

 Early Warning System

AIIB-000962

Turkiye: VakifBank Climate Transition and Reconstruction Facility



### Quick Facts

Countries	Turkiye
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	U
Voting Date	2025-11-01
Borrower	Turkiye Vakiflar Bankasi T.A.O. (VakifBank)
Sectors	Climate and Environment, Construction, Education and Health, Energy, Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 300.00 million
Loan Amount (USD)	\$ 300.00 million
Project Cost (USD)	\$ 300.00 million



### Project Description

According to the AIIB, the objective of the project is to support Türkiye's resilient recovery and climate transition through financing for green and inclusive post-earthquake housing and climate-aligned small and medium enterprise investments, delivered via a sovereign-backed facility implemented by VakifBank.

The investment consists of a sovereign-backed multi-sector on-lending facility of up to USD300 million to Türkiye Vakıflar Bankası T.A.O. (VakifBank) (the Facility) with two components:

- (i) Component A: Post-earthquake reconstruction, Affordable Housing and Social Infrastructure, and
- (ii) Component B: Climate Finance.

Component A consists of a loan of up to USD200 million to support Türkiye's post-earthquake reconstruction efforts through the financing of affordable residential housing and social infrastructure facilities in 11 regions affected by the 2023 disaster. Affordable housing will benefit low-income families and households and in compliance with standards for earthquake resilience and structural integrity set by the Housing Development Administration of Türkiye (Toplu Konut İdaresi Başkanlığı, or TOKİ). Residential buildings financed from the proceeds of the facility will conform to the standards of green affordable housing under the relevant energy performance certifications. The loan will also support the construction of social infrastructure such as educational facilities and healthcare facilities, with emphasis on low-income areas and underserved groups. The buildings conform to standards of earthquake and climate resilience and energy efficiency and promote the introduction of digitalization to the health and educational services.

Component B consists of a loan of up to USD 100 million to support climate mitigation and adaptation investments by the private sector, specifically small and medium enterprises (SMEs), according to a definition to be agreed between the Borrower and the Bank. Eligible investments may include renewable energy generation, battery energy storage systems (BESS), as well as demand-side solutions that reduce the consumption and waste of energy in buildings. Adaptation investments will enhance the resilience and resource efficiency of production processes, equipment, buildings and infrastructure. The facility will include investments that promote environmental sustainability and mitigate impacts.



### Early Warning System Project Analysis

As stated by the AIIB, the Project is placed in Category FI, as the financing structure involves the provision of funds to VakifBank pursuant to which AIIB delegates the decision-making related to the use of the AIIB's funds insofar as the subprojects meet the conditions of the Project Operations Manual (POM). This will include the selection, appraisal, approval, and monitoring of subprojects in accordance with AIIB's ESP requirements. Category A as well as Higher Risk activities are excluded from the proposed subproject.



### 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.

- [Turkiye Vakiflar Bankasi TAO](#) (Financial Intermediary)



## Private Actors Description

As stated by the AIIB, VakifBank is a prominent Turkish bank established in 1954 with the mission of utilizing the foundation (vakif)'s assets to contribute to Türkiye's economic development. The bank's ownership structure includes 74.79% held by the Türkiye Wealth Fund (Group D), 14.75% by the Republic of Türkiye Ministry of Treasury and Finance (Group A and B), 4.06% by the VakifBank Pension Fund (Group C), and the remaining 6.35% as free float (Group D). Headquartered in Istanbul, VakifBank operates a network of branches across Türkiye, providing a comprehensive range of services including corporate, commercial, and retail banking, as well as investment and private banking services. The bank also has international branches in New York, Bahrain, Erbil, and Qatar, extending its services globally. As of March 31, 2025, VakifBank reported total assets of approximately TL 4.2 trillion (around USD 260 billion), total loans of TL 3 trillion (USD 186 billion), and net income of TL 20.03 billion (USD 1.24 billion) for the first quarter. VakifBank is Türkiye's second-largest bank by total assets and continues to play a central role in supporting the country's economic development and sustainability goals.



### Contact Information

#### AIIB Team Leader:

Francisco Fortuny - Senior Investment Officer

Email: [fj.fortuny@aiib.org](mailto:fj.fortuny@aiib.org)

#### Financial Intermediary - Türkiye Vakıflar Bankası T.A.O. (VakıfBank):

Ali Tahan - Senior Vice President

Email: [Ali.TAHAN@vakifbank.com.tr](mailto:Ali.TAHAN@vakifbank.com.tr)

### 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>



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## Bank Documents

- [Project Summary \(June 30, 2025\)](#) [\[Original Source\]](#)