



Project Summary Information

Date of Document Preparation: Nov 13, 2019 (updated: April 9, 2020, October 14, 2021)	
Project Name	TKYB Renewable Energy and Energy Efficiency On-Lending Facility
Document Code	PD000141-PSI-TUR
Country	Republic of Turkey
Sector/Subsector	Finance / Financial Intermediary
Status of Financing	Approved
Project Description	The project will provide long-term financing (sub-loans) through TKYB to privately owned companies in Turkey to invest in projects (subprojects) in the renewable energy and energy efficiency sectors. These include subprojects in the wind solar, geothermal, and biomass industries.
Objective	To advance Turkey's renewable energy and energy efficiency infrastructure
Expected Results	The project expects to increase the installed capacity of renewable energy power generation and to improve the energy efficiency of existing installations in Turkey. The key results indicators are: <ul style="list-style-type: none"> (i) increase in installed capacity in MW of power plants using renewable sources; (ii) avoidance or reduction in carbon dioxide (CO₂) emissions due to renewable and energy efficiency plants; (iii) reduction in energy consumption due to energy efficiency investments.
Environmental and Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and Environmental and Social Exclusion List (ESEL), applies to this on-lending facility. The project has been placed in Category FI, as the financing structure involves the provision of funds through an FI, whereby AIIB delegates to TKYB the decision-making on the use of AIIB's funds in so far as the subprojects meet the conditions of the Operations Manual (OM). The OM includes the selection, appraisal, approval, and monitoring of subprojects, in accordance with AIIB's ESP requirements. Coal mining, coal transportation or coal-fired power plants, as well as infrastructure exclusively dedicated to support any of

these activities will be excluded.

The on-lending facility is expected to support subprojects in renewable energy such as wind, solar, geothermal, and biomass. Land acquisition, occupational health and safety of workers, and impacts on sensitive habitats, ecosystems and its services, are potential ES risks associated with such subprojects.

For all subprojects, TKYB requires its clients to provide a regulatory environmental impact assessment (EIA), environmental, health and safety clearance certificates and land acquisition related documentation (where applicable). Additionally, TKYB shall require further E&S instruments such as: Environment and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), specialist studies and others, where applicable, Resettlement Action Plan (RAP) and specialist studies for other subprojects. In all instances, TKYB shall require the disclosure of such E&S documents by its sub-borrowers, engagement with Project-Affected People and the establishment of a Grievance Redress Mechanism (GRM) at the subproject level. For all subprojects involving Higher Risk Activities¹, TKYB shall use a suitably qualified and experienced third-party consultant to conduct the ES due diligence (ESDD) and action plan.

AIIB will conduct prior review and consent of Category A subprojects to be financed using its funds. AIIB will receive subproject appraisal forms for all subprojects, regardless of categorization, and may exercise right of prior review and consent on them. AIIB will conduct ongoing monitoring of Category A subprojects, as well as post-reviews of the selection and implementation of other subprojects as part of its regular supervision, comprising engagement with TKYB, potential site visits and review of the ES documentation of selected subprojects.

TKYB has disclosed its E&S policy and the relevant ES documents of all subprojects involving Higher Risk Activities on its website. An External Communication Mechanism (ECM) is established to address third-party views, enquiries or concerns regarding their own E&S processes and outcomes, as well as E&S impacts and performances of their portfolio investments.

¹ Higher Risk Activities include the following activities financed by the Bank through the FI: (a) all Category A activities; and (b) selected Category B activities, as determined by the Bank, that may potentially result in: (i) Land Acquisition or Involuntary Resettlement; (ii) risk of adverse impacts on Indigenous Peoples and/or vulnerable groups; (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, and/or cultural resources; (iv) significant retrenchment of more than 20 percent of direct employees and recurrent contractors; and/or (v) significant occupational health and safety risks

	Inquiries can be made with TKYB on https://kalkinma.com.tr/en/contact-us/contact-information in both English and Turkish.
Cost and Financing Plan	Original AIIB loan approved on November 12, 2019: USD 200 million Additional AIIB financing on October 13, 2021: USD 100 million
Borrower	Turkiye Kalkınma ve Yatırım Bankası A.Ş. (TKYB)
Guarantor	Republic of Turkey
Estimated date of loan closing	March 2024

Contact Points:	AIIB	Borrower
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Date of Concept Decision	May 2018 (original loan)	
Date of Appraisal Decision	September 24, 2019 (original loan)	
Date of Financing Approval	November 12, 2019 (original loan)	
Date of Additional Financing Approval	October 13, 2021	

Independent Accountability	AIIB's Policy on the PPM applies to the Project. The PPM has been established by 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
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Mechanism	<p>be adversely affected by AIIB's failure to implement its ESP in situations where their concerns cannot be addressed satisfactorily through the subproject-level GRM, TKYB's ECM or the processes of Bank Management.</p> <p>Information on the PPM is available at https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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