TurSEFF I phase
Final results

April 2013

TurSEFF was developed by:

European Bank
for Reconstruction and Development

Supported by:

European Union

Climate Investment Funds

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BUILDING A BETTER WORLD

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(1) Performance in facility utilization

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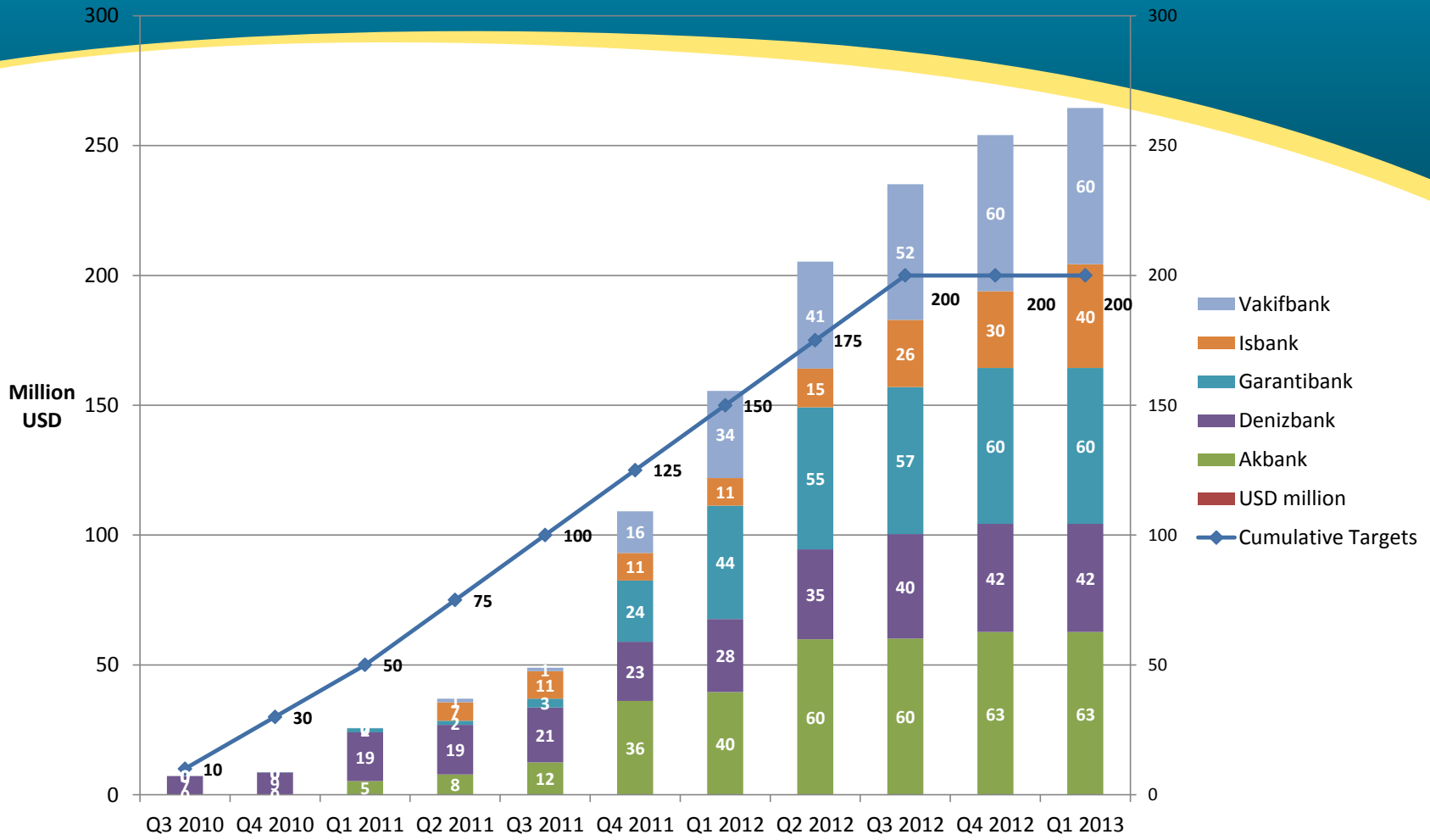
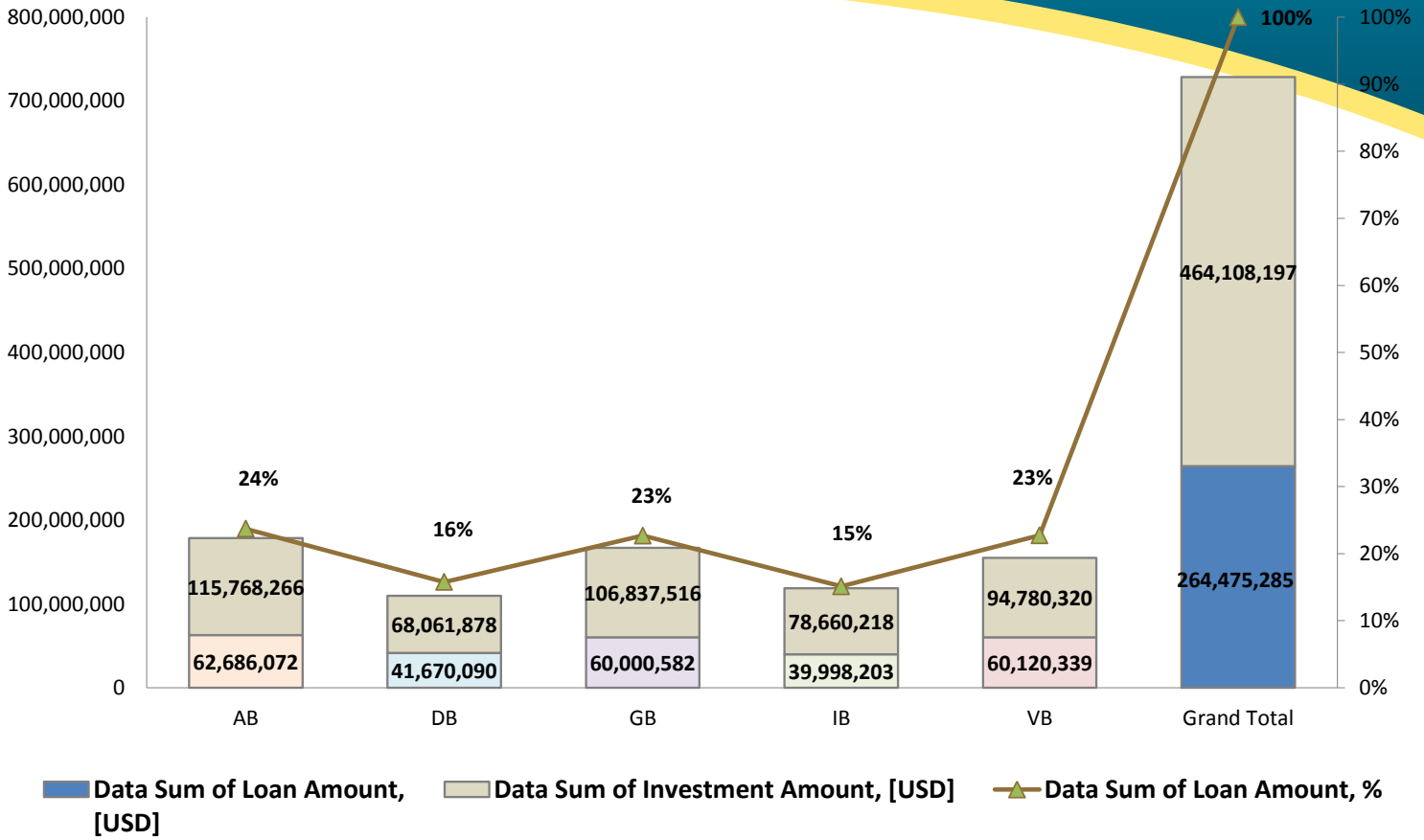
Cumulative trend of funds utilization for each bank compared with the original cumulative quarterly targets



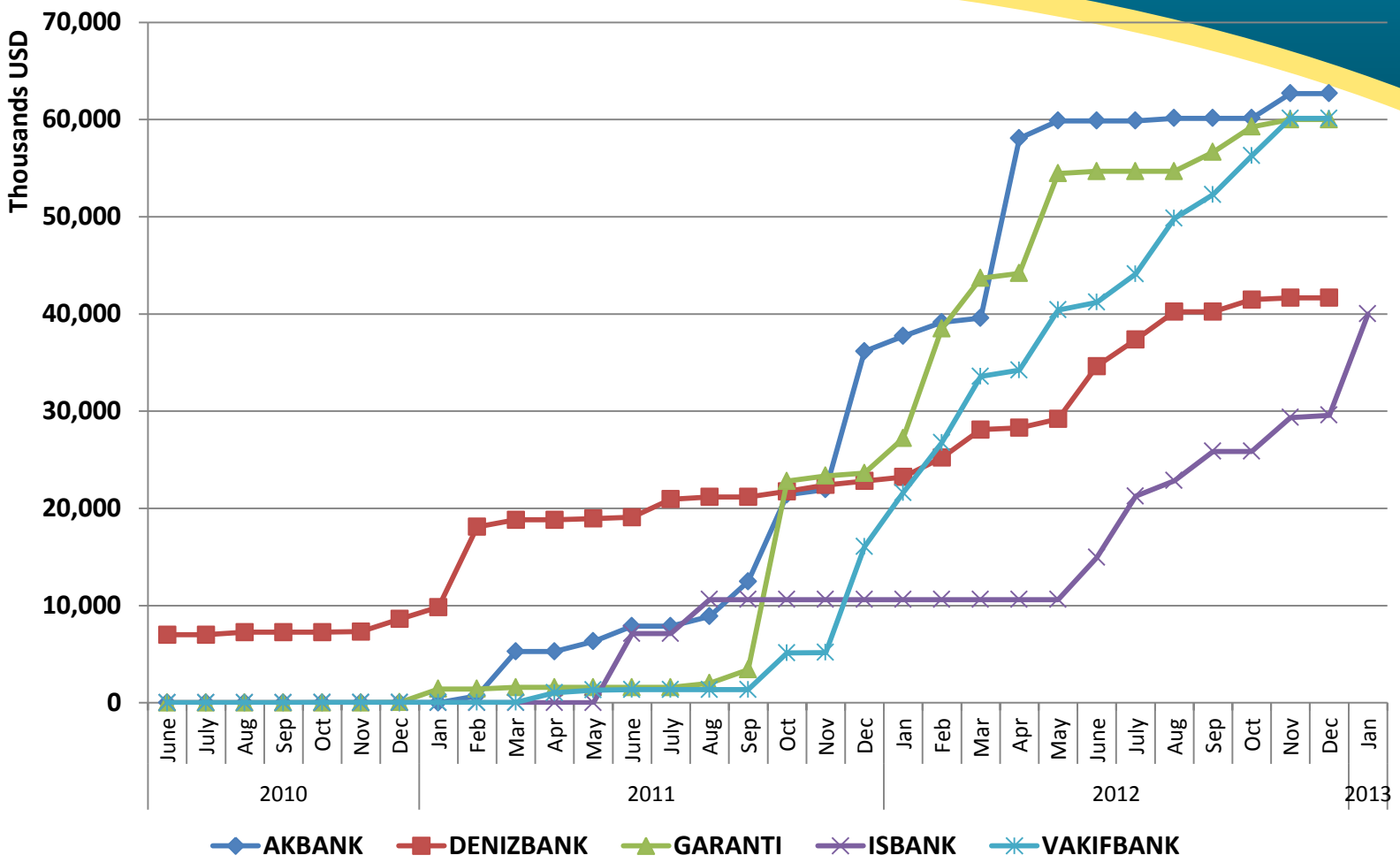
Overall target of the Facility has been achieved in January 2013

Loan and investment break-down by PBs

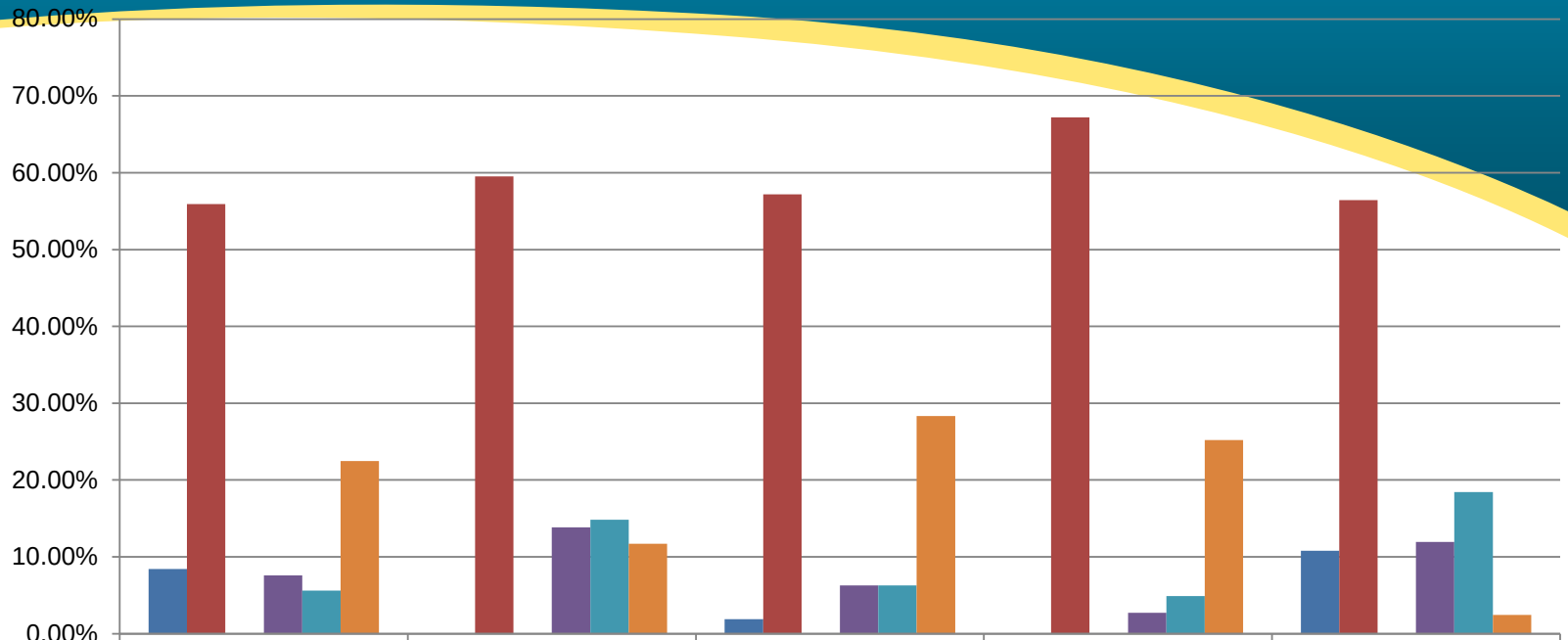


Out of USD 464 million investment, USD 264 million has been disbursed under TurSEFF!

Monthly trends of disbursment of PBs



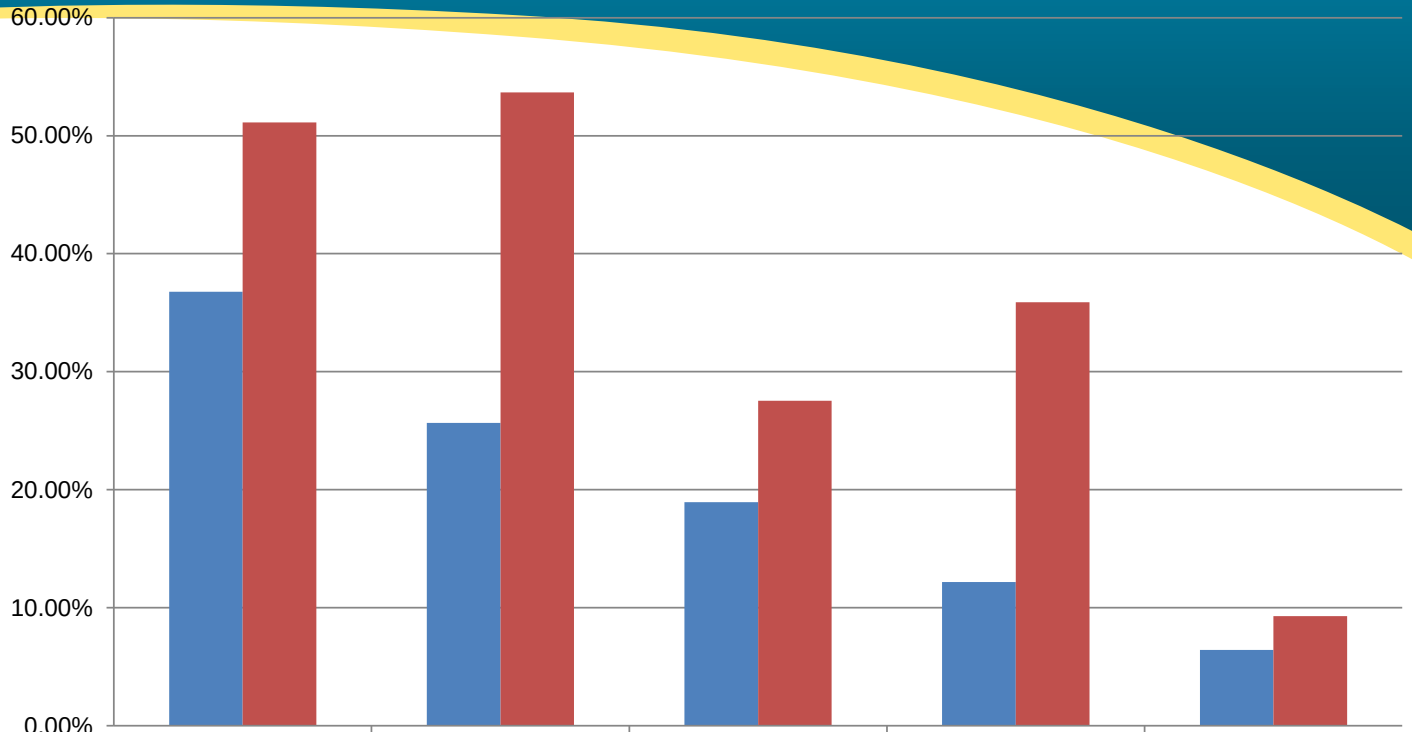
Break-down of disbursment by type of loan for each Bank



	Akbank	Denizbank	Garantibank	Isbank	Vakifbank
Commercial Buildings	8.43%	0.00%	1.89%	0.00%	10.77%
Large Scale Industrial	55.92%	59.51%	57.20%	67.22%	56.43%
Residential	0.00%	0.11%	0.00%	0.00%	0.00%
Supplier	7.59%	13.85%	6.29%	2.70%	11.95%
Small Scale	5.59%	14.83%	6.28%	4.88%	18.43%
Vendor	22.47%	11.70%	28.34%	25.20%	2.43%

More than 55% of loans has been disbursed for Large Scale projects

Shares of Renewble Energy disbursments for each bank

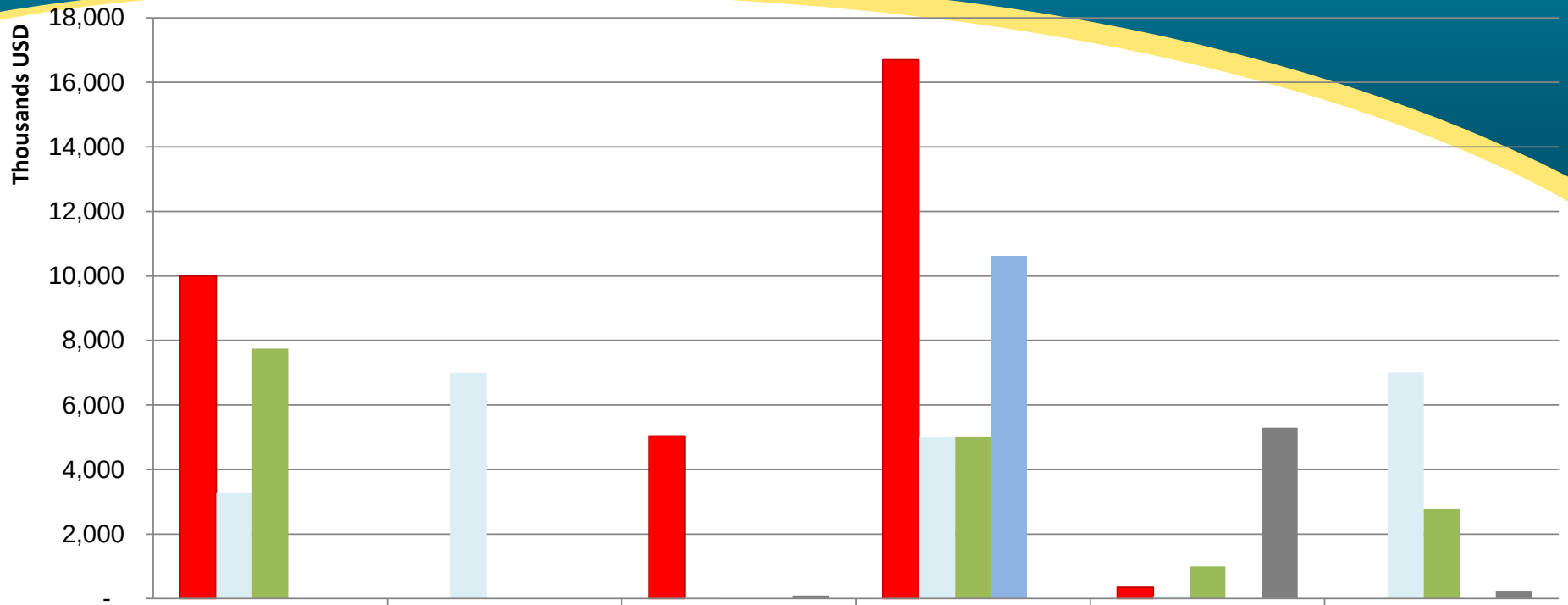


	Akbank	Denizbank	Garantibank	Isbank	Vakifbank
Bank's share of Total RE Investments	36.78%	25.67%	18.96%	12.18%	6.41%
RE Share in Bank's lending portfolio	51.13%	53.68%	27.53%	35.88%	9.30%

Akbank has disbursed the biggest share of total loans for RES projects

Denizbank has disbursed the biggest share of each bank portfolio for RES projects

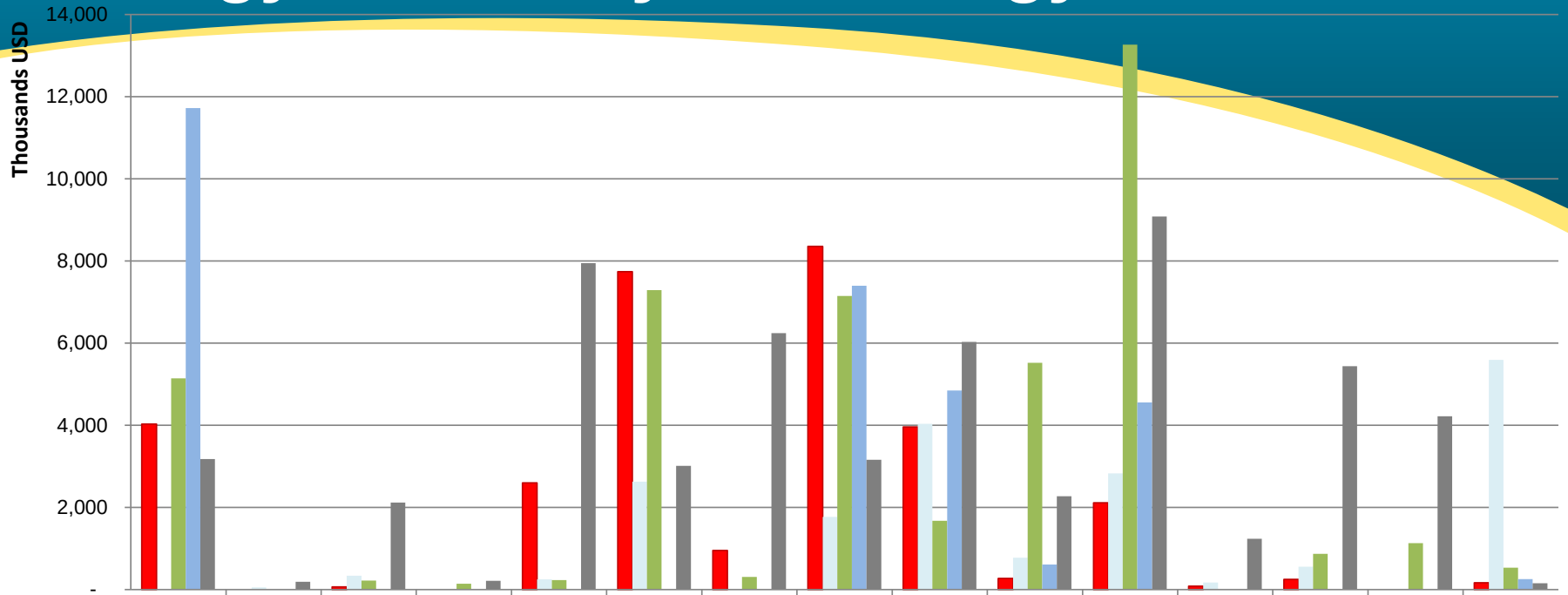
Break-down of disbursment by type of RES technology for each Bank



	Biomass	Geothermal	Heat Pump	Hydro Power Plant	Solar	Wind Power Plant
Akbank	10,000,000		5,045,464	16,700,000	348,310	
Denizbank	3,275,000	7,000,000	27,745	5,000,000	77,651	7,015,929
Garantibank	7,746,300			5,000,000	1,000,000	2,771,389
Isbank				10,612,500		
Vakifbank			95,151		5,294,435	215,957

More than USD 35 million has been disbursed for Hydro Power!

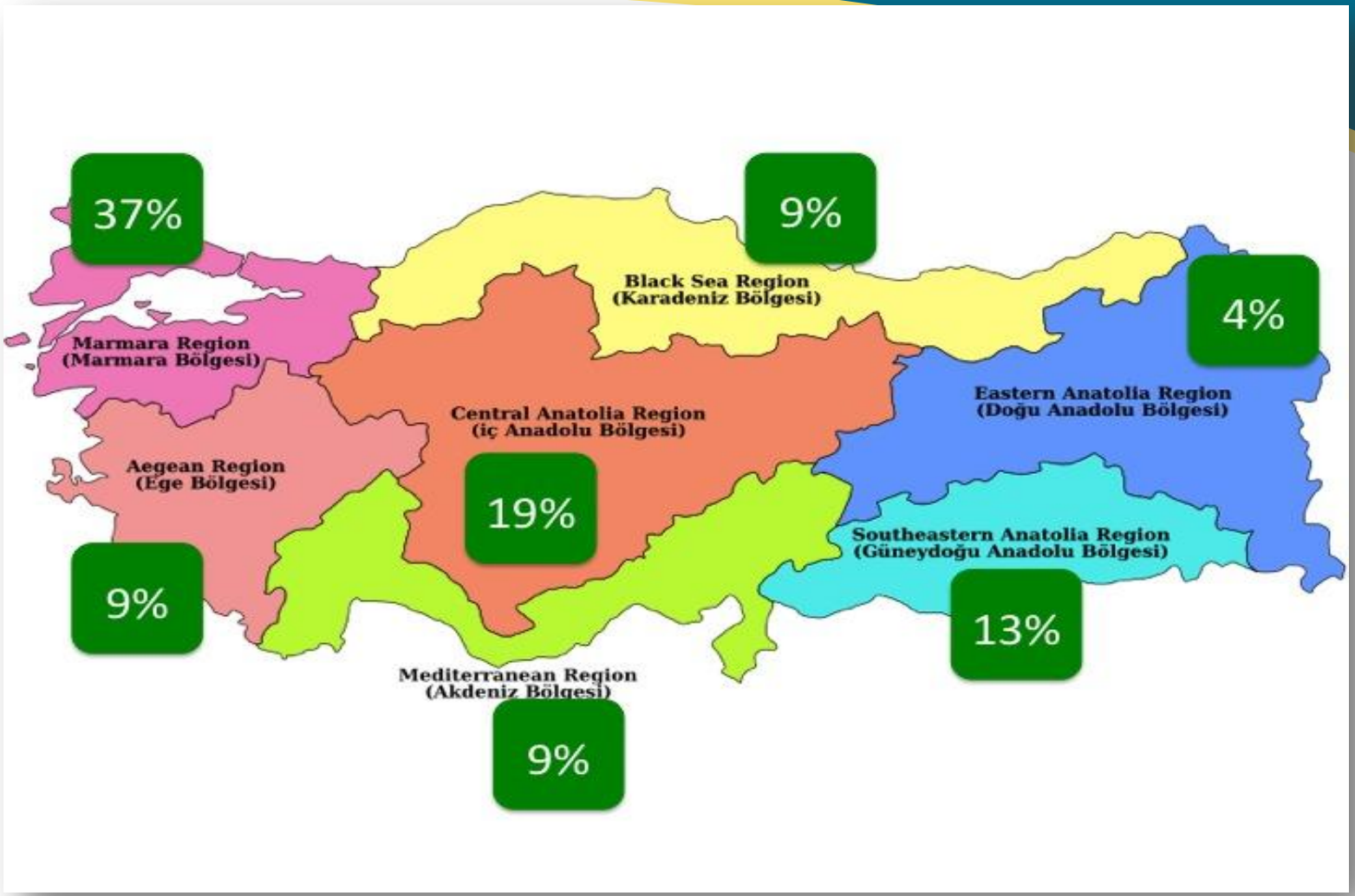
Break-down of disbursment by type of Energy Efficiency technology for each Bank



	Cogeneration	Compressed air	FMCS	Fuel switch	Heat recovery	Heating system	High Efficient Equipment	HVAC	Insulation	Lighting	Process Machine Replacement	Pumps/motors	Transformer and electric system	Trigeneration	Windows
Akbank	4,030,000		67,811		2,600,000	7,740,719	957,161	8,354,071	3,957,167	272,281	2,112,000	83,274	248,732		169,082
Denizbank		55,267	341,930		248,565	2,626,716		1,771,626	4,039,228	779,243	2,828,349	171,079	560,267		5,591,496
Garantibank	5,141,842		218,879	144,567	232,162	7,290,065	312,110	7,145,833	1,673,519	5,518,595	13,267,27		872,613	1,133,390	532,048
Isbank	11,719,15							7,396,984	4,847,270	613,223	4,554,660				254,416
Vakifbank	3,180,485	192,770	2,118,818	217,915	7,948,289	3,011,084	6,245,921	3,161,386	6,028,869	2,275,879	9,083,616	1,236,370	5,437,063	4,219,334	156,996

Almost USD 25 million has been disbursed for HVAC and USD 20 million for Cogeneration!

Regional distribution of disbursment



(2) Performance in energy and CO_{2eq} savings

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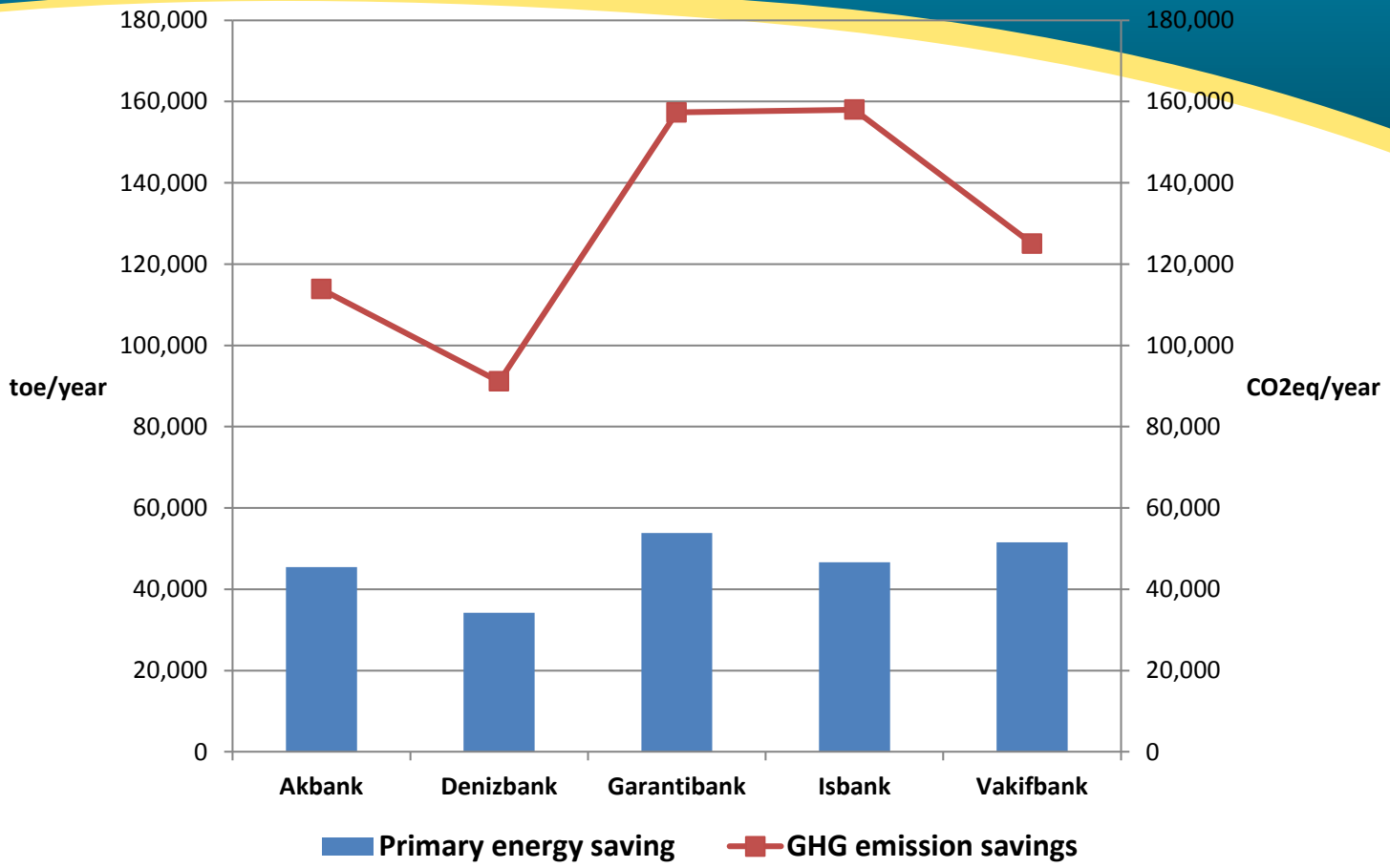
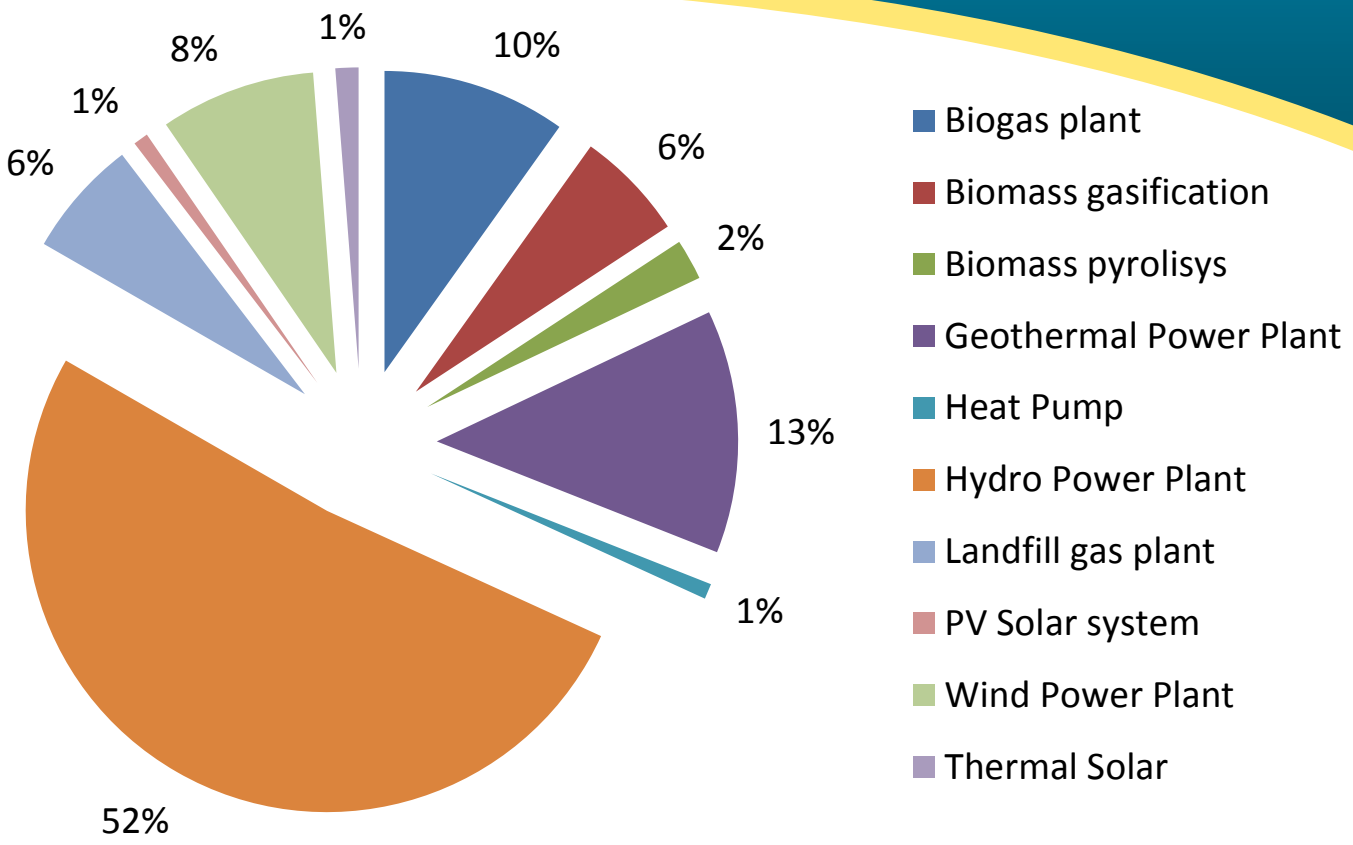
Overall savings for each bank



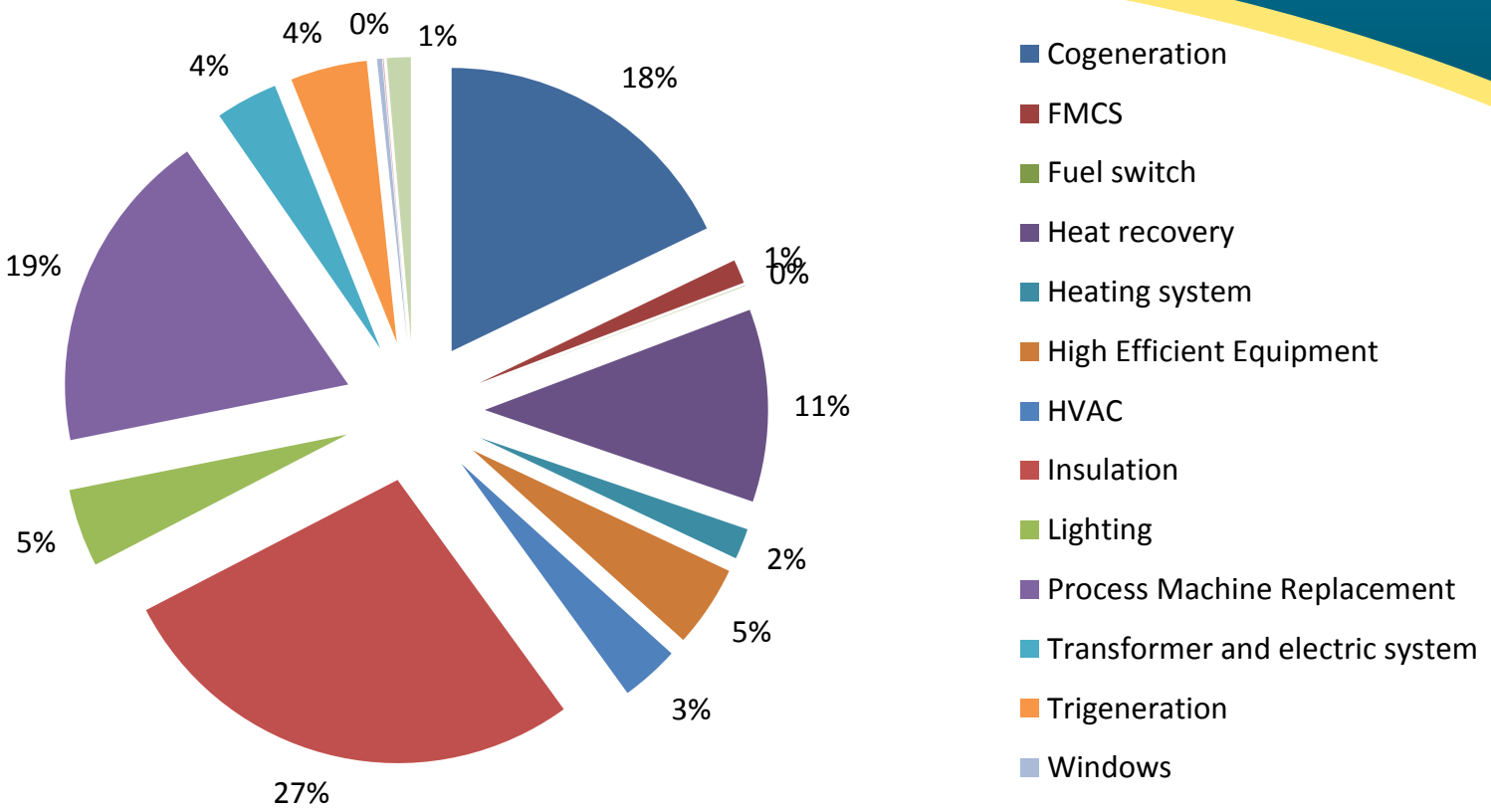
231,677 toe and 645,211 tons CO_{2eq} have been saved per year!

Break-down of primary energy savings by type of RES technology



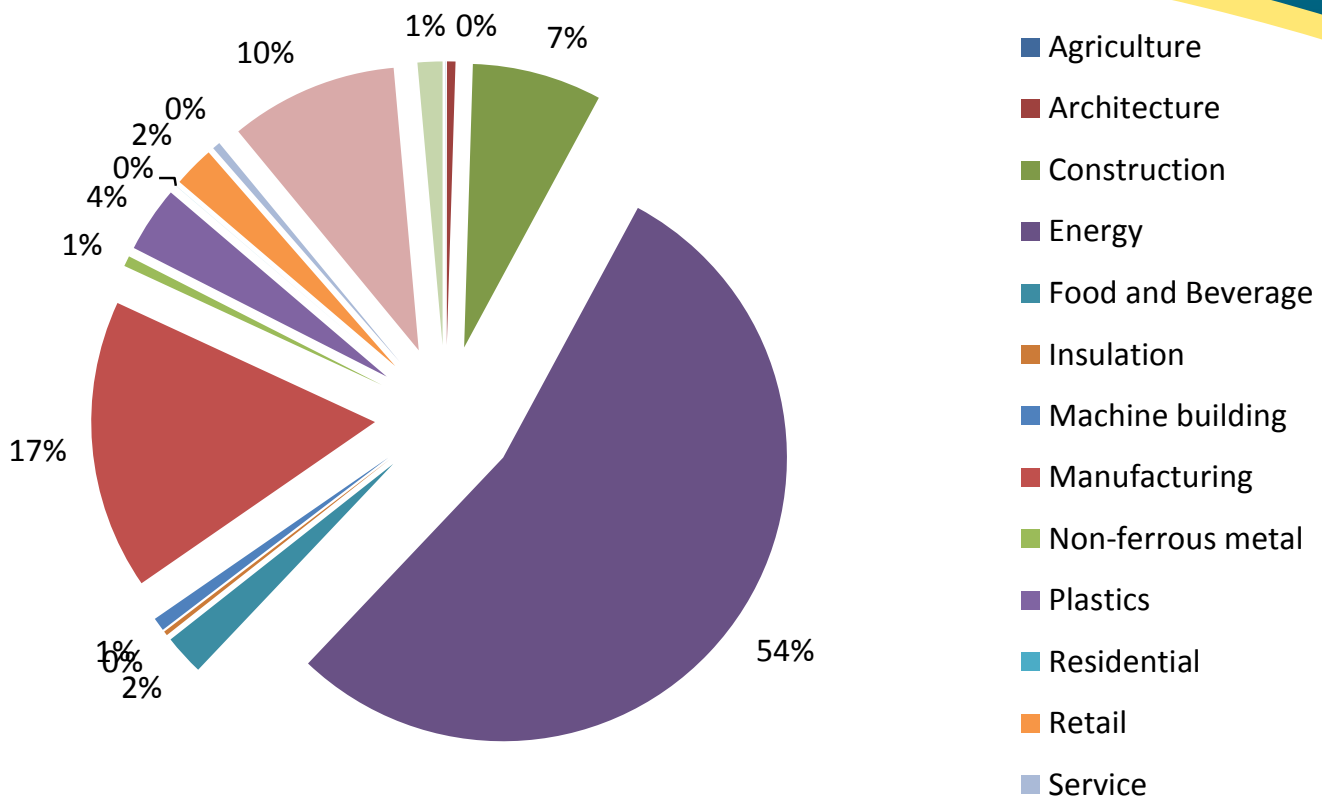
More than 50% of the RES primary energy savings derives from Hydro Power

Break-down of primary energy savings by type of EE technology



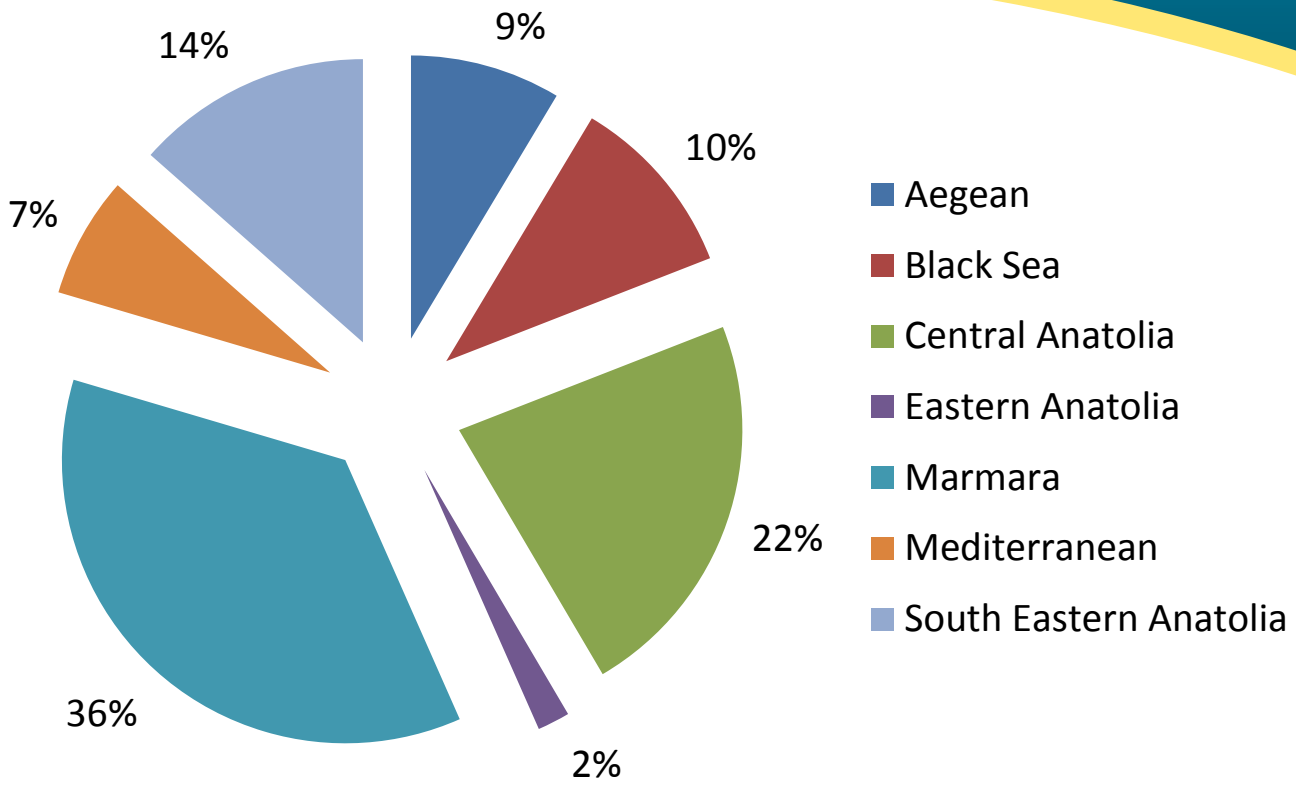
Insulation, process machine replacement and cogeneration contribute the most to the overall primary energy savings

Break-down of primary energy savings by sector



Energy and manufacturing sectors contribute the most to the overall primary energy savings!

Break-down of primary energy savings by region



The biggest share of primary energy savings is located in Marmara Region followed by Central Anatolia!

(3) Lessons learnt and reccomendations

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Lessons learnt…

Strong commitment of PBs

- The personal dedication and effort of the PB relationship Manager is crucial for the success of the Facility
- The selected key person should mainly focus on selling the TurSEFF product
- Incentive programme for loan officers is a good driver for achieving the PB disbursment target

Marketing activities within PBs

- Inside and outside marketing activities of the PBs with the support of the PC are key drivers to outreach all Regions in Turkey
- Branch visits and branch workshops are efficient and effective activities

Engineers in PB meetings and discussions

- The Engineering Team need to be involved in discussions and meeting with the PBs, even when it is deemed necessary to explain the reasons for delays and the rejection of projects.
- Furthermore, in cases where the data is not easily shared by the sub-borrower, the engineering team should be pro-active in setting up dedicated visits, to speed-up the process of data collection, which is the most critical link in the project evaluation chain.

..lessons learnt

Technical Assistance

- Many sub-borrowers (especially in sectors other than Industry) need strong technical assistance to properly evaluate the offer received by suppliers and Vendors.
- The Technical assistance to the final beneficiaries is a key driver for the success of the facility.

Tool standardisation

- At the beginning of the project, the Engineering team faced several barriers while handling new projects, because there were no standardised tools.
- It is crucial, to successfully and quickly complete the Project evaluation process, to set-up standardised Check-list, standardised calculation-tools and standardised REUP templates for each technology.

Environmental assessment for HPPs and Wind

- The evaluation process for critical HPP and Wind project takes longer than for "environmental" and "social" friendly projects, in contrast with the short time required by PBs, which are willing to disburse the money.
- Strong efforts should be made during the Capacity Building stage of PBs to emphasize the importance of supporting HPPs and Wind projects that are really "environmental" and "social" friendly.

Reccomendations

Key contact with EBRD	• Designation of a local, higher authority official within the Project Consultant (Project Director) as the main contact with EBRD - the person who oversees the trouble-free running of the programme
Engineering and marketing activities	• Increased engagement/involvement of engineers during the marketing, project identification and pipeline development phases and close interaction between engineers and the marketing team.
Technical assistance to SBs	• Increased involvement of the engineering team directly with sub-borrowers, to identify and assist them in their EE/RE projects and to explore the further potential for EE in their facilities for potential financing.
LEME-LESI management	• Improved management of LEME/LESI projects, making the tool more user-friendly and visible than it has been over the life of TurSEFF I

(4) Transition impacts objectives

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Transition impact objectives

Transition Impact objectives	Monitoring	Timing	Status
Demonstration effects of new products	- At least **120** industrial energy efficiency projects financed under the facility	2012	**220**
	- At least **40** simplified energy audits SEAs (commercial buildings)	2012	**14**
	- At least 40 residential sub-loans financed under the facility	2012 onwards	**>30,000***
	Expected energy and emissions savings (per USD million project financing):	2012	
	- 3 GWh equivalent per year		**5.8 GWh equiv. per year**
	- 0.4 MWe equivalent installed RES capacity		**0.41 MWe equiv. installed**
	- 1,000 tCO2 equivalent per annum		**1,390 tCO2 equiv. per year**
	Targeted energy savings achieved by the portfolio	2012 onwards	
	- 20% energy savings for large scale industrial projects		**>20%**
	- 30% energy savings for commercial buildings projects		**>30%**
	- Expansion of EE/RE lending from the PBs own resources (at least the same volume as under the facility)	2012 onwards	- **Current ratio of 1:1.78 calculated as the amount of**
Transfer of skills	- At least 1000 businesses reached through marketing campaigns	2011	**>1000**
	- At least 150 REUPs prepared	2011	**126**
	- At least 100 companies trained for energy management	2011	**>100**
	- At least 100 loan officers trained (25 in each PB)	2010	**>1000**

Contact details

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