



Project Summary Information

Date of Document Preparation: August 25, 2020	
Project Name	Akbank COVID-19 Crisis Recovery Facility
Document Code	000400
Country	Republic of Turkey
Sector/Subsector	Finance / Financial Intermediary
Status of Financing	Proposed
Project Description	The proposed Project Akbank COVID-19 Crisis Recovery Facility will provide non sovereign-backed medium-term bullet financing to one of Turkey's leading financial institutions - Akbank to support its clients' working capital shortages and liquidity pressures brought on by the pandemic. This project will be processed under AIIB's COVID-19 Crisis Recovery Facility ("CRF"), a framework designed to assist members to respond to the COVID-19 pandemic.
Objective	Provide liquidity support through an on-lending facility via a financial institution (Akbank) to address working capital and liquidity shortages in Turkey.
Expected Results	The project expects to dampen the potential financial shock stemming from the COVID-19 pandemic and preserve market infrastructure by supporting the flow of credit to MSMEs operating in the infrastructure and relevant other productive sectors in Turkey. The expected results may be measured by the quantum of financing made available to beneficiaries.
Environmental & Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy ("ESP") is applicable to this Project supporting Akbank in increasing its lending to small and medium enterprises through short-term working capital loans under the COVID-19 Response Facility. Due to the use of proceeds limited to covering short-term operational needs, the use of AIIB funds is generally not expected to induce potentially adverse impacts that would be unprecedented, and can be thus be successfully managed by Akbank using good practice in an operational setting. Financing higher risk activities including those involving a) involuntary resettlement, b) risk of adverse impacts on Indigenous Peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage or d) significant Occupational Health and Safety risks will not be eligible from the proceeds of this loan. Coal-related activities including coal

mining, coal transportation or coal-fired power plants, as well as infrastructure services exclusively dedicated to support any of these activities and large dams will be excluded. Applicable performance requirements will include the AIIB Environmental and Social Exclusion List (“ESEL”) and national ES laws.

Akbank’s Environmental and Social Management System (“ESMS”), established under guidance from the IFC and refined in the course of the past several years, will be used as the Project’s ES instrument. As per its ESMS, Akbank will: (a) screen the proposed use of funds by sub-borrowers against the ESEL and applicable eligibility criteria; (b) assign an ES risk rating; (c) conduct an ES assessment; and (d) contractually bind sub-borrowers to remain in compliance with all applicable ES regulatory requirements and Akbank’s Environmental and Social Policies as per relevant covenants in sub-loan agreements and where required in an Environmental and Social Action Plan (“ESAP”) annexed to those.

AIIB has confirmed through its due diligence the effectiveness of the processes defined in the ESMS, including an ES assessment proportional to the risks and impacts of the sub-borrower’s activities and sub-loan tenure and amount, and monitoring of sub-borrowers’ ES performance. Akbank has assigned relevant responsibilities for the implementation of its ESMS to its credit officers supported by a dedicated corporate ES team, provided training to relevant personnel and reviews its implementation on an ongoing basis. Akbank representatives undertake routine site visits for higher risk sub-loans and may undertake site visits for medium and low risk sub-loans. A summary of the ESMS is disclosed on Akbank’s website in [English](#) and [Turkish](#).

Akbank has set up an External Communication Mechanism (ECM) for their general operations, including the proposed Project, as per their ESMS to address third-party views, enquiries or concerns regarding their own ES processes and outcomes, as well as ES impacts and performance of their portfolio loans.

Akbank will be required to: (a) build a database allowing the tracking of the use of AIIB funds; (b) monitor the sub-borrowers’ progress in fulfilling their ES commitments; and (c) report to AIIB on an annual basis.

	AIIB will supervise the Project on a regular basis, including detailed post-reviews of selected sub-projects.
Cost and Financing Plan	AIIB Loan: USD150 million
Borrowers	AKBANK T.A.Ş.
Guarantor	N/A
Estimated date of loan closing	October 2020

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Date of Final Decision	[1] September 2020	
Estimated Date of Financing Approval	[24] September 2020	

Independent Accountability Mechanism	<p>AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this 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 be adversely affected by AIIB's failure to implement the environmental and social policies applicable to the Project in situations when their concerns cannot be addressed satisfactorily through the Project-level ECM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html</p>
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