



Project Summary Information

Date of Document Preparation: November 16, 2020	
Project Name	Eximbank COVID-19 Credit Line Project
Document Code	000447
Country	Republic of Turkey
Sector/Subsector	Finance / Financial Intermediary
Status of Financing	Under Preparation
Project Description	The proposed Eximbank COVID-19 Credit Line Project will be supported by a sovereign-backed loan (“Credit Line”) to Türkiye İhracat Kredi Bankası A.Ş. (Export Credit Bank of Turkey, “Eximbank” or the “Borrower”), the largest development bank in Turkey. The Credit Line will be guaranteed by the Republic of Turkey. Eximbank will on-lend the proceeds of the Credit Line to sub-borrowers operating in the export sector in Turkey for their working capital needs. This project will be processed under AIIB’s COVID-19 Crisis Recovery Facility (“Facility”), a framework designed to assist members to respond to the COVID-19 pandemic, and will follow the approach adopted under the earlier Turkey COVID-19 Credit Line Project (2020), which extended an aggregate USD 500 million credit line to Türkiye Sınai Kalkınma Bankası and Türkiye Kalkınma ve Yatırım Bankası, two of Turkey’s development banks.
Objective	To reduce liquidity constraints caused by COVID-19 and increase access to finance for firms operating in the export sector in Turkey.
Expected Results	The project expects to mitigate the negative economic effects of the COVID-19 pandemic and its aftermath by supporting the flow of credit to firms operating in the export sector, which has been a key contributor to Turkey’s growth in recent years and which has been acutely impacted by the global nature of the pandemic. The project expects to provide support by delivering funding for working capital needed to prevent long-term damage to the productive capacity of the export sector. The expected results may be measured by the quantum of financing made available to final beneficiaries.
Environmental & Social Category	FI

Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List (ESEL) is applicable to this Project. The Project has been placed in Category FI and the FI's Sustainability Management System (SMS), updated if required to comply with the ESP will be used as the Project's environmental and social (ES) instrument.</p> <p>Given that this Project will finance working capital sub-loans for activities that do not include CAPEX or high environmental and social (E&S) risks (discussed below), the Project is generally expected not to induce potentially adverse impacts that would be unprecedented and can therefore be successfully managed using good practice in an operational setting.</p> <p>Activities included in AIIB's ESEL and those involving high E&S risks and potential impacts, to be elaborated in an Operations Manual (OM) for the Project, will not be eligible for financing. The latter would include all Category A activities and selected Category B activities that present higher E&S risks and impacts, such as; (a) involuntary physical or economic resettlement; (b) risk of adverse impacts on Indigenous Peoples and/or vulnerable groups; (c) significant risks to or impacts on the environment, community health and safety, biodiversity and cultural resources; (d) significant retrenchment; or (e) occupational health and safety risks. Coal mining, coal transportation or coal-fired power plants, as well as infrastructure exclusively dedicated to support any of these activities will also be excluded.</p> <p>Eximbank will be required under its SMS to: (a) screen the proposed use of funds by sub-borrowers against the ESEL; (b) assign an E&S risk rating to the activities proposed for sub-loan financing; (c) conduct an E&S assessment of the sub-borrowers and sub-loans; and (d) require sub-borrowers: (i) to comply with applicable E&S regulatory requirements; (ii) not to use sub-loan proceeds to finance high E&S risk activities (as described above); and (iii) to represent not to have been determined to be in breach of E&S regulations or to be reported as having materially contravened E&S good practices. Sub-borrowers will be required to implement an Environmental and Social Action Plan (ESAP) whenever deemed necessary to remediate any material gap with the applicable requirements of the SMS and OM within an agreed timeframe and will report to Eximbank on their E&S performance at least annually.</p> <p>Eximbank has an External Communication Mechanism ("ECM") for the public to express any thoughts, opinions and suggestions on sustainability issues. Information on the ECM is available at</p>
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	https://www.eximbank.gov.tr/en/about-us/sustainability . Eximbank will be required to establish a Project-level ECM. Eximbank will be required to: (a) build a database allowing the tracking of the use of AIIB funds and E&S risk rating of the sub-borrowers; (b) monitor the sub-borrowers' progress in fulfilling their E&S commitments; and (c) report to AIIB on an annual basis.	
Cost and Financing Plan	To be confirmed	
Borrower	Türkiye İhracat Kredi Bankası A.Ş.	
Guarantor	Republic of Turkey	
Estimated date of Loan Closing	January 2022	
Contact Points	AIIB	Eximbank
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Estimated Date of Appraisal Decision	December 2020	
Estimated Date of Financing Approval	January 2021	

Independent Accountability Mechanism	<p>The Bank's Policy on the Project-affected People's Mechanism (PPM) applies to this Project. The PPM has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level ECM or AIIB Management's processes.</p> <p>Information on the PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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