
LOAN NUMBER 9531-TR

Loan Agreement

(Land Management Infrastructure for Green and Sustainable Development 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 seventy-seven million eight hundred thousand Euros (EUR 77,800,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project 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 General Directorate for Land Registry and Cadastre (“TKGM”), acting under the authority and auspices of the Ministry of Environment, Urbanization, and Climate Change, declares its commitment to the

objective of the Project. To this end, the Borrower, through TKGM, shall carry out 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 Condition of Effectiveness consists of the following, namely, the Borrower, through TKGM, shall have prepared and adopted the Project Operations Manual, including procurement procedures and a financial management manual, all in form and substance consistent with Section I.B of Schedule 2 to this Agreement and to the satisfaction of the Bank.
- 4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Treasury and Finance.
- 6.02. 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.

- 6.03. 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 1-202-477-6391
64145(MCI)

AGREED as of the Signature Date.

REPUBLIC OF TÜRKİYE

By



Authorized Representative

Name: Kerem Dönmez

Title: Director General

Date: 18-Oct-2023

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By



Authorized Representative

Name: J. Humberto Lopez

Title: Country Director

Date: 21-Sep-2023

SCHEDULE 1

Project Description

The objective of the Project is to improve the accuracy and accessibility of land administration information in Türkiye.

The Project consists of the following parts:

Part A. Creating three-dimensional (“3D”) City Models and Updating Cadastre Data

1. *Creation of 3D City Models.*

- (a) *Aerial surveys.* Provision of Aerial Survey Operating Costs in support of the production of initial or renewed aerial photography (both vertical and oblique) to produce digital elevation model, digital surface model, and ortho-photo mosaics.
- (b) *Building inventory.* Provision of support (through goods, consulting services and non-consulting services) for the establishment, population, and verification of the building stock inventory, using existing datasets or information, and newly created exterior building models and building information models.
- (c) *3D city modelling.* Provision of support (through goods, consulting services and non-consulting services) for the creation of:
 - (i) 3D exterior building models of the façades and roofs by photogrammetric modelling of the aerial photos; and
 - (ii) 3D building information models from the existing architectural plans of buildings, including 3D models of the interior property units.
- (d) *Data integration.* Provision of support (through goods, consulting services and non-consulting services) for:
 - (i) the harmonization and integration of existing and new datasets (cadastre and land register, address register, building stock inventory, exterior and interior 3D building models, digital source model, ortho-photos) in TKGM’s 3D City Model information system; and
 - (ii) implementation of web services to ensure interoperability with the national spatial data infrastructure system.

2. **Updating cadastre data.**

Provision of support (through goods, consulting services and non-consulting services) for the update and verification of cadastral data for approximately six million parcels in both rural and urban areas in all 81 provinces of Türkiye.

Part B. Real Estate Valuation

Provision of support (through goods, consulting services and non-consulting services) for the following activities:

1. ***Collection of required data for mass valuation system.***

- (a) Development of methods for collecting market evidence.
- (b) Collection of price information and data on a sample of properties needed for mass valuation modelling in the form of a sales price register.
- (c) Development of a property value information center for the storage, management, exchange, and distribution of relevant valuation data for each of the principal valuation methods, including the sales price register, leases, rentals, and building costs.
- (d) Provision of hardware and software upgrading for said real estate valuation activities.

2. ***Mass valuation modelling.***

- (a) Development of mass valuation models, using, *inter alia*, data from sales comparisons, income, costs and receipts, and expenditure methods of valuation, as appropriate for residential, commercial, heavy industry and special purpose properties, and leisure properties.
- (b) Testing of mass valuation models to demonstrate validity based on international standards.

3. ***Preparation for the establishment of an appeals system.***

Preparation for the establishment of an independent appeals mechanism for taxpayer challenges of assessments; said activity, informed by international experience and best practices, includes, *inter alia*:

- (a) the preparation of draft legislation for the establishment of said system; and

(b) the capacity building of TKGM on the management of an appeals system.

4. ***Policy issues.***

Provision of support on mass valuation policy considerations, including, *inter alia*: legal definition of market value for tax assessment; valuation models and methodologies; definition of a separate taxable unit; valuation standards for use in property taxation; and studies on international best practices on mass valuation issues.

Part C. Institutional Capacity Building and Project Management.

Provision of support (through goods, consulting services, non-consulting services, Project Operating Costs and Training) for the following activities:

1. Building capacity and provision of training to TKGM staff and producers and/or users of spatial data, including municipalities, the General Directorate of Population and Citizenship Affairs of the Ministry of Interior, and other relevant institutions.
2. Provision of information technology infrastructure necessary for the scaling of the 3D City Model information system developed by TKGM.
3. Enhancement of the existing Project Implementation Unit and TKGM automated monitoring and evaluation system.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through TKGM, shall, throughout Project implementation and to the satisfaction of the Bank, be responsible for the overall management of the Project; said responsibility shall include:
 - (a) overseeing the overall Project implementation and management, including ensuring close multi-agency and multi-partner coordination, involving TKGM (including specifically its Department of Cadastre, Department of Land Registry, Department of Mapping, Department of Real Estate Valuation, and Department of Information Technologies), the Special Provincial Administrations, other relevant municipal authorities, the Ministry of Interior's General Directorate of Population and Citizenship (responsible for the MAKS address system), the General Directorate of Geographic Information System (responsible for the National Spatial Data Infrastructure), and other stakeholders, as may be relevant, 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.
2. The Borrower, through TKGM, shall maintain throughout Project implementation a Project Implementation Unit, with terms of reference, qualified staffing, authority, and budgetary resources necessary and appropriate to, in the Bank's opinion, effectively carry out the Project to the satisfaction of the Bank.
3. The Borrower, through TKGM, shall ensure inter-institutional coordination through the establishment and convening, as needed, of a stakeholders advisory group to provide guidance, serve as a sounding board on strategic planning, and identify policy and technical issues to improve implementation and impact of the Project.

4. In carrying out Part A.2 of the Project, the six million parcels for which the Borrower, through TKGM, shall update and verify the cadastral data shall be from the 11 million parcels not covered by the Land Registration and Cadastre Modernization Project.
5. In carrying out the Project, the Borrower, through TKGM, shall ensure that: (a) all expenditures financed under this Agreement are directly incurred on account of the implementation, management, and monitoring of the Project; and (b) in the event that the goods, consulting services, non-consulting services, Training, Aerial Survey Operating Costs, or Project Operating Costs 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.

1. The Borrower, through TKGM, shall maintain throughout Project implementation, a POM, 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 respective parts of the Project;
 - (b) the coordination arrangements between the relevant parties for the day-to-day execution of the Project;
 - (c) detailed description of all activities under 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 Project;
 - (e) the environmental and social obligations, Environmental and Social Instruments, the details on the functioning of the grievance redress mechanism(s), and the gender and citizen engagement for the Project, consistent with the provisions of Section I.C of this Schedule 2 and the Environmental and Social Commitment Plan;
 - (f) detailed guidelines and procedures for Personal Data collection and processing in accordance with applicable national law and good international practice;
 - (g) the financial management manual, setting forth the financial management arrangements, requirements, and detailed procedures for the Project, consistent with the provisions of Section 5.09 of the General Conditions, including the functions, staffing, job descriptions (with special emphasis

on the segregation of duties), workflows, and internal controls for the Project;

- (h) the guidelines and procedures for procurement consistent with the provisions of the Procurement Regulations;
 - (i) the requirements of the Anti-Corruption Guidelines; and
 - (j) the requirements and procedures for Project monitoring, evaluation, reporting, and communications, including specifically, the frequency and content of environmental and social monitoring reports.
2. The Borrower, through TKGM, shall carry out 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.
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 TKGM, shall ensure that 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 TKGM, shall ensure that 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 TKGM, 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 TKGM, 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 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 Project, (iii) any violent labor unrest or dispute between the Borrower or security forces (assigned to protect 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.)
- 5. The Borrower, through TKGM, 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.

D. Annual Work Plan and Budget.

The Borrower, through TKGM, shall:

- (a) prepare and furnish to the Bank not later than December 30th of each year during the implementation 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 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

- A.** The Borrower, through TKGM, shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.
- B.** Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

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) Goods, non-consulting services, and consulting services, Training, Aerial Survey Operating Costs, and Project Operating Costs for the Project	77,800,000	100%
TOTAL AMOUNT	77,800,000	

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, except that withdrawals up to an aggregate amount not to exceed one hundred thousand Euros (EUR 100,000) may be made for payments made prior to this date but on or after June 1, 2023, for Eligible Expenditures under Category (1).
2. The Closing Date is December 31, 2028.

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. “3D” means three dimensional.
2. “3D City Models” means city models that represent spatial urban data by means of 3D virtual environments, including terrain models, building models, and roads and transportation systems models.
3. “Aerial Survey Operating Costs” means the reasonable incremental expenses for fuel, maintenance and repairs incurred by the Borrower, through TKGM, directly in connection with the aerial survey activities under Part A.1(a) of the Project (and other miscellaneous expenses directly associated with Part A.1(a) of the Project, agreed to in writing by the Bank).
4. “Annual Work Plan and Budget” means the annual work plan and budget referred to in Section I.D of Schedule 2 of this Agreement.
5. “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.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 2, 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 TKGM, shall carry out or cause to be carried out to address the potential environmental and social risks and impacts 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 Borrower, through TKGM, for 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”; effective on October 1, 2018, as published by the Bank.

10. “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).
11. “General Directorate of Geographic Information System” means the general directorate of the same name, also known as *Coğrafi Bilgi Sistemleri Genel Müdürlüğü*, under the Borrower’s Ministry of Environment, Urbanization and Climate Change, established pursuant to Presidential Decree No. 1 (published in the Official Gazette dated July 10, 2018), or its legal successor or successors thereto acceptable to the Bank.
12. “General Directorate of Land Registry and Cadastre” or “TKGM” means the general directorate of the same name, also known as *Tapu ve Kadastro Genel Müdürlüğü*, under the Borrower’s Ministry of Environment, Urbanization, and Climate Change, established pursuant to Law No. 6083, adopted on November 25, 2010 (published in the Official Gazette No. 27781, dated December 10, 2010), or its legal successor or successors thereto acceptable to the Bank.
13. “General Directorate of Population and Citizenship” means the general directorate of the same name, also known as *Nüfus ve Vatandaşlık İşleri Genel Müdürlüğü*, under the Borrower’s Ministry of Interior, established pursuant to Presidential Decree No. 1 (published in the Official Gazette on July 10, 2018), or its legal successor or successors thereto acceptable to the Bank.
14. “Land Registration and Cadastre Modernization Project” means the project financed by Loan Agreement No. 8541-TR, between the Republic of Türkiye and the International Bank for Reconstruction and Development, dated November 30, 2015.

15. “MAKS” means the spatial address registry system managed by General Directorate of Population and Citizenship.
16. “Ministry of Environment, Urbanization and Climate Change” means the Borrower’s ministry of the same name or any legal successor or successors thereto.
17. “Ministry of Interior” means the Borrower’s ministry of the same name or any legal successor or successors thereto.
18. “National Spatial Data Infrastructure” means the Turkish geographical information systems.
19. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
20. “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.
21. “Project Implementation Unit” means the Project implementation unit as described in Section I.A.2 of Schedule 2 to this Agreement.
22. “Project Operating Costs” means reasonable incremental expenses incurred by the Borrower, through TKGM, directly on account of the implementation, management, and monitoring of the Project; such costs may include, as relevant, and as the Bank may agree, for the following:
 - (a) travel, accommodation, and *per diem* associated with training, workshop, and study tour participants and trainers, and other training-related miscellaneous costs, all such costs which shall not be covered under Training, and which are based on an Annual Work Plan and Budget agreed with the Bank;
 - (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 and Project supervision;
 - (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 TKGM.
23. “Project Operations Manual” or “POM” means the Project Operations Manual referred to in Section I.B of Schedule 2 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.
24. “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.
25. “Special Provincial Administration” means a public entity having administrative and financial autonomy, established to meet the common local needs of the people in the province and whose decision-making body is elected by voters, as authorized pursuant to the Law on Special Provincial Administration, Law No. 5302, dated February 22, 2005 (published in the Official Gazette, dated March 4, 2005, No. 25745).
26. “Training” means reasonable expenditures (excluding costs of consultants’ services) incurred for Project-related capacity building activities, including study tours, training courses, seminars, workshops, and other training activities, all based on an Annual Work Plan and Budget agreed with the Bank and covered under the Procurement Plan.