

SBF Project Implementation Monitoring Report

Republic of Türkiye: Turk Eximbank Green Infrastructure Support Project

1. Project Information

| | | | |
|-----------------------------------|--|-------------------|---|
| Project ID: | P000698 | Instrument ID: | G0698L |
| Member: | Türkiye | Region: | Western Asia |
| Sector: | Multi-sector | Sub-sector: | Multi-subsector |
| Financing Type: | <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Guarantee | Co-financier(s): | N/A |
| ES category: | FI | Borrowing Entity: | Export Credit Bank of Türkiye (Turk Eximbank) |
| Implementing Entity: | Turk Eximbank | | |
| Project Team Leader: | Sherry Huaixue Fu, PCF | | |
| Responsible DG: | Gregory Liu | | |
| Responsible Department: | FIF | | |
| Project Team Members: | Cassie Changyu Sun, PCF - Co-PTL; Jinwen Ye, PCF - Team Member; Bhavit Sharma, FIF – Investment Officer (Guarantee Specialist); Indrani Ghosh, SFD – Senior Environment Specialist; Ercan Ozbulut, SFD – Social Development Specialist; Shonell Robinson, SFD - Financial Management Specialist; Guoping Yu, SFD – Senior Procurement Specialist; Marcin Sasin, Economist; Ting Wang, Project Counsel; Goktug Ersoy, Alternate Counsel; Victoria Pimkina, Legal Associate. | | |
| Completed Site Visits by AIIB: | N/A | | |
| Planned Site Visits by AIIB: | The Project Team may plan for site visits in 2025 depending on the progress of the project implementation | | |
| Current Red Flags Assigned: | N/A | | |
| Current Monitoring Regime: | Regular monitoring | | |
| Previous Red Flags Assigned: | N/A | | |
| Previous Red Flags Assigned Date: | N/A | | |

2. Project Summary and Objectives

Project Summary:

Turk Eximbank Green Infrastructure Support Project encompasses a sovereign-backed partial debt guarantee (“PDG”) of USD200 million equivalent from AIIB to help Turk Eximbank raise long-term private sector funding to support green

infrastructure in Türkiye. With the support from AIIB's PDG, Turk Eximbank has raised a green loan of USD285.7 million (equivalent) (the "Guaranteed Loan") from ING Bank, Société Générale, and Standard Chartered Bank (the "Guaranteed Lenders"). 100% of the Project qualifies as climate mitigation finance. The eligibility criteria for sub-loans and sub-borrowers are detailed in the Operational Manual (OM).

Project Objective:

To support green infrastructure development in Türkiye.

3. Key Dates

| | | | |
|----------------|--------------|--------------------------------|--------------|
| Approval: | Nov 22, 2023 | Signing of the PDG Agreement: | May 14, 2024 |
| Effective: | May 16, 2024 | Signing of the Loan Agreement: | May 7, 2024 |
| Orig. Closing: | May 31, 2028 | Rev. Closing (if any): | |

4. Guarantee Status (US\$ million)

| | | | |
|------------|-----|--------------|-----|
| Committed: | 200 | Cancelled: | - |
| Disbursed: | - | Undisbursed: | - |
| Repaid: | - | Outstanding: | 200 |

5. Underlying Loan Disbursement Summary (USD million)

| | | | |
|---------------------------------------|-------|--------------|---|
| Committed: | 285.7 | Cancelled: | - |
| Disbursed: | 285.7 | Undisbursed: | - |
| Disbursement Ratio (%) ¹ : | 100 | | |

6. Project Implementation Update

The underlying guaranteed loan has been fully disbursed as of July 2024. Turk Eximbank has provided reporting documents due as of July 2024.

Financial Management:

The FM arrangements have been operationalized, with the first interim unaudited financial report expected to be provided by mid-August 2024.

7. Status of the Grievance Redress Mechanism (GRM)

Turk Eximbank has disclosed the GRM and the availability of AIIB's PPM through the link below.

<https://eximbank.gov.tr/content/files/aa960793-2a1a-40d1-86fd-76653340dd6d/turk-eximbank-signed-a-syndication-loan-agreement-with-ing-standard-chartered-and-societe-generale-under-the-guarantee-of-asian-infrastructure-investment-bank>

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.

8. Results Monitoring

| Project Objective Indicators | Baseline (2024) | 2025 | | 2026 | | 2027 | | 2028 (End Target) | |
|--|-----------------|--------|--------|--------|--------|--------|--------|--|--------|
| | | Target | Actual | Target | Actual | Target | Actual | Target | Actual |
| 1. Number of green infrastructure financed | 0 | | | | | | | 33 | |
| 2. Renewable energy capacity installed | 0 | | | | | | | 150 | |
| 3. Greenhouse gas emission avoidance | 0 | | | | | | | 84,172 | |
| Intermediate Result Indicators | Baseline (2024) | 2025 | | 2026 | | 2027 | | 2028 (End Target) | |
| | | Target | Actual | Target | Actual | Target | Actual | Target | Actual |
| 4. Medium to long-term financing amount provided to eligible sub-borrowers | 0 | | | | | | | 277.8 ² | |
| 5. Amount of private capital mobilized | 0 | | | | | | | 285.7 | |
| 6. Amount of financing for climate mitigation or climate adaptation purposes | 0 | | | | | | | 277.8 ³ | |
| 7. Number of energy efficiency / water efficiency sub-loans | 0 | | | | | | | 15 | |
| 8. Non-performing loans (NPL) ratio in the sub-loan portfolio | 0 | | | | | | | <2% | |
| 9. Number of eligible sub-borrowers financed under the Project | 0 | | | | | | | 33 | |
| 10. % value of sub-loans provided to women-inclusive enterprises | 0 | | | | | | | 10%, of which 3% is on a best effort basis | |

Remarks:

For indicator 4 and 6, the actual financing amount target was reduced from the original target amount by the amount of AIIB guarantee related fees.

² Adjusted for AIIB guarantee related fees.

³ Adjusted for AIIB guarantee related fees.