

Türkiye : Istanbul Seismic Mitigation and Emergency Preparedness Additional Financing Project

1. Project Information

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|-----------------------------------|---|------------------------|---|
| Project ID: | P000705 | Instrument ID: | L0705A |
| Member: | Türkiye | Region: | Western Asia |
| Sector: | Urban | Sub-sector: | Urban resilience |
| Instrument type: | <input checked="" type="checkbox"/> Loan:150.00 Euro million <input type="checkbox"/> Guarantee | Lead Co-financier (s): | |
| ES category: | B | Borrowing Entity: | Ministry of Treasury and Finance, Türkiye |
| Implementing Entity: | Istanbul Project Coordination Unit | | |
| Project Team Leader: | Nat Pinnoi | | |
| Responsible DG: | Xiaohong Yang | | |
| Responsible Department: | PSC2 | | |
| Project Team Members: | Yi Geng, SFD - Financial Management Specialist; Yunlong Liu, SFD - Procurement Specialist; Liu Yang, Project Counsel; Yuan Xiao, Sector Specialist; Mark Barnard, SFD - Environment Specialist; Ercan Ozbulut, SFD - Social Development Specialist; Lixiang Wang, Back-up PTL; Jiaming Yu, Project admin | | |
| Completed Site Visits by AIIB: | May, 2024 Implementation Review Mission (May 23-28) Nov, 2024 Implementation Supervision Mission (Nov. 29) May, 2025 Implementation Support Mission (May12-19). | | |
| Planned Site Visits by AIIB: | Nov, 2025 Implementation Support Mission | | |
| Current Red Flags Assigned: | 0 | | |
| Current Monitoring Regime: | Regular Monitoring | | |
| Previous Red Flags Assigned: | 0 | | |
| Previous Red Flags Assigned Date: | 2024/12 | | |

2. Project Summary and Objectives

As the additional financing of the ongoing financed Istanbul Seismic Mitigation and Emergency Preparedness (ISMEP) Project approved in 2019, the objectives of the Project are to improve the disaster resilience of critical public facilities built before 1999 and to further enhance emergency preparedness and resilience of the City of

Istanbul. This will be achieved through strengthening critical public facilities for earthquake resistance and enhancing the institutional capacity for disaster risk management and emergency preparedness.

3. Key Dates

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|----------------|---------------|------------------------|---------------|
| Approval: | Sep. 22, 2023 | Signing: | Sep. 27, 2023 |
| Effective: | Nov. 03, 2023 | Restructured (if any): | |
| Orig. Closing: | Jun. 30, 2028 | Rev. Closing (if any): | |

4. Disbursement Summary (EUR million)

| | | | |
|-------------------|-------|---------------------------------------|---------------------|
| Contract Awarded: | | Cancellation (if any): | 0.00 |
| Disbursed: | 90.48 | Latest disbursement (amount/date): | 13.08/Apr. 09, 2025 |
| Undisbursed: | 59.52 | Disbursement Ratio (%) ¹ : | 60.32 |

5. Project Implementation Update

The Project implementation has been progressing well. The reconstruction works have been progressing well for all 14 school buildings with an average progress of 17.4 percent while the retrofitting works on 3 school buildings have been progressing well at around 35 percent.

| Components | Physical Progress | Environmental & Social Compliance | Procurement |
|--|-------------------|-----------------------------------|---|
| Component A: Enhancing Emergency Preparedness. (EUR5.20 million) This component aims to enhance the emergency preparedness of the City of Istanbul by strengthening the capacity of Istanbul's Provincial Directorate of Disaster and | On track. | No issues. | No non-compliance issues. Procurement is close to completion. |

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

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| Emergency and other first responders. | | | |
| Component B: Seismic Risk Mitigation for Public Facilities (EUR140.50 million). This component is to reduce the risk of future earthquake damages to critical public facilities to save lives and ensure their continued operation in the event of an earthquake. The component mainly consists of retrofitting and reconstructing priority public facilities such as schools, hospitals and other social facilities (daycare centers, aged group homes for the elderly, orphanages, etc.). The component also supports feasibility studies, detailed designs and construction supervision. The Project's implementing entity, the Istanbul Project Coordination Unit (IPCU), has already identified about 40 buildings to be included in the | On track. | <p>Overall, environmental and social compliance is partially satisfactory. The Environmental and Social Management Plans (ESMPs) have been prepared in accordance with the Project ESMPF and implemented under each AIIB-financed contract, with roles and responsibilities between IPCU, consultants, and contractors generally well defined. However, implementation of Occupational Health and Safety (OHS) requirements on site needs to be strengthened by the IPCU, consultants and contractors. IPCU will engage a full time OHS Specialist as soon as possible and provide the TOR and CV to AIIB for review and no objection. The Client has also committed to a time-bound action plan to address systemic OHS implementation issues.</p> <p>No issues, the procurement of the project has substantially completed, and implementation is going as scheduled.</p> <p>The procurement of AF-ISMEP has almost substantially completed except for 2 consulting services contracts that are to be procured in due course. 22 contracts have been procured, among which implementation of 6 contracts have been completed while 16 contracts are still under implementation. All loan proceeds have been fully committed under contracts signed.</p> <p>Before AIIB mission in this May, AIIB procurement consultant conducted a procurement post review of all post review contracts of AF-ISMEP that have been procured in the year of 2024, which has demonstrated the persistent satisfactory procurement performance of the 3 projects managed by IPCU.</p> <p>It has been noted that all procurement process documents have been uploaded to PPMS of AIIB.</p> | |

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| Project based on the original ISMEP project's established rules. | | | |
| Component C: Project Management Support. (EUR4.30 million) This component supports the IPCU in implementing the Project efficiently and transparently and continues to build the institutional capacity to sustain the implementation of the Seismic Risk Mitigation and Preparedness program beyond the life of the Project. Specifically, the component comprises the IPCU's operational costs and project management support, including monitoring and evaluation, environmental and social safeguards, procurement and financial management. | On track. | No issues. | No non-compliance issues. The implementation is going well. |

Financial Management:

Financial Management: Based on the recent mission conducted in May, it is noted the project could continuously maintain an acceptable project financial management system to properly manage project funds and produce project financial statements to timely reflect sources and usage of project funds in the format required by MOF and Bank. Up to the mission date, total loan proceeds are committed to signed contracts or operational activities.

According to the Interim Financial Report, cumulative expenditure by 2024 is EUR57.5million, accounting 38 percent of total budget. The total disbursement up to mid-June is EUR 90.5 million, accounting 60 percent of total loan size.

Another application of EUR12.15 million is under processing by the Bank. The audit fieldwork of 2024 is ongoing by

government designated auditor, Board of Treasury Controllers. Reports for the project are due by June 30, 2025.

6. Status of the Grievance Redress Mechanism (GRM)

A grievance redress mechanism (GRM) is operational and functioning properly under the coordination of the Istanbul Project Coordination Unit (IPCU). The GRM system consists of two tiers and is accessible to both project-affected people and workers. All construction sites displayed signs indicating the presence of the GRM, and IPCU has also installed dedicated mechanisms for workers to submit grievances on-site. During the mission, it was agreed with IPCU that the visibility and clarity of these signs should be improved by more explicitly publishing the contact details—such as phone numbers, email addresses, and official postal addresses—at all sites to ensure better accessibility and understanding for workers and affected communities. A total of nine grievances have been received under the project to date, including three during this reporting period. All grievances have been resolved and closed.

7. Results Monitoring

Overall, the project has been progressing well, and the RMF indicators are calculated on an annual basis.

Project Objective: The objectives of the project are to improve the disaster resilience of critical public facilities and to enhance emergency preparedness and resilience of the City of Istanbul.

Project Objective Indicators

Monitoring end year: 2027

| Indicator Name | Unit of Measure | Baseline | Actual (Previous) | Actual (Current) | Current Target | End Target |
|---|---------------------|----------|-------------------|------------------|----------------|------------|
| USD of financing for projects in cities that promote resilience | USD million | 0 | 34.7 | | 99 | 165 |
| Number of beneficiaries | persons | 0 | 7962 | | 9100 | 31850 |
| Building retrofitted or reconstructed | number of buildings | 0 | 10 | | 30 | 40 |

Comments:

Intermediate Result Indicators

Monitoring end year: 2027

Component:

Enhancing Emergency Preparedness

| Indicator Name | Unit of Measure | Baseline | Actual (Previous) | Actual (Current) | Current Target | End Target |
|----------------|-----------------|----------|-------------------|------------------|----------------|------------|
| | | | | | | |

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|-----------------------|--------|---|----|--|----|----|
| Communities consulted | Number | 0 | 10 | | 40 | 40 |
|-----------------------|--------|---|----|--|----|----|

Comments:

Component:

Seismic Risk Mitigation for Public Facilities

| Indicator Name | Unit of Measure | Baseline | Actual (Previous) | Actual (Current) | Current Target | End Target |
|--|-----------------|----------|-------------------|------------------|----------------|------------|
| Building with improved energy efficiency | Percentage | 0 | 25 | | 40 | 100 |

Comments:

Remarks: