Project Summary Information

	Date of Document Preparation: April 9, 2020
Project Name	TKYB Renewable Energy and Energy Efficiency On-Lending Facility
Document Code	PD000141-PSI-TUR
Country	Republic of Turkey
Sector/Subsector	Finance / Financial Intermediary
Status of Financing	Approved
Project Description	The project will provide long-term financing ("sub-loans") through TKYB to privately owned companies in Turkey to invest in projects ("sub-projects") in the renewable energy and energy efficiency sectors. These include sub-projects in the wind, solar, geothermal, and biomass industries.
Objective	To advance Turkey's renewable energy and energy efficiency infrastructure
Expected Results	The project expects to increase the installed capacity of renewable energy power generation and to improve the energy efficiency of existing installations in Turkey. The key results indicators are: (i) increase in installed capacity in MW of power plants using renewable sources; (ii) reduction in carbon dioxide (CO_2) emissions due to renewable and energy efficiency plants; (iii) reduction in energy consumption due to energy efficiency plants.
Environmental and Social Category	Category FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP) is applicable to this on-lending facility. The project has been placed in Category FI, because the financing structure involves the provision of funds through an FI, whereby AIIB delegates to TKYB the decision-making on the use of AIIB's funds in so far as the sub-projects meets the conditions of the Operations Manual. This includes the selection, appraisal, approval and monitoring of sub-projects, and the oversight on the companies and projects in line with AIIB's ESP requirements. AIIB has defined eligibility criteria to restrict the use of AIIB's proceeds to specific sub-sectors and ensure their allocation is in line with AIIB's policies and sector strategies.

	Through various discussions and engagements with TKYB, AIIB has helped define TKYB's Environmental and Social Management System (ESMS) to be materially consistent with the provisions of the Bank's ESP and relevant Environmental and Social Standards (ESS). TKYB's ESMS includes an Environmental and Social Policy, an Environmental and Social Exclusion List and E&S screening, categorization, assessment and monitoring procedures and tools applicable to its lending operations. For all sub-projects, TKYB requires its clients to provide a regulatory environmental impact assessment (EIA), environmental, health and safety clearance certificates and land acquisition related documentation (where applicable). Additionally, TKYB shall require further E&S instruments such as: Environment and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), specialist studies and, where applicable, Resettlement Action Plan (RAP) prepared by independent specialized E&S consultants for all Category A and selected Category B sub-projects, or an ESMP and specialist studies where applicable for other sub-projects. In all instances, TKYB shall require the disclosure of such E&S documents by its sub-borrowers, engagement with Project-Affected People and the establishment of a GRM at the sub-project level. AIIB will conduct an E&S review of the initial sub-projects in each sub-sector (e.g. wind, solar, geothermal and biomass) to be financed using its funds. Subsequently AIIB will receive all the TKYB sub-project appraisal forms for review prior to the allocation of AIIB's proceeds, and may exercise further right of prior review on higher risk sub-projects. AIIB requires regular reporting on the implementation of the ESMS and performance of sub-projects, and will conduct regular supervision of TKYB's activities, including visits to selected sub-projects. TKYB has also been required to establish an external communication mechanism to address third-party views, enquiries or concerns regarding their own E&S processes and outcomes, as well as E&S impacts and performances of their portfolio investments. Inquiries can be made with TKYB on: https://english.kalkinma.com.tr/environment-management-system-contact-information.aspx (English) or http://www.kalkinma.com.tr/bize-ulasin.aspx (Turkish)
Cost and Financing Plan	AIIB Loan: USD 200 million
Borrower	Turkiye Kalkınma ve Yatırım Bankası ("TKYB")
Guarantor	Republic of Turkey

Estimated date of loan closing	November 2023	
Contact Points:	**AIIB**	**Borrower**
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Date of Concept Decision	May 2018	
Date of Appraisal Decision	September 24, 2019	
Date of Financing Approval	November 12, 2019	

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide 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 its ESP in situations when their concerns cannot be addressed satisfactorily through sub-project-level Grievance Redress Mechanisms or AIIB Management's processes.
	For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html