

SBF Project Implementation Monitoring Report

Turkey: TKYB Renewable Energy and Energy Efficiency On-Lending Facility

1. Project Information

Project ID:	000141	Investment Number:	L0141A
Member:	Turkey	Region:	Western asia
Sector:	Finance	Sub-sector:	Intermediary financing
AIIB Financing Type:	Loan: 200 USD million	Co-financier(s):	Standalone
E&S category:	FI	Borrower:	Türkiye Kalkınma ve Yatırım Bankası A.Ş. (TKYB)
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Türkiye Kalkınma ve Yatırım Bankası A.Ş.(TKYB)		
Project Team Leader:	Francisco-José Fortuny Carod		
Project Team Members:	Francisco Fortuny, Senior Investment Operations Specialist Henri de Branche, Senior Environment Specialist (Operations) Giacomo Ottolini, Principal Procurement Specialist (Operations) Shonell Robinson, Financial Management Specialist		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:	Feb, 2021 Planned Site Visits by AIIB: Subject to travel restrictions due to COVID-19.		

2. Project Summary and Objectives

The Project's objective is to advance Turkey's renewable energy and energy efficiency infrastructure by providing long-term financing (Sub-loans) through TKYB to privately owned companies in Turkey, to invest in renewable energy and energy efficiency projects (Sub-projects), including wind, solar, geothermal and biomass.

3. Key Dates

Approval:	Nov. 12, 2019	Signing:	Dec. 10, 2019
Effective:	Jan. 14, 2020	Restructured (if any):	
Orig. Closing:	Nov. 1, 2023	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

a) Committed:	200	b) Cancellation (if any):	
c) Disbursed:	50	d) Most recent disbursement: (amount / date)	50, Sep. 8, 2020
e) Undisbursed:	150	f) Disbursement Ratio(%) ¹ :	25

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The loan became effective on January 14, 2020. A disbursement in the form of an advance of USD50.0 million was carried out on September 8, 2020. The Borrower is planning to use the funds to support two of its loans to renewable energy Sub-projects in Turkey: the Tayakadin 50MW Wind Power Plant (USD28.0 million) and the Yavlova 50MW Wind Power Plant (USD22.0 million), both located in north-western Turkey and operated by different subsidiaries of FINA Holding A.S. The Borrower has also submitted applications concerning four other wind power plant projects, amounting to approx. USD92.2 million of sub-debt and 69 MW of installed capacity. The Borrower has completed its environmental and social management system upgrade, within three months from signing of the Loan Agreement and is also on track with the corporate deadlines set out in the corporate strategy development plan.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Renewable Energy and Energy Efficiency On-Lending Facility	The Sub-projects (Tayakadin and Yavlova WPP) are currently under	In compliance. The first E&S report will be due 60 days	In compliance. The first Procurement and Compliance Report will be received within 90

(USD 200 million)	construction.	after Dec 31.	days after Dec. 31.
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Financial Management:

In compliance. The first Project Audit Financial Statements will be due 180 days after Dec. 31.

6. Status of the Grievance Redress Mechanism (GRM)

The Client has established a GRM. No major GRM activities occurred as of April 30, 2020.

7. Results Monitoring

The exact intermediate and end targets will depend on the specific projects to be financed by the Bank's loan and will be finalized during the project's implementation.

Baseline Year: Jan. 1, 2019 End Target Year: Jan. 1, 2024

Project Objective Indicators	Year	Target	Actual	Others, if any
Total renewable energy generation capacity installed (MW)	Sep. 30, 2020	N/A	N/A	
Reduction of greenhouse gas emissions, in tons of carbon dioxide equivalent per year (tons)	Sep. 30, 2020	N/A	N/A	
Primary energy consumption saved (GWh)	Sep. 30, 2020	N/A	N/A	
Amount invested in renewable energy projects (USD million)	Sep. 30, 2020	N/A	50	
Amount invested in energy efficiency projects (USD million)	Sep. 30, 2020	N/A	N/A	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
N/A	Sep. 30, 2020	N/A	N/A	N/A

Remarks: The actual results in the table reflect the Sub-projects for which a disbursement has been made. The physical implementation targets will be updated once the Sub-projects once they are complete and start operations (Tayakadin and Yavlova Wind Power Plants have a combined installed capacity of 100MW and are expected to become operational during 2021).