



Project Summary Information

Date of Document Preparation: August 13, 2021	
Project Name	Izmir Metro Phase 5: Üçyol - Buca Line
Project Number	P000376
AIIB member	Republic of Turkey
Sector/Subsector	Transport / Urban Transport (Metro)
Status of Financing	Under Preparation
Project Description	<p>The Project involves the tendering, construction, and operation of a new metro line (M2) between the central districts of Konak and Karabağlar and the south-eastern district of Buca, Izmir's most populous area. The new line will encompass 13.4-kilometer (Km) of tunnels and tracks, 11 underground stations, including interchanges with the existing metro line (M1) at Üçyol and the commuter rail (Izban) at Şirinyer. The line will be connected to a depot and workshop by a 6-km access tunnel.</p> <p>The Project is the fifth expansion of Izmir Metro's network and will meet the City's increasing demand for high-capacity public transport between three densely populated areas. It will provide a cleaner and more efficient alternative to road traffic, in line with the City's Transport Master Plan until 2030 (TMP). The construction is expected to start in the fourth quarter of 2021 and take 4 years to complete.</p> <p>The Project includes underground and civil engineering works (stations, tunnels), electro-mechanical works (signaling, telecommunications, energy supply, elevators and escalators, environmental control systems), and auxiliary facilities. The Project excludes the purchase of rolling stock, to be procured subsequently.</p> <p>The City is financing the Project with a combination of external finance and budgetary resources. The Project will be funded with external debt up to EUR490 million to be provided by AIIB (up to EUR125 million), EBRD (EUR125 million),</p>

	<p>AFD (EUR125 million), and other lenders (up to EUR115 million).</p> <p>The contract between the Izmir Municipality and the Contractor will be subject to a two-stage open international tender process under EBRD's Procurement Policies and Rules.¹ The General Procurement Notice was published on February 8, 2021. The Invitation for Tenders was published on February 12, 2021².</p> <p>Once built, the Project will be operated by Izmir Metro (IM), a municipal entity, under an indefinite lease agreement with the Izmir Metropolitan Municipality (IMM).</p>
Objective	To increase the capacity, connectivity, and efficiency of Izmir Metro.
Expected Results	The expected results monitoring framework will include number of passengers (ridership) at the Project and the Network level, occupancy rate, Izmir Metro additional network length, and Izmir additional stations.
Environmental and Social Category	EBRD Category B, equivalent to Category B if AIIB's Environmental and Social Policy (ESP) were applicable.
Environmental and Social Information	Environmental and Social Policy and Categorization. The proposed financing will be co-financed with the European Bank for Reconstruction and Development (EBRD), and the Project's environmental and social (ES) risks and impacts have been assessed in accordance with EBRD's Environmental and Social Policy 2019 (EBRD's ESP) and relevant Performance Requirements (PRs). To ensure a harmonized approach to addressing environmental and social (ES) aspects of the Project, and as permitted by AIIB's Environmental and Social Policy (AIIB's ESP), EBRD's ESP relevant PRs ³ will apply to this Project in lieu of AIIB's ESP. The Bank has reviewed EBRD's ESP and PRs and is satisfied that i) the EBRD ESP and PRs are consistent with the Bank's Articles of Agreement and materially consistent with the provisions of AIIB's ESP and the relevant ES Standards (ESS); and ii) the monitoring procedures that are in place are appropriate for the Project. This Project has been assigned Category B in accordance with EBRD's ESP (equivalent to Category B if AIIB's ESP were applied) since the environmental and social (ES) risks and impacts are relatively limited,

¹ EBRD Procurement Policies and Rules. <https://www.ebrd.com/work-with-us/procurement/policies-and-rules.html>.

² Invitations for Tenders: <https://ecepp.ebrd.com/delta/viewNotice.html?displayNoticeId=14378603>.

³ The applicable PRs include PR1: Assessment and Management of Environmental and Social Impacts and Issues; PR2: Labour 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.

reversible, localized, and will mainly occur during the construction phase.

An independent consultant has conducted an Environmental and Social Due Diligence (ESDD) study to identify and assess the environmental and social impacts associated with the construction and operation of the proposed metro line and subsequently an ESAP has been prepared. The ESDD includes audits on the corporate ES policies and management systems of a) Izmir Metropolitan Municipality (IMM) responsible for construction, b) Izmir Metro responsible for operation and c) the contractors of the ongoing metro project. The areas that need to be improved are included in an Environmental and Social Action Plan (ESAP).

Environmental and Social aspects. The Project is expected to result in safer and more reliable transport services for local passengers and will help to reduce traffic congestion, noise pollution and air pollution deriving out of transport modal shift.

The Project consists of 13.4 km underground metro line with 11 stations, which means that impacts during construction will be largely confined the areas around the new stations. These stations will be built on state owned lands in residential areas and so will not require any private land acquisition and/or resettlement of private assets/buildings. Some local businesses around the metro stations can be affected due to temporary construction and nuisance such as traffic congestion, noise, and dust impacts. Other impacts anticipated during the construction phase will include occupational health and safety, labor and working conditions of contractor employees, emergency planning, noise and potential vibration risks to the old buildings, cultural heritage impacts particularly at Kasaplar Square and waste and wastewater management throughout construction phase. The project will not impact any biodiversity or nature reserve areas or national parks.

During the operation phase, the potential impacts will include noise, indoor air pollution control, and management of fire safety risks, labor issues and community safety and security issues during transportation, which are less significant. Management of gender-based violence and harassment risks (GBVH) to workers and communities are identified as an area for improvement during ESDD in line with the new 2019 ESP.

To mitigate these impacts during construction and operation phases of the metro, specific mitigation measures are identified and agreed in the ESAP. The client is required to undertake the measures defined in the ESAP and monitor the implementation during the lifetime of the project.

Stakeholder Engagement, Consultation, and Information Disclosure. A Stakeholder Engagement Plan (SEP) has been developed to ensure conduct of regular engagement with the affected people and vulnerable people, wider

	<p>communities, local and national government, and non-governmental organizations, and media to inform them about project activities, plans and developments on an ongoing basis, and gather any complaints or feedback. The Non-Technical Summary (NTS) of ES documents and the SEP in English and Turkish languages have been disclosed on the EBRD website.⁴ The documents in English and Turkish languages will be uploaded by IMM/IM on a Project dedicated website. AIIB will provide these links on its website when they are available.</p> <p>Project-level Grievance Redress Mechanism (GRM). Both IMM and IM have formal GRMs for the public and employees, which are also applicable for this Project. All contractors will be required to establish and implement employee grievance mechanism their employees. The GRMs will also be revised to help track GBVH issues.</p>																								
Cost and Financing Plan	<p>The Project has an estimated total cost of up to EUR650 million (civil works: EUR500 million, Electric & Mechanical works: EUR150 million), to be financed with up to EUR490 million external debt. Financing Plan is as follows:</p> <table border="1"> <thead> <tr> <th>Financing Source</th> <th>EUR million</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>AIIB</td> <td>125</td> <td>19.2%</td> </tr> <tr> <td>EBRD</td> <td>125</td> <td>19.2%</td> </tr> <tr> <td>AFD</td> <td>125</td> <td>19.2%</td> </tr> <tr> <td>Other lenders</td> <td>115</td> <td>17.7%</td> </tr> <tr> <td>External Finance</td> <td>490</td> <td>75.4%</td> </tr> <tr> <td>City</td> <td>160</td> <td>24.6%</td> </tr> <tr> <td>Total Sources</td> <td>650</td> <td>100.0%</td> </tr> </tbody> </table>	Financing Source	EUR million	%	AIIB	125	19.2%	EBRD	125	19.2%	AFD	125	19.2%	Other lenders	115	17.7%	External Finance	490	75.4%	City	160	24.6%	Total Sources	650	100.0%
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Borrower	İzmir Büyükşehir Belediyesi (İzmir Metropolitan Municipality or IMM)																								
Estimated date of last disbursement	December, 2024																								

Contact Points:	AIIB		İzmir Büyükşehir Belediyesi	
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⁴ EBRD Project Summary Document: <https://www.ebrd.com/work-with-us/projects/psd/izmir-metro-project-ii.html>

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Date of Concept Decision	November 4, 2020			
Estimated Date of Appraisal Decision	Q4, 2021			
Estimated Date of Financing Approval	Q4, 2021			

Independent Accountability Mechanism	As noted above, EBRD's ESP will apply to this project instead of AIIB's ESP. Pursuant to AIIB's framework co-financing agreement with EBRD, the Independent Project Accountability Mechanism (IPAM) will review, in accordance with the EBRD Project Accountability Policy dated April 2019, all requests regarding environmental and social issues that may arise under the Project. 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. Information on EBRD's IPAM is available at https://www.ebrd.com/project-finance/independent-project-accountability-mechanism.html .
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