
LOAN NUMBER 9538-TR

Loan Agreement

(Türkiye Green Industry Project)

between

REPUBLIC OF TÜRKİYE

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF TÜRKİYE (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of twenty-two million eight hundred thousand Euros (EUR 22,800,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing of Part 4 of the project, as described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower, through its Ministry of Industry and Technology (“MoIT”), declares its commitment to the objective of the Project. To this end, the Borrower, through MoIT, shall carry out Part 4 of the Project (“Borrower’s Respective Part

of the Project”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Borrower, through MoIT, has properly established and staffed its Project Implementation Unit (“PIU”), with positions, terms of reference, and qualified staff acceptable to the Bank; and
 - (b) the Borrower, through MoIT, has adopted a Project Operations Manual (“POM”) for Part 4 of Project, in form and substance satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower’s Representative is its Minister of Treasury and Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions:
- (a) the Borrower’s address is:

T.C. Hazine ve Maliye Bakanligi
Inönü Bulvari No. 36
Emek – Ankara
Republic of Türkiye; and
 - (b) the Borrower’s Electronic Address is:

Facsimile:

(90) (312) 204-7366
(90) (312) 204-7367.
- 5.03. For purposes of Section 10.01 of the General 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:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF TÜRKİYE

By



Authorized Representative

Name: _____
Kerem Dönmez

Title: _____
Director General

Date: _____
01-Aug-2023

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By



Authorized Representative

Name: _____
J. Humberto Lopez

Title: _____
Country Director

Date: _____
27-Jul-2023

SCHEDULE 1

Project Description

The objective of the Project is to support an efficient green transformation for industrial firms in Türkiye.

The Project consists of the following parts:

Part 1. Support Industrial SMEs to Improve Their Energy and Resource Performance and Reduce Their Carbon Emissions.

A. Solar energy investments by industrial SMEs.

Provision, by KOSGEB, of reimbursable financing (“*KOSGEB Reimbursable Financing*”) to industrial SMEs to install solar energy systems within their respective production facilities (on-site), enabling production of electricity for use in the respective SMEs’ production facilities, and the sale of excess electricity generated to the grid.

B. Mobilizing industry for a clean and circular economy.

Provision, by KOSGEB, of *KOSGEB Reimbursable Financing* to industrial SMEs to adopt and implement efficiency systems and/or solutions that support improving water efficiency, strengthening climate resilience to future water scarcity, decarbonizing thermal demand, enabling sustainable and climate-resilient waste management, lean productions, and raw materials efficiency, through investments involving the following areas of intervention:

- (i) energy efficiency;
- (ii) water efficiency;
- (iii) raw material efficiency;
- (iv) fuel switch;
- (v) sustainable and climate-resilient waste recycling;
- (vi) industrial symbiosis; and
- (vii) circular economy.

C. Capacity building and technical assistance to KOSGEB.

Building of KOSGEB's capacity to implement Parts 1 and 2 of the Project, through the provision of goods, consulting services, non-consulting services, Training, and Operating Costs for KOSGEB's Project Implementation Unit; said activities include, *inter alia*:

- (i) development of a monitoring and evaluation software that is integrated with KOSGEB's operating system and those of other Project implementing entities;
- (ii) provision of awareness and training activities to SMEs across Türkiye;
- (iii) provision of advisory support to eligible SMEs during the preparation of Subproject proposals and throughout the respective Subproject implementation process;
- (iv) monitoring and evaluation (including possible impact evaluation) of KOSGEB's Respective Parts of the Project; and
- (v) dissemination of results and lessons learned of KOSGEB's Respective Parts of the Project.

Part 2. Contingent Emergency Response Component.

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

Part 3. Green Innovation by Industrial Enterprises.

A. Climate-informed and green innovation technology extension program.

Provision, by TÜBİTAK, of Matching Grants to eligible SMEs for technical assistance in carrying out technology and innovation needs assessments to review the respective SMEs' business models, supply and value chains, and products and services to support climate change mitigation or adaptation and sustainability.

B. Green industrial research and development, and innovation program.

Provision, by TÜBİTAK, of reimbursable financing ("*TÜBİTAK Reimbursable Financing*") to eligible SMEs and Large Firms to support the following climate-informed and sustainable (green) innovation activities:

- (i) research, development and innovation ("RDI") projects for industrial firms, with a special focus on those initiating RDI activities;

- (ii) climate-informed and sustainable innovation projects in all Low-technology, Medium-technology, and High-technology sectors; and
- (iii) RDI activities oriented to access technological knowledge at the international level and with the objective to export.

C. Industrial Innovation Networks Pilot.

Provision, by TÜBİTAK, of *TÜBİTAK Reimbursable Financing* to eligible SMEs and Large Firms to establish green industrial innovation networks and build sectoral value chains based on technologies in climate informed (green) innovations.

D. Capacity building and technical assistance to TÜBİTAK.

Building of TÜBİTAK's capacity to implement the activities under Part 3 of the Project, through the provision of goods, consulting services, non-consulting services, Training, and Operating Costs for TÜBİTAK's Project Implementation Unit; said activities include, *inter alia*:

- (i) development of a monitoring and evaluation software that is integrated with TÜBİTAK's operating system and those of other Project stakeholders;
- (ii) provision of awareness and training activities to companies across Türkiye;
- (iii) provision of advisory support to eligible companies, particularly SMEs, during the preparation of Subproject proposals and throughout the implementation process;
- (iv) monitoring and evaluation (including possible impact evaluation) of TÜBİTAK's Respective Part of the Project; and
- (v) dissemination of results and lessons learned from TÜBİTAK's Respective Part of the Project.

Part 4. Project Management and Institutional Development.

A. Analysis of industrial decarbonization potential and needed technologies.

Carrying out, through the Ministry of Industry and Technology ("MoIT"), of assessment studies to: (i) analyze the needs for green transformation in key industrial sectors; (ii) develop a green technology taxonomy for relevant activities; and (iii) determine carbon emission reduction potential in the related industries.

B. Policy development, institutional capacity building, dissemination, and awareness-raising.

Development, through MoIT, of project partners' and stakeholders' institutional capacities in green transition competencies; said activities include, *inter alia*, carrying out related policy and legislative development, providing capacity building, Training, and technical assistance to MoIT experts and project partners, enhancing the competencies of local experts, establishing a roster of green transformation assessors and consultants, developing a communications and outreach strategy for green transformation, and carrying out related awareness and outreach activities.

C. Green industry academy and green industry tracking system.

- (i) Provision, through MoIT, of training and certification of specialized green transformation experts, to support the green transition of firms; said activities include developing specialized curriculum and training materials, establishing a digital training portal, establishing competency-based certification and accreditation system, and developing a database of green transformation experts and green firms.
- (ii) Establishment, through MoIT, of digital infrastructure and database, linked with relevant government entities; monitoring of results; establishment of an excellence award framework to acknowledge climate-informed and sustainable transformation achievers; and carrying out of an impact assessment to assess the impact of reimbursable financing on industrial firms.

D. Overall project management and coordination.

Provision, through MoIT, of Project management support to MoIT's Project Implementation Unit to manage the implementation of the activities, including managing external audits, under Part 4 of the Project, in collaboration with all other stakeholders; said activities include establishing and managing a monitoring and evaluation mechanism for Project activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through MoIT, shall throughout the implementation of the Borrower's Respective Part of the Project and to the satisfaction of the Bank:
 - (a) operationalize and maintain a PIU, with terms of reference, staffing and budgetary resources necessary and appropriate to, in the Bank's opinion, effectively carry out the Borrower's Respective Part of the Project; and
 - (b) ensure the PIU satisfactorily carries out the following responsibilities, as may be further detailed in the Project Operations Manual:
 - (i) oversee the management and broad implementation of the Borrower's Respective Part of the Project;
 - (ii) coordinate closely with the KOSGEB and TÜBİTAK for the purposes of the Project; and
 - (iii) carry out the monitoring, evaluation and reporting requirements for the Borrower's Respective Part of the Project.

B. Project Operations Manual.

1. The Borrower, through MoIT, shall maintain, throughout the implementation of the Borrower's Respective Part of the Project, the POM, in substance and manner acceptable to the Bank, which shall include, *inter alia*:
 - (a) detailed description of the Borrower's Respective Part of the Project and the prospective timetable and benchmarks in relation thereto;
 - (b) the parties responsible for carrying out the relevant parts of the Borrower's Respective Part of the Project and the coordination arrangements between the relevant parties, including KOSGEB and TÜBİTAK;
 - (c) the detailed policies, procedures, guidelines and standard documents relating to the implementation of the Borrower's Respective Part of the Project;

- (d) the environmental and social obligations and arrangements for the Borrower's Respective Part of the Project, consistent with the Environmental and Social Standards ("ESS") and incorporating the requirements set forth under Section I.C of this Schedule 2, the Environmental and Social Commitment Plan, and the Borrower's Environmental and Social Instruments;
 - (e) the financial management arrangements, requirements and detailed procedures consistent with the provisions of Section 5.09 of the General Conditions;
 - (f) the guidelines and procedures for procurement consistent with the provisions of the Procurement Regulations;
 - (g) the requirements of the Anti-Corruption Guidelines; and
 - (h) the requirements and procedures for monitoring, evaluation, reporting, and communications, including specifically, the frequency and content of environmental and social monitoring reports, for the Borrower's Respective Part of the Project.
2. The Borrower, through MoIT, shall carry out the Borrower's Respective Part of the Project, and cause the said Part 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.
3. 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.

C. Environmental and Social Standards.

1. The Borrower, through MoIT, shall ensure that the Borrower's Respective Part of the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through MoIT, shall ensure that the Borrower's Respective Part of the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower, through MoIT, shall ensure that:
- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;

- (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) 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
 - (d) 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.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower, through MoIT, shall ensure that:
- (a) 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
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Borrower's Respective Part 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 Part 4 of the Project, (iii) any violent labor unrest or dispute between the Borrower or security forces (assigned to protect the Borrower's Respective Part of the Project) and local communities, (iv) any case of sexual exploitation and abuse, sexual harassment and violence against minors, or (v) any incidents in or related to or any 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).
5. The Borrower, through MoIT, 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.

6. The Borrower, through MoIT, shall ensure that all bidding documents and contracts for civil works under the Borrower's Respective Part 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.

D. Annual Work Plan and Budget.

1. The Borrower, through MoIT, shall:
 - (a) prepare and furnish to the Bank not later than December 15th of each year during the implementation of the Borrower's Respective Part of Project, a proposed Annual Work Plan and Budget containing: (i) all activities to be carried out under the said Part of 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 the Borrower's Respective Part of the Project is 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.

Section II. Project Monitoring, Reporting and Evaluation

The Borrower, through MoIT, shall furnish to the Bank each Project Report for the Borrower's Respective Part of the Project not later than forty-five (45) days after the end of each six (6) month period, covering the said period.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the

Borrower may withdraw the proceeds of the Loan 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 Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Reimbursable Financing for goods, works, non-consulting services, and consulting services under Part 1.A and Part 1.B of the Project	0	
(2) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 1.C of the Project	0	
(3) Emergency Expenditures	0	
(4) Matching Grants for consulting services under Part 3.A of the Project	0	
(5) Reimbursable Financing for goods, works, non-consulting services, and consulting services under Part 3.B and Part 3.C of the Project	0	
(6) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3.D of the Project	0	
(7) Goods, non-consulting services, consulting services, Training and Operating Costs under Part 4 of the Project	22,800,000	100%
TOTAL AMOUNT	22,800,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is June 30, 2029.



SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each April 15 and October 15 Beginning October 15, 2028 Through April 15, 2033	9.09%
On October 15, 2033	9.10%

APPENDIX

Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget referred to in Section I.D of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General 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. “Borrower’s Respective Part of the Project” means Part 4 of the Project.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “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.
6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Borrower’s Respective Part of the Project, dated May 8, 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 Borrower, through MoIT, shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Borrower’s Respective Part of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instrument to be prepared thereunder.
7. “Environmental and Social Instruments” means the environmental and social documents of the Borrower, through MoIT, for the Borrower’s Respective Part of the Project required under the Bank’s Environmental and Social Framework and referred to in the Environmental and Social Commitment Plan, the Environmental and Social Management System, and Stakeholder Engagement Plan.
8. “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 became effective on October 1, 2018, as published by the Bank.

9. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
10. “High-technology” means the following types of industrial concerns: (a) aircraft and spacecraft; (b) pharmaceuticals; (c) office, accounting, and computing machinery; (d) radio, television, and communications equipment; (e) medical, precision, and optical instruments; and such other industries agreed to by the Bank for such categorization for the purposes of this Project.
11. “KOSGEB” means the government entity formally known as *Küçük ve Orta Ölçekli İşletmeleri Geliştirme ve Destekleme İdaresi Başkanlığı* or Small and Medium Enterprises Development Organization, an affiliated organization of the Republic of Türkiye’s Ministry of Industry and Technology, established pursuant to Law No. 3624, titled, *Small and Medium-Sized Business Development And Support Of The Administration And Support Law*, adopted April 12, 1990, published in the Official Gazette, No. 20498, as amended by Law numbered 5891 on Amending the KOSGEB Establishment Law numbered 3624, published in the Official Gazette, May 5, 2009, No. 27219.
12. “KOSGEB Reimbursable Financing” means the financing extended to SMEs under Part 1.A and Part 1.B of the Project.
13. “KOSGEB’s Respective Parts of the Project” means Parts 1 and 2 of the Project.
14. “Large Firm” means a Private Enterprise that employs 250 or more employees, with annual net sales revenue or financial balance sheet total of TRY 250,000,000 or more, or as otherwise defined by Turkish legislation (on thresholds for Medium Enterprises or Large Firms, as the case may be), and determined to be acceptable by the Bank for the purposes of this Project.
15. “Low-technology” means the following types of industrial concerns: (a) manufacturing; (b) recycling, wood, pulp, paper, paper products, printing, and publishing; (c) food products, beverages, and tobacco; (d) textiles, textile products,

leather, and footwear; and (e) such other industry as may be agreed to by the Bank for such categorization for the purposes of this Project.

16. “Matching Grants” means the matching grants extended by TÜBİTAK to SMEs under Part 3.A of the Project.
17. “Medium Enterprise” means a Private Enterprise that employs at least 50 but fewer than 250 employees with annual net sales revenue or financial balance sheet total of TRY 50,000,000 or more, but less than TRY 250,000,000, or as otherwise defined by Turkish legislation, and determined to be acceptable by the Bank for the purposes of this Project.
18. “Medium-high technology” means the following types of industrial concerns: (a) electrical machinery and apparatus; (b) motor vehicles, trailers, and semi-trailers; (c) chemicals, excluding pharmaceuticals; (d) railroad equipment and transport equipment; (e) machinery and equipment; and (f) such other industry as may be agreed to by the Bank for such categorization for the purposes of this Project.
19. “Medium-low technology” means the following types of industrial concerns: (a) building and repairing of ships and boats; (b) rubber and plastics products; (c) coke, refined petroleum products, and nuclear fuel; (d) other non-metallic mineral products; (e) basic metals and fabricated metal products; and (f) such other industry as may be agreed to by the Bank for such categorization for the purposes of this Project.
20. “Medium-technology” means collectively Medium-low technology and Medium-high technology industries.
21. “Ministry of Industry and Technology” or “MoIT” means the ministry of the same name of the Republic of Türkiye, or its legal successor or successors thereto.
22. “Operating Costs” means reasonable incremental expenses directly incurred on account of the implementation, management, and monitoring of the Respective Part of the Project by the Borrower, through MoIT; such costs may include, as relevant, and as the Bank may agree, for the following:
 - (a) Project audits;
 - (b) office supplies;
 - (c) office rental;
 - (d) vehicle rental;
 - (e) office and equipment maintenance and repair;
 - (f) communications;
 - (g) translation and interpretation (not covered under Training);

- (h) travel associated with Project implementation (including accommodation and *per diem*);
 - (i) publication fees;
 - (j) ownership of intellectual property rights; and
 - (k) other miscellaneous expenses directly associated with the Project and agreed between the Bank and the Borrower, through MoIT, but excluding salaries of officials and employees of the Borrower.
23. “Private Enterprise” means an enterprise in the territory of the Republic of Türkiye, and of which more than fifty percent (50%) of the shares or other equity interest thereof is held by persons or companies other than the Republic of Türkiye, any agency or subdivision thereof, or any local administration authority, or entities controlled by the Republic of Türkiye or such agencies or subdivisions.
24. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
25. “Project Implementation Unit” or “PIU” means, for the purpose of the Borrower’s Respective Part of the Project, the Project implementation unit described in Section I.A.1 of Schedule 2 to this Agreement, or any legal successor or successors to such unit satisfactory to the Bank; for said references in Part 4 of the Project, “PIU” means, respectively, the Project implementation units of KOSGEB and TÜBİTAK.
26. “Project Operations Manual” or “POM” means the manual for the Borrower’s Respective Part of the Project, as described to in Section I.B of Schedule 2 to this Agreement, adopted by the Borrower, through MoIT, and satisfactory to the Bank.
27. “RDI” means research, development and innovation.
28. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
29. “Small Enterprise” means, for the purposes of the Project, a Private Enterprise that employs fewer than 50 employees with annual net sales revenue or balance sheet total of less than TRY 50,000,000, or as the thresholds are otherwise defined by Turkish legislation for small and micro enterprises and determined to be acceptable by the Bank for the purposes of this Project.
30. “SME” means generally a Small Enterprise or Medium Enterprise; “SMEs” means collectively all such enterprises.

31. “Subproject” means a specific investment project or working capital investment under the respective part of the Project and to be carried out by a beneficiary enterprise; “Subprojects” means collectively such subprojects.
32. “Training” means reasonable expenditures (excluding costs of goods, consulting services and non-consulting services) incurred for Project-related capacity building activities, including study tours, training courses, seminars, workshops and other training activities; such costs 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.
33. “TRY” means Turkish lira, the official currency of the Borrower.
34. “TÜBİTAK” means Scientific and Technological Research Council of Türkiye, also known as *Türkiye Bilimsel ve Teknolojik Araştırma Kurumu*, established with legal personality, administrative and financial autonomy and special budget as an affiliated organization under the Ministry of Industry and Technology, responsible for the management, funding, and conducting of associated research in Türkiye; established pursuant to Law No. 278, titled, *Law On Some Regulations Regarding The Scientific And Technological Research Institution of Türkiye*, adopted July 17, 1963, published in the Official Gazette, No. 11462, as amended by Presidential Decree on The Organization of Ministries’ Affiliated, Related, Associated Institutions and Organizations and Other Institutions and Organizations, numbered 4, published in the Official Gazette, July15, 2018, No. 30479.
35. “TÜBİTAK Reimbursable Financing” means the reimbursable financing extended to SMEs and Large Firms under Part 3.B and Part 3.C of the Project.
36. “TÜBİTAK’s Respective Part of the Project” means Part 3 of the Project.