November 8, 2012

Undersecretary of Treasury
Inonu Bulvari 36
Emek, Ankara
Republic of Turkey

Dear Mr. Dilekli,

Re: Grant Agreement for Market Readiness Proposal-Partnership for Market Readiness (PMR) Multi-Donor Trust Fund
Grant No. TF010793

Additional Instructions: Disbursement
First restatement

I refer to the Grant Agreement for Market Readiness Proposal-Partnership for Market Readiness (PMR) Multi-Donor Trust Fund (“Agreement”) between the International Bank for Reconstruction and Development (“World Bank”), acting as administrator of grant funds provided under the Partnership for Market Readiness (“PMR”) Multi-Donor Trust Fund, and Republic of Turkey (the “Recipient”) for the above-referenced project, dated December 23, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF010793 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is the First Restatement of the Disbursement Letter dated December 23, 2011, for the above referenced project, restating Section II (vi) to change the currency of the Designated Account from EUR to USD. Consequently, we are also restating Section II (v) to change The Minimum Value of Applications to USD 20,000. All other provisions of the Disbursement Letter, except as amended, shall remain in force and effect.

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
- Advance
Direct Payment

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

(iii) **Disbursement Conditions (subsection 3.8).** Please refer to the Disbursement Condition(s) in the Grant Agreement and Attachment 6 to this letter.

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
Ugur Mumcu Caddesi No.88 Kat 2
06700 Gaziosmanpasa
Ankara, Turkey
Attention: Ulrich Zachau, Country Director ECCU 6

(ii) **Applications (subsections 3.2 - 3.3).** Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank
Radnicka cesta 80, 9th floor,
Zagreb, HR – 1000,
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](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.

(vi) Advances (sections 5 and 6).

- Type of Designated Account (subsection 5.3): Segregated.
- Currency of Designated Account(s) (subsection 5.4): USD.
- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): A financial institution acceptable to the World Bank.
- Ceiling (subsection 6.1): USD 100,000.

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:
  - The list of payments against contracts (see attachment 5), and records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices, for contracts subject to the World Bank’s prior review, as indicated in the table below:

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Contracts equivalent to or more than US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting firm</td>
<td>100,000</td>
</tr>
<tr>
<td>Individual consultant</td>
<td>50,000</td>
</tr>
</tbody>
</table>

- Statement of Expenditures in the form attached (Attachment 4) for all other expenditures/contracts.

- For reporting eligible expenditures paid from the Designated Account:
  - The list of payments against contracts (see attachment 5), and records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices, for contracts subject to the World Bank’s prior review, as indicated in the table below:

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Contracts equivalent to or more than US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting firm</td>
<td>100,000</td>
</tr>
</tbody>
</table>
For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly.

IV. Other Important Information


From the Client Connection 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.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (http://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 Joseph P. Formoso, Senior Finance Officer at loa-eca@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Joseph P. Formoso
Senior Finance Officer
CTR Loan Operations – ECA

Attachments:
Attachments are with the original Disbursement Letter.