

 Early Warning System

AIIB-000959

Turkiye: TKYB Climate and Digital Transition On-Lending Facility



Quick Facts

Countries	Turkiye
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	U
Borrower	Development and Investment Bank of Türkiye (TKYB)
Sectors	Climate and Environment, Communications, Energy, Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 200.00 million
Loan Amount (USD)	\$ 200.00 million



Project Description

As stated by the AIIB, the project development objective is to contribute to the Republic of Türkiye's climate mitigation and adaptation goals in line with the Paris Climate Agreement and advance its digital transformation.

A 15-year sovereign-backed multi-sector facility to Türkiye Kalkınma ve Yatırım Bankası A.Ş. (TKYB) (the Project) has been proposed to support Türkiye's climate mitigation and adaptation commitments under the Paris Climate Agreement (ratified in October 2021) while advancing the integration of climate and digital agendas as a strategic pathway for sustainable and resilient development. The approach highlights Türkiye's drive to achieve green growth and digital innovation, establishing a model for emerging economies.

Aligned with its updated Nationally Determined Contributions (NDCs), Türkiye has set ambitious goals to reduce greenhouse gas emissions and embrace digital transformation across sectors. The digital transition plays a critical role in enhancing energy supply and demand through smart technology applications in industries, energy systems, and processes, while also fostering innovation in green finance and sustainable practices. Investments in advanced technologies, such as artificial intelligence (AI), data acquisition, storage, and analytics, strengthen climate resilience by optimizing resource management and improving demand forecasting. Türkiye's robust digital infrastructure initiatives, such as 5G deployment and smart energy solutions, serve to accelerate decarbonization and bolster the country's global economic competitiveness.

Proceeds from the Facility will be on-lent as sub-loans to continue supporting eligible private sector entities (Sub-borrowers) to finance investments in climate mitigation, adaptation, and climate-related industries. In addition, the Facility will also contribute to the expansion of digital infrastructure projects within Türkiye's energy, infrastructure, and other productive sectors (Sub-projects).

The Facility is thus designed to provide critical support in two key areas--Climate Change and Digital Infrastructure:

1) Climate Change: Investments will target Climate Mitigation (CM) investments such as renewable energy generation, including wind, solar, and battery energy storage system (BESS) projects, as well as demand-side solutions that reduce energy consumption or waste in buildings, equipment, systems, and industrial processes. Additional emphasis will be placed on decarbonizing energy-intensive industries and productive sectors, including activities potentially affected by the EU's Carbon Border Adjustment Mechanism (CBAM). Funding will also support Climate Adaptation (CA) and enhance the resilience of productive processes, equipment, buildings, and infrastructure to climate impacts. The Facility will also explore nature-based solutions (NBS) like drought management, water storage, and afforestation, where feasible, as well as circular economy solutions. Support may be extended to manufacturing activities that contribute to CM and CA goals, including renewable energy equipment production, e-mobility solutions, and BESS, among others.

2) Digital Infrastructure (DI): Focus areas include 5G deployment, optic fiber, green data centers, digitalizing industrial processes, improving internet access, and integrating smart technologies into energy efficiency and renewable energy projects.

Direct and indirect beneficiaries include: (i) Electricity consumers gaining cleaner energy access; (ii) Electricity producers benefiting from long-term capital and liquidity; (iii) Private industrial enterprises improving energy efficiency and competitiveness; (iv) Enterprises enhancing climate resilience and reducing operational risks through adaptation projects; (v) Manufacturers and service providers in the CI sector expanding operations to meet growing demand for climate-related products and services; (vi) Businesses leveraging DI projects to accelerate digital transformation and innovation.

This Facility builds on the previous project--P000141 Renewable Energy & Energy Efficiency Facility (closing in December 2024). Through the precedent facility, AIIB has provided USD 300 million to TKYB in support of 18 sub-projects, representing USD 2 billion of total investment and USD 474 million of indirect mobilization in the form of project equity. The precedent



Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Türkiye Kalkınma ve Yatırım Bankası A.Ş. (TKYB) (Financial Intermediary)



Private Actors Description

As stated by the AIIB, TKYB, Development Bank of Türkiye, is a public development institution owned 99 percent by the Ministry of Treasury and Finance of Türkiye. Established in 1975 as an industrial investment bank, Devlet Sanayi ve İsci Yatırım Bankası (DESIYAB) A.S., and converted to the Development Bank of Türkiye following the merger with Turkish Tourism Bank in 1989. Three key business segments of the bank are development banking with project financing and corporate banking services, investment banking with M&A and capital markets advisory services, and the Türkiye Development Fund that captures private equity (PE), venture capital (VC), and fund-of-funds investments. TKYB is rated BB- by Fitch with a stable outlook. TKYB presents assets of USD 4.3 billion, total loans of USD 2.6 billion, and equity of USD 571 million as of year-end 2024.



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 \(May 28, 2025\)](#) [\[Original Source\]](#)



Other Related Projects

- AIIB-000141 Türkiye: TKYB Renewable Energy and Energy Efficiency On-Lending Facility