

No. 9022

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
TURKEY**

**Letter Agreement relating to technical assistance for the
electric power industry (with annex). Signed at Wash-
ington, on 20 April and 11 May 1967**

Officiel text: English.

*Registered by the International Bank for Reconstruction and Development on
13 March 1968.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
TURQUIE**

**Lettre d'accord relative à l'octroi d'une assistance techni-
que destinée à l'industrie de l'énergie électrique (avec
annexe). Signée à Washington, le 20 avril et le 11
mai 1967**

Texte officiel anglais.

*Enregistrée par la Banque internationale pour la reconstruction et le développement
le 13 mars 1968.*

No. 9022. LETTER AGREEMENT¹ BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND TURKEY RELATING TO TECHNICAL ASSISTANCE FOR THE ELECTRIC POWER INDUSTRY. SIGNED AT WASHINGTON, ON 20 APRIL AND 11 MAY 1967

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C.

April 20, 1967

His Excellency the Minister of Finance
Government of the Republic of Turkey
Ankara, Turkey

Technical Assistance—Electric Power Industry

Excellency:

I am writing to you with regard to the proposed project of technical assistance for the electric power industry of the Republic of Turkey as generally described in Part A of the Annex² hereto (hereinafter called "the Project") for which the Government of the Republic of Turkey (hereinafter called "the Government") has requested the participation of the International Bank for Reconstruction and Development (hereinafter called "the Bank").

I am pleased to confirm that the Bank is willing to assist in the carrying out of the Project on the following terms and conditions:

1. (a) The scope of Stage I of the Project shall be as indicated in Terms of Reference comprising Part B of the Annex. Stage II and the terms of reference therefor will be described in detail in a supplement to such Annex, to be agreed upon between us pursuant to the general description set forth in Part A of the Annex and taking into account the results of the work on Stage I and the progress achieved in implementing the legislation referred to in paragraph 2 (b) below.

(b) The Project shall be carried out by the Government with the assistance of one or more Consultants satisfactory to the Bank (hereinafter called "the Consultants") under Contract or Contracts with the Government (hereinafter called "the Contracts"), the terms and conditions of which, and any modification or amplification thereof, shall be subject to the prior approval of the Bank. The Government shall make available for cooperation with the Consultants such pro-

¹ Came into force on 11 May 1967 by signature.

² This annex, which contains detailed information intended for the use of the consultants, is not reproduced herein.

fessional and technical personnel of its Ministries, departments and authorities concerned with the electric power industry as may be required for the efficient carrying out of the Project.

(c) Pending the establishment of the central authority pursuant to the legislation referred to in paragraph 2 (b) below and the selection of the management therefor, the Government shall be represented and shall act in the carrying out of the Project through not more than six representatives formally designated by the Government promptly upon the signature of this Letter Agreement. Such representatives, together with representatives of the Bank designated by it, shall constitute a Steering Committee representing the Government and the Bank for the purpose of cooperating in the Bank's supervision of the Project and making decisions on matters of policy in connection therewith until the establishment of the central authority and the formal appointment and availability of its management.

2. (a) The Bank shall provide the necessary funds to finance the reasonable foreign-exchange costs of Stage I of the Project, to be disbursed as provided in subparagraph (d) below, and shall supervise the carrying out of the Project.

(b) When legislation satisfactory to the Bank authorizing the establishment and operation of a Turkish Electricity Authority shall have been adopted and shall be in effect, further amounts shall be made available to finance foreign-exchange costs of Stage II of the Project as agreed between the parties pursuant to paragraph 1 (a) above; provided, however, that such legislation shall have become effective by the date of completion of the work comprising Stage I of the Project, or by such later date as may be agreed between the Government and the Bank.

(c) The total amount to be provided by the Bank for the entire Project shall not exceed \$1,950,000 equivalent, the presently estimated foreign-exchange cost of the Project, and shall be deemed a grant to the Government.

(d) The Bank shall pay directly to the Consultants such amounts (not exceeding in the aggregate the maximum amount specified in (c) above) as are payable to the Consultants in currencies other than Turkish liras under the Contracts and in accordance with the terms and conditions thereof. The Government shall furnish to the Bank the names and specimen signatures of the persons authorized to certify and approve the Consultants' invoices on behalf of the Government.

3. (a) The Government shall provide or bear the cost of all local services and facilities required for the carrying out of the Project, including subsistence allowances of the Consultants, transportation within Turkey, clerical and manual personnel, office space and equipment and vehicle maintenance and supplies. The Government shall in addition provide any funds necessary to finance any foreign-exchange costs necessary for the completion of the Project over and above the

amounts payable by the Bank.

(b) The Government shall take all such action as shall be necessary to carry out the Project with due diligence and efficiency and shall not take any action which would prevent or interfere with the carrying out of the Project or the performance by the Consultants of their duties.

4. (a) The Government shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request with regard to the Project.

(b) The Government shall cooperate fully with the Bank in the supervision of the Project through the Steering Committee established pursuant to paragraph 1 (c) above, and the two parties shall exchange views through their representatives on the progress and the results of the Project.

5. (a) The Bank shall be entitled by notice to the Government to suspend in whole or in part the disbursement of funds hereunder if the Government shall have failed to carry out any obligation undertaken by it hereunder, or if any other condition arises which interferes with or threatens to interfere with the successful carrying out of the Project or the accomplishment of the purpose thereof.

(b) If the condition giving rise to such suspension shall continue for a period of thirty days following such notice of suspension, then the Bank at its option may cancel this agreement. Upon such cancellation, the obligation of the Bank to provide funds for the Project and all obligations of the parties hereto shall terminate.

If the foregoing arrangements meet with the approval of the Government, please so indicate by signing the form of confirmation on the enclosed copy of this letter and returning such copy to us.

Very truly yours,

International Bank for Reconstruction
and development:

By S. R. COPE

Confirmed:

Republic of Turkey:

By Kemal CANTURK
Authorized Representative
May 11, 1967