



1. Project Data:		Date Posted : 06/12/2001	
PROJ ID : P009099		Appraisal	Actual
Project Name : Earthquake Reconstr	Project Costs (US\$M)	650	201.7
Country : Turkey	Loan/Credit (US\$M)	285	201.7
Sector(s) : Board: UD - General industry and trade sector (67%), General water sanitation and flood protection sec (11%), Roads and highways (11%), Health (9%), General agriculture fishing and forestry sector (2%)	Cofinancing (US\$M)	0	0
L/C Number : L3511			
	Board Approval (FY)		93
Partners involved : UNDP, Council of Europe	Closing Date	06/30/1996	06/30/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives
To assist the Government in carrying out its 1992-95 emergency reconstruction program for the Erzincan region through (i) rehabilitation and reconstruction of the areas affected by the earthquake, and (ii) development and implementation of seismic risk prevention and mitigation measures. Two expansions of the scope of work were approved by the Board. Subsequently added to the list of objectives were the reconstruction of municipal infrastructure and the implementation of flood and erosion control measures in Senirkent and Sutculer following mudslides and floods.

b. Components
(a) A comprehensive urban reconstruction/rehabilitation program (*76 percent of total costs*), (b) a similar but smaller program for the rural areas (*9 percent*), (c) training and studies (*1 percent*), and (d) consultant services for design, supervision, and project management, institutional strengthening, and some supporting equipment (*14 percent*). Added later: Senirkent and Sutculer rehabilitation programs.

c. Comments on Project Cost, Financing and Dates
Parallel financing of US\$190 million was provided by the Council of Europe. The GOT contribution was US\$175 million. Loan proceeds were channeled to the Housing Development Administration. Funding was made available quickly, but due to lack of institutional capacity in HDA and the (national and local) project implementation units, disbursement was slow--it took two years for activities to start.

3. Achievement of Relevant Objectives:
The project achieved its first objective of rehabilitation and reconstruction of the areas affected by the earthquake as well as its subsequently added objective of the reconstruction of municipal infrastructure and the implementation of flood and erosion control measures in Senirkent and Sutculer following mudslides and floods. However, the project failed to meet its original institutional development objective (preparedness for future earthquakes). In 1995 the component was revised and a new piece was added: a Geographic Positioning System (GPS) for the Marmara Region to identify the areas of the highest seismic risk. The revised institutional development objective was satisfactorily met.

4. Significant Outcomes/Impacts:
Physical reconstruction was the most successful component of the project. Bank-funded construction activities contributed to rebuilding the local economy.

5. Significant Shortcomings (including non-compliance with safeguard policies):
Overall, the project did not improve Turkey's preparedness for future natural disasters (as recommended by OP 8.50). Project cost was overestimated by 58 percent. Senirkent and Sutculer components forced the extension of the loan by four years and represented a disbursement of only \$20 million over that time period--while greatly increasing supervision costs. Poor Government commitment meant that institutional development objective sub-components had not been started by 1995. They were subsequently changed or dropped upon revision that year. Both the funding needed to complete the original project components and the speed by which disbursements would take place were overestimated during project preparation because of pressure to make sure that shortage of funds would not hamper the recovery efforts.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- *Give preventive and institutional development measures a more prominent role* In particular, (i) consider putting progress on the preventive activities as conditions for disbursement on the reconstruction components, and (ii) prepare prevention and mitigation components in detail *before* Board approval.
- *Local involvement is often the key to success.* The rural component rebuilding barns was a big success and quickly implemented as it closely involved the beneficiaries.
- *Avoid using undisbursed funds in subsequent disaster events.* Components added were too small. They did not have a mitigation focus, and they extended the closing date. A relatively small amount of loan proceeds (about \$20 million) was used during the last four years, while supervision for four years and the drafting of two extensions were quite costly to the Bank.

8. Assessment Recommended? ☒ Yes ☐ No

Why? As part of its study program, OED will be giving emergency recovery lending a closer look over the next several years. This project is a textbook case of the interaction between pressure to respond quickly and the constraints posed by limited implementation capacity and suboptimal borrower ownership of disaster prevention components.

9. Comments on Quality of ICR:

The ICR is clear in its account of implementation experience. It contains a careful description of project activities coupled with a thoughtful analysis of lessons.