Early Warning System

EBRD-54930

DFF - Kipas Mensucat Earthquake Response Facility

Early Warning System

DFF - Kipas Mensucat Earthquake Response Facility

EBRD-54930

Quick Facts

Countries	Turkiye
Specific Location	Kahramanmaras
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-11-19
Borrower	KIPAS MENSUCAT ISLETMELERI AS
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 26.52 million
Project Cost (USD)	$ 26.52 million

Project Description

According to the Bank’s website, the EBRD will provide up to EUR25 million loan to Kipas Mensucat to support Company's funding needs to (i) repair damaged factory buildings and replace/repair new machinery, (ii) support working capital to pay accrued VAT and corporate taxes and (iii) pay accrued social security premiums while supporting other HR related expenses.

Project objective is to mitigate the impact of the devastating earthquake and EBRD loan proceeds will address subsequent working capital needs and maintain extra liquidity buffer. The support under the proposed loan is crucial to preserve livelihoods, entrepreneurial and human capital in the aftermath of the disaster. Adequate working capital will ensure the Company to continue its day-to-day operations without facing any disruptions.

Early Warning System Project Analysis

Categorised B (2019 ESP). An external ESDD assessed Kipas' E&S management systems and post-earthquake operations, supported with supervision of Environmental and Socialist specialists from ESD. The Project's E&S risks are evaluated to be limited to the current operations, earthquake recovery and modernization efforts. The ESDD also included a site visit to Kipas' textile facility in Kahramanmaras, Türkiye.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Up to EUR25 million loan.

Private Actors Description

Kipas Mensucat was incorporated in Türkiye in 2004 for the production and sales of yarn and fabrics. Kipas Mensucat is the largest integrated (i.e., open-end and ring yarn production, weaving, dyeing and denim fabric production) manufacturer in Türkiye and Europe with an annual production capacity of 100 million meters of fabric and 500 tons of yarn per day with more than 5,900 employees as of FY23. The Company's production facilities are located in Kahramanmaras. In FY23, Kipas Mensucat's consolidated revenues stood at EUR677mn and EBITDA of EUR264mn.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	KIPAS MENSUCAT ISLETMELERI AS	Client	-

Contact Information

COMPANY CONTACT INFORMATION

Leyla Ogulmus
finansalraporlama@kipas.com.tr
+90-344-236-38-00
+90-344-236-33-07
https://www.kipas.com.tr/
Karacasu Karaziyaret Mahallesi Fatih Sultan Mehmet Caddesi No-1/A Dulkadiroglu, Kahramanmaras

ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

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 at: 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

Bank Documents

- Translation: DFF - Kipas Mensucat Earthquake Response Facility (Turkish)

Other Related Projects

- EBRD-48501 Direct Finance Framework non SME