



United Nations Environment Programme



Distr.
RESTRICTED

UNEP/IG.23/INF.25
5 February 1981

ENGLISH ONLY

Second Meeting of the Contracting Parties
to the Convention for the Protection of the
Mediterranean Sea against pollution and its
related protocols and Intergovernmental
Review Meeting of Mediterranean Coastal States
on the Action Plan

Cannes, 2 - 7 March 1981

WORLD BANK PROJECTS IN THE MEDITERRANEAN REGION

The World Bank has kindly provided a list of projects related to the work undertaken within the framework of the Mediterranean Action Plan. The project descriptions may be of interest to the participants.

PROJECT LIST

ALGERIA

Ports I (Bethioua)
Ports II (Jijel)
Sewerage I

CYPRUS

Ports II

EGYPT

Suez Canal Rehabilitation
Suez Canal Expansion
Port of Alexandria

GREECE

Sewerage Salonica and Volos

ISRAEL

Sewerage

LEBANON

Reconstruction

MOROCCO

Sewerage Engineering

TUNISIA

Sewerage I
Sewerage II
Water Supply IV
Water Supply V
Fisheries II
Ports III

TURKEY

Water Supply (Istanbul)
Forest Utilization (Akdeniz)
Tourism Infrastructure (South Antalya)
Steel Stage II (Erdemir)
Ports Rehabilitation

YUGOSLAVIA

Dubrounik Water Supply and Wastewater
Montenegro Earthquake Rehabilitation - Port of Bar

ALGERIA - PORT OF BETHIOUA PROJECT

LOAN AND PROJECT SUMMARY

- Borrower: Democratic and Popular Republic of Algeria.
- Amount: US\$70 million equivalent.
- Terms: Twenty-five years, including four years of grace, 7-1/4 percent per annum.
- Project Description: The proposed project is the construction of a new port at Bethioua and consists of:
- (a) Civil Works:
 - (i) construction of a main breakwater about 2 km long; two secondary breakwaters, six berths for LNG exports, three berths for condensate and crude oil exports and one berth for liquefied petroleum gas and ammonia exports;
 - (ii) a shallow draft basin for harbor craft;
 - (iii) provision of supporting facilities;
 - (iv) removal of two of the existing three sea lines at the port site; and
 - (v) dredging of the port water area and of two leading channels.
 - (b) Consultants' Service for:
 - (i) project design, preparation of tender documents and construction supervision;
 - (ii) technical assistance to improve port management, administration and operations and training of staff; and
 - (iii) technical assistance to prepare a master plan for Algerian commercial ports.

ALGERIA

PROPOSED SECOND PORT PROJECT

- Borrower: Democratic and Popular Republic of Algeria
- Amount: US\$80 million equivalent
- Terms: Seventeen years, including 3-1/2 years of grace,
8.2 percent per annum.
- Project Description: The proposed project is primarily the construction of a new port at Jijel, plus technical assistance. It consists of the following elements:
- (a) Civil Works:
 - (i) construction of breakwaters, berths, transit sheds and supporting facilities;
 - (ii) dredging and reclamation;
 - (iii) paving of roads and storage areas;
 - (b) Cargo handling equipment.
 - (c) Consultants Services for:
 - (i) project design, preparation of tender documents and construction supervision;
 - (ii) technical assistance for improving port planning, management, administration and operations, and training;
 - (iii) technical assistance for studies and preparation of a new port cost accounting system and tariff structure;
 - (d) Provision of port construction equipment.

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

Loan and Project Summary

Borrower: Democratic and Popular Republic of Algeria

Beneficiaries: SEDAL (Societe des Eaux de l'Agglomeration d'Alger) (US\$78 million, equivalent) and the Ministry of Hydraulics, Land Improvement and Environment (MHLIE) for engineering studies (US\$4 million, equivalent).

Amount: US\$82 million equivalent

Terms: Seventeen years, including 4 years of grace at 7.45 percent per annum.

Reimbursement Terms: SEDAL would reimburse to Government an amount equivalent to the Bank loan (US\$78 million) over a period of 17 years, after 6 years of grace at 7.45 percent per annum.

Project Description: The proposed project comprises primarily the construction of combined sewer interceptors, the first stage of a sewage treatment plant, and technical assistance to SEDAL. By intercepting the discharge of wastewaters into El Harrach River and treating them by the activated sludge process, the proposed project would (i) help the Government achieve its priority objective of abating water pollution and its associated health hazards in the city of Algiers; this in turn would permit redevelopment of the affected areas near the River and therefore allow expansion of the Algiers metropolitan area and relieve population congestion in the inner city; (ii) permit reuse of the treated sewage in irrigation or the recharge of the Mitidja Plain's groundwater aquifer; this would reduce investments in water supply. The proposed project through its technical assistance components would assist the Government in the reorganization of the sector's administration and management in Algiers. The studies proposed in this project for the cities of Oran and Constantine would assist the Government in the formulation of investment planning and decision making procedures. The risks mainly relate to the two following considerations (a) similar work has not yet been executed in Algeria and (b) SEDAL is a new type of public utility and represents a significant innovation in sector management. However, in view of the expected benefits the proposed project is well worth the risks involved. It would consist of the following elements:

- ii -

- (a) construction of: (i) combined sewer interceptors, two sewage pumping stations, first stage of a sewage treatment plant for an equivalent population of 750,000; (ii) protective embankments for the proposed sewage treatment plant and an existing water plant; and (iii) SEDAL's headquarters;
- (b) Supply of operational equipment for SEDAL such as cleaning and maintenance equipment for sewers;
- (c) Consulting Services (about 1850 man-months, the cost of which is on the average estimated at \$6,300 per man-month including all contingencies) for:
 - (i) management assistance (including financial, tariff and economic studies) to SEDAL;
 - (ii) training program for SEDAL's staff;
 - (iii) construction supervision of the works; and
 - (iv) water supply and sewerage studies for the cities of Oran and Constantine.

SUEZ CANAL REHABILITATION PROJECT

Loan and Project Summary

Borrower: Suez Canal Authority

Guarantor: Arab Republic of Egypt

Beneficiaries: Suez Canal Authority, and international shippers and ship-owners.

Amount: US \$50,000,000

Terms: 20 years including 4 years of grace with interest at 8 percent per annum.

Project Description: Financing a portion of the foreign exchange costs of facilities needed to rehabilitate the Canal, to restore navigation to the level that prevailed in 1967, through (i) clearing and reopening the channel, (ii) procuring materials and equipment, (iii) reconstructing auxiliary facilities, and (iv) technical assistance and studies.

ARAB REPUBLIC OF EGYPT
SUEZ CANAL EXPANSION PROJECT

Loan and Project Summary

Borrower: Suez Canal Authority (SCA)

Guarantor: Arab Republic of Egypt

Amount: US\$100 million equivalent

Terms: 20 years, including 5 years of grace, at 8.0 percent interest per annum.

Project Description: The proposed project is designed to expand and improve canal facilities to allow it to be used by more and bigger ships. By 1980 ships drawing up to 16.1 meters (53 feet) will be able to use it. This would include almost all the world shipping fleet except for the larger tankers which still could not pass when fully loaded. The project includes dry excavation and dredging to widen and deepen the canal, breakwater construction, miscellaneous civil works of mooring facilities, workshops and a training center; also equipment and material procurement and technical assistance. The project generates economic benefits to Egypt through increased canal revenues, to ship owners who will benefit from shorter routes and possibly to consignors and recipients of freight through reduced freight rates. The benefits have been estimated on the basis of very conservative traffic forecasts. The project does not face any special implementation risks. Although large, its construction is relatively straightforward.

EGYPT: PORT OF ALEXANDRIA PROJECT

- Borrower: Alexandria Port Authority (APA)
- Guarantor: Arab Republic of Egypt
- Beneficiaries: APA, together with its two subsidiary companies General Warehouses of Egypt and United Arab Stevedoring Company.
- Terms: 25 years, including 5 years of grace, at 8-1/2 percent per annum.
- Relending Terms: Same as terms of loan to APA.
- Project Description: The Project is to rehabilitate and to relieve congestion at the Port of Alexandria. It includes the following components:
- A. (1) Deferred maintenance dredging of accumulated sand in the access channels (Great Pass and Bougaz Pass) of, and fairways inside, the Port, and alongside quays.
 - (2) Capital dredging of sand and hard materials in the Alternate Pass.
 - (3) Underwater quay investigation (associated with dredging alongside quays).
 - (4) Paving and surfacing of about 100,000 square meters of roads and work areas.
 - (5) Construction of about 550 meters length of deep sea berths with associated utilities and dredging and about 22,500 square meters of transit sheds.
 - (6) Construction of 100,000 square meters of storage facilities and the paving and surfacing of an additional 100,000 square meters in a new storage area.
 - B. Purchase of floating, cargo handling and miscellaneous equipment, and necessary spare parts for such equipment.

- C. (1) Provision of consultancy services for (a) soil investigation in area of construction of deep-sea berths, (b) final engineering for-berth construction, preparation of tender documents and bid evaluation and (c) final engineering for harbor radar and radio installation.
- (2) Provision of consultancy services for:
- (a) the Borrower's organization and staffing;
 - (b) assistance in the revaluation of the Borrower's assets, identification of cost and revenue centers, modernization of accounting systems and introduction of cost accounting and budgeting systems.
 - (c) re-organization of the Borrower's workshops including a program of maintenance of its equipment;
 - (d) identification of the Borrower's training needs, preparation and implementation of its training programs;
 - (e) a study of sea pollution in the Port and of measures and regulations to control it.

GREECE - VOLOS AND SALONICA SEWERAGE PROJECT

LOAN AND PROJECT SUMMARY

- Borrower: The Hellenic State
- Beneficiaries: The Salonica Sewerage Authority and the Volos Water and Sewerage Organization.
- Amount: US\$36 million equivalent in various currencies.
- Terms: Amortization in 15 years including a 3-year grace period with interest at 8.7 percent per annum.
- Relending Terms: Same as those for the Bank loan.
- Project Description: The primary objective of the proposed project is to assist Greece in implementing the reorganization of the sewerage sector through two priority investments in the Greater Salonica and Volos Areas. The project includes:
- (1) Salonica Component:
 - (a) installation of about 65 km of secondary sewers, 17 km of trunk and force mains, and three pumping stations, to serve the coastal areas and the Lagadas and Esso industrial zones;
 - (b) installation of about 8 km of gravity interceptors, 1 km of force mains, and three pumping stations to intercept the trunk mains discharging into Salonica Bay;
 - (c) construction of about 25 km of main interceptor between White Tower and the Axios River;
 - (d) construction of a primary treatment plant with an initial capacity of 3.9 m³/second; and
 - (e) purchase of equipment for sewer inspection and maintenance.
 - (2) Volos Component:
 - (a) installation of about 113 km of secondary sewers, 18 km of trunk and force mains and six pumping stations;

- (b) construction of a pre-treatment plant with an initial capacity of 0.44 m³/second;
- (c) installation of a collector of about 4 km to carry wastewater from the industrial estate to the pre-treatment plant; and
- (d) construction of about 8 km final interceptor and about 0.7 km ocean outfall to discharge the pre-treated wastewater into the Thermaikos Gulf.

(3) Studies and Training:

- (a) feasibility studies for the Mega Emvolon sewerage system in the Greater Salonica Area to serve the southeastern part of the Salonica metropolitan area;
- (b) industrial wastewater surveys in the Greater Salonica and Greater Volos Areas to establish appropriate policies, procedures, controls and tariffs for industrial wastewaters;
- (c) oceanographic studies of the Thermaikos and Pagasitikos Gulfs to:
 - (i) allow monitoring of the receiving waters once the proposed sewerage project enter operation; and
 - (ii) establish a mathematical model to forecast the cost of treatment for different types of industrial developments and various criteria of water quality;
- (d) studies relating to the Salonica Water Authority, the Salonica Sewerage Authority and the Volos Water and Sewerage Organization to (i) review their systems of accounting and financial control with a view to the implementation of systems more appropriate to the operations of semi-autonomous water and sewerage authorities and (ii) review their tariff structures;
- (e) training of senior staff of the Ministries of Interior and Public Works.

ISRAEL - SEWERAGE PROJECT

Loan and Project Summary

1. Loan Summary

Borrower : The State of Israel

Amount : US\$30.0 million equivalent in various
currencies

Terms : Interest : $7\frac{1}{4}$ percent per annum
Commitment Charge: $\frac{3}{4}$ of 1 percent per annum
Term : 25 years, including 5 years
of grace

2. Project Summary

Project Description : The proposed project is the first phase of the Borrower's National Sewerage Program designed to improve and modernize the country's sewerage facilities, in order to protect and preserve water resources and to improve public health and the environment. It consists of a program of investments in sewers, pumping stations, treatment works, disposal facilities and auxiliary works to be carried out by 75 local authorities and three regional town associations throughout Israel.

ISRAEL - SEWERAGE PROJECT

Loan and Project Summary

1. Loan Summary

<u>Borrower</u>	:	The State of Israel
<u>Amount</u>	:	US\$30.0 million equivalent in various currencies
<u>Terms</u>	:	Interest : 7 $\frac{1}{4}$ percent per annum Commitment Charge: 3/4 of 1 percent per annum Term : 25 years, including 5 years of grace

2. Project Summary

Project Description : The proposed project is the first phase of the Borrower's National Sewerage Program designed to improve and modernize the country's sewerage facilities, in order to protect and preserve water resources and to improve public health and the environment. It consists of a program of investments in sewers, pumping stations, treatment works, disposal facilities and auxiliary works to be carried out by 75 local authorities and three regional town associations throughout Israel.

LEBANONRECONSTRUCTION PROJECTLOAN AND PROJECT SUMMARY

- Borrower: Republic of Lebanon.
- Loan Amount: US\$50 million equivalent in various currencies.
- Terms: 17 years, including 3 1/2 years of grace at 8.2 percent per annum.
- Project Description: The proposed project is intended to assist the Government in its reconstruction efforts following the civil war. It would include rehabilitation of the port of Beirut and the telecommunication system thereby eliminating two critical bottlenecks for resumption of economic activity. Capacity of the two sectors would be restored to pre-war levels through replacement and modernization of most urgently needed facilities and institutional improvements. The project would also include rehabilitation of Beirut's water supply and sanitation facilities to ease the present situation and preparation of longer term projects in the sector. Finally, the project would include studies to accelerate the preparation of future projects for urban reconstruction and regional development. More specifically the project would include:
- (a) rehabilitation of the Port of Beirut:
- construction and installation of transit sheds and warehouses;
 - procurement and installation of cargo handling equipment, general uses equipment, maintenance equipment and marine equipment;
 - consultant services to assist the Government and SGE - the operator of the Port - in port reconstruction and improvement of port operation.
- (b) rehabilitation of telecommunication system:
- construction and repair of buildings;
 - procurement and installation of equipment for
 - (i) local telephone service (switching equipment and local network and subscriber plant); (ii) long

- 11 -

distance (switching equipment, cables and aerial lines and microwave equipment); (iii) international service (switching equipment, earth station and submarine cable station); (iv) telex service (exchanges and teleprinters); and (v) general use (power plants and air conditioning, vehicles, tools and maintenance equipment); and

- consultant services to assist PTT in telecommunication rehabilitation and improvement of financial and management practices;

(c) Rehabilitation in the water, sewerage and sanitation sector:

- replacement of damaged portions of Beirut's water distribution system;
- procurement of leak detection and maintenance equipment;
- rehabilitation of the solid waste treatment plant in Beirut;
- consultant services to assist the local authorities in carrying out rehabilitation works and reviewing water utility organization, management and finances;
- consultant services to assist the Government in (i) preparing a project for Beirut's water supply, (ii) analyzing capacity and design of the present water distribution system to reduce losses, (iii) preparing a master plan for its future extension, and (iv) preparing a sewerage project.

(d) Studies: For the preparation of a program for urban reconstruction and regional development, including sites and services for low cost housing, industrial decentralization, integrated rural development in the most deprived regions of Lebanon and mass transit projects.

KINGDOM OF MOROCCO SEWERAGE ENGINEERING PROJECTLOAN AND PROJECT SUMMARY

Borrower: Kingdom of Morocco

Loan Amount: \$1.5 million

Terms: 10 years including 3 years grace with interest at 8.00 percent per year.

ProjectDescription:

The Project's objective is to assist Morocco in developing the design and planning criteria for upgrading urban sewer systems, as well as in strengthening and reorganizing the institutions in the sewerage sector, in the process of preparing a feasibility study (sewerage master plan) of the sewer system for Casablanca-Mohammedia area. The Project includes preparation of a priority project constituting the first stage of the sewerage master plan and the acquisition of oceanography equipment required to carry out the studies. The direct benefit of this Engineering Project is that it will result in a viable sewerage proposal for the Casablanca-Mohammedia region, which will reduce public health hazards and risks to fisheries deriving from pollution of coastal waters. The Project faces no special risks. A detailed work plan for the consultants will be prepared in accordance with the agreed technical terms of reference and the Government has agreed to give special attention to the technical capacity of the consultant staff so as to minimize the risk of the studies not meeting the project objectives.

TUNISIA - FIRST URBAN SEWERAGE PROJECT

LOAN AND PROJECT SUMMARY

Borrower: Republic of Tunisia

Beneficiaries: National Sewerage Authority (ONAS) and District of Tunis

Amount: \$28 million equivalent

Terms: Amortization in 25 years, with four years of grace
Interest: standard

Relending Terms: \$27.7 million equivalent will be relent to ONAS, for 25 years, at 8 1/2 percent interest, with 4 years of grace

Co-lender: The Bank loan will finance 50 percent of the foreign exchange cost of the project; the Government will finance the balance.

Project Description: Urban sewerage improvements in the Tunis area; the project includes additional master sewers, renewal and extension of an existing treatment plant and construction of two additional plants, extension and renewal of existing sewers, technical assistance and equipment to aid in the establishment of ONAS; and consultant services for feasibility studies for sewerage projects included in the Fifth Plan (1977-1980), for a construction industry study and training program, and for land use studies by the Tunis District.

REPUBLIC OF TUNISIA

SECOND URBAN SEWERAGE PROJECT

Loan and Project Summary

Borrower: Republic of Tunisia

Beneficiary: National Sewerage Authority (ONAS)

Amount: \$26.5 million

Terms: The loan would be repayable in 17 years, including a 4-year grace period, on a level principal payment basis; interest would be at 7 percent per year.

Relending Terms: The loan would be on-lent by the Government to ONAS on the same terms as the proposed Bank loan. The Government would assume the foreign exchange risk.

Project

Description:

The proposed project would support Government's overall policy of extending sewerage facilities to match the national program of water supply expansion. It would consist of: (i) a second stage of sewerage for greater Tunis which would provide additional treatment capacity and facilities to improve the existing sewerage and storm water systems to serve greater Tunis; (ii) a component for Sfax which would complement existing treatment capacity and extend and improve the sewer/stormwater system; and (iii) technical assistance to strengthen the project planning and control capability of ONAS. The main benefits of the proposed project would be pollution control of the Lake of Tunis, increased access of urban dwellers in the target group in Tunis and Sfax to sewerage facilities with a decrease in health hazards attributable to poor methods of waste disposal, and institutional improvements for ONAS, the Sewerage Authority.

TUNISIA

FOURTH WATER SUPPLY PROJECT

Loan and Project Summary

Borrower: Societe Nationale d'Exploitation et de Distribution des Eaux (SONEDE)

Guarantor: Republic of Tunisia

Amount: US\$21.0 million equivalent

Terms: 17 years including 3-1/2 years grace, with interest at 8.2 percent.

Project Description: Construction of facilities to meet the potable water needs of the governorates of Tunis, Tunis-Sud, Beja, Jendouba, and Nabeul to the year 1990; and technical assistance. The four major components are: (i) production facilities including the Saida dam-reservoir, two pumping stations, transmission pipelines and a water treatment plant; (ii) extension of the distribution system in Greater Tunis including installation of two primary mains, the expansion and improvement of the secondary distribution network and upgrading of booster pumping stations; (iii) the extension of distribution systems including expansion of the primary systems, improvement of the secondary distribution networks and upgrading of storage and booster pumping in Beja, Medjez-el-Bab, Pont du Fahs, and South Nabeul; (iv) study to assist SONEDE in developing and adapting its management structures (including its computer and information systems) in accordance with the needs of its future expansion. The proposed loan would finance the total foreign exchange cost of the production component.

REPUBLIC OF TUNISIA
FIFTH WATER SUPPLY PROJECT

Loan and Project Summary

Borrower: Societe Nationale d'Exploitation et de Distribution des Eaux (SONEDE).

Guarantor: Republic of Tunisia

Amount: US\$25 million equivalent

Terms: 17 years including 4 years grace; interest would be at 7.9 percent per year.

Project Description: The proposed project would support SONEDE's investment program during the second half of the current five-year plan (1977-81) by expanding and improving access to piped water for the population in selected urban and rural centers. It consists of: (i) expansion and improvement of primary distribution systems in medium and small towns; (ii) provision of water supply systems in rural centers; (iii) extension of distribution networks into low-income areas of the cities; (iv) supply of water meters; and (v) review of SONEDE's future investment and financial plans and policies. Benefits of the project would accrue mainly to about 96,000 families, mostly in low-income groups, whose dwellings would be connected to the water network, and to families in intermediate towns and agglomerated villages who would be provided with safe water from public taps. The project presents no special risks.

TUNISIASECOND FISHERIES PROJECTLOAN AND PROJECT SUMMARY

- Borrower: Republic of Tunisia.
- Amount: US\$28.5 million.
- Terms: The loan would be repayable in 17 years, including a 4-year grace period; interest would be at 7.9 percent per annum.
- Project Description: The Project aims to (i) increase the whitefish, shrimp, and octopus production by 8,600 t, 160 t and 60 t respectively, per annum; (ii) offer improved income opportunities to about 2,000 existing fishermen and create about 1,750 jobs for new fishermen and 250 jobs in other project related services; (iii) increase the efficiency of the fisheries subsector through reorganization of its administration; and (iv) improve the skills of fishermen through on-the-job training. The project would finance investments in (i) new port infrastructure and shore facilities to serve as a base for coastal fishing activities along the Tunisian coast; (ii) boat repair facilities and ice making and cold storage equipment; (iii) boat construction for 400 boats of 11.25 m overall length and 30 boats of 13.80 m overall length; and (iv) training equipment and vehicles. Technical assistance for construction, supervision, training and preparation of studies for the expansion of ports in Tabarka and Kelibia and research on the potential of lagoon fishing and exploitable fish stocks would also be financed. The main risk involved in the project would result from a delay in the implementation and operation of the new organizational set-up proposed under the project.

TUNISIA

THIRD PORT PROJECT

LOAN AND PROJECT SUMMARY

Borrower: Office des Ports Nationaux Tunisiens (OPNT)
Guarantor: Republic of Tunisia
Amount: US\$42.5 million
Terms: 17 years, including 3.5 years of grace, at 7.95 percent per annum.

Project

Description: The proposed project would enable the ports of La Goulette and Sfax to cope with changing shipping technology (roll-on/roll-off), accommodate future traffic up to the year 2000, improve efficiency of port operations, and decrease urban traffic congestion. It would consist of: (i) at La Goulette - construction of about 350 m of quays and of jetties for roll-on/roll-off vessels at a new site on the south bank of the Tunis/La Goulette canal and related dredging and reclamation; dredging of access channel; open storage areas; transit sheds; port access road; port administration and ancillary buildings; provision of utility services; and purchase of cargo-handling and workshop equipment and material for manufacture of pallets; (ii) at Sfax - construction of about 515 m of quays including one roll-on/roll-off berth; transit and customs sheds; open storage and parking areas; port access road; provision of utility services; purchase of cargo-handling and workshop equipment; and (iii) technical assistance through provision of 220 man-months of expatriate consulting services at an average cost of \$7800 per man-month, and 370 man-months of local services at an average cost of \$2600 per man-month to (a) supervise civil works at both ports; (b) assist OPNT and STAM in reorganizing port workshops and maintenance procedures; and (c) develop and implement training programs for port workers.

Project benefits in the form of reduced ship-waiting and turnaround time, lower cargo-handling costs, avoidance of diversion costs and reclaimed land are expected to accrue to OPNT and the Tunisian economy. The project is free from any major risk.

ISTANBUL WATER SUPPLY PROJECT

Loan and Project Summary

<u>Borrower</u>	Republic of Turkey
<u>Beneficiary</u>	Istanbul Water Works Administration (ISI)
<u>Amount</u>	\$37 million equivalent in various currencies
<u>Terms</u>	25 years of which 5 years of grace, 7 $\frac{1}{2}$ % per annum
<u>Relending Terms</u>	Same as above
<u>Project Description</u>	Treatment, pumping, transmission and distribution facilities and consultant services for major expansion of Istanbul water supply system.

TURKEY

ANTALYA FOREST UTILIZATION PROJECT

I. LOAN AND PROJECT SUMMARY

- Borrower: Republic of Turkey
- Beneficiaries: The State Pulp and Paper Enterprise (SEKA) and its Antalya Establishment for the industrial part of the Project.
- Amount: \$40.0 million in various currencies, all of which would be for foreign exchange costs.
- Terms: Sixteen years including five years grace, 7-1/4 percent per annum.
- Relending Terms: Relending of \$29.9 million equivalent (exclusive of \$5.2 million in interest during construction) by the Government through the State Investment Bank (SIB) for the industrial part of the Project is on the same terms as the proposed Bank loan plus a fee of 1-3/4 percent per annum. SIB is to retain 1 percent per annum of the fee and pass on the remaining 3/4 percent to the Government.
- Co-financing: The European Investment Bank (EIB) is providing joint financing of \$24.4 million for the forestry and industrial parts of the Project on terms of 30 years, including 8 years' grace at 4-1/2 percent per annum interest; relending of \$21.0 million equivalent for the industrial part of the Project will be on the same terms as relending of the proposed Bank loan. EIB is also providing \$1.1 million from an earlier loan for feasibility studies to help finance the studies part of the Project.
- Project Description: The proposed project consists of (a) the investments and reforms to be included in a forest management plan to be prepared and implemented to raise wood production in the Antalya Forest Region to about 800,000 m³ by 1978; (b) the construction, equipping, start-up of an integrated sawmill and pulp and paper mill on the Mediterranean coast near Antalya to produce annually 182,000 m³ of sawwood and either 155,000 tons of linerboard or 90,000 tons of sackkraft or varying amounts of both; and (c) a program of forest industries feasibility studies.

TURKEY

Antalya South Tourism Project

Loan and Project Summary

- Borrower: Republic of Turkey.
- Loan Amount: US\$26 million equivalent, in various currencies.
- Terms: 25 years, including 6 years of grace, at 8.85 percent per annum.
- Relending Terms: US\$2.6 million to Kepez A.S., a private power company, at 11 percent per annum, with repayment period of 10 years, including 3 years of grace; and US\$1.8 million to PTT on the same terms.
- Project Description: The project, to help develop South Antalya into a major tourism resort for European mass tourism, will provide the following infrastructure by 1981 to support the provision of 2,250 rooms in hotels and vacation villages by 1981 and up to 5,750 rooms by 1990 in the project area:
- (1) the Beldibi-Tekirova section (32 kms) of the new Antalya-Finike highway (to be completed) and access roads to Kemer and the tourist development sites at Kiziltepe, Tekerlektepe and Guneydeniz;
 - (2) streets, electricity, water, sewerage, drainage, health, recreational and community facilities in Kemer to transform this village into a service center for the project area;
 - (3) sports/recreation facilities at Kemer consisting of a small craft harbor, a commercial and water sport center, and two 40-passenger ferry/excursion boats;
 - (4) improved telecommunication facilities consisting of a 300 channel microwave link between Antalya and Kemer, a new telephone exchange at Kemer, up-grading of the existing telephone exchange of

TURKEY - ERDEMIR STAGE II STEEL PROJECT

LOAN AND PROJECT SUMMARY

- Borrower: Turkey
- Beneficiary: Eregli Demir ve Celik Fabrikalari T.A.S. (Erdemir)
- Amount: \$95 million equivalent, in various currencies
- Terms: 17 years, including 4 years of grace
Interest at 7.5 percent per annum
- Relending Terms: 14 years, including 3-1/2 years of grace; interest rate of 10 percent per annum. Beneficiary will bear the foreign exchange risk.
- Project Description:
- (i) Expansion of Erdemir's production capacity from 1.5 to 2.0 million tons p.a. of ingot steel, equivalent to an increase of from 1.1 to 1.5 million tons p.a. of flat steel products. Major new facilities include:
 - (a) additions to raw materials handling systems, a turbo blower, scrap preparation facilities, cranes, automatic baler and shearer, manual burning beds, continuous slab caster, utilities, services and effluent treatment and monitoring facilities, and improvements and balancing in slab yard, hot strip mill, and hot and cold rolled finishing facilities, including those for reduction of energy consumption and operating costs.
 - (b) Consultant services for engineering, as also for a feasibility study of Erdemir's Stages III and IV expansion programs (including analysis of alternative sewerage treatment facilities from the plant and Eregli's township), and training.
 - (ii) The project will considerably reduce Turkish imports of needed flat steel products, saving about \$95 million p.a. at full production. The only major risk is of delays in project implementation, and delayed fulfillment of expectation of considerable improvement in Erdemir's financial position based on the future trend of production costs and steel prices in Turkey.

TURKEY

Antalya South Tourism Project

Loan and Project Summary

- Borrower: Republic of Turkey.
- Loan Amount: US\$26 million equivalent, in various currencies.
- Terms: 25 years, including 6 years of grace, at 8.85 percent per annum.
- Relending Terms: US\$2.6 million to Kepez A.S., a private power company, at 11 percent per annum, with repayment period of 10 years, including 3 years of grace; and US\$1.8 million to PTT on the same terms.
- Project Description: The project, to help develop South Antalya into a major tourism resort for European mass tourism, will provide the following infrastructure by 1981 to support the provision of 2,250 rooms in hotels and vacation villages by 1981 and up to 5,750 rooms by 1990 in the project area:
- (1) the Beldibi-Tekirova section (32 kms) of the new Antalya-Finike highway (to be completed) and access roads to Kemer and the tourist development sites at Kiziltepe, Tekerlektepe and Guneydeniz;
 - (2) streets, electricity, water, sewerage, drainage, health, recreational and community facilities in Kemer to transform this village into a service center for the project area;
 - (3) sports/recreation facilities at Kemer consisting of a small craft harbor, a commercial and water sport center, and two 40-passenger ferry/excursion boats;
 - (4) improved telecommunication facilities consisting of a 300 channel microwave link between Antalya and Kemer, a new telephone exchange at Kemer, upgrading of the existing telephone exchange of

TURKEY - ERDEMIR STAGE II STEEL PROJECT

LOAN AND PROJECT SUMMARY

- Borrower: Turkey
- Beneficiary: Eregli Demir ve Celik Fabrikalari T.A.S. (Erdemir)
- Amount: \$95 million equivalent, in various currencies
- Terms: 17 years, including 4 years of grace
Interest at 7.5 percent per annum
- Relending Terms: 14 years, including 3-1/2 years of grace; interest rate of 10 percent per annum. Beneficiary will bear the foreign exchange risk.
- Project Description:
- (i) Expansion of Erdemir's production capacity from 1.5 to 2.0 million tons p.a. of ingot steel, equivalent to an increase of from 1.1 to 1.5 million tons p.a. of flat steel products. Major new facilities include:
 - (a) additions to raw materials handling systems, a turbo blower, scrap preparation facilities, cranes, automatic baler and shearer, manual burning beds, continuous slab caster, utilities, services and effluent treatment and monitoring facilities, and improvements and balancing in slab yard, hot strip mill, and hot and cold rolled finishing facilities, including those for reduction of energy consumption and operating costs.
 - (b) Consultant services for engineering, as also for a feasibility study of Erdemir's Stages III and IV expansion programs (including analysis of alternative sewerage treatment facilities from the plant and Eregli's township), and training.
 - (ii) The project will considerably reduce Turkish imports of needed flat steel products, saving about \$95 million p.a. at full production. The only major risk is of delays in project implementation, and delayed fulfillment of expectation of considerable improvement in Erdemir's financial position based on the future trend of production costs and steel prices in Turkey.

TURKEY

PORTS REHABILITATION PROJECT

LOAN AND PROJECT SUMMARY

Borrower: Republic of Turkey.

Beneficiaries: Turkish Maritime Bank (DB) and Turkish State Railways (TCDD).

Amount: US\$75.0 million equivalent in various currencies.

Terms: Seventeen years, including four years grace, at 7.9 percent per annum.

Relending Terms: The Borrower will onlend to DB and TCDD the equivalent of about \$20.8 and \$50.8 million respectively for seventeen years, including 4 years of grace, on the same terms as the proposed loan. The Borrower will retain about \$3.4 million for technical assistance and equipment.

Project

Description:

The proposed project's objectives are the rehabilitation and modernization of Turkey's ten main public ports, the initiation of institutional and financial improvements in DB's and TCDD's ports operations, and assistance in rationalizing future port investment decisions through master planning and feasibility studies.

The project includes: (i) provision of cargo-handling equipment and floating craft, including spare parts; (ii) expansion and improvement of open and covered storage areas, as well as dredging and slipway construction; (iii) training for ports operational and managerial staff, including stevedores and equipment operators; (iv) expert studies designed to improve the efficiency of port organizations in Turkey; and (v) assistance to complete an ongoing national port planning study (Phase I) and thereafter to prepare a national master plan of port investments including a special study of a major new regional port in the Istanbul/Marmara region (Phase II); and undertaking of preliminary engineering design and detailed feasibility studies of the new Marmara port or any other higher priority port selected in Phase II (Phase III).

The project will substantially increase the efficiency of Turkey's major ports by maximizing use of existing port infrastructure. Together with other on-going ports infrastructure development projects, it will provide sufficient ports capacity to meet Turkey's traffic requirements up to about 1985, especially for general cargo. It will also help prevent recurrence of the severe ports congestion