

Project Implementation Monitoring Report (#1)

Reporting Period From 2024/01 To 2024/04

Türkiye : Turk Eximbank Earthquake Response Project

1. Project Information

Project ID:	P000834	Instrument ID:	L0834A
Member:	Türkiye	Region:	Western Asia
Sector:	Multi-sector	Sub-sector:	Multi-subsector
Instrument type:	<input checked="" type="checkbox"/> Loan:100.00 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:	Huaixue Fu		
Responsible DG:	Najeeb Haider		
Responsible Department:	BNK2		
Project Team Members:	Victoria Pimkina, Team Member; Guoping Yu, OSD - Procurement Specialist; Changyu Sun, Co-PTL; Jinwen Ye, Team Member; Rong Zhou, OSD - Environment & Social Development Specialist; Shonell Robinson, OSD - Financial Management Specialist; Marcin Sasin, Economist; Ting Wang, Project Counsel; Goktug Ersoy, Alternate Counsel		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:	The project team may plan for site visits in 2024 depending on the progress of the project implementation.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	N/A		
Previous Red Flags Assigned Date:	N/A		

2. Project Summary and Objectives

Turk Eximbank Earthquake Response Project provides a sovereign-backed credit line to Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Türkiye, Turk Eximbank). Turk Eximbank then on-lends the proceeds to sub-borrowers to support their post-earthquake recovery activities, such as reconstruction, repair and maintenance of facilities, infrastructure, and equipment damaged by earthquakes. Eligible sub-borrowers are private entities registered and operating primarily in or has a fixed place of business in Türkiye. The eligibility criteria for sub-loans and sub-borrowers are detailed in the Operational Manual (OM).

Project Objective:

To restore and develop infrastructure and related facilities in the earthquake-affected provinces of Türkiye.

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3. Key Dates

Approval:	Nov. 22, 2023	Signing:	Dec. 04, 2023
Effective:	Jan. 08, 2024	Restructured (if any):	
Orig. Closing:	Dec. 31, 2027	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	100.00	Latest disbursement (amount/date):	99.75/Jan. 16, 2024
Undisbursed:	0.00	Disbursement Ratio (%) ¹ :	100.00

5. Project Implementation Update

The Loan was declared effective on January 8, 2024. Front-end fee of USD0.25 million has been capitalized. The Loan has been fully disbursed. Turk Eximbank is in the process of disbursing the funds to sub-borrowers.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Direct on-lending to eligible sub-borrowers	One disbursement (USD99.75 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 OM.	In compliance.

Financial Management:

The financial management arrangements established during preparation are currently operational and are meeting expectations. Turk Eximbank has submitted a draft of the audit terms of reference (ToR), which the Bank is reviewing for further discussion. Finalizing the ToR is anticipated well before engaging the auditors, ensuring timely execution of the audit and submission of the report to the Bank.

The first Interim Unaudited Financial Report (IUFR) is scheduled for July 15, 2024.

6. Status of the Grievance Redress Mechanism (GRM)

Turk Eximbank has maintained its External Communication Mechanism (ECM) on its official website. For this project, the client has disclosed project activities, applicable bank level GRM and availability of AIIB PPM on its website: <https://eximbank.gov.tr/content/files/30150677-3b84-4dff-a037-53239f92d521/turk-eximbank-signed-a-usd-100-million-loan-facility-with-aiib-to-support-the-earthquake-areas>

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.

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

The project is in its early stage of implementation and the first RMF reporting is not due yet. Regarding the indicator "medium to long-term financing amount provided to eligible sub-borrowers", the end target has been revised from USD100 million to USD99.75 million to account for the USD0.25 million that has been capitalized as the front-end fee.

Remarks:

Project Objectives Indicators	Indicator level	Unit Measure of	Cumulative Target Values															Frequency	Responsibility	Comments		
			Baseline		2023		2024		2025		2026		2027		End Target							
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual					
Number of infrastructure, machinery and related facility financed for post-earthquake recovery	Project	#	2023			0											2027	12		Annually	Turk Eximbank	

Project Intermediate Indicators	Indicator level	Unit Measure of	Cumulative Target Values															Frequency	Responsibility	Comments		
			Baseline		2023		2024		2025		2026		2027		End Target							
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target	Actual					
Medium to long-term financing amount provided to eligible sub-borrowers	Project	USD million	2023			0											2027	99.75		Annually	Turk Eximbank	
Non-performing loans (NPL) ratio in the sub-loan portfolio	Project	%	2023			0											2027	<2%		Annually	Turk Eximbank	
Number of eligible sub-borrowers financed under the Project	Project	#	2023			0											2027	12		Annually	Turk Eximbank	
% value of sub-loans provided to women-inclusive enterprises	Project	%	2023			0											2027	10%, of which 3% is on a best effort basis		Annually	Turk Eximbank	