settlements. Moreover, the communities are also aware of the fact that the employment opportunities associated with the PROJECT will be very limited. A significant number of return migrant villagers is therefore not expected; hence, the population size and structure of the project-affected communities are not expected to change significantly as a result of the PROJECT. Notwithstanding with the above statements, the PROJECT may draw attention to the region and encourage future investment opportunities. Thus, changes in the demographical structure of the region may occur as a result of other investments.

The initial mistrust of the proposed PROJECT and doubts concerning its potential adverse impacts has largely disappeared as a result of the consultation and social assessment

process. At the end of the social assessment process, there is sufficient knowledge of PROJECT specific information among the community leaders as well as the households.

The PROJECT will not cause physical and/or economic displacement. The PROJECT OWNER holds the possession of whole land where the PROJECT with its auxillary facilities (including the switchyard and access roads) will be constructed¹. The auxiliary facilities will involve improvements of existing road network and construction of a 4-km long new road fully within the ENERJİSA property to connect the village road to the power plant boundary.

During the construction phase of the PROJECT, construction power will be supplied from the existing distribution line which is carrying electricity to the villagers. This line is replaced by utilizing the existing right of way and no additional land was required for this purpose. Rather, the existing Turkish Electricity Transmission/Distribution Company (TEİAŞ) right of way was used to avoid additional land acquisition. This new line not only meets the constructional power demand of the PROJECT, but also ensures reliable and continuous power supply to the villages.

For the grid connection, even though the routing studies are still in progress, it is estimated that a 6.5 km long transmission line will be necessary. 4 km of this line will go through ENERJİSA land. Since this line will belong to TEİAŞ, ENERJİSA will hand the ownership of the necessary sections of its own land to TEİAŞ. The remaining 2.5 km section will be acquired for TEİAŞ by ENERJİSA. The land to be expropriated for the footprint of poles is 10 x 10 meters per pole. Also in a 50 meter wide right of way corridor (25 meters on both sides of the centerline of the transmission line, compensation will be paid for establishment of easement rights in accordance with Turkish Expropriation Law. In the area of easement right, construction of new structures is not allowed but agricultural activities can be conducted.

Hence, no residents will be displaced from the Project Site or experience any economic displacement.

3.2.2 Economic Situation

Agriculture, the main economic activity, is in a recession; hence the people are experiencing difficulties in terms of both production and marketing of their crops. The fisheries potential is limited and will not be adversely impacted by the PROJECT.

¹ The ownership of the Project Site formerly belonged to KEAS which was subsequently acquired 100 % by the PROJECT OWNER.

The PROJECT will not have any adverse impacts on incomes as no agricultural land will be acquired; rather it may make a modest contribution to incomes through creation of direct employment in the project as well as increasing the demand for goods and services. During the consultations, it was emphasized that Bandirma is a rapidly industrializing region and this is welcomed by the local people since they perceive it as an opportunity of further socio-economic development rather than a threat to the environment or social life.

The PROJECT will contribute to the local economy through temporary employment during construction phase, local supply of goods and services such as hotel accommodation, flat rentals, entertainment activities, foods, stationary, cleaning materials, clothing, medicine and construction-related goods.

3.2.3 Natural Resource Management and Land Use

The lands in the villages are mostly owned by the villagers and common property resources are either limited or non-existent. The PROJECT is not expected to cause any change in the governing land-use pattern.

3.2.4 Community Organization and Local Institutions

There are no cooperatives or associations in the project-affected settlements.

3.2.5 Social Services and Infrastructure

Desalinated and de-mineralized sea water will be utilized for the water requirement of the PROJECT which includes boiler feeding, daily usage, chemical washing and solution preparation. Thus the PROJECT will not pose any additional burden on groundwater resources in the region which are already at a low level.

No additional pressure is expected on the existing infrastructure system of the region due to the PROJECT. Rather, the PROJECT has already contributed to improvements in the existing road infrastructure.

3.2.6 Vulnerable Groups

Based on the findings of the field survey, all the three villages are consisted of Muslim Turkish residents. There are no other languages spoken or no other religious affiliations.

There are no indigenous peoples, ethnic or religious minorities.

The interaction between the Project Personnel and the locals will be very limited since the Project Area and the construction camp are not in the immediate vicinity of the neighboring communities. The PROJECT will also not pose any traffic-related hazards in the nearby villages. Due to these facts, no adverse impacts are expected on such population groups as children, disabled and elderly that might be considered vulnerable.

3.2.7 Cultural Property

There are no cultural assets such as archaeological remains in both the Project Site and the Impact Area. Nevertheless, the ongoing construction works will immediately be ceased in case any archaeological remains are found and the Balıkesir Culture and Tourism Provincial Directorate will be informed.

3.2.8 Social Conflict

Since a number of employees will be settled in the Project Area during both construction and operation phases, potential conflicts may be expected between the staff and local people. However, since the Project Area and the construction camps are not in the immediate vicinity of the neighboring communities and personnel will be provided food and water within the camp facility; as such, the interaction between the parties will be very limited. A proper Workers' Code of Conduct shall be developed. Construction Camp Management Plans shall address the relevant issues. The Workers' Code of Conduct shall include respect for local residents; an adequate alcohol and drugs policy (both in and out of work hours); and a description of disciplinary measures for infringements of the code and camp rules.

3.2.9 Health

There are no major health problems in the project-affected settlements. No adverse environmental impacts on public health are anticipated as a result of the PROJECT. The potential impacts regarding air, water and soil quality as well as noise and traffic levels and the corresponding mitigation measures are given in detail in the EIA Report.

An infirmary will be established in the power plant site. The infirmary will treat small work accidents occurring at the facility and cases for which urgent attention is needed. Other health care needs of the employees shall be provided by the health institutions available in the region. The infirmary will not be open to nearby communities due to health and safety concerns.

All workers will undergo medical checkup before arriving at the site to ensure that their health condition is appropriate for working at the site in terms of serious health problems.

3.2.10 Induced Impacts

Power plants usually attract other auxiliary investments to the area. Thus, an increase in the land values can be expected as the lands around the Project Site are available for new investments.

3.2.11 Cumulative Impacts

As stated above, the PROJECT would attract secondary industries as well as new investments in the region. Thus, further direct and indirect improvements are expected in improved socio-economic status of the local residents in the long-run.

3.3 Summary of Impacts and Mitigation Measures

On the basis of the discussion on social issues in the previous section, it can be concluded that no significant adverse impacts are expected on the communities due to the PROJECT. Nevertheless, the potential social impacts along with the associated mitigation measures are presented in Table 5.

Table 5 Potential Social Impacts of the PROJECT and Mitigation Measures

Potential Impacts	Proposed Mitigation Measure
Social Conflict	- Implement a Community Relations Induction training for the Project personnel on the cultural sensitivities of the Project Area and Workers' Code of Conduct. - Encourage respectful behaviour at the workplace and among the community with an anti-discrimination policy that does not accept any discrimination or harassment.
Construction Impacts	- Inform local people prior to any disruptions to infrastructure and provide with alternatives in case the disruption exceeds 12 hours.
Community Health & Potential Diseases	- Ensure all workers undergo medical check-up before arriving to site. - Comply with national legislation on environment and health and safety (H&S).

The positive social impacts that are experienced and expected to be sustained throughout the PROJECT are listed as follows:

- **Infrastructure Improvements**

Under the written authorization of Balıkesir Governorship, the existing 2-km village road connecting the highway to the surrounding villages has been upgraded to meet heavy-load transportation standards of the construction. This renovation helped the villagers to transport their harvest easily. In addition, a 4-km long new road is constructed fully within the ENERJISA property to connect the village road to the power plant boundary and it will open to public usage.

- **Employment Opportunities**

At present, almost 28 people are working in the PROJECT from nearby residential areas. According to the results of job application reviews, this number is expected to increase as construction works speed up along with the progress of the PROJECT. During the operation phase, the number of workers will decrease and, will be limited to skilled personnel only.

- **Local Supply of Good and Services**

The PROJECT has already started to contribute to the local economy through local supply of goods and services. It is expected that 3% of the total investment amount of about 600 million USD will stay in Bandırma for general expenditure of the project stuff such as hotel accommodation, flat rentals, entertainment activities, foods, stationary, cleaning materials, clothing, medicine etc. About 5% of the total investment amount is expected to be devoted to supply of construction-related goods from the region. The expenditures within the region shall be followed up from the progress reports.

- **Community Investment Projects**

The PROJECT OWNER has made an initiative for the establishment of a high school ("*Fen Lisesi*") in Bandırma. The consultations with the relevant authorities are ongoing. The budget dedicated for this project is about 1.5 million Euro.

It is important to emphasize that the community investment projects will be implemented depending solely on the good will of the PROJECT OWNER rather than as a social commitment.

4 RESPONSIBILITIES OF THE PROJECT OWNER

The primary purpose of the PROJECT throughout its lifetime is to build and maintain positive relationships with local communities and potentially affected or interested stakeholders and groups as well as disclosing information to them. Within this framework, the main responsibilities of the PROJECT OWNER and the current status on the implementation of these items are listed as follows in Table 6:

Table 6 Main Responsibilities of the PROJECT OWNER and Status of Implementation

Responsibility	Status of Implementation
Assign a Community Liaison Coordinator (CLC) based at the Project Office to co-ordinate community relations activities and liaison needs as well as to sustain the good reputation of the PROJECT OWNER.	✓ The Community Relations activities are currently undertaken by the Administrative Affairs Coordinator of the PROJECT OWNER who has also attended the community meetings during the field survey.
Provide regular updates regarding the PROJECT to keep community members informed on the progress of the PROJECT through monthly meetings with communities, newsletters, local newspapers and radio announcements etc.	✓ Up to date, the progress on the PROJECT and related activities were disclosed to public through numerous newspaper announcements and press releases will be sustained.
Establishment of a free-phone line for communication between the PROJECT and stakeholders	✓ Applications have been made to the relevant institutions and the free-phone line is planned to be activated within the first half of 2009.
Set up a grievance mechanism for stakeholders and community members which enables the proper recording of the complaints (if any) as well as the monitoring of their resolution process.	✓ The Grievance Mechanism is anticipated to be incorporated to the social management system by the beginning of 2009.

5 MONITORING AND EVALUATION

The following activities will be carried out:

- The PROJECT OWNER will publish yearly progress reports that discloses the socio-economic and community standing of the PROJECT (including but not limited to the number of complaints received, addressed and closed, number of local workers, community and stakeholder meetings held, any favours realized within the scope of community investment, local expenditure amounts etc.).
- Bi-annual visits will be made to the field by the corporate social expert to report about the social performance of the PROJECT through settlement level questionnaires and focus group meetings.

The social performance of the PROJECT will be measured against the following Key Performance Indicators (KPI's) presented in Table 7. The PROJECT will be considered as successful in case the targets are achieved:

Table 7 Key Performance Indicators

Key Performance Indicator	Target
Number of Community Meetings	Before the start of operation Once in two years during operation phase In case required
Complaints (Addressed within seven days)	100 %
% of the Project Personnel with Community Relations Induction Training	100%

REFERENCES

- Bandirma NGCCPP EIA Report
- Bandirma NGCCPP Environmental Management Plan
- “Good Practice Note: Addressing the Social Dimensions of Private Sector Projects”, IFC, December 2003.

APPENDIX 1-SOCIAL BASELINE REPORT