

*Turkey And the State of Kuwait
Partners In Development*



Kuwait Fund For Arab Economic Development

www.kuwait-fund.org



P.O.Box: 2921 Safat, Kuwait 13030

Tel: (965) 2999802 - (965) 2999000

Fax: (965) 2999891

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Loans Table 1

Loans for Turkey to 30 June 2008			
Sl. No.	Project Name	Agreement Sign Date	Million U.S \$
1	Bosphorus Transmission Line Crossing	01/05/1979	9,059
2	Istanbul Main Water Transmission Pipeline	21/01/1980	9,541
3	Izmir Water Supply	21/04/1983	20,212
4	Rehabilitation of Two Section of Trans Turkey Highway	21/04/1983	14,065
5	Rehabilitation of Urfa Akinci Sector of the Trans Turkey Highway	16/05/1984	17,500
6	Turkey Railway	24/04/1986	20,210
7	Rehabilitation and Extension of the Water Network of Greater Ankara	15/06/1987	20,043
8	Greater Istanbul Water Supply Yesilcay System	21/06/1993	82,313
9	Greater Istanbul Water Supply (Yesilcay System) Project	22/12/1999	65,938
10	Reconstruction and Development of Earthquake Affected Regions	19/02/2001	56,000
11	The Reconstruction and Development of Earthquake Affected Regions (Sewerage Project)	26/09/2002	26,950
12	Supplementar loan for Financing the Reconstruction and Development of Roads	09/11/2005	29,750
Total			371,581

Kuwait Fund Operations in the Republic of Turkey

This is an overview of the activities of the Kuwait Fund for Arab Economic Development in the Republic of Turkey. These activities date back to May 1st ,1979 when the Fund extended its first loan to the Republic of Turkey to finance the Bosphorus Transmission Line Crossing Project. The Kuwait Fund takes great pride in facilitating the financing of such an important project, which represents the Fund's first involvement in developing projects in Turkey. In continuing the relations between the Kuwait Fund and the Republic of Turkey, both parties proceeded to further cooperation for the reconstruction and development of many sectors in Turkey. Since then the number of loans (as shown in **Table 1**) reached **12** loans. The total value of these loans amounted to **US\$ 371.5** million to finance priority projects in various sectors. The projects are varied between setting up lines for laying pipes , setting up drinking water distribution networks at several cities , constructing railways and repairing roads. (Brief information of some of these projects is shown in **Table 2**).

It is also worth mentioning that Turkey has also benefited from the Funds recent involvement in financing projects in social developments sectors, such as contributing in the program of reconstruction and developing damaged areas from the earthquake through two loans, one of them in 2001 amounted to **US\$ 56** million. The second loan, in 2002, amounted to **US\$ 26.9** million. The loans were made in pursuance of the financial program approved by the Cooperation Council of the Arab Gulf States to assist in funding the aforementioned Reconstruction and Development Program. This financial program involves the provision of an amount of **US\$ 400** million, which is being allocated for financing a number of projects. The participation of the State of Kuwait in the program amounts to a total of **US\$132** million and is being undertaken by the Kuwait Fund for Arab Economic Development who already made the above mentioned two loans to assist in financing the projects falling within the above mentioned Reconstruction and development Program.

Besides providing loans to finance projects, the Kuwait Fund has also extended a technical assistance to finance a feasibility study for Izmir and Ankara Water Supply Project, which has been financed by the Fund in 1983 and successfully completed in accordance with its implementation schedule as indicated earlier.

The Kuwait Fund and the government of Turkey have expressed their mutual intention to carry out further cooperation by implementing developing projects, each according to their priority determined by the government of Turkey and by total commitment of the Kuwait Fund for Arab Economic Development.



3. Greater Istanbul Water Supply (Yesilcay System) - Phase 1

To convey 145 million m³/year of water to Greater Istanbul from the vicinity of the Yesilcay Town situated about 80 KM to the east. The project will also be cross-connected to Buyuk Melen System.

4. Greater Istanbul Water Supply (Yesilcay System) - Phase 2

To meet the increasing demand for potable water in Greater Istanbul by making available 145 million m³/year of additional water and thus will help to ensure the continuity of supply in greater Istanbul area and further improve the potential for economic development in the area. The Project involves the construction of two weirs in Canak and Goksu Rivers in the vicinity of Yesilcay for the diversion of water, in addition to a conveyance canal and pipeline and some necessary tunnels. It also includes the construction of a water treatment plant with a capacity of about 500,000 m³/day at Omerly as well as all other necessary and ancillary works and provision of consulting engineering services



1. Turkey Railway Project:

To increase the capacity of the Istanbul-Ankara and Istanbul-Kapikule Railway Lines. It Comprises the following main components

- 1. Modernization and part renewal of the signaling system of the Istanbul - Ankara Line and the installation of the new signaling system on the Istanbul - Kapikule Line*
- 2. Renewal and extension of the signaling system of the Ankara-Sincan Line.*

- 3. Renewal and Modernization of the Centralised Traffic Control Centres at Ankara, Eskisehir and Istanbul.*

- 4. Installation of automatic train stop system on the Istanbul - Ankara Line.*

- 5. Construction of buildings and procurement of machinery and equipment for the Cankiri rkshop.*

2. Rehabilitation and Extension of the Water Network of Greater Ankara

To efficiently satisfy the demand on potable water by rehabilitating the existing distribution network and extending it to cover approximately 17 main districts of Greater Ankara.

Table 2

Sectoral Distribution of Loans as of 30 June 2008

35.84%	Transportation
23.67%	Energy
12.98%	Agriculture
8.37%	Industry
9.83%	Water & Sewerage
2.58%	Communication
3.26%	Dev. Banks
2.52%	Social
0.95%	Others



Geographical Distribution of Loans as of 30 June 2008

53.84 %	Arab Countries
10.16 %	West African Countries
7.35 %	Central, South & East African countries
19.66 %	East, South Asia & the Pacific Countries
6.39 %	Central Asia & Europe Countries
2.60 %	Latin America & the Caribbean Countries



LOANS COMMITMENT PROFILE AS OF 30 June 2008	Million U.S \$
Statutory Capital	6600
Loans Commitment	14146
Total Disbursements of Loans	11449
Total Repayments of Loans	64225
Amount of Kuwait Fund Grants	313
Amount of Technical Assistance	35
Amount of Technical Assistance	756
Number of Loans	739
Number of Beneficiary Countries (Loans)	101
Number of Kuwait Fund Grants	159
Number of Technical Assistance	44
Number of Kuwait Government Grants	34
Number of of Beneficiary & institutions (K.F. Grants)	73
Number of of Beneficiary & institutions (Tech. Assistance)	35
Number of of Beneficiary & institutions (Kuwait Govt. Grants)	23

Table 3

Countries	Number of Loans	Loan Commitments U.S \$ (million)
Arabic Countries	282	7617
West African Countries	128	1438
Central, South & East Africa Countries	98	1039
East, South Asia & the Pacific Countries	143	2781
Central Asia and Europe Countries	51	903
Latin America & the Caribbean Countries	37	368
Total	739	14146

5. Reconstruction and Development of Earthquake Affected Regions Program (Road Project)

To Support the resettlement program for earthquake affected people, by providing the necessary road transport infrastructure to link the permanent housing areas in Istanbul and Kocaeli Region with the Local and National road networks, and to meet the increased demand on road transport on the main roads in the Region.

6. Reconstruction and Development of Earthquake Affected Regions Program (the Sewerage Project)

To protect public health and the environment in the project area situated on the south eastern shores of Marmara Sea, which area along other areas suffered from the earthquake of 1990 which took its toll of human lives and caused considerable damage to infrastructure, including some of the sewerage structures.