



Project Summary Information

Date of Document Preparation/Updated: 12/23/25	
Project Name	VakifBank Climate Transition and Reconstruction Facility
Project Number	P000962
AIIB member	Türkiye
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure; Private Capital Mobilization
Status of Financing	Approved
Objective	To support Türkiye's resilient recovery and climate transition through financing for green and inclusive post-earthquake housing, educational and healthcare facilities, as well as climate-aligned small and medium enterprise investments, delivered via a sovereign-backed facility implemented by VakifBank.
Project Description	<p>A sovereign-backed, multi-sector on-lending facility of up to USD300 million to VakifBank, structured in two components.</p> <p>Component A: Post-Earthquake Reconstruction (USD200 million). An up to seven-year loan (including an up to 2.5-year grace period) to support post-earthquake reconstruction in 11 affected regions through financing of affordable housing and social infrastructure (schools, healthcare). Housing will target the affordable housing segment, including low-income families, and comply with Toplu Konut İdaresi Başkanlığı (TOKİ)'s earthquake resilience standards and national energy efficiency certifications.</p> <p>Component B: SME Climate Finance (USD100 million): an up to 10-year loan (including an up to 2.5-year grace period) to finance climate mitigation investments by SMEs, including renewable energy, battery storage, energy efficiency upgrades, and circular economy solutions. A minority portion may support climate-adaptive investments and water efficiency.</p> <p>Established in 1954, VakifBank is Türkiye's second-largest bank by assets (TRY5 trillion or USD120 billion). It offers a full suite of banking services and operates internationally. VakifBank is majority-owned by the state.</p>

Expected Results	The Project's results will be tracked through measurable indicators. PO Indicators (POI) and Intermediate Results Indicators (IRI) related to Component A will include affordable homes, hospitals, and schools built, and amounts lent to affordable housing and social Infrastructure in the earthquake-affected region. POI and Intermediate Results Indicators related to Component B will consist of a measure of climate mitigation impact (e.g., estimated GHG avoidance), amounts lent to SMEs for energy efficiency and renewable energy. The Bank will also track gender- and inclusion-related indicators, such as loans to women-inclusive SMEs and SMEs in the earthquake-affected region. The facility will include non-performing loans (NPL) as a measure of underwriting quality.
Environmental and Social Category	FI
Environmental and Social Information	<p>Applicable Policy and Categorization: AIIB's Environmental and Social framework (ESF), including the Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs), applies to this Project. The Project is placed in Category FI, as the financing structure involves the provision of funds to VakifBank pursuant to which AIIB delegates the decision-making related to the use of the AIIB's funds insofar as the subprojects meet the conditions of the Project Operations Manual (POM). This will include the selection, appraisal, approval, and monitoring of subprojects in accordance with AIIB's ESF requirements. Category A, as well as Higher Risk activities, are excluded from the proposed subproject.</p> <p>Environmental and Social Instruments: VakifBank's Environmental and Social Management System (ESMS) is materially aligned with AIIB's ESF and will be used as the project's Environmental and Social (E&S) instrument together with the POM. VakifBank has significantly enhanced its ESMS through the launch of a dedicated ES Risk Management System in December 2022. VakifBank's ESMS mandates to (i) screen the subproject proposals against its ESEL, (ii) assign an E&S categorization, (iii) conduct E&S risk assessment, (iv) monitor E&S risks and impacts, (v) report to its management accordingly, (vi) disclose E&S information, and (vii) conduct meaningful consultation with stakeholders. Specifications for implementing AIIB E&S requirements will be defined in the POM, including the adoption of the AIIB's ESEL.</p> <p>Environmental and Social Aspects: The Project will deliver positive E&S impacts by supporting climate-aligned investments, particularly in post-earthquake reconstruction and SME climate finance. Component A may involve risks such as waste generation, air and noise pollution, occupational and community health and safety, land use impacts, and potential involuntary resettlement due to reconstruction activities. Component B risks include energy and water consumption, emissions, waste management, and labor-related issues. AIIB will retain the right to review selected subprojects and will routinely assess VakifBank's risk categorization to ensure consistency with ESF requirements. Activities listed in the ESEL will not be eligible for financing. Component A of the Project is not expected to cause any involuntary resettlement or land acquisition, as all activities</p>

will be implemented exclusively on government-owned vacant land. VakıfBank will verify the land acquisition process to ensure compliance with applicable requirements and confirm that no displacement of people, livelihoods, or income-generating activities occurs. In addition, VakıfBank has institutionalized a strong commitment to gender equality through a comprehensive Gender Equality Policy that promotes inclusive practices across its operations and subprojects. Under the Project, VakıfBank will require subprojects to adopt gender-responsive measures, including Codes of Conduct to mitigate risks related to Gender-Based Violence (GBV) and Sexual Exploitation, Abuse, and Harassment (SEAH), and will report gender-disaggregated data to ensure transparency and accountability.

Occupational Health and Safety, Labor and Working Conditions. AIIB has assessed VakıfBank's ESMS with respect to labor conditions and worker protection. The subproject contractors and suppliers must comply with ESMS requirements, including labor and working conditions and health and safety matters. These obligations will be embedded into sub-loan agreements and procurement documents. Measures include managing occupational health and safety risks and upholding fair labor practices. The subprojects will also apply VakıfBank's ESMS to its suppliers and contractors. Representations and warranties on labor and working conditions to be provided by suppliers and contractors to the subprojects will be incorporated into sub-loan agreements and contracts.

Stakeholder Engagement, Consultation, and Information Disclosure. VakıfBank publishes its ESMS and discloses E&S documentation in both [Turkish](#) and [English](#). Higher-risk subprojects will have E&S documents disclosed at the facility level. Corporate-level transparency is maintained through VakıfBank's integrated sustainability reports, aligned with GRI, PRB, and TCFD requirements.

Project Grievance Redress Mechanism (GRM). The Project includes a multi-tiered grievance mechanism. VakıfBank operates an [External Communications Mechanism](#) (ECM), as the Project GRM at the corporate level, to receive and address E&S concerns, including issues raised by project-affected people (PAPs) and the project contracted workers. Sub-borrowers will be required to establish subproject-level GRMs and inform local stakeholders of their availability timely in an appropriate manner, including AIIB's Project-affected People's Mechanism (PPM).

Monitoring and Reporting Arrangements. VakıfBank will be responsible for the implementation of the Project through the selection, analysis, and monitoring of all subprojects, as regulated in the POM, based on data collected directly from subprojects. It will maintain a centralized E&S database and provide semi-annual reports to AIIB based on an agreed format. AIIB will conduct annual site visits during implementation to ensure that E&S risks are appropriately managed and mitigated.

Cost and Financing Plan	Sources: USD 300 million / Uses: USD 300 million - Component A: USD 200 million, Post-earthquake reconstruction, Affordable Housing, and Social Infrastructure - Component B: USD 100 million, SME Climate Finance
Borrower	Türkiye Vakıflar Bankası T.A.O. (VakifBank)
Guarantor	Ministry of Treasury and Finance, Türkiye
Date of loan closing (SBF)	December 31, 2028

Contact Points:	AIIB	Borrower
Name	Francisco Fortuny	Ali Tahan
Title	Senior Investment Officer, Financial Institutions & Funds clients, Global	Senior Vice President International Banking & Investor Relations Department
Email Address	LN0962-Turkiye-VakifBank@aiib.org	vbsf@vakifbank.com.tr
Date of Concept Decision	June 3, 2025	
Date of Appraisal Decision	November 03, 2025	
Date of Financing Approval	December 19, 2025	

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 ESF in situations when their concerns cannot be addressed satisfactorily through Project-level GRM 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
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