



Project Summary Information

Date of Document Preparation: August 25, 2022	
Project Name	Aklease Multisector Facility
Document Code	000531
Country	Republic of Türkiye
Sector/Subsector	Energy / Multi-subsector
Status of Financing	Proposed
Project Description	The proposed Project entails AIIB providing a 5-year nonsovereign-backed financing to support private companies in the Republic of Türkiye via the financial leasing industry. AIIB will on-lend to Ak Finansal Kiralama A.S. (“Aklease”), which will then lend to private companies in Türkiye. AIIB's financing will fund financial leases for renewable energy and energy efficiency related assets.
Objective	The Project provides financing to renewable energy and energy efficiency related assets via the leasing industry in Türkiye.
Expected Results	It is expected that the results will be measured by several indicators, which may include total renewable energy generation capacity installed, total related CO2 emissions avoided, energy consumption saved through energy efficiency.
Environmental & Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (“ESP”) including the Environmental and Social Exclusion List (“ESEL”) and Environmental and Social Standard 1 (“ESS 1”) Environmental and Social Assessment and Management will apply to this Project. Aklease has enhanced its Environmental and Social Management System (“ESMS”), which is materially consistent with AIIB's ESP requirements. The Project is placed in Category FI, as the financing structure involves the provision of funds to Aklease pursuant to which AIIB delegates the decision-making related to the use of the AIIB's funds insofar the leases meet the agreed conditions with the client. This will include the selection, appraisal, approval and monitoring of leases in accordance with AIIB's ESP requirements. Enhanced ESMS includes provisions to identify and mitigate the potential E&S risks and impacts resulting from lessees' use of assets, including labor and working conditions and health and safety matters.

The Project will support Aklease in its leasing of assets to Turkish private enterprises supporting renewable energy, energy efficiency, water conservation and healthcare. The preliminary pipeline includes assets such as power turbines, solar panels, textile weaving machinery, magnetic resonance imaging (“MRI”) and others. The use of the assets is expected to contribute to United Nations Sustainable Development Goals (“SDG”) including SDG 3 – Good Health, SDG 7 Renewable Energy, and others. The use of assets in the related subprojects may have an impact on biodiversity, create hazardous waste pollution, incur occupational health and safety matters. Every lease will be assessed by Aklease to identify risks and following the assessment, appropriate mitigation measures will be adopted. All higher risk transaction in this facility including any leases categorized as A or higher risk B will not be supported using AIIB’s facility. Activities included in AIIB’s ESEL will not be eligible for financing. Coal mining, coal transportation or coal-fired power plants, as well as infrastructure exclusively dedicated to support any of these activities will be excluded.

Aklease will continue to publish its ESMS on its [website](#), in both Turkish and English. At the corporate level, Aklease’s investor presentation includes its sustainability strategy, performance highlights and product offerings. Aklease will be required to maintain a comprehensive database comprising all relevant E&S information and report to AIIB a summary of the E&S aspects and overview of the E&S performance of the Project portfolio, annually. AIIB will conduct post-reviews of the selection and implementation of leases as part of its regular supervision, comprising engagement with Aklease, potential site visits once conditions allow and detailed review of the E&S documentation of selected leases.

Aklease has established an [External Communications Mechanism \(ECM\)](#), including contacts and processes to receive and handle related E&S matters, and its information including PPM of AIIB will be disclosed in both Turkish and English in an appropriate manner. The ECM will be made available to Project-Affected People (PAPs) and project contracted workers. Under its enhanced ESMS, Aklease will require its lessees to establish a suitable sub-project level Grievance Redress Mechanism (“GRM”) or equivalent and inform people in the sub-project’s footprint about its availability. The GRM will receive and facilitate resolution of the concerns and complaints of people who believe they have been adversely affected by the Project’s E&S impacts.

Cost and Financing Plan	USD50 million or equivalent		
Borrower	Ak Finansal Kiralama A.S. ("Aklease")		
Guarantor	Republic of Türkiye		
Estimated date of Loan Closing	4Q 2022		
Contact Points	AIIB	Aklease	
Name	Stefen Shin	Dersan Babacan	Avni Bayazit
Title	Manager	Head of Treasury and FI	Treasury and FI, Vice President
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Date of Appraisal Decision	August 2022		
Estimated Date of Financing Approval	2022		

Independent Accountability Mechanism	<p>The Policy on the Project-affected People's Mechanism (PPM) applies to the Project. The 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 ECM or the processes of AIIB's Management. Information on the PPM is available at:</p> <p>Policy on the Project-affected People's Mechanism – Operational Policies and Directives – AIIB. https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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