



### Project Summary Information

Date of Document Preparation: March 13, 2026	
<b>Project Name</b>	Green Industrial Zone Development
<b>Project Number</b>	P001068
<b>AIIB member</b>	Türkiye
<b>Sector/Subsector</b>	Urban
<b>Alignment with AIIB's thematic priorities</b>	Green Infrastructure; Technology-enabled Infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To improve the environmental performance and competitiveness of Organized Industrial Zones in Türkiye through enhanced wastewater management, resource efficiency, and green and climate-resilient basic infrastructure.
<b>Project Description</b>	<p>Türkiye's OIZs face tightening environmental standards, water stress, and infrastructure gaps that constrain environmental compliance, expansion, and competitiveness. Shortcomings in wastewater treatment and basic supporting infrastructure limit operational efficiency and resilience. Addressing these constraints is essential to sustain industrial growth, safeguard competitiveness, and support Türkiye's green industrial transition.</p> <p>The Project supports the Government of Türkiye to improve the environmental sustainability and operational competitiveness of OIZs through targeted investments in (i) wastewater treatment and water reclamation systems, and (ii) essential supporting green infrastructure. The latter includes, as appropriate, domestic and process water networks, sewage lines, stormwater drainage systems, electricity distribution networks, natural gas networks, and telecommunications infrastructure. Climate-resilient design and green features, such as energy-efficient measures, renewable energy integration, and nature-based solutions will be incorporated where appropriate. Investment will support the development, upgrading and expansion of necessary infrastructure.</p> <p>The Project is structured as a parallel financing operation with the Islamic Development Bank (IsDB), under a coordinated nation-wide program led by the Ministry of Industry and Technology (MoIT). AIIB and IsDB will finance separate groups of OIZs under their respective policies and procedures.</p>

	<p>The Project is organized along the following components:</p> <ul style="list-style-type: none"> <li>- Component A: Investment in Wastewater and Water Reclamation Facilities (USD 190 million)</li> <li>- Component B: Investment in Green and Climate-Resilient Basic Infrastructure (USD 55 million)</li> <li>- Component C: Project Management (USD 5 million)</li> </ul>
<b>Expected Results</b>	<p>The Project will contribute to reducing industrial pollution and improving environmental performance of OIZs in Türkiye. Key expected results include: (i) increased wastewater treatment capacity and compliance with national discharge standards in participating OIZs; (ii) improved water reclamation and resource efficiency, including potential for industrial water reuse; (iii) enhanced climate resilience of basic OIZ infrastructure; (iv) strengthened institutional and technical capacity of OIZ management bodies and MoIT for green and climate-resilient infrastructure planning and operation; and (v) reduced greenhouse gas emissions through cleaner production processes and energy efficiency measures. Indicative PDO-level indicators include the volume of wastewater treated to standard in participating OIZs, the number of OIZs with upgraded green and climate-resilient infrastructure, and the number of OIZ staff trained in environmental management and compliance. Results will be monitored through semi-annual progress reports submitted by MoIT/PICU, and tracked against a Results Framework to be agreed at appraisal.</p>
<b>Environmental and Social Category</b>	B
<b>Environmental and Social Information</b>	<p><b>Applicable Policy and Categorization:</b> AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List, is applicable to the Project. Following environmental and social (ES) due diligence conducted at Concept stage, ESS 1 (Environmental and Social Assessment and Management) will apply to the Project. Although the subprojects are expected to be implemented mainly within existing OIZ boundaries, ESS 2 (Involuntary Resettlement) will also apply, should any land acquisition or livelihood impacts arise. ESS 3 (Indigenous Peoples) is not applicable in Türkiye since Indigenous Peoples are not present in the country. The Project has been assigned Category B in accordance with AIIB's ESP given the nature of the proposed investments, which will focus on upgrading and improving existing wastewater treatment, water reuse and related green supporting infrastructure within established OIZs.</p> <p><b>Environmental and Social Instruments:</b> The Project will adopt a framework approach as the specific subprojects and investment locations are not yet fully defined at Concept stage. An Environmental and Social Management Plan Framework (ESMPF) will be prepared by the Client prior to appraisal, in accordance with AIIB's ESP and applicable national legislation. The ESMPF will establish the ES procedures and requirements for screening, assessment, approval and monitoring of subprojects to be financed under the Project. Although subprojects are expected to be implemented mainly within existing</p>

OIZ boundaries, a Resettlement Policy Framework (RPF) will be prepared as part of the ESMPF to address any unforeseen land acquisition, temporary land use, or livelihood impacts that may arise. In addition, a Stakeholder Engagement Plan (SEP) will also be prepared prior to appraisal to define stakeholder identification and analysis, consultation and disclosure arrangements, and ongoing engagement mechanisms throughout the Project lifecycle.

**Environmental and Social Aspects:** The Project is not expected to result in significant adverse impacts on sensitive environmental receptors, as investments are anticipated largely within existing OIZ boundaries and the capacity of wastewater treatment plants (WWTPs) is expected to be below higher risk thresholds. Construction activities may temporarily result in localized noise, dust emissions, traffic disruption, construction waste generation, and occupational health and safety (OHS) risks. Operational-phase impacts may include sludge management, wastewater discharge compliance, energy consumption, health and safety and emergency response planning, and chemical handling in WWTPs. Further review of discharge standards, sludge disposal practices, and operational capacity of OIZs will be undertaken prior to Appraisal Review. Mitigation measures will be incorporated into subproject-level Environmental and Social Management Plans (ESMPs) in accordance with AIIB ESP and applicable national environmental regulations. The Project is not expected to induce physical or economic resettlement, as investments are anticipated to take place within established OIZ boundaries. However, in the unlikely event that land acquisition or livelihood impacts arise under specific subprojects, these will be addressed in accordance with the RPF to be prepared for the Project, and site-specific instruments will also be developed as required. In addition to land acquisition, other social impacts are expected to be primarily construction-related and may include temporary access restrictions, noise, dust emissions, traffic disturbances, and community health and safety risks. Appropriate mitigation measures will be included in subproject ESMPs. The Project is not expected to involve significant gender-specific risks or direct gender-targeted interventions. However, gender-differentiated risks and opportunities will be further assessed during project preparation.

**Occupational Health and Safety (OHS), Labor and Working Conditions:** Project activities will involve construction-related risks associated with civil works for wastewater treatment plants and associated infrastructure, including excavation works, confined space entry, work at height, working in and near water, noise, operation of heavy machinery, and electrical hazards. Operational risks may include exposure to wastewater, sludge, and treatment chemicals. Contractors will develop and implement Construction ESMP (CESMPs) in accordance with the ESMPF and subproject level ES instruments. CESMPs will include procedures for OHS, work-related accident prevention, emergency preparedness and response, and community health and safety measures. MoIT, through the PIU, will be responsible for monitoring implementation of mitigation measures. Contractors will be required to implement labor management procedures consistent with national labor legislation and AIIB ESP requirements.

	<p><b>Stakeholder Engagement and Information Disclosure:</b> SEP will be prepared prior to appraisal in order to identify key stakeholders, including OIZ managements, enterprises, workers, local communities and relevant government institutions, and will define appropriate consultation and disclosure methods as well as the grievance mechanism. Engagement activities will be conducted in a culturally appropriate and gender-sensitive manner, with measures to ensure the participation of women and vulnerable groups. The ESMPF, RPF and SEP will be disclosed in a timely and appropriate manner by the Client and AIIB in accordance with the Bank's requirements prior to appraisal.</p> <p><b>Project Grievance Redress Mechanism (GRM):</b> In addition to the national grievance system, the establishment of a Project-level GRM by the Client will be discussed and determined during the environmental and social due diligence (ESDD) stage in accordance with AIIB's ESP requirements. The GRM will be accessible to project-affected communities, workers, and other stakeholders. Information regarding the GRM, including submission channels and contact details, as well as AIIB's Project-affected People's Mechanism (PPM), will be disclosed through MoIT and OIZ communication channels prior to commencement of construction activities.</p> <p><b>Monitoring and Reporting Arrangements:</b> MoIT, through the PICU, will be responsible for day-to-day coordination, consolidation of progress reports, and oversight of subprojects implemented by participating OIZs. MoIT will submit periodic implementation progress reports to AIIB covering ES compliance based on the agreed format. Subproject-level monitoring information will be consolidated by the PICU based on reporting from OIZs. AIIB will conduct regular field missions to review and monitor the implementation of ES instruments. More details will be discussed and determined with the client during the ESDD and project appraisal.</p>
<p><b>Cost and Financing Plan</b></p>	<p>The total project cost for the AIIB-financed operation is estimated at USD250 million. AIIB will provide a sovereign-backed loan of USD250 million to finance selected OIZs under the Project. In addition, participating OIZs are expected to utilize their own resources to support preparatory activities, independent oversight, and supervision costs, thereby leveraging additional funding alongside the AIIB loan. The scope and scale of such own contributions will be determined at the OIZ level and will not form part of the Project's monitored financing envelope.</p>

	<b>Project Component</b>	<b>AIIB</b> (USD million)	
	<b>Component A:</b> Wastewater and Water Reclamation Infrastructure	195	
	<b>Component B:</b> Green and Climate-Resilient Basic Infrastructure	50	
	<b>Component C:</b> Project Management	5	
	<b>Total</b>	250	
	Separately, IsDB is expected to provide parallel financing of approximately USD250 million to support a different group of OIZs under the same government-led program.		
<b>Borrower</b>	Republic of Türkiye		
<b>Implementing Entity</b>	Ministry of Industry and Technology		
<b>Estimated date of loan closing (SBF)</b>	June 2033		
<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Implementation Organization</b>
<b>Name</b>	Mr. Nat Pinnoi	Mr. Kerem Donmez	Ms. Esma Meriç Meriçli Taşan
<b>Title</b>	Senior Investment Officer	Director General, General Directorate of Foreign Economic Relations	Head of Department, International Programmes and Funding Directorate
<b>Email Address</b>	<a href="mailto:nat.pinnoi@aiib.org">nat.pinnoi@aiib.org</a>	<a href="mailto:kerem.donmez@hmb.gov.tr">kerem.donmez@hmb.gov.tr</a>	<a href="mailto:esmameric.mericlitasan@sanayi.gov.tr">esmameric.mericlitasan@sanayi.gov.tr</a>
<b>Date of Concept Decision</b>	March 27, 2026		
<b>Date of Appraisal Decision</b>	Q3 2026		
<b>Date of Financing Approval</b>	Q1 2027		

<b>Independent Accountability Mechanism</b>	The Project-affected People’s Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB’s failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management’s processes. For information on how to make submissions to the PPM, please visit <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a> to the PPM web page.
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