Responding to the catastrophic earthquakes in Türkiye

The EBRD rapidly turned its attention to the devastating earthquakes that struck south-eastern Türkiye on 6 February 2023.

The impact was immense, leaving more than 50,000 people dead and twice as many injured, inflicting damage on more than half a million buildings and seriously impairing energy and communications infrastructure. At least 4 million people were displaced.

SMEs were particularly badly affected, as staff perished or moved to safer areas.

The epicentre of the quakes was near the border with Syria, which also suffered major damage and loss of life. The affected Turkish region had already been facing major challenges: one of the least developed areas of the country, it was host to 1.7 million refugees escaping the Syrian war.

After the earthquake struck, the EBRD drew up a four-pronged response plan to provide Türkiye with emergency and reconstruction financing of €1.5 billion over two years.

The first and central plank of the plan was a disaster response framework that dedicated €600 million in credit lines through partner banks to both companies and individuals directly affected by the disaster, as well as to firms participating in disaster recovery activities.

Under the €600 million framework, disbursement to partner banks was quickly arranged, including €131 million to Isbank, €84 million to DenizBank and €176 million in equal tranches to Akbank, QNB Finansbank and Yapi Kredi.

The second tier of support includes financing for the reconstruction of sustainable infrastructure in the affected cities, building on the Bank's strong track record of cooperating with local authorities in Adana, Gaziantep, Hatay and Mersin.

Another focus is liquidity for the railway network. Financing gaps had arisen due to a loss of revenue after the railway operated free of charge in the affected region; a rise in operating costs from the transport of aid, rescue teams and vital equipment; and the urgent need to repair damaged infrastructure.

The Bank's infrastructural support goes hand in hand with an ambitious policy agenda aimed at maximising the positive impact of new construction projects and creating more liveable cities by promoting best environmental, social and governance standards.

Third, the EBRD provided working capital and capex facilities to affected private-sector companies, which allowed them to continue operating and help maintain the livelihoods of their employees.

In so doing, the Bank is encouraging companies to acquire new and green technologies and adopt a digital approach. It is helping them to rebuild local value chains and address weaknesses in human capital through skills and workforce development.

Fourth, the EBRD has sought to help SMEs affected by the earthquake, which were unable to resume operations after the initial impact.

The Bank's Advice for Small Businesses programme is helping these companies to reconstruct damaged buildings, production assets and infrastructure, blending its traditional know-how and advisory offering with reconstruction grants that will cover 85 per cent of the reconstruction and repair costs, to a maximum of €60,000.

Across all Turkish sectors in 2023, the EBRD delivered a record €2.48 billion to 48 projects, a sharp increase on the €1.63 billion provided the previous year.