

J. HUMBERTO LOPEZ
Country Director, Türkiye Country Unit
Europe and Central Asia Region

20-Sep-2023

Mr. Kerem Dönmez
Director General
General Directorate of Foreign Economic Relations
Ministry of Treasury and Finance
T.C. Hazine ve Maliye Bakanligi
Inönü Bulvarı No. 36
Emek-Ankara
Republic of Türkiye

Re: **ESMAP Grant No. TF0C1420**
Public and Municipal Renewable Energy Project
Letter Agreement

Dear Mr. Dönmez

In response to the request for financial assistance made on behalf of the Republic of Türkiye (“Recipient”), through its Ministry of Environment, Urbanization and Climate Change (“MoEUCC”), I am pleased to inform you that the International Bank for Reconstruction and Development (“Bank”), acting as administrator of grant funds provided under the Energy Sector Management Assistance Program (“ESMAP”), proposes to extend to the Recipient a grant in an amount not to exceed one million five hundred thousand United States Dollars (USD 1,500,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of Part 3(a)(i) and Part 3(a)(ii) of the project, as such project is described in the Annex (“Project”).


This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,

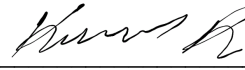
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By 

J. Humberto Lopez
Country Director
Türkiye Country Unit
Europe and Central Asia Region

AGREED:

REPUBLIC OF TÜRKİYE

By 

Authorized Representative
Name Mr. Kerem Dönmez
Title Director General
Date 20-Sep-2023

Enclosures:

- (1) "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds" dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017

cc: Ministry of Environment, Urbanization and Climate Change

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section:

1. “Annual Work Plan and Budget” means the annual work plan and budget referred to in Section 2.05 of this Annex to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section 3.01 of this Annex to the Agreement.
4. “Central Government Facilities” means the public facilities owned by the Recipient’s central government, including central government affiliated facilities, such as education facilities, dormitories, and hospitals, but excluding such facilities related to defense, law enforcement and security, as indicated in the Excluded Activities list defined in this Section of the Agreement.
5. “Contingent Emergency Response Component” means any activity or activities to be carried out under Part 4(a) of the Project to respond to an Eligible Crisis or Emergency.
6. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Republic of Türkiye, associated with a natural or man-made crisis or disaster.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Recipient’s Respective Parts of the Project, dated May 16, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient, through MoEUCC, shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Recipient’s Respective Parts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
8. “Environmental and Social Instruments” means, collectively, the environmental and social instruments of the Recipient, through MoEUCC, for the Recipient’s Respective Parts of the Project, as specified in the Environmental and Social Commitment Plan.

9. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; said ESSs which became effective on October 1, 2018, as published by the Bank.
10. “Energy Sector Management Assistance Program” or “ESMAP” means the partnership between the World Bank and 24 partners that help low and middle-income countries reduce poverty and boost growth through sustainable energy solutions.
11. “Excluded Activities” means, collectively:
 - (a) any of the activities listed, or activities that produce and/or use materials listed, in the World Bank Group/International Finance Corporation Exclusion List (see https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist), and such other activities and/or materials listed in the POM and which are classified and referred to as part of the negative list in said manual;
 - (b) an investment that is classified as a substantial or high risk, in respect to potential environmental and social impacts, in accordance with the provisions of the POM and the Environment and Social Management Framework;
 - (c) an investment: that involves large-scale physical and economic displacement as described in Land Acquisition, Restrictions on Land Use, or Involuntary Resettlement (as defined under ESS 5); that adversely impacts sensitive habitats and species as described in Biodiversity Conservation and Sustainable Management of Living Natural Resources (as defined under ESS 6); that adversely impacts Cultural Heritage (as defined under ESS 8); or that involves child or forced labor;
 - (d) an investment that involves private buildings with public agency tenants, and facilities used for, or intended to be used for, law enforcement, security or defense related purposes, and specifically police, prison, and military facilities, including dormitories used by the personnel providing these functions; and
 - (e) an investment that involves any other exclusions agreed by the Bank and the Recipient as set forth in the POM.
12. “ILBANK’s Respective Parts of the Project” means Part 2, Part 3(b), and Part 4(b) of the Project.

13. “*İller Bankası Anonim Şirketi*” or “ILBANK” means the development and investment bank of the same name of the Republic of Türkiye that has the status of a joint stock company and functions under Law No. 6107, published in the Republic of Türkiye’s Official Gazette on February 8, 2011, or any legal successor or successors thereto acceptable to the Bank.
14. “Ministry of Environment, Urbanization and Climate Change” or “MoEUCC” means the Republic of Türkiye’s ministry of the same name or any legal successor or successors thereto.
15. “MoEUCC’s Project Implementation Unit” or “MoEUCC PIU” the implementation unit referred to in Part 3(a)(iii)(C) of the Project, and Section 2.03(a)(ii) of this Annex to the Agreement.
16. “Municipal Sub-borrower” means a Project Municipality or Project Enterprise that receives a Municipal Sub-loan or Sub-loans; “Municipal Sub-borrowers” means, collectively, all such sub-borrowers.
17. “Municipal Sub-loan” means a sub-loan provided by ILBANK to a Municipal Sub-borrower for the financing of Municipal Subproject activities under Part 2 of the Project; “Municipal Sub-loans” means, collectively, all such sub-loans.
18. “Municipal Subproject” means a subproject for activities under Part 2 of the Project; “Municipal Subprojects” means, collectively, all such subprojects.
19. “O&M” means operations and maintenance.
20. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Recipients”, dated November 2020.
21. “Project Enterprise” means a public business concern, including public utilities and public transport companies, that (a) is affiliated with a municipality in the territory of the Republic of Türkiye, (b) satisfies the eligibility criteria approved by the Bank, as set forth in this Agreement and as may be further detailed in the POM and agreed to by the Bank, and (c) is participating under this Project; “Project Enterprises” means, collectively, all such public enterprises.
22. “Project Management Unit” means ILBANK’s Project management unit referred to in Part 3(b)(iii)(C) of the Project and any legal successor thereto.
23. “Project Municipality” means a municipality in the territory of the Republic of Türkiye that is participating under this Project; “Project Municipalities” means, collectively, all such municipalities.
24. “Project Operations Manual” or “POM” means the Project Operations Manual referred to in Section 2.03(b) of this Annex to this Agreement, as the said manual may be amended from time to time, with the prior written approval of the Bank, and such term includes any schedules to the POM.
25. “PV” means photovoltaic.

26. “Recipient’s Respective Parts of the Project” means, for the purposes of this Grant, Part 3(a)(i) and Part 3(a)(ii) of the Project.
27. “RE Subproject” means a renewable energy subproject under Part 1 and Part 2 of the Project; “RE Subprojects” means, collectively, all such subprojects.
28. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
29. “Supervisory Control and Data Acquisition” or “SCADA” means a computer-based system for gathering and analyzing real-time data to monitor and control equipment that deals with critical and time-sensitive materials or event.
30. “Training” means the reasonable expenditures directly incurred on account of Project-related capacity building activities, including study tours, training courses, seminars, and workshops; such eligible expenditures (excluding goods, consulting services and non-consulting services in the Procurement Plan) include travel, accommodation and *per diem* costs associated with training, workshop and study tour participants and trainers, space and equipment rental, and other training related miscellaneous costs, all based on an Annual Work Plan and Budget agreed with the Bank.
31. “Unlicensed Electricity in the Electricity Market Production Regulation” means Türkiye’s Regulation No. 30772, published in the Official Gazette, dated May 12, 2019, as amended.
32. “Unlicensed Renewable Energy Regulation Scheme” means the scheme set forth in Türkiye’s *Unlicensed Electricity in the Electricity Market Production Regulation* that provides the list of electricity generation options, including distributed solar photovoltaic (PV), both rooftop and ground-mounted, for which a license to operate would not be required if used mainly for self-consumption pursuant the regulatory framework for unlicensed generation.

Article II Project Execution

2.01. ***Project Objective and Description.*** The objective of the Project is to increase the use of renewable energy through self-generation in in public facilities. The Project consists of the following parts:

Part 1. Renewable energy investments in Central Government Facilities

(a) Renewable energy investments in Central Government Facilities.

Carrying out, through MoEUCC, of designs, design reviews, installation and civil works (including the supervision of said installation and works) for eligible renewable energy investments in Central Government Facilities (including central government affiliated facilities) used to offset the facilities’ grid electricity consumption pursuant to the *Unlicensed Renewable Energy Regulation Scheme* (“RE Subprojects”).

(b) **Pilot to combine renewable energy investments with heat pump installation in Central Government Facilities.**

Carrying out, through MoEUCC, of energy audits, designs, installation and civil works (including the supervision of said installation and works) for pilot subproject investments to combine solar photovoltaic (“PV”) investments with electrification of heating (i.e., substituting fossil-fuel boiler capacity with heat pumps to support both heating and cooling), and investments in light-emitting diode (LED) to replace inefficient lighting technologies, to allow additional renewable energy capacity to be deployed and ultimately reduce the buildings’ emissions.

Part 2. Renewable energy investments in municipalities

Establishment and operation of a financing mechanism for ILBANK to provide sub-loans (“Municipal Sub-loans”) to eligible Project Municipalities and Project Enterprises (collectively “Municipal Sub-borrowers”) to finance goods, civil works, consulting services and non-consulting services for the carrying out of designs, design reviews, installation and related works (including the supervision of said installation and works) for renewable energy technologies in provincial, district, and metropolitan municipalities across Türkiye (“Municipal Subprojects”) to offset the relevant public facilities’ overall grid electricity consumption in accordance with the *Unlicensed Renewable Energy Regulation Scheme*.

Part 3. Technical assistance and project implementation support

(a) ***Technical assistance and project implementation support for MoEUCC.***

Support of MoEUCC:

- (i) *Under the ESMAP Grant:* to certify greenhouse gas credits for activities under Part 1 of the Project;
- (ii) *Under the ESMAP Grant and this Loan:*
 - (A) to prepare feasibility studies, and provide technical inputs for procurement packages, for RE Subprojects under Part 1 of the Project; and
 - (B) to build the capacity of Project beneficiaries on the operations and maintenance (“O&M”) of Project investments under Part 1 of the Project; and
- (iii) *Under this Loan:*
 - (A) to carry out early Subproject development activities under Part 1 of the Project, including marketing and outreach (but excluding related activities financed under Part 3(a)(ii) of the Project);
 - (B) to carry out day-to-day Project management activities, including contract management, supervision of installation and works,

financial management, compliance with environmental and social framework requirements, Project monitoring and evaluation, and communications (but excluding related activities financed under Part 3(a)(ii) of the Project); and

- (C) to provide training, capacity building, and knowledge sharing for MoEUCC's Project Implementation Unit ("MoEUCC PIU") staff and for contractors, building administrators, women in the renewable energy field, and other relevant project stakeholders (but excluding related activities financed under Part 3(a)(ii) of the Project).

(b) ***Technical assistance and Project implementation support for ILBANK.***

Support of ILBANK:

(i) *Under the ESMAP Grant:*

- (A) to install an online Supervisory Control and Data Acquisition (SCADA) database for Municipal Subproject monitoring; and
- (B) to support pursuing certification of greenhouse gas credits for Project activities, including, *inter alia*, developing documentation required to register the Project, and developing a measurement, reporting and verification framework;

(ii) *Under the ESMAP Grant and the Loan:* to extend support to Municipal Sub-borrowers, through consulting services, for activities including (A) the selection of project management consultant(s) to support Municipal Sub-borrowers in carrying out procurement activities for Municipal Subprojects under Part 2 of the Project, and (B) the hiring of said project management consultant(s); and

(iii) *Under the Loan:*

- (A) to support early Municipal Subproject development, including marketing and outreach, and preparation and/or technical review of feasibility studies;
- (B) to carry out the management of ILBANK's Respective Parts of the Project, through consulting services, including hiring of project management consultant(s) to support Municipal Sub-borrowers, and consultants to support financial management, environmental and social framework compliance requirements, project monitoring and evaluation, and communications (but excluding related activities financed under Part 3(b)(ii) of the Project); and
- (C) to provide training, capacity building, and knowledge sharing for Project Management Unit staff and for contractors, building administrators, Project Municipalities and Project Enterprises and other relevant Project stakeholders.

Part 4. Contingent Emergency Response Component

- (a) Provision, through MoEUCC, of immediate response to an Eligible Crisis or Emergency, as needed.
- (b) Provision, through ILBANK, of immediate response to an Eligible Crisis or Emergency, as needed.

2.02. ***Project Execution Generally.*** The Recipient, through MoEUCC, declares its commitment to the objective of the Project. To this end, the Recipient, through MoEUCC, shall carry out Part 3(a)(i) and Part 3(a)(ii) of the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.***

- (a) Project Management
 - (i) The Recipient, through MoEUCC, shall, throughout Project implementation and to the satisfaction of the Bank, for the purposes of this Grant, be responsible for the overall management of Part 3(a)(i) and Part 3(a)(ii) of the Project; said responsibility shall include:
 - (A) overseeing the overall implementation and management, including ensuring close coordination with all relevant agencies, in the preparation and implementation of the technical aspects of the related Project activities, as detailed in the Project Operations Manual (“POM”);
 - (B) ensuring the proper application of the Project requirements, criteria, policies, procedures, and organizational arrangements, as set forth in this Agreement and detailed in the POM; and
 - (C) preparing, and furnishing to the Bank, as may be relevant, all Project implementation documents, including Project supervision reports.
 - (ii) The Recipient, through MoEUCC, shall maintain throughout Project implementation a Project Implementation Unit (“MoEUCC PIU”), under its General Directorate of Construction Affairs, with terms of reference, qualified staffing, authority and budgetary resources necessary and appropriate to, in the Bank’s opinion, effectively carry out Part 3(a)(i) and Part 3(a)(ii) of the Project to the satisfaction of the Bank.
 - (iii) In carrying out Part 3(a)(i) and Part 3(a)(ii) of the Project, the Recipient, through MoEUCC, shall ensure that: (a) all expenditures financed under this Agreement are directly incurred on account of the implementation, management, and monitoring of Part 3(a)(i) and Part 3(a)(ii) of the Project; and (b) in the event that the expenditures are shared with other projects or

events, such expenditures are properly prorated to the respective budgets of the relevant projects and/or events.

(b) Project Operations Manual.

- (i) The Recipient, through MoEUCC, shall maintain throughout Project implementation, a Project Operations Manual (“POM”), which shall consist of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of, *inter alia*, Part 3(a)(i) and Part 3(a)(ii) of the Project, all in substance and manner acceptable to the Bank; said POM shall include, *inter alia*, provisions on the following:
- (A) the parties responsible for carrying out the Recipient’s Respective Parts of the Project;
 - (B) the coordination arrangements between the relevant parties for the day-to-day execution of the Recipient’s Respective Parts of the Project;
 - (C) detailed description of all activities under the Recipient’s Respective Parts of the Project supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
 - (D) the detailed policies and procedures for the implementation of the Recipient’s Respective Parts of the Project, including for the selection and management of Project activities, including specifically:
 - (1) the environmental and social obligations, Environmental and Social Instruments, and arrangements, details on the function of the grievance redress mechanism(s), and gender and citizen engagement for Part 3(a)(i) and Part 3(a)(ii) of the Project, consistent with the provisions of Section 2.04 of this Annex to the Agreement and the Environmental and Social Commitment Plan;
 - (2) the financial management arrangements, requirements and detailed procedures consistent with the provisions of Section 2.07 of the Standard Conditions, including the functions, staffing, job descriptions (with special emphasis on the segregation of duties), workflows, internal controls and all financial management arrangements for the Project;
 - (3) the guidelines and procedures for procurement consistent with the provisions of the Procurement Regulations;
 - (4) the requirements of the Anti-Corruption Guidelines; and

- (5) the requirements and procedures for Project monitoring, evaluation, reporting, and communications, including the frequency and content of environmental and social monitoring reports.
- (ii) The Recipient, through MoEUCC, shall carry out Part 3(a)(i) and Part 3(a)(ii) of the Project, and cause the said Parts of the Project to be carried out, in accordance with the arrangements, procedures and guidelines set forth in the POM, provided, however, that in case of any conflict between the arrangements and procedures set out in the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (iii) The POM, and any provision thereof, shall not be assigned, amended, abrogated or waived, nor shall be permitted to be assigned, amended, abrogated or waived, without the prior written consent of the Bank; the POM may only be amended in consultation with, and after the approval of, the Bank.

2.04. *Environmental and Social Standards*

- (a) The Recipient, through MoEUCC, shall ensure that Part 3(a)(i) and Part 3(a)(ii) of the Project are carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph 1 above, the Recipient, through MoEUCC, shall ensure that Part 3(a)(i) and Part 3(a)(ii) of the Project are implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient, through MoEUCC, shall ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient, through MoEUCC, shall ensure that:

- (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the Environmental and Social Instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
- (ii) the Bank is promptly notified of any incident or accident related to or having an impact on Part 3(a)(i) and Part 3(a)(ii) of the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers (including, (i) explosions, spills, and any workplace accidents that result in death, serious or multiple injury, or pollution, (ii) any issues or grievances arising from the surveillance and/or monitoring activities under the Recipient's Respective Parts of the Project, (iii) any violent labor unrest or dispute between the Recipient or security forces (assigned to protect the Recipient's Respective Parts of the Project) and local communities, (iv) any case of sexual exploitation and abuse, sexual harassment and violence against minors, or (v) incidents in or related to any waterways as defined and applicable under World Bank Operational Policy 7.50 or disputed areas, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards).
- (e) The Recipient, through MoEUCC, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
- (f) The Recipient, through MoEUCC, shall ensure that all bidding documents and contracts for civil works under the Recipient's Respective Parts of the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

2.05. ***Annual Work Plan and Budget***

The Recipient, through MoEUCC, shall:

- (a) prepare and furnish to the Bank not later than December 30th of each year during the implementation of Part 3(a)(i) and Part 3(a)(ii) of the Project, a proposed Annual Work Plan and Budget containing: (i) all activities to be carried out under

the Project during the following year; and (ii) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing;

- (b) afford the Bank a reasonable opportunity to exchange views on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that Part 3(a)(i) and Part 3(a)(ii) of the Project are implemented with due diligence during said following year, in accordance with such Annual Work Plan and Budget as shall have been approved by the Bank; and
- (c) not make or allow to be made any change to the approved Annual Work Plan and Budget without the Bank's prior written approval.

2.06. **Project Monitoring, Reporting and Evaluation.** The Recipient shall ensure that each Project Report for Part 3(a)(i) and Part 3(a)(ii) is furnished to the Bank not later than one (1) month after each calendar semester, covering the calendar semester.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, and (b) this Section, to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, consulting services, and non-consulting services for Part 3(a)(i) of the Project	50,000	100%
(2) Consulting services for Part 3(a)(ii) of the Project	1,450,000	100%
TOTAL AMOUNT	1,500,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Annex to the Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date is June 30, 2027.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.

- (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized by all necessary corporate action.
- (b) The execution and delivery of the Loan Agreement between the International Bank for Reconstruction and Development and the Republic of Türkiye, and all conditions precedent to the effectiveness of said Loan Agreement, to assist the Republic of Türkiye in the financing of Part 1, Part 3(a), and Part 4(a) of the Project.
- (c) If the Bank so requests, the condition of the Recipient, as represented or warranted to the Bank at the date of this Agreement, has undergone no material adverse change after such date.

4.02. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03 *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred eighty (180) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Treasury and Finance.

5.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions:

- (a) the Recipient’s Address is:

T.C. Hazine ve Maliye Bakanlığı
İnönü Bulvarı No. 36
Emek – Ankara
Republic of Türkiye; and

(b) the Recipient's Electronic Address is:

Facsimile:

(90) (312) 204-7366
(90) (312) 204-7367.

5.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

248423(MCI) or
64145(MCI)

Facsimile:

1-202-477-6391.