



### Project Summary Information

Date of Document Preparation: March 10<sup>th</sup>, 2023

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| <b>Project Name</b>                              | Turk Eximbank Green Infrastructure Support and Earthquake Response Project (the Project)   |
| <b>Project Number</b>                            | P000698  |
| <b>AIIB member</b>                               | Republic of Türkiye  |
| <b>Sector/Subsector</b>                          | Multi-sector / Multi-subsector   |
| <b>Alignment with AIIB's thematic priorities</b> | Private Capital Mobilization; Green Infrastructure   |
| <b>Status of Financing</b>                       | Under Preparation  |
| <b>Objective</b>                                 | To support green infrastructure as well as the restoration and reconstruction of infrastructure and services in earthquake-affected provinces in Türkiye.  |
| <b>Project Description</b>                       | <p>The Project entails 2 components.</p> <p>Component A encompasses a USD200 million sovereign-backed partial debt guarantee (PDG) from AIIB to help Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Türkiye, or Turk Eximbank) raise financing from international banks (the Guaranteed Lenders) to support green infrastructure development.</p> <p>Component B encompasses a USD100 million sovereign-backed loan from AIIB to Turk Eximbank as an emergency response to the earthquakes, to help restore basic infrastructure services and reconstruct infrastructure.</p> |

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| <b>Expected Results</b>                     | <p>The results of the Project will likely to be measured through, among others,</p> <ul style="list-style-type: none"> <li>• Medium to long-term financing amount provided to final beneficiaries</li> <li>• Amount of financing for climate mitigation or climate adaptation purposes.</li> </ul>  |
| <b>Environmental and Social Category</b>    | FI  |
| <b>Environmental and Social Information</b> | <p>AIIB's Environmental and Social Policy (ESP) including Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs) will apply to this Project. The Project has been placed in Category FI, because the financing structure involves (i) AIIB providing PDG to the Guaranteed Lenders who extend an on-lending loan facility to Turk Eximbank, whereby AIIB and the Guaranteed Lenders delegate to Turk Eximbank the decision-making on the sub-projects / sub-borrowers that meet the conditions to be agreed with AIIB, Turk Eximbank, and the Guaranteed Lenders, and (ii) AIIB providing a direct sovereign-backed loan to Turk Eximbank to be on-lent for emergency response to the recent earthquakes in Türkiye. This will include the selection, appraisal, approval, and monitoring of sub-projects in accordance with AIIB's ESP requirements. The Environmental and Social Management System (ESMS) of Turk Eximbank follows the OECD common approaches, including a common list of illustrative category A and B projects and Environmental and Social Due Diligence (ESDD) that refers to IFC Performance Standards and World Bank Group EHS guidelines.</p> <p>The ESMS of Turk Eximbank includes (i) screening the proposed loans against its E&amp;S exclusion list, (ii) assigning an E&amp;S categorization at borrower level and lending activity level, (iii) conducting an E&amp;S assessment, (iv) monitoring E&amp;S risks and impacts and (v) disclosing relevant ES information to stakeholders and (vi) reporting to its management accordingly. A Project Operation Manuel will be prepared for the Project to align the ESMS practice with AIIB ESP and ESS requirements.</p> <p>The loan facility supported by AIIB PDG will be on-lent to sub-borrowers to purchase solar, wind and energy efficiency equipment (Component A). Additionally, the Project will finance activities (i.e., restoration of basic infrastructure services and reconstruction of basic or resilient infrastructure) related to emergency response to the recent earthquakes (Component B). Activities included in AIIB's ESEL will not be eligible for financing. Coal mining, coal transportation, and coal-fired power plants, as well as infrastructure services exclusively dedicated to support any of these activities and gas-related sub-projects will also be excluded.</p> |

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|   | <p>The ESMS of Turk Eximbank includes requirements to identify and mitigate potential health, safety, social and environmental hazards in all Project activities that pose a risk to employees and may also have the potential for disruption of site works. In addition, Turk Eximbank will be advised of the importance of implementing an appropriate supply chain review to identify and address issues related to the solar sub-projects, including labor and working conditions and health and safety matters</p> <p>Turk Eximbank disclosed on <a href="#">its website</a> the Environmental and Social Impact Policy, Climate Change Adaptation, and Mitigation Policy. For all higher risk Category B sub-projects, Turk Eximbank will be required to disclose annual E&amp;S documentation during the preceding 12 months, unless such disclosure is subject to the host country's regulatory requirements, market sensitivities or consent of the sponsor. E&amp;S documentation will be written in local language(s) and at least a summarized version in English, disclosed in a timely, accessible, gender sensitive and inclusive, and culturally appropriate manner.</p> <p>The ESMS of Turk Eximbank requires that it addresses third-party views, enquiries or concerns regarding its own E&amp;S processes and outcomes, as well as E&amp;S impacts and performances of its portfolio loans. Turk Eximbank has disclosed its <a href="#">External Communication Mechanism (ECM)</a>, which will be enhanced to meet AIIB's ESP requirements. Turk Eximbank will require the sub-borrowers to establish Grievance Redress Mechanism (GRMs) that are commensurate with the environmental and social risks of the sub-projects. Provision will also be made to inform Project-affected people and Project workers of their availability, including Turk Eximbank's ECM and AIIB's Project-Affected People's Mechanism (PPM).</p> <p>During Project implementation, it is anticipated that AIIB will retain the right to review all sub-loans and conduct supervisory visits, including visits to the sub-borrowers, when it deems appropriate.</p> |
| <b>Cost and Financing Plan</b>          | <p>Component A: USD200 million sovereign-backed PDG from AIIB to help Turk Eximbank raise financing from international banks to support green infrastructure.</p> <p>Component B: USD100 million sovereign-backed loan from AIIB to Turk Eximbank for emergency response to the recent earthquakes in Türkiye.</p>   |
| <b>Borrower</b>                         | Turk Eximbank  |
| <b>Partial Debt Guarantee recipient</b> | To be determined   |

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| <b>(Under Component A)</b>                        |   |   |                           |
| <b>Partial Debt Guarantor (Under Component A)</b> | AIIB  |   |                           |
| <b>Counter-Guarantor (Under Component A)</b>      | Republic of Türkiye   |   |                           |
| <b>Guarantor (Under Component B)</b>              | Republic of Türkiye   |   |                           |
| <b>Implementing Entity</b>                        | Turk Eximbank   |   |                           |
| <b>Estimated date of loan closing (SBF)</b>       | To be determined  |   |                           |
| <b>Contact Points:</b>                            | <b>AIIB</b>   | <b>Guaranteed Lenders (Under Component A)</b> | <b>Borrower</b>           |
| <b>Name</b>                                       | Huaixue Fu  | To be determined                              | Pınar Çalışkan            |
| <b>Title</b>                                      | Investment Officer, Financial Institutions and Syndications |   | Head of Funding           |
| <b>Email Address</b>                              | huaixue.fu@aiib.org   |   | pcaliskan@eximbank.gov.tr |
| <b>Date of Concept Decision</b>                   | February 22, 2023   |   |                           |

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| <b>Estimated Date of Appraisal Decision</b> | To be determined |
| <b>Estimated Date of Financing Approval</b> | To be determined |

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| <b>Independent Accountability Mechanism</b> | <p>The Bank's Policy on the 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 its ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level ECM or the processes of Bank Management.</p> <p>Information on the PPM is available at AIIB's website: <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a>.</p> |
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