Mr. Halil Aydoğan, CEO
Mr. Numan Bek, Deputy General Manager
Türkiye Vakıflar Bankası T.A.O.
Sanayi Mahallesi
Eski Buyukdere Cad
Guler Sok. No. 51
Kagithane, Istanbul
Turkey

Re: GEF Grant No. TF014582 (Small and Medium Enterprises
Energy Efficiency Project)
Additional Instructions: Disbursement

Dear Sirs,

I refer to the Grant Agreement ("Agreement") between the Türkiye Vakıflar Bankası T.A.O.
(the "Recipient"), and the International Bank for Reconstruction and Development (the "World
Bank"), acting as an implementing agency of the Global Environment Facility (GEF) for the
above-referenced project, dated May 6, 2013. The Agreement provides that the World Bank may
issue additional instructions regarding the withdrawal of the proceeds of No. Grant TF014582
("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the
additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006,
("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter.
The manner in which the provisions in the Disbursement Guidelines apply to the Grant is
specified below. Sections and subsections in parentheses below refer to the relevant sections and
subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the
capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used
under the Grant:

- Reimbursement
- Direct Payment
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Condition (subsection 3.8). Please refer to the Disbursement Condition in section 3.02 of the Grant Agreement.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank Turkey
Ugur Mumcu Caddesi No. 88
06700 Gaziosmanpasa Ankara
Turkey
Attention: Martin Raiser Country Director, ECCU6

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed applications for withdrawal, together with supporting documents, and (b) applications for special commitment, together with a copy of the commercial bank letter of credit to the address indicated below:

The World Bank
Radnicka cesta 80, 9th floor
Zagreb, HR – 10,000
Croatia
Attention: Disbursement Management Group

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices ("Tokens") from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.
(iv) **Terms and Conditions of Use of Tokens to Process Applications.** By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Tokens") provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) **Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications is USD 20,000.

III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - Records evidencing eligible expenditures (e.g. copies of receipts, supplier invoices) for payments against contracts valued at US$200,000 equivalent or more for goods; for consultants services against contracts valued at US$100,000 equivalent or more for firms, and at US$ 50,000 equivalent or more for individual consultants;
  - Statement of Expenditures in the forms attached (Attachment 4 for Category 2, and Attachment 5 for Category 1) for all other expenditures / contracts; and
  - List of payment against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 6)

- **For requests for Direct Payment:** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

IV. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website ([https://clientconnection.worldbank.org](https://clientconnection.worldbank.org)). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the World Bank by email at <clientconnection@worldbank.org>. 
If you have any queries in relation to the above, please contact Mr. Joseph P. Formoso, Senior Finance Officer at LOA-ECA@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Martin Raiser
Director
Turkey Country Unit
Europe and Central Asia Region

Attachments:

1. World Bank Disbursement Guidelines for Projects, dated May 1, 1006
2. Form for Authorized Signatures
4. Form of Statement of Expenditures for Category 2
5. Form of Statement of Expenditures for Category 1
6. Form of Payments Against Contracts Subject to the Bank’s Prior Review

Cc with copies: Mr. Mustafa TURAN
Senior Vice President
Türkiye Vakıflar Bankası T.A.O.
Camlik Cad. Cayir Cimen Sok
No:2 K:6 34330 1 Levent
Istanbul, Turkey
Prepared by Joseph Paul Formoso - CTRLA

Cleared with and cc: Margaret Png, Lead Counsel (LEGEM)
Shinya Nishimura, Task Team Leader (ECSS2)
Form of Authorized Signatory Letter

Türkiye Vakiflar Bankası T.A.O.

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Martin Raiser

Re: GEF Grant TF_________ (Small and Medium Enterprises Energy Efficiency Project)

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development (the "World Bank"), acting as implementing agency of the Global Environment Facility (the "Global Environment Facility") and the Ministry of Finance (the "Recipient"), dated ______, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Grant.

For the purpose of delivering Applications to the World Bank, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] [jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

5[This confirms that the Recipient is authorizing such persons to accept Tokens and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process

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1 Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the World Bank.

2 Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the World Bank.

3 Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

4 Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the World Bank.
Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens"), the Recipient represents and warrants to the World Bank that it will deliver to each such person a copy of the Terms and Conditions of Use of Tokens and will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position]  Specimen Signature: ______________

[Name], [position]  Specimen Signature: ______________

[Name], [position]  Specimen Signature: ______________

Yours truly,

/ signed /                  / signed /

[Position]                 [Position]
Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank)\(^6\) will provide secure identification devices (Tokens) to permit
the Borrower\(^7\) to deliver applications for withdrawal and applications for special
commitments under the Agreement(s) and supporting documentation (such applications
and supporting documentation together referred to in these Terms and Conditions of Use
as Applications) to the Bank electronically, on the terms and conditions of use specified
herein.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory
Letter (ASL) duly delivered to and received by the Bank each person who will be
authorized to deliver Applications. The Bank will provide Tokens to each person
identified in the ASL (Signatory), as provided below. The Borrower shall also
immediately notify the Bank if a Signatory is no longer authorized by the
Borrower to act as a Signatory.

2. Each Signatory must register as a user on the Bank’s Client Connection (CC)
website (https://clientconnection.worldbank.org) prior to delivery of Tokens.
Registration on CC will require that the Signatory establish a CC password (CC
Password). The Signatory shall not reveal his/her CC Password to anyone or
store or record the CC Password in written or other form. Upon registration as a
CC user, the Signatory will be assigned a unique identifying account name.

B. Distribution, Initialization and Return of Tokens.

1. The Bank will physically deliver a Token to each Signatory in a manner to be
determined by and satisfactory to the Bank.

2. At the time of delivery of a Token to a Signatory, the Signatory will receive a
copy of these Terms and Conditions of Use for purposes of initializing the Token.

3. The Bank will verify that the Token, Temporary Password and Terms and
Conditions of Use have been duly delivered to and received by the CC User.

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\(^6\) "Bank" includes IBRD and IDA.

\(^7\) "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance
and the recipient of a grant.
4. Promptoken and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal identification number (PIN) to be used in connection with the use of his/her Token, after which the Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the Token, the Signatory will be a “Token User”. The Bank will maintain in its database a user account (Account) for each Token User for purposes of managing the Token of the Token User. Neither the Borrower nor the Token User will have any access to the Account.

5. Prior to first use of the Token by the Token User for delivering Applications, the Borrower shall ensure that the Token User has received training materials provided by the Bank in use of the Token.

6. Tokens shall be promptly returned to the Bank upon request of the Bank.

C. Management of Tokens.

1. Tokens will remain the property of the Bank.

2. Use of the Token is strictly limited to use in the delivery of Applications by the Token User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the Token is prohibited.

3. The Bank assumes no responsibility or liability whatsoever for any misuse of the Token by the Token User, other representatives of the Borrower, or third parties.

4. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in delivery of a Token to each Token User) that each Token User is provided, understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

Security

4.1. The Token User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The Token User shall not allow anyone else to utilize a Token to deliver an Application to the Bank.

4.3. The Token User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the Token User believes a third party has learned his/her PIN or has lost his/her Token he/she shall immediately notify clientconnection@worldbank.org.
4.5. The Borrower shall immediately notify the Bank at
clientconnection@worldbank.org of any lost, stolen or compromised Tokens, and
take other reasonable steps to ensure such Tokens are disabled immediately.

Care of Tokens

4.6. Tokens contain delicate and sophisticated instrumentation and therefore
should be handled with due care, and should not be immersed in liquids, exposed
to extreme temperatures, crushed or bent. Also, Tokens should be kept more than
five (5) cm from devices that generate electromagnetic radiation (EMR), such as
mobile phones, phone-enabled PDAs, smart phones and other similar devices.
Tokens should be carried and stored separate from any EMR device. At close
range (less than 5 cm), these devices can output high levels of EMR that can
interfere with the proper operation of electronic equipment, including the Token.

4.7. Without derogating from these Terms and Conditions of Use, other
technical instructions on the proper use and care Tokens are available at

5. Replacement

5.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Tokens
will be replaced at the expense of the Borrower.

5.2. The Bank reserves the right, in its sole discretion, not to replace any
Token in the case of misuse, or not to reactivate a Token User’s Account

6. Reservation of Right to disable Token

6.1. The Borrower shall reserve the right to revoke the authorization of a
Token User to use a Token for any reason.

6.2. The Bank reserves the right, in its sole discretion, to temporarily or
permanently disable a Token, de-activate a Token User’s Account or both.
## Statement of Expenditures (SOE)

Payments made during the period from __________ to __________

For expenditures against the contracts not subject to the Bank Prior Review

Date: __________
Application No.: __________
TF No.: __________
SOE No.: __________

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No. (**)</th>
<th>Currency and Total Amount of Contract</th>
<th>Currency and Total Amount of Invoice Covered by Application (Net of Retention)</th>
<th>Eligible % from Schedule 2 of Loan/Credit Agreement</th>
<th>Amount Eligible for Financing (4 x 5)</th>
<th>Currency and Amount Paid from Special Account (if Applicable)</th>
<th>Exchange Rate (Col. 7 divided by Col. 6)</th>
<th>Remarks</th>
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**Supporting documents for this SOE retained at __________ (insert location)**

(*) A separate SOE form should be used for retroactive financing

(**) Items should be grouped by category; or alternatively, a separate SOE form may be used for each category
# INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STATEMENT OF EXPENSES - SOE  
(No Supporting Documents)

**SUB-LOANS**

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<tr>
<td>Name or Number of Sub-loan</td>
<td>Name of Benefic.</td>
<td>Code of Currency of Sub-loan</td>
<td>Amount of Sub-loan</td>
<td>No. of Invoice</td>
<td>100% of Amounts paid in this Application</td>
<td>% Financ. by IBRD</td>
<td>Amount requested in this Application (Col 6 X 7)</td>
<td>Date of Payment</td>
<td>Rate of Exchange</td>
<td>Date of Withdrawal from Special Account</td>
<td>US$ Amount withdrawn from Special Account</td>
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**Attachment 5**

LOAN NO.:  
DATE:  
APPLICATION NO.:  
PAGE NO.:  
CATEGORY NUMBER:  

13-Total
**Attachment 6**

Payments Made during Reporting Period
Against Contracts Subject to the Bank’s Prior Review

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<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB’s Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB’s Share of Amt Paid to Supplier during Period</th>
</tr>
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</table>