

 Early Warning System

IFC-608680

Central Asia and Turkiye Climate Risk



Quick Facts

Countries	Turkiye
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-10-21
Sectors	Finance, Technical Cooperation
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 0.95 million
Project Cost (USD)	\$ 0.95 million



### Project Description

According to the IFC, the changing climate represents a systemic risk to both the real economy and the financial sector. Turkish banks face both transition and physical (climate) risks, each with varying severity. While they can often measure physical risk, transition risk remains largely untested and requires specific support for assessment and impact measurement on portfolios and clients. Transition affects sectors differently, necessitating detailed approaches for developing transition plans and supporting target clients. The project's goal is to help financial institutions (FIs) in Türkiye and other regional countries meet regulatory and market climate risk requirements, increase climate flows, and reduce GHG emissions. This will be achieved through the following key components:

- a. Knowledge Management: Increase awareness and foster a deeper understanding of climate risks, Paris Alignment, market standards, and best practices in transition, decarbonization, adaptation, and resilience finance concepts among target FIs interested in strengthening climate risk and finance capabilities.
- b. Capacity Enhancement: Enable target FIs to complete their climate risk assessments, carbon footprint measurements, and set up climate risk management systems, including climate risk governance, screening, rating, stress testing, and reporting/disclosure.
- c. Capacity Building Support: Help grow FIs' green portfolios by expanding existing products or developing new ones as a mitigation strategy to counterbalance their brown/high-transition-risk portfolios, thus reducing their climate risks and increasing their ability to tap into climate and sustainability investment opportunities presented by the global economy's transition process.



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## Investment Description

- International Finance Corporation (IFC)



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## Contact Information

*No project contacts provided at the time of disclosure.*

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