Re: Republic of Turkey: IDF Grant for Strengthening Institutional Capacity for One Health Strategic Planning and Economic Analysis Project IDF Grant No. TF098646

Dear Excellency:

In response to the request for financial assistance made on behalf of Republic of Turkey ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient, a grant from the World Bank’s Institutional Development Fund ("IDF") in an amount not to exceed four hundred eighty thousand United States Dollars (U.S.$480,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Florian Fichtl
Acting Director
Turkey Country Unit
Europe and Central Asia Region
AGREED:

REPUBLIC OF TURKEY

By /s/ Evren Dilekli
Authorized Representative

Title Acting Director General

Date: June 20, 2011
Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

    (a) “Disbursement Letter” means the Disbursement Letter, dated June 16, 2011, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006, both of which constitute an integral part of this Agreement.

    (b) “MARA” means the Ministry of Agriculture and Rural Affairs of the Recipient, and includes any successor or successors thereto.

    (c) “MARA PIU” means the project implementation unit within MARA responsible for procurement and financial management under Parts 1, 3 and 4 of the Project, which shall include at a minimum (i) a project manager; (ii) a procurement officer; and (iii) a finance management specialist.

    (d) “MoH” means the Ministry of Health of the Recipient, and includes any successor or successors thereto.

    (e) “MoH PMSU” means the project management and support unit within MoH responsible for procurement and financial management under Part 2 of the Project, which shall include at a minimum (i) a project manager; (ii) a procurement officer; and (iii) a finance management specialist.

Article II

Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to build the Recipient’s capacity for planning and making decisions in relation to animal health services and public health systems for zoonotic diseases through the application of analytical tools and processes. The Project consists of the following parts:

Part 1: Strengthening Veterinary Institutional Capacity for Strategic Planning

Provision of consultants’ services and training to support development of a strategic plan for relevant government agencies to upgrade veterinary services to international standards, including the
drafting of a plan for overall system development and control of specific priority diseases, together with a national workshop for review and finalization of the strategic plan with key stakeholders;
Part 2:  Building Capacity for Evaluation of the Public Health System

Provision of services and training to:

(i) Undertake an analysis of the technical, knowledge and institutional gaps in the public health system as it relates to zoonotic diseases through the application of the Performance of Public Health (PPH) tool; and

(ii) Support a national level training workshop to demonstrate the application of the PPH tool and to develop action plans to overcome shortcomings in the public health system as related to zoonotic diseases.

Part 3:  Building Capacity for Economic Analysis of Zoonotic Diseases

Provision of consultants’ services and training to:

(i) Establish institutional capacity for economic analysis of zoonotic diseases, including through a national level training workshop on international experience and methodology for the economic analysis of zoonotic diseases, and through collaborative data analysis and preparation of a draft report; and

(ii) Support a national level workshop to provide practical training to staff of stakeholders in relevant government agencies to ensure proper utilization and application of the economic analysis of zoonotic diseases tool.

Part 4:  Communication and Intersectoral Collaboration

Provision of consultants’ services and training to:

(i) Develop a core working group on zoonotic diseases within appropriate government agencies for the development of an inter-institutional ‘One Health’ communication strategy

(ii) Carry out workshops and consultations to institutionalize the capacity for ongoing inter-sectoral collaboration.

2.02.  Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts 1, 3 and 4 of the Project through MARA and Part 2 of the Project through MoH in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”), and revised January 2011; and (c) this Article II.

2.03.  Institutional and Other Arrangements. (a) The MARA PIU shall be responsible for procurement and financial management for Parts 1, 3 and 4 of the Project; the MoH PMSU shall be responsible for procurement and financial management for Part 2 of the Project; (b) the MARA PIU and MoH PMSU shall jointly prepare terms of reference, in form and substance satisfactory to the World Bank, for assignments under Parts 3 and 4 of the Project; and (c) at all times during implementation of the Project, the Recipient shall maintain the MARA PIU and the
MoH PMSU each with staff whose qualifications, experience and terms of reference shall be acceptable to the World Bank.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient, through the MARA PIU and the MoH PMSU, as appropriate, shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

- Veterinary services strategic plan completed and institutional capacity to implement it has been assessed.

- PPH evaluation completed, staff are trained in the evaluation methodology, and institutional capacity to implement the recommendations has been assessed.

- Economic analysis completed for a sample zoonotic disease and Recipient’s staff are trained in methodology interpretation

(c) The Recipient shall, through the MARA PIU and the MoH PMSU, as appropriate, and upon the World Bank’s request, prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than five months after the Closing Date.

2.05. **Financial Management.** (a) The Recipient, through the MARA PIU and the MoH PMSU, as appropriate, shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient, through the MARA PIU and the MoH PMSU, as appropriate, shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient, through the MARA PIU and the MoH PMSU, as appropriate, shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.
2.06. **Procurement**

(a) General. All services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in: sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in January 2011 (“Consultant Guidelines”) in the case of consultants’ services.

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Selection under a Fixed Budget; (B) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Single-source Selection; (E) Selection of Individual Consultants; and (F) Sole Source Procedures for the Selection of Individual Consultants.

(d) Review by the World Bank of Procurement Decisions. Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: contracts subject to Prior review as defined in the Procurement Plan. All other contracts shall be subject to Post Review by the World Bank.

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**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
For the purposes of this Section, the term “Training and Workshops” means the expenditures related to organizing, conducting or participating at training events such as workshops, seminars, conferences, including local and international travel and per diem but excluding payments of fees for consultant services provided for such training events.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

### Article IV
**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Undersecretary of Treasury.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in U.S.$)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants’ Services under Parts 1, 3 and 4 of the Project</td>
<td>327,700</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and Workshops under Parts 1, 3 and 4 of the Project</td>
<td>7,500</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ Services under Part 2 of the Project</td>
<td>142,300</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training and Workshops under Part 2 of the Project</td>
<td>2,500</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>480,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Basbakanlik  
Hazine Mustesarligi  
Inonu Bulvari  
Emek – Ankara  
Turkey

Facsimile:  
+90-312-204 73 66

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391