



Long Term Export Finance (P156252)

EUROPE AND CENTRAL ASIA | Turkey | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 4 | ARCHIVED on 30-Apr-2019 | ISR36702 |

Implementing Agencies: Turkiye Ihracat Kredi Bankasi (Turk Eximbank), Turkiye Ihracat Kredi Bankasi (Turk Eximbank)

Key Dates

Key Project Dates

Bank Approval Date: 18-Jul-2016

Effectiveness Date: 21-Feb-2017

Planned Mid Term Review Date: 01-Apr-2019

Actual Mid-Term Review Date: 01-Apr-2019

Original Closing Date: --

Revised Closing Date: 31-Jan-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve access to longer term finance for export oriented small, medium and large enterprises.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

The establishment and operation of a credit facility by Eximbank for the provision of subsidiary-finance to PFIs for the provision of sub-finance to SMEs and LEs to finance the Sub-projects.:(Cost \$239.25 M)
The establishment and operation of a credit facility by Eximbank for the provision of sub-finance to SMEs to finance the Sub-projects.:(Cost \$60.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

Based on the latest supervision visit held in April 2019, the team's overall assessment is that the Project is on track, implementation performance is satisfactory and project is well ahead of disbursement plan. Exim Bank has by now selected 9 Participating Financial Institutions (PFIs) - 2 banks and 7 leasing companies. Project aims to create competition among the PFIs with a first comes first served model which requires a large number of PFIs to be signed up and allocated limits. Exim Bank has withdrawn the entire Loan amount (US\$ 300 million) from IBRD between June 2017 and December 2018. Out of this amount, almost US\$290 million was disbursed to final beneficiaries (export-oriented enterprises) as of early April 2019. The full amount of US\$239 million earmarked to wholesale lending component has by now been allocated by PFIs to eligible sub-projects. Under a smaller direct lending component almost US\$50 million has been allocated by Eximbank to eligible sub-projects, with only US\$10 million left under this component

Project development indicators demonstrate the steady progress towards achievement of the Project Development Objective (PDO). Latest project development indicators reported as of December 31, 2018 show that the most of the indicators are already exceeding their end target values. As of December 31, 2018, project has financed 183 SMEs and 44 LEs since its launch. The weighted average maturity of SME sub-loans financed under the project has exceeded the average maturity of PFIs' own loan portfolio by 233 percent and the weighted average maturity of LE sub-loans financed under the project has exceeded the average maturity of PFIs' own loan portfolio by 22 percent.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Low	● Low	● Low
Macroeconomic	● Moderate	● Substantial	● Substantial
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Low	● Low	● Low
Institutional Capacity for Implementation and Sustainability	● Low	● Low	● Low
Fiduciary	● Low	● Low	● Low
Environment and Social	● Low	● Low	● Low
Stakeholders	● Low	● Low	● Low
Other	--	● Low	● Low
Overall	● Moderate	● Moderate	● Moderate

Results

PDO Indicators by Objectives / Outcomes

Improve access to longer term finance for export oriented small and medium enterprises.				
▶ Ratio of the average maturity of SME sub-financing under the project, over the average maturity of the PFIs' SME portfolio not financed under the project. (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	--	3.33	>1
Date	25-Jul-2016	31-Dec-2017	31-Dec-2018	25-Jul-2020
▶ Number of SME beneficiaries financed by PFIs under the project (cumulative). (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	74.00	183.00	260.00

Date	25-Jul-2016	31-Dec-2017	31-Dec-2018	25-Jul-2020
► Volume of Bank support (cumulative, US\$ million). (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	203.00	285.37	300.00
Date	25-Jul-2016	15-Jun-2018	31-Dec-2018	25-Jul-2020

Improve access to longer term finance for export oriented large enterprises.

► Ratio of the average maturity of LE sub-financing under the project, over the average maturity of the PFIs? LE portfolio not financed under the project. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	--	1.22	>1
Date	25-Jul-2016	31-Dec-2017	31-Dec-2018	25-Jul-2020
► Number of LE beneficiaries financed by PFIs under the project (cumulative). (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	13.00	44.00	30.00
Date	25-Jul-2016	31-Dec-2017	31-Dec-2018	25-Jul-2020

Intermediate Results Indicators by Components

The establishment and operation of a credit facility by Eximbank for the provision of subsidiary-finance to PFIs for the provision of sub-finance to SMEs and LEs to finance the Sub-projects.

► Number of active PFIs under the project (cumulative). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	9.00	6.00
Date	25-Jul-2016	15-Jun-2018	31-Dec-2018	25-Jul-2020
► Based on Core Indicator: Volume of Bank Support: Lines of Credit - SME (cumulative, US\$ million). (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	75.00	201.30	180.00
Date	25-Jul-2016	15-Jun-2018	31-Dec-2018	25-Jul-2020
► Export multiplier: Ratio of the export growth of SMEs and LEs under the project relative to the export growth of their equivalent sector. (Text, Custom)				

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	2.30	>1
Date	25-Jul-2016	15-Jun-2018	31-Dec-2018	25-Jul-2020
►Based on Core Indicator: Outstanding SME finance portfolio (US\$ million). (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	--	41,792	n/a
Date	25-Jul-2016	15-Jun-2018	15-Jun-2018	25-Jul-2020
►Based on Core Indicator: Number of active SME finance accounts (not cumulative). (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	--	1,099,693	n/a
Date	25-Jul-2016	15-Jun-2018	15-Jun-2018	25-Jul-2020
►Outstanding export finance portfolio (US\$ million). (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	--	23,483	n/a
Date	25-Jul-2016	15-Jun-2018	15-Jun-2018	25-Jul-2020
►Number of active export finance accounts (not cumulative). (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	--	31,779	n/a
Date	25-Jul-2016	15-Jun-2018	15-Jun-2018	25-Jul-2020
►Compliance with prudential regulation. (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Yes	Yes	Yes	Yes
Date	30-Sep-2015	15-Jun-2018	31-Dec-2018	25-Jul-2020
►Gender: Percent of SME and LE beneficiaries financed under the project with at least 15 percent female participation in their workforce. (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	30.00	n/a
Date	25-Jul-2016	15-Jun-2018	31-Dec-2018	25-Jul-2020



The establishment and operation of a credit facility by Eximbank for the provision of sub-finance to SMEs to finance the Sub-projects.

►Percent of SMEs receiving sub-finance by Eximbank that are new exporters. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	25-Jul-2016	15-Jun-2018	15-Jun-2018	25-Jul-2020

►Citizen Engagement: SMEs and LEs that feel project sub-finance reflected their needs. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	n/a	n/a
Date	25-Jul-2016	15-Jun-2018	31-Dec-2018	25-Jul-2020

►Based on Core Indicator: Financial Sustainability: Return on Equity (%) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.40	--	13.10	n/a
Date	30-Sep-2015	15-Jun-2018	31-Dec-2018	25-Jul-2020

►Based on Core Indicator: Financial Sustainability: Return on Assets (%)(Percentage) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.20	--	0.80	n/a
Date	30-Sep-2015	15-Jun-2018	31-Dec-2018	25-Jul-2020

►Based on Core Indicator: Portfolio Quality: Portfolio at risk (%). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.30	--	0.30	n/a
Date	30-Sep-2015	15-Jun-2018	31-Dec-2018	25-Jul-2020

Data on Financial Performance

Disbursements (by loan)

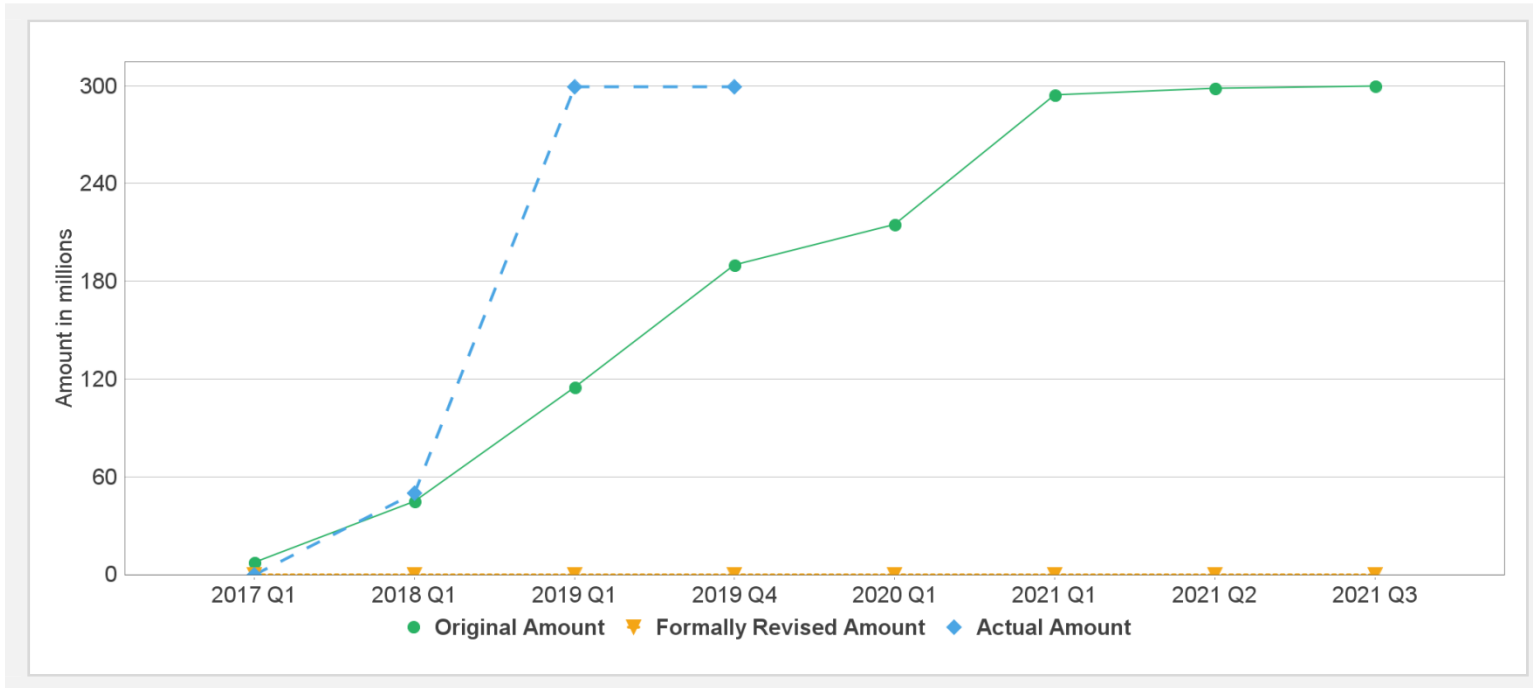
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P156252	IBRD-86300	Effective	USD	300.00	300.00	0.00	300.00	0.00	100%



Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P156252	IBRD-86300	Effective	26-Jul-2016	24-Oct-2016	21-Feb-2017	31-Jan-2021	31-Jan-2021

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.