

 Early Warning System

AIIB-000546

Turkiye: TSKB Sustainable Energy and Infrastructure On-lending Facility,
Phase 2



Quick Facts

Countries	Turkiye
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	FI
Voting Date	2022-11-23
Borrower	Turkiye Sinai Kalkinma Bankasi A.S.
Sectors	Climate and Environment
Investment Amount (USD)	\$ 200.00 million
Loan Amount (USD)	\$ 200.00 million



Project Description

OBJECTIVE

To contribute to the Republic of Türkiye's climate mitigation and adaptation goals in line with the Paris Climate Agreement.

DESCRIPTION

A sovereign-backed multi-sector facility (the Phase 2 Facility) in favor of the Borrower to support Türkiye's climate mitigation and adaptation commitments under the recently ratified Paris Climate Agreement (Oct. 2021). Proceeds from the Phase 2 Facility will be on-lent in the form of Sub-loans to eligible private sector entities (the Sub-borrowers) to finance eligible climate mitigation (CM), climate adaptation (CA) and climate industry (CI) projects in Türkiye's energy, infrastructure, and other productive sectors (the Sub-projects).

The proposed Phase 2 Facility is a follow-up to the project P000132 TSKB Sustainable Energy and Infrastructure On-lending Facility (the Phase 1 Facility) which reached loan closing on April 1, 2022. The Project Closing Note was submitted to the Board on Sep. 26, 2022.

The Bank may co-finance alongside TSKB selected non-sovereign-backed Sub-projects under the Phase 2 Facility on a case-by-case basis.

ENVIRONMENTAL AND SOCIAL INFORMATION

AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs) apply to this Project. The Project is placed in Category FI, as the financing structure involves the provision of funds to TSKB pursuant to which AIIB delegates the decision-making related to the use of the AIIB's funds insofar the sub-projects meet the conditions of the Operations Manual. This will include the selection, appraisal, approval, and monitoring of sub-projects in accordance with AIIB's ESP requirements. TSKB's Environmental and Social Management System (ESMS) is materially aligned with AIIB's ESP and will be used as the project's E&S instrument.

The preliminary pipeline comprises subprojects across the renewables, energy efficiency, climate adaptation and climate industries. Impacts on communities' health and safety, involuntary resettlement and land acquisition, sensitive habitats, ecosystems and its services, and employment working conditions are potential ES risks associated with such sub-projects. Every subproject will be screened to identify the risks and following the assessment, appropriate mitigation measures will be adopted. TSKB has been advised by AIIB of the need for provisions on labor and working conditions related to renewable energy subprojects which will need to be in line with AIIB requirements. AIIB will conduct prior review and approval for all Category A subprojects which will be capped at three by TSKB. Activities 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 also be excluded.

TSKB maintains and publishes its ESMS in both Turkish and English. At the facility level, TSKB will continue to disclose the E&S documentation for all higher risk subprojects (category A and selected category B subprojects). At the corporate level, TSKB will continue to disclose its integrated report which includes Principles for Responsible Banking (PRB), Global Reporting Initiative (GRI) and Taskforce on Climate-Related Financial Disclosures (TCFD) requirements.

TSKB has established an external communications mechanism (ECM), including contacts and processes to receive and handle complaints 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



Investment Description

- Asian Infrastructure Investment Bank (AIIB)



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides 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 ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>



Bank Documents

- [Project Summary \(October 26, 2022\)](#) [\[Original Source\]](#)