



Program Summary Information

Date of Document Update: August 24, 2026

Program Name	Türkiye Climate Action Acceleration Program (TCAAP) Türkiye Climate Action Acceleration Program — Supplemental Financing under the Energy, Food Security and Economic Resilience Facility (TCAAP-SF)
Program Number	P001131 TCAAP P001185 TCAAP-SF
AIIB member	Türkiye
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	The objective of the Türkiye Climate Action Acceleration Program (TCAAP) is to support the implementation of Türkiye's Second Nationally Determined Contribution (NDC 3.0) and Climate Law, through policy and institutional reforms in sustainable finance, sectoral decarbonization, and climate resilience.
Project Description	Türkiye has delivered one of the most sustained economic transformations among emerging economies, yet its growth model remains structurally dependent on fossil fuel imports, making energy the single largest driver of its current account deficit and a source of growing external vulnerability. As the world's 17th largest greenhouse gas (GHG) emitter, Türkiye faces mounting external pressures on two fronts. The European Union's Carbon Border Adjustment Mechanism (CBAM) threatens the competitiveness of its most carbon-intensive exporting sectors in the EU market, while the current situation in the Middle East has widened Türkiye's energy import bill and reduced fiscal buffers. At the same time, Türkiye faces acute physical climate risks across water, ecosystems, and health. Türkiye has responded with its most substantive climate legislative framework to date, anchored in Climate Law No. 7552 and NDC 3.0. A critical gap nonetheless persists: the regulatory, fiscal, and institutional architecture needed to operationalize the Climate Law and channel capital toward NDC targets remains incomplete. The TCAAP addresses this gap directly, financing the policy and institutional reforms, coordinated through the Ministry of Treasury and Finance (MOTF) and designed in deliberate complementarity with ongoing partner programs, that translate Türkiye's legislative commitments into measurable climate outcomes.

	A Supplemental Financing of USD800 million under AIIB's Energy, Food Security and Economic Resilience Facility complements the Program by protecting the reform momentum against the fiscal pressure created by the ongoing tension in the Middle East. It disburses against the same 12 prior actions and the same results matrix as the parent CPBF, bringing combined AIIB financing to USD1,600 million. The TCAAP comprises 12 prior actions across three mutually reinforcing pillars: • Pillar 1 — Operationalizing the Carbon Market and Green Finance Regulatory Measures: Operationalize Türkiye's emissions trading system (ETS), establish a green finance regulatory architecture, and mobilize public and private capital toward low-carbon and climate-resilient activities. • Pillar 2 — Accelerating Sectoral Decarbonization Pathways: Accelerate implementation of mitigation policies across energy, industry, transport, and monitoring frameworks, translating NDC commitments into binding sector-specific regulatory and institutional action. • Pillar 3 — Institutionalizing Adaptation Across Water, Nature, and Health: Institutionalize subnational climate governance, strengthen water resilience, expand carbon sink coverage, and embed climate risk into national health systems across 81 provinces.
Expected Results	Result indicators and associated targets are being finalized in consultation with the Government of Türkiye and will be disclosed in the Project Document after Approval.
Environmental and Social Category	Not applicable
Environmental and Social Information	Applicable Policy and Environmental and Social Instrument. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and provisions related to CPBF set forth in Section 16 of the ESP, are applicable to this Program. Therefore, the provisions on Environmental and Social (ES) categorization in the ESP do not apply to this Program. The program is expected to have predominantly positive ES effects with low-to-moderate residual risks. These residual risks are primarily associated with implementation capacity, coordination across institutions, and distributional impacts, rather than the absence of regulatory safeguards. The assessment of ES impacts of the Program and an ES assessment matrix have been prepared to assess the potential ES implications associated with the Program's policy actions. Environmental and Social Aspects. The Program is expected to generate strong positive environmental outcomes by strengthening and operationalizing Türkiye's existing climate governance and environmental regulatory framework. Likely adverse environmental effects are limited and are primarily associated with localized land-use change, biodiversity impacts,

	and ecosystem fragmentation linked to renewable energy expansion, as well as potential land-use and management risks in newly designated carbon sink areas outside forest regimes. Overall, environmental risk is assessed as low to moderate, with strong net positive environmental outcomes driven by the Program's structural alignment with Türkiye's climate policy and environmental governance framework. Likely adverse social effects are mainly transition-related and include potential job displacement in carbon-intensive sectors such as cement, steel, refining, and energy-intensive manufacturing; uneven access for SMEs to green finance due to varying compliance capacity, regional disparities in adaptation and implementation readiness; and potential exclusion risks for informal workers and vulnerable groups during the transition process. Overall, social risk is assessed as moderate, with strong positive development outcomes expected if existing labor, social protection, and financial support systems are effectively coordinated and complemented by targeted transition support mechanisms. Information Disclosure and the Program Grievance Redress Mechanism (GRM). In accordance with Bank's ESP, ES Assessment Matrix will be timely disclosed on the Bank's website. Türkiye has an established national grievance system through the Presidential Communication Center (CIMER), which will be the Program GRM. This enables citizens to submit complaints and requests electronically and receive formal responses from relevant public institutions. The information of the GRMs to be used and AIIB's Project-affected People's Mechanism (PPM) will be timely disclosed in the appropriate manner. Monitoring and Reporting Arrangement. The MOTF, as the Program Executing Agency, will monitor the program implementation and report to AIIB based on agreed format on the implementation progress of the Policy and Results, working in coordination with other entities such as the Directorate of Climate Change (DOCC), as necessary. AIIB will monitor and oversee the implementation of the ES aspects of the Program and address any issues that arise during the implementation of the Program, including the implementation of actions identified to address shortcomings in Türkiye's national systems. At the Program's closure, the AIIB team will verify the achievement of outcome indicators to assess medium-term policy impact.
Cost and Financing Plan	Proposed amount of AIIB financing (USD m): USD1,600 million • CPBF (TCAAP): USD800 million • ERF (TCAAP-SF): USD800 million
Borrower	Republic of Türkiye
Implementing Entity	Ministry of Energy and Natural Resources, Türkiye; Ministry of Treasury and Finance, Türkiye; Ministry of Environment, Urbanization and Climate Change, Türkiye
Estimated date of loan closing (SBF)	Dec. 31, 2028

Contact Points:	AIIB	Borrower	Implementation Organization/Sponsor
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Date of Concept Decision	June 5, 2026		
Date of Appraisal Decision	August 24, 2026		
Estimated Date of Financing Approval	Q4 2026		

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 Project-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html to the PPM web page.
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