



Project Summary Information

Date of Document Update: September 4, 2024

Project Name	Ispartakule-Cerkezkoy Rail Project
Document Code	P000345
Country	Republic of Türkiye
Sector/Subsector	Transport / Rail
Status of Financing	Approved
Project Description	<p>The Project will finance the construction of 67 kilometers of new double-track, electrified, high-speed railway from Ispartakule station to a location adjacent to the east of Cerkezkoy Station (approximately 1km from the center of Cerkezkoy). It consists of three components as described below.</p> <p>Component A. Construction works of a 67km section of new high-speed railway line designed as 200km/h max speed, double track, electrified railway and the required systems, including ERTMS Level 1, power supply and auxiliaries; from Ispartakule station, to just before Cerkezkoy station, as well as the construction supervision contract.</p> <p>Component B. Capacity development and technical assistance to the PIU on project management, procurement, monitoring, contract implementation, financial management and environmental and social activities, facilitating the timely and effective implementation of the Project by providing assistance to the General Directorate of Infrastructure Investment (AYGM).</p> <p>Component C. Livelihood Restoration Activities as per EBRD PR5 (RAP Fund). A designated Resettlement Action Plan (RAP) Fund will be created to cover the costs of livelihood restoration compensation that are not covered by the national expropriation budget. Turkish legislation does not provide compensation to informal land users, income losses for businesses and transactional costs which are covered, along with a contingency, in the RAP Fund to achieve the livelihood restoration requirements of EBRD PR5.</p> <p>The Project will be jointly cofinanced by the European Bank for Reconstruction and Development (EBRD) and AIIB (the Cofinanciers) and will follow the arrangements set by the agreement between the Cofinanciers signed in April 2021. Therefore, EBRD Environmental and Social Policy (2014) (EBRD ESP), EBRD Procurement Policies and Rules (2017)</p>

	(EBRD PPR), and EBRD Independent Project Accountability Mechanism will apply in lieu of AIIB Environmental and Social Policy (AIIB ESP), AIIB Procurement Policy, and AIIB Project-affected People's Mechanism, respectively.
Objective	The objective of the proposed project is to increase passenger and freight capacity, safety and speed of rail transport between Türkiye and the European Union via the construction of a high-speed rail between Ispartakule and Cerkezkoy.
Expected Results	The project objective indicators include (a) increased number of passengers carried; (b) increased number of freight tons carried; and (c) reduced average journey times. Intermediate indicators include completion rates of rail construction, direct jobs created for domestic labor, RAP Fund compensation paid in full, and proportion of female full-time employees in the Project Implementation Unit, within AYGM.
Environmental and Social Category	Category A (equivalent to Category A if AIIB's ESP were applicable)
Environmental and Social Information	<p>The Project will be cofinanced with the EBRD. To ensure a harmonized approach on addressing the Project's environmental and social (ES) risks and impacts, and as permitted under AIIB ESP, EBRD's ESP (2014) and related Performance Requirements (PRs) will apply to the Project in lieu of the AIIB's ESP¹. The Project's ES risks and impacts have been assessed in accordance with EBRD's ESP and related PRs.</p> <p>AIIB has reviewed the EBRD's ESP PRs and is satisfied that: (a) they are consistent with AIIB's Articles of Agreement and materially consistent with the AIIB ESP, including AIIB's Environmental and Social Exclusion List and the relevant Environmental and Social Standards; and (b) the monitoring procedures that are in place are appropriate for the Project. The Project is classified as Category A (equivalent to Category A if AIIB's ESP were applicable), since the ES risks and impacts associated with the construction and operation of a long-distance railway are significant, irreversible, and diverse.</p> <p>An Environmental and Social Impact Assessment (ESIA) (including an Environmental and Social Management Plan - ESMP), an Environmental and Social Action Plan (ESAP), a Non-Technical Summary (NTS), a Resettlement Action Plan (RAP), a Guide to Land Acquisition and Compensation for communities (GLAC) and a Stakeholder Engagement Plan (SEP) have been prepared and disclosed on the websites of AYGM² and EBRD³ in English and Turkish. AIIB's project webpage⁴</p>

¹ The applicable PRs include PR1: Assessment and Management of Environmental and Social Impacts and Issues; PR2: Labor and working conditions; PR3: Pollution prevention and abatement; PR4: Health and Safety; PR5: Land acquisition, involuntary resettlement, and economic displacement; PR6: Biodiversity conservation and sustainable management of living natural resources; PR8: Cultural heritage; and PR10: Information disclosure and stakeholder engagement.

² <https://aygm.uab.gov.tr/ispartakule-cerkezkoy-demiryolu-hatti-projesi>

³ <https://www.ebrd.com/work-with-us/projects/esia/ispartakule-erkezkoy-railway-project.html>

⁴ <https://www.aiib.org/en/projects/details/2021/approved/Turkey-Ispartakule-Cerkezkoy-Rail-Project-Previously-Halkali-Cerkezkoy-Rail-Project.html>

also provides the links to the disclosed ES documents. The ESIA package and RAP are also available at multiple locations along the Project's alignment.

The route of the high-speed railway is generally aligned with the existing Ispartakule-Cerkezkoy railway line, crossing habitats that are common and widespread, with no national or international protected areas in the alignment. The biodiversity and critical habitat assessment identified Priority Biodiversity Features (PBFs) and critical habitat. The Project crosses two designated Important Bird Areas (IBAs), but the impacts on these areas are expected to be limited. A Biodiversity Management Plan (BMP) has been developed, including specific conservation actions aimed at achieving No Net Loss / Net Gain for PBFs and critical habitat.

Most of the adverse environmental impacts are construction related. Appropriate mitigation measures for addressing these impacts and risks are included in the ESMP. During operation phase, noise and vibration will be mitigated through installation of noise barriers and through specific track design measures.

The Project is considered 100% Climate Mitigation Financing (EUR300 million), as it (i) reduces the carbon intensity of train travel by increasing the transportation capacity, and (ii) induces modal shift away from road transport. Anticipated GHG emission reduction will be 850,471 tCO₂e over the first 30 years of operation.

An occupational health and safety plan will be developed for construction and operation phases to manage potential impacts to workers and communities, including labor rights of construction workers and their working conditions, and addressing health and safety risks to workers and communities. The Project will also identify and address any gender issues, including gender-based violence and harassment risks (GBVH) to workers, communities and passengers, and will develop and implement a stand-alone gender equality and GBVH action plan.

The total area of land affected by the Project is estimated at 503 ha, which will be acquired on a permanent basis physically displacing 59 households and 509 secondary structures. A RAP and associated GLAC have been developed to define mitigation, compensation, and livelihood restoration measures in line with national law and PR 5.

Consultations have been undertaken to disseminate the findings of the ESIA and RAP. A SEP has been prepared defining engagement activities during the Project lifecycle including alternative engagement approaches to mitigate risks related to COVID-19 in line with national authorities and WHO guidance. A separate RAP Fund, financed by AIIB will be established to ensure cash and in-kind compensation meets full replacement values in accordance with EBRD PR5 requirements. Both national budget and the RAP Fund will be disbursed by AYGM.

	An internal grievance mechanism and an external grievance mechanism have been established for internal and external stakeholders in line with EBRD's PRs.			
Cost and Financing Plan	For Loans/Credits/Others	Amount		
		EUR million	USD million equivalent⁵	
	AIIB Loan	300	352.6	
	EBRD loan	150	176.3	
	Government of Türkiye	265.05 ⁶	311.5	
Total	715.05	840.3		
Borrower	Republic of Türkiye			
Implementing Entity	General Directorate of Infrastructure Investment (AYGM)			
Estimated date of loan closing	May 31, 2027			
Contact Points:	AIIB	EBRD	Borrower	Implementation Organization
Name	Wenjing Pu	Cem Bal	Sedef AYDAŞ	Irfan Kurnaz
Title	Investment Officer	Principal Banker	Ministry of Treasury and Finance General Directorate of Foreign Economic Relations	Ministry of Transport and Infrastructure General Directorate of Infrastructure Investment
Email Address	wenjing.pu@aiib.org	balc@ebrd.com	sedef.aydas@hmb.gov.tr	irfan.kurnaz@uab.gov.tr
Date of Concept Decision	June 5, 2020			

⁵ The Loan is denominated in EUR. The USD values were calculated considering an exchange rate of USD1.00 = EUR0.8509 as of August 27, 2021.

⁶ Inclusive of EUR75 million for land acquisition.

Date of Appraisal Decision	September 15, 2021
Date of Financing Approval	November 25, 2021

Independent Accountability Mechanism	<p>EBRD ESP applies to the Project in lieu of AIIB ESP. Pursuant to AIIB's agreement with EBRD, EBRD's independent accountability mechanism, the Independent Project Accountability Mechanism (IPAM) will review, in accordance with the EBRD Project Accountability Policy, all requests regarding environmental and social issues that may arise under the Project. Consequently, in accordance with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions to the PPM under the Project will not be eligible for consideration by the PPM. If the PPM receives any such requests, it will inform the IPAM of the request and provide requesters with information on how to file a request with IPAM. Information on EBRD's IPAM is available at https://www.ebrd.com/ipam.</p>
---	--