

TURKEY AND THE STATE OF KUWAIT



Kuwait Fund For Arab Economic Development

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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 assist in financing the Electricity Transmission Line Across Phosphorus Trait Project. The Kuwait Fund takes great pride in facilitating the financing of this important Project, which represents the Fund's first involvement in supporting developmental projects in Turkey. In pursuance of mutual cooperation between the Fund and the Republic of Turkey, the two sides proceeded to further and closer cooperation for the reconstruction and development of many sectors in Turkey. Since then the number of loans (as shown in Table (1)) reached 11 loans. The total value of these loans amounted to US Dollars 331 million and 693 thousand to finance priority projects in various sectors. The projects are varied between setting up lines for laying pipes and setting up drinking water distribution networks at several cities and 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 the social development sector's projects when it contributed in the program of reconstruction and development of the areas sustained damages from the earthquake through two loans one of them in 2001 amounting to Us Dollars 53 million and 440 thousand. The second loan in 2002 amounting to US Dollars 25 million and 718 thousand. The loans were made in pursuance of the Financing program approved by the Cooperation Council of the Arab Gulf States to assist in funding the aforementioned Reconstruction and Development Program. The said financing 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 said financing program is of the amount of UD\$132 million and is being undertaken by 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 the projects the Fund 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.

Both sides already expressed their mutual intention to carry out further cooperation on the implementation of development projects with the participation of Kuwait Fund, on the basis of the priorities determined by the Government of Turkey, and in the light of the overall commitment of Kuwait Fund for Arab Economic Development.

TABLE (1)

Loans for Turkey to 1st July 2004

Sl. No.	Project Name	Agreement Sign Date	Loans Amt. US\$
1	Bosphorus Transmission Line Crossing	01/05/1979	8,645,229
2	Istanbul Main Water Transmission Pipeline	21/01/1980	9,105,234
3	Izmir Water Supply	21/04/1983	19,288,396
4	Rehabilitation of Two Section of Trans Turkey Highway	21/04/1983	13,422,922
5	Rehabilitation of Urfa Akinci Sector of the Trans Turkey Highway	16/05/1984	16,700,000
6	Turkey Railway	24/04/1986	19,286,376
7	Rehabilitation and Extension of the Water Network of Greater Ankara	15/06/1987	19,127,362
8	Greater Istanbul Water Supply Project Yesilcay System	21/06/1993	80,160,000
9	Greater Istanbul Water Supply (Yesilcay System) Project	22/12/1999	66,800,000
10	Reconstruction and Development of Earthquake Affected Regions	19/02/2001	53,440,000
11	The Reconstruction and Development of Earthquake Affected Regions (Sewerage Project)	26/09/2002	25,718,000
Total			331,693,519

TABLE (2)

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 Workshop.

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.

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

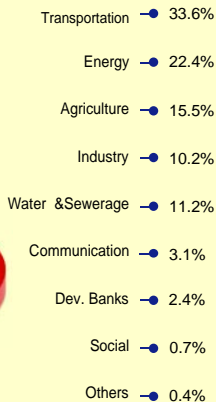
5. Reconstruction and Development of Earthquake Affected Regions Program (Road Project)

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.

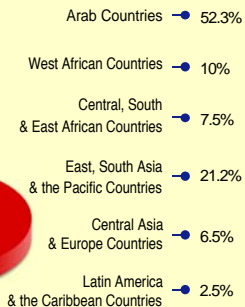
6. Reconstruction and Development of Earthquake Affected Regions Program (the Sewerage Project)

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.

Sectoral Distribution of Loans as of 1st July 2004



Geographical Distribution of Loans as of 1st July 2004



Loan Commitments as of 1st July 2004

PROFILE AS OF 1 st July 2004	Amount U.S \$ (million)
Authorised and paid up Capital:	6600
Total Reserves:	5369
Total Amount of Loan Commitments:	11168
Total Disbursements of loans:	8891
Total Repayments of loans:	4710
Total Amount of Technical Assistance (Actual):	303
Total Contributions to the Resources of Development Institutions:	955
Number of Loans:	653
Number of Beneficiary countries (loans):	100
Number of Technical Assistance (Actual):	219
Number of Beneficiary Countries and Institutions (Technical Assistance) (Actual):	83

Loan Commitments as of 1st July 2004

Countries	Number of Loans	Loan Commitments K.D. (million)	Loan Commitments U.S \$ (million)
Arabic Countries	252	1768	5949
West African Countries	112	337	1133
Central, South & East Africa Countries	87	254	855
East, South Asia & the Pacific Countries	128	711	2413
Central Asia and Europe Countries	43	223	741
Latin America & the Caribbean Countries	31	88	292
Total	653	3384	11386



KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT الصندوق الكويتي للتنمية الاقتصادية العربية

P.O. Box 2921 Safat, 13030 Kuwait 13030 2921

Tel: (965) 2999000 (965) 2999000

Fax: (965) 2999090 / 2999091 (965) 2999090 / 2999091

e-mail: info@kuwait-fund.org

Web Site: <http://www.kuwait-fund.org>