

SBF Project Implementation Monitoring Report

Turkey: Eximbank COVID-19 Credit Line Project

1. Project Information

Project ID:	000447	Investment Number:	L0447A
Member:	Turkey	Region:	Western asia
Sector:	Finance/Liquidity	Sub-sector:	N/A
AIB Financing Type:	Loan: 250 USD million	Co-financier(s):	N/A
E&S category:	FI	Borrower:	Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Turkey, "Eximbank")
Red Flags Assigned:	0 (first submission)	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Turkey, "Eximbank")		
Project Team Leader:	Dominic Richards		
Project Team Members:	Changyu Sun (Cassie), Investment Associate Chee Wee Tan, Senior Environmental and Social Specialist Irem Kizilca, Economist Liu Yang, Counsel Shonell Robinson, Financial Management Specialist Yunlong Liu, Procurement Specialist		
Completed Site Visits by AIB:	N/A		
Planned Site Visits by AIB:	The project team will conduct a virtual monitoring mission in 2022 given the restrictions on travel caused by the pandemic. The project team may plan for physical site visits should travel restrictions get lifted.		

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 Turkey, Eximbank). Eximbank then on-lends the proceeds from the Credit Line to sub-borrowers operating in the export sector in Turkey, providing working capital support to alleviate the liquidity constraints caused by the COVID-19 pandemic. This project is processed under AIB'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 Turkey, with its main activity being an eligible sector aligned with AIB'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 Turkey'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):	

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	250	b) Cancellation (if any):	
c) Disbursed:	250	d) Most recent disbursement: (amount / date)	249.375, Jul. 23, 2021
e) Undisbursed:	0	f) Disbursement Ratio(%) ¹ :	100

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The Loan was announced effective on July 15, 2021.
Front-end fee of USD0.625 million has been capitalized.
The Loan was fully disbursed on July 23, 2021.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Direct lending to Turk Eximbank clients	One disbursement (USD249.375 million) has been made through advance method.	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).	In compliance.

Financial Management:

No significant Financial Management related matters have been noted up to September 30, 2021.

6. Status of the Grievance Redress Mechanism (GRM)

Turk Eximbank has established an External Communication Mechanism (ECM), allowing them to receive and address grievances relevant to their E&S policy and processes, and the impacts of the activities they finance. Turk Eximbank has assigned responsibilities to follow up, assess and respond to the grievances through established processes.

The ECM can be found on Turk Eximbank's website: <https://www.eximbank.gov.tr/en/contact-us> in both English and Turkish.

No complaint have been received so far.

7. Results Monitoring

The Project is at early stage of implementation as it was announced effective on July 15, 2021.

Baseline Year: Mar. 31, 2021 End Target Year: Nov. 15, 2025

Project Objective Indicators #1

Number of sub-borrowers

Year	Target	Actual	Others, if any
Sep. 30, 2021	N/A	N/A	Target value is set on an annual basis.
Nov. 15, 2025	35	N/A	End target

Project Objective Indicators #2

Percent value of loans provided to women-inclusive enterprises

Year	Target	Actual	Others, if any
Sep. 30, 2021	N/A	N/A	Target value is set on an annual basis.
Nov. 15, 2025	5%	N/A	End target

Project Objective Indicators #3

Nonperforming loans (NPL) in the sub-portfolio

Year	Target	Actual	Others, if any
Sep. 30, 2021	N/A	N/A	Target value is set on an annual basis.
Nov. 15, 2025	<4%	N/A	End target

Project Objective Indicators #4

Utilization rate of the credit line provided by AIIB (Amount disbursed by AIIB as % of total size)

Year	Target	Actual	Others, if any
Sep. 30, 2021	N/A	100%	Target value is set on an annual basis.
Nov. 15, 2025	100%	N/A	End target

Project Objective Indicators #5

Number of employees retained by sub-borrowers

Year	Target	Actual	Others, if any
Sep. 30, 2021	N/A	N/A	Target value is set on an annual basis.
Nov. 15, 2025	12,500	N/A	End target

Project Objective Indicators #6

Export volumes undertaken by sub-borrowers

Year	Target	Actual	Others, if any
Sep. 30, 2021	N/A	N/A	Target value is set on an annual basis.
Nov. 15, 2025	350	N/A	End target

Intermediate Result Indicators #1

N/A. The Project does not have Intermediate Result Indicator.

Year	Target	Actual	Others, if any
Sep. 30, 2021	N/A	N/A	N/A

Remarks: