# AIIB-000678

Turkiye: Uludag Electricity Distribution Network Upgrade and Modernization Project



## Turkiye: Uludag Electricity Distribution Network Upgrade and Modernization Project

### **Quick Facts**

| Countries               | Turkiye                                     |
|-------------------------|---|
| Specific Location       | Uludag region                               |
| Financial Institutions  | Asian Infrastructure Investment Bank (AIIB) |
| Status                  | Proposed                                    |
| Bank Risk Rating        | В   |
| 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                            |



AIIB-000678

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### **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.

### **ENVIRONMENTAL AND SOCIAL INFORMATION**

The proposed financing will be co-financed with the European Bank for Reconstruction and Development (EBRD) and Netherlands Development Finance Company (FMO). The Project's environmental and social (E&S) risks and impacts have been assessed in accordance with EBRD's Environmental and Social Policy 2019 (EBRD's ESP) and relevant Performance Requirements (PRs). To ensure a harmonized approach to addressing E&S aspects of the Project, and as permitted by AllB's Environmental and Social Policy (AllB's ESP), EBRD's ESP (2019) and relevant PRs will apply to this Project in lieu of AllB's ESP. The Bank has reviewed EBRD's ESP and PRs and is satisfied that (i) the EBRD ESP and PRs are consistent with the Bank's Articles of Agreement and materially consistent with the provisions of AllB's ESP and the relevant E&S Standards (ESS), and (ii) the monitoring procedures that are in place are appropriate for the Project.



AIIB-000678

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## **Investment Description**

• Asian Infrastructure Investment Bank (AIIB)



AIIB-000678

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### **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.



AIIB-000678

Turkiye: Uludag Electricity Distribution Network Upgrade and Modernization Project

| Private Actor 1 | Private Actor<br>1 Role | Private Actor<br>1 Sector | Relation | Private Actor 2            | Private Actor<br>2 Role | Private Actor<br>2 Sector |
|-----------------|-------------------------|---------------------------|----------|----------------------------|-------------------------|---------------------------|
| Actis LLP       | Parent Company          | Infrastructure            | owns     | Uludag Elektrik Dagitim AS | Client                  | Energy                    |

AIIB-000678

Turkiye: Uludag Electricity Distribution Network Upgrade and Modernization Project

### **Contact Information**

### **AIIB Team Leader:**

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### Borrower - Uludag Elektrik Dagitim A.S. (UEDAS):

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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 Oan 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 AIIBOs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. O 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



AIIB-000678

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### **Bank Documents**

• Project Summary (August 24, 2023) [Original Source]



AIIB-000678

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## **Other Related Projects**

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