



CASE STUDY 39: TURKEY – COMERCIALIZING SUSTAINABLE ENERGY FINANCE PROGRAM

Barriers	Lack of access to credit, lack of technical capacity
Instrument	Senior Loan
Application	Financing of energy efficiency and renewable energy projects
Amount	US\$75 million

PROJECT BACKGROUND AND OBJECTIVES

Financial intermediaries in Turkey do not typically have the expertise and technical capacity to evaluate or identify sustainable energy projects. They also have limited access to the long term funding needed to finance renewable energy projects. As a result of these hurdles, financial intermediaries are hesitant to provide financing to energy efficiency and renewable energy projects.

With the support of the Clean Technology Fund (CTF), IFC provided US\$75 million in loans to two Turkish leasing companies, to encourage energy efficiency and renewable energy lending, in order to establish a track record of successful investments, which is expected to promote uptake of similar investments by other financial intermediaries.

INSTRUMENTS USED

Partner leasing companies have received a \$50 million and a US\$25 million senior loan respectively. Each loan included a tranche funded by the CTF with concessional pricing and a longer tenor so that the leasing companies can adequately finance small-scale renewable energy project.

INSTITUTIONAL ARRANGEMENTS

The project will help the partner financial intermediaries develop financial leasing products targeting sustainable energy projects, and build internal capacity to properly market and evaluate this new asset class.

OUTCOMES

The investments are expected to encourage two first-mover leasing companies to develop investment programs for small-scale renewable energy and energy efficiency projects. Overall, the credit lines are expected to expand the private financing of energy efficiency and renewable energy projects, establishing a track record of successful investments which will help reduce initial market barriers and promote similar investments by other financial intermediaries in the country.

Further reading

IFC, Yapi Kredi Lease Energy Efficiency: Summary of Proposed Investment – click [here](#)

IFC, FinansL EE: Summary of Proposed Investment – click [here](#)

Climate Investment Funds, Commercializing Sustainable Energy Finance Program for Turkey (CSEF) – click [here](#)