

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: EUROPE AND CENTRAL ASIA
COUNTRY: TURKEY

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Europe and Central Asia
Country: Turkey

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Turkey

Project Name (ID): Industrial Technology (P009073)

Country: Turkey

Board Approval Date: 06/17/1999

Midterm Review Date: 07/15/2001

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-44950, IBRD-P3500, JPN-22598

Sector(s): General industry and trade (89%), Law and justice (11%)

Theme(s): Small and medium enterprise support (P), Other financial and private sector development (P), Export development and competitiveness (P), Personal and property rights (P), Technology diffusion (S)

Project Development Objectives:

The objective of the project is to assist in the harmonization of Turkish technology infrastructure with European Customs Union (ECU) standards, and assist firms in upgrading their technological capabilities in order to improve the competitiveness of Turkish industry, both in domestic and foreign markets.

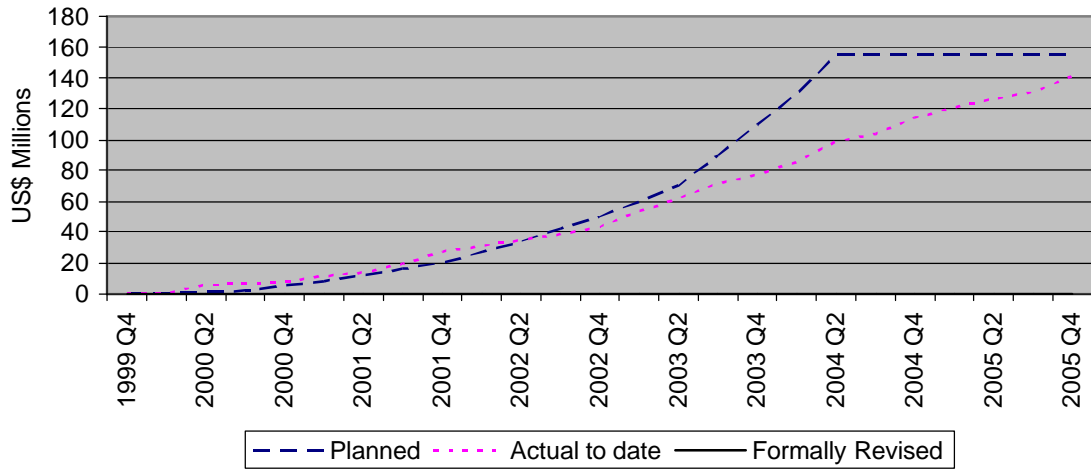
Progress toward achieving development objective(s):

The project has fully met its objective and its impact has become visible in the improved productivity, output, and exports of selected Turkish industries. The industrial property regime is now compliant with World Trade Organization and European Union standards. Patent and trademark applications are steadily increasing. 50,000 new applications were made as of end December 2004, double the number of new applications prior to the project. The average patent processing time has been reduced from 27 months to under-10 months, and the number of patent and trademark attorneys and IPR personnel in the country has more than doubled to over 1,800 since the inception of the project. The number of firms developing, adapting, and commercializing new technologies has sharply increased. The Technology Development Foundation has become an important agency for research & development (R&D) financing in Turkey and has supported 1,368 SMEs. The R&D portfolio has contributed \$140 million US in new private sector R&D activities, leading to the development of 166 new products and 32 new processes, and the improvement of 45 existing products/processes.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-44950	Effective	155.00	141.51	13.49	0.00
IBRD-P3500	Closed	2.50	0.00	0.00	2.50
JPN-22598	Closed	0.27	0.24	0.00	0.03

Status of Projects in Execution - FY05



Project Name (ID): Biodiversity and Natural Resource Management (P044175)

Country: Turkey

Board Approval Date: 06/13/2000

Midterm Review Date: 10/29/2003

Closing Date: 12/31/2006

Loan/Credit/Grant Number: MULT-29051, WBTF-23556

Sector(s): Central government administration (58%), Other domestic and international trade (21%), Other social services (21%)

Theme(s): Biodiversity (P), Environmental policies and institutions (P), Participation and civic engagement (P), Land administration and management (S), Export development and competitiveness (S)

Project Development Objectives:

The project's global objective is to sustainably conserve the biological diversity and ecological integrity of selected forest, wetland, steppe and alpine ecosystems that are representative of Turkey's four major biogeographical zones, which include the Black Sea and Caucasian mountain region, the Central Anatolian plateau, and the European and Mediterranean regions.

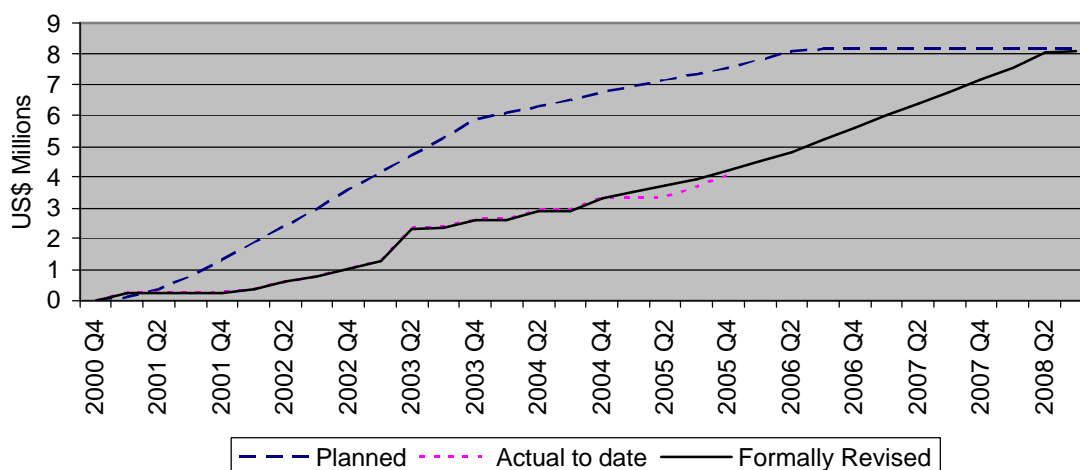
The project's development objective is to establish effective intersectoral, participatory planning and sustainable management of protected areas and natural resources at four selected biodiversity conservation demonstration sites and build capacity at the national level to facilitate replication of these activities at priority conservation sites throughout Turkey.

Progress toward achieving development objective(s):

Participatory protected area management plans are in the process of being completed at sites in Sultan sazligi, Koprulu kanyon, Igneada and Camili. Replication sites have been identified and steps are underway to build on the experience in the initial project sites in other priority areas.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-29051	Closed	0.35	0.35	0.00	0.00
WBTF-23556	Effective	8.19	4.07	4.12	0.00



Project Name (ID): National Transmission Grid (P048852)

Country: Turkey

Board Approval Date: 06/11/1998

Midterm Review Date: 07/02/2004

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IBRD-43440, IBRD-43441, JPN-29667

Sector(s): Power (99%), Sub-national government administration (1%)

Theme(s): Infrastructure services for private sector development (P), Other urban development (P), Regulation and competition policy (P), Pollution management and environmental health (S)

Project Development Objectives:

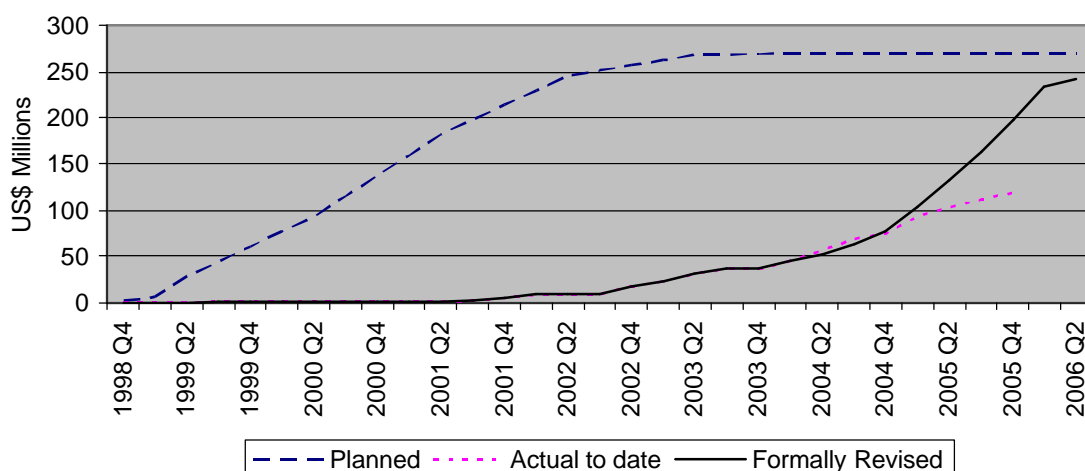
The project development objectives are to: (a) implement the new Electricity Market Law and the restructuring of the power sector; (b) establish TEIAS as an efficient, low cost transmission company, technical and market system operator; (c) develop adequate transmission capacity in a timely and environmentally sustainable manner; and (d) establish the financial viability of TEIAS.

Progress toward achieving development objective(s):

The project will likely achieve development objectives. The principal sector reform and system efficiency objectives have been met. Other key achievements include: a) implementation of the Electricity Market Law, b) restructuring of the power sector, c) the establishment of TEIAS as an efficient and financially viable transmission system operator, and, d) the reduction of losses in the national transmission system. Investments financed by the project have been going well, except for transmission line investments where delays have been encountered due to land acquisition and contract disputes. These disputes are being partially addressed even as steps are being taken to speed up land acquisition contract processing.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-43440	Effective	250.00	116.41	112.77	20.82
IBRD-43441	Effective	20.00	2.51	3.83	13.66
JPN-29667	Closed	0.76	0.76	0.00	0.01



Project Name (ID): Second Basic Education (P059872)

Country: Turkey

Board Approval Date: 07/16/2002

Closing Date: 02/28/2006

Loan/Credit/Grant Number: IBRD-46710

Sector(s): Primary education (65%), Secondary education (28%), Pre-primary education (5%), Central government administration (1%), Sub-national government administration (1%)

Theme(s): Education for all (P), Education for the knowledge economy (P), Rural services and infrastructure (S), Access to urban services and housing (S)

Project Development Objectives:

The objective is to increase coverage and improving quality of basic education among low income and disadvantaged groups.

The Project was restructured during the 2005 Fiscal Year

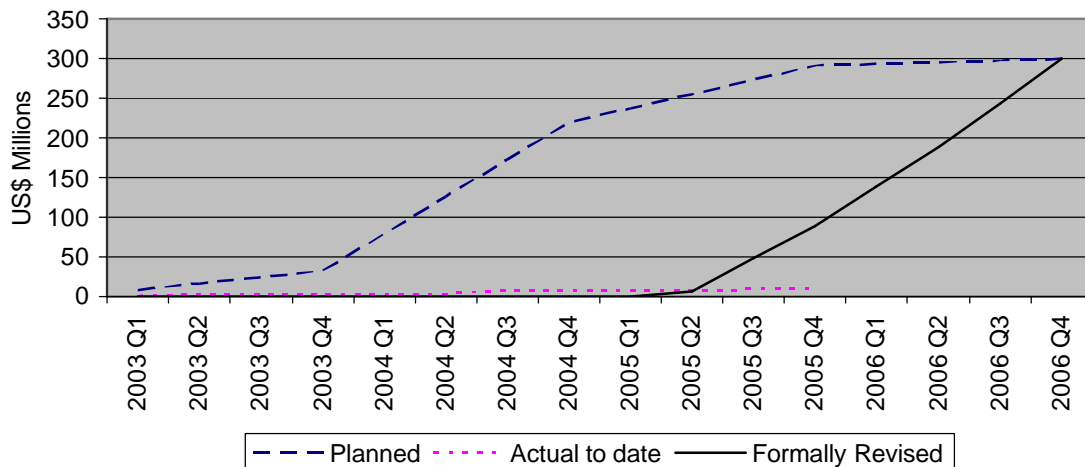
The project was restructured to permit and promote provincial-level implementation of civil works and acquisition of educational materials.

Progress toward achieving development objective(s):

The project is not expected to achieve its objectives because of major delays encountered during implementation. Such delays have been attributed to serious procurement-related problems, the poor quality of technical project documents produced, ineffective project management, and other bureaucratic delays in the government. However, the project was recently restructured to allow for implementation of provincial-level civil works.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46710	Effective	300.00	8.54	291.46	0.00



Project Name (ID): Second Ozone Depleting Substances Phaseout (P038404)

Country: Turkey

Board Approval Date: 10/05/1995

Closing Date: 12/31/2007

Loan/Credit/Grant Number: WBTF-21942

Sector(s): General industry and trade (97%), Other social services (3%)

Theme(s): Pollution management and environmental health (P), Small and medium enterprise support (S)

Project Development Objectives:

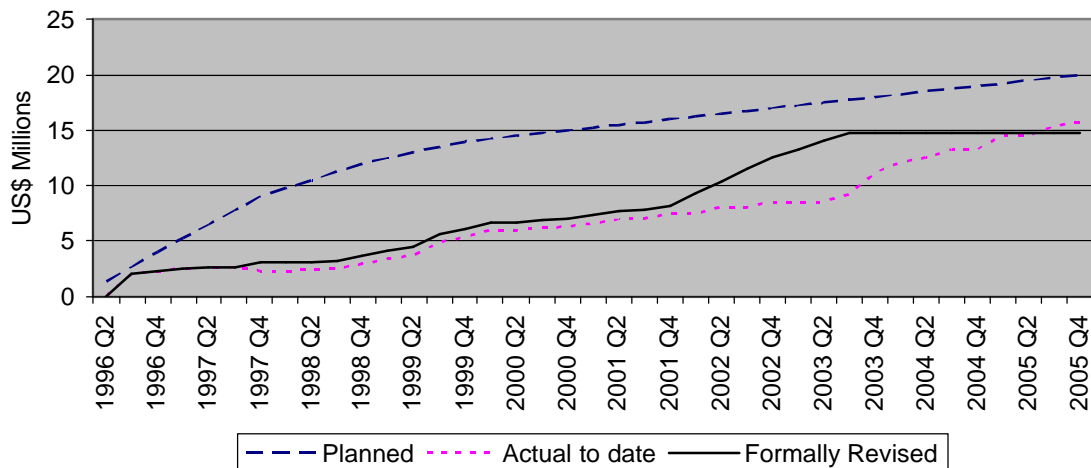
The project objective is to assist industries using Ozone Depleting Substances (ODS) to effectively phase out ODS use.

Progress toward achieving development objective(s):

The project is on track to meet its development objective. Turkey has been phasing out ODS successfully, and has been doing so on an accelerated pace in some areas. The pilot effort to convert to non-ODS technology in refrigeration equipment manufacturing and foam producing and methyl bromide sectors has been very successful. This success has led other countries to emulate the pilot.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
WBTF-21942	Effective	20.00	15.71	4.29	0.00



Project Name (ID): Secondary Education (P066149)
Country: Turkey
Board Approval Date: 03/15/2005
Closing Date: 05/31/2010
Loan/Credit/Grant Number: IBRD-47670, JPN-26143
Sector(s): Secondary education (50%), Vocational training (33%), Central government administration (17%)
Theme(s): Education for the knowledge economy (P), Education for all (S)

Project Development Objectives:

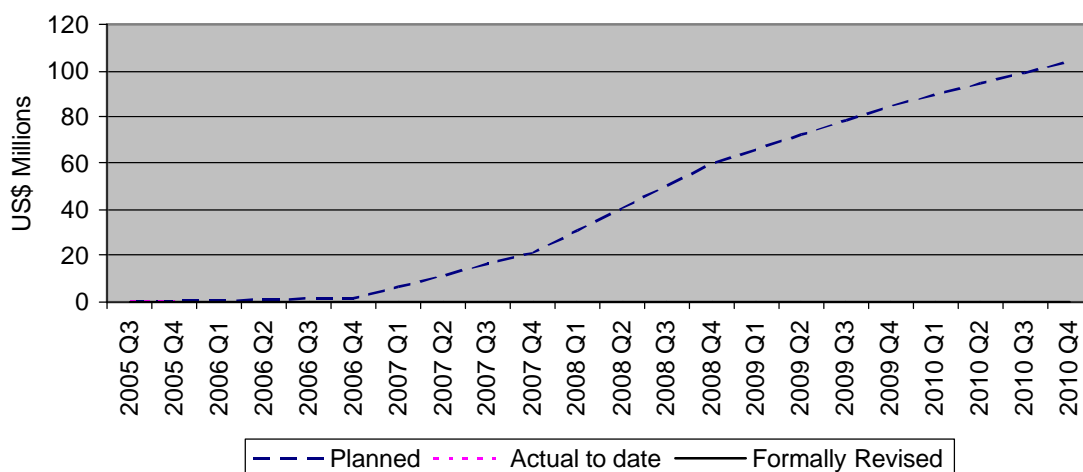
The objective is to improve the quality, economic relevance, and equity of the secondary education to support lifelong learning.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47670	Not Effective	96.49	0.00	96.49	0.00
JPN-26143	Closed	0.29	0.03	0.00	0.26



Project Name (ID): Marmara Earthquake Emergency Reconstruction (P068368)

Country: Turkey

Board Approval Date: 11/16/1999

Midterm Review Date: 09/14/2003

Closing Date: 05/31/2006

Loan/Credit/Grant Number: IBRD-45170

Sector(s): Housing construction (47%), Central government administration (25%), Non-compulsory pensions, insurance, and contractual savings (25%), Law and justice (2%), Health (1%)

Theme(s): Natural disaster management (P), Law reform (P), Health system performance (P), Land administration and management (P), Non-communicable diseases and injury (S)

Project Development Objectives:

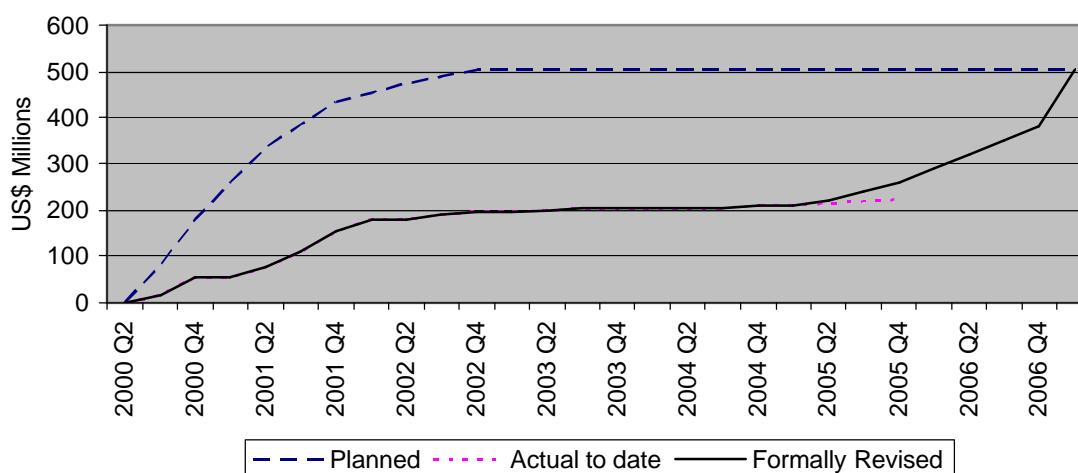
The main objectives are to help restore the living conditions in the region of Turkey that was affected by the August 17, 1999 Marmara earthquake, support economic recovery and resumption of growth, and develop an institutional framework for disaster risk management and mitigation.

Progress toward achieving development objective(s):

The housing reconstruction of about 12,000 urban and rural housing units is completed. The necessary on-site and off-site infrastructure financed by the European Investment Bank (EIB) is in place. The insurance program launched under the project is recognized as a successful model for the financial preparedness of a disaster prone country against catastrophic events. The cadastre, land management, and trauma components are progressing well. The Turkish Emergency Management Agency (TEMAD) was established, and the design of a new state of the art national emergency command center has started.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45170	Effective	505.00	223.41	281.59	0.00



Project Name (ID): Privatization Social Support (P069894)

Country: Turkey

Board Approval Date: 12/21/2000

Midterm Review Date: 05/08/2003

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-45870

Sector(s): Agro-industry (59%), General energy (15%), General industry and trade (10%), Other social services (9%), Petrochemicals and fertilizers (7%)

Theme(s): State enterprise/bank restructuring and privatization (P), Improving labor markets (P), Vulnerability assessment and monitoring (P)

Project Development Objectives:

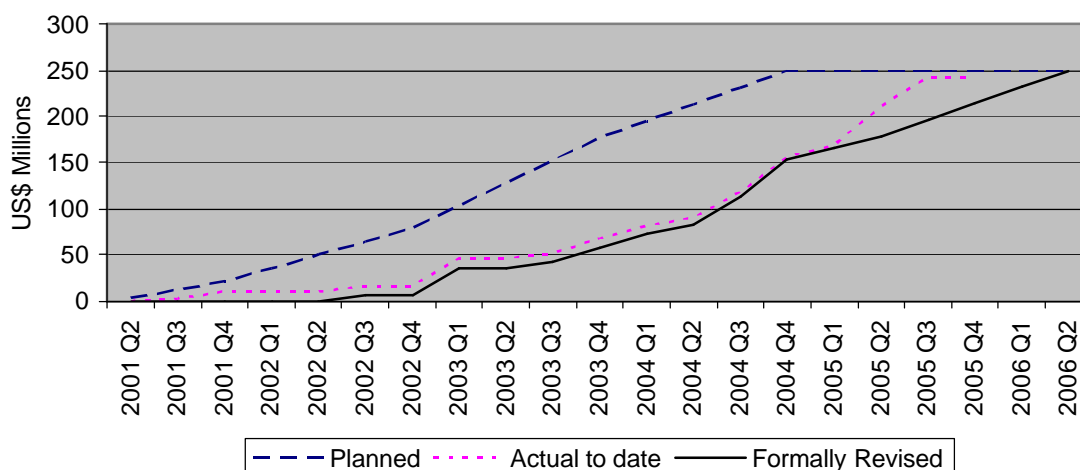
The objective is to support the Government's privatization program to mitigate the negative social and economic impact of the privatization of state-owned enterprises (SOE), to monitor the social impact of the Economic Reform Program, and to introduce improved Labor Redeployment Services.

Progress toward achieving development objective(s):

The project has achieved its development objectives and will close as scheduled. A total of 43 State-owned enterprises (SOE) have been privatized, and 18,023 civil servants were eligible to receive severance pay. The Economic Reform Program and/or privatization process expedited workers' reentry into the labor market by providing a range of labor redeployment services to 32,000 laid-off workers. An assessment to estimate workers' economic status, needs and displaced coping strategies by privatization is being done. The Government is designing criteria for labor redeployment services to focus on effective services for different client groups.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45870	Effective	250.00	242.79	7.21	0.00



Project Name (ID): Agricultural Reform Implementation (P070286)
Country: Turkey
Board Approval Date: 07/12/2001
Closing Date: 12/31/2007
Loan/Credit/Grant Number: IBRD-46310
Sector(s): Crops (65%), Agricultural marketing and trade (25%), Central government administration (10%)
Theme(s): Rural policies and institutions (P), Debt management and fiscal sustainability (P), State enterprise/bank restructuring and privatization (S), Land administration and management (S)

Project Development Objectives:

The objective is to help implement the agricultural reform program, which aims to: a) dramatically reduce artificial incentives and government subsidies and b) provide incentives to agriculture and agro-industry producers to increase productivity. At the same time, the project is designed to mitigate potential short-term adverse impacts of subsidy removal and facilitate the transition to efficient production patterns.

The Project was restructured during the 2005 Fiscal Year

The Project Development Objectives were not changed, but the scope of the Farmers Transition was altered significantly. Under this component, the Alternative Crops sub-component was reduced by almost 75%, with the corresponding funds re-programmed for sub-components for land consolidation, village-based participatory investments, and agri-environment measures.

Progress toward achieving development objective(s):

Substantial progress is being made in all areas. The policy objectives of the reform program are beginning to impact on growth prospects in the sector, and efforts to continue reducing the distortive effects of subsidies are continuing (particularly through the submission of the Agriculture Framework Law to the Parliament). Net growth (minus subsidies) in the sector has been averaging seven percent over the past two years. Should such growth average five percent over the next three years, the project's target of 28 billion YTL in revenues will be reached. The potential adverse impact of subsidy removal is being mitigated by the direct income support system and restructuring activities that are ongoing. The levels of such support and restructuring activity are as expected.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46310	Effective	600.00	331.29	268.71	0.00

Project Name (ID): Anatolia Watershed Rehabilitation (P070950)

Country: Turkey

Board Approval Date: 06/01/2004

Closing Date: 06/30/2012

Loan/Credit/Grant Number: IBRD-47410, IBRD-P3970

Sector(s): General agriculture, fishing, and forestry (50%), General water, sanitation and flood protection (15%), Agro-industry (13%), Irrigation and drainage (13%), Central government administration (9%)

Theme(s): Other environment and natural resources management (P), Other rural development (P), Pollution management and environmental health (P), Environmental policies and institutions (S), Regional integration (S)

Project Development Objectives:

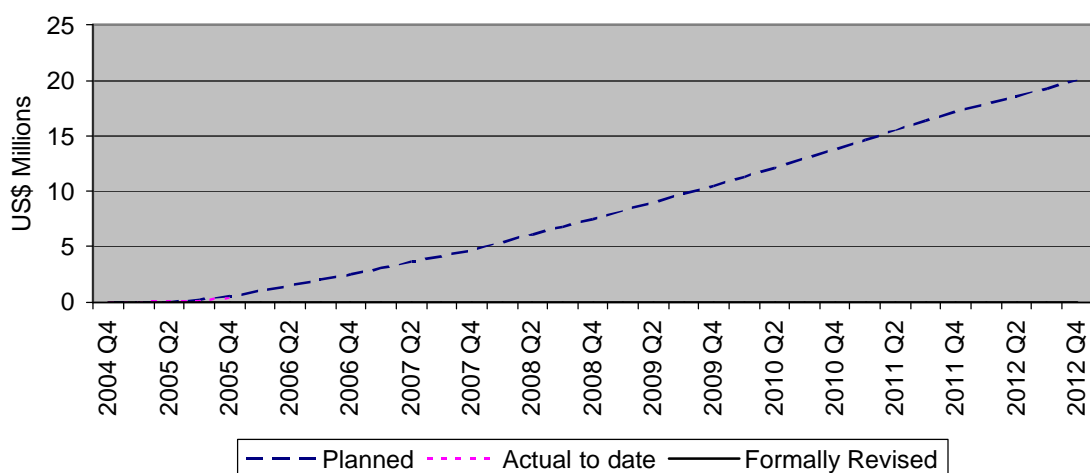
The project's overall development objective is to support sustainable natural resource management practices in 28 microcatchments in Anatolia and Turkey's Black Sea Region and thereby raise incomes of communities affected by resource degradation.

Progress toward achieving development objective(s):

The project became effective six months ago and was formally launched in April 2005. Microcatchment plans have been completed for the first year's operations, and work in implementing these plans is underway. Agricultural waste management facilities are under construction in pilot sites.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47410	Effective	20.00	0.35	19.55	0.10
IBRD-P3970	Closed	0.28	0.01	0.00	0.27



Project Name (ID): Renewable Energy (P072480)

Country: Turkey

Board Approval Date: 03/25/2004

Closing Date: 06/30/2010

Loan/Credit/Grant Number: IBRD-72210, JPN-51629

Sector(s): Renewable energy (50%), Micro and SME finance (40%), Central government administration (10%)

Theme(s): Climate change (P), Other financial and private sector development (P), Legal institutions for a market economy (P), Water resources management (S)

Project Development Objectives:

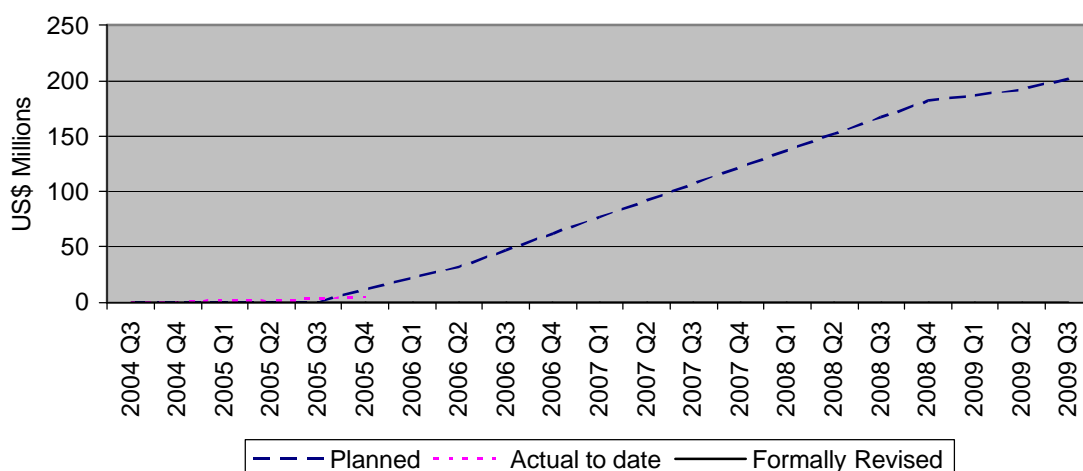
The objective is to increase privately owned and operated distributed power generation from renewable sources, without the need for government guarantees, within the market-based framework of the new Turkish Electricity Market Law.

Progress toward achieving development objective(s):

The project has started well during its first year of implementation. The legal framework has been further enhanced by the passage of the Renewable Energy Law in May 2005. In addition, intermediary banks have made good progress in committing loan funds to sponsor renewable energy projects.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72210	Effective	202.03	4.69	196.33	1.01
JPN-51629	Closed	0.48	0.43	0.00	0.05



Project Name (ID): Health Transition (P074053)

Country: Turkey

Board Approval Date: 05/20/2004

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IBRD-47370, JPN-51884

Sector(s): Central government administration (60%), Health (30%), Compulsory health finance (10%)

Theme(s): Health system performance (P), Non-communicable diseases and injury (S), Administrative and civil service reform (S)

Project Development Objectives:

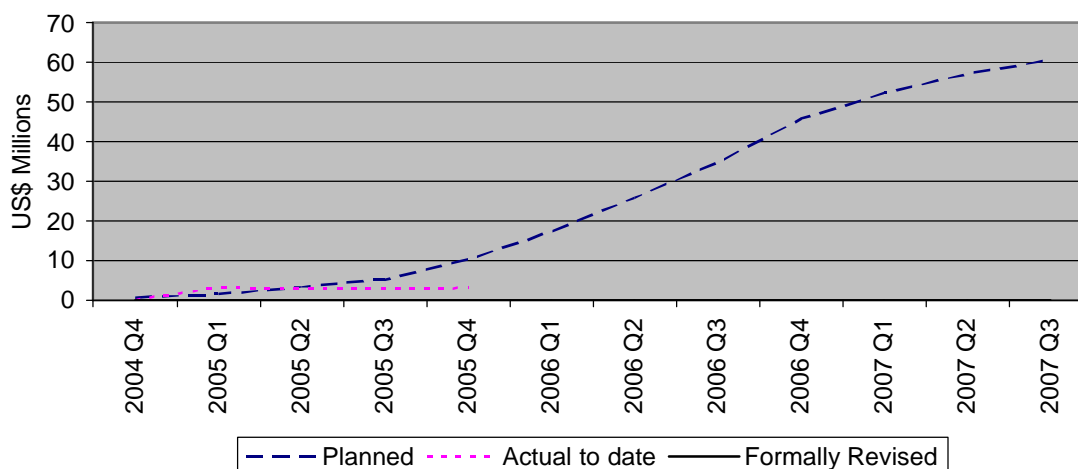
The objective is to enable the Government to strengthen the institutional environment for the implementation of its Program for Transformation in Health that will improve system stewardship, streamline financing and service delivery, and build the institutional capacity to extend health insurance coverage to the whole population in a fiscally sustainable manner.

Progress toward achieving development objective(s):

There has been considerable progress developing the legislative framework underlying the proposed Transformation in Health. In terms of specific objectives of the project (a) there is progress restructuring the Ministry of Health;(b) the Social Security Institution law reform, to establish the Universal Health Insurance Fund is scheduled to pass in the National Assembly in September 2005, and become effective by January 2007; (c) following a successful pre-pilot in one district in Turkey, the Family Medicine Pilot law is enacted, and will be launched shortly in 4 provinces,; (d) some progress has been made on hospital harmonization towards autonomy; and (v) the development of a computerized health and social security information system is underway.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47370	Effective	59.58	2.98	56.34	0.30
JPN-51884	Closed	0.80	0.46	0.00	0.34



Project Name (ID): Social Risk Mitigation (P074408)

Country: Turkey

Board Approval Date: 09/13/2001

Closing Date: 06/30/2006

Loan/Credit/Grant Number: AID-54459, IBRD-46380, JPN-26884

Sector(s): Other social services (74%), General education (12%), Health (6%), Central government administration (4%), General industry and trade (4%)

Theme(s): Education for all (P), Social analysis and monitoring (P), Improving labor markets (P), Social safety nets (P), Small and medium enterprise support (P)

Project Development Objectives:

The objective is to mitigate the impact of the 2001 economic crisis on poor households and to improve their capacity to cope with similar risks in the future.

Progress toward achieving development objective(s):

Great progress has been made towards achieving development objectives. Institutional development has been completed for the State Institute of Statistics and is well underway for the Social Solidarity Fund. Conditional cash transfers were made to 1.35 million beneficiaries as of March 2005 (beyond original estimates). Up to 1.5 million beneficiaries are expected to receive cash transfers by the end of the project. Over 2500 local initiative sub-projects have been approved and/or completed and another 3500 new applications are being processed.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
AID-54459	Effective	8.82	0.00	8.82	0.00
IBRD-46380	Effective	500.00	276.69	223.31	0.00
JPN-26884	Closed	0.58	0.13	0.00	0.45

Project Name (ID): Railways Restructuring (P077328)

Country: Turkey

Board Approval Date: 06/09/2005

Closing Date: 09/30/2009

Loan/Credit/Grant Number: IBRD-47870, JPN-53200

Sector(s): Railways (100%)

Theme(s): Infrastructure services for private sector development (P), Other public sector governance (S), Trade facilitation and market access (S)

Project Development Objectives:

The overall objective is to support the Borrower's implementation of the Program over the four year period 2005-2009, to improve productivity and effectiveness of railway operations and to assist General Directorate of State Railways Administration (TCDD) in reaching a financially sustainable situation and reduce the fiscal burden TCDD represents for the Borrower.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47870	Not Effective	173.32	0.00	173.32	0.00
JPN-53200	Closed	0.70	0.70	0.00	0.00

Project Name (ID): Seismic Risk Mitigation (P078359)

Country: Turkey

Board Approval Date: 05/26/2005

Closing Date: 09/30/2010

Loan/Credit/Grant Number: IBRD-47840, JPN-52686

Sector(s): Sub-national government administration (40%), Other social services (20%), Health (20%), General education (20%)

Theme(s): Natural disaster management (P), Municipal governance and institution building (S), Participation and civic engagement (S)

Project Development Objectives:

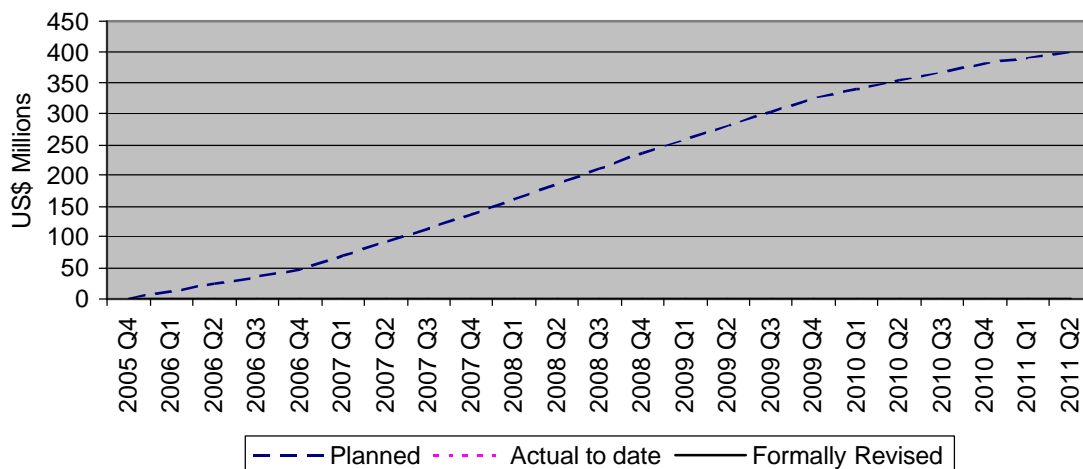
The specific objective of the project is to improve the city of Istanbul's preparedness for a potential earthquake through enhancing the institutional and technical capacity for disaster management and emergency response, strengthening critical public facilities for earthquake resistance, and supporting measures for better enforcement of building codes and land use plans.

Progress toward achieving development objective(s):

The project was not effective by the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47840	Not Effective	373.91	0.00	373.91	0.00
JPN-52686	Effective	0.93	0.61	0.32	0.00



Project Name (ID): Municipal Services (P081880)

Country: Turkey

Board Approval Date: 06/23/2005

Closing Date: 06/30/2010

Loan/Credit/Grant Number: IBRD-73120, JPN-53127

Sector(s): Water supply (43%), Sewerage (33%), Solid waste management (16%), Sub-national government administration (8%)

Theme(s): Pollution management and environmental health (P), Other urban development (P)

Project Development Objectives:

The objective is to support sustainable environmental services in selected municipalities.

Progress toward achieving development objective(s):

The project is not effective.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73120	Not Effective	256.79	0.00	256.79	0.00
JPN-53127	Effective	0.50	0.22	0.28	0.00

Project Name (ID): Second Export Finance Intermediation (P082801)

Country: Turkey

Board Approval Date: 01/13/2004

Closing Date: 09/30/2009

Loan/Credit/Grant Number: IBRD-72130

Sector(s): Banking (35%), Micro and SME finance (35%), Other domestic and international trade (30%)

Theme(s): Small and medium enterprise support (P), Export development and competitiveness (P), Other financial and private sector development (S)

Project Development Objectives:

The project objective is to continue to serve as a catalyst to support export and real sector growth in Turkey.

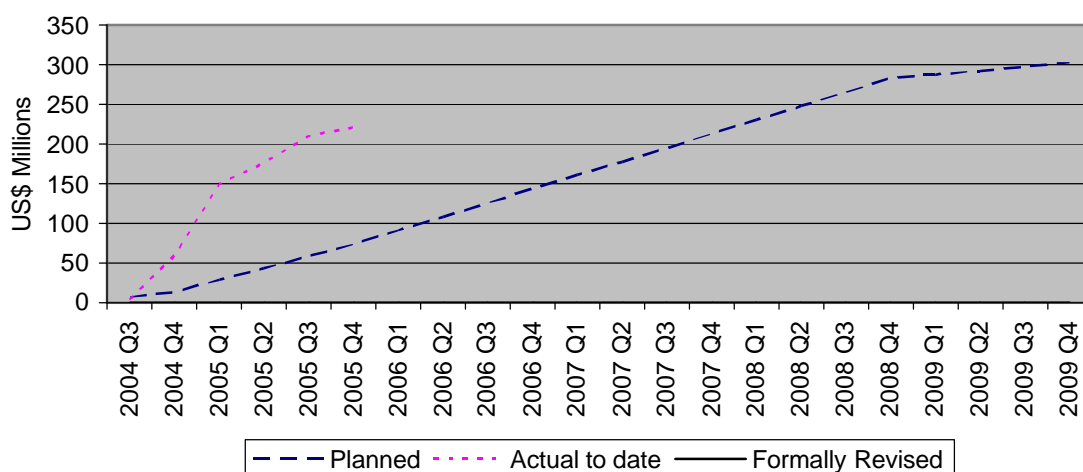
Progress toward achieving development objective(s):

The project served as a strong catalyst for export sector growth and financial sector development in Turkey, financing by the end of FY05 210 sub-projects of Turkish exporters, for a total amount of \$233 million, and creating around 3,500 new jobs. The project registered a strong developmental outreach by financing the sub-projects of a diverse set of exporters in terms of their size, industry, and geographic location. The exports of project participants grew at a much faster pace (around 82%) than the overall Turkish exports (33% growth).

Just after the end of FY05, four out of five banks participating in the project and the four original participating leasing companies had been majority- or fully-acquired, directly and indirectly, by foreign banks. The switch to foreign ownership indicates the good performance and creditworthiness of these groups, brought about to a certain extent by their participation in the World Bank projects.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72130	Effective	303.10	228.10	75.00	0.00



Project Name (ID): Third Programmatic Financial and Public Sector Adjustment (P082996)

Country: Turkey

Board Approval Date: 06/17/2004

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-72330

Sector(s): Central government administration (45%), Banking (45%), Law and justice (10%)

Theme(s): Public expenditure, financial management, and procurement (P), State enterprise/bank restructuring and privatization (P), Tax policy and administration (S), Macroeconomic management (S), Administrative and civil service reform (S)

Project Development Objectives:

The objective is to support the implementation of the government's financial and public sector reform priorities of strengthening the banking sector, improving the corporate insolvency regime, undertaking sustainable fiscal adjustment, improving public expenditure management, and strengthening public sector governance, while ensuring that social programs are adequately funded and increasingly better targeted.

Progress toward achieving development objective(s):

During the year, the Government made significant progress on implementing the reforms supported under the second tranche conditions. It is expected that the remaining conditions will be completed prior to the revised closing date of end December 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72330	Effective	1,000.00	500.00	500.00	0.00

Project Name (ID): Third Export Finance Intermediation (P093568)

Country: Turkey

Board Approval Date: 05/17/2005

Closing Date: 06/30/2010

Loan/Credit/Grant Number: IBRD-72950

Sector(s): Banking (40%), Micro and SME finance (30%), Other domestic and international trade (30%)

Theme(s): Small and medium enterprise support (P), Export development and competitiveness (P), Other financial and private sector development (S)

Project Development Objectives:

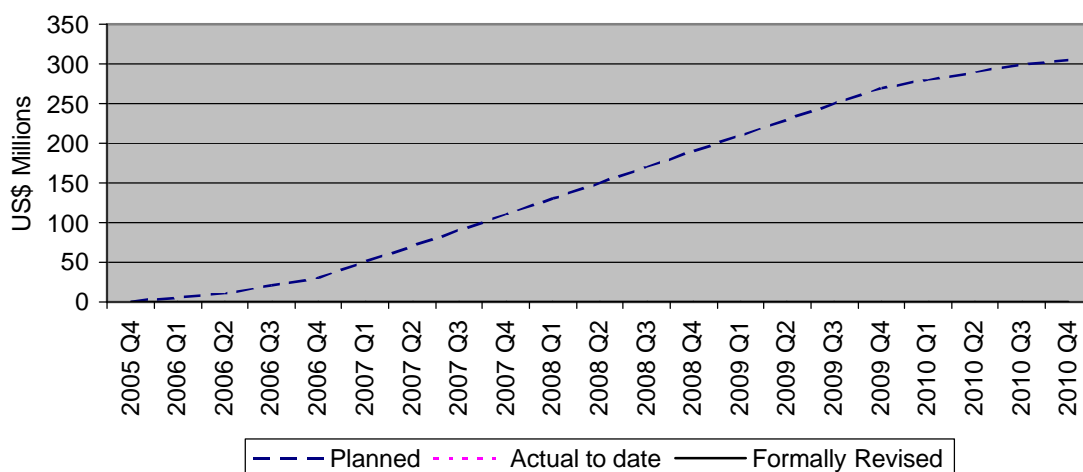
The objectives of the project are: (i) to provide medium and long-term working capital and investment finance to private exporters, and contribute to further facilitating export growth in Turkey; and (ii) to improve the quality, safety of, and access to finance.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period. However, strong interest among Turkish exporters for medium and long-term funding, which the project's credit line would provide, indicates good prospects for successful implementation of the project. Prospective banks and leasing companies have already been lined-up in anticipation of effectiveness.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72950	Not Effective	298.04	0.00	298.04	0.00



Project Name (ID): Second Privatization Social Support (P094167)

Country: Turkey

Board Approval Date: 06/14/2005

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IBRD-47910

Sector(s): Compulsory pension and unemployment insurance (94%), Central government administration (3%), Other social services (1%), General industry and trade (1%), General education (1%)

Theme(s): Improving labor markets (P), Social risk mitigation (S), Education for the knowledge economy (S), Small and medium enterprise support (S), Social analysis and monitoring (S)

Project Development Objectives:

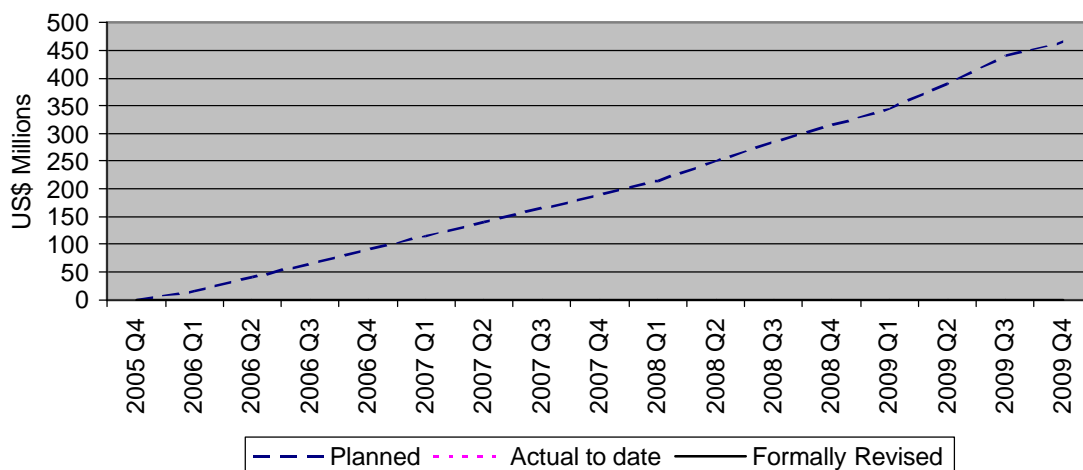
The objective is to support the Government privatization program through mitigating the negative social and economic impact of the privatization of state-owned enterprises (SOE).

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47910	Not Effective	434.21	0.00	434.21	0.00



Project Name (ID): Energy Community of South East Europe APL 2 (P094176)

Country: Turkey

Board Approval Date: 04/01/2005

Closing Date: 12/31/2010

Loan/Credit/Grant Number: IBRD-47720

Sector(s): Power (100%)

Theme(s): Regulation and competition policy (P), Regional integration (S)

Project Development Objectives:

The objective of the project is to support the implementation of the investment programs of the Turkish Electric Transmission Corporation (TEIAS) including: (a) creation of a market management system for the management of the electricity market; (b) strengthening supervisory control and data acquisition/energy management system to enable TEIAS to operate more efficiently; and (c) provision of transmission grid strengthening and expansion for overall stability.

Progress toward achieving development objective(s):

The project was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47720	Not Effective	61.03	0.00	61.03	0.00

