

 Early Warning System

EBRD-41955

Turkey - Mid-Size Sustainable Energy Financing Facility

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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Quick Facts

Countries	Turkiye
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	FI
Voting Date	2010-12-14



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Project Description

PROJECT DESCRIPTION

The EBRD launched a framework operation on 14 December 2010, valued at up to EUR 400 million, under which the Bank provides funding to at least four commercial banks in Turkey for on-lending to private sector borrowers for mid-size energy efficiency, renewable energy and waste-to-energy investments (MidSEFF). This MidSEFF framework operation includes EUR 300 million senior loans/DPR programmes and EUR 100 million of EBRD direct risk participation in select sub-projects. An additional EUR 300 million of co-financing is anticipated from other multilateral or bilateral financing institutions. Following the successful co-operation with the first three commercial banks under the Mid-SEFF, the EBRD will launch an extension framework operation (MidSEFF II) of EUR 300 million under which financing will be provided by EBRD to up to three commercial banks in Turkey, for on-lending to private sector borrowers for mid-size renewable energy (RE), waste-to-energy (WtE) and industrial energy efficiency (EE) investments. This extension is sought in order to increase the scale and market impact of current operations and further encourage partner banks and project sponsors to comply with higher standards of environmental preparedness of mid-size renewable energy investments (maximum individual Sub-loans up to EUR 40 million).

TRANSITION IMPACT

The Project generates transition impact by promoting the acceleration and scale-up of sustainable energy investments, including diversification of technologies in Turkey.

THE CLIENT

Clients of the facility will be up to 7 commercial banks in Turkey. Clients are selected from leading commercial banks with the institutional capacity and commitment to successfully expand a business line in sustainable energy investments as one of their priority areas. As of December 31st 2011, four agreements have been signed with Garanti Bank, Vakifbank, Deniz Bank and AkBank for EUR 525 million. YKB was the first bank under the extended Facility with IsBank and FinansBank expected to be included as additional banks in MidSEFF II during 2012.

EBRD FINANCE

The original Framework consisted of EUR 300 million in unsecured senior loans or loans secured by current and future remittances, to be accompanied by EUR 100 million of direct Risk Participation agreements. Under the extended framework EUR 225 million will be provided as EBRD exposure to commercial banks (either through unsecured senior loans or securitised DPRs programmes and will be complemented by EUR 75 million of EBRD direct risk participation in selected sub-projects. Direct participation will be administered under Risk Participation Agreements (RPAs) with the same commercial banks.

PROJECT COST

MidSEFF I EUR 400 million. Extension (MidSEFF II) EUR 300 million.

ENVIRONMENTAL IMPACT



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Investment Description

- European Bank for Reconstruction and Development (EBRD)



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Contact Information

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at pcm@ebrd.com or you can submit a complaint online using an online form, http://www.ebrd.com/eform/pcm/complaint_form?language=en. You can learn more about the PCM and how to file a complaint at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>.



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Other Related Projects

- EBRD-48568 Isbank - MidSEFF III