

## Türkiye: Istanbul Seismic Risk Mitigation and Emergency Preparedness Project

### 1. Project Information

Project ID:	P000319	Instrument ID:	L0319A
Member:	Türkiye	Region:	Western Asia
Sector:	Urban	Sub-sector:	Urban resilience
Instrument type:	<input checked="" type="checkbox"/> Loan:300.00 US Dollar million <input type="checkbox"/> Guarantee	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:	Supee Teravaninthorn		
Responsible Department:	INF2		
Project Team Members:	Liu Yang, Project Counsel; Duran Moy, Alternate Counsel; Yi Geng, OSD - Financial Management Specialist; Pedro Ferraz, OSD - Environment & Social Development Specialist; Yunlong Liu, OSD - Procurement Specialist		
Completed Site Visits by AIIB:	May, 2021 1. Asian Infrastructure Investment Bank (AIIB) carried out the virtual supervision mission for Istanbul Seismic Risk Mitigation and Emergency Preparedness (ISMEP) project on May 20, 2020. Due to the impact of the COVID-19 pandemic, the AIIB Mission team could not visit Türkiye thus the supervision mission was conducted through video conference.		
Planned Site Visits by AIIB:	Oct, 2022 Virtual Meeting		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/12		

### 2. Project Summary and Objectives

The objectives of the project are to improve the disaster resilience of critical public facilities and to enhance emergency preparedness of the City of Istanbul. The project's main component will finance structural strengthening of about 100 critical public buildings through retrofitting or reconstruction (mainly schools and hospitals as well as a few other social and administrative facilities).

The project will adopt the existing implementation arrangements established under the World Bank-financed ISMEP project and being used by the other IFIs in the ISMEP projects they are financing. The implementing agency is the Istanbul Project Coordination Unit (IPCU) established under the Istanbul Governorship. An existing Project Steering Committee established under the World Bank-financed ISMEP project will continue

to oversee project implementation and provide strategic guidance. The Steering Committee is chaired by the Governor of Istanbul and includes Directors of the provincial departments of the concerned ministries, representatives of Istanbul Metropolitan Municipality, and Ministry of Urbanization and Environment.

The main project beneficiaries will be the occupants of the target public buildings (students and teachers at schools, patients and service providers at hospitals and clinics). The secondary beneficiaries will be ordinary citizens in Istanbul who can use strengthened schools as emergency shelters and have continuous access to medical services at safer hospitals even after a disaster. Public entities responsible for emergency preparedness and response in Istanbul will also benefit through capacity building activities.

### 3. Key Dates

Approval:	Dec. 12, 2019	Signing:	Jan. 07, 2020
Effective:	Mar. 04, 2020	Restructured (if any):	
Orig. Closing:	Jun. 01, 2025	Rev. Closing (if any):	

### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	103.02	Most recent disbursement (amount/date):	12.61/Jan. 06, 2022
Undisbursed:	196.98	Disbursement Ratio (%) <sup>1</sup> :	34.34

### 5. Project Implementation Update

Due to combined adverse impacts of recent geopolitical tensions and the prolonged COVID-19 pandemic on the global and Turkish economies, the local currency has not been able to reverse its declining trends while the price of oil and gas has been sharply increased. Furthermore, the supply chain disruption of many important commodities including building material and food has led to rapidly increasing price level in Türkiye.

As a result, the new Procurement Revision Law dated 15 April 2022 (which allows for related with "price adjustments" and "termination of contracts" in the Works, Goods and Consultant Services contracts) and the Presidential Decree, issued on 13 May 2022, stated that Contracts for procurement of Goods, Works and Services awarded before 1 January 2022, in Turkish Lira currency and ongoing as of the effective date of the Presidential Decree, whose completion percentage in terms of contract amount is up to 15% as of 15 April 2022 (date of the referred new Law) shall be eligible for termination and liquidation depending and upon the application of the Contractor. These Law and decree cover the projects and contracts in Turkish Lira currency, financed by the IFIs as well.

The Government's main purpose is to provide financial support and prevent the bankruptcy of the Contractors due to very high inflation rates and significant negative changes in exchange rate of Turkish Lira against other currencies such as USD and Euro which affected the construction materials such as cement, iron, fuel and other construction materials and equipment.

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

The IPCU has already informed us of their decision to cancel two contracts and retender them in due course. It is anticipated that 4-6 months delays in the construction of these two contracts. As the full impacts of the Presidential decree is yet to be analyzed, the team will coordinate with the IPCU to evaluate the overall project performance. Findings of which will be provided in the next PIMR.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Emergency Preparedness (\$10m)	Several contracts have been tendered and awarded by IPCU. Around USD 663k was disbursed by Dec. 31, 2021.	No non-compliance issues	No issues.
Component 2: Seismic Risk Mitigation for Public Facilities (\$283m)	The major reconstruction Works of Okmeydanı Training and Research Hospital - Phase 2 is on-going as well as a few other public buildings. Retrofitting of 66 schools have been completed. Reconstruction works of 21 schools are on-going. 12 contracts are under tendering process. About USD 12.3 million was disbursed by Dec. 31, 2021.	No non-compliance issues. Parents requested more updated information on the progress of the works on the Murat Beyaz Primary School. The updated information was provided through <a href="https://www.ipkb.gov.tr/ihale/aiib-wb4-yapim-15/">https://www.ipkb.gov.tr/ihale/aiib-wb4-yapim-15/</a>	No issues. It should be noted that two bidding were cancelled due to the bid prices were much higher than the estimated market price. This is mainly because the significant depreciation of the Turkish Lira that adversely affected the construction material prices through out the supply chain.
Component 3: Project Management Supp (\$7m)	A few contracts have been tendered and awarded by IPCU for internal auditing, dissemination services, consultation, and media relation as well as a few hardware upgrade for the IPCU. Around USD 227k was disbursed by Dec. 31, 2021.	No non-compliance issues	No issues.

#### Financial Management:

The overall FM performance is satisfactory, IPCU has been maintaining the project financial management system acceptable to the Bank, and the required financial reports were submitted in a timely manner and deemed as acceptable to the Bank. The project audit report for year 2021 which is due by Q2 2022 has not been received at the time of PIMR Q2 2022 submission.

#### 6. Status of the Grievance Redress Mechanism (GRM)

A project-level Grievance Redress Mechanism (GRM) has been established, which includes multiple channels for stakeholders to raise grievances to IPCU and a process for investigating and responding to grievances.

H1 2022 information is being compiled by IPCU.

## 7. Results Monitoring

Overall, the project has been progressing well and generally meet the anual targets.

### Project Objective Indicators #1

1. Number of beneficiaries (students, teachers, medical staff, etc.) having access to disaster resilient public facilities

Year	Target	Actual	Comments, if any
Dec. 31, 2021	20,000	83490	Annual Progress report for 2021 with average of 1,265 students and staff per school
Dec. 31, 2022	40,000	N/A	Annual Progress report for 2022 is expected in Q1 2023
Dec. 31, 2023	60,000	N/A	Annual Progress report for 2023 is expected in Q1 2024
Dec. 31, 2024	80,000	N/A	Annual Progress report for 2024 is expected in Q1 2025
Dec. 31, 2025	110,000	N/A	Annual Progress report for 2025 is expected in Q1 2026
Jun. 30, 2026	120,000	N/A	Completion report is expected in Q1 2026

### Project Objective Indicators #2

2. Number of key public facilities retrofitted or reconstructed under the project to resist a major earthquake

Year	Target	Actual	Comments, if any
Dec. 31, 2021	10	on-going	Annual Progress report for 2021 is expected in Q1 2022
Dec. 31, 2022	20	N/A	Annual Progress report for 2022 is expected in Q1 2023
Dec. 31, 2023	40	N/A	Annual Progress report for 2023 is expected in Q1 2024
Dec. 31, 2024	50	N/A	Annual Progress report for 2024 is expected in Q1 2025
Dec. 31, 2025	80	N/A	Annual Progress report for 2025 is expected in Q1 2026
Jun. 30, 2026	90	N/A	Completion report is expected in Q1 2026

### Intermediate Result Indicators #1

1. Number of schools retrofitted or reconstructed under the project

Year	Target	Actual	Comments, if any
Dec. 31, 2021	10	66	Progress report for 2021
Dec. 31, 2022	20	N/A	Annual Progress report for 2022 is expected in Q1 2023
Dec. 31, 2023	40	N/A	Annual Progress report for 2023 is expected in Q1 2024
Dec. 31, 2024	50	N/A	Annual Progress report for 2024 is expected in Q1 2025
Dec. 31, 2025	80	N/A	Annual Progress report for 2025 is expected in Q1 2026

Jun. 30, 2026	85	N/A	Completion report is expected in Q1 2026
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**Intermediate Result Indicators #2**

3. Percentage of buildings with improved energy efficiency under the project

Year	Target	Actual	Comments, if any
Dec. 31, 2021	25	Energy efficiency is a required part of all building retrofitting and reconstruction	Annual Progress report for 2021
Dec. 31, 2022	40	N/A	Annual Progress report for 2022 is expected in Q1 2023
Dec. 31, 2023	60	N/A	Annual Progress report for 2023 is expected in Q1 2024
Dec. 31, 2024	60	N/A	Annual Progress report for 2024 is expected in Q1 2025
Dec. 31, 2025	60	N/A	Annual Progress report for 2025 is expected in Q1 2026
Jun. 30, 2026	60	N/A	Completion report is expected in Q1 2026

**Intermediate Result Indicators #3**

4. Number of school communities reached out to via consultation meetings and awareness program

Year	Target	Actual	Comments, if any
Dec. 31, 2021	10	66	Annual Progress report for 2021
Dec. 31, 2022	20	N/A	Annual Progress report for 2022 is expected in Q1 2023
Dec. 31, 2023	40	N/A	Annual Progress report for 2025 is expected in Q1 2026
Dec. 31, 2024	50	N/A	Annual Progress report for 2025 is expected in Q1 2026
Dec. 31, 2025	80	N/A	Annual Progress report for 2025 is expected in Q1 2026
Jun. 30, 2026	85	N/A	Completion report is expected in Q1 2026

**Intermediate Result Indicators #4**

2. Number of hospitals retrofitted or reconstructed under the project

Year	Target	Actual	Comments, if any
Dec. 31, 2024	1	N/A	Annual Progress report for 2024 is expected in Q1 2025
Dec. 31, 2025	1	N/A	Annual Progress report for 2025 is expected in Q1 2026
Jun. 30, 2026	1	N/A	Completion report is expected in Q1 2026

**Remarks:**

IPCU has won USGBC Leed Europe Leadership due to the school&hospital projects built with Leed and used by general public. Therefore, many people benefit from LEED certified buildings. 2021 USGBC Leadership Award

recipients announced at USGBC Live on June 2021. Leed Certificate is the world's most respected green building rating system, created for the purpose of saving energy, water and natural resources in buildings, designing, constructing and operating sustainable buildings.

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