



Mid Size Sustainable Energy Financing Facility (MidSEFF)

ELIGIBILITY CRITERIA

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1. General Eligibility Criteria

The EBRD financing provided to the PB under the Facility shall be on-lent for three categories of investments:

- a) Renewable energy investments;
- b) Industrial energy efficiency investments;
- c) Waste-to-energy investments.

Detailed eligibility criteria for each category of investment are more fully described in section 2.3 below.

1.1 Eligible Sub-borrowers

Eligible Sub-borrowers shall meet the following requirements:

- a) Be private enterprises, firms, businesses, sole proprietors or other private legal entities formed under the laws of and operating in Turkey.
- b) Sub-borrowers shall have majority private ownership and control (i.e. majority rights) or be in the final stage of the process of an irrevocable privatisation, according to explicit privatisation law or regulation.
- c) Sub-borrowers must be financially viable and meet the PB's credit criteria and be approved in accordance with the PB's credit appraisal procedures.
- d) Sub-borrowers must pass the integrity check by the PBs (as requested in the loan agreement) and may not be persons or entities that are included on EBRD's list of persons or entities ineligible to be awarded an EBRD-financed contract or for EBRD funding, as such list may be found at <http://www.ebrd.com/pages/about/principles/integrity/list.shtml> (or any successor website or location).

1.2 Eligible Sub-loans

Sub-loans financed under the Facility shall comply with the following criteria:

- a) Individual Sub-loan amounts shall be in the range of EUR 10 to 40 million and the total investment cost of the Sub-project shall not exceed EUR 50 million.
- b) Sub-projects outside this range will be considered on a case-by-case basis and financed only following approval from the EBRD in writing.
- c) Sub-loans shall be provided to Sub-borrowers on terms consistent with arms length market terms prevailing in the local banking market.
- d) Each Sub-loan will have an appropriate tenor and grace period based on the projected cash flow of the Sub-project being financed and consistent with the PBs normal policies and procedures.
- e) The PB will apply sound banking principles in its assessment of the risks of Sub-projects, and will seek to structure Sub-projects according to best practice for projects of similar size and category. Suitable baseline levels of Debt Service Coverage Ratio ("DSCR") and Financial Debt to Equity should be considered. The PB may apply its own normal policies and procedures in this regard, however, the PB is encouraged to give due consideration to the EBRD's recommended minimum level for base-line DSCR of 1.1:1 and Financial Debt to Equity of 80:20 for project finance transactions. Refer to Annex 3 which describes the EBRD's minimum acceptable ratios for Sub-projects for which the EBRD may accept direct risk participation.
- f) The currency of the Sub-loans will be determined by the PB and the Sub-borrower on a case-by-case basis. In the event that Sub-loans are denominated in a currency other than Turkish lira, the PB shall ensure that the Sub-borrowers are informed in writing of the risks involved in such foreign currency borrowing. The Sub-loan appraisal shall include an analysis of the impact of moderate to high currency fluctuations on the projected cash flow of the Sub-project.
- g) Private sector Sub-borrowers shall undertake procurement of goods, works and services financed by such Sub-loans in accordance with sound procurement practices for private sector entities, ensuring economy and efficiency.

- h) Sub-projects requiring a municipal or public concession and/or license shall have been awarded such concession and/or licence in accordance with the requirements of the EBRD's Procurement Policies and Rules for Public Sector Operations and the EBRD's procurement guideline on "Financing of Private Parties to Concessions".

1.3 Eligible Sub-projects

Facility financing may be on-lent as Sub-loans to eligible Sub-borrowers only for investments that meet the eligibility criteria for Sub-projects as described herein. Eligible Sub-projects shall be investments which contribute to:

- the production of energy from renewable energy sources; or
- the improvement of the energy efficiency of industrial enterprises; or
- the production of energy from municipal and/or industrial waste or
- combination of some or all above type of investments..

The PC shall be responsible for assessing the eligibility of Sub-projects as part of the Sub-project appraisal and approval process.

1.3.1 Eligibility criteria for renewable energy Sub-projects

This category includes Sub-projects which involve the installation of power grid connected renewable energy investments. The investment cost for renewable energy Sub-projects may include also the Sub-borrower's share of the cost for the necessary works and equipment to connect the renewable energy plant to the national grid.

Eligible renewable energy Sub-projects must comply with the following requirements:

- a) All renewable energy investments shall be based on adequate resource modelling of implementation and operation and shall be conducted by qualified specialists with proven experience;
- b) Adequate electricity transmission capacity shall be demonstrated (if power grid connected sub-project);
- c) Investments will include the following renewable energy technologies, with an overall objective to finance a diversified portfolio of renewable energy technologies (see Section 2.3.5 below):
 - New wind power projects ("WPPs") with a total installed capacity in the range of 5 – 50 MW, with at least one year of on-site wind measurements, such measurements to be taken at a height of at least 30 metres (unless otherwise agreed by the PC) and using certified equipment and standard methodology;
 - Combined Heat and Power ("CHP") plants using exclusively biomass or biogas fuel; biomass shall come from sustainable sources (as defined by relevant EU regulations), preferably agricultural or organic wastes; use of bio-diesel or bio-ethanol for grid connected electricity production are excluded;
 - Solar power plants with an installed capacity at least 1,500 kWp;
 - Geothermal power plants with an installed capacity in the range of 5 – 50 MW; geothermal resources shall be proven;
 - Geothermal heating plants, heat pumps, biomass and biogas based thermal energy applications;
 - New hydro-electric power plants ("HPPs") without a reservoir or with limited storage capacity (less than 10 million m³), with an installed capacity in the range of 5 – 40 MW;
 - Rehabilitation and/or reconstruction of HPPs including dams¹, with an installed capacity in the range of 5 – 40 MW.
- d) Sub-projects whose installed capacity falls outside the above described capacity limits may be considered for financing under the Facility on a case-by-case basis, subject to EBRD's approval in writing.

¹ Potential impacts of climate change on the design and the profitability of HPPs shall be assessed on the basis of recent data trends; new dams having a height of 15 metres or more from the foundation or, if the height is between 5 and 15 metres, having a reservoir capacity of more than 3 million cubic metres shall be assessed for safety by independent panel of experts in line with the recommendations of the International Commission on Large Dams.

- e) The financial viability of all renewable energy projects, as calculated by the PC, shall result in a positive Net Present Value (calculated using a discount rate of 7%), a simple pay-back period below 15 years and an IRR above 7% at the time of the Sub-project assessment and approval for financing by the PB.
- f) Eligible renewable energy Sub-projects must have obtained all material licences, permits, etc. for the construction and operation of the investment, prior to the signing of the Sub-loan agreement. Evidence of the application for such licences and permits should be provided to the PC prior to the provision of advisory support to the Sub-borrower. A business plan and review of technical feasibility of the Sub-project should also be made available to the PC.

1.3.2 Eligibility criteria for energy efficiency Sub-projects in the industrial sector

Eligible industrial sector projects are those Sub-projects that comprise investments in equipment, processes and systems that enable reduction of the energy consumption of an industrial plant. Investments must relate to the modernisation and retrofitting of existing processes, equipment and facilities to improve energy efficiency and reduce energy related greenhouse gas emissions. Investments in new production facilities or investments that aim primarily to increase capacity beyond two times the existing production capacity are excluded from the scope of the Facility.

Investments for the improvement of the energy efficiency of an industrial enterprise must comply with the following criteria²:

- a) The energy efficiency improvement shall result in:
 - (i) An Energy Saving Ration (ESR) equal or greater than 20% with respect to the energy efficiency measure or aggregate of measures which are the subject of the proposed investment; or
 - (ii) For the case of capacity change of the industrial operation, up to a maximum of two times the existing production capacity, the energy efficiency investment shall result in a reduction of SEC by at least 30% per unit of production or an overall aggregate reduction in energy consumption of the plant; or
 - (iii) For the case of the installation of a new CHP unit, an improvement of the overall resource efficiency by at least 10% and expected load curves that guarantee average annual cogeneration efficiency of at least 75%.
- b) The minimum IRR, calculated only from the financial value of the potential energy savings,³ must exceed 10%.

1.3.3 Eligibility criteria for private sector investment in waste-to-energy Sub-projects

Eligible waste-to-energy projects are those Sub-projects that involve the installation of complete units that will convert waste to energy. Eligible waste-to-energy Sub-projects will comply with the following requirements:

- a) Investments will include the following waste-to-energy technologies:
 - Use of industrial, agricultural, forestry or municipal wastes to generate energy, including fuel pellets, heat, electricity, synthetic or methane gas for own use or export to the electricity grid, gas supply grid, district heating or industrial clients;
 - Landfill gas recovery and use to generate heat, electricity, synthetic or methane gas for own use or export to the electricity grid, gas supply grid, district heating or industrial clients.
- b) The financial viability of all waste-to-energy projects, as calculated by the PC, shall result in a positive Net Present Value (calculated using a discount rate of 7%), a simple pay-back period below 15 years and an IRR above 7% at the time of the approval.
- c) For the avoidance of doubt, in the case of municipal waste-to-energy projects, the Sub-borrower shall be a private entity as described in section 1.1 above.

²The technical measurements and calculation of ESR will be undertaken by the Project Consultant as part of the appraisal and approval of each Sub-project.

³The IRR shall be calculated by the Project Consultant as part of the appraisal and approval of Sub-projects. The financial value of benefits that are not energy-related (such as increased sales revenue from increased production volume) shall not be taken into account when assessing energy project eligibility.

1.3.4 Environmental and Social Policy requirements

One of the core objectives of the Facility is to enhance the environmental and social appraisal skills of the PBs with respect to financing mid-size investments in renewable energy, industrial energy efficiency and waste-to-energy. This objective will be achieved through (i) the application of best practice environmental and social impact assessment of individual Sub-projects to be financed under the Facility and (ii) capacity building of PBs to facilitate broader application of these appraisal procedures, after the end of the Facility.

To be eligible for financing from the Facility Loan proceeds, Sub-borrowers and Sub-projects must comply with the environmental and social policy requirements outlined below. Compliance with these requirements shall be assessed by the Project Consultant as part of the Sub-project appraisal and approval process. Applicable environmental and social policy requirements include the following:

- a) To qualify for financing under the facility, a proposed Sub-borrower must be in compliance with the applicable national environmental, social and health and safety legislation in Turkey.
- b) While providing any Sub-loan, the PB shall apply the requirements of Performance Requirement 9 Financial Intermediaries of the EBRD Environmental and Social Policy⁴, including compliance of Sub-borrowers and/or Sub-projects with the requirements of the Environmental and Social Exclusion and Referral List of the EBRD (see Annex 1 of the of the EBRD Environmental and Social Policy).
- c) All Sub-projects shall be carried out in accordance with, or promote a degree of alignment with, relevant EU environmental legislation. As a consequence, where a Sub-project could be expected to fall within the scope of Annex I and/or Annex II of the Environmental Impact Assessment (“EIA”) Directive⁵ on the assessment of the effects of certain public and private projects on the environment, then an environmental impact assessment shall be made during the Sub-project preparation, equivalent to that provided for by the EIA Directive. The PC, in consultation with the EBRD, shall be responsible for determining the necessity for and the form of any environmental impact assessment for each Sub-project.
- d) If a sub-project is likely to affect sites of importance for nature conservation under the environmental laws of Turkey (which are being harmonised with international laws and regulations relating to nature conservation), an appropriate assessment according to these environmental laws shall be documented.
- e) Where applicable, Sub-projects shall comply or shall promote a degree of alignment with the *acquis communautaire*, and in particular with the following texts:
 - Directive on end-use efficiency and energy services of 5 April 2006⁶;
 - Directive on the limitation of emissions of certain pollutants into the air from large combustion plants of 27 November 2001⁷
 - Waste Framework Directive 2008/98/EC
 - Landfill Directive 1999/31/EC
 - Waste Incineration Directive (2000/76/EC)
 - Directive on Integrated Pollution Prevention and Control of 15 January 2008⁸;
 - RES Directive (2009/28/EC)⁹

⁴ EBRD Social & Environmental Policy, 2008, currently available at:

<http://www.ebrd.com/pages/about/principles/sustainability/policy.shtml>

⁵ Council Directive (85/337/EEC) of 27 June 1985, OJ L 175, 5/7/1985, p. 40, as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003.

⁶ OJ L 114, 27.4.2006, p.64, Directive 2006/32/EC.

⁷ OJ L 309, 27.11.2001, p.22, Directive 2001/80/EC.

⁸ OJ L 24, 29.1.2008, p.8, Directive 2008/1/EC.

⁹ DIRECTIVE 2009/28/EC on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC

- f) Following receipt of a signed Letter of Engagement from a potential Sub-borrower, the PC (more specifically, the environmental expert within the PC's team) will review the Sub-project proposal and, if deemed necessary, will visit the site to perform an environmental audit. On the basis of this initial screening, the PC will assess whether the Sub-project is likely to be in line with the applicable EBRD's Environmental and Social Performance Requirements and with the Turkish national legislation for the particular technology. The PC will prepare a written opinion on environmental compliance and required due diligence, including supporting documentation, which will be sent to the EBRD for review. The EBRD's Environment and Sustainability Department will confirm acceptance or rejection of the PC's opinion within 5 working days and will inform the PC of the decision, stating reasons for non-acceptance where applicable. The EBRD's Environment and Sustainability Department may request additional information from the PC in order to form an opinion. The EBRD shall advise the PC on the necessity for and the form of any Environmental Impact Assessment to be performed for the Sub-project and the EBRD, acting reasonably, will determine whether the EIA should be performed by the PC or the project sponsor, for each Sub-project. For the avoidance of doubt, where an EIA is required by national law, the Sub-project sponsor will be responsible for bearing the cost of the EIA. The PC will inform the Sub-project sponsor and the PB of the EBRD's decision.
- g) For all renewable energy Sub-projects, regardless of size, a non-technical summary of the proposed investment shall be disclosed to the local public. The language of the non-technical summary will be agreed with the Sub-borrower. Public consultation requirements for larger HPP and WPP Sub-projects are described in Annex 5 and EBRD's Environmental and Social Performance Requirements.
- h) If a proposed Sub-project is in relation to an existing industrial plant or facility that does not meet the relevant EBRD's Performance Requirements at the time of the approval of the Sub-loan under the Facility, the EBRD, in its sole discretion, may decide to allow the PB to proceed to finance the Sub-project. However, the Sub-borrower will be required to adopt and implement an Environmental and Social Action Plan ("ESAP"), satisfactory to the EBRD (based on considerations of technical and financial feasibility and cost effectiveness), in order to achieve compliance of the plant or facility with EBRD's Performance Requirements within a time frame acceptable to EBRD. The PB will be required to include in its Sub-loan agreement with such Sub-borrower conditions/covenants which require the Sub-borrower to implement the ESAP within the agreed time frame.
- i) To ensure that best practice continues to be met during Sub-project construction/implementation and subsequent operation of the investment, the PB will integrate Sub-borrower environmental and social impact reporting into its Sub-loan monitoring activities. The PC will provide support and training to PBs' staff to implement any necessary changes to Sub-project environmental assessment and monitoring procedures of the PB to enable the PB to apply these best practice standards consistently across its portfolio of mid-size energy efficiency, renewable energy and waste-to-energy investments.

1.3.5 Policy regarding renewable energy portfolio diversification

The objectives of the Facility include the promotion of a diversified renewable energy mix in Turkey and the development of the appraisal capacity of the PBs for different renewable energy technologies. Therefore, the PB is requested to finance from the proceeds of the Facility, on a best efforts basis, at least one Sub-project from each of the following technology categories:

- Greenfield run-of-river HPPs or rehabilitation of HPPs including dams;
- Wind power plants;
- Geothermal power plants;
- Others, including biomass, biogas, solar and waste-to-energy.

Whilst financing of HPPs is not excluded under the Facility, priority of access to the financial and technical assistance resources of the Facility shall be given to the less commonly financed renewable energy technologies listed under the first three bullet points above.

1.3.6 Policy regarding EBRD direct risk participation in Sub-projects

In parallel with the EBRD financing to the PB, the EBRD will directly participate, on a funded basis, in the risk of a certain number of Sub-projects (indicatively, 20% of sub-projects by number) funded from the EBRD financing to the PB. A separate legal agreement, a “Risk Participation Agreement” or “RPA”, will be signed between the EBRD and the relevant PB to define the terms and conditions, processes, obligations, etc. of the EBRD’s direct risk participation. The PB shall offer each Sub-project that it has under development for funding from MidSEFF to the EBRD for consideration by the EBRD as a potential direct risk participation sub-project. The EBRD, in its sole discretion, may accept this direct risk participation on a Sub-project by Sub-project basis.

1.3.7 Policy regarding Carbon Market Development

The Facility is intended to contribute to the development of the carbon market in Turkey. Turkey has a unique status under the Kyoto Protocol, which currently makes it unable to qualify emission reduction projects for carbon trading there under as either Joint-Implementation (“JI”) or Clean Development Mechanism (“CDM”) projects.

Absent access to international compliance carbon market mechanisms, an alternative voluntary market has been developing. Already in Turkey a number of projects have successfully qualified and registered with voluntary emission standards, such as the Gold Standard. The further development of this nascent carbon market is a key objective of the MidSEFF. The EBRD, together with the PC and CFC, and with the co-operation and assistance of the PBs, will assist in preparing a select number of Sub-projects as Carbon Credit transactions to realise carbon monetisation and to assist in developing a carbon market, and, if possible, provide a future link to a wider regional or global regulated carbon market.

1.3.8 Specific Exclusions

The following potential Sub-borrowers and/or Sub-projects are specifically excluded from receiving financing from the Facility Loan proceeds:

- a) Sub-borrowers may not be companies engaged in (i) production, marketing, distribution (or similar activity) of tobacco products, hard liquor, alcohol (other than breweries, wineries and other companies manufacturing low/medium alcohol beverages), gambling, arms and military equipment, or (ii) production or activities involving forced labour or child labour¹⁰, or (iii) use of live animals for scientific and experimental purposes or (iv) any business relating to pornography or prostitution.
- b) Proceeds of Sub-loans may not be used to refinance the existing debt of a Sub-borrower.
- c) Activities listed on the EBRD’s Environmental and Social Exclusion and Referral List.
- d) Investments in real estate solely with the aim of making short or medium term profit on sales.
- e) The following expenditures shall not be eligible as investment cost of a Sub-project:
 - Purchase, rent or leasing of land and existing buildings;
 - Operating costs;
 - Working capital requirements, except to the extent that such working capital costs are an integral part of the investment implementation;
 - Purchase or leasing of passenger motor vehicles;
 - Purchase of second hand equipment;
 - Financial transactions such as the purchase of shares or of the assets of an existing company;
 - Aircraft acquisition, passenger cars acquisition;
 - Telecom licenses, production rights, mining rights; or
 - Insurance and reinsurance costs.

For the avoidance of doubt, PBs are not restricted from financing expenditures listed under paragraph (e) above from other resources of the PB, excluding MidSEFF resources.

¹⁰ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions. Employees may only be taken if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

2. Eligibility Criteria for Hydro Power Projects

| Eligibility Criteria | Descriptor | Evidence |
|--|---|--|
| <p>Regulatory Compliance: The facility complies with the requirements of national environment, health and safety law.</p> | <ul style="list-style-type: none"> The facility, or proposed facility, has all the necessary permissions and permits required under national law. | <ul style="list-style-type: none"> The developer has undertaken an Environmental Impact Assessment where required by national authorities and that EIA has been disclosed to the public in accordance with national requirements. The developer has obtained the required material licences and permits to build and operate the facility. |
| <p>The facility complies with EBRD Performance Requirements and EU environment, health and safety directives.</p> | <ul style="list-style-type: none"> Beyond the national legal requirements, the facility complies with EBRD Performance Requirements and the applicable EU directives. | <ul style="list-style-type: none"> The developer has undertaken a full Environmental Impact Assessment where it would be required under EU directives; that EIA follows EU standards and has been disclosed to the public in accordance with EU requirements. |
| <p>The facility complies with International Commission on Large Dams (ICOLD) recommendations on dam safety.</p> | <ul style="list-style-type: none"> Design, construction and start of operation of new dams having a height of 15 metres or more from the foundation or, if the height is between 5 and 15 metres, having a reservoir capacity of more than 3 million cubic metres shall be reviewed by an independent panel of experts. | <ul style="list-style-type: none"> The developer has had the design, construction and operating plans reviewed by an independent panel of experts. |
| <p>The facility shall be developed with due consideration of cumulative impacts on the water basin resulting from existing developments.</p> | <ul style="list-style-type: none"> Each new facility has to take into account the local conditions and baseline data, including already constructed, under construction and permitted HEPPs developed by other developers. An assessment has to be made of the cumulative impact of the existing and planned HEPPs in the area. | <ul style="list-style-type: none"> The environmental audit or environmental impact assessment should demonstrate that the expected overall cumulative impact of HEPPs in the water basin including the Sub-project has an acceptable impact. |

| Eligibility Criteria | Descriptor | Evidence |
|--|---|--|
| <p>Water Flow: The facility maintains a minimum flow in the river that is adequate for the existing fish population, wildlife and water quality taking into account seasonal fluctuations in flow levels.</p> | <ul style="list-style-type: none"> • Maintain a minimum wetted channel perimeter, at all control structures, with a constant flow in the river throughout the year. • Facility viability to be based on minimum flow required for river to sustain existing environment. | <ul style="list-style-type: none"> • Justification must be provided in the light of the requirement to provide an adequate flow for fish, wildlife and water quality. |
| <p>Water Quality: The facility does not contribute to deterioration of water quality either upstream or downstream of the facility.</p> | <ul style="list-style-type: none"> • The facility has minimal impact on water quality in the head pond, bypassed reach and the reaches downstream of the tailrace and diversion dams / dykes. | <ul style="list-style-type: none"> • The facility has not contributed to a deterioration of water quality post construction. |
| <p>Fish Passage and Protection: The facility has minimal impact on local fish populations, provides effective fish passage for local and migrating fish species and also protects fish from entrainment.</p> | <ul style="list-style-type: none"> • There should be minimal loss of fish or fish habitat. • Facility preserves resident fish communities. • Facility preserves ability of fish to move and migrate. • Flows in the bypassed reach and downstream of the tailrace are adequate to support aquatic and riparian species at pre-facility ranges | <ul style="list-style-type: none"> • Information has been gathered on both the local and migrating fish populations. • The developer understands the particular structure and needs of the fish within the area of the facility. • The developer has provided adequate mitigation measures to ensure that the eligibility criteria are met. |
| <p>Watershed Protection: The facility does not negatively impact environmental conditions in the watershed.</p> | <ul style="list-style-type: none"> • The facility does not affect the integrity of the existing ecosystem either upstream or downstream of the facility. • Additional components of the facility e.g. access roads, powerlines, and generation facilities have minimal impact on the riparian environment. | <ul style="list-style-type: none"> • An assessment of impacts associated with additional components has been made. • An assessment of upstream and downstream impacts has been made. • Adequate mitigation measures have been provided to ensure the eligibility criteria are met. |

| Eligibility Criteria | Descriptor | Evidence |
|---|--|--|
| <p>Threatened & Endangered Species Protection: The facility does not negatively impact any threatened or endangered species nor any areas designated for their protection.</p> | <ul style="list-style-type: none"> The facility is not constructed on a protected or sensitive river. The facility does not threaten or harm the habitat or migration patterns of endangered species, threatened species or species of regional concern. The facility has no significant impact on existing wildlife habitat and populations. | <ul style="list-style-type: none"> Sensitive or protected areas on or around the river have been identified. Endangered or threatened species present in the area of, or downstream from, the facility have been identified. The developer has assessed the potential impact of the facility on any such areas or species. The developer has provided adequate mitigation measures to ensure that the eligibility criteria are met. |
| <p>Recreation: The facility does not stop or limit recreational uses of the river.</p> | <ul style="list-style-type: none"> Access to the water remains unchanged by the facility and accommodates recreational activities on the river. | <ul style="list-style-type: none"> Identification of any current recreational uses of the river around the site of the facility and confirmation that these will not be affected by the development of the facility. |
| <p>Cultural Issues: The facility does not inappropriately impact cultural property</p> | <ul style="list-style-type: none"> Cultural property includes sites having archaeological (prehistoric), paleontological, historical, religious and unique natural values. Cultural property therefore includes remains left by previous human inhabitants and unique natural features such as canyons and waterfalls. | <ul style="list-style-type: none"> Cultural property in the vicinity of the facility has been identified. Adequate mitigation measures have been put in place to ensure eligibility criteria are met. |
| <p>Community Issues: The facility does not reduce local community use of either the river or the surrounding lands.</p> | <ul style="list-style-type: none"> The facility does not stop or limit local communities' ability to utilise the river to provide a livelihood, i.e. by fishing, as a leisure amenity or to utilise the land around the river where they may rely on the river for irrigation purposes. | <ul style="list-style-type: none"> Local community uses of the river have been identified. The locally affected community has been notified and consulted prior to the development of the facility. If the public consultation that was undertaken is determined by the PC to have been weak, supplementary consultation may be required. Adequate mitigation measures have been agreed to ensure that eligibility criteria are met. Such mitigations measures might include providing access to power particularly in situations where local power supply is inadequate. |

3. Eligibility Criteria for Wind Power Projects

| Issue | Eligibility Criteria | Evidence |
|---|--|--|
| General: | | |
| <p>Regulatory Compliance: The facility complies with the requirements of national environment, health and safety law.</p> | <ul style="list-style-type: none"> The facility, or proposed facility, has all the necessary permissions and permits required under national law. | <ul style="list-style-type: none"> The developer has undertaken an Environmental Impact Assessment where required by national authorities and that EIA has been disclosed to the public in accordance with national requirements. The developer has obtained the required material licences and permits to build and operate the facility. |
| <p>The facility complies with applicable EBRD Performance Requirements on environment, health and safety directives.</p> | <ul style="list-style-type: none"> Beyond the national legal requirements, the facility complies with EBRD Performance Requirements and the applicable EU directives. | <ul style="list-style-type: none"> The developer has undertaken a full Environmental Impact Assessment where it would be required under EU directives; that EIA follows EU standards and has been disclosed to the public in accordance with EU requirements. |
| <p>Wind farm developments need to be approved in the local development plan, and local zoning needs to allow for wind farm development.</p> | <ul style="list-style-type: none"> The local development plan allows for wind farm development and a strategic study has been undertaken of the area to allow wind farm development. Public consultation will be / has been conducted in accordance with national requirements. | <ul style="list-style-type: none"> The developer has undertaken a planning assessment and the local development plan has been changed (if necessary) to allow for the construction of wind farms. Evidence of public consultations of the change to the local development plan allowing for wind farm development |
| <p>The wind farm shall be developed with due consideration of cumulative impacts resulting from existing developments.</p> | <ul style="list-style-type: none"> Each new wind farm has to take into account the local conditions and baseline data, including already constructed, under construction and permitted wind farms developed by other developers. An assessment has to be made of the cumulative impact of the existing and planned wind farms in the area. | <p>The developer can demonstrate the overall cumulative impact of wind farms in the region and what is the carrying capacity of wind turbines in terms of environmental, social and infrastructure impacts.</p> |

| Issue | Eligibility Criteria | Evidence |
|--|---|--|
| <i>Regulatory Compliance:</i> | | |
| <p>Turbines construction may be (or may have been) permitted to proceed without the required studies and permits.</p> | <p>The facility will comply / complies with the requirements of national environment, health and safety law.</p> | <ul style="list-style-type: none"> • The developer has undertaken an Environmental Impact Assessment, where required by national authorities, and that EIA has been disclosed to the public in accordance with national requirements. • The developer has undertaken any other studies as required by national or local authorities. • The developer has obtained the required material licences and permits to build and operate the facility. |
| <i>Landscape and Visual Impacts:</i> | | |
| <p>Landscape and visual impacts are among the most far-reaching effects of wind farms and are generally of greatest concern to the public.</p> | <ul style="list-style-type: none"> • Turbines will / do not create significant changes in the landscape fabric, character and quality as a result of development. • Turbines and any ancillary structures are / will be constructed so as to minimise visual impacts. | <ul style="list-style-type: none"> • The landscape itself will not be / has not been significantly altered or damaged through clearance, excavation or construction. • Features of the landscape such as trees or hedgerows will not be / have not been removed in such numbers as to significantly change the nature of the landscape. • Public access to surrounding areas is not hindered by the turbines. • The visual impact of turbines has been considered from all relevant viewing angles when considering location. • The number of ancillary structures which (will) have a visual impact will be / has been minimised. • Public consultations have been designed to take into account the people affected by the landscape impacts of the wind farm. |

| Issue | Eligibility Criteria | Evidence |
|---|---|---|
| <i>Designated Areas:</i> | | |
| <p>Designated areas (e.g. a national park, a NATURA 2000 site – both official and shadow lists) are typically listed as such because they contain threatened, rare, or sensitive fauna and flora and the construction and operation of turbines in such areas may be detrimental to those species.</p> | <p>Turbines will / do not have a negative impact on designated or potentially designated sensitive areas.</p> | <p>The developer has undertaken research on the proposed location of the turbine(s) and either avoided siting within a designated location or received the appropriate permissions from the authorities to do so. Turbines will be / have been sited without causing unacceptable disturbance or damage.</p> <p>If the site is located in or near a sensitive area of nature conservation such as a Natura 2000 or potential Natura 2000 area, the developer needs to have undertaken an additional ecological survey and assessment.</p> |
| <i>Impacts on Fauna and Flora:</i> | | |
| <p>Operating wind turbines may result in collisions of birds and bats with rotor blades and / or with towers. Turbines may also alter the habitat around the project site so changing the type and number of perching sites or the type and quantity of prey available to certain species. Likewise, the siting of turbines may have an impact on other species particular when considering those species of conservation value, located outside of designated areas.</p> | <ul style="list-style-type: none"> • Turbines will be / are sited, designed and configured to minimise impacts on migrating and / or nesting and feeding birds and bats. • Turbines will be / are sited, designed and configured to minimise impacts on other fauna and flora, notably any species of conservation value. | <ul style="list-style-type: none"> • A baseline study, of appropriate nature, has been undertaken with sufficient ornithological data to cover both migratory seasons. • Site selection will take / has taken account of known migration pathways or areas where birds and bats are highly concentrated. • Site selection will take / has taken account of any other fauna and flora located on site particularly any species of conservation value. • Turbines will be / have been configured to avoid potential avian mortality. • Site will be / has been designed to avoid creating attractions for feeding or nesting birds e.g. integration of storm water management measures to avoid creation of small ponds which might attract birds. |

| Issue | Eligibility Criteria | Evidence |
|---|--|--|
| Community Health and Safety: | | |
| <p>Where turbines are sited in close proximity to people there may be a number of nuisance and safety issues associated with, for example, shadow flicker and blade glint, noise and ice thrown from blades.</p> | <p>Turbines will be / have been designed and sited to avoid impacts on local residences, schools, hospitals, businesses and taking into account the safety of those in proximity to turbines.</p> <p>Generally wind turbines should be over 700 m from the nearest residential area.</p> | <ul style="list-style-type: none"> • Any affected local communities have been consulted on the location of turbines. • If the public consultation that was undertaken is determined by the PC to have been weak, supplementary consultation may be required. • Turbines are sited at sufficient distance from sensitive receptors to avoid any noise or visual impacts. • If turbines must be located close to sensitive receptors: <ul style="list-style-type: none"> - Turbines meet national requirements and international good practice for acoustic design. - Turbines have been designed and are orientated to avoid shadow flicker. - Turbines have been painted with a non-reflective coating. - Turbines sites include adequate measure to protect public safety e.g. gates, fencing and signage. |
| Auxiliary Facilities: | | |
| <p>Auxiliary facilities such as roadways to access turbines and equipment for the transmission of electricity can, both during the construction and operational phases, create impacts on fauna and flora and people.</p> | <p>Access roads, the site(s) and facilities for distribution of electricity are designed, constructed and operated so as to avoid, and where this is not possible mitigate, adverse environmental impacts.</p> | <ul style="list-style-type: none"> • Auxiliary facilities have undergone appropriate impact assessment and any significant environmental or community impacts have been identified. • Any such impacts have been taken into account during siting decisions to preferably avoid, or where this is not possible, mitigate those impacts. • Evidence of public consultations for the associated infrastructure. |

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