

TURQUIE

Facilitating the emergence of circular economy



Circular economy is a framework that tackles global challenges like climate change, biodiversity loss, waste, and pollution. The aim of the project is to support Turkey's low-carbon transition by facilitating the emergence of circular economy in the country and supporting Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB) in its role as a facilitator of its development.

CONTEXTE

Circular economy refers to a set of practices relating to production and consumption patterns and management of their externalities (extraction, pollution and waste management in particular), aimed at preserving all available resources by optimizing their use and that of the resulting products. By promoting more sustainable practices, circular economy activities can contribute to climate change mitigation through more efficient use of resources, longer product lifetimes, increased recycling as well as reuse and reduced use of raw materials. However, the application of circular economy practices is still emergent with a global economy circularity index of only 9%. In the challenge of mainstreaming circular economy in Turkey, financial institutions have a key role to play in order to contribute to its development.

DESRIPTIF

This project is structured around a credit facility to TSKB for financing circular economy investments and financing companies committed to changing their practices, and a Technical Assistance to support TSKB and its clients.

The credit facility for an amount of 80M€ is based on a dual approach:

- Component 1: enables the financing of "Eligible Investments" based on compliance with a predefined Eligibility Framework targeting Circular Economy practices with positive impact on mitigation and adaptation issues.
- Component 2: enables investments financing in favor of "Eligible Clients" which commit to improve their circular model through: performance of an initial self-diagnosis regarding Circular Economy practices; design and implementation of an Action Plan.

The Technical Assistance for an amount of 500,000 € will support the Project's overall implementation. TA's management is entrusted to TSKB, with AFD's support in compliance with AFD's Procurement Guidelines. The Technical Assistance will be instrumental to enhance

27/12/2022

Date de début
du projet

 Turkey
Localisation

 Financial Systems
Secteur(s)

 Loan
Grant
Outils de financement

 80 500 000 EUR
Montant du financement

 12 years
Durée du financement

ONGOING
État

TSKB
Bénéficiaires



TSKB's know-how on circular economy financing, to develop companies' know-how and raise their awareness on circularity issues, to provide operational tools to assess the benefits of circular practices, and to accompany the companies in their transformation process.

IMPACTS

The project seeks the following outcomes:

- The sustainable practices related to circular economy among Turkish companies are improved: at least 10 companies are accompanied in the change of their practices and pilot investments are financed.
- TSKB's know-how and strategy related to circular economy are strengthened. Knowledge of circular economy within the bank's teams is enhanced, dedicated tools are set up and actions are taken to define TSKB's strategic positioning on circular economy.
- Low-carbon transition is encouraged. Companies' carbon footprint is reduced thanks to implementation of innovative mitigation projects with a minimum target of avoided 5,000 tonnes of CO2 per year.
- The importance of circular economy in the scope of climate finance is strengthened, as well as the driving role of the financial sector to facilitate the development of circular economy.