

Türkiye : Eximbank COVID-19 Credit Line Project

1. Project Information

Project ID:	P000447	Instrument ID:	L0447A
Member:	Türkiye	Region:	Western Asia
Sector:	CRF-Finance/Liquidity	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:250.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	
ES category:	FI	Borrowing Entity:	Export Credit Bank of Türkiye
Implementing Entity:	Export Credit Bank of Türkiye		
Project Team Leader:	Ying Shen		
Responsible DG:	Ke Fang		
Responsible Department:	IMD		
Project Team Members:	Yi Geng, OSD - Financial Management Specialist; Irem Kizilca, Economist; Yang Shuai, OSD - Environment & Social Development Specialist; Liu Yang, Project Counsel; Bernardita Saez, Alternate Counsel; Shonell Robinson, OSD - Financial Management Specialist; Yunlong Liu, OSD - Procurement Specialist; Jinji Liu, Project admin		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:	The project has been closed. The project team may plan for physical/virtual missions in 2023.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/06		

2. Project Summary and Objectives

Project Summary:

Eximbank COVID-19 Credit Line Project provides a sovereign-backed credit line (Credit Line) to Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Türkiye, Eximbank). Eximbank then on-lends the proceeds from the Credit Line to sub-borrowers operating in the export sector in Türkiye, providing working capital support to alleviate the liquidity constraints caused by the COVID-19 pandemic. This project is processed under AIIB's COVID-19 Crisis Recovery Facility.

The facility will be on-lent in the form of sub-loans to provide liquidity, and it will not support capex financing. Eligible sub-borrowers are private entities registered and operating primarily in Türkiye, with its main activity being an eligible sector aligned with AIIB's strategy. Eligible sectors are clearly detailed in the Operational Manual (OM) and include industries like transportation, telecommunications, and manufacturing, among others.

Objectives:

To increase access to finance of firms in Türkiye's export sector that face liquidity constraints caused by the coronavirus disease (COVID-19) pandemic.

3. Key Dates

Approval:	May. 20, 2021	Signing:	May. 26, 2021
Effective:	Jul. 15, 2021	Restructured (if any):	
Orig. Closing:	Sep. 30, 2022	Rev. Closing (if any):	Dec. 31, 2022

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	250.00	Most recent disbursement (amount/date):	250.00/Dec. 27, 2021
Undisbursed:	0.00	Disbursement Ratio (%) ¹ :	100.00

5. Project Implementation Update

The project has been closed by Dec 31, 2022. The loan account has been closed by January 31, 2023.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Direct lending to Turk Eximbank clients	One disbursement (USD249.375 million) has been made through advance method.	<p>The borrower has established an Environmental and Social Management System (ESMS) and E&S processes in accordance with the requirements stated in the Operational Manual (OM).</p> <p>In June 2022, the borrower has revised its E&S Impact Policy to further strengthen its E&S risk assessment and published it on its website. The 2022 annual E&S performance monitoring report has been submitted to AIIB without delay, all sub-loans were working capital in nature and carry low and manageable E&S risk. No further action is proposed.</p>	In compliance.

Financial Management:

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

The Borrower is complying with legal agreement to have the project financial statements audited in accordance with Bank's requirement, such audit report and audited financial statements are expected to be submitted to the Bank in February or March 2023. No significant Financial Management issues have been noted as by this PIMR. Additionally, the advanced loan proceeds were reported as expenditures to the Bank in Jan 2023 to conclude the disbursement.

6. Status of the Grievance Redress Mechanism (GRM)

No Category A subloan was made and there is no grievance received. The External Communication Mechanism (ECM) is established and disclosed. The ECM can be found on Turk Eximbank's website: <https://www.eximbank.gov.tr/en/contact-us> in both English and Turkish.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

All results targets have been achieved.

Remarks:

Project Indicators	Objective	Indicator level	Unit of Measure	Cumulative Target Values										Frequency	Responsibility	Comments	
				Baseline		2020		2021		2022		End Target					
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Number of sub-borrowers	Project	integer number	2020	0	0		25	33	35	83	2022	35	83	annual	Borrower		
Percent value of loans provided to women inclusive enterprises	Project	%	2020	0%	0%		5%	6.16%	5%	20%	2022	5%	20%	annual	Borrower		
Nonperforming loans (NPL) in the sub-portfolio	Project	%	2020	0%	0%		<4%	0%	<4%	0%	2022	<4%	0%	annual	Borrower		
Utilization rate of the credit line provided by AIIB	Project	%	2020	0%	0%		70%	29.87%	100%	100%	2022	100%	100%	annual	Borrower		

Project Indicators	Intermediate	Indicator level	Unit of Measure	Cumulative Target Values										Frequency	Responsibility	Comments	
				Baseline		2020		2021		2022		End Target					
				Year	Value	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual