



Practical Provision Manual



Concessional Export Credits to Eligible Developing Countries

Workflow of Tasks and Responsibilities for Exporters and Financing Banks in Implementing Projects through Insurance for Concessional Export Credits According to the Development Cooperation Act.¹

1) EXIMBANKA SR can provide either direct financing (loan) for the project or insurance for concessional export credits issued by a commercial bank.

Project Preparation

1. Verification of Project Formalities

Slovak Exporter

If you have a development-oriented project in an eligible country, please contact EXIMBANKA SR. Our team will help you structure the project to meet all the requirements.²

2) The list of eligible countries is available on the EXIMBANKA SR website in the section [Concessional export credits](#).

2. Preliminary Consultation on the Development Aspect of the Project with the Ministry of Finance of the Slovak Republic and the Ministry of Foreign and European Affairs of the Slovak Republic

Slovak Exporter

The basis for the preliminary assessment of the development aspect is submitting a completed Questionnaire on Identification of the Development Aspect of a Project³ to EXIMBANKA SR and answering any additional questions from the ministries that arise during the evaluation.

Financing Bank

As the financing bank, you are not responsible for assessing the project's development aspect.

3) Questionnaire on Identification of the Development Aspect of a Project is available on the EXIMBANKA SR website in Slovak and English under [Concessional export credits](#).

3. Contact with Financing Banks and Preparation of Concessionality Conditions

Slovak Exporter

If the ministries give a positive preliminary opinion on the project's development aspect, you may directly contact Slovak banks that could finance the project, either independently or with the assistance of EXIMBANKA SR.

Financing Bank

The exporter or EXIMBANKA SR will contact you regarding participation in the project. At this stage, it is crucial to consider your ability to finance the project, the country risk limit, the maximum acceptable repayment term, and the interest rate. Based on your capabilities, EXIMBANKA SR will prepare a preliminary calculation of insurance and concessionality level in line with the OECD rules for tied aid.⁴

4) Level of concessionality reflects not only the minimum concessionality requirements set by the OECD for the country but also the possibilities of the state budget of the Slovak Republic.

4. Issuance of Insurance and Concessional Export Credit Offer

Financing Bank

If the Ministry of Finance of the Slovak Republic preliminarily approves the concessional conditions, EXIMBANKA SR will prepare an offer for insurance or financing of the concessional export credit. Your task will be to incorporate this offer into an "all-in" financing proposal for the foreign borrower.

5) The following variables are considered in calculating the level of concessionality: the percentage of the contribution towards repayment of a portion of the loan relative to the total

loan amount, loan repayment term, grace period, effective interest rate for the borrower, and the differentiated discount rate, which is annually determined by the OECD and varies depending on the loan currency and repayment term. Given the limited availability of concessional funds and to maintain equal access for all exporters, we adhere to the minimum set concessional levels, i.e., 35% or 50%, as determined by the OECD for eligible countries.

5. Preliminary Acceptance by the Foreign Partner

Slovak Exporter

Together with the financing bank, present your foreign public buyer and borrower with a comprehensive offer of insurance, financing, and concessionality. If they are interested, they should declare their preliminary interest and acceptance of the conditions, while ensuring that the project selection complies with the public procurement regulations in the respective country.⁶

6) Due to fixed resources allocated in the state budget of the Slovak Republic, only a limited number of projects can be realized in a given year. After the foreign public buyer confirms their preliminary acceptance of the project, EXIMBANKA SR will prioritize projects based on transparent and pre-defined criteria using a specific scoring system, where each project receives points for meeting the criteria. The evaluated criteria include the project's alignment with the Medium-Term Strategy for the Official Development Cooperation of the Slovak Republic, the exporter's experience and capacity to implement projects of the specified type, the level of Slovak national content in the total project costs, and the securing of a concessional export credit.

6. Detailed Assessment of the Development Aspect + Consultation with Relevant Institutions (Interministerial Working Group)

Slovak Exporter

A mandatory part of your project's evaluation is the detailed assessment of the development aspect, for which the Ministry of Foreign and European Affairs of the Slovak Republic and

the Ministry of Finance of the Slovak Republic are responsible.⁷ Based on the meeting results, the interministerial working group will communicate its final position on fulfilling the project's development aspect condition to EXIMBANKA SR, which will inform both you and the financing bank.

7) The purpose of the detailed assessment is to evaluate the potential impacts of the project on the economy of the buyer's country and to assess the project's alignment with the Sustainable Development Goals (SDGs), as evaluated by the Ministry of Finance of the Slovak Republic and the Ministry of Foreign and European Affairs of the Slovak Republic. The Ministry of Finance of the Slovak Republic conducts the detailed assessment of the development aspect of concessional export credits according to Instruction No. MF/008396/2020-18, available on the Ministry of Finance of the Slovak Republic [website](#) — Contribution No. 4.

Following the conclusions of the detailed assessment, the project is reviewed by the interministerial working group, consisting of representatives from the Ministry of Finance of the Slovak Republic, the Ministry of Foreign and European Affairs of the Slovak Republic, the Ministry of Economy of the Slovak Republic, and the relevant ministry depending on the nature of your project. In addition to the detailed assessment of the development aspect, this phase also includes a detailed assessment of the project's environmental and social impacts in the target country. The assessment process takes approximately 3 months.

Project Implementation

7. Insurance Application

Slovak Exporter

If necessary, provide the financing bank with the documents needed to complete the insurance application.

Financing Bank

If the interministerial working group gives a positive final opinion on the project's development aspect and the exporter and foreign public buyer remain interested in implementing the project, you will submit an official insurance application for the concessional export credit to EXIMBANKA SR in collaboration with the foreign borrower. Following the application submission, EXIMBANKA SR will conduct an internal two-step approval process.

8. Application for the Concessional Export Credit

Financing Bank

Within 2 weeks of the initial approval by the Management Board of EXIMBANKA SR, submit the application for the concessional export credit to the Ministry of Finance of the Slovak Republic. The application is based on the concessional proposal and the insurance conditions proposal prepared by EXIMBANKA SR, which are attached to the application.

9. Discussion of Concessional Conditions — Ministry of Finance and Ministry of Foreign and European Affairs of the Slovak Republic

Financing Bank

Following the submission of the the application for the concessional export credit, the Ministry of Finance of the Slovak Republic and the Ministry of Foreign and European Affairs of the Slovak Republic will discuss the conditions and finalize the concessional export credit. The concessional parameters usually remain unchanged, corresponding to the conditions that the Ministry of Finance of the Slovak Republic preliminarily approved in point 4, “Issuance of Insurance and Concessional Export Credit Offer.”

10. Official Letter — Notification of Concessional Conditions

Financing Bank

Within 60 days of receiving the application for the concessional export credit, the Ministry of Finance of the Slovak Republic will deliver its official statement on the project, following discussions with the Ministry of Foreign and European Affairs of the Slovak Republic. This statement, delivered in the form of an official letter, will set the binding concessional export credit conditions, including the contribution amount towards the repayment of a portion of the interest, the contribution amount towards the repayment of a portion of the loan, and the grace period for the concessional export credit.

11. Final Insurance Approval

Financing Bank

The Ministry of Finance of the Slovak Republic's final stance on the project's concessional conditions is also submitted to the Management Board of EXIMBANKA SR, which will then decide on the final approval or rejection of the binding insurance conditions for the concessional export credit.

12. Preparation of Contractual Documentation

Slovak Exporter

1. During the financing approval process for your project, you are responsible for negotiating and finalizing the export contract with your foreign public buyer.
2. Another contractual obligation is to conclude the Agreement on the Rights and Obligations of the Exporter with EXIMBANKA SR, which is a condition for the insurance contract.

Financing Bank

As part of the preparation of the contractual documentation, you are responsible for:

1. negotiating and finalizing the loan agreement for the concessional export credit between you and the foreign borrower, and
2. negotiating and finalizing the insurance contract for the concessional export credit between you and EXIMBANKA SR.

13. Signing the Contractual Documentation

Financing Bank

Within 30 days of concluding the loan agreement, you must send a copy of the agreement to EXIMBANKA SR. The contract must stipulate that EXIMBANKA SR will receive the original or a notarized copy of the loan agreement in Slovak or English. The financing and insurance conditions included in the contract are based on the parameters set by the Ministry of Finance of the Slovak Republic.

14. Project Implementation

Slovak Exporter

Upon concluding the necessary contractual documentation, you are required to execute the delivery of goods/services in line with the terms of the export contract. After fulfilling all contractual conditions, the financing bank will arrange for the payment of the issued invoices from the funds drawn from the concessional export credit.

Financing Bank

After completing the necessary documentation, you should monitor compliance with the export contract terms and release the loan disbursement based on submitted invoices and other documents, in line with the conditions of the loan agreement.

15. Implementation of the Concessionality

Financing Bank

Within 30 days of receiving notification of the conclusion of the loan agreement, the Ministry of Finance of the Slovak Republic will provide you with a contribution towards the repayment of a portion of the loan (if included as part of the concessionality). At the same time, EXIMBANKA SR will periodically pay the contribution towards the repayment of a portion of the interest according to the repayment schedule and based on your previous request, which you must submit to EXIMBANKA SR no later than 10 working days before the due date of the relevant interest payment.⁸

- 8) Overview of Responsibilities of the Financing Bank and EXIMBANKA SR in Implementing the Concessionality:
1. Timely submission of claims for the contribution towards the repayment of a portion of the interest.
 2. Accurate calculation of the amount of the contribution towards the repayment of a portion of the interest.
 3. Return of the contribution towards the repayment of a portion of the loan if the conditions for providing the contribution are not met.

The Ministry of Finance of the Slovak Republic is responsible for monitoring compliance with the conditions of the concessional export credit, and it is authorized to request from EXIMBANKA SR and the bank all necessary documentation for this purpose. The rules for performing this control are governed by specific regulations.

Monitoring

16. Cooperation in Monitoring

Slovak Exporter

You will be required to cooperate in the monitoring of the project, particularly during the implementation phase. Due to the development nature of the project, you must provide information about the actual status and results of the project. EXIMBANKA SR, as well as the Ministry of Finance of the Slovak Republic and the Ministry of Foreign and European Affairs of the Slovak Republic, may also conduct on-site monitoring.

Financing Bank

In line with the standard terms of the insurance contract, you are obligated to provide EXIMBANKA SR with financial reports of the borrower on an agreed basis.



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