March 29, 2013

The Undersecretariat of Treasury
General Directorate of Foreign Economic Relations
Inonu Bulvari No. 36 Emek
06510 Ankara
Turkey

Dear Sir/Madam:

Re: Loan. No. 7717-TU (Health Transformation and Social Security Reform 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) dated June 30, 2009 (the Loan Agreement), and the Project Agreement of the same date between the Bank and the Social Security Institution, both for the Health Transformation and Social Security Reform Project (the Project). We also refer to the letters from The Undersecretariat of Treasury dated July 31, 2012 and September 25, 2012, requesting the Bank to change the name of the Project and revise the Loan Agreement including the addition of a new sub-component under Component A (Support for MOH’s Strategic Plan) and other modifications.

We are pleased to inform you that the Bank hereby agrees to the modifications set out below. Accordingly, the Loan Agreement is hereby amended as follows:

1. The name of the Project on the cover page is revised to read as “Project in Support of Restructuring of Health Sector”.

2. Section 3.01 is amended to read as follows:

“The Borrower declares its commitment to the objectives of the Project and the Program. To this end, the Borrower shall carry out Part A of the Project through MOH and cause Part C of the Project to be carried out through the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.”

3. Paragraphs 3 and 4 of Part A of the Project Description in Schedule 1 are amended to read as follows:

“3. Provision of technical assistance and training to MOH to improve its capacity for performance management and quality development and to enhance its role in the implementation of performance-based payment systems and in regulation of health providers’ services.”
4. Provision of equipment, technical assistance, technical services and training in support of restructuring of the MOH, including: establishment of an internal inspection structure, institutionalizing of monitoring and evaluation functions; strengthening of strategic management capacity to implement strategic financing methods in the field of performance-based budgeting; and ensuring standardization, continuity, coordination and in-service training programs in said field.”

4. Part A of the Project Description in Schedule 1 is further revised by adding a new paragraph 9 immediately after paragraph 8, which new paragraphs read as follows:

“9. Provision of equipment, technical assistance, technical services and training to MOH to strengthen its collaboration with other countries and international institutions in health policy development, and to share country experiences and the financing of MOH’s operating costs.”

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

Please confirm the agreement of the Borrower to the amendments set out above by countersigning and dating both copies of this amendment letter and returning one countersigned copy to us. Upon receipt by the Bank of the copy of this amendment letter duly countersigned by the authorized representative of the Borrower, said amendments shall become effective as of the date of countersignature of this amendment letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

[Signature]
Martin Raiser
Director
Turkey Country Unit
Europe and Central Asia Region

AGREED: [Signature]

REPUBLIC OF TURKEY

By S. Elvan Ongun Esen

Title: Acting Deputy Director - General

Date: April 25, 2013