



Project Summary Information

Date of Document Preparation: May 29, 2025	
Project Name	TCDD Railway Maintenance Modernization Project
Project Number	P000951
AIIB member	Türkiye
Sector/Subsector	Transport/Rail Transport
Alignment with AIIB's Thematic Priorities	Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To enhance rail infrastructure maintenance by modernizing track vehicles, adopting sustainable practices, and ensuring safe, reliable, and efficient operations across Türkiye serving as a regional logistic hub.
Project Description	<p>The Project supports the modernization of Türkiye State Railways' (TCDD) maintenance operations through the procurement of specialized machinery for track, overhead line, and seasonal maintenance across the national rail network.</p> <p>In parallel, the Project will provide targeted training for TCDD personnel and assess digital readiness to ensure the effective integration of new technologies. These efforts will strengthen institutional capacity and support the long-term sustainability of Türkiye's railway operations.</p>
Expected Results	The Project Objective Indicators may include (i) improvement in machine availability rate, (ii) reduction in average unplanned track maintenance-related delays, and (iii) increase in percentage of maintenance machinery meeting strict environmental emissions standards.
Environmental and Social Category	B
Environmental and Social Information	Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to this Project. The Project has been assigned a Category B classification considering the Project nature, existing location and scale, and advancement to the use of modern equipment that meets stringent emission standards. The Project's anticipated environmental and social (ES) risks and impacts, if not avoided or reduced, are limited to the existing rail network (Project area), therefore these impacts are not unprecedented or irreversible,

	<p>and can be managed through operational best practice, in accordance with ESS1 (Environmental and Social Assessment and Management) requirements.</p> <p>Environmental and Social Instruments: As part of the Environmental and Social Due Diligence (ESDD), the Environmental and Social Management System (ESMS) and other available ES documents will be reviewed to assess their material consistency with AIIB's ESP requirements. This ESDD will validate the effectiveness of the TCDD's internal controls and capacity at managing ES risks and impacts associated with the Project's activities. Identified gaps and/or areas for improvement vis-à-vis AIIB's ESP requirements will be summarized in the Environmental and Social Action Plan (ESAP), as relevant.</p> <p>Environmental Aspects. Anticipated key environmental risks/impacts include air pollution and noise from machinery operation especially in populated and sensitive areas. There is a potential for soil and water contamination from fuel and lubricants during machinery use and maintenance, and generation of solid and hazardous waste (e.g., oils and filters, used batteries, machinery components and obsolete equipment). Maintenance plans for the newly procured 95 machines will include provisions for battery handling and lifecycle optimization to reduce environmental impact. In addition, the proper recovery of equipment parts and disposal of scrap materials (such as through delivery to the Machinery and Chemicals Institute) will be reviewed to minimize the accumulation of solid and hazardous waste. The ESMS will be reviewed to verify project's specific measures in mitigating and monitoring risks, ensuring environmental protection and the continued safety and mobility of train users. ES instruments will include an ESDD and an ESAP.</p> <p>Social and Gender Aspects. The social risks/impacts for the Project are considered limited, given its focus on machinery procurement and the absence of direct construction works, land acquisition, resettlement or impacts on Indigenous Peoples. Major risks include potential labor violations within the supply chain, particularly during the production and transportation of machinery; risks related to labor and working conditions for TCDD staff and contractors operating the new equipment; the potential for job losses due to the increased maintenance efficiency; and gender- and vulnerability- related issues, such as lack of gender and social inclusion in Project benefits, as well as risks related to Gender Based Violence (GBV)/Sexual Harassment (SH) in the workplace. Any gaps or outstanding issues identified by ESDD will be addressed through targeted actions included in the Project ESAP.</p>
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Cost and Financing Plan		<u>Total: USD500 million</u> - AIIB: USD365 million - Government of Türkiye (GOT): USD135 million	
Borrower		Republic of Türkiye	
Implementing Entity		Ministry of Transport and Infrastructure, Türkiye	
Estimated Date of Loan Closing		December, 2029	
Contact Points:	AIIB	Borrower	Implementation Organization
Name	Natalia SANZ	Kerem DONMEZ	İsmail MURTAZAOĞLU
Title	Senior Investment Officer	Director General, General Directorate of Foreign Economic Relations	Deputy Director General, Türkiye State Railways' (TCDD)
Email Address	natalia.sanz@aiib.org	kerem.donmez@hmb.gov.tr	disab@tcdd.gov.tr

Date of Concept Decision	May 6, 2025
Estimated Date of Appraisal Decision	Q3, 2025
Estimated Date of Financing Approval	Q4, 2025

Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB 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 Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: How We Assist You - Project-Affected People's Mechanism (aiib.org)</p>
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