



Project Summary Information

Date of Document Preparation: April 10, 2020	
Project Name	Turkey COVID-19 Credit Line Project
Document Code	000381
Country	Republic of Turkey
Sector/Subsector	Finance / Financial Intermediary
Status of Financing	Proposed
Project Description	<p>The proposed Turkey COVID-19 Credit Line Project will provide sovereign-backed short-term credit lines to two of Turkey's development banks and existing AIIB Clients, Türkiye Sınai Kalkınma Bankası (TSKB) and Türkiye Kalkınma ve Yatırım Bankası (TKYB) (jointly, the Borrowers) to alleviate liquidity constraints faced by infrastructure-related companies, mid-caps and small-medium enterprises (SMEs) serving the transport, energy, water, sustainable cities (including healthcare), information and communications technology (ICT), and eligible other productive sectors. This project will be processed under the AIIB's COVID-19 Recovery Facility (CRF), a framework designed to assist members in responding to the COVID-19 pandemic. These credit lines will not be used for infrastructure project finance, already covered in AIIB Projects TSKB Sustainable Energy and Infrastructure On-lending Facility (2018) and TKYB Renewable Energy and Energy Efficiency On-Lending Facility (2019).</p>
Objective	To alleviate working capital shortages and liquidity constraints brought on by the pandemic to large companies, mid-caps and SMEs operating in the infrastructure and eligible other productive sectors.
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 large companies, mid-caps and SMEs operating in the infrastructure and other eligible productive sectors in Turkey. The expected results may be measured by the quantum of financing made available to final beneficiaries.
Environmental & Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP) is applicable to this Project. Under the proposed Project, the Borrowers will be required under their Environmental and Social Management Systems (ESMSs) to: (a) screen the proposed use of funds by sub-borrowers (which may include other

	<p>financial intermediaries) and ultimate beneficiaries against the Environmental and Social Exclusion List (ESEL); (b) assign an environmental and social (ES) categorization; (c) conduct an ES assessment; and (d) contractually bind sub-borrowers and ultimate beneficiaries: (i) to adopt AIIB's ESP; and (ii) for subprojects presenting higher ES risks, to comply with the relevant Environmental and Social Standards (ESSs) within an agreed timeframe as defined in an Environmental and Social Action Plan (ESAP). ESAP commitments will include: (a) preparation of required ES documentation proportionate to the ES risks and impacts associated with the use of AIIB funds; and (b) necessary ES disclosure and stakeholder engagement. AIIB retains the right to review funding proposals by the Borrowers and the discretion to delay or decline disbursement to any particular sub-borrower based on these commitments.</p> <p>The structure described above builds on the ESMSs of both Borrowers, each of which AIIB has reviewed in connection with the above mentioned already-approved projects and determined to be materially consistent with the provisions of the AIIB's ESP and relevant ESSs. Due to the short-term nature of working capital loans, the use of AIIB funds is generally expected to induce a limited number of potentially adverse impacts that are not unprecedented and can be successfully managed using good practice in an operational setting. Specific provisions to allow working capital lending and efficiently manage ES risks in the Project's portfolio of sub-projects will be included in both ESMSs.</p> <p>The Borrowers 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 regularly. AIIB will conduct a prior review of all Category A sub-projects and supervise the Project on a regular basis.</p>
Cost and Financing Plan	AIIB Loan: USD 500 million
Borrowers	Türkiye Sınai Kalkınma Bankası (TSKB) and Türkiye Kalkınma ve Yatırım Bankası (TKYB)
Guarantor	Republic of Turkey
Estimated date of loan closing	January 2022

Contact Points:	AIIB		TSKB	TKYB
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Estimated Date of Appraisal Decision	May, 2020			
Estimated Date of Financing Approval	May, 2020			

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 Grievance Redress Mechanisms or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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