



Project Summary Information

Date of Document Preparation: July 20, 2020	
Project Name	Izmir Metro Expansion Phase 4: Fahrettin Altay – Narlidere Line Project
Document Code	TUR-000356
AIIB member	Republic of Turkey
Sector/Subsector	Transport / Urban Transport (Metro)
Status of Financing	Approved
Project Description	<p>The Project involves the construction of a new 7.2-kilometer, 7-station metro line extension to meet the increasing demand for high-capacity public transport in the city of Izmir. The Project is the fourth expansion of Izmir's single-line metro system and will connect the western areas located between Fahrettin Altay and Narlidere Kaymakamlik with the city center. The Project will provide a cleaner and more efficient alternative to road vehicles, in line with the city's urban rail network expansion plan and Transport Master Plan (TMP) 2030.</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, as the necessary metro cars were already procured in previous phases.</p> <p>The European Bank for Reconstruction and Development (EBRD) and the Black Sea Trade and Development Bank (BSTDB) have committed and disbursed loans of EUR 80 million (June 2018) and EUR 50 million (Jan. 2020), respectively for the Project. In May 2020, Société Générale also provided an additional loan of EUR 25 million under EBRD's A/B-loan. AIIB proposes to extend a non-sovereign-backed loan of up to EUR 50 million to support the completion of the Project.</p> <p>The award of the Project construction contract by the Izmir Metropolitan Municipality as employer was subject to an open international tender process. The process was carried out in accordance with the EBRD Procurement Policies and Rules (https://www.ebrd.com/work-with-us/procurement/policies-and-rules.html) and the contract was awarded on June 4, 2018, to Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş. (Gülermak). Turning over of premises to the contractor was carried out on June 25, 2018 and the Project's physical progress is reported 57 percent as of April 2020.</p> <p>Once built, the Project will be operated by Izmir Metro, 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	To include number of passengers (ridership), average trip length per passenger, construction progress, size of the network (length and stations), as appropriate.
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	<p>Environmental and Social Policy and Categorization. This Project has been prepared and implemented to date in accordance with EBRD's Environmental and Social Policy (EBRD's ESP) and EBRD's Performance Requirements (PRs), both dated May 2014. In order to ensure a harmonized approach to the environmental and social (ES) aspects of this Project, and as permitted under AIIB's Environmental and Social Policy (AIIB's ESP), EBRD's ESP and relevant PRs will apply to the project in lieu of AIIB's ESP. AIIB is satisfied that: (a) EBRD's ESP and PRs are consistent with AIIB's Articles of Agreement and are materially consistent with AIIB's ESP, including its relevant Environmental and Social Standards and (b) the monitoring procedures that EBRD and AIIB have in place are appropriate for the Project. EBRD has assigned Category "B" to this Project due to limited and site-specific environmental and social (ES) risks of this Project that can be avoided or mitigated by adhering to relevant performance requirements, procedures, guidelines or design criteria.</p> <p>An Environment and Social Due Diligence (ESDD) Report with an Environmental and Social Action Plan (ESAP) was prepared in March 2018 prior to the construction. The ESAP has been updated annually and submitted to EBRD.</p> <p>AIIB has conducted an Environmental and Social Review (ESR). The corrective actions have been incorporated into the updated ESAP.</p> <p>Environmental aspect. This Project is expected to expand the public transport network in Izmir, facilitate the transport modal shift and decrease travel time, which will generate socio-economic benefits and reduce noise, air pollution and congestion caused by vehicles. This Project will generate adverse impacts mostly during the construction phase. The ESR confirms that various management plans have been prepared and are being implemented by the Contractor to address the adverse environmental impacts and occupational health and safety risks. The Client has been satisfactorily supervising the management of ES risks and impacts of this Project.</p> <p>The ESDD Report notes that the client's energy management system includes periodic monitoring, review and reporting of its energy and fuel consumption, as well as greenhouse gas (GHG) emissions.</p>

	<p>Social aspect. The ESDD Report and the ESR report both indicated that no land acquisition and/or resettlement would occur related to the Project as the lands needed for the construction of the metro line and stations belong to the City. The ESR confirmed that the station designs, and construction methods were selected to minimize physical and economic displacement. The ESR indicated there were nine (9) project design changes but did not entail additional land acquisition.</p> <p>Gender and disability. The ESR confirmed that there have been no reported incidents related to sexual harassment and violence in the project. The ESR also indicated that Project has incorporated design features for its metro stations geared toward improving access of persons with limited mobility, including Braille-map for visually impaired passengers, ramps with slopes, and guiding plates for elderly and pregnant women in accordance with the international standards.</p> <p>Stakeholder Engagement, Consultation and Information Disclosure. A Stakeholder Engagement Plan (SEP) has been developed and consultation activities have been carried out with stakeholders. The Non-technical Summary (NTS) of ES documents and the SEP in English and Turkish languages have been disclosed on the EBRD website.¹ The documents in English can be found on Izmir Metro's website². Izmir Metro has also disclosed the NTS³ and SEP⁴ in Turkish language.</p> <p>Project-level Grievance Redress Mechanism (GRM). The client has a formal GRM for the general public and employees. The ESR indicated that all the grievances received to date have been resolved, and no pending grievance is reported in the system. The Contractor has also prepared a Grievance Management Plan for the project.</p>												
Cost and Financing Plan	<table border="0"> <tr> <td>Project costs:</td> <td>EUR 300 million-equivalent</td> </tr> <tr> <td>EBRD A-loan:</td> <td>EUR 80 million (disbursed)</td> </tr> <tr> <td>EBRD B-loan:</td> <td>EUR 25 million (disbursed)</td> </tr> <tr> <td>BSTDB loan:</td> <td>EUR 50 million (disbursed)</td> </tr> <tr> <td>AIIB loan:</td> <td>Up to EUR 50 million</td> </tr> <tr> <td>IMM / Other sources:</td> <td>EUR 95 million-equivalent</td> </tr> </table>	Project costs:	EUR 300 million-equivalent	EBRD A-loan:	EUR 80 million (disbursed)	EBRD B-loan:	EUR 25 million (disbursed)	BSTDB loan:	EUR 50 million (disbursed)	AIIB loan:	Up to EUR 50 million	IMM / Other sources:	EUR 95 million-equivalent
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Borrower	İzmir Büyükşehir Belediyesi (Izmir Metropolitan Municipality or IMM)												
Estimated date of last disbursement	December, 2021												

¹ <https://www.ebrd.com/work-with-us/projects/psd/izmir-metro-project-ii.html>

² <http://www.izmirmetroinsaati.com/EN/news-36>

³ <http://www.izmirmetroinsaati.com/TR/haber/cevresel-ve-sosyal-rapor-52>

⁴ <http://www.izmirmetroinsaati.com/TR/haber/paydas-katilim-plani-51>

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Date of Concept Decision	February 25, 2020			
Date of Final Review Decision	June 12, 2020			
Estimated Date of Financing Approval	July 16, 2020			

Independent Accountability Mechanism	<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 the Bank's PPM, please visit: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html.</p>
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