

# Menzelet and Kilavuzlu HEPP Projects

Stakeholder Engagement Plan (SEP)

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## 1. Table of Contents

1.	Introduction .....	4
1.1	Project Background .....	5
1.2	Project Components and Responsibilities .....	5
2.	Regulatory Requirements of Stakeholder Engagement .....	7
2.1	National Requirements (not applicable to the Project).....	7
2.2	International Requirements.....	7
2.2.1	Equator Principles III.....	7
2.2.2	EBRD Performance Requirements.....	8
3.	Summary of Previous Stakeholder Engagement Activities .....	9
4.	Stakeholder Identification.....	12
5.	Stakeholder Engagement Plan .....	15
6.	Grievance Mechanism .....	17
6.1	Objectives.....	17
6.2	Types of Grievances.....	17
6.3	Grievance Procedure.....	17
7.	Timetable .....	19
8.	Monitoring and Reporting.....	19
9.	Responsibilities.....	19
10.	Contact Information for the Public.....	20
	Appendix A Grievance Form .....	21
	Appendix B Leaflet on How to Report a Public Grievance .....	22

## 2. Figures

Figure 6-1.	Grievance Procedure Diagram .....	18
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## 3. Tables

Table 1-1.	Authorities and Responsibilities of the Related Governmental Organisations/Parties over the Project Components.....	6
Table 3-1.	Stakeholder Meetings Conducted in the scope of the Need for the Environmental and Social Due Diligence (ESDD) Study .....	9
Table 3-2.	Concerns, Questions, Expectations and Suggestions Raised During Stakeholder Meetings.....	10
Table 4-1.	Local Communities Identified as Key Stakeholders of the Project.....	12
Table 4-2.	Stakeholder List.....	13
Table 5-1.	Information/Documents to be Shared and Methods to be Used for Information/Communication .....	16
Table 7-1.	Tentative Timetable for Stakeholder Engagement Activities .....	19

## 1. Introduction

This Stakeholder Engagement Plan (SEP) has been prepared for the Menzelet and Kilavuzlu Hydroelectric Power Plants (“Menzelet and Kilavuzlu HEPP Project”, “the Project”, “HEPPs”), which are planned to be operated by ENTEK Elektrik Üretimi A.S. (ENTEK) and/or through a company whose shares are wholly owned by ENTEK (“Project Owner” or “Company”) in Kahramanmaraş province, within the administrative borders of Onikisubat district.

ENTEK, an affiliate of Koç Holding active in the area of electricity generation, won the tender for the privatisation of the Menzelet and Kilavuzlu HEPPs in September 2017. Menzelet and Kilavuzlu HEPPs are currently being operated by the state-owned Electricity Generation Company (EUAS). The final resolution of the High Council of the Privatization for the effectuation of the privatization process, approving the tender was issued on 5<sup>th</sup> of December, 2017. The Company will provide an additional temporary bank guarantee to Privatization Administration until the end of 2017 and then, the negotiations regarding the transfer of the operating rights agreement (TOORA) will start between Privatization Administration and the Company. During the negotiations of TOORA, the Company will apply to the Energy Market Regulatory Authority (EMRA) in order to obtain an electricity generation license for Menzelet and Kilavuzlu HEPP Project and will execute a water usage agreement with the Turkish State Hydraulic Works (DSI) simultaneously. The operating rights of the Menzelet and Kilavuzlu HEPPs, along with the immovable assets used by them, will be transferred to the Company for 49 years through the TOORA (to be signed between the Turkish Privatization Administration, EUAS and the Project Owner). In this SEP, “the Project” refers to the “transfer of the operating rights of the Menzelet and Kilavuzlu HEPPs” to the Company for 49 years, starting from the execution date of TOORA. Accordingly, the Project subject to this SEP includes the hand over, any improvement work to be done at the existing HEPPs and operation of the HEPPs by the Company throughout the TOORA duration.

Menzelet Dam and HEPP Project was classified as an “out of scope Project” according to the Turkish EIA Regulation’s Temporary Article 2 because of the date when it is put into first operation (1992). Thus, no full or limited EIA report was required for the existing HEPP activities. Official view of Kahramanmaraş Governorate (dated June 2016) and official views of the governorates of Kahramanmaraş, Hatay and Gaziantep (dated 2012) confirm that the Menzelet HEPP Project is exempted from the requirements of the EIA Regulation.

Kilavuzlu Dam and HEPP was also classified as an “out of scope Project” according to the Turkish EIA Regulation’s Temporary Article 3, as the Project had been taken into public investment program in 1977 (which is before the date 23 June 1997) and has started operation in 2012 (which is before the date 29 May 2013). Official letters of General Directorate of DSI (dated 2012) and Governorates of Kahramanmaraş, Hatay and Gaziantep confirm that the Kilavuzlu HEPP Project is exempted from the requirements of the EIA Regulation.

For the development of the Project, the Company is considering obtaining finance from a group of banks, including the European Bank for Reconstruction and Development (EBRD) and other commercial banks. In line with the international categorisation approach and criteria of the EBRD, the Project has been assessed as a “Category B” Project. Therefore, the need for preparation of a disclosure package (Disclosure Package) consisting of a Non-technical Summary (NTS) and, a Stakeholder Engagement Plan (SEP) has arisen. For this purpose, ENTEK has retained AECOM Turkey Consultancy and Engineering Limited Company (“AECOM”) in November 2017 for the development of the Disclosure Package for the Project in line with the Equator Principles III (June 2013) and the EBRD Performance Requirements to inform its decision making process on financing the Project.

The SEP has been developed in accordance with the applicable international guidance provided by the Equator Principles III (June 2013) and the European Bank for Reconstruction and Development (EBRD, May 2014). In line with the applicable requirements of the international standards, it has been designed to guide the Company for implementing a structured stakeholder consultation and engagement process during the implementation of the Project by taking Company’s existing sustainability, health and safety policies and standards applied in all of its investments into consideration.

The SEP identifies Project’s stakeholders and provides a framework for the consultation, engagement and disclosure activities, and a grievance mechanism for the stakeholders to raise their concerns about the Project and provide feedback and comments about the Company’s activities. Resources and responsibilities for the implementation and the means of monitoring and reporting on consultation and disclosure activities are also outlined in the scope of the SEP. The SEP will be a living document that will be regularly monitored, reviewed and updated by ENTEK throughout all stages of Project implementation. The Company will commission a competent team for the implementation of the SEP activities.

## 1.1 Project Background

Menzelet Dam and HEPP is located around 13 km (air distance) northwest of the Kahramanmaras city centre. It was constructed by DSI on Ceyhan River between 1980 and 1989 and taken into operation in 1992. The closest settlements to the HEPP are Saricukur and Bulutoglu neighbourhoods. Access to both Menzelet and Kilavuzlu HEPP sites from Kahramanmaras direction is provided by using D825 Kayseri-Kahramanmaras State Road.

Menzelet Dam and HEPP is a multipurpose facility, which was constructed to generate electricity by making use of the flow of Ceyhan River and to meet irrigation needs. Current use of the Project is electricity generation and flood protection (supply of irrigation water is not included in the current Project). Installed capacity of the Menzelet HEPP is 124 MW (4 x 31 MW). Connection of the electricity generated at the Menzelet HEPP is done through 154 kV energy transmission lines established between the switchyard site and 3 different transformer stations (TS); namely Goksun TS, Maras TS and Kilavuzlu TS. Operation and maintenance of these energy transmission lines (ETL) are under the authority and responsibility of TEIAS.

Kilavuzlu Dam and HEPP is located around 11 km (air distance) west-northwest of the Kahramanmaras city centre, near the Kilavuzlu neighbourhood in Onikisubat district. The Project was constructed by DSI Works 7 km downstream (air distance) of the Menzelet HEPP between 1996 and 2011. The HEPP was taken into operation in 2012. Kilavuzlu Dam and HEPP has been constructed for energy generation and irrigation purposes. Installed capacity of Kilavuzlu HEPP 54 MW (4 x 13.5 MW). Connection of the electricity generated at the Kilavuzlu HEPP is done through a 2.7 km (air distance) 34.5 kV energy transmission line erected between the switchyard site and Kilavuzlu transformer station (TS). Operation and maintenance of these energy transmission lines (ETL) are under the authority and responsibility of EUAS.

Based on information provided by the existing HEPP administrations during the field study, number of personnel currently employed at Menzelet and Kilavuzlu HEPPs are 112 and 56 (as of November 2017), respectively (including the personnel employed directly by EUAS and through service agreements done with contractors). Number and distribution of future workforce will be determined by the Company. The Company will, to the extent possible, maximize employment of local workforce.

There are several existing dam, regulator and HEPP projects at the upstream and downstream of both facilities on Ceyhan River. At the upstream of the Menzelet Dam, Hacininoglu Regulator and Sariguzel Dam and HEPP projects are located. At the downstream of Menzelet Dam and HEPP, Kilavuzlu Dam and HEPP are located. Sir Dam and HEPP is the facility being operated at the downstream of the Kilavuzlu Dam and HEPP.

## 1.2 Project Components and Responsibilities

Menzelet and Kilavuzlu Dam and HEPPs are conventional types of hydropower plants. Main components of each Project include the dam and reservoir, water intake building, surge chamber, penstock, power house (power plant building) including administrative offices, spillway, bottom outlet and switchyard.

Different components/assets of Menzelet and Kilavuzlu Dam and HEPP Projects and their associated facilities are currently under the authority and responsibility of different governmental parties including DSI, EUAS, and TEIAS. Following the completion of construction by DSI, operation of the HEPPs was transferred to state-owned EUAS. After the completion of privatisation process, the Company will replace EUAS and the responsibilities will change as depicted in Table 1-1.

The Water Usage Agreements signed between DSI and EUAS specifies the terms of water usage and operational conditions for Menzelet and Kilavuzlu HEPPs. Regarding the terms of grid connection and system usage, agreements were executed between EUAS and TEIAS.

Following the completion of privatisation and hand over of the HEPPs, the reservoirs, DSI will remain as the authority responsible from the operation and maintenance of dams and the spillways of the Menzelet and Kilavuzlu Projects. HEPPs, including all related immovable assets, water intake structure, penstock, surge chamber, tail water gates and the switchyard (for Kilavuzlu) will be operated by the Company following the execution of TOORA.

**Table 1-1. Authorities and Responsibilities of the Related Governmental Organisations/Parties over the Project Components**

Related Organisation/ Party and the Project			 and/or the Company	
	State Hydraulic Works (DSİ)	Existing Operator of the HEPPs prior to Privatisation	Operator of the HEPPs after Privatisation	Turkish Electricity Transmission Company (TEİAŞ)
Project Component Under the Authority and Responsibility of Related Organisation/Party	- Dam - Reservoir - Spillway - Irrigation structures	- Power Plant - Switchyard <ul style="list-style-type: none"> <li>o Ownership of the Menzelet switchyard belongs partially to EUAS and partially to TEİAŞ ; responsibility for operation and maintenance officially belongs to TEİAŞ; but currently EUAS operates and maintains the switchyard on behalf of TEİAŞ*)</li> <li>o Ownership of the Kilavuzlu switchyard belongs to EUAS. Responsibility for operation and maintenance belongs to EUAS</li> </ul> - Operation and maintenance of the ETLs from Kilavuzlu HEPP's Switchyard (34,5 kV)		- Switchyard <ul style="list-style-type: none"> <li>o Ownership of the Menzelet switchyard belongs partially to EUAS and partially to TEİAŞ; responsibility for operation and maintenance officially belongs to TEİAŞ; but currently EUAS operates and maintains the switchyard on behalf of TEİAŞ and charges the associated fees to EUAS)</li> </ul> - Operation and maintenance of the ETLs from Menzelet HEPP's Switchyard (154 kV)

*\*TEİAŞ does not have a control room at the Menzelet HEPP's switchyard site in the current situation. Thus, EUAS operates and maintains the switchyard on behalf of TEİAŞ and charges the associated fees to TEİAŞ. Following the privatisation, TEİAŞ may establish a control room and take over the operation maintenance activities or request the Company to conduct the operation and maintenance activities at cost on behalf of TEİAŞ (as currently being done by EUAS) in accordance with an agreement to be executed between the Company and TEİAŞ.*

## 2. Regulatory Requirements of Stakeholder Engagement

Public engagement activities that have been identified in this SEP document and will be undertaken to support the Project implementation will conform to:

- Relevant Turkish national legislation;
- Guidelines established by International Financial Institutions, specifically EBRD's Environmental and Social Policy (2014);
- Equator Principles III (2013); and
- International Conventions for Public Participation, in particular the UNECE Aarhus Convention<sup>1</sup> (as EBRD upholds the approach of this Convention, Turkey is not yet a party to this convention).

Further details of the relevant Turkish legislation and specific EBRD policy requirements and standards are given in the following sections.

### 2.1 National Requirements (not applicable to the Project)

Both Menzelet and Kilavuzlu Dam and HEPP Projects are considered as “out of scope Project”. Menzelet Dam and HEPP Project is classified as “out of scope Project” according to the current Turkish EIA Regulation's Temporary Article 2 because of the date when it is put into first operation (1992). Kilavuzlu Dam and HEPP is also classified as an “out of scope Project” according to the current Turkish EIA Regulation's Temporary Article 3 because the Project had been taken into public investment program in 1977 (which is before the date 23.6.1997) and has started operation in 2012 (which is before the date 29.5.2013). Official views of the relevant governmental institutions also confirm that both projects are exempted from the requirements of the EIA Regulation. Thus, no EIA process was conducted for the Menzelet and Kilavuzlu Dam and HEPP Projects.

### 2.2 International Requirements

The SEP for Menzelet and Kilavuzlu HEPP Projects have been prepared in line with the following international guidance:

- Equator Principle 5 on Stakeholder Engagement,
- Equator Principle 6 on Grievance Mechanism,
- Equator Principle 10 on Reporting and Transparency.

#### 2.2.1 Equator Principles III

Under Principle 5 (Stakeholder Engagement), Equator Principles III requires all Category A and Category B Projects to demonstrate effective Stakeholder Engagement as an ongoing process in a structured and culturally appropriate manner with affected communities and, where relevant, other stakeholders. For Projects with potentially significant adverse impacts on affected communities, the client is required to conduct an Informed Consultation and Participation process.

Principle 6 (Grievance Mechanism) further requires establishment of a grievance mechanism for all Category A and, as appropriate, Category B Projects, which is designed to receive and facilitate resolution of concerns and grievances about the Project's environmental and social performance as part of the Environmental and Social Management System (ESMS), which is established to ensure implementation of the environmental and social actions required to comply with applicable standards. The grievance mechanism is required to be scaled to the risks and impacts of the Project and have affected communities as its primary user. It will seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate, readily accessible, at no cost, and without retribution to the party that originated the issue or concern. The mechanism should not impede access to judicial or administrative remedies. The client will inform the Affected Communities about the mechanism in the course of the Stakeholder Engagement process. Regarding reporting and transparency, Principle 10 requires the client to make a summary of Environmental and Social Impact Assessment (ESIA) accessible and available online for all Category A and, as appropriate, Category B Projects.

<sup>1</sup> The United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters.

## 2.2.2 EBRD Performance Requirements

EBRD supports the approach of the UNECE Aarhus Convention, which identifies the environment as a public good and considers stakeholder engagement as an essential part of good business practices and corporate citizenship, and a way of improving the quality of projects.

In addition, EBRD requires that the projects it supports conform with the purpose and goals of the Aarhus Convention, which assures the rights of access to information, public participation in decision-making, and access to justice in environmental matters, therefore protecting people's rights to a healthy environment.

Within this scope, Company will conform to EBRD disclosure and stakeholder engagement requirements as outlined in EBRD's Performance Requirement 1 (PR1) and Performance Requirement 10 (PR10):

### PR1:

- Identify and engage with stakeholders in accordance with PR10;
- Dynamic process of performance monitoring and evaluation, including the monitoring of stakeholder feedback, including the local community or inspections by regulatory authorities; and
- Regular reporting to EBRD on stakeholder engagement during project implementation.

### PR10:

- Identification of people or communities that are or could be affected by the project, as well as other interested parties;
- Stakeholders appropriately engaged on environmental and social issues that could potentially affect them through a process of information disclosure and meaningful consultation; and
- Special attention will be paid by Company to the identification of vulnerable<sup>2</sup> groups who are living in the project impact area, to understand whether their livelihood and well-being is influenced by project activities.

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<sup>2</sup> For the purpose of EBRD's Environmental and Social Policy (May 2014), vulnerable groups refers to people who, by virtue of gender identity, sexual orientation, religion, ethnicity, indigenous status, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include, but not be limited to, people living below the poverty line, the landless, the elderly, women and children-headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected through national legislation and/or international law.

### 3. Summary of Previous Stakeholder Engagement Activities

Menzelet and Kilavuzlu Dam and HEPP Projects were planned and constructed by the DSI. Menzelet Dam and HEPP was taken into operation in 1992, and the Kilavuzlu Dam and HEPP is operational since 2012. According to the relevant provisions of the Turkish EIA Regulation, both Projects have been exempted from the requirements of the Turkish EIA Regulation. Thus, no EIA process, including organisation of formal public participation meetings, was required to be conducted for the Projects.

As state-owned projects, previous stakeholder engagement activities were conducted by EUAS, the current operator of the HEPPs, in line with the governmental procedures. These activities included the meetings and official correspondence with the related governmental organisations regarding permits, technical information, etc. Existing employees of the HEPPs comprise mainly local people. Thus, these employees hired from the local have helped EUAS to establish communication with the local people whenever it was necessary. Local businesses (i.e. fish farms, fish restaurants) operating at the downstream of the HEPPs) were consulted in the past as necessary regarding the environmental flow released from the HEPPs. The HEPP administrations reported that local businesses have a direct communication with them so that they contact via telephone or visit the HEPPs, whenever they have a concern or need regarding the adjustment (increasing or reducing) of downstream water level. In that sense, a constructive relationship is understood to be established between the existing HEPPs and the local businesses. On the other hand, there is no process in place for the systematic recording of and responding to the comments and grievances. Thus, currently no record is available regarding the past concerns or grievance submitted to the EUAS.

As part of the environmental and social due diligence process initiated by ENTEK in November 2017, the social expert of the ESDD consultant, with the accompany of the Company's health, safety and environment specialist, consulted with selected stakeholders of the Menzelet and Kilavuzlu HEPPs to identify the key environmental and social issues and inform the Project SEP. Consultation activities conducted in this scope are summarised in Table 3-1. Concerns, questions, expectations and suggestions raised during stakeholder meetings are summarised in Table 3-2.

**Table 3-1. Stakeholder Meetings Conducted in the scope of the Need for the Environmental and Social Due Diligence (ESDD) Study**

Stakeholder	Type of Meeting	Meeting Location	Meeting Date
Kilavuzlu Neighbourhood Headmen (Muhtar)	Key informant meeting	Headman's Office	20 November 2017
Bulutoglu Neighbourhood Headmen	Key informant meeting	Kahramanmaras Fish market	20 November 2017
Manager of EM-TE Fish Restaurant	Meeting with local business	Fish Restaurant	20 November 2017
Karsu Fish Restaurant and Farm Employee	Meeting with local business	Fish Restaurant	20 November 2017
Kilavuzlu Irrigation Union Manager	Stakeholder meeting	Union Office	20 November 2017
Existing EUAS Employee	Stakeholder meeting	Menzelet and Kilavuzlu HEPPs	20 November 2017

*\*Even though Saricukur neighbourhood was not affected from the expropriation activities (according to the information obtained from the headman, no land or buildings/structures were lost because of its elevation) and is not in interaction with the current operation of Menzelet HEPP, the settlement was aimed to be included in the meetings but the headman of Saricukur was not available during the time of site visit. Cakirdere, which is a settlement that lost lands and buildings during the expropriation process conducted back in 1980s and have no interaction with the HEPP operation in the current situation, was aimed to be included in the meetings but the headman of Cakirdere was informed his unavailability for a meeting during the time of the site visit.*

Table 3-2. Concerns, Questions, Expectations and Suggestions Raised During Stakeholder Meetings

Stakeholder	Main Environmental and Social Subject	Concern/Questions/Expectation/Suggestion	Authority/ Party which is Relevant to the Concern/ Question/ Expectation/Suggestion
1. Kilavuzlu Neighbourhood Headman	Stakeholder Notification	1.1. Relevant information on Project activities such as improvements and changes of existing facilities should be shared with the local communities.	EUAS
	Employment	1.2. Local employment potential should be taken into account in the scope of the transition and operation activities to be conducted following the privatisation. Possible employment opportunities should be communicated with the local people.	The Company (after privatisation)
	Socio-economy/ Infrastructure	1.3. The headman reported that there is no health facility in the neighbourhood despite the fact that Kilavuzlu is a large neighbourhood (current population is 2,784 according to TurkStat, 2016).The Headman underlined the need for construction of a proper health centre for local communities. Currently, people who needs to see doctor drive to Fatih neighbourhood, which is 12 km away from Kilavuzlu neighbourhood.	The Headman is to apply to the Ministry of Health (Republic of Turkey)
	Community Health and Safety	1.4. Reservoir area should be fenced where community's access is easy in order to avoid accidents and drowning.	DSI
	Restriction Issues	1.5. DSI applies a restriction for construction within a 100 m area at the Kilavuzlu Reservoirs banks for community health and safety (landslide) concerns. The Headman informed that some of the local people who has constructed and is willing to construct buildings in this restriction zone have concerns regarding this issue. The Headman reported that an application was made to DSI with the request of removing the restriction and DSI has rejected his application and replied that the designated restriction zone involves risks of landslide. 1.6. It should be noted that this issue will not be impacting the Company as it is outside its responsibility areas which will be limited to the HEPP building, switchyards and tail water section.	DSI
2. Bulutoglu Neighbourhood Headman	Employment	2.1. Local employment potential should be taken into account in the scope of the transition and operation activities to be conducted following the privatisation.	The Company (after privatisation)
	Community Health and Safety	2.2. A traffic management plan should be implemented for the transportation vehicles in Menzelet HEPP. He stated that drivers usually exceed the speed limits.	EUAS The Company (after privatisation)
	Socio-economic Issues	2.3. The headman reported that there is an informal agreement with the authorities to provide water from the reservoir for their animals. There is a concern about the breach of this informal agreement and the local people request the continuation of the informal agreement.	DSI EUAS
	Expropriation	2.4. Headman reported that the land owners were not satisfied with the expropriation values provided by the state during the land acquisition, which was conducted by DSI in 1980's. As the Martial Law was in force at that time, people could not find a chance to reject the values.	DSI and other related governmental authorities
	Expropriation	2.5. According to the information obtained from the headmen, there is only a single court case ongoing regarding the expropriation process completed more than 30 years ago. However, according to the headmen, the case has not any persuasive evidence and an inheritor is claiming that his family could not get any compensation. The headman has no further information on the process.	DSI and other related governmental authorities

Stakeholder	Main Environmental and Social Subject	Concern/Questions/Expectation/Suggestion	Authority/ Party which is Relevant to the Concern/ Question/ Expectation/Suggestion
Manager of EM-TE Fish Restaurant	Stakeholder Notification Environmental flow	3.1. Relevant information on Project activities such as significant changes in the water release (environmental flow) schemes should be communicated with the restaurant owners in a timely manner.	EUAS The Company (after privatisation)
	Visual Issues	3.2. The local business owner suggests that the current visual design of the Kilavuzlu Dam could be improved by the lights and relevant landscaping. He suggests that this would also glamorise the view of the historical bridge.	DSI
	Environmental Flow/ Downstream Water Level	3.3. The local business expects that the water level is kept above a proper level that would avoid adverse impact on fish population, especially during the summer months.	EUAS The Company (after privatisation)
4. Karsu Fish Restaurant Employee	Stakeholder Notification Environmental flow	4.1. Relevant information on Project activities such as significant changes in the water release (environmental flow) schemes should be communicated with the restaurant owners in a timely manner.	EUAS The Company (after privatisation)
	Environmental Flow/ Downstream Water Level	4.2. The local business expects that the water level is kept above a proper level that would avoid adverse impact on fish population, especially during the summer months.	EUAS The Company (after privatisation)
	Socio-economic Impact	4.3. The local business expects reasonable compensation of losses in case of fish mortality due to not releasing the environmental flow required to sustain natural life in accordance with the related regulation.	EUAS The Company (after privatisation)
5. Kilavuzlu Irrigation Union Manager	Stakeholder Notification	5.1. Relevant Project information should be communicated to the Union in a timely manner.	EUAS The Company (after privatisation)
	Water Release Issues	5.2. The Union Manager reported that there are a large number of irrigation projects in the region. Once all the projects are implemented, cumulative water requirement of the farmers, that is to be provided by the Union, would be ten times higher than the current water requirement. The Manager underlines the urgent need for starting negotiations with the DSI to avoid any future tension with the farmers.	DSI Kilavuzlu Irrigation Union
6. Existing EUAS Employees	Stakeholder Notification	6.1. Existing employees reported their expectation for the provision of adequate and timely information about the on-going privatisation process, particularly regarding the time schedule for the completion of privatisation process and the transition period afterwards, employment approach of the Company and the related retrenchment process.	EUAS The Company (after privatisation)

## 4. Stakeholder Identification

In line with the definitions of international standards, this SEP recognizes a stakeholder as any individual, organisation or group who is potentially affected by the Project or who has an interest in the Project and its impacts. The purpose of stakeholder identification is to identify and prioritize Project stakeholders for consultation who may be affected (either directly or indirectly in positive or negative way) by the Project or who have an interest in the Project but are not necessarily directly impacted by the Project. As part of the stakeholder identification process, it is also important to identify individuals and groups that may be differentially or disproportionately affected by the Project because of their disadvantaged or vulnerable status.

Neighbourhoods affected by the previous expropriation activities conducted by the DSI back in 1980's have been identified based on the information obtained during Key Informant Meetings done with the neighbourhood headmen. Affected settlements are listed in Table 4-1. Expropriation was completed by DSI and no potential issues will emerge for the Company (new Operator of HEPPs). In addition to the affected settlements, Saricukur, even though not affected by the previous land acquisition activities, has been included in the stakeholder list prepared for the Project. List of key Project stakeholders, including the local communities, identified for the Project are listed in Table 4-2.

**Table 4-1. Local Communities Identified as Key Stakeholders of the Project**

Neighbourhoods	Population (TurkStat, 2016)	Type of Impact that Affected the Settlement during Past Land Acquisition Process	
		Land Loss	Loss of Buildings/Structures
Bulutoglu	1,009	√	
Kilavuzlu	2,784	√	√
Cakirdere	204	√	√
Saricukur	544		

Source: Key Informant Meetings with Neighbourhood Headman, 2017.

This SEP is a living document and will be updated and revised as necessary, including the list of Project stakeholders. Organisations or groups which are not listed and wish to be informed about the Project, are invited to contact the Company (see Chapter 10 for contact details for the public) to add their contact information to the list.

**Table 4-2. Stakeholder List**

Stakeholder Groups	Definitive Stakeholders	Summary of Specific Interest/Relevance
<b>External Stakeholders</b>		
National Governmental Organisations	Ministry of Energy and Natural Resources, General Directorate of Renewable Energy Ministry of Forestry and Water Affairs, Turkish State Hydraulic Works, General Directorate of Forestry Ministry of Environment and Urbanisation Ministry of Culture and Tourism Ministry of Transport, Maritime and Communication Ministry of Labour and Social Security	National and regional development Policy formulation Permitting
State Owned Companies, Related and Associated Governmental Institutions	Turkish Electricity Transmission Company (TEIAS) Turkish Electricity Generation Company (EUAS) Turkish Energy Market Regulatory Authority (EMRA) Turkish Electricity Distribution Company (TEDAS)	Implementation of infrastructure services Operation and maintenance of Project's ETL Generation of electricity Regulation of energy market in Turkey Distribution and retail of electricity
Local Governmental Organisations	Governorship of Kahramanmaras (including Provincial Directorates of Environment and Urbanisation; Food, Agriculture and Livestock; Culture and Tourism; Disaster and Emergency) Onikisubat District Governorate Kahramanmaras Regional Directorate of Forestry Kahramanmaras Metropolitan Municipality Onikisubat Municipality Onikisubat Gendarmerie Station Command	Environmental protection and permitting Management of environmental impacts (e.g. wastes, wastewater) Community health and safety Social and economic development
Non-governmental Organisations (NGO's) – international, national and local	Nature Association Environment Foundation of Turkey WWF Turkey Kahramanmaras Branch Office of Union of Chambers of Turkish Engineers and Architects (TMMOB) Turkey Union of Energy, Water and Gas Workers (TES-IS) Confederation of Public Servants Trade Unions (MEMUR-SEN) Kilavuzlu Irrigation Union	National and local environmental impacts and economic development Employment agreements and retrenchment issues
Local Communities/ Residents	Kilavuzlu Neighbourhood Bulutoglu Neighbourhood Saricukur Neighbourhood Cakirdere Neighbourhood Vulnerable persons/groups	Project benefits Previous land acquisition process and associated socio-economic impacts Community health and safety Employment Procurement of goods and services

Stakeholder Groups	Definitive Stakeholders	Summary of Specific Interest/Relevance
Local Businesses	Fish restaurants and farms located at the downstream of Kilavuzlu Reservoir (i.e. Karsu Fish Restaurant, EM-TE Fish Restaurant) Fish farms located at the Menzelet and Kilavuzlu Reservoirs Local companies (i.e. security, car rental, cleaning, testing, health services, etc.) that provide service and materials to the existing HEPPs Menzelet Fisheries Cooperative	Environmental flow Supply chain
Other HEPPs	Sir HEPP (downstream) Hacininoglu Regulator (upstream) Sariguzel HEPP (upstream)	Management of cumulative impacts
Universities	Kahramanmaras Sutcu Imam University	Technical Consultancy
Local Media	Local newspapers, local television channels, etc.	Relaying correct Project information to communities Advertisements
Lenders	International finance institutions (including private banks) Local commercial banks	Project finance
<b>Internal Stakeholders</b>		
Company	The Company Employees Contractors and Sub-contractors and their Employees	Project benefits Labour issues (working conditions, working relationships, internal grievances, etc.) Occupational health and safety
Current Operator	Existing project workers and subcontractors of EUAS (including vulnerable persons such as two disabled women currently (as of November 2017) employed by EUAS at the Menzelet HEPP)	Retrenchment Employment opportunities to be provided after privatisation

## 5. Stakeholder Engagement Plan

To ensure effective and meaningful engagement with different stakeholder groups, the Company will use various methods of communication and information during the Project's take over, transition/improvement and the entire operation period of the Menzelet and Kilavuzlu HEPP Projects. Above all, electronic copies of the following documents (Disclosure Package) will be disclosed to public (in Turkish and in English) on ENTEK's internet site (<http://www.entekelektrik.com.tr>). EBRD's web sites (<http://www.ebrd.com>) to allow stakeholders with access to internet to view information about the planned development and to initiate their involvement in the public consultation process:

- Non-Technical Summary (NTS);
- Stakeholder Engagement Plan (SEP) (including the Grievance Procedure).

It is envisaged that electronic copies of the relevant documents (i.e. NTS and SEP) will remain in the public domain for the duration of the Project and that this SEP will be updated periodically and will remain publicly available on the web-site and in the offices of the Company in Turkish.

In addition to electronic copies, hard copies of the documents comprising the Disclosure Package will also be available at the related Municipalities, Project's site office and the headmen's offices at the selected settlements (Kilavuzlu, Bulutoglu and Saricukur neighbourhoods). Leaflets and brochures will be prepared to disseminate information to public on a contextually appropriate way. Annual environmental and social reports including monitoring data will be prepared and submitted to the Lenders (EBRD and the other banks). In this respect, Table 5-1 summarises the type of information to be shared with each stakeholder group and the specific methods for communication/consultation to be used for stakeholder engagement.

Particularly in consultations with and information of the local communities, elected neighbourhood headmen ("Muhtars") will play an intermediary role by acting as a bridge between communities and external stakeholders from outside their localities. Regular meetings will be conducted with the headmen and community representatives to inform them about the Project development accurately. A Community Liaison Officer (CLO) will be appointed by the Company (a site personnel with relevant qualifications may also be assigned with the community liaison responsibilities) to ensure constructive relations are maintained with the local communities and other relevant local stakeholders including governmental authorities, local businesses, etc.

Following the completion of privatisation process, retrenchment of the existing workers will be done by the existing operator (EUAS). The Company will ensure that the existing personnel of EUAS are adequately informed about the process and the potential opportunities (i.e. reemployment) In this respect, the Company will communicate with the existing workers to identify vulnerable persons among the existing personnel and consider opportunities for reemployment of the existing workers. In this respect, the Company may reemploy those retrenched by EUAS depending on the Project requirements and qualifications needed for the planned operations. Similarly, the Company will communicate with the existing service providers (i.e. security, car rental, cleaning, testing, health services, etc.) to formulate future supply chain mechanisms to be employed as part of HEPP operations.

Throughout the operation phase starting from the takeover of HEPPs by the Company, the following particular methods will be used to engage with the internal stakeholders, including direct employees of the Company and the contracted workers, and inform them about the Project developments and internal mechanisms,:

- Regular meetings with the staff
- Distribution of staff handbook (including information on the grievance procedure)
- Email updates covering the Company personnel
- Posts on information boards
- Leaflets

**Table 5-1. Information/Documents to be Shared and Methods to be Used for Information/Communication**

Stakeholder Group	Information/Documents to be Shared	Method of Information/Communication							
		Community Liaison Officer (CLO)	Regular meetings	Electronic publications and press releases on Company website	Disclosure Package (hard copy) at neighbourhood headmen offices, Project office	Press releases in the local media for the announcements regarding information events (i.e. community meetings, etc.)	Distribution of information leaflets and brochures (neighbourhood headmen's offices, teahouses)	Correspondence and telephone calls	Procurement announcements at public areas and boards
Local communities in the Project's Impact Area (including vulnerable groups)	-Disclosure Package (NTS, SEP) -Public Grievance Procedure -Update notes on Project development -Job vacancies -Up-to-date Project schedule	√	√	√	√	√	√	√	√
Government authorities and agencies (including Public Economic Enterprises)	-Disclosure Package (NTS, SEP) -Update notes on Project development -Relevant technical Project information if required for the purposes of regulation and permitting ( i.e. drawings, maps, technical memos, Project status reports)	√	√		√			√	
Non-governmental organisations	- Disclosure Package (NTS, SEP) - Update notes on Project development		√	√			√		
Local businesses (i.e. fish farms, fish restaurants at the downstream; service providers)	-Public Grievance Procedure -Significant planned/unplanned changes in operational schemes -Update notes on Project development and tender announcements	√		√			√	√	√
Other HEPPs (upstream and downstream)	-Public Grievance Procedure -Significant planned/unplanned changes in operational schemes	√	√					√	
Existing HEPP personnel	-Up-to-date Project schedule (take-over, transition, improvement periods) -Job vacancies								
Universities	-Relevant technical Project information (in case of need)		√						
Lenders	-Disclosure Package (NTS, SEP) -Monitoring Reports -Annual Reports on Project's Environmental and Social Performance		√	√				√	

## 6. Grievance Mechanism

Managing grievances, including avoiding and minimizing them as well as effective handling, is an integral part of a sound stakeholder engagement strategy. Experience indicates that significant numbers of grievances arise from misunderstandings, and that such grievances can be avoided, or their numbers reduced, through proactive and consistent engagement with communities. Engagement also helps anticipate and review community concerns to prevent them from escalating into grievances.

Within the scope of the Project, objectives of the grievance mechanism, types of potential grievances caused by the Project operations, grievance procedures and responsibilities which will be implemented and management methods of reported grievances are given under this chapter. The grievance mechanism will cover both the public and the Project employees (including direct and contracted workers) and the Company will communicate the grievance mechanism to the local communities and workers by using the methods described in details in Section 6.3.

### 6.1 Objectives

A specific Project grievance mechanism is useful for:

- Addressing community and individual concerns and complaints before they escalate beyond control;
- Reducing developers/project executing agencies exposure to litigation – and related risks and costs;
- Identify and implement appropriate and mutually acceptable actions to address complaints;
- Ensure that complainants are satisfied with outcomes of the corrective actions; and
- Avoid the tendency to resort to judicial proceedings.

Grievances are useful indicators of a project that provide contractor performance. High number of grievances may point out a need to adjust work practices or procedures in order to mitigate adverse effect or conflicts with the stakeholders.

### 6.2 Types of Grievances

Many types of grievances may arise during the Project lifetime by stakeholders. Types of potential grievances that may arise during operation of the Project by the Company may include insufficient information and misconduct of project personnel/workers.

### 6.3 Grievance Procedure

Information regarding the procedure and channels (e.g. phone, e-mail address, and website) that can be used to lodge grievance will be provided in nearby settlements (in Kilavuzlu, Bulutoglu and Saricukur neighbourhoods; neighbourhoods that have no interaction with the HEPP operations (i.e. Cakirdere) in the current situation were not included; if such settlements request to be provided with such grievance channels in the future, they will also be provided with relevant grievance lodging tools) and on the Company website. A Grievance Form which will be used to lodge a grievance and be applicable to both public and project personnel/workers is provided in Appendix A. The Grievance Form will also be available at the Company website.

To deal with potential grievances, Company will assign a CLO and the management of the Grievance Procedure will be under the responsibility of the CLO. Each complaint whether from an individual, entity or a community will be considered and a response to each specific complaint will be communicated to the party that raised it (complainant). A formal procedure will be used to log the key information provided by a complainant and to record any related incoming communications. A record of actions taken and resolutions agreed as a result of the grievance investigation will also be documented. A sample leaflet on how to report a grievance is presented in Appendix B.

Company aims to establish a formalized procedure ensuring that it is responsive to any concerns and complaints from affected stakeholders and communities. Where training is necessary for the staff involved in the management of the grievance mechanism, Company will ensure that such training is provided in a timely manner.

The implementation of the Grievance Procedure by the Company for the Project will be under the day to day responsibility of the formally designated CLO. Grievance boxes will be placed by the Company at the HEPP entrances and at the neighbourhood headmen’s offices in selected settlements (Kilavuzlu, Bulutoglu and Saricukur neighbourhoods) to facilitate collection of grievances. The grievance process for the Project is presented in Figure 6-1.

If the complainant is not satisfied with the solutions proposed and implemented by the Company to address the raised comment or grievance, the complainant is free to seek other mediation or legal remedies in accordance with Turkish law.

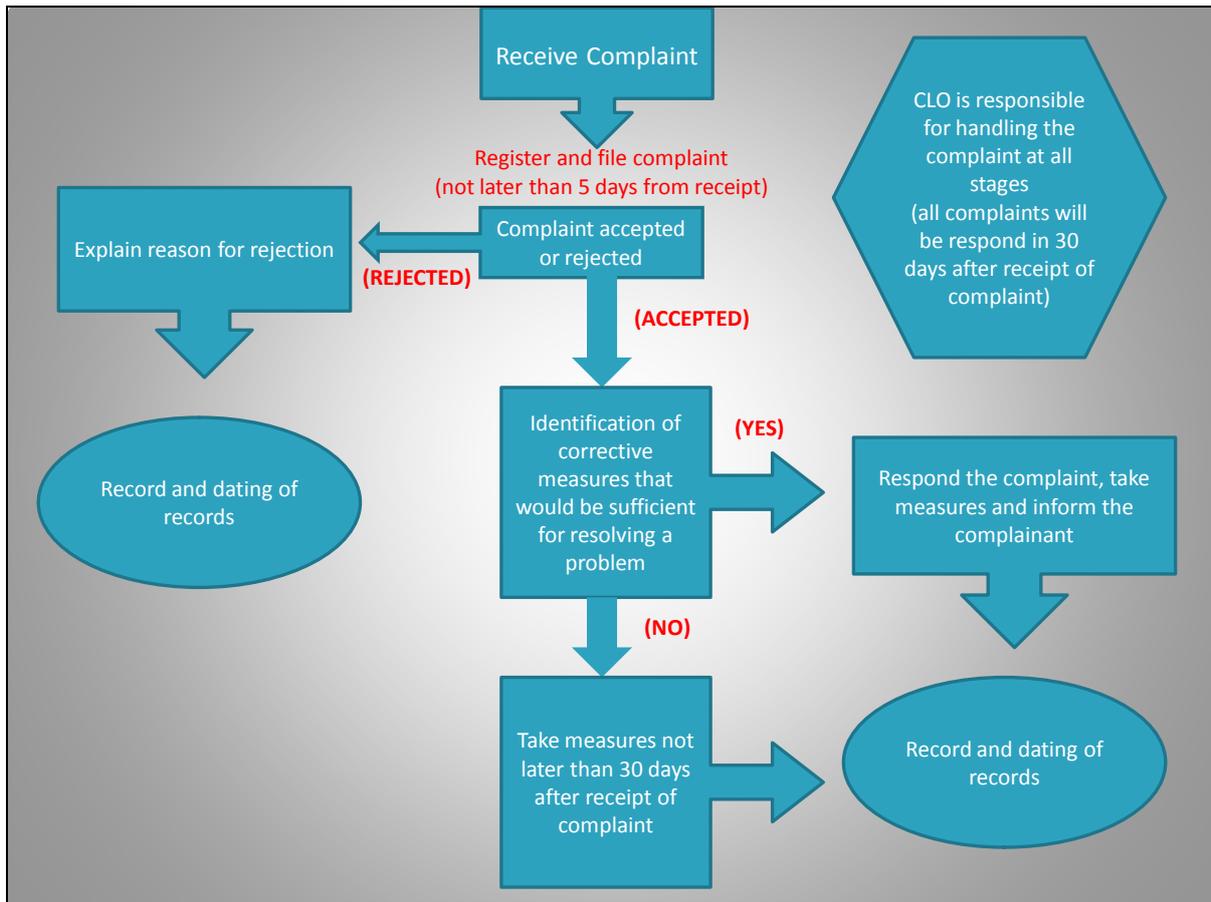


Figure 6-1. Grievance Procedure Diagram

The grievance procedure will also cover employee and non-employee grievances. The Company will inform the workers of the grievance mechanism at the time of hiring and make it easily accessible them. In this respect, grievance boxes and forms will be provided at proper locations within the HEPP site (i.e. cafeteria, administrative buildings, HEPP entrances, etc.).

The Company has its own Code of Ethics and Guidelines for Practice that underlines Company’s approach on encouraging transparent communication among the employees and implementation of an internal grievance/concern/suggestion reporting mechanism. In this respect, the Company is committed to ensure that no retaliation is applied against the personnel who reported a grievance, concern or suggestion based on a reasonable, good faith belief. Company’s Code of Ethics and this reporting mechanism will be implemented in the Menzelet and Kilavuzlu HEPP Projects and encourage its direct or contracted employees to use the reporting mechanism to submit their grievance, concerns and suggestions.

## 7. Timetable

Actions and provisional dates with regard to information disclosure and stakeholder consultation are determined as given in Table 7-1. Exact timetable and frequency of the activities will be specified in the due course and the SEP will be updated accordingly.

**Table 7-1. Tentative Timetable for Stakeholder Engagement Activities**

Activity/Event	Timetable
Dissemination of hard copies of the NTS and SEP	2017 Q4
Appointment of Project CLO	2018 Q1*
Establishment of Grievance Mechanism	2018 Q1*
Communication with the existing EUAS personnel	2018 Q1*

*\*On condition that the privatisation process is completed by this date.*

Announcement for disclosure of project documents (i.e. NTS, SEP) will be made at the Governorship of Kahramanmaraş, Onikisubat District Governorate, Onikisubat Municipality and headmen's offices of the selected neighbourhoods (Kilavuzlu, Bulutoglu and Saricukur neighbourhoods).

Company will continue to carry out information disclosure activities to the extent possible in the future.

## 8. Monitoring and Reporting

The SEP will be periodically reviewed and updated, as necessary, during the course of the Project implementation.

Monthly summaries of grievances, queries and related incidents together with the implementation status of corrective/preventive actions will be delivered to the Company's senior management. The monthly summaries will be used to assess both the number and nature of complaints (if any), along with Company's ability to address complaints in a timely and effective manner.

Summary reports will also be disclosed at the Company website at least annually.

## 9. Responsibilities

Company will have an overall responsibility for undertaking and supervising engagement with all stakeholders in relation to the Project and will use available resources to ensure that the relevant activities are conducted effectively and to the appropriate standard.

The contractors to be involved in the Company's operations will be monitored closely in order to comply with the requirements of this SEP. They will report to the Company on regular basis with regards to engagement activities and grievances submitted to them directly.

To implement effective engagement activities, the Company will employ a CLO. The CLO will be responsible for maintaining relations with the local stakeholders, coordinating the disclosure of Project information, public consultation activities and the management of Grievance Procedure described in Chapter 6.

## 10. Contact Information for the Public

### ENTEK Elektrik Üretimi A.S. Headquarters

**Address:** Çamlıca İş Merkezi B1 Blok  
Ünalan Mahallesi Ayazma Caddesi, Üsküdar  
34700 Istanbul, Turkey

**Telephone:** +90 (216) 217 11 00

**E-mail:** [info@entekelektrik.com.tr](mailto:info@entekelektrik.com.tr)

[Contact information for the site offices at the HEPPs will be inserted following the completion of privatisation]

## Appendix A Grievance Form

<b>Grievance Form</b>		<i>to be filled out by recipient</i>	
		Reference no.	
		Received on	
		Received by	
<b>Full Name</b> (If you prefer to remain anonymous please write ANONYMOUS – your comments will still be considered by the Company)	_____		
<b>Contact information</b> Please mark how you prefer to be contacted (mail, telephone, email)	<input type="checkbox"/> <b>by mail</b> (please provide your mail address): _____ <input type="checkbox"/> <b>by telephone</b> (please provide your phone number): _____ <input type="checkbox"/> <b>by email</b> (please provide your email address): _____		
<b>Preferred Language</b>	<input type="checkbox"/> <b>Turkish</b> <input type="checkbox"/> <b>Other</b> (_____)		
<b>Describe the Incident/Grievance</b> (What happened? Where did it happen? Who did it happen to? What is the result of the problem?):			
<div style="border: 1px solid black; height: 100px;"></div>			
<b>Date of Incident/Grievance</b> ____ - ____ - 201__			
<b>Frequency</b>	<input type="checkbox"/> One time incident/grievance <input type="checkbox"/> Did it happen more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem) yes <input type="checkbox"/> no <input type="checkbox"/>		
<b>What would you like to see happen to resolve the described problem?</b>			
<div style="border: 1px solid black; height: 100px;"></div>			

Signature and Date            :

Please return this form to :

**CLO**                            : to be assigned**E-mail**                        : info@entekelektrik.com.tr**Address**                     : Çamlıca İş Merkezi B1 Blok; Ünalın Mahallesi Ayazma Caddesi, Üsküdar, 34700 İstanbul

## Appendix B Leaflet on How to Report a Public Grievance

### HOW TO REPORT A GRIEVANCE

The Company has a number of ways to receive your grievances. You can:

- Fill out the attached Public Grievance Form and send it to the address on the form, or drop it off with a Community Liaison Officer (CLO) or at one of the designated places;
- Contact the CLO in person or on the phone to lodge a verbal grievance. The CLO will then fill out a form for you to ensure that your grievance is tracked; or
- Communicate a grievance through the Company website (<http://www.entekelektrik.com.tr> or an up-to-date website to be communicated) by using grievance forms.

### RECORDING

The CLO will record the grievance received by using a standards log (template provided below):

Date Of Grievance Received	Grievance Holder	Subject of Grievance	Description of Grievance	Response Measure	Closure Remark
<hr/>					

### FOLLOW UP

The Company will take the following steps to deal with your concern.

- When the Company receive your grievance form or are notified verbally of your grievance, the CLO will be nominated to investigate it;
- The CLO will investigate your grievance. He/she may need to contact you in order to do this. When this investigation is completed, Company will contact you with the findings of investigation and proposed response. The Company will aim to contact you within 30 days of your lodging your grievance.
- If you are not happy with the investigation, or response, the Company will discuss with you other options for dealing with the grievance and attempt to agree on a response.

### CONFIDENTIALITY AND ANONYMITY

- Individuals who submit their comments or grievances have the right to request that their name be kept confidential. If it is not possible for the Company to resolve the grievance without revealing your identity, Company will contact you to ask how you prefer to address this situation.
- If you wish to raise a grievance anonymously you may do so, and the Company will investigate the grievance. However, in this case Company will not be able to contact you to discuss the results of investigation and proposed mitigation measures. Company will only be able to provide a general response on its website
- At all times, complainants are able to seek legal remedies in accordance with the laws and regulations of Turkey.

