
LOAN NUMBER 9760-TR

Loan Agreement

(Agriculture Sector Recovery in Türkiye's Earthquake-Affected Provinces 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 two hundred thirty million one hundred thousand euros (€230,100,000), 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 May 15 and November 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 Agriculture and Forestry (“MoAF”), declares its commitment to the objective of the Project. To this end, the Borrower, through MoAF, 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 that the Borrower, through MoAF, shall have prepared and adopted the Project Operations Manual, 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 V — 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:

Hazine ve Maliye Bakanlığı
İnönü Bulvarı 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: _____ 18-Dec-2024

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By



Authorized Representative

Name: _____ J. Humberto Lopez

Title: _____ Country Director

Date: _____ 17-Dec-2024

SCHEDULE 1

Project Description

The objective of the Project is to support the resilient recovery of the agriculture sector in Türkiye's Earthquake-Affected Provinces and Targeted Adjacent Areas.

The Project consists of the following parts:

Part 1. Enabling Service Provision for a Climate Resilient Agriculture Sector Recovery.

A. Investing in Irrigation for Enhanced Water-Efficiency and Climate Resilience.

- (i) Rehabilitating and upgrading irrigation infrastructure managed by Selected Irrigation Cooperatives in Earthquake-Affected Provinces, including *inter alia*: (a) conducting related feasibility studies and environmental and social studies; (b) converting open channels into closed, pressurized systems and repairing of associated irrigation infrastructure; (c) installing water-efficient pumps (including solar-powered pumps) and prepaid meters to water intake facilities; and (d) developing tools to monitor water use efficiency; and
- (ii) Carrying out capacity building activities for MoAF staff, Selected Irrigation Cooperatives and farmers on irrigation management and water use efficiency.

B. Promoting Common Machinery Utilization Models for Improved Access to Mechanization.

- (i) Carrying out preparatory validation assessments and awareness workshops on establishing common machinery utilization models to provide machinery services to farmers;
- (ii) Providing support through the General Directorate of Agricultural Reform ("TRGM") to Eligible Agricultural Organizations in Earthquake-Affected Provinces in preparing investment plans for establishing common machinery utilization models to provide machinery services to farmers; and
- (iii) Providing support through TRGM to Selected Agricultural Organizations in establishing and implementing common machinery utilization models through *inter alia*:

- (a) granting to Selected Agricultural Organizations machinery and/or equipment needed to implement a common machinery utilization model through a Machinery Matching Grants scheme;
- (b) machinery repairs and maintenance;
- (c) minor construction works to build and repair machinery storage and parking facilities; and
- (d) enhancing capacity of Selected Agricultural Organizations to implement common machinery utilization models, including capacity building on sustainable mechanization approaches and training for machinery operators and farmers.

Part 2. Supporting Climate-Smart Recovery of the Livestock Sector.

A. Recovering the Productive Capacity of Livestock Farmers and Enterprises.

- (i) Providing support through the General Directorate of Livestock (“HAYGEM”) to establish and carry out a Livestock Matching Grant (cost-sharing) mechanism to assist Selected Beneficiaries in Earthquake-Affected Provinces in renovating and modernizing infrastructure and equipment for primary livestock production; and
- (ii) Conducting awareness campaigns and carrying out capacity building activities for farmers and MoAF’s provincial directorates of agriculture and forestry and district directorates of agriculture staff on climate-smart livestock management approaches and practices, including good animal husbandry practices, paddock management, rotation to reduce soil carbon losses, and manure management.

B. Restoring Pastureland for Enhanced Livelihoods and Resilient Animal Production Systems.

- (i) Providing support through the General Directorate of Plant Production (“BUGEM”) in implementing Pasture Management Plans in Earthquake-Affected Provinces and Targeted Adjacent Areas through investments in *inter alia*:
 - (a) pasture improvement, rehabilitation and maintenance;
 - (b) establishing grazing-related infrastructure using nature-based solutions, including shrubs for erosion control, sediment trapping structures, and preventing pasture degradation;

- (c) building and repairing animal infrastructure, including shaded areas, troughs, canopy, water ponds, road repairs to facilitate shepherd pasture accessibility;
 - (d) acquiring equipment to improve welfare conditions of shepherds during grazing periods, including mobile caravans, portable shepherds tents and bags, solar panels, solar power toilets; and small tools and machinery needed to improve pasture management; and
 - (e) acquiring Seedlings and production inputs, including climate adapted seedlings and saplings, to improve grassland productivity and planting of fodder crops to reduce forage supply gap;
- (ii) Providing support through BUGEM for pasture monitoring and evaluation, and research, including, *inter alia*: (a) establishing a digital pasture information system in Earthquake-Affected Provinces and Targeted Adjacent Areas with national application to monitor pasture conditions and relevant ecological variables; (b) carrying out surveys on the state of the pasture ecosystems; (c) conducting studies to identify native climate drought-resistant species and pasture composition species; and (d) propagating better climate-adapted native species to be used to achieve objectives of the Pasture Management Plans; and
 - (iii) Carrying out awareness and capacity building activities for MoAF staff on the proper management of pastures.

Part 3. Project Management, Monitoring, and Evaluation.

Provision of goods, consulting services, non-consulting services, Training, and Operating Costs for Project management support to the Project Coordination Unit (“PCU”) under the General Directorate of EU and Foreign Relations (“ABDGM”), and to TRGM, BUGEM, and HAYGEM: (i) to strengthen their capacity for day-to-day Project management, including carrying out technical, fiduciary, environmental, and social activities and compliance requirements; (ii) for the management of grievance redress, gender aspects, citizen engagement, and communications; (iii) for Project monitoring and evaluation activities, including development of an integrated system for monitoring of Project outputs and outcomes, and (iv) for the development and implementation of Project communication and visibility plan.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through MoAF, shall have overall responsibility for Project implementation and said responsibility shall include, to the satisfaction of the Bank:
 - (a) overseeing the overall Project implementation, and management, including ensuring close coordination between ABDGM, TRGM, BUGEM and HAYGEM (collectively the “General Directorates for the Project”), and with other relevant government and institutional entities, as detailed in the Project Operations Manual;
 - (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 Project Operations Manual; and
 - (c) preparing, and furnishing to the Bank, as may be relevant, all Project implementation documents, including Project supervision reports.
2. By no later than one hundred twenty (120) days after the Effective Date, the Borrower, through MoAF, shall have operationalized and shall continue to maintain within ABDGM, throughout Project implementation, the PCU with terms of reference, qualified staffing, authority and budgetary resources necessary and appropriate to, in the Bank’s opinion, effectively carry out the responsibilities set forth in paragraph 1 of this Section I.A, including specifically the financial management, monitoring and evaluation, and environmental and social requirements of the Project.
3. The Borrower, through the MoAF, shall, at all times during Project implementation, ensure that TRGM, BUGEM and HAYGEM, are each maintained with mandate, composition and resources acceptable to the Bank and are responsible for carrying out:
 - (a) TRGM - Part 1 of the Project;
 - (b) HAYGEM - Part 2.A of the Project; and

- (c) BUGEM - Part 2.B of the Project; all in close coordination with MoAF's provincial directorates of agriculture and forestry and district directorates of agriculture.
4. By no later than sixty (60) days after the Effective Date, the Borrower, through MoAF, shall appoint coordination focal points in TRGM, BUGEM and HAYGEM and designate staff with functions, resources, and authority necessary and appropriate for the purpose of effectively carrying out the respective parts of the Project to the satisfaction of the Bank.
 5. By no later than sixty days (60) days after the Effective Date, the Borrower, through MoAF, shall establish, and thereafter maintain throughout Project implementation, and coordinate the regular meeting of, a Project Steering Committee, with composition and terms of reference detailed in the Project Operations Manual, to be responsible for, *inter alia*, ensuring effective institutional coordination among the General Directorates for the Project, reviewing the Annual Work Plan and Budget, monitoring the implementation progress of the Project, and providing instructions as needed to ensure the delivery of Project outputs and the achievement of Project outcomes.
 6. By no later than sixty days (60) days after the Effective Date, the Borrower, through MoAF, shall establish, and thereafter maintain throughout Project implementation, and coordinate the periodic meeting of:
 - (a) A Technical Coordinating Committee, with composition and terms of reference detailed in the Project Operations Manual, to be responsible for, *inter alia*, reviewing Project progress based on monitoring and evaluation results and address technical and administrative issues related to implementation; and
 - (b) A monitoring and evaluation technical working group, represented by each of the General Directorates for the Project to further refine the Project's overall monitoring and evaluation strategy and to coordinate Project monitoring, including measurement approaches and strategies for data capture, reporting and evaluation.
 7. The Borrower, through MoAF, shall establish, and coordinate the periodic meeting of *ad hoc* technical committees to address specific topics that require alignment among MoAF departments.
 8. By no later than sixty (60) days after the Effective Date, the Borrower, through MoAF, shall tailor accounting and reporting software capable to ensure that it supports the Bank's financial reporting and accounting requirements under the Project, in accordance with terms of reference acceptable to the Bank.

B. Project Operations Manual.

1. The Borrower, through MoAF, shall maintain throughout Project implementation, a Project Operations Manual (“POM”), in form and substance acceptable to the Bank; said POM shall include, *inter alia*, provisions on the following:
 - (a) Detailed description of all Project activities supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
 - (b) The parties responsible for carrying out the respective parts of the Project, composition of and roles and responsibilities of the Project Steering Committee, PCU, TRGM, BUGEM, HAYGEM, and MoAF’s provincial directorates of agriculture and forestry and district directorates of agriculture and terms of reference for PCU;
 - (c) The detailed policies, procedures, guidelines, and standard documents for Project implementation, including:
 - (i) the selection and management of Project activities;
 - (ii) the selection criteria and procedures for the selection of Selected Irrigation Cooperatives under Part 1.A of the Project; and
 - (iii) the templates of Collaboration Agreement and Transfer Agreement;
 - (d) The list of geographical areas where Subprojects under Part 1.A(i) of the Project will be eligible for financing under the Project;
 - (e) The Machinery Matching Grants Manual (subject to the timing for its preparation as recognized in Section III.B.1(b) of this Schedule), covering, *inter alia*, the eligibility and selection criteria and procedures for the selection and financing of Subprojects and the selection of Eligible Agricultural Organizations to receive support for the preparation of investment plans under Part 1.B(ii) of the Project and Selected Agricultural Organizations to receive Machinery Matching Grants under Part 1.B(iii) of the Project, including those specified in Sections I.D and I.E of this Schedule;
 - (f) The Livestock Matching Grants Manual (subject to the timing for its preparation as recognized in Section III.B.1(c) of this Schedule), covering, *inter alia*, the eligibility and selection criteria and procedures for the selection and financing of Subprojects and for the selection of Selected Beneficiaries to receive Livestock Matching Grants under Part 2.A(i) of

the Project, including those specified in Sections I.D and I.F of this Schedule;

- (g) The environmental and social obligations, Environmental and Social Instruments, and arrangements, details on the functioning of the grievance redress mechanism(s), and gender, stakeholder and citizen engagement for the Project, consistent with the provisions of Section I.G of this Schedule and the Environmental and Social Commitment Plan;
 - (h) The financial management manual, covering disbursement and financial management arrangements, requirements and detailed procedures consistent with the provisions of Section 5.09 of the General Conditions, including the functions, staffing, job descriptions, workflows, internal controls and all financial management arrangements for the Project;
 - (i) Detailed process for preparing, reviewing, and approving the Annual Work Plan and Budget;
 - (j) The guidelines and procedures for procurement consistent with the provisions of the Procurement Regulations;
 - (k) The requirements of the Anti-Corruption Guidelines;
 - (l) The coordination arrangements between the relevant parties for the day-to-day execution of the Project; and
 - (m) 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 MoAF, shall carry out the Project, and cause 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. Project Beneficiaries.

1. The Borrower, through MoAF, shall ensure that, unless otherwise agreed to by the Bank in writing and thereafter incorporated into the POM, the appraisal and

selection of potential Selected Irrigation Cooperatives, Eligible Agricultural Organizations, Selected Agricultural Organizations, and Selected Beneficiaries, respectively, for Parts 1.A(i), 1.B(ii), 1.B(iii), 2.A(i) of the Project, shall all be in accordance with the criteria, terms, conditions, and procedures specified in Sections I.D, I.E, and I.F of this Schedule, and as may be further detailed in the POM, including the Machinery Matching Grants Manual and Livestock Matching Grants Manual.

D. Subprojects.

1. In carrying out Parts 1.A(i), 1.B(iii), 2.A(i) and 2.B(i) of the Project, the Borrower shall, through MoAF, ensure that, unless otherwise agreed to by the Bank in writing and thereafter incorporated into the POM, each Subproject is appraised, selected and prioritized in accordance with standards, criteria and procedures acceptable to the Bank, as set forth in this Section I.D, Section I.E, and Section I.F of this Schedule and further detailed in the POM, which shall include determining, to the satisfaction of the Bank, that the proposed investment:
 - (a) is aligned with the Project objective, as set forth in Schedule 1 of this Agreement;
 - (b) is technically feasible;
 - (c) is demand and needs driven; and
 - (d) is in compliance with, and can be designed and implemented in a manner in compliance with (i) the Bank's fiduciary requirements (including financial and procurement), (ii) the Bank's Environmental and Social Standards, Section I.G of this Schedule, the Environmental and Social Commitment Plan, and the Environmental and Social Instruments (as such instruments, in the judgment of the Bank, may need to be amended to appropriately address the environmental and social considerations relevant to the proposed investments), and (iii) all other relevant terms of this Agreement, which includes not financing any of the Excluded Activities as defined in this Agreement and as may be further elaborated in the POM.

2. Without prejudice to the general requirements of Section I.C.1 of this Schedule, the Borrower, through MoAF, shall select eligible Selected Irrigation Cooperatives, for Part 1.A(i) of the Project, based on the criteria set forth below:
 - (a) registration of a cooperative under MoAF;
 - (b) active status of a cooperative;

- (c) irrigation schemes with infrastructure that were affected by the February 2023 Earthquakes or are in need of modernization under operation of a cooperative; and
 - (d) irrigation schemes not sourcing water from internationally shared hydrological basins.
3. (a) For purposes of facilitating the carrying out of Part 1.A(i) of the Project, the Borrower, through MoAF, shall enter with each Selected Irrigation Cooperative into:
- (i) a collaboration agreement, upon the Selected Irrigation Cooperative's selection, under terms and conditions acceptable to the Bank ("Collaboration Agreement"), including, *inter alia*, the Selected Irrigation Cooperative's and TRGM roles and responsibilities during feasibility, design preparation, and construction phases of the respective Subproject, and the Selected Irrigation Cooperative's obligations as beneficiary from Part 1.A(i) of the Project, including the Selected Irrigation Cooperative's obligation to comply with the applicable provisions of this Agreement and the Project Operational Manual;
 - (ii) a transfer agreement, before commencing construction works for the respective Selected Irrigation Cooperative, under terms and conditions acceptable to the Bank ("Transfer Agreement"), including, *inter alia*, conditions under which MoAF transfers the management rights for the irrigation infrastructure to the Selected Irrigation Cooperative, the Selected Irrigation Cooperative's responsibilities for management and maintenance of the irrigation infrastructure, and TRGM's role for monitoring and evaluation, the Selected Irrigation Cooperative's obligation to comply with the applicable provisions of this Agreement and the Project Operational Manual, including, specifically:
 - (A) to operate the investment financed by the Project with due diligence and efficiency, in compliance with (1) sound technical and managerial (including in respect to the maintenance of adequate records) standards, (2) abiding by applicable environmental and social impact standards (with due regard to applicable social impact, ecological, environmental and pollution control standards and practices), (3) abiding by the provisions of the Anti-Corruption Guidelines applicable to recipients of

finance proceeds other than the Borrower, and (4) all other relevant provisions of the POM;

- (B) providing the Borrower, through MoAF, with the right to inspect, by itself or jointly with representatives of the Bank, if the Bank and/or the Borrower, through MoAF, shall so request, the investment financed by the Project, the operation thereof, and any relevant records and documents;
 - (C) notifying the Borrower, through MoAF, of any changes to the Selected Irrigation Cooperative eligibility (pursuant to the criteria set forth in Section I.D.3 of this Schedule) during the period of the Project implementation;
 - (D) preparing and furnishing to the Borrower and/or the Bank all such information as the Borrower, through MoAF, and/or the Bank shall reasonably request relating to the foregoing and to the administration, operation, and financial condition of the Selected Irrigation Cooperative and to the benefits derived from the transfer of the irrigation infrastructure; and
 - (E) accepting the right of the Borrower, through MoAF, to obligate the Selected Irrigation Cooperative to adhere to the performance requirements of the Transfer Agreement and the right of the Borrower, through MoAF, to take any necessary legal actions under the Transfer Agreement, upon the said Selected Irrigation Cooperative failure to perform its obligations under the Transfer Agreement;
- (b) The Borrower, through MoAF, shall exercise its rights under each Collaboration Agreement and Transfer Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and
 - (c) Except as the Bank shall otherwise agree, the Borrower, through MoAF, shall not assign, amend, abrogate or waive each Collaboration Agreement and Transfer Agreement or any of its provisions.

E. Machinery Matching Grants.

1. In furtherance of Section I.D.1 of this Schedule, the Borrower, through MoAF, shall make Machinery Matching Grants available to Selected Agricultural Organizations for the carrying out of Subprojects under Part 1.B(iii) of the Project

to establish common machinery utilization models to provide machinery services to farmers, in accordance with eligibility criteria and procedures acceptable to the Bank as set forth in this Section I.E and further detailed in the Machinery Matching Grants Manual.

2. Without prejudice to the generalities of Section I.C.1 of this Schedule, the Borrower, through the MoAF, shall select eligible Selected Agricultural Organizations, for Part 1.B(ii) of the Project, based on the technical, environmental and financial feasibility of investment plans prepared by the Eligible Agricultural Organizations under Part 1.B(ii) of the Project.
3. Unless otherwise agreed to by the Bank in writing and thereafter incorporated into the Machinery Matching Grants Manual, the Borrower, through the MoAF, shall ensure that:
 - (a) the machinery and/or equipment under Part 1.B(iii)(a) of the Project for the approved Subprojects under Part 1.B(iii) of the Project shall be financed by Machinery Matching Grants covering 90 percent of the projected costs of said machinery and/or equipment;
 - (b) the monetary contribution provided by the Selected Agricultural Organization for financing the machinery and/or equipment under Part 1.B(iii)(a) of the Project shall be 10 percent of the projected costs of said machinery and/or equipment; and
 - (c) the maximum amount of Machinery Matching Grant shall be equivalent to \$1,200,000 per each Subproject.
4. In furtherance of paragraph 1 of this Section I.E, the Borrower, through MoAF, shall:
 - (a) Maintain a Machinery Matching Grants Manual, satisfactory in form and substance to the Bank, setting forth the procedures for selecting, appraising, and approving investment plans for establishing common machinery utilization models and for supervising implementation of Subprojects financed by Machinery Matching Grants, including, *inter alia*:
 - (i) the eligibility criteria for the Machinery Matching Grant investments and Eligible Agricultural Organizations which shall include without prejudice to the generalities of Section I.C.1 of this Schedule the following:

- A. cooperative, or agricultural producers association or union, or animal breeders' association, duly established under Borrower's legislation and registered with TRGM;
 - B. active membership of at least 25 farmers;
 - C. proper financial management as evidenced by balance sheets; and
 - D. availability of land for the establishment of a common machinery utilization model and administrative buildings for model-related functions;
- (ii) the application, evaluation, selection, award, and Machinery Matching Grants management procedures;
 - (iii) the Machinery Matching Grant ceilings, and cost sharing percentages and requirements, for eligible Subproject investments;
 - (iv) the detailed implementation requirements, including the rules and procedures for provision of machinery services to farmers under the common machinery utilization model, criteria for Machinery Matching Grants record keeping, procurement, financial management, disbursements, monitoring, evaluation, and reporting; and
 - (v) Machinery Matching Grant Agreement template;
- (b) Incorporate the adopted Machinery Matching Grants Manual, acceptable to the Bank, within the POM;
 - (c) Not assign, amend, abrogate or waive, or permit to assign, amend, abrogate or waive the Machinery Matching Grants Manual, or any provision thereof, in a manner which, in the opinion of the Bank, may materially and adversely affect the implementation of the Parts 1.B(ii) and 1.B(iii) of the Project; the Machinery Matching Grants Manual may only be amended in consultation with, and after approval of, the Bank; in case of any conflict between the terms of the Machinery Matching Grants Manual and those of this Agreement, the terms of this Agreement shall prevail; and
 - (d) Supervise, monitor, and report on the carrying out of the Subprojects financed by the Machinery Matching Grants in accordance with the Machinery Matching Grants Manual.

5. The Borrower, through MoAF, shall:
- (a) Make Machinery Matching Grants available to Selected Agricultural Organizations, in each case, under a Machinery Matching Grant Agreement on terms and conditions acceptable to the Bank, in accordance with the Machinery Matching Grants Manual;
 - (b) Obtain, through the Machinery Matching Grant Agreement, rights adequate to protect the interests of the Borrower and the Bank, including requiring the Selected Agricultural Organizations to:
 - (i) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including (A) compliance with the Environmental and Social Standards, the Environmental and Social Commitment Plan, and the Environmental and Social Instruments, and (B) compliance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Borrower;
 - (ii) provide, promptly as needed, the matching resources required for the purpose of the Subproject;
 - (iii) adhere the rules and procedures for provision of machinery services to farmers under the common machinery utilization model;
 - (iv) enable the Borrower and the Bank to inspect the Subproject, its operation and any relevant records and documents;
 - (v) prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing; and
 - (vi) reserve the right to suspend or terminate the right of the Selected Beneficiary's use of the Machinery Matching Grant, and the right to obtain a return of Machinery Matching Grant, upon the Selected Agricultural Organization's failure to perform any of its obligations under the Machinery Matching Grant Agreement; and
 - (c) Exercise its rights and carry out its obligations under each Machinery Matching Grant Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Project,

recognizing that, except as the Bank shall otherwise agree, the Borrower, through MoAF, shall not assign, abrogate, amend, suspend, terminate, waive or otherwise fail to enforce any Machinery Matching Grant Agreement or any provisions thereof, and in case of any inconsistency between the provisions of any Machinery Matching Grant Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

F. Livestock Matching Grants.

1. In furtherance of Section I.D.1 of this Schedule, the Borrower, through MoAF, shall make Livestock Matching Grants available to Selected Beneficiaries for the carrying out of Subprojects under Part 2.A(i) of the Project to:

- (a) repair or modernize shelter structures, including barns, pens, sheds, and fences; and
- (b) acquire equipment to modernize milking processes, feeding practices, animal health practices, or to support effective manure management and energy efficiency,

all in accordance with eligibility criteria and procedures acceptable to the Bank as set forth in this Section I.F and further detailed in the Livestock Matching Grants Manual.

2. Without prejudice to the generalities of Section I.C.1 of this Schedule, the Borrower, through the MoAF, shall select eligible Selected Beneficiaries, for Part 2.A(i) of the Project, based on the criteria set forth below:

- (a) an individual or legal entity registered as farmer in the Borrower's livestock information system carrying out cattle, small ruminants, and poultry activities;
- (b) production scale within the limits set out in the Livestock Matching Grants Manual; and
- (c) operation of livestock productive assets that were impacted by the February 2023 Earthquake, or livestock productive assets in Earthquake-Affected Provinces that are in need of modernization.

3. Unless otherwise agreed to by the Bank in writing and thereafter incorporated into the Livestock Matching Grants Manual, the Borrower, through the MoAF, shall ensure that:

- (a) approved Subprojects under Part 2.A(i) of the Project shall be financed by Livestock Matching Grants covering 75 percent of the projected Subproject costs;
- (b) the monetary contribution provided by the Selected Beneficiary for financing a Subproject under Part 2.A(i) of the Project shall be 25 percent of the projected Subproject costs; and
- (c) the maximum amount of a Livestock Matching Grant shall be as specified below:
 - (i) equivalent of \$110,947 per each Subproject carried out by a Selected Beneficiary involved in cattle farming and feedlot activities;
 - (ii) equivalent of \$55,473 per each Subproject carried out by a Selected Beneficiary involved in small ruminant farming activities; and
 - (iii) equivalent of \$369,822 per each Subproject carried out by a Selected Beneficiary involved in poultry production activities;

all based on the schedule set forth in the Livestock Matching Grants Manual, specifying the grant ceiling amount depending on the production capacity.

4. In furtherance of paragraph 1 of this Section I.F, the Borrower, through MoAF, shall:
- (a) Maintain a Livestock Matching Grants Manual, satisfactory in form and substance to the Bank, setting forth the procedures for selecting, appraising, and approving Livestock Matching Grant applications, and for supervising implementation of Subprojects financed by Livestock Matching Grants, including, *inter alia*:
 - (i) the eligibility criteria for the Livestock Matching Grant investments;
 - (ii) the application, evaluation, selection, award, and Livestock Matching Grants management procedures;
 - (iii) the Livestock Matching Grant ceilings, and cost sharing percentages and requirements, for eligible Subproject investments;

- (iv) the detailed implementation requirements, including the criteria for Livestock Matching Grants record keeping, procurement, financial management, disbursements, monitoring, evaluation, and reporting;
 - (v) Livestock Matching Grant Agreement template; and
 - (vi) mandatory provisions that exclude the financing of Excluded Activities;
 - (b) Incorporate the adopted Livestock Matching Grants Manual, acceptable to the Bank, within the POM;
 - (c) Not assign, amend, abrogate or waive, or permit to assign, amend, abrogate or waive the Livestock Matching Grants Manual, or any provision thereof, in a manner which, in the opinion of the Bank, may materially and adversely affect the implementation of the Part 2.A(i) of the Project; the Livestock Matching Grants Manual may only be amended in consultation with, and after approval of, the Bank; in case of any conflict between the terms of the Livestock Matching Grants Manual and those of this Agreement, the terms of this Agreement shall prevail; and
 - (d) Supervise, monitor, and report on the carrying out of the Subprojects financed by the Livestock Matching Grants in accordance with the Livestock Matching Grants Manual.
5. The Borrower, through MoAF, shall:
- (a) Make Livestock Matching Grants available to Selected Beneficiaries, in each case, under a Livestock Matching Grant Agreement on terms and conditions acceptable to the Bank, in accordance with the Livestock Matching Grants Manual;
 - (b) Obtain, through the Livestock Matching Grant Agreement, rights adequate to protect the interests of the Borrower and the Bank, including requiring the Selected Beneficiary to:
 - (i) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including (A) procurement of goods, works and services to be financed out of the Livestock Matching Grant in accordance with the provisions of Procurement Regulations, (B) compliance with the Environmental and Social Standards, the Environmental and Social Commitment Plan, and

the Environmental and Social Instruments, and (C) compliance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Borrower;

- (ii) provide, promptly as needed, the matching resources required for the purpose of the Subproject;
 - (iii) as may be relevant, procure the goods, works and services to be financed out of the Livestock Matching Grant in accordance with the provisions of this Agreement;
 - (iv) enable the Borrower and the Bank to inspect the Subproject, its operation and any relevant records and documents;
 - (v) prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing, including the Borrower's and the Bank's right to require audits of the beneficiary's records and accounts; and
 - (vi) reserve the right to suspend or terminate the right of the Selected Beneficiary's use of the proceeds of the Livestock Matching Grant, and the right to obtain a refund of all or any part of the amount of the Livestock Matching Grant then withdrawn, upon the Selected Beneficiary's failure to perform any of its obligations under the Livestock Matching Grant Agreement; and
- (c) Exercise its rights and carry out its obligations under each Livestock Matching Grant Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Project, recognizing that, except as the Bank shall otherwise agree, the Borrower shall not assign, abrogate, amend, suspend, terminate, waive or otherwise fail to enforce any Livestock Matching Grant Agreement or any provisions thereof, and in case of any inconsistency between the provisions of any Livestock Matching Grant Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

G. Environmental and Social Standards.

1. The Borrower shall, through MoAF, 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 MoAF, 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 MoAF, 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 MoAF, 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, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
 5. The Borrower, through MoAF, 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 MoAF, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, 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.

H. Annual Work Plan and Budget.

1. The Borrower, through MoAF, shall:
 - (a) prepare and furnish to the Bank not later than November 15 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 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 MoAF, 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.

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, works, consulting services, non-consulting services, Seedlings, Training and Operational Costs for the Project, except Parts 1.B(ii) and 1.B(iii).	135,161,000	100%
(2) Goods, works, consulting services, non-consulting services, and Training and under Parts 1.B(ii) and 1.B(iii) of the Project.	6,618,000	100%
(3) Machinery Matching Grants under Part 1.B(iii)(a) of the Project	21,123,000	90% or such other percentage as agreed by the Bank
(4) Livestock Matching Grants under Part 2.A(i) of the Project	67,198,000	75% or such other percentage as agreed by the Bank
TOTAL AMOUNT	230,100,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) under Categories (2) and (3), unless and until the Borrower, through MoAF: (i) has adopted a Machinery Matching Grants Manual, in form and substance satisfactory to the Bank, and incorporated said Machinery Matching Grants Manual as part of the POM; and (ii) has provided to the Bank sufficient evidence of the legal basis under the Borrower's national legislation for the implementation of activities under Parts 1.B(ii) and 1.B(iii) of the Project, in form and substance satisfactory to the Bank; or
 - (c) under Category (4), unless and until the Borrower, through MoAF: (i) has adopted a Livestock Matching Grants Manual, in form and substance satisfactory to the Bank, and incorporated said Livestock Matching Grants Manual as part of the POM; and (ii) has provided to the Bank sufficient evidence of the legal basis under the Borrower's national legislation for the implementation of activities under Part 2.A(i) of the Project, in form and substance satisfactory to the Bank.
2. The Closing Date is December 31, 2030.

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 May 15 and November 15 Beginning May 15, 2031 through May 15, 2037	7.14%
On November 15, 2037	7.18%

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget referred to in Schedule 2, Section I.H of 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Collaboration Agreement” means the agreement referred to in Section I.D.3(a)(i) of Schedule 2 to this Agreement.
5. “Earthquake-Affected Provinces” means the eleven provinces of the Republic of Türkiye that sustained the greatest damages in the February 2023 earthquakes, namely, Adana, Adıyaman, Diyarbakır, Elazığ, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, and Şanlıurfa.
6. “Eligible Agricultural Organization” means a cooperative, or agricultural producers association or union, or animal breeders’ association, which meets the eligibility criteria, as set forth in Section I.E.4(a)(i) of Schedule 2 to this Agreement and the Machinery Matching Grant Manual. “Eligible Agricultural Organizations” means more than one such organization.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 11, 2024, 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 MoAF, 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 Borrower’s environmental and social instruments 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 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. “Excluded Activities” means, collectively:
- (a) investments and activities inconsistent with the Bank’s Environmental and Social Standards and/or the requirements set forth in the ESCP;
 - (b) 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;
 - (c) 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 Environmental and Social Commitment Plan;
 - (d) an investment that: involves large-scale physical and economic displacement as described in Land Acquisition, Restrictions on Land Use, and 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;
 - (e) an investment or activity that involve the potential use of, or discharge into, any waterways defined and applicable under World Bank Operational Policy 7.50 (including feasibility studies, detailed design and engineering studies of such investments; and

- (f) an investment that involves any other exclusions agreed by the Bank and the Borrower as set forth in the POM.
11. “February 2023 Earthquakes” means, for the purpose of this Project, the earthquakes that hit southeast Türkiye on February 6, 2023, of magnitude 7.8 and 7.5, and the aftershocks, and the earthquake that took place on February 20, 2023, of magnitude 6.7.
 12. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing,” dated December 14, 2018 (Last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.
 13. “General Directorate of Agricultural Reform” or “TRGM” means the general directorate of the same name, also known as *Tarım Reformu Genel Müdürlüğü*, under the Borrower’s Ministry of Agriculture and Forestry, the duties and powers of which are regulated by Presidential Decree No. 1 on the Presidency Organization, published in the Official Gazette, dated July 10, 2018, No. 30474, or its legal successor or successors thereto acceptable to the Bank for the purposes of the Project.
 14. “General Directorate of EU and Foreign Relations” or “ABDGM” means the general directorate of the same name, also known as *Avrupa Birliği Ve Dış İlişkiler Genel Müdürlüğü*, under the Borrower’s Ministry of Agriculture and Forestry, the duties and powers of which are regulated by Presidential Decree No. 1 on the Presidency Organization, published in the Official Gazette, dated July 10, 2018, No. 30474, or its legal successor or successors thereto acceptable to the Bank for the purposes of the Project.
 15. “General Directorate of Livestock” or “HAYGEM” means the general directorate of the same name, also known as *Hayvancılık Genel Müdürlüğü*, under the Borrower’s Ministry of Agriculture and Forestry, the duties and powers of which are regulated by Presidential Decree No. 1 on the Presidency Organization, published in the Official Gazette, dated July 10, 2018, No. 30474, or its legal successor or successors thereto acceptable to the Bank for the purposes of the Project.
 16. “General Directorate of Plant Production” or “BUGEM” means the general directorate of the same name, also known as *Bitkisel Üretim Genel Müdürlüğü*, under the Borrower’s Ministry of Agriculture and Forestry, the duties and powers of which are regulated by Presidential Decree No. 1 on the Presidency Organization, published in the Official Gazette, dated July 10, 2018, No. 30474, or its legal successor or successors thereto acceptable to the Bank for the purposes of the Project.

17. “General Directorates for the Project” means, collectively, the General Directorate of EU and Foreign Relations, the General Directorate of Agricultural Reform, General Directorate of Livestock, and General Directorate of Plant Production.
18. “Law on Cooperatives” means Borrower’s law on cooperatives No. 1163 dated April 24, 1969, published in the Official Gazette, dated May 10, 1969, No.13195, as amended from time to time.
19. “Livestock Matching Grant” means such matching grant as specified under Part 2.A.(i) of the Project and Schedule 2, Section I.F of this Agreement. “Livestock Matching Grants” means collectively all such grants.
20. “Livestock Matching Grant Agreement” means an agreement between the Borrower, through MoAF, and a Selected Beneficiary as specified in Schedule 2, Section I.F.5 of this Agreement.
21. “Livestock Matching Grants Manual” means the manual referred to in Section I.F.4(a) 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, including any schedules to the said manual, that details the eligibility criteria and application, selection and approval procedures for the selection of Selected Beneficiaries and the Subproject activities to be financed by Livestock Matching Grants, as well as the terms and conditions applicable to the Livestock Matching Grants.
22. “Machinery Matching Grant” means a grant in form of provision of machinery and/or equipment needed to implement a common machinery utilization model upon receiving from a Selected Agricultural Organization a contribution as set out in the Machinery Matching Grants Manual, as specified under Part 1.B(iii) of the Project and Schedule 2, Section I.E of this Agreement. “Machinery Matching Grants” means collectively all such grants.
23. “Machinery Matching Grant Agreement” means an agreement between the Borrower, through MoAF, and a Selected Agricultural Organization as specified in Schedule 2, Section I.E.5 of this Agreement.
24. “Machinery Matching Grants Manual” means the manual referred to in Section I.E.4(a) 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, including any schedules to the said manual, that details the eligibility criteria for Eligible Agricultural Organizations and application, selection and approval procedures for the selection of Selected Agricultural Organization and the machinery and/or equipment to be provided through Machinery Matching Grants, as well as the terms and conditions applicable to the Machinery Matching Grants.

25. “Ministry of Agriculture and Forestry” or “MoAF” means the Borrower’s ministry of the same name or any legal successor or successors thereto.
26. “Operating Costs” means reasonable incremental expenses directly incurred in respect to Project implementation, management and monitoring, including office supplies, publication of procurement notices, communications, translation and interpretation, publication fees, and other miscellaneous expenses directly associated with the Project and agreed between the Bank and the Borrower, through MoAF, but excluding the salaries and benefits of civil servants and the officials and employees of the Borrower.
27. “Pasture Law” means the Borrower’s law on pastures No. 4342 dated February 28, 1998, published in the Official Gazette, dated February 28, 1998, No. 23272, as amended from time to time.
28. “Pasture Management Plan” means a plan, prepared by MoAF under Pasture Law, for the improvement and management of pastures providing for pastures’ maintenance, improvement, breeding, grazing, resting, seeding, and other measures needed to ensure optimal use of pastures, and covering investments needed to enhance shepherd and animal welfare. “Pasture Management Plans” means more than one such plan.
29. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
30. “Project Coordination Unit” or “PCU” means the unit described in Schedule 2, Section I.A.2 of this Agreement.
31. “Project Operations Manual” or “POM” means the Project Operations Manual referred to Schedule 2, Section I.B, of 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.
32. “Project Steering Committee” means the committee described in Schedule 2, Section I.A.5, of this Agreement.
33. “Seedlings” means the seeds of the Atriplex species, that are not commercially available and obtained through their collection by the MoAF’s General Directorate of Forestry (OGM) and the Konya Soil Water and Desertification Control Research Institute Directorate, and the seedlings propagated to create from said seeds for the purpose of using said seedlings by BUGEM for pasture rehabilitation under Part 2.B(i) of the Project; the cost of said seeds and seedlings established pursuant to the price schedule set forth in the cooperation agreement(s) between BUGEM and OGM and the Konya Soil Water and Desertification Control Research Institute

Directorate, which shall be acceptable to the Bank, and as said price shall be approved by the Bank on annual basis in accordance with the respective Annual Work Plan and Budget.

34. “Selected Agricultural Organization” means an Eligible Agricultural Organization whose investment plan has been approved by TRGM following the criteria and procedures, as set forth in Section I.E of Schedule 2 to this Agreement and detailed in the Machinery Matching Grants Manual. “Selected Agricultural Organizations” means collectively all such organizations.
35. “Selected Beneficiary” means an individual farmer or legal entity registered in the Borrower’s livestock information system which has been selected by HAYGEM to implement Sub-projects under Part 2.A(i) of the Project in accordance with criteria and procedures as set forth in Section I.F of Schedule 2 to this Agreement and detailed in the Livestock Matching Grants Manual. “Selected Beneficiaries” means, collectively, all such beneficiaries.
36. “Selected Irrigation Cooperative” means a cooperative, established under the Borrower’s Law on Cooperatives, that has been selected by TRGM to implement Sub-projects under Part 1.A(ii) of the Project in accordance with criteria and procedures as set forth in Section I.D.2 of Schedule 2 to this Agreement and detailed in the POM. “Selected Irrigation Cooperatives” means, collectively, all such cooperatives.
37. “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.
38. “Subproject” means the investments carried out under Parts 1.A(i), 1.B(iii), 2.A(i), and 2.B(i) of the Project, which is selected, approved and implemented in accordance with the requirements of Schedule 2, Section I.D of this Agreement, and detailed in the Project Operations Manual. “Subprojects” means two or more of such investments, or collectively all such investments as referred to in this Agreement.
39. “Targeted Adjacent Areas” means provinces of Sivas, Kayseri, Erzincan and Mardin.
40. “Technical Coordinating Committee” means the committee described in Schedule 2, Section I.A.6(a), of this Agreement.
41. “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.

42. “Transfer Agreement” means the agreement referred to in Section I.D.3(a)(ii) of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.01 (*Front-end Fee; Commitment Charge; Exposure Surcharge*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a Front-end Fee on the Loan amount at the rate specified in the Loan Agreement. Except as otherwise provided in Section 2.07(b), the Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

(b) The Borrower shall pay the Bank a Commitment Charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement. The Commitment Charge shall accrue from the date of the Loan Agreement or the date which falls on the fourth anniversary of the date of approval of the Loan by the Bank, whichever is later, to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. Except as otherwise provided in Section 2.07(c), the Borrower shall pay the Commitment Charge semi-annually in arrears on each Payment Date.”

2. Section 3.04 (*Prepayment*) is modified to read as follows:

“Section 3.04. *Prepayment*

(a) After giving not less than forty-five (45) days’ notice to the Bank, the Borrower may repay the Bank the following amounts in advance of maturity, as of a date acceptable to the Bank (provided that the Borrower has paid all Loan Payments due as at such date): (i) the entire Withdrawn Loan Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Loan. Any partial prepayment of the Withdrawn Loan Balance shall be applied in the manner specified by the Borrower, or in the absence of any specification by the Borrower, in the following manner: (A) if the Loan Agreement provides for the separate amortization of specified Disbursed Amounts of the principal of the Loan the prepayment shall be applied in the inverse order of such Disbursed Amounts, with the Disbursed Amount which has been withdrawn last being repaid first and with the latest maturity of said Disbursed Amount being repaid first; and (B) in all other cases, the prepayment shall be applied in the inverse order of the Loan maturities, with the latest maturity being repaid first.

(b) If, in respect of any amount of the Loan to be prepaid, a Conversion has been effected and the Conversion Period has not terminated at the time of prepayment, the provisions of Section 4.06 shall apply.”

3. In paragraphs originally numbered 75 and 81 of the Appendix, the terms “Loan Payment” and “Payment Date” respectively are modified to read as follows:

“75. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any surcharge, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

“81. “Payment Date” means each date specified in the Loan Agreement occurring on or after the date of the Loan Agreement on which interest, Commitment Charge and other Loan charges and fees (other than the Front-end Fee) are payable, as applicable.”

4. Definitions in paragraphs 4 (Allocated Excess Exposure Amount); 53 (Exposure Surcharge); 99 (Standard Exposure Limit) and 105 (Total Exposure) of the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.