Implementation Status & Results
Turkey
GAS SECTOR DEVELOPMENT (P093765)

Operation Name: GAS SECTOR DEVELOPMENT (P093765)  Project Stage: Implementation  Seq.No: 12  Status: ARCHIVED  Archive Date: 22-Mar-2014

Country: Turkey  Approval FY: 2006
Region: EUROPE AND CENTRAL ASIA  Lending Instrument: Specific Investment Loan

Product Line: IBRD/IDA
Implementing Agency(ies):

Key Dates
Board Approval Date 29-Nov-2005  Original Closing Date 31-Dec-2012  Planned Mid Term Review Date
Effectiveness Date 07-Mar-2006  Revised Closing Date 30-Jun-2014  Actual Mid Term Review Date
Last Archived ISR Date 03-Feb-2013

Project Development Objectives
Project Development Objective (from Project Appraisal Document)
The Project objective is to increase the reliability and stability of gas supply in Turkey by implementing critically needed gas storage and network infrastructure, and support BOTAS in strengthening its operations as a financially stable and commercially managed corporation.

Has the Project Development Objective been changed since Board Approval of the Project?
☐ Yes  ☐ No

Component(s)

Component Name | Component Cost
--- | ---
Underground storage | 607.00
Network expansion | 88.00
Supervision Consultant | 15.60
Environmental Monitoring Consultant | 2.60

Overall Ratings

<table>
<thead>
<tr>
<th></th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Implementation Status Overview
The contract implementation of Tuz Golu storage, which is of crucial importance for the supply security of the Turkish gas market, has begun by the beginning of 2012. Phase 0 of the project comprising the installation of water pipelines, brine discharge pipelines and the energy transmission lines has been completed on December 31, 2013. Construction activities continue successfully, with the focus being on the drilling at the wells.
The Erzincan compressor station is expected to significantly improve BOTAS capacity to move gas to the load centers in the western part of Turkey. The contract was awarded in April 2011, and three of four units (the fourth one is a stand-by unit) of this compressor station have been operational since mid-December 2013.

The total cost of the project has risen significantly since the appraisal of the project. In the light of the shortage of project financing, the Government and the Bank have agreed that the Corum compressor station and cushion gas for the storage facility would be financed from BOTAS own resources. In order to partly finance the cost over-run for Tuz Golu project, the Turkish Government, BOTAS and the World Bank have agreed in principle regarding the World Bank additional financing. These project changes will be processed as part of the additional financing.

The closing date of the project has been extended for the second time by six months, from December 31, 2013 until June 30, 2014, to accommodate the processes regarding the negotiations for the additional financing which was expected to have been completed in the first quarter of 2014.

### Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First Administrative Division</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>Not Entered</td>
<td>Lake Tuz</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Not Entered</td>
<td>Kulu</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Erzincan Province</td>
<td>Erzincan</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Turkey</td>
<td>Erzincan Province</td>
<td>Erzincan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Aksaray Province</td>
<td>Aksaray</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Turkey</td>
<td>Not Entered</td>
<td>Corum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Not Entered</td>
<td>Merkez</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Not Entered</td>
<td>Sereflikochisar District</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Not Entered</td>
<td>Cihanbeyli District</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>Not Entered</td>
<td>Eskil District</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Results

#### Project Development Objective Indicators
### Increased natural gas storage capacity.

- **Baseline**: 0
- **Current**: 0
- **End Target**: Phase 1: 320 mcm by 12/31/2009
  Phase 2: 640 mcm by 12/31/2012
  Phase 3: 960 mcm by 12/31/2015
- **Date**: 31-Dec-2005
- **Comments**: The project design has changed to 2 phases of 480 mcm each, and the first phase is expected to be completed in 2016.

### Increased capacity of transmission lines to carry gas.

- **Baseline**: 22 BCM/ year
- **Current**: 40 BCM/year
- **End Target**: 30-Jun-2011
- **Date**: 31-Dec-2005
- **Comments**: The indicators currently have end-dates of June 2011, per the original results framework in the PAD/supplemental letter. In the process of the additional financing, the indicators and the results framework will be revised accordingly at that time.

### Storage operates as separate business unit.

- **Baseline**: Limited cost center
- **Current**: Limited cost center
- **End Target**: Open access with separate tariffs
- **Date**: 31-Dec-2005
- **Comments**: At present, the overall gas strategy (as well as BOTAS' future structure) is under review, and the final decision on the ownership and operation of storage is likely to affect these indicators. The indicators currently have end-dates of June 2011, per the original results framework in the PAD/supplemental letter. In the process of the additional financing, the
The indicators currently have end-dates of June 2011, per the original results framework in the PAD/supplemental letter. In the process of the additional financing, the indicators and the results framework will be revised accordingly at that time.

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### Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compressor capacity of system increasing.</td>
<td>Text</td>
<td></td>
<td>Value 164 MW</td>
<td>Date 31-Dec-2005 to 10-Feb-2014</td>
<td>End Target 30-Jun-2011</td>
</tr>
<tr>
<td>Storage capacity is built with completion of first of three phases by 2009 (320 mcm). [Project design has changed now to two phases, with the first phase completing in 2010 - 480 mcm.]</td>
<td>Text</td>
<td>Value 0% - 0%</td>
<td>Date 31-Dec-2005 to 10-Feb-2014</td>
<td>End Target 30-Jun-2011</td>
<td>The project design has changed to 2 phases of 480 mcm each, and the first phase is expected to be completed in 2016. The indicators currently have end-dates of June 2011, per the original results framework in the PAD/supplemental letter. In the process of the additional financing, the indicators and the results framework will be revised accordingly at that time.</td>
</tr>
<tr>
<td>Costs available for storage on a standalone basis.</td>
<td>Text</td>
<td>Value Limited cost center - Limited cost center - Full cost center.</td>
<td>Date 31-Dec-2005 to 10-Feb-2014</td>
<td>End Target 30-Jun-2011</td>
<td>A separate tariff for storage was issued by the regulator in August 2010. The indicators currently have end-dates of June 2011, per the original results framework in the PAD/supplemental letter. In the process of the additional financing, the</td>
</tr>
</tbody>
</table>
The World Bank

Report No: ISR11772

The data on financial performance (as of 09-Dec-2013) indicates that the indicators and the results framework will be revised accordingly at that time.

### Financial Agreement(s) Key Dates

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
</tr>
</thead>
</table>

### Disbursements (in Millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
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<tbody>
<tr>
<td>P093765</td>
<td>IBRD-73420</td>
<td>Effective</td>
<td>USD</td>
<td>325.00</td>
<td>325.00</td>
<td>0.00</td>
<td>325.00</td>
<td>0.00</td>
<td>100.00</td>
</tr>
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</table>

### Disbursement Graph

- **Original**
- **Formally Revised**
- **Actual**

### Key Decisions Regarding Implementation

- Level two Approved on 21-Dec-2012
- Level 2 CD Decision on 06-Dec-2013

### Restructuring History

Restructuring History
**Related Projects**
P133565-Gas Sector Development Additional Financing