



### Project Summary Information

Date of Document Updating: 09/11/25	
<b>Project Name</b>	TKYB Climate and Digital Transition On-Lending Facility
<b>Project Number</b>	P000959
<b>AIIB member</b>	Türkiye
<b>Sector/Subsector</b>	Multi-sector
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; Technology-enabled Infrastructure; Private Capital Mobilization
<b>Status of Financing</b>	Approved
<b>Objective</b>	To contribute to the Republic of Türkiye's climate mitigation and adaptation goals in line with the Paris Climate Agreement (PCA) by financing private sector investments in renewable energy, energy efficiency, climate adaptation, digital infrastructure, and strengthening private capital mobilization.
<b>Project Description</b>	A 15.5-year (up to 3.5-year grace) sovereign-backed multi-sector on-lending facility, available in USD and EUR, for a total amount of up to USD 200 million equivalent to TKYB (the Project) to support Türkiye's climate mitigation and adaptation commitments under the PCA (ratified in October 2021) while advancing the integration of climate and digital agendas as a strategic pathway for sustainable and resilient development. Proceeds from the facility will be on-lent as Sub-loans to eligible private sector entities (Sub-borrowers) to finance investments in climate mitigation (CM), adaptation (CA), as well as digital infrastructure (DI) in Türkiye. Further details can be found in the attached Project Document.
<b>Expected Results</b>	The Project's results will include specific, measurable indicators, which include investments in key thematic areas (CM, CA, and DI), total renewable energy generation capacity installed (MW), battery energy storage systems (BESS) capacity installed (MW/MWh), GHG reduction or avoidance through CM investments in renewable energy sources (RES) and energy efficiency (EE) (tCO2e/year), primary energy saved through EE (MWh/year), kilometers of electricity transmission and distribution (T&D) lines financed, indirect private capital mobilization (PCM), facility-level NPL rates, and gender-specific data. Further details can be found in the attached Project Document.
<b>Environmental and Social Category</b>	FI

<b>Environmental and Social Information</b>	<p><b>Applicable Policy and Categorization.</b> AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs), applies to this Project. The Project is placed in Category FI, as the financing structure involves the provision of funds to TKYB, pursuant to which AIIB delegates the decision-making related to the use of AIIB's funds insofar as the sub-projects meet the conditions of the Project Operations Manual (POM). The POM will include selection, appraisal, approval, and monitoring of subprojects in accordance with AIIB's ESP requirements.</p> <p><b>Environmental and Social Management System (ESMS).</b> TKYB's Environmental and Social Management System (ESMS) is materially aligned with AIIB's ESP and will be used as the project's environmental and social (E&amp;S) instrument together with the Project Operations Manual (POM). In January 2020, TKYB's Environmental and Social Policy was approved by the TKYB Board of Directors, followed by the implementation of Sustainability Principles and the enforcement of the Climate Change Mitigation and Adaptation Policy in June 2020. TKYB is required under its ESMS to (i) screen the sub-project proposals against its ESEL, (ii) assign an E&amp;S categorization, (iii) conduct E&amp;S risk assessment, (iv) monitor E&amp;S risks and impacts, (v) report to its management accordingly, (vi) disclose E&amp;S information, and (vii) conduct meaningful consultation with stakeholders. Specifications for implementing AIIB E&amp;S requirements will be defined in the POM, including the adoption of the AIIB's ESEL.</p> <p><b>Environmental and Social Aspects.</b> The Project will support Türkiye's ratification of the PCA on CM and CA in 2021 and will contribute positively to Sustainable Development Goals (SDG), such as SDG 6, SDG 7, and SDG 13. Impacts on communities' health and safety, involuntary resettlement and land acquisition, sensitive habitats, ecosystems and their services, occupational health and safety, and labor and working conditions (LWC) are potential E&amp;S risks associated with such sub-projects. Every subproject will be screened to identify the risks, and following the assessment, appropriate mitigation measures will be proposed and adopted. In addition, as part of the POM, all suppliers of the subprojects will be advised of the importance of the implementation of appropriate management measures to identify and address issues related to E&amp;S provisions of the ESMS, including LWC and health and safety (H&amp;S) matters. TKYB's E&amp;S capacity is considered adequate for managing the subprojects anticipated under the proposed Facility. Given this institutional capacity and performance track record, the delegation of higher-risk Category B subprojects to TKYB is considered appropriate under the proposed facility. On the other hand, AIIB will conduct prior review and approval for all Category A subprojects. Regarding renewable subprojects, the subprojects will also apply TKYB's ESMS to its suppliers and contractors. Representations and warranties on LWC to be provided by suppliers and contractors to the sub-projects will be incorporated into sub-loan agreements and contracts.</p>
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	<p><b>Gender Aspect.</b> TKYB applies a workplace culture that respects human and labor rights and actively supports women's participation in the workforce as a key pillar of sustainable development. TKYB has adopted policies that promote gender balance, offer flexible working arrangements, and strengthen opportunities for women's professional development. Its Supplier Code of Conduct also includes specific provisions prohibiting discrimination, harassment, and LWC violations, and encourages equal treatment across the supply chain. TKYB identifies gender-related risks and opportunities at the sub-project level. Particular attention is given to topics such as women's participation in the workforce, management representation, access to grievance mechanisms, and gender-specific risks. Based on the outcomes of these assessments, gender-responsive actions are integrated into the ESAP and monitored throughout the sub-project lifecycle.</p> <p><b>Stakeholder Engagement and Information Disclosure.</b> TKYB maintains and publishes its E&amp;S Policy and ESMS overview in both <a href="#">English</a> and <a href="#">Turkish</a>. At the facility level, TKYB will continue to disclose the E&amp;S documentation promptly for all higher-risk subprojects. At the corporate level, TKYB will continue to disclose its integrated report, which is prepared in alignment with the Principles for Responsible Banking (PRB), the Global Reporting Initiative (GRI) Standards, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report also outlines TKYB's commitments and performance related to environmental, social, and governance (ESG) issues and serves as a key communication tool with its stakeholders.</p> <p><b>Project Grievance Redress Mechanism (GRM).</b> TKYB has the <a href="#">external communications mechanism (ECM)</a>, including contacts and processes to receive and handle complaints related to E&amp;S matters, and its information, including the Project-affected People's Mechanism (PPM) of AIIB, is disclosed in both <a href="#">English</a> and <a href="#">Turkish</a>. The ECM will be available to project-affected people and project-contracted workers. Under the POM, TKYB will require its Sub-borrowers to establish a suitable subproject-level GRM or equivalent and inform people in the subproject's footprint about its availability.</p> <p><b>Monitoring and Supervision Arrangements.</b> TKYB will rely on information provided directly by the subprojects to conduct both E&amp;S assessment and ongoing monitoring. TKYB will be required to maintain a comprehensive database comprising all relevant E&amp;S information and report to AIIB semi-annually based on the agreed format, a summary of the E&amp;S aspects, and an overview of the E&amp;S performance of the project's portfolio. AIIB will conduct post-reviews of the selection and implementation of subprojects as part of its regular supervision, which will include engagement with TKYB, potential site visits, and a detailed review of the E&amp;S documentation of selected subprojects.</p>
<b>Cost and Financing Plan</b>	<p>Uses: USD 200 million-equivalent.</p> <p>Sources: USD 200 million-equivalent provided in two tranches:</p>

	- USD-denominated tranche: USD100,000,000; and - EUR-denominated tranche: EUR85,291,484.
<b>Borrower</b>	Development and Investment Bank of Türkiye (TKYB)
<b>Guarantor</b>	Ministry of Treasury and Finance, Türkiye
<b>Estimated date of loan closing (SBF)</b>	December 29, 2028

<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>
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<b>Date of Concept Decision</b>	May 22, 2025	
<b>Date of Appraisal Decision</b>	May 22, 2025	
<b>Date of Financing Approval</b>	August 28, 2025	

<b>Independent Accountability Mechanism</b>	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 Project-level GRM or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a> .
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