

# OFFICIAL DOCUMENTS



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP

        JUNE 11        , 2018

Mr. Burhan Özcan  
General Manager  
Boru Hatlari İle Petrol Taşıma A.Ş. (BOTAŞ)  
Bilkent Plaza. 4. Cadde  
A - 2 Blok, Bilkent  
06800 ANKARA  
Republic of Turkey

**Re: IBRD Loan 8859–TR (Gas Storage Expansion Project)  
Additional Instructions: Disbursement and Financial Information Letter (DFIL)**

Dear Mr. Özcan:

I refer to the Loan Agreement between Boru Hatlari İle Petrol Taşıma A.Ş. (BOTAŞ) (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank” or “IBRD”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

This DFIL also serves as instructions for withdrawal of the proceeds of the Loan provided by the Asian Infrastructure Investment Bank (“AIIB”) that co-finances the Project with the IBRD Loan, as set forth in Schedule 1 of the DFIL.

**I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting on Uses of Loan Funds**

The Disbursement Guidelines for Investment Project Financing, dated February 2017, (“Disbursement Guidelines”) are available in the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

**(i) Disbursement Arrangements**

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

**(ii) Electronic Delivery.** Section 10.01 (c) of the General Conditions:

The Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the Bank's web-based portal (<https://clientconnection.worldbank.org>) "Client Connection". This option may be effected if: (a) the Borrower has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials ("SIDC") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of "Client Connection". The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through "Client Connection". The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at <https://worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

## **II. Financial Reports and Audits**

**(i) Financial Reports.** The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports (IFR) for the Project covering the quarter, in form and substance satisfactory to the Bank.


**(ii) Project and Entity Audits.** The Borrower shall have the Project and Entity financial statements periodically audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of the Project and Entity Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Project and Entity Financial Statements for each such period shall be (a) furnished to the Bank not later than six (6) and nine (9) months after the end of such period, respectively and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

## **III. Other Information**

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website (<http://www.worldbank.org/>) and "Client Connection". The Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank by email at [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).

If you have any queries in relation to the above, please contact Jasna Mestnik, Finance Officer at [jmestnik@worldbank.org](mailto:jmestnik@worldbank.org), with copy to Dessiré Kalinski, Finance Analyst at [dkalinski@worldbank.org](mailto:dkalinski@worldbank.org) using the above reference.

Yours sincerely,



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Johannes C.M. Zutt  
Director  
Turkey Country Unit  
Europe and Central Asia Region

**Attachments**

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditure (SOE)
3. Form of Designated Account Reconciliation Statement

Cc with copies: Undersecretariat of Treasury  
Başbakanlık Hazine Müsteşarlığı  
İnönü Bulvarı No:36 06510 Emek  
Ankara Turkey

**Schedule 1: Disbursement Provisions**

<b>Basic Information</b>					
<b>Loan Number</b>	<b>Country</b>	Republic of Turkey		<b>Closing Date</b>	Section III.B.2 of Schedule 2 to the Loan Agreement
	<b>Borrower</b>	Boru Hatlari Ile Petrol Tařima A.ř. (BOTAř)			
	<b>Name of the Project</b>	Gas Storage Expansion Project		<b>Disbursement Deadline Date</b> <i>(Subsection 3.7 **)</i>	Four months after the Closing Date
<b>Disbursement Methods and Supporting Documentation</b>					
<b>Disbursement Methods</b> <i>(Section 2 **)</i>	<b>Methods</b>	<b>Supporting Documentation</b> <i>(Subsections 4.3 and 4.4 **)</i>			
Direct Payment	Yes (IBRD and AIIB)	Copy of records (e.g. suppliers' invoices, guarantees for advance and retention payments, etc.)			
Reimbursement	Yes (IBRD and AIIB)	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL			
Designated Account	Yes (IBRD and AIIB)	Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL; Designated Account Reconciliation Statement in the format provided in Attachment 3 of the DFIL			
Special Commitments	Yes (IBRD only)	Copy of Letter of Credit			
<b>Designated Account (Sections 5 and 6 **)</b>					
<b>Type</b>	Pooled – one Designated Account to be opened and used for both IBRD and AIIB Loans		<b>Ceiling</b>	Fixed	
<b>Financial Institution - Name</b>	To be established at a financial institution acceptable to the Bank		<b>Currency</b>	US Dollar (US\$)	
<b>Frequency of Reporting</b> <i>(Subsection 6.3 **)</i>	Quarterly, or more frequently if needed		<b>Amount</b>	Up to 50,000,000	
<b>Minimum Value of Applications (Subsection 3.5)</b>					
The minimum value of applications for Reimbursement, Direct Payment and issuance of Special Commitment is US\$ 10,000,000 equivalent.					
<b>Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</b>					
<b>Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)</b>					
The World Bank Radnicka cesta 80, 9 <sup>th</sup> floor Zagreb, HR-10000 Croatia Attention: Loan Department (WFACS)					

#### **Additional Information/Instructions**

- The Project will be co-financed by AIIB in the form of proportionate, joint co-financing in a 50:50 ratio. Ratio will be applied on an invoice by invoice basis.
- The Bank will provide disbursement services for AIIB in respect of the parts of the Project to be jointly financed by the Bank and AIIB, including review and approval of Applications for Withdrawal. The Bank will provide such services using its own policies and procedures, including the instructions contained or referenced to in this DFIL.
- Applications for Withdrawal will be prepared by the Borrower and submitted for the Bank's review and processing as follows:
  - Electronic signature and delivery – separate Applications for Withdrawal will be prepared and submitted electronically, one for the IBRD portion of financing and one for the AIIB portion of financing. These Applications for Withdrawal would, however, be supported with the same supporting documentation, as defined in Schedule 1 of this DFIL.
  - Alternatively, the Bank may allow submission of Applications for Withdrawal via post, in which case only one (“split”) Application for Withdrawal, covering both the IBRD and AIIB portions of financing, may be prepared and submitted to the Bank. Such “split” applications mean that separate Applications for Withdrawal would not be required for the IBRD and AIIB portions of financing.

*\*\* Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.*

**Attachment 1 – Form of Authorized Signatory Letter**

[Letterhead]  
[Borrower]  
[Street address]  
[City] [Country]

[DATE]

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

Attention: [Country Director]

Re: IBRD Loan \_\_\_\_\_ - \_\_\_\_ (Gas Storage Expansion Project)

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (the “Bank”) and Boru Hatlari Ile Petrol Taşıma A.Ş. (BOTAŞ) (the “Borrower”), dated \_\_\_\_\_, providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>1</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal [and applications for a special commitment] under this Loan.

For the purpose of delivering Applications to the Bank, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. In full recognition that the 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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions

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<sup>1</sup> Instruction to the Borrower: 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 Bank.*

<sup>2</sup> Instruction to the Borrower: 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 Bank.*

<sup>3</sup> Instruction to the Borrower: 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 Bank.*

<sup>4</sup> Instruction to the Borrower: 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 Bank.*

of Use of SIDC"), the Borrower represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

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

[Name], [position] Specimen Signature: \_\_\_\_\_

[Name], [position] Specimen Signature: \_\_\_\_\_

[Name], [position] Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed /

\_\_\_\_\_  
[Position]





Attachment 3 – Form of Designated Account Reconciliation Statement

**DESIGNATED ACCOUNT RECONCILIATION STATEMENT**

LOAN/COFINANCIER NUMBER \_\_\_\_\_  
ACCOUNT NUMBER \_\_\_\_\_ WITH (BANK) \_\_\_\_\_

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) US\$/EUR \_\_\_\_\_  
2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - US\$/EUR \_\_\_\_\_  
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = US\$/EUR \_\_\_\_\_
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4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE \_\_\_\_\_ US\$/EUR \_\_\_\_\_  
5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. \_\_\_\_\_ + US\$/EUR \_\_\_\_\_  
6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: \_\_\_\_\_ + US\$/EUR \_\_\_\_\_  
7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

<u>APPLICATION NO.</u>	<u>AMOUNT</u>
_____	_____
_____	_____

- SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + US\$/EUR \_\_\_\_\_  
8. MINUS: INTEREST EARNED - US\$/EUR \_\_\_\_\_  
9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = US\$/EUR \_\_\_\_\_

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

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11. DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_  
TITLE: \_\_\_\_\_