



### Project Summary Information

Date of Document Preparation: June 9, 2020

<b>Project Name</b>	Halkali-Cerkezkoy Rail Project
<b>Document Code</b>	PD000345-PSI-TUR
<b>Country</b>	Republic of Turkey
<b>Sector/Subsector</b>	Transport / Rail
<b>Status of Financing</b>	Under preparation
<b>Project Description</b>	<p>The Project is expected to finance the construction of 75.9 kilometers of new double-track, electrified, high-speed railway from Halkalı station, İstanbul, to just before Çerkezköy station. It consists of two components as described below.</p> <p>Component A. Construction works of a 75.9km section of new high-speed railway line designed as: (i) 200km/h max speed, double track, electrified railway and the required systems, including ERTMS Level 1, power supply and auxiliaries; and (ii) modification of relevant existing infrastructure including stations and connections to existing railway line. The Project will mostly run in parallel to the existing single-track rail line.</p> <p>Component B. Project management, capacity building and resettlement activities. AIIB will provide capacity development and technical assistance to the implementing agency for project management, construction supervision and implementation assistance by providing financing to hire such consultants. AIIB will also finance resettlement activities, including additional payments above the compensation for land acquisition by the Turkish State Railways (TCDD) calculated according to Turkey's Law No. 2942 on Expropriation, so as to meet the requirements of AIIB.</p> <p>The Project will be jointly co-financed with the European Bank for Reconstruction and Development (EBRD).</p>
<b>Objective</b>	The objective of the proposed project is to develop safe, sustainable, low-carbon, and expedient passenger and freight rail transport between Turkey and the European Union to further facilitate trade via a new high-speed rail from Halkali to Cerkezkoy.

<b>Expected Results</b>	The preliminary project objective indicators include (a) number of passengers carried per kilometer; (b) number of freight tons carried per kilometer; and (c) reduced journey times. Other intermediate indicators include completion rates of rail construction and direct jobs created for domestic labor.
<b>Environmental and Social Category</b>	Category A
<b>Environmental and Social Information</b>	<p><b>Applicable Policy and Standards.</b> The Project will be jointly co-financed with the EBRD, and the Project's environmental and social (ES) risks and impacts are being assessed in accordance with EBRD's Environmental and Social Policy (EBRD ESP) and related Performance Requirements (2014) (EBRD PRs). To ensure a harmonized approach to addressing the ES risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (AIIB ESP), the EBRD ESP and relevant EBRD PRs will apply to the Project in lieu of the AIIB ESP. AIIB has reviewed the EBRD ESP and EBRD 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.</p> <p><b>ES Categorization and Rationale.</b> The Project is in Category "A", in accordance with the EBRD ESP, as it includes the construction of long-distance railway tracks which could result in adverse environmental and social impacts associated with legacy and future land acquisition; cumulative and associated facilities' impacts; impacts on natural habitats, fauna and flora; potential impacts on cultural heritage; community and occupational health and safety risks related to major excavation, construction and blasting activities, during construction, and principally noise and vibration and rail safety risks during operation.</p> <p><b>ES scoping and planned instruments.</b> An Environmental Impact Assessment (EIA) has been prepared, disclosed and consulted upon during its preparation according to Turkish standards. The Bank's due diligence process was initiated with a gap analysis between that EIA and the applicable EBRD PRs. Based on it, a comprehensive set of ES instruments, inclusive of an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP), a Resettlement Action Plan (RAP), and a Stakeholder Engagement Plan (SEP) are being prepared according to EBRD's PRs. These ES instruments will consider cumulative impacts with other existing and planned activities in the Project's area of influence, and where applicable, changes in design needed to accommodate other planned or potential projects. An Environmental and Social Action Plan (ESAP) will be developed and disclosed and the Project will be monitored regularly to ensure compliance with the ESAP and the EBRD PRs.</p>

**Summary of potential ES risks and impacts.** The proposed rail alignment principally crosses agricultural land with shorter sections crossing secondary forest habitat and in three locations intersecting with recognized Important Bird Areas (IBA.) Relevant studies will be conducted to assess the sensitivity of biodiversity receptors, the presence of Critical Habitat and/or Priority Biodiversity Features in accordance with EBRD PR6, and define appropriate measures to mitigate the temporary significant disruptions to the ecological environment and other impacts induced by noise, dust, hazardous chemicals use and storage, waste generation, etc. during construction; and principally noise and vibration impacts during the operational phase. Appropriate mitigation measures will be developed in the ESIA and detailed in the ESMP, which will also address risks not covered in the regulatory EIA, such as those related to occupational health and safety for the construction and operation, labor management, emergency management for communities and blasting, hazardous waste and natural hazards management, will be assessed in the ESIA and addressed in the ESMP.

The proposed rail alignment will affect both private and state lands. Based on the land acquisition plan for the Project design prepared by the implementing agency, TCDD, the principal impact will be economic displacement, while physical resettlement will be limited. A socio-economic baseline, census, asset inventory and valuation in accordance with EBRD's PR 5, on Land Acquisition, Involuntary Resettlement and Economic Displacement will be completed as part of the RAP that will include stakeholder consultation during its preparation and implementation. The project will develop appropriate mitigation and compensation, including livelihood restoration, measures in order to address the impacts as part of the RAP, in line with national and PR5 requirements.

**Project Grievance Redress Mechanism (GRM).** A GRM for Project-affected people (PAPs) and workers, including direct TCDD employees and contractors and sub-contractors' employees, will be established in line with EBRD's PR2, PR5 and PR10.

**Stakeholder Engagement and Disclosure.** The ES instruments will include a comprehensive SEP that defines the nature and frequency of engagements required during the ES instruments preparation, and thereafter during Project construction and operation. Measures will be identified to mitigate risks related to COVID-19 transmission in line with national authorities and WHO guidance during any stakeholder engagement and other activities needed to prepare and implement the Project.

The ES documentation in English and summary in Turkish will be disclosed by TCDD on its website and in hard copies in the Project areas. This documentation will also be disclosed on EBRD's website, and AIIB's website will include links to the documentation on TCDD's website and EBRD's website.

Cost and Financing Plan	For Loans/Credits/Others	Amount		
		EUR million	USD million equivalent <sup>1</sup>	
	AIIB Loan	320	350	
	EBRD loan	100	108	
	Government of Turkey	243.5	263.1	
	Total	663.5	721.1	
<b>Borrower</b>	Republic of Turkey			
<b>Implementing Entity</b>	Turkish State Railways (TCDD)			
<b>Estimated date of loan closing</b>	April 30, 2025			
<b>Contact Points:</b>	<b>AIIB</b>	<b>EBRD</b>	<b>Borrower</b>	<b>Implementation Organization</b>
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<b>Date of Concept Decision</b>	June 5, 2020			
<b>Estimated Date of Appraisal Decision</b>	Nov/2020			
<b>Estimated Date of Financing Approval</b>	Q1/2021			

<sup>1</sup> The Loan is denominated in EUR. The USD values were calculated considering an exchange rate of USD1.00 = EUR0.9254 as of May 12, 2020.

<b>Independent Accountability Mechanism</b>	<p>The Project has been prepared in accordance with the EBRD's ESP, and as permitted by the Bank's ESP, the EBRD's ESP will apply to this Project instead of the Bank's ESP. The Bank intends to rely on EBRD's independent accountability mechanism, the Independent Project Accountability Mechanism (IPAM), in lieu of the Bank's Project-affected People's Mechanism (PPM), to handle submissions by project-affected people relating to environmental and social issues that may arise under the Project. For this purpose, the Bank is currently discussing a framework agreement with the EBRD. Should the agreement not materialize within a reasonable time, the Bank would rely on the Bank's PPM to handle submissions brought to it relating to environmental and social issues under the Project.</p> <p>For information on AIIB's PPM, please visit: <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a>.</p>
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