Early Warning System

AIIB-000678

Turkiye: Uludag Electricity Distribution Network Upgrade and Modernization Project

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Quick Facts

Countries	Turkiye
Specific Location	Uludag region
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-01-26
Borrower	Uludag Elektrik Dagitim A.S. (UEDAS)
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 28.00 million
Loan Amount (USD)	$ 28.00 million
Project Cost (USD)	$ 212.00 million

Turkiye: Uludag Electricity Distribution Network Upgrade and Modernization Project

Project Description

As stated by the AIIB, the objective of the project is to support the upgrade, modernization, and expansion of the medium- and low-voltage electricity distribution network of the Uludag region.

The Project involves the provision of a senior secured loan of up to USD 28 million in Turkish lira (TRY) to support the regulatory capex program of Uludag Elektrik Dagitim A.S. (UEDAS), the incumbent distribution network operator of the Uludag region. The capex program is approved by the Energy Market Regulatory Authority under the Fourth Tariff Implementation Period 2021-2025 (TIP-4).

The Project will contribute to the expansion, rehabilitation, and efficiency of the Uludag electricity distribution network through multiple investments, including the procurement, installation, and operation of medium- and low-voltage overhead lines, underground lines, transmission connection lines and transformers. Through these investments, the Project will help reduce power outages, control theft and losses, enhance the operation's environmental and safety standards, and improve the network's efficiency and reliability. The Project will expand the digitalization of the network through technology investments and improve the average age of equipment.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Private Actors Description

As stated by the AIIB, UEDAS is one of the 21 electricity distribution companies of Turkiye created in 2010 following the privatization of the sector. Its network supplies electricity to over 3.5 million users within a 35,501 km2 service area that encompasses four provinces bordering the Marmara Sea: Bursa, Balikesir, Canakkale and Yalova. In 2022, the region had a population of 5.1 million and consumed 19.6TWh, representing approximately 8% of Turkiye's electricity demand. The UEDAS network has approx. 53,600km of distribution lines and 28,137 transformers with an installed capacity of 11,132 MWA.

Since April 2022, the Borrower and its affiliates, Ulug Elektrik Dagitim ve Perakende Hizmetleri Satis A.S. (Ulug) and Uludag Elektrik Perakende Satis A.S. (UEPSAS) are wholly owned subsidiaries of Actis Long Life Infrastructure Fund.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Actis LLP	Parent Company	Infrastructure	owns	Uludag Elektrik Dagitim AS	Client	Energy

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 Òan 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 AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó 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

- Non-Technical Summary (English)
- Non-Technical Summary (Turkish)
- Project Summary (August 24, 2023) [Original Source]
- Stakeholders Engagement Plan (English)
- Stakeholders Engagement Plan (Turkish)

Corporate Documents

- UEDAS Disclosure

Other Related Projects

- EBRD-52708 Project Pita
- FMO-62538 Uludag Elektrik Dagitim A.S.