
Republic of Türkiye
Euphrates River Watershed Rehabilitation Project
(FIRAT)
Addendum

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Addendum

The Executive Board is hereby invited to consider the amendments to document EB 2024/142/R.9. The changes to the document are reflected as follows: deleted text with strikethrough, added text underlined.

Page iii, financing summary:

Total project cost:	US\$97.9 million <u>EUR 90.5 million</u>
Amount of IFAD loan (Borrowed Resource Access Mechanism [BRAM]):	US\$65.0 million <u>EUR 60.0 million</u>
Terms of IFAD loan (BRAM):	Ordinary terms, category 4: Maturity period of up to 18 <u>12.5</u> years, including a grace period of up to 3 <u>3</u> years, subject to interest at a rate equal to the IFAD reference interest rate, including a variable spread
Amount of cofinancing:	<u>EUR 1.3 million (equivalent to US\$1.4 million)</u>
Contribution of borrower:	US\$19.3 million <u>EUR 17.9 million</u>
Contribution of beneficiaries:	US\$12.2 million <u>EUR 11.3 million</u>
Amount of IFAD climate finance:	US\$62.7 million <u>EUR 57.9 million</u>

Page 4, paragraph 26:

"Project components 1 and 2 are predominantly counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this project is estimated at ~~US\$62,715,000~~ EUR 57,919,000, or 96 per cent of the total IFAD investment."

Page 4, paragraph 27:

"Project Costs

Total project costs, including physical and price contingencies, are estimated at ~~US\$97.975~~ EUR 90.5 million over the seven-year implementation period. The costs for FIRAT's three components are as follows: (i) component 1 – microcatchment planning and natural resource management, 33 per cent of the total costs, or EUR 29.8 ~~US\$32.3~~ million; (ii) component 2 – investments in sustainable land management, climate-resilient infrastructure, livelihoods and access to markets, 62 per cent of the total costs, or EUR 56.5 ~~US\$61.2~~ million; and (iii) component 3 – institutional strengthening and project management, 5 per cent of the total costs, or EUR 4.1 ~~US\$4.5~~ million."

Page 5, table 1:

Project costs by component and financier(Thousands of euros United States dollars)

Component	IFAD		GEF		Beneficiaries		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Microcatchment planning and natural resource management	<u>16 257</u> 17 603	54.6	<u>860</u> 931	2.9	<u>1 257</u> 1 361	4.2	<u>11 426</u> 12 372	38.3	<u>29 801</u> 32 268	32.9
2. Investments in sustainable land management, climate-resilient infrastructure, livelihoods and access to markets	<u>40 448</u> 43 797	71.6	<u>231</u> 250	0.4	<u>10 018</u> 40 848	17.7	<u>5 802</u> 6 282	10.3	<u>56 499</u> 61 177	62.4
3. Institutional strengthening and project management	<u>3 325</u> 3 600	79.5	<u>213</u> 231	5.1	-	-	<u>646</u> 700	15.4	<u>4 184</u> 4 530	4.6
Total	<u>60 030</u> 65 000	66.3	<u>1 304</u> 1 411	1.4	<u>11 275</u> 12 210	12.5	<u>17 874</u> 19 355	19.8	<u>90 484</u> 97 975	100.0

Page 5, table 2:

Project costs by expenditure category and financier(Thousands of euros United States dollars)

Expenditure category	IFAD		GEF		Beneficiaries		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment costs										
A. Works	<u>19 229 20 824</u>	65.4	-	-	-	-	<u>10 188 11 032</u>	34.6	<u>29 417 31 853</u>	32.5
B. Consultancies										
1. International consultancies	<u>175 489</u>	80.0	-	-	-	-	<u>43 47</u>	20.0	<u>218 236</u>	0.2
2. National consultancies	<u>6 793 7 355</u>	66.8	<u>1 165 1 262</u>	11.5	-	-	<u>2 214 2 397</u>	21.8	<u>10 173 11 015</u>	11.2
Subtotal	<u>6 967 7 544</u>	67.1	<u>1 165 1 262</u>	11.2	-	-	<u>2 257 2 445</u>	21.7	<u>10 391 11 254</u>	11.5
C. Training and workshops	<u>416 454</u>	89.8	<u>22 24</u>	4.8	-	-	<u>25 27</u>	5.4	<u>463 502</u>	0.5
D. Equipment and goods										
1. Equipment and materials	<u>1 189 1 287</u>	80.0	-	-	-	-	<u>297 322</u>	20.0	<u>1 486 1 609</u>	1.6
2. Goods, services and inputs	<u>18 20</u>	80.0	-	-	-	-	<u>5 5</u>	20.0	<u>23 25</u>	-
Subtotal	<u>1 207 1 307</u>	80.0	-	-	-	-	<u>302 327</u>	20.0	<u>1 509 1 634</u>	1.7
E. Grants and subsidies	<u>27 459 29 733</u>	70.9	-	-	<u>11 275 12 210</u>	29.1	0	-	<u>38 736 41 943</u>	42.8
Total investment costs	<u>55 279 59 856</u>	68.7	<u>1 188 1 286</u>	1.5	<u>11 275 12 210</u>	14.0	<u>12 772 13 831</u>	15.9	<u>80 516 87 183</u>	89.0
II. Recurrent costs										
A. Expertise support, salaries and allowances	<u>3 765 4 077</u>	43.1	<u>115 125</u>	1.3	-	-	<u>4 855 5 257</u>	55.6	<u>8 737 9 460</u>	9.7
B. Operating costs	<u>984 1 066</u>	80.0	-	-	-	-	<u>247 267</u>	20.0	<u>1 231 1 333</u>	1.4
Total recurrent costs	<u>4 750 5 144</u>	47.7	<u>115 125</u>	1.2	-	-	<u>5 102 5 524</u>	51.2	<u>9 968 10 793</u>	11.0
Total	<u>60 030 65 000</u>	66.3	<u>1 303 1 411</u>	1.4	<u>11 275 12 210</u>	12.5	<u>17 874 19 355</u>	19.8	<u>90 484 97 975</u>	100.0

Page 6, table 3:

Project costs by component and project year

(Thousands of ~~euros~~ United States dollars)

<i>Component</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2031</i>	<i>Total</i>
1. Microcatchment planning and natural resource management	<u>2 252</u> 2 439	<u>6 036</u> 6 536	<u>7 252</u> 7 852	<u>7 285</u> 7 888	<u>4 974</u> 5 386	<u>1 458</u> 1 579	<u>544</u> 589	<u>29 801</u> 32 268
2. Investments in sustainable land management, climate-resilient infrastructure, livelihoods and access to markets	<u>574</u> 622	<u>7 083</u> 7 670	<u>15 851</u> 17 164	<u>17 973</u> 19 461	<u>11 596</u> 12 556	<u>2 816</u> 3 049	<u>605</u> 655	<u>56 499</u> 61 177
3. Institutional strengthening and project management	<u>650</u> 704	<u>588</u> 637	<u>523</u> 566	<u>605</u> 655	<u>608</u> 658	<u>642</u> 695	<u>568</u> 615	<u>4 184</u> 4 530
Total	<u>3 477</u> 3 764	<u>13 708</u> 14 843	<u>23 626</u> 25 582	<u>25 863</u> 28 004	<u>17 178</u> 18 600	<u>4 916</u> 5 323	<u>1 717</u> 1 859	<u>90 484</u> 97 975

Page 7, paragraph 28:

"Financing and cofinancing strategy and plan

FIRAT will be financed as follows: (i) 66.3 per cent of total costs, or ~~US\$65 million~~ EUR 60.0 million, will be covered by IFAD; (ii) 1.4 per cent, or EUR 1.3 million (equivalent to US\$1.4 million), by GEF; (iii) 19.8 per cent, or ~~US\$19.4~~ EUR 17.9 million, by the Government; and (iv) 12.5 per cent, or ~~US\$12.2~~ EUR 11.3 million, by the beneficiaries. The Government's contribution will consist of: (i) seconding part of the project staff; and (ii) waiving all taxes and duties on goods and services procured under the project (except taxes on matching grants). The rates and amounts of taxes and duties for project costs have been estimated by the project design team in consultation with the Government to determine the Government's contribution and the overall total project cost. In addition to the above, the Government will contribute towards the transaction costs of the revolving fund and any additional infrastructure investments in support of the watershed. A large part of the beneficiary contribution will be met through interest-free loans provided by the General Directorate of Forestry and Village Relations (ORKÖY) to the poor and the transitory poor under the project's matching grants programme."

Page 7, paragraph 29:

"Most FIRAT investments will be made under two expenditure categories: (i) grants and subsidies (~~EUR 38.73 US\$41.94 million~~, 43 per cent of total costs) and (ii) works (~~EUR 29.41 US\$31.853 million~~, 33 per cent of total costs). The allocation thus reflects the emphasis FIRAT will place on reducing poverty among the targeted upland communities through investments in restoring and regenerating livelihoods and managing natural resources productively and sustainably."

Page 11, paragraph 57:

"Retroactive financing

In order to ensure timely implementation of the project immediately following start-up, the Government may opt to benefit from retroactive financing to prefinance some activities using its own resources, including the recurrent costs of key CPMU staff and investment costs associated with outreach officers, socioeconomic studies, the baseline study, the purchase of a management information system and accounting software, information technology, and other office equipment and key staff. These expenditures, which are not to exceed ~~US\$0.5 million~~ EUR 500,000 in total, will be reimbursed by IFAD after project start-up and after the prerequisites for withdrawal are fulfilled."

Page 12 paragraph 62:

"I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on ordinary terms to the Republic of Türkiye in an amount of sixty-five million euros ~~United States dollars (US\$65,000,000 or EUR 60,000,000)~~ from the Borrowed Resource Access Mechanism and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein."