Mr. Evren Dilekli  
Acting Director General  
Undersecretariat of Treasury  
Ankara  

July 22, 2011  

Dear Mr. Dilekli:  

Re: Loan. No. 4787-TU (Railways Restructuring Project)  
Amendments to the Loan Agreement  

We refer to the Loan Agreement between the Republic of Turkey (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the Railways Restructuring Project, dated March 13, 2006, as amended (the Loan Agreement). We also refer to the letter from Undersecretariat of Treasury dated May 25, 2011, requesting the Bank to amend the loan agreement to incorporate the Resettlement Action Plan for Boğazköy–Ulukala, Yenice-Mersin, Adana-Toprakkale Signalization and Telecommunication Facilities Construction and Station Roads Extension, and Yenice Logistic Village Project.

We are pleased to inform you that the Bank hereby agrees to your request. Accordingly, the Loan Agreement is amended as follows:

1. Paragraph (a) of Section 1.02 is amended to read as follows:

   “(a) “EMP” means the Environmental Management Plan, acceptable to the Bank, prepared and adopted by the TCDD (hereinafter defined) on March 3, 2005, and revised in May 2011, describing the environmental mitigation, monitoring and institutional measures for the Project, as the same may be revised from time to time with the prior agreement of the Bank;”

2. New paragraphs (k) and (l), which read as follows, are added immediately after paragraph (j) in Section 1.02 of the Loan Agreement

   (k) “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.

account of Part A of the Project and the Yenice Logistics Park, as well as monitoring and reporting arrangements, as the same may be revised from time to time with the prior agreement of the Bank.”

3. A new paragraph 5, which reads as follows, is added immediately after paragraph 4 in Section B of Schedule 5 to the Loan Agreement:

“5. (a) The Borrower, through TCDD, shall: (i) implement that Resettlement Action Plan in a manner satisfactory to the Bank and shall not modify or waive any provision in the Resettlement Action Plan without the prior concurrence of the Bank; and (ii) monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Resettlement Action Plan and furnish to the Bank, on a quarterly basis, a report on the progress of implementation of the Resettlement Action Plan.

(b) Whenever implementation of the Project or modification/finalization of any Project design or works would give rise to Displaced Persons, the Borrower shall obtain the Bank’s concurrence before commencing related activities or works.”

Except as specifically amended herein, all other provisions of the Agreement remain in full force and effect.

Please confirm your agreement to the foregoing amendment by countersigning, dating and returning to us the enclosed original duplicate of this letter. The amendment shall become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Ulrich Zachau
Director
Turkey Country Unit
Europe and Central Asia Region

AGREED:

REPUBLIC OF tURKEY

By /s/ Evren Dilekli
Title: Acting Director General
Date: August 2, 2011