

## SBF Project Implementation Monitoring Report

### Turkey: Gas Storage Expansion Project

#### 1. Project Information

Project ID:	000062	Investment Number:	L0062A
Member:	Turkey	Region:	1
Sector:	Energy	Sub-sector:	Gas Storage
Financing Type:	<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank (IBRD)
E&S category:	A	Borrower:	Boru Hatları ile Petrol Taşıma A.Ş. (BOTAŞ)
Red Flags Assigned:	0	Monitoring Regime:	Regular
Implementing Agency:	BOTAS		
Project Team Leader:	Hari Bhaskar, Senior Investment Operations Specialist		
Project Team Members:	Giacomo Ottolini, Principal Procurement Specialist (Operations), Henri de Branche, Senior Environment Specialist (Operations)		
Completed Site Visits by AIIB:	Oct 2018, Feb 2019, Sep 2019 (by World Bank), Feb 2020 (by World Bank)		
Planned Site Visits by AIIB:	Subject to travel restrictions. Tentative Sep 2020		

#### 2. Project Summary and Objectives

The project objective is to increase the reliability and security of Turkey's gas supply by expanding underground gas storage capacity.

The project is co-financed with IBRD with AIIB and IBRD financing USD 600 million each. IBRD has already financed the original gas storage project in the same location (current project is an expansion project).

#### 3. Key Dates

Approval:	June 24, 2018	Signing:	June 27, 2018
Effective:	July 17, 2018	Restructured (if any):	N/A
Orig. Closing:	October 31, 2024	Rev. Closing (if any):	N/A

#### 4. Disbursement Summary (USD million)

a) Committed:	USD600 million	b) Cancellation (if any):	N/A
c) Disbursed:	USD129 million	d) Most recent disbursement: (amount /date)	USD5 million Mar 26, 2020
e) Undisbursed:	USD 471 million	f) Disbursement Ratio (%):	21.5%

## 5. Project Implementation Update

- All the key procurement contracts awarded (Design, supply and installation contract, supervision consultancy and ESIA and RAP monitoring consultancy). Contractors are fully mobilized at site
- Top hole drilling activities completed for 33 out of 40 wells. Fresh water and brine pipelines progress are 22% and 35% respectively with both expected to be completed by December 2020.
- Delays expected due to delays in manufacturing of parts in China and due to the delays expected in the return of Chinese staff to project site due to COVID-19 situation. The extent of delay is being assessed by BOTAS and is expected to be available in June 2020.
- Overall progress is about 18% according to the latest Aide Memoire after WB's mission in Feb 2020

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1: Tuz Golu gas storage expansion facilities (USD590 million)	11%	Please see 'Key Issues' section	Completed	BOTAS' consolidated financial statement for FY 2019 is due on May 30, 2020
Component 2: Supervision consultancy (USD8 million)	N/A	Please see 'Key Issues' section	Completed	N/A
Component 3: ESIA and RAP monitoring consultancy (USD2 million)	N/A	Please see 'Key Issues' section	Completed	N/A

## 6. Status of the Grievance Redress Mechanism (GRM)

The Client has established a GRM. So far, 83 grievances were registered, out of which 46 are closed. Most of the grievances are related to land acquisition, employment opportunities and damaged crops while other grievances relate to changing the well locations, dust and / or noise. World Bank and AIIB have requested BOTAS to organize grievance reports to enable disaggregation by resolution timeframes and categories.

## 7. Results Monitoring

Project Objective Indicators	Baseline (2018)	2019		2020		2021		2022		2023		2024		End Target (2024-25)		Others, if any
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
<b>Indicator #1:</b> Reduction of gas supply curtailments (billion cubic meter)	0	1.5	1.5	1.5	n/a	0.8	n/a	0.8	n/a	0	n/a	0	n/a	0	n/a	

<b>Indicator #2:</b> Reduction of spot LNG purchases (%)	0	0	n/a	0	n/a	0	n/a	0	n/a	4	n/a	31	n/a	67	n/a	
<b>Indicator #3:</b> Increase in gas storage capacity (billion cubic meter)	0	0	n/a	0	n/a	0	n/a	0.2	n/a	1.6	n/a	4	n/a	4.0	n/a	
<b>Intermediate Results Indicators</b>																
Results Indicators	Baseline (2018)	2019		2020		2021		2022		2023		2024		End Target (2024-25)		Others, if any
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
<b>Indicator #1:</b> Turkish consumers benefitting from gas supply (million)	14	14	15.7	15	n/a	16	n/a	16	n/a	17	n/a	17	n/a	18	n/a	
<b>Indicator #2:</b> Implementing RAP to compensate project affected persons (%)	0	0	0	100	n/a	100	n/a	100	n/a	100	n/a	100	n/a	100	n/a	
<b>Indicator #3:</b> Registered grievances addressed within the stipulated time frame (%)	0	50	*	60	n/a	70	n/a	80	n/a	90	n/a	90	n/a	90	n/a	
<b>Indicator #4:</b> Registered grievances submitted by women addressed within the stipulated time frame (%)	0	50	*	60	n/a	70	n/a	80	n/a	90	n/a	90	n/a	90	n/a	
<b>Indicator #5:</b> Number of community consultations held for women in proportion to the total number of consultations held (Ratio)	0	20	*	25	n/a	30	n/a	35	n/a	40	n/a	40	n/a	40	n/a	

**Remarks:**

\* As stated in paragraph 6 above, World Bank and AIIB have requested BOTAS to organize grievance reports to enable disaggregation by resolution timeframes and categories. This is expected to be ready in Q3 2020.