

According to reports from the World Bank on 28 May 2009, USD 600 million of financing has been approved for Turkey's Private Sector Renewable Energy and Energy Efficiency Project.



The report stated that Turkey's rapid economic growth in recent years has caused increasing demand for electricity, yet the real challenge is ensuring Turkey's energy security and at the same time reducing greenhouse emissions that induce climate change.

The main objective of this project is to increase the efficiency and production capacity of electricity generating plants in the private sector, which will result in the reduction of greenhouse gas emissions.

Moreover, key measures in the project include tapping into Turkey's significant potential in renewable energy such as wind, solar, biomass and geothermal and ensuring a more efficient use of energy to reduce waste in energy consumption.

Ulrich Zachau, Country Director for Turkey, stated that "Turkey's Renewable Energy and Energy Efficiency Project will help enhance energy security, support a clean energy transition, and increase private sector involvement in the development and financing of clean energy and energy efficiency investments. The project establishes a financial mechanism through Turkish banks that will assist Turkish entrepreneurs in leveraging their capital to economically develop renewable resources. We are very pleased to be able to support this innovative project, and we

are especially happy that this project will be the first to receive low-interest funding from the Clean Technology Fund (CTF) for renewable energy resource development.”

The funding of the project amounts to USD 500 million from the International Bank for Reconstruction and Development (IBRD) and USD 100 million from the Clean Technology Fund (CTF), which has placed Turkey first on its agenda. These lenders will generate two separate loans to finance the project: USD 420 million for Türkiye Sınai ve Kalkınma Bankası (the Industrial and Development Bank of Turkey) and USD 180 million for Türkiye Kalkınma Bankası (the Development Bank of Turkey) for credit lines and investing in renewable energy in Turkey.

Other pledges have been made by institutions and governments to finance Turkey's Private Sector Renewable Energy and Energy Efficiency Project.