



1. Project Data :		Date Posted : 07/26/2000	
PROJ ID: P045073	OEDID: L4089	Appraisal	Actual
Project Name : Oil Pipeline Engineering Project	Project Costs (US\$M)	5.25	3.19
Country: Turkey	Loan/Credit (US\$M)	5.00	2.94
Sector, Major Sect .: Oil & Gas Transportation, Oil & Gas	Cofinancing (US\$M)		
L/C Number: L4089			
	Board Approval (FY)		97
Partners involved :	Closing Date	06/30/1998	03/31/1999
Prepared by :	Reviewed by :	Group Manager :	Group:
Kevin Warr	Fernando Manibog	Ridley Nelson	OEDST

2. Project Objectives and Components

a. Objectives

The project had three objectives :

1. Identify and evaluate technically viable and environmentally sustainable pipeline routes for the export of up to 45 million metric tons per year of crude oil from Baku in Azerbaijan to Ceyhan in Turkey
2. Conduct optimization studies of the identified routes and arrive at the most robust pipeline route and configuration
3. Recommend a realistic commercial structure and financing scheme for building and operating the selected pipeline

b. Components

The project had three components :

1. Conduct a feasibility study including conceptual design, cost estimates, economic analysis and financing scheme
2. Conduct a route survey and an environmental audit
3. Provide training to the Project Implementation Unit

c. Comments on Project Cost, Financing and Dates

The estimated cost of the project was US\$5.25 million. The actual cost was US\$3.19 million. The Bank provided a loan in the amount of US\$5.00 million, of which US\$2.94 million was disbursed. The Borrower (Government of Turkey) provided funding in the amount of US\$0.25 million. There were no other partners involved in the project. The project closed 9 months late.

3. Achievement of Relevant Objectives :

The project's objectives were achieved through the successful completion of the TA components. The feasibility study was completed and included a diameter optimization; conceptual design of pipeline, pump stations, terminal and ocean tanker loading facilities in Ceyhan; cost estimates; pipeline tariff calculation and determination of economic feasibility and a financing scheme for the proposed pipeline project. A route survey was also completed for Turkey and included several alternative routes. An environmental audit for the selected route was carried out. Staff from the Project Implementation Unit were trained in pipeline optimization techniques, route selection, environmental audits, tariff calculations and economic analysis.

4. Significant Outcomes /Impacts:

None beyond the satisfactory achievements of the project's objectives.

5. Significant Shortcomings (including non-compliance with safeguard policies):

None.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments

Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Partial	Modest	These are equivalent ratings.
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

This project highlights the potential benefits from relatively small TA loans . In this particular case, the feasibility study is for a pipeline that would carry oil from the landlocked countries of Azerbaijan, Kazakhstan and Turkmenistan to the Turkish port of Ceyhan, thus improving these countries' ability to export their crude to international markets . Therefore, the potential benefits from this small initial study could be far -reaching and cross-national.

8. Audit Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR :

The quality of the ICR is satisfactory .