



Project Summary Information

Date of Document Preparation: October 18, 2021

Project Name	Upgrade of the Electric Rail Fleet Project
Project Number	P000542
AIIB member	Russian Federation
Sector/Subsector	Transport / Railways (non-urban)
Status of Financing	Under Preparation
Project Description	The Project includes extending a long-term loan to JSC “Russian Railways” (“RZD”) to finance the procurement of freight and passenger electric locomotives. The new locomotives will provide more comfort for crew personnel, higher operating performance, modern automated systems and superior maintenance characteristics. The locomotives will be used on the general-purpose rail network in the country. It will contribute to the recovery of passenger transportation after the Covid-19 pandemic, and support cargo operations including the rapidly growing transit transportation.
Objective	To support the development of the electric rail transport and improve rail service in terms of fleet availability, operational efficiencies, and reliability by upgrading to new electric locomotives.
Expected Results	The Project’s results will be assessed based on the following indicators: (i) GHG emission reduction, and (ii) number of electric locomotives procured.
Environmental and Social Category	Category B.
Environmental and Social Information	<p>The Bank’s Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and Environmental and Social Standard (ESS) 1 apply to this Project. The Project has been identified as Category B, on the basis that any anticipated E&S risks and impacts will be localized and temporary and can be mitigated through effective management. Electric freight locomotives dedicated to carry coal, including operating on coal-dedicated routes (e.g., from coal mines to seaport, coal-fired power stations, etc.) will be excluded from the financing.</p> <p>To address E&S risks and impacts induced by its activities, RZD has established an Environmental and Social Management System (ESMS) to maintain emission standards and reduce GHG emissions, implement proper waste</p>

	<p>management, carry out fire prevention measures, enforce measures on both employees and passengers to be safe during COVID pandemic, and others. RZD has also established its locomotive decommissioning guidelines. Locomotives are decommissioned at the end of its specified service life, made obsolete or physically deteriorated or when the production of spare parts is discontinued. The dismantling takes place at service depots whereby (i) all hazardous materials are collected in specialized containers and transferred to external certified service providers for processing, (ii) reusable equipment is repaired and installed on other locomotives and (iii) remaining unusable parts are to be sold as scrap metal.</p> <p>The provision of long-haul rail services is determined as having lower GHG emissions coefficient amongst available means of long-haul transportation, private and shared vehicles, or airlines. The acquisition of electric locomotives will contribute further to a low-carbon transition. 71% of the Project's investment will qualify for climate finance according to the joint MDB approach.</p> <p>RZD discloses its environmental policy and programs and its social matters regarding employment and gender related policies, in both English and Russian on its corporate website. Every year, RZD issues a Sustainability Report in accordance with the International Global Reporting Initiative (GRI) standards, disclosing substantial information about its E&S programs and performance. RZD maintains a contact website where it can be reached for inquiries or complaints, as well as an Anti-Corruption Hotline that can also be used for filing any complaint on RZD.</p>	
Cost and Financing Plan	AIIB's proposed non-sovereign backed loan in the amount of USD 300 million (to be provided in local currency).	
Borrower	Joint Stock Company "Russian Railways"	
Estimated date of last disbursement	4 weeks after execution of the loan agreement.	
Contact Points:	AIIB	Borrower
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Date of Appraisal Decision	October 13, 2021
Estimated Date of Financing Approval	Q1 2022

Independent Accountability Mechanism	<p>The Project-affected People’s Mechanism (PPM) has been established by the Bank 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 the Project-level GRM or the processes of the Bank’s management.</p> <p>Information about PPM is available at Policy on the Project-affected People’s Mechanism – Operational Policies & Directives – AIIB.</p>
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