

OFFICIAL DOCUMENTS

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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March 15, 2018

Mr. Hüseyin Aydın
Director General and Chief Executive Officer

Mr. Bilgehan Kuru
Executive Vice President

Ms. Bilge Levent
Department Head, Financial Markets

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.
Ataturk Bulvari No. 8
Ulus, Ankara
Turkey

Dear Sirs:

Re: Loan No. 8244-TU
(Small and Medium Enterprises Energy Efficiency Project)
Amendments to the Loan Agreement

We refer to the Loan Agreement between Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (the Borrower) and the International Bank for Reconstruction and Development (the Bank) dated May 6, 2013, as amended (the Loan Agreement) for the Small and Medium Enterprises Energy Efficiency Project (the Project). We also refer to the letter dated March 7, 2018, requesting and confirming on behalf of the Borrower, certain restructuring of the Project and requesting various amendments to the Loan Agreement.

We are pleased to inform you that the Bank hereby agrees to your request. Consequently, the Loan Agreement and related Supplemental Letter No. 2(C) are amended as follows:

A. Loan Agreement

1. Schedule 2, Section I.A.5(e) (i) is amended to read as follows:

“(e) Ensure that:

(i) not more than twenty-seven and one-half percent (27.5%) of the Loan proceeds shall be made available, through Sub-loans to Sub-project Sponsors that are Mid-cap Companies;”

2. Schedule 2, Section I.A.5 (f) is deleted in its entirety.

3. Schedule 2, Section IV.B.2 is amended to read as follows:

“2. The Closing Date is September 30, 2019.”

A B

B. Supplemental Letter No. 2(C): Performance Monitoring Indicators


With reference to the provisions of Schedule 2, Section II.A of the Loan Agreement, the performance monitoring indicators for the Project set out in the Supplemental Letter No. 2(C) dated May 6, 2013, and signed by the Bank and the Borrower are hereby amended to read as set forth in Annex 1 to this Amendment Letter.

Except as specifically amended herein, all the other terms and conditions of the Loan Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing amendments to the Loan Agreement and the amended performance monitoring indicators on behalf of the Borrower, by signing and dating the confirmation on the enclosed copy of this Amendment Letter and returning it to us. Upon receipt by the Bank of said duly countersigned original amendment letter, said amendments will come into force and effect as of the date of countersignature by the Borrower.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

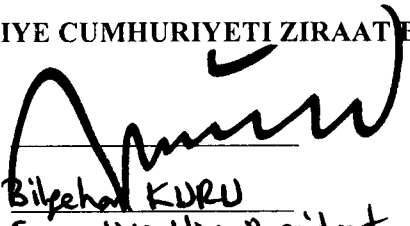


Johannes C.M. Zutt
Country Director
Turkey Country Unit
Europe and Central Asia Region

AGREED:

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

By:


Name: Bilgehan KURU
Executive Vice President
Title: Treasury Management and
International Banking
Date: 23/03/2018


Bilge LEVENT
Head of Financial Markets Department
23/03/2018

Amendment to Supplemental Letter No. 2(C)

Results Framework

Project Development Objective Indicators													
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values							Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	YR5	YR6	YR7			
Projected lifetime energy savings	X	MWh/Year	0	0	0	1,100,000	2,000,000	5,000,000	6,800,000	7,500,000	Semi-annual	Sub-Borrowers, Commissioning reports	Borrowers
Associated GHG reductions from project investments		Tons of CO ₂ e/year	0	0	0	31,500	57,300	93,600	190,000	220,000	Semi-annual	Sub-Borrowers	Borrowers

Intermediate Results Indicators													
Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values							Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	YR5	YR6	YR7			
Volume of bank funding: lines of credit - SME		Amount (USD million)	0	0	0	20.0	63.0	90.0	95.0	106.0	Semi-annual	Borrowers	Borrowers
Total value of EE investments		Amount (USD million)	0	0	0	36.8	123.7	204.1	190.0	230.0	semi-annual	Borrowers	Borrowers
Number of EE loans given		Number	0	0	0	39	105	150	191	200	Semi-annual	Borrowers	Borrowers
Number of loans given using alternative business models		Number	0	0	0	0	5	10	56	60	Semi-annual	Borrowers	Borrowers

No of active loan accounts -SME	X	Number	0	0	0	38	80	120	135	160	Semi-annual	Borrowers	Borrowers
Percentage of project-supported institutions that are reporting on this indicator	X	Percentage	0	100	100	100	100	100	100	100	Annual	Borrowers	Borrowers
Portfolio at Risk - SME	X	Percentage	0	0	0	1.0	2.0	2.0	2.0	2.0	semi-annual	Borrowers	Borrowers
Percentage of project-supported institutions that are reporting on this indicator	X	Percentage	0	100	100	100	100	100	100	100	Annual	Borrowers	Borrowers
Percentage of active loans to women-owned businesses		Percentage	0	0	0	0	2	5	0	0	Semi-annual	Borrowers	Borrowers
EE investments using the EE screening tool		Amount (USD million)	0	0	0	9	20	40	12.0	12.0	Midterm, at ICR Stage	Borrowers, Registered user survey	Borrowers, MENR GDRE
Policy and institutional amendments to improve EE programming		Text	n/a	n/a	n/a	Diagnostic assessment completed	Set of draft recommendations prepared			Final set of amendments submitted for approval/adoption	Semi-annual	MENR, GDRE, Consultant Reports	MENR, GDRE
Number of SMEs personnel attending awareness raising activities		Number	0	0	0	65	250	500	726	750	Semi-annual	Borrowers, MENR GDRE, Consultant Reports	Borrowers, MENR GDRE

Notes: Alternative business models would include energy efficient equipment leasing, ESCOs, and cash flow-based financing. Women-owned businesses would include all credit line sub-borrowers with at least 30% of the company shares owned by women.