

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Countries:	Turkey
Name of Borrower:	Turkiye Sinai Kalkinma Bankasi A.S. (“TSKB”), a Turkish development and investment bank.
Project Description:	<p>OPIC’s loan will support the growth of small and medium enterprises (“SMEs”), renewable energy projects and energy efficiency projects in Turkey. This project will address the limited access to financing in Turkey, which remains a key constraint on growth across the region. The proceeds of the OPIC loan will be used to (i) expand TSKB’s SME portfolio, and (ii) expand TSKB’s loan portfolio in renewable energy and energy efficiency (the “Project”).</p> <p>The OPIC loan will help reduce the tenor mismatch between TSKB’s short term denominated liabilities (deposits) and its longer-term loans.</p>
Proposed OPIC Loan:	\$30,000,000
Total Project Costs:	\$40,000,000
U.S. Sponsor:	Citibank, N.A.
Foreign Sponsor:	N/A
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project will expand the availability of financing to support SMEs, energy efficiency projects, and renewable energy projects in Turkey. Statistics show that SMEs in Turkey represent more than 99% of enterprises in the country and employ 78% of the country’s work force. One of the barriers to growth for SMEs is the access to financing, as many financial institutions view SMEs as risky investments. Renewable energy and energy efficiency projects face similar obstacles, including higher transaction costs, smaller investment totals and a dearth of long term financing. This Project will support such environmentally-friendly

	<p>investments by providing funding for renewable energy production and the financing of energy efficient equipment.</p>
<p>Environment:</p>	<p>The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving general capital for SME lending, small scale renewable energy and energy efficiency projects are screened as Category D projects under OPIC’s environmental and social guidelines for the purposes of environmental and social assessment. In accordance with OPIC’s Environmental and Social Policy (“ESPS”) each downstream loan originated under the facility will be screened and subject to the full scope of OPIC’s environment and social assessment process, including public disclosure of the borrower’s environmental and social impact assessment for Category A projects, conditionality and monitoring, as is warranted by the nature and scope of the downstream Projects.</p> <p>Applicable Standards: Under OPIC’s environmental and social policies, the Borrower will be required to incorporate conditions in loans originated under the on-lending agreement that reflect the applicable, underlying standards in the International Finance Corporation’s Performance Standards and 65 sector-specific environmental, health and safety guidelines, as well as any specific conditions as may be identified by OPIC as necessary to adequately manage environmental and social risks associated with a particular transaction with known use of proceeds.</p> <p>OPIC’s environmental and social due diligence indicates that the Borrower itself will have impacts which must be managed in a manner consistent with the following Performance Standards:</p> <p>P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts P.S. 2: Labor and Working Conditions</p> <p>A desk-review due diligence assessment indicates that the Project involves a credit on-lending facility and does not involve significant adverse impacts with respect to pollution, community health and safety, land acquisition and resettlement, biodiversity, indigenous peoples and cultural heritage. Therefore, P.S.’s 3 through 8 are not triggered at this time.</p> <p>Environmental and Social Risks and Mitigation: The Borrower has developed and is implementing a Sustainability Management System (SES). The Borrower will apply this system for all loans</p>

	<p>originated under the OPIC facility. The system includes a policy statement, identification of roles and responsibilities for implementing the SEMS, procedures to be implemented in the credit and monitoring processes and a list of records maintained with respect the Social and Environmental review process. The Bank's SES is ISO 14000 certified.</p>
Workers Rights:	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.</p> <p>Downstream loans originated with OPIC loan proceeds to SMEs will be restricted with respect to the borrowers' operations, including the employment of minors and other applicable labor laws. All other downstream loans originated with OPIC loan proceeds will require prior review and consent from OPIC.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on November 5, 2013.</p>

