

Türkiye: Ispartakule-Cerkezkoy Railway Project

1. Project Information

Project ID:	P000345	Instrument ID:	L0345A
Member:	Türkiye	Region:	Western Asia
Sector:	Transport	Sub-sector:	Rail transport
Instrument type:	<input checked="" type="checkbox"/> Loan:300.00 Euro million <input type="checkbox"/> Guarantee	Co-financier(s):	European Bank for Reconstruction and Development
ES category:	A	Borrowing Entity:	Ministry of Treasury and Finance, Türkiye
Implementing Entity:	Ministry of Transport and Infrastructure, Türkiye		
Project Team Leader:	Natalia Carla Sanz		
Responsible DG:	Supee Teravaninthorn		
Responsible Department:	INF2		
Project Team Members:	Liu Yang, Alternate Counsel; Yogesh Malla, OSD - Financial Management Specialist; Georgi Georgiev Dzhartov, OSD - Social Development Specialist; Zhixi Zhu, OSD - Environment Specialist; Gabriel Giacobone, Economist; Chitambala Sikazwe, OSD - Procurement Specialist; Jiaming Yu, Project admin		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:	Aug, 2022 Planned on-site joint supervision mission with EBRD		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:			
Previous Red Flags Assigned Date:			

2. Project Summary and Objectives

The Project objective is to increase passenger and freight capacity, safety and speed of rail transport between Türkiye and the European Union through the construction of a high-speed railway line between Ispartakule and Cerkezkoy. The Project benefits include increased number of passengers and freight tons carried, reduced average travel time, and reduced greenhouse gas emissions.

The Project comprises high-speed railway civil works, supervision consultant, implementation support and compensation for resettlement (RAP Fund). The RAP Fund will cover livelihood restoration activities and is defined as additional payments above the compensation paid by the implementing agency for land acquisition, which is calculated according to Türkiye's regulations. Provision of the RAP Fund will enable the achievement of full replacement values in accordance with EBRD Performance Requirement 5.

The Project is part of the Halkali-Kapikule Railway Line, a strategic corridor being developed in line with the Turkish national transport strategies and the European Union's Country Strategy for Türkiye (2014–2020). It

aims to establish a safe, accessible, sustainable, and inter-operable national rail transport corridor in line with EU standards and with appropriate Trans-European Transport Network (TEN-T) connections. The Project is aligned with AIIB's thematic priority of Connectivity and Regional Cooperation, as well as with the AIIB Transport Sector Strategy priority of improving transport network capacity and connectivity. The Project will be jointly cofinanced by EBRD and AIIB and will follow the arrangements set by the agreement between the two banks signed in April 2021. Therefore, EBRD's Environmental and Social Policy, Procurement Policies and Rules, and Independent Project Accountability Mechanism will apply in lieu of AIIB's Environmental and Social Policy, Procurement Policy, and Project-affected People's Mechanism, respectively.

3. Key Dates

Approval:	Nov. 25, 2021	Signing:	Dec. 08, 2021
Effective:	Feb. 11, 2022	Restructured (if any):	
Orig. Closing:	May. 31, 2027	Rev. Closing (if any):	

4. Disbursement Summary (EUR million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	0.90	Most recent disbursement (amount/date):	0.05/May. 23, 2022
Undisbursed:	299.10	Disbursement Ratio (%) ¹ :	0.30

5. Project Implementation Update

The Project became effective in February 2022, and started disbursing in April 2022.

The Civil Works and Supervision Consultant tendering processes are ongoing, with both contracts expected to be awarded by Q3 2022. The PIU Support Consultant was hired in December 2021 and is providing support services as needed.

Land acquisition is ongoing, expected delays are mitigated with proactive engagement of relevant AYGM departments. The precise alignment and micro routing are ongoing. There have been 52 community meetings and 23 focus groups/workshops targeting vulnerable groups including women. RAP Fund payments are expected to begin in early July 2022.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component A - Civil Works and Supervision Consultant (AIIB: \$346.7 m). Construction of 67 km of new double-track, electrified, high-speed railway from Ispartakule	Tendering processes ongoing.	ES considerations have been included in the tendering documents.	The Civil Works Contract and Supervision Contract tendering processes are ongoing. Negotiations of the Supervision Consultant contract are ongoing, expected to finish by July 2022. The tendering process for

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.

station, to just before Cerkezko station, as well as the construction supervision contract.			the Civil Works has also progressed with 8 tenders received in April 2022. The civil works contract is expected to be signed during Q3 2022.
Component B - Project Management Support (AIIB: \$1.2m). Hiring of consultants for capacity strengthening and technical assistance to the Project Implementation Unit (PIU) for project management, procurement, monitoring, contract implementation, financial management and environmental and social activities.	2022 Q1 report submitted to the satisfaction of the co-financiers.	N/A	PIU consultant hired in December 2021.
Component C - Livelihood Restoration Activities as per EBRD PR5 (RAP Fund) (AIIB: \$4.7m). AIIB only financing. Additional payments above the compensation paid by AYGM for land acquisition calculated according to Türkiye Law No. 2942 on Expropriation, to achieve full replacement values in accordance with EBRD Performance Requirement 5 (PR 5).	Land acquisition negotiations started in March 2022. A first advance payment of EUR 0.8 million was made to the Designated Account in April 2022. RAP Fund payments are starting in July 2022, in parallel with the compensations within the scope of the national legislation to be paid by AYGM.	This component follows the RAP fund manual and EBRD PR5 conditions and requirements.	N/A

Financial Management:

The Project started disbursing in April 2022, with a total of EUR 0.1 million for Component B, and EUR 0.8 million for Component C. There are no outstanding IUFRRs nor audit reports in this reporting period.

6. Status of the Grievance Redress Mechanism (GRM)

The GRM has been established at the AYGM level. The functioning GRM has received 142 grievances in total with eight in the process of resolution. The outstanding grievances are mainly requests for additional information or support in the negotiations. An online stakeholder management database is being set up to facilitate data management and tracking.

7. Results Monitoring

Project results indicators are advancing as expected.

Project Objective Indicators #1

Passengers carried (million)

Year	Target	Actual	Comments, if any
Nov. 30, 2026	4.4	1	Actual value is the baseline

Project Objective Indicators #2

Freight tons carried (million)

Year	Target	Actual	Comments, if any
Nov. 30, 2026	2	0.5	Actual value is the baseline

Project Objective Indicators #3

Average travel time (minutes)

Year	Target	Actual	Comments, if any
Nov. 30, 2026	29	70	Actual value is the baseline

Intermediate Result Indicators #1

Rail construction progress (km)

Year	Target	Actual	Comments, if any
Nov. 30, 2026	67	0	Civil Works tendering ongoing.

Intermediate Result Indicators #2

Local labor employment as a percentage of total labor employment in civil works contract

Year	Target	Actual	Comments, if any
Nov. 30, 2026	28	0	Civil Works tendering ongoing.

Intermediate Result Indicators #3

Percentage of RAP Fund compensation paid in full

Year	Target	Actual	Comments, if any
Nov. 30, 2026	100	0	

Intermediate Result Indicators #4

Percentage of female full-time staff/consultants in the Project PIU

Year	Target	Actual	Comments, if any
Nov. 30, 2026	50	43.5	

Remarks:
