



### Project Summary Information

Date of Document Preparation: September 30, 2022	
<b>Project Name</b>	Aklease Multisector Facility
<b>Document Code</b>	000531
<b>Country</b>	Republic of Türkiye
<b>Sector/Subsector</b>	Energy / Multi-subsector
<b>Status of Financing</b>	Approved
<b>Project Description</b>	The proposed Project entails AIIB providing a five year non-sovereign-backed financing to support private companies in the Republic of Türkiye via the financial leasing industry. AIIB will on-lend to Ak Finansal Kiralama A.S. (“Aklease”), which will then lend to private companies in Türkiye. AIIB's financing will fund financial leases for renewable energy and energy efficiency related assets, which have been identified as areas seeing imminent demand for further development by the country.
<b>Objective</b>	Provide financing to renewable energy and energy efficiency related assets in Türkiye via the leasing industry.
<b>Expected Results</b>	It is expected that the results will be measured by several indicators, which include total renewable generation capacity installed, greenhouse gas emission reduction, primary energy consumption saved, percentage of impaired leases ratio in the funded portfolio, and lessees that are led by women.
<b>Environmental &amp; Social Category</b>	FI
<b>Environmental and Social Information</b>	AIIB's Environmental and Social Policy (“ESP”) including the Environmental and Social Exclusion List (“ESEL”) and Environmental and Social Standard 1 (“ESS 1”) Environmental and Social Assessment and Management will apply to this Project. Aklease has enhanced its Environmental and Social Management System (“ESMS”), which is materially consistent with AIIB's ESP requirements. The Project is placed in Category FI, as the financing structure involves the provision of funds to Aklease pursuant to which AIIB delegates the decision-making related to the use of the AIIB's funds insofar the leases meet the agreed conditions with the client. This will include the selection, appraisal, approval and monitoring of leases in accordance with AIIB's ESP requirements. Enhanced ESMS includes provisions to identify and mitigate the potential E&S risks and impacts resulting from lessees' use of assets, including labor and working conditions and health and safety matters.

The Project will support Aklease in its leasing of assets to Turkish private enterprises supporting renewable energy and energy efficiency. The preliminary pipeline includes assets such as power turbines, solar panels, textile weaving machinery and others. The use of the assets is expected to contribute to United Nations Sustainable Development Goals (“SDG”) including SDG 3 – Good Health, SDG 7 Renewable Energy, and others. The use of assets in the related subprojects may have an impact on biodiversity, create hazardous waste pollution, incur occupational health and safety matters. Every lease will be assessed by Aklease to identify risks and following the assessment, appropriate mitigation measures will be adopted. All higher risk transactions in this facility including any leases categorized as A or higher risk B will not be supported using AIIB’s facility. Activities included in AIIB’s ESEL will not be eligible for financing. Coal mining, coal transportation or coal-fired power plants, as well as infrastructure exclusively dedicated to support any of these activities will be excluded.

Aklease will continue to publish its ESMS on its [website](#), in both Turkish and English. At the corporate level, Aklease’s investor presentation includes its sustainability strategy, performance highlights and product offerings. Aklease will be required to maintain a comprehensive database comprising all relevant E&S information and report to AIIB a summary of the E&S aspects and overview of the E&S performance of the Project portfolio, annually. AIIB will conduct post-reviews of the selection and implementation of leases as part of its regular supervision, comprising engagement with Aklease, potential site visits once conditions allow and detailed review of the E&S documentation of selected leases.

Aklease has established an [External Communications Mechanism \(ECM\)](#), including contacts and processes to receive and handle related E&S matters, and its information including PPM of AIIB will be disclosed in both Turkish and English in an appropriate manner. The ECM will be made available to Project-Affected People (PAPs) and project contracted workers. Under its enhanced ESMS, Aklease will require its lessees to establish a suitable sub-project level Grievance Redress Mechanism (“GRM”) or equivalent and inform people in the sub-project’s footprint about its availability. The GRM will receive and facilitate resolution of the concerns and complaints of people who believe they have been adversely affected by the Project’s E&S impacts.

<b>Cost and Financing Plan</b>	USD50 million or equivalent		
<b>Borrower</b>	Ak Finansal Kiralama A.S. ("Aklease")		
<b>Guarantor</b>	Republic of Türkiye		
<b>Estimated date of Loan Closing</b>	4Q 2022		
<b>Contact Points</b>	<b>AIIB</b>	<b>Aklease</b>	
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<b>Date of Appraisal Decision</b>	August 2022		
<b>Date of Financing Approval</b>	September 2022		

<b>Independent Accountability Mechanism</b>	<p>The Policy on the Project-affected People's Mechanism (PPM) applies to the Project. The PPM has been established by the Bank 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 the Project-level ECM or the processes of AIIB's Management. Information on the PPM is available at:</p> <p>Policy on the Project-affected People's Mechanism – Operational Policies and Directives – AIIB.  <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a></p>
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