



### Project Summary Information

<b>Project Name</b>	İçtaş Enerji YEKA Erzin-II Hatay 100MW Solar PV Project
<b>Project Number</b>	P000796
<b>AIIB member</b>	Türkiye
<b>Sector/Subsector</b>	Energy, Solar PV
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; Private Capital Mobilization
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To support Türkiye energy transition through the expansion of solar photovoltaic installed capacity.
<b>Project Description</b>	<p>The Project comprises the development, construction, and operation of a solar photovoltaic (PV) plant with 100 MW of installed capacity (134MW<sub>p</sub>) in the municipality of Erzin, in the province of Hatay. The Sponsor of the Project is IC İçtaş Group (the Group), a Turkish conglomerate founded in 1969. The Group owns and operates 1,450 MW of installed capacity, mainly thermal and hydropower plants, and distributes approx. 6.57 billion kWh per annum of electricity.</p> <p>The Project was awarded to IC İçtaş Enerji in June 2022 through the YEKA GES-4 reverse auction under a license period of 30 years. The auction allocated 700 MW of capacity across 12 solar PV projects under a ceiling price of up to TRYkr 95/kWh. The Project secured an inflation and foreign exchange (FX)-linked tariff of TRYkr 58.4/kWh (the Tariff) whereas tariff bids ranged between TRYkr 49-59.7 /kWh. The Project is entitled to sell up to 23 GWh per MW of capacity installed at the Tariff. The Project agreements were signed between IC İçtaş Enerji and the Ministry of Energy and Natural Resources (MENR) in August 2022.</p>
<b>Expected Results</b>	Expected results from the Project will be: total renewable energy installed capacity (MW), electricity generation from renewable sources (GWh/year), Greenhouse Gas (GHG) emissions avoided (tCO <sub>2</sub> eq/year), and indirect private capital mobilization (USD million).
<b>Environmental and Social Category</b>	B

<p><b>Environmental and Social Information</b></p>	<p><b>Environmental and Social Policy and Categorization.</b> AIIB's Environmental and Social Policy (ESP) including Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs) will apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are triggered by the Project. Key adverse environmental and social (E&amp;S) risks and impacts relate to biodiversity; presence of cultural heritage sites within the Area of Impact; civil works induced impacts; natural hazards; occupational health and safety; community health and safety due to labor influx and presence of security personnel; and associated gender-based violence and harassment (GBVH) risks to workers and communities during construction and operations phases. However, based on the Environmental and Social Impact Assessment (ESIA) completed, those adverse E&amp;S risks and impacts are small scale, temporary and limited to the Project area, which can be avoided or mitigated by adhering to relevant ESSs and good international practice, therefore, the Project is assigned Category B.</p> <p><b>E&amp;S Instruments.</b> The Project has prepared the ESIA Report, including the Environmental and Social Management Plan (ESMP). In addition, a Stakeholder Engagement Plan (SEP), Land Acquisition and Resettlement Plan (LARP), Labor Management Plan (LMP), Biodiversity Action Plan (BAP), and Biodiversity Monitoring Plan (BMP), and several sub-management plans have been prepared in support of the project's E&amp;S Management System (ESMS). The Non-technical Summary of the ESIA, ESMP, and SEP (in English and Turkish) have been disclosed by the Borrower<sup>1</sup> and will be disclosed by the Bank at its website.</p> <p><b>Environmental Aspects.</b> The Project area is a natural habitat with status as pastureland. The Project area has avoided Key Biodiversity Assessment (KBA) and protected areas. Potential environmental impacts will include noise, dust, vibration, traffic safety, construction waste and wastewater generated during project construction and operation periods but can be mitigated through ESMP implementation. The Project layout was redesigned to avoid two archaeological sites in the northeast corner. The planned access road also designed a bridge to mitigate the Project impact on another culture heritage—the Issos Ancient Waterway. The Project has prepared and will implement the Cultural Heritage Management Plan (CHMP) to minimize and mitigate impacts on the existing culture heritages. During the construction phase, occupational, health and safety (OHS) risks may arise from excavation, height works, installation of cables and solar panels, backfilling, and use of heavy-duty vehicles. Such OHS risks and impacts will be managed and mitigated by the measures incorporated in the OHS Management Plan, Emergency Response Plan and Traffic Management Plan prepared for the Project.</p> <p><b>Social Aspects.</b> The Project will acquire approximately 200 ha of public pastureland belonging to the local municipality. There are no structures or buildings within the Project site and around it. The ESIA survey and consultations confirmed that</p>
--	--

<sup>1</sup> <https://www.icenterra.com.tr/tr/gunes-santralleri/hatay-erzin-ges>

	<p>no economic impacts or physical displacement were expected, and no legacy issues were stated. The ESIA assessed the Borrower's capacity to manage risks related to labor and working conditions under contractor and supplier contracts, including Special Purpose Vehicle (SPV) suppliers and construction contractors to be engaged in the Project and confirmed its compliance with the ESP labor provisions. The Project-specific Labor Management Plan (LMP) was prepared, which includes the primary supplier management procedures. To prevent GBVH risks at the workplace and surrounding communities, the Project Company will incorporate relevant prohibitive clauses in its contracts with the Contractors. The Contractors' personnel (including security staff) will also sign the Code of Conduct and receive relevant training to prevent GBVH risks at the Project site. ESDD confirmed that as per ESS 3 definition of Indigenous People (IP), no IP were present at the Project area.</p> <p><b>Stakeholder Engagement and Grievance Redress Mechanism (GRM).</b> The ESIA report has documented previous stakeholder engagement activities, and the Stakeholder Engagement Plan (SEP) has scheduled future engagement activities. The Borrower will establish and operate a two-tier project specific GRM for the local communities and project-affected persons (PAPs). A Community Liaison Officer (CLO) will be assigned to arrange for filing and monitoring grievances for the local communities and PAPs and escalating the grievances to the Project Manager and Social Specialist and the Contractors' social staff. The worker GRM will be established at the contractor level and the Borrowers' Project Management Group. The disclosed SEP includes information about the two-tier project-specific GRM and the AIIB's Project-affected People's Mechanism (PPM).</p> <p><b>Monitoring, Supervision and Reporting Arrangements.</b> The ESMP prepared includes the E&amp;S Monitoring Plan for Construction and Operations Phases, which include regular monitoring actions to assess and verify the E&amp;S compliance by the Company and the Contractors. The Company will submit semi-annual E&amp;S performance reports to the Bank. The Bank will carry out site visits once a year to verify the implementation of ESMP and other E&amp;S instruments and monitor the Borrower's E&amp;S performance.</p>
<b>Cost and Financing Plan</b>	<p>Project Costs are estimated at USD122 million, including contingencies, VAT, and Finance costs.</p> <p>AIIB's proposed loan of up to USD32.5 million is part of a financing package of USD65million to be provided by AIIB and Türkiye Sinai Kalkınma Bankası A.Ş. (TSKB).</p>
<b>Borrower</b>	IC İçtaş Güneş Enerji Üretim ve Ticaret A.Ş.
<b>Sponsor</b>	IC İçtaş İnşaat Sanayi ve Ticaret A.Ş.
<b>Estimated date of last disbursement</b>	June 2024

<b>Contact Points:</b>	<b>AIIB</b>		<b>Borrower / Sponsor</b>	
<b>Name</b>	Daniel Pérez Pedraza		Elif Gümrükçüoğlu	Başak Başarı
<b>Title</b>	Investment Associate		Project Finance Director	Project Finance Senior Manager
<b>Email Address</b>	daniel.pedraza@aiib.org		elif.gumrukcuoglu@ic.com.tr	basak.basari@ic.com.tr
<b>Date of Concept Decision</b>	November 16, 2023			
<b>Estimated Date of Final Decision</b>	May 2024			
<b>Estimated Date of Financing Approval</b>	May 2024			

<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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanism (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/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> .
---	--