

 Early Warning System

IFC-33943

Mersin Port

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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Quick Facts

Countries	Turkiye
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	MERSIN ULUSLARARASI LIMAN ISLETMECILIGI ANONIM SIRKETI



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Project Description

PROJECT DESCRIPTION

Mersin Port is one of Turkey's largest and oldest existing container and general cargo ports, located in Mersin in the south eastern part of Mediterranean coast of Turkey. The port has been in operation for over 50 years and its operations were taken over by Mersin International Port (MIP or the Client) in 2007. MIP is owned by a consortium of PSA International (the largest global container terminal operator by equity TEUs) and Akfen Holding, a large Turkish infrastructure investment company, and was awarded the right to operate the port for a 36 year period on behalf of the Turkish Government. All areas of the port come under the responsibility of MIP (as port operator) Current port capacity has reached 1.8 million Twenty Foot Equivalent Units (TEUs) and the annual container throughput in 2012 was 1,263 million TEUs. The port currently also handles about 7.1 million tons of general cargo per annum. MIP serves all trading regimes including import, export, transit, transshipment and cabotage and is the main industrial and agricultural port for the eastern Mediterranean Region. The port has existing rail and highway access. The consortium is looking to expand its terminal cargo handling capacity to 2.2 million TEUs to respond to changing market needs and is currently considering issuing a Eurobond to finance the associated \$126 million capital expenditure program. IFC is considering providing up to US\$75 million for its own account in the event the Company issues a Eurobond. The expansion is planned to cater for growth and to accommodate larger container vessels of up to 13,500 TEUs. It will involve an additional berth, to be operational by early 2015, comprising a 479 m berth of 15.5 m depth, four 23-row quay cranes, 8 ERTGs (Electrified, Rubber-Tired Gantry cranes), 3 empty container handlers and 15 container trucks. The current port has an area of 110 ha; the upgrade requires an extension of an existing berth, with a width of 140 m, as well as a berth depth increase from 11 m to 15.5 m (involving dredging). The widening will involve introduction of fill material to extend the berth seawards within the existing harbor breakwater. The port has a number of tenants, including a vegetable oil company, grain storage company, soda ash facility and a petrol station.

OVERVIEW OF IFC'S SCOPE OF REVIEW

Due to the nature of this project, a proposed bond issue, environmental and social (E&S) review has been based upon an E&S due diligence report undertaken in 2013 by international E&S consultancy Environ together with local associate Encon. Commissioned on behalf of existing and prospective bond purchasers, this report presents E&S risks, issues and gaps associated with both the existing port operations and the planned expansion in relation to IFC Performance Standards, relevant World Bank Group (WBG) Environmental, Health & Safety (EHS) Guidelines and the Equator Principles. The report was based on a review of the project EIA (Turkish, 2009), a site visit held in April 2013 focusing on existing E&S performance and systems, and proposed expansion-related E&S plans. The site visit involved interviews with relevant personnel.

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS**

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards. PS 1 - Assessment and Management of Environmental and Social Risks and Impacts PS 2 - Labor and working conditions PS 3 - Resource Efficiency and Pollution Prevention If IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards



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Investment Description

- International Finance Corporation (IFC)



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Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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Other Related Projects

- IFC-44855 Maple II