Early Warning System

EBRD-43885

Tiryaki Equity

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

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Quick Facts

Countries	Turkiye
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2012-05-09

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Project Description

PROJECT DESCRIPTION

The EBRD is considering a US$ 25 million subscription to newly issued common shares of Tiryaki, a leading Turkish corporate in trading of agricultural commodities operating in Turkey and in the surrounding region.

TRANSITION IMPACT

When approved by the EBRD's Board of Directors, specific transition impact objectives will be drawn primarily from the following areas:

THE CLIENT

Tiryaki, based in Gaziantep (South-East of Turkey) and operating in a key segment of the agri-business value chain, has been identified as a strategic prospective client for the Bank. The Company exports to more than 40 countries and is sourcing raw materials from more than 20 countries. The Company is majority owned by the Tiryakioglu family while Gulf Growth Agro Fund of Investcorp, a private equity fund, holds a minority stake.

EBRD FINANCE

Up to US$ 25 million of equity investment.

PROJECT COST

US$ 25 million.

ENVIRONMENTAL IMPACT

Screening categories and rationale for classificationCategorised B in accordance with the EBRD's E&S Policy 2008: due diligence of company operations was undertaken in 2011 by EBRD specialists has confirmed that E&S impacts at the company's fixed assets are site specific and any residual risks have been addressed by way of an agreed action plan. Additional E&S risks in the supply chain are to be reviewed and assessed by the company as a result of EBRD's involvement with the company.Information reviewedDue diligence comprised a site visit by EBRD specialists, management discussions and document review during August 2011. Due diligence completed in 2011 is considered by EBRD to be sufficiently up to date for this project.Environmental and Social issuesTiryaki is currently implementing a growth strategy and has ambitions to become an international operator in the food commodities sector. The company has evolved since founding in 1960s and company management has stated the ambition to meet international standards with regard to E&S stewardship across all company operations. Management of environmental and social risks has historically been regulatory driven and is partially governed by quality and food safety management systems.Formalisation of an E&S mission statement, policy and management systems certified to international standards is a logical next step in the company's evolution and will address residual E&S risks identified during due diligence. Such issues include: achieving certification for appropriate E&S management systems; ensuring HR policies are consistent for all employees; reviewing H&S procedures on site; ensuring regulatory compliance is

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Investment Description

- European Bank for Reconstruction and Development (EBRD)

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Contact Information

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at pcm@ebrd.com or you can submit a complaint online using an online form, http://www.ebrd.com/eform/pcm/complaint_form?language=en. You can learn more about the PCM and how to file a complaint at http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html.

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Other Related Projects

- EBRD-49742 Tiryaki Agro Trading (Term Facility)
- EBRD-49188 Tiryaki Agro Trading