

# Ekol Ro-Ro Project

<b>Country:</b>	TURKEY
<b>Project Number:</b>	46917
<b>Business Sector:</b>	Transport
<b>Notice Type:</b>	PRIVATE
<b>Environmental Category:</b>	B
<b>Target Board Date:</b>	17 Dec 2014
<b>Status:</b>	Repaying
<b>PSD Disclosed:</b>	14 Nov 2014

## Project Description

The EBRD is considering providing a senior loan to Alternative Tasimacilik A.S ("Alternative") to finance the acquisition of three Ro-Ro vessels (the "Vessels") to provide international sea transportation services from Haydarpasa in Turkey to Trieste, Italy (the "Project").

Alternative was established in 2012 by Mr. Ahmet Musul, founder and majority shareholder of Ekol Lojistik A.S (the "Sponsor" or "Ekol").

## Project Objectives

The acquisition of the Vessels by Alternative will allow Ekol to increase profitability and operating efficiency through the implementation of intermodal solutions that provide cost benefits as well as strategic competitive advantages derived from having better control over schedules and availability.

## Transition Impact

The transition impact of the project will be derived from:

(i) Demonstration effect of new financing methods in the Turkish shipping industry. The acquisition of the Vessels by Alternative will be the culmination of an innovative two-stage financing model that divides the investment process into an initial market testing phase through leasing which is followed by the acquisition of the operating vessels.

(ii) Setting standards of corporate governance and business conduct through:

(a) implementation of annual IFRS audits; and

(b) obtaining energy, environmental and safety certifications and procedures including, among others ISO 50000, ISO 14000, ISPS and Onshore Staff Safety & Disaster Response Plan, which are expected to raise the standards of the Turkish shipping industry.

## **Client Information**

### **ALTERNATIVE TASIMACILIK AS**

Alternative, a special purpose company established in Istanbul in November 2012, is 100 per cent owned by Mr. Ahmet Musul, the founder and majority shareholder of Ekol Lojistik A.S.

Ekol is currently one of the largest third party logistics providers operating in Turkey with over 40 locations in 25 cities in Turkey and 18 locations in 9 countries in Europe.

## **EBRD Finance Summary**

EUR 65,500,000.00

Approximately EUR 55.5 million.

## **Total Project Cost**

EUR 85,000,000.00

## **Environmental and Social Summary**

The project is categorised B. The acquisition of three Ro-Ro vessels to provide international sea transportation services is associated with environmental and social impacts that can be readily identified and mitigated. The environmental and social due diligence (ESDD) has been carried out by independent consultant through verification of Ekol's responses to the EBRD questionnaire, which focuses on Ekol's operations, policies, procedures, management systems and compliance with regulatory requirements and international standards of maritime safety and environment protection.

The investigations showed that the vessels meet internationally acceptable environmental, health and safety (EHS) standards and operations are overall in compliance with regulatory requirements, EU environmental standards and international (including IMO, MARPOL and SOLAS) standards of maritime safety and environment protection. However, the due diligence identified few technical issues which were not noted in earlier surveys and inspections which might affect the safety of the vessels. These issues have been addressed in the ESAP.

The vessels are certified under the International Safety Management (ISM) Code. Once the vessels are acquired by Ekol, the procedure and manuals will need to be reviewed and adopted to the new management. The Company has an environmental management system in accordance with ISO 14001, which will be certified by the end of 2015.

The Company has well defined HR procedures and a grievance mechanism, which are also disclosed on the Company website. In November 2007 Ekol signed the United Nations Global Compact which is an initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

An Environmental and Social Action Plan (ESAP) has been agreed to further improve the environmental and social performance of the Company in line with international best practice and

to ensure it carries out the project in compliance with the EBRD PRs. The ESAP commits the Company amongst others to: attaining ISO 14001 and OHSAS 18001 accreditation; maintaining compliance of all fleet with international maritime safety and environmental standards (including IMO MARPOL and SOLAS); adopting and formalising ballast water management procedures to comply with the upcoming ballast water treatment requirements of IMO; obtaining "green passports" for the vessels; making the necessary improvements to achieve compliance with the upcoming emission standards; confirmation of the high level bilge alarm between main ramp and water tight doors are in place and in good working order; formalising and documenting the current practice of inspecting propellers following the docking of each vessel; and implementing a programme to improve energy performance.

The Company will provide the Bank with annual reports on its environmental and social performance, including updates on the implementation of the ESAP. The Bank will conduct monitoring visits on a risk driven basis, as required.

## Technical Cooperation

None.

## Company Contact Information

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Tel: +90 216 564 3016

## Business opportunities

For business opportunities or procurement, contact the client company.

## General enquiries

EBRD project enquiries not related to procurement:  
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380  
Email: [projectenquiries@ebrd.com](mailto:projectenquiries@ebrd.com)

## Public Information Policy (PIP)

The PIP sets out how the EBRD discloses information and consults with its stakeholders so as to promote better awareness and understanding of its strategies, policies and operations.

[Text of the PIP](#)

## Project Complaint Mechanism (PCM)

The EBRD has established the Project Complaint Mechanism (PCM) to provide an opportunity for an independent review of complaints from one or more individuals or from organisations concerning projects financed by the Bank which are alleged to have caused, or likely to cause, harm.

[Rules of Procedure governing the PCM](#) | [Russian version](#)

Any complaint under the PCM must be filed no later than 12 months after the last distribution of EBRD funds. You may contact the PCM officer (at [pcm@ebrd.com](mailto:pcm@ebrd.com)) or the relevant EBRD Resident Office for assistance if you are uncertain as to the period within which a complaint must be filed.