Project Agreement

(Health Transformation and Social Security Reform Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

SOCIAL SECURITY INSTITUTION

Dated June 30, 2009
PROJECT AGREEMENT

Agreement dated June 30, 2009, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and SOCIAL SECURITY INSTITUTION (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement of the same date between the Republic of Turkey (“Borrower”) and the Bank (“Loan Agreement”) for the purpose of providing financing for the project described in Schedule 1 to the Loan Agreement. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in the Project Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II - PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall:

   (a) carry out Part C of the Project in accordance with the provisions of Article V of the General Conditions; and
   
   (b) provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out Part C of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III - REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is the President or such other person or persons as the President shall designate in writing.
3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

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

3.03. The Project Implementing Entity’s Address is:

Ziyabey Caddesi No. 6
Balgat
Ankara, Turkey

Facsimile: (90-312) 434 3084

AGREED at Ankara, Republic of Turkey, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Keiko Sato
Authorized Representative

SOCIAL SECURITY INSTITUTION

By /s/ Fatih Acar
Authorized Representative
SCHEDULE

Execution of the Project

Section I. Institutional and Other Arrangements

1. The Project Implementing Entity shall duly perform all its obligations under the Subsidiary Loan Agreement and shall maintain the Subsidiary Loan Agreement as agreed with the Bank. The Project Implementing Entity shall promptly notify the Bank of any substantial amendments or waivers to or under the Subsidiary Loan Agreement.

2. (a) The Project Implementing Entity shall, at the request of the Bank, exchange views with the Bank with regard to progress of Part C of the Project, the performance of its obligations under this Agreement and under the Subsidiary Loan Agreement, and other matters relating to the purposes of the Loan.

(b) The Project Implementing Entity shall promptly inform the Bank of any condition which interferes with the progress of the Project, the accomplishment of the purposes of the Loan, or the performance by the Project Implementing Entity of its obligations under this Agreement and under the Subsidiary Loan Agreement.

3. The Project Implementing Entity shall ensure that Part C of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines which are applicable to all IBRD loans and IDA credits and grants.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of Part C of the Project and prepare Project Reports for this Part of the Project, in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators agreed with the Bank. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Borrower and the Bank not later than one month after the end of the period covered by such report.

2. The Project Implementing Entity shall provide to the Borrower and the Bank not later than six (6) months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.


1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Project Implementing Entity shall have the financial statements of the Project audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Borrower and the Bank not later than six (6) months after the end of the period.

Section III. Procurement

All goods and services to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.