

GrCF2 W2 E2 - Ankara Metro Project

Location:	TURKIYE
Project number:	52767
Business sector: environmental infrastructure	Municipal and
Notice type:	State
Environmental category:	IESE
Approval date:	25 January 2023
Status: Pending Approval	Passed Final Review,
PSD disclosed:	31 Aug 2022

Proje Description

A senior loan of up to EUR 125 million to Ankara Metropolitan Municipality (AMM). The proceeds of the loan will be used for the construction of Dikimevi - Nato yolu metro line, 7.46km and 8 stations. The Project will be an underground metro line with the stations and tunnel having an average depth between 30 to 45 meters below ground level. The Project will result in safer and more reliable transport services for 691,520 passengers per day.

Project Objectives

The construction of a new metro line is part of the city's extension of its urban rail network to meet increasing demand, providing an environmentally friendly alternative to private vehicles.

Transition Impact

ETI score: 70

The Project is part of the Green City Framework 2 (GrCF2) Window II, which provides a strategic and multi-project approach targeting environmental issues in selected eligible cities in the Bank's countries of operation. The primary goal is to achieve significant environmental improvements and promote the **green** transition quality within the relevant cities. The GrCF2 also aims to build the necessary capacity and facilitate better coordination and buy-in among various stakeholders within cities in order to improve the **governance**, operational efficiency and financial sustainability of the targeted investments and initiatives.

Client Information

MUNICIPALITY OF ANKARA

AMM is a public legal entity established and governed under Turkish law. It is the capital and the second largest municipality in Turkey with a population of 5.6 million.

EBRD Finance Summary

EUR 125,000,000.00

A senior loan of up to EUR 125 million to Ankara Metropolitan Municipality. The remainder of the project cost will be financed by the parallel lenders and the City's equity contribution.

Total Project Cost

EUR 337,440,000.00

Total project cost is EUR 337.4 million excluding the budget for vehicle procurement.

Environmental and Social Summary

The Project has been categorized as "B" (ESP 2019). The Environmental and Social Due Diligence (ESDD) is in its final stages, and is being conducted by external consultants. The ESDD includes a review of all available information; an assessment of corporate management systems; interviews with representatives from the Ankara Metropolitan Municipality (AMM), project affected people and local businesses; a site visit along the metro line; and an E&S impact analysis of the proposed Project. A separate

gender assessment is being also conducted by the consultants.

A review of the Client's corporate management system showed that the Client requires significant improvements to their E&S management system and also allocation of sufficient resources to manage the project's EHSS risks in line with the EBRD's requirements. Similar findings were obtained in relation to the Company (EGO) responsible for the operation of the proposed metro.

Appropriate requirements for the Client and operating company are integrated into a draft Environmental and Social Action Plan (ESAP) including but not limited to:

- The development of a Corporate Level Environmental and Social Policy;
- The establishment of a Health, Safety, Environment, and Social (HSES) management system in line with ISO 14001, ISO 45001, and social management system in line with Bank Performance Requirements (PRs);
- The establishment of an HSES team, including H&S, environment, resettlement and community liaison experts (CLO) to monitor the construction of metro projects as part of the monitoring team;
- The development of a contractor management plan to cascade all E&S requirements throughout contractors prior to construction and operation; and
- The implementation of a monitoring/audit program on contractors during construction and operations.

ESDD confirmed the Client and the operating company (EGO) manage their labour and working conditions in accordance with Turkish Labour Law, however improvements are required to meet EBRD PR 2 requirements. These include, but not limited to development and implementation of a GBVH policy, conducting regular internal labour audits for contractors to ensure the main Contractor develops and implements an HR Policy, Code of Conduct, and a Personnel Regulation Procedure in line with national laws and PR 2 requirements, and implementation of an effective worker grievance mechanism, etc.

ESDD identified that the main environmental impacts are associated with the construction activities and will include the generation, transportation and disposal of construction waste; rainwater runoff from the construction site that can potentially impact the surrounding waterway's quality via an increase in suspended solids, oil and grease, and chemical pollutants; increasing flow on the existing rainwater system, and altering the local flood

regime, etc.

According to national legislation, the project is not subject to national Environmental Impact Assessment, however additional surveys will require to be conducted, including structural building surveys within the zone of influence of the construction activities (including cultural heritage assets), soil and groundwater quality baseline assessment, and also additional social baseline surveys for land acquisition and economic impacts.

The majority of the impacts from construction and operational phases are expected to be site specific and can be addressed through appropriate mitigation measures and enhanced E&S management system.

Project implementation activities are limited to the developed urban area within the boundaries of the city and no negative impact on biodiversity or impact on any sensitive ecological receptors or protected zones is identified.

The project will involve health and safety risks to workers and communities including, but not limited to, traffic, vibration, noise impacts and fire safety risks during operations.

The residents who use the Aiiik Veysel Park for recreational reasons will be affected during the construction phase. However, the adverse impacts will be temporary and construction-related. Additional mitigations will be developed and implemented to ensure the safety of children, the elderly and other affected people using the park.

The draft ESAP includes actions to address such risks including:

- OHS management plan to address risks to workforce
- Community health and safety management plan to address potential H&S risks to communities,
- A comprehensive emergency response plan;
- Building infrastructure surveys and vibration monitoring plan during construction
- A detailed life and fire safety review of the Project components (with emphases on stations) by third-party competent fire experts before the operation.

ESDD confirmed that AMM considered effective measures to avoid significant resettlement impacts though the use of existing roads to minimize land acquisition. Nevertheless, the Project still requires land acquisition for entry and exits to the metro and other auxiliary facilities.

Permanent land acquisition for the Project entails limited expropriation of private parcels and parcels belonging to the Municipality, Military, or some currently used as roads. There are 37 parcels (36 privately owned, 1 municipal parcel) that will be impacted by land acquisition. The total land required for the Project is 6,356 m². Private land expropriation is 3,818 m², with an average expropriation size of 127.3 m². All land will be acquired according to Turkish expropriation law and PR 5 requirements.

The Project is expected to trigger physical resettlement of two taxi stations (one temporary, one permanent) and two Municipal bread buffets. There are no pasture /forests lands used by communities which will be affected by the metro construction. The Project will also create temporary impacts on local businesses, shops around metro stations during construction due to road closures, dust and noise. The client will develop and implement a Resettlement Plan in consultation with affected people to address all these temporary and permanent impacts in line with PR 5 and national requirements.

Gender and Gender Based Violence and Harassment (GBVH) risks both to workers and communities are being assessed under a separate gender impact assessment report and various actions included into the ESAP to address gender/GBVH risks.

AMM obtained permits from the Ankara Cultural Heritage Conservation Region for the development of the Metro line. No critical cultural heritage has been identified on the metro line. However a chance find procedure and a monitoring program will need to be implemented to address any risks during construction as required by the ESAP.

The draft Environmental and Social Action Plan (ESAP) which has been developed to include all mitigation measures, will be agreed with the Client to bring them into compliance with national regulations and EBRD PRs.

A Stakeholder Engagement Plan (SEP) has also been developed as part of the ESDD to ensure comprehensive engagement and monitoring of the stakeholder engagement activities and implementation of other social impact management measures.

The SEP and Grievance procedure will be disclosed together with a Non-technical Summary (NTS) of all E&S impacts and mitigation measures.

The Project will be monitored in terms of their environmental and social performance and implementation of the ESAP through annual E&S reports and site visits when deemed necessary.

As stated, ESDD is in its final stage and this PSD will need to be updated once all studies are completed.

Technical Cooperation and Grant Financing

TC 1: Preparation of Feasibility Study for the City to receive central government approvals, which made the Project eligible for EBRD financing.

TC2: Technical, Financial, Procurement, Environmental, Gender and Social Due Diligence: The assignment will also include digital & smart solutions and proposals.

TC 3: Advance Procurement Support: Consultancy support to the AMM & Company for the contracts proposed for financing by the EBRD, including (i) review of the design documents and technical specifications prepared by a local company, (ii) preparation of the Tender Documentation and (iii) management of procurement process up to the contract/s award, to ensure compliance with the EBRD PP&Rs.

Post-signing:

TC 4: Monitoring Support: Project Monitoring Services to the AMM & Company to include support with monitoring of the project implementation and with the reporting requirements, including the ESAP.

Company Contact Information

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Understanding Transition

Further information regarding the EBRD's approach to measuring transition impact is available [here](#).

Business opportunities

For business opportunities or procurement, contact the client company.

For business opportunities with EBRD (not related to procurement) contact:

Tel: +44 20 7338 7168

E-posta: projectenquiries@ebrd.com

For state-sector projects [EBRD Procurement](#):

Tel: +44 20 7338 6794

E-posta: procurement@ebrd.com

General enquiries

Specific enquiries can be made using the [EBRD Soru Formu](#).

Environmental and Social Policy (ESP)

The [ESP](#) and the associated Performance Requirements (PRs) set out the ways in which the EBRD implements its commitment to promoting “environmentally sound and sustainable development”. The ESP and the PRs include specific provisions for clients to comply with the applicable requirements of national laws on public information and consultation as well as to establish a grievance mechanism to receive and facilitate resolution of stakeholders’ concerns and grievances, in particular, about environmental and social performance of the client and the project. Proportionate to the nature and scale of a project’s environmental and social risks and impacts, the EBRD additionally requires its clients to disclose information, as appropriate, about the risks and impacts arising from projects or to undertake meaningful consultation with stakeholders and consider and respond to their feedback.

More information on the EBRD’s practices in this regard is set out in the [ESP](#).

Integrity and Compliance

The EBRD's Office of the Chief Compliance Officer (OCCO) promotes good governance and ensures that the highest standards of integrity are applied to all activities of the Bank in accordance with international best practice. Integrity due diligence is conducted on all Bank clients to ensure that projects do not present unacceptable integrity or reputational risks to the Bank. The Bank believes that identifying and resolving issues at the project assessment approval stages is the most effective means of ensuring the integrity of Bank transactions. OCCO plays a key role in these protective efforts, and also helps to monitor integrity risks in projects post-investment.

OCCO is also responsible for investigating allegations of fraud, corruption and misconduct in EBRD-financed projects. Anyone, both within or outside the Bank, who suspects fraud or corruption should submit a written report to the Chief Compliance

Officer by email to compliance@ebrd.com. All matters reported will be handled by OCCO for follow-up. All reports, including anonymous ones, will be reviewed. Reports can be made in any language of the Bank or of the Bank's countries of operation. The information provided must be made in good faith.

Access to Information Policy (AIP)

The AIP sets out how the EBRD discloses information and consults with its stakeholders so as to promote better awareness and understanding of its strategies, policies and operations following its entry into force on 1 January 2020. Please visit the [Access to Information Policy](#) page to find out what information is available from the EBRD website.

Specific requests for information can be made using the [EBRD Enquiries form](#).

Independent Project Accountability Mechanism (IPAM)

If efforts to address environmental, social or public disclosure concerns with the Client or the Bank are unsuccessful (e.g. through the Client's Project-level grievance mechanism or through direct engagement with Bank management), individuals and organisations may seek to address their concerns through the EBRD's Independent Project Accountability Mechanism (IPAM).

IPAM independently reviews Project issues that are believed to have caused (or to be likely to cause) harm. The purpose of the Mechanism is: to support dialogue between Project stakeholders to resolve environmental, social and public disclosure issues; to determine whether the Bank has complied with its [Environmental and Social Policy](#) or Project-specific provisions of its [Access to Information Policy](#); and where applicable, to address any existing non-compliance with these policies, while preventing future non-compliance by the Bank.

Please visit the [Independent Project Accountability Mechanism webpage](#) to find out more about IPAM and its mandate; how to [submit a Request](#) for review; or contact IPAM via email ipam@ebrd.com to get guidance and more information on IPAM and how to submit a request.