

SBF Project Implementation Monitoring Report

Turkey: TKYB Sustainable Energy and Infrastructure On-Lending Facility

1. Project Information

Project ID:	000141	Investment Number:	L0141A
Member:	Turkey	Region:	Western Asia
Sector:	Finance	Sub-sector:	Intermediary Financing
AIB 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:	Chee Wee Tan, Senior Environmental and Social Specialist (Private Sector) Giacomo Ottolini, Procurement Consultant Shonell Robinson, Financial Management Specialist Komron Rajabiyon, Investment Associate		
Completed Site Visits by AIB:			
Planned Site Visits by AIB:	Feb, 2021 Planned Site Visits by AIB: 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 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: two 50MW Wind Power Plants in amount of USD28.0 million and USD22.0 million, both located in north-western Turkey. 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 (USD 200 million)	All Sub-projects are currently under construction.	In compliance. The first E&S report will be due 60 days after Dec 31.	In compliance. The first Procurement and Compliance Report will be received within 90 days after Dec 31.

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 September 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: