



## United Nations Development Programme

Country: Turkey

### Project Document



**Project Title**

Sustainable Energy Financing Mechanism for Solar Photovoltaic Systems in Forest Villages in Turkey

**UNDAF Outcome(s):**

**OUTCOME 3:** Strengthened policy formulation and implementation capacity for the protection of the environment and cultural heritage in line with sustainable development principles, taking into consideration climate change, including disaster management, with a special focus on gender perspective

**Expected CP Outcome(s):**

*(Those linked to the project and extracted from the CP)*

Outcome 3: Strengthening policy formulation and implementation capacity for the protection of the environment, and cultural heritage in line with sustainable development principles and taking into consideration climate change and disaster management

**Expected CPAP Output(s):**

*(Those that will result from the project)*

Enhanced climate-resilient, pro-poor and gender-sensitive policies, institutions and programmes are mainstreamed, developed and implemented at the national and local levels for strengthened low carbon development (CP Output 3.1.)

Enhanced national capacity to develop market for and access to environmental funds to support strategic environmental protection areas, including (a) biodiversity and ecosystem services; (b) climate change adaptation and mitigation; (c) sustainable forest and land management; and (d) safe management of chemicals (CP Output 3.3.)

Strengthening capacities for National Climate Change Adaptation Strategy and Climate Change Action Plan development and implementation with gender differentiated impacts (CP Output 3.5.)

**Implementing Entity / Responsible Partners:**

Ministry of Forestry and Water Affairs, General Directorate of Forestry (GDF), Forest Village Relations Department (ORKOY)

**Implementing Partner/ Executing Entity:**

UNDP Turkey

### Brief Description

This project will assist Turkey with the promotion and financing of on-grid village cooperative solar PV in forest villages. The public support and involvement in the initiative will be led by the General Directorate of Forestry, Department of Forest and Village Relations (aka ORKOY), working together with other key actors in the solar PV value chain, including private sector solar PV installers, Turkish utilities, and domestic and international banks as well as other institutions that provide financing. The project objective is to support the successful launching of a sustainable energy financing mechanism within the ORKOY credit mechanism to ensure that there is at least 30 MW of installed capacity of grid-connected, cooperative solar PV in forest villages by the end of the project; 28,750 tons CO<sub>2</sub>eq avoided emissions from the power sector (compared to the project baseline) by the end of the project; 30MWp cumulative installed capacity of grid-connected PV systems; 47,520,000 kWh/year cumulative total electricity generation from installed grid-connected PV systems and 450 created job positions for forest villagers. The project is divided in 3 components focused on; Developing and expanding the policy and institutional framework to promote on-grid, residential solar PV (Component 1), Demonstrating the technical and economic viability as well as the business model of the ORKOY sustainable energy financing mechanism for solar PV systems through 4 pilot installations (Component 2), and Scaling up and replication at the national level (Component 3). The financing scheme will be divided on 4 phases. The first one will use grants only for financing of the pilot sites installation; second phase will use combination of GEF and ORKOY grants and ORKOY soft loan; third phase will introduce commercial loan together with GEF/ORKOY grants and ORKOY soft loan and the last phase will use deferred supplier payment tool in combination with ORKOY grant/soft loan and commercial line of credit.

Programme Period: 2011-2015

Award ID: 00089904

Project ID: 00095942

PIMS No.: 5323

Start Date: 01/03/2016

End Date: 01/03/2020

PAC Meeting Date: 19/02/2016

Management Arrangements: NIM

Total resources required \$ 56,280,000

Total allocated resources: \$ 56,280,000

- Regular:	
- UNDP (TRAC)	\$ 100,000
- Other:	
- GEF	\$ 3,780,000
- ORKOY	\$ 45,000,000
In-kind Contributions	
- UNDP	\$ 100,000
- ORKOY	\$ 2,675,000
- GUNDER	\$ 125,000
- PIENERJI	\$ 1,500,000
- SOLARTURK ENERJI	\$ 1,500,000
- ODUL ENERJI	\$ 1,500,000

Agreed by Ministry of Foreign Affairs:

Kerem DİVANLIOĞLU

Elçi

Çok Taraflı Ekonomik İşler  
Genel Müdür Yardımcısı

Date/Month/Year

İsmail ÜZMEZ  
Genel Müdür

Agreed by Ministry of Forestry and Water Affairs:

Date/Month/Year

Agreed by United Nations Development Programme:

Date/Month/Year