



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/09/2001	
<b>PROJ ID:</b> P068394		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Emergency Earthquake Recovery Loan - Eerl	<b>Project Costs (US\$M)</b>	252.53	252.53
<b>Country:</b> Turkey	<b>Loan/Credit (US\$M)</b>	252.53	252.53
<b>Sector(s):</b> Board: PSD - Central government administration (100%)	<b>Cofinancing (US\$M)</b>		
<b>L/C Number:</b> L4518			
	<b>Board Approval (FY)</b>		00
<b>Partners involved :</b> EIB, European Fund for SD, Japan	<b>Closing Date</b>	12/31/2000	
<b>Prepared by :</b> Ronald S. Parker			
<b>Reviewed by :</b> Ridley Nelson		<b>Group Manager :</b> Alain A. Barbu	<b>Group:</b> OEDST
<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
<p>On August 17, 1999, a severe earthquake devastated the northwestern area of Turkey bordering on the Marmara Sea. It caused extensive damage to housing, infrastructure, electric power lines, and the country's largest refinery. Many small enterprises were damaged or destroyed, and the resultant unemployment was widespread. The EERL assistance, assembled by the Bank and other donors, supported urgent, short-term needs caused by the earthquake. A key objective was to ensure that displaced persons and other vulnerable groups received adequate assistance during the winter months. The project was also intended to keep Turkey's underlying stabilization and structural reform program on track.</p>			
<b>b. Components</b>			
<p>The EERL provided quick-disbursing support to finance a list of import requirements related to the earthquake. Private sector support included purchases of fuel, construction materials and machinery, production inputs, and capital equipment.</p>			
<b>c. Comments on Project Cost, Financing and Dates</b>			
<p>The Government used the local currency counterpart to finance social protection. To support the Government's medium-term reconstruction and disaster mitigation efforts, the Bank initiated the Marmara Earthquake Emergency Reconstruction Project (US\$505 million), and also reprogrammed US\$267.3 million of commitments under existing projects. The IMF, EU, and bilateral donors also provided substantial assistance. The loan formed part of a US\$1 billion assistance project from the Bank.</p>			
<b>3. Achievement of Relevant Objectives:</b>			
<p>The EERL assisted the government to respond expeditiously to the catastrophe. Bank support for project expenditures was rapid: 41 percent of total project funds had been disbursed by the end of December 1999, 60 percent by the end of January, and 80 percent by the end of March (2000). Quick action by the Bank undoubtedly made a major contribution to the government's ability to respond quickly to the disaster with social protection payments. The funds made available by the loan were largely effective in providing up-front cash assistance to earthquake victims. The EERL mitigated the immediate impact of the earthquake on the country's ability to keep its macroeconomic program on track and thus was satisfactory in achieving the goal of assisting the government to keep the reform program moving forward.</p>			
<b>4. Significant Outcomes/Impacts:</b>			
<p>The EERL was the first disaster relief project in which Bank support for the budget was provided specifically to support social assistance to the affected population: the loan provided compensation for victims in cash so that they could purchase their own supplies, shelter, etc., rather than receive inappropriate items which they would then need to resell. Because of the provision for retroactive financing, the loan was able to disburse US\$ 99.5 million at a time</p>			

when it was most needed

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

Among reported problems constraining project performance were: (i) beneficiary confusion arising from unclear eligibility requirements; (ii) inconsistent administration of those requirements among different families; and (iii) expiry of the eligibility of 3,000 'tent city' people who found themselves removed from the roll of potential beneficiaries.

<b>6. Ratings:</b>	<b>ICR</b>	<b>OED Review</b>	<b>Reason for Disagreement /Comments</b>
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Substantial	Not Rated	Rating has to await an assessment of the outcome of the companion Marmara Earthquake Reconstruction Project (Ln 4517) upon which this operation's ID impact depends.
<b>Sustainability :</b>	Likely	Non-evaluable	Similarly, the sustainability of this operation's benefits depend upon the companion Marmara Earthquake Reconstruction Project (Ln 4517) whose outcome has yet to be evaluated.
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		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:**

Successful emergency recovery projects:

1. require early Bank involvement in defining a recovery strategy;
2. necessitate streamlined implementation arrangements;
3. require flexible design;
4. should pave the way for dealing with longer-term vulnerability reduction and structural reforms; and,
5. should be simple and not burdened with conditionality.

**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's experience should figure largely in that study. OED's field assessment of this project should be clustered together with that of the Turkey: Marmara Earthquake Emergency Reconstruction Project (Ln 4517). Among other things, the joint assessment should enable the rating of ID and sustainability performance of this operation, as well as the review of other ratings if necessary.

**9. Comments on Quality of ICR:**

The ICR provides a useful account of the project experience .