

**AGREED MINUTES OF THE
FINAL ASSESSMENT MEETING
REGARDING ILISU DAM AND HYDROELECTRIC
POWER PLANT PROJECT**

BETWEEN

Oesterreichische Kontrollbank

Euler Hermes

Exportrisikogarantie

AND

Devlet Su Isleri Genel Mudurlugu

DATED OCTOBER 6, 2006

AGREED MINUTES OF THE FINAL ASSESSMENT MEETING (FAM)

THESE AGREED MINUTES OF THE FINAL ASSESSMENT MEETING made as of the 6th day of October, 2006

BETWEEN

Oesterreichische Kontrollbank of Austria (“OeKB”)

Euler Hermes of Germany (“Euler Hermes”)

Exportrisikogarantie of Switzerland (“ERG”)

- and -

Devlet Su Isleri Genel Mudurlugu of Turkey (“DSI”)

WHEREAS DSI aims to develop and bring to realization the Ilisu Hydro Electric Power Project (the “Project”) and is prepared to commit technical, financial, and managerial resources in this regard;

WHEREAS OeKB, Euler Hermes, and ERG (collectively “the ECAs”) have each indicated their interest in supporting the Project by way of export credit guarantees in support of the activities of their respective exporters (the “Guarantees”);

WHEREAS each of the ECAs have indicated to DSI a commitment from their respective Guardian Authorities to provide the Guarantees;

WHEREAS the ECAs have indicated to DSI certain pre-conditions which must be satisfied prior to the ECAs seeking a final commitment from each of their Guardian Authorities to issue the Guarantees;

WHEREAS the ECAs and DSI (jointly “the Parties”) have arranged a Final Assessment Meeting (“FAM”) with the objective of defining the structure and Terms of Reference (“TORs”) for the Project Implementation Unit (“PIU”) and the Committee of Experts (“CoE”), as well as to establish the achievements and gaps in other TORs relating to various tasks of the PIU and COE and to define steps and dates for their finalization;

WHEREAS it was agreed by the Parties that the results and conclusions of the FAM shall be reflected in agreed minutes, subject to the approval by the proper authorities and that the agreed minutes shall be made available to the public after final commitment;

AND WHEREAS the Parties now wish to formalize and document their agreement on the outcomes of the FAM by setting out these outcomes in these Agreed Minutes of the Final Assessment Meeting (the “Agreed Minutes”);

IT IS THEREFORE AGREED as follows:

1. The PIU shall be established in accordance with the parameters presented in **Annex 1**, and it shall be responsible for carrying out various tasks relating to the Project involving environmental, cultural heritage, and resettlement issues.

2. The CoE shall be established in accordance with the parameters presented in **Annex 2**, and it shall be responsible for carrying out various tasks relating to the Project involving environmental, cultural heritage, and resettlement issues.
3. Terms of Reference describing the various responsibilities, tasks, and other parameters concerning the activities of the PIU and the CoE have been agreed between the Parties during the FAM. Copies of each of these agreed Terms of Reference, each of which have been initialed by the Parties, are presented in **Annex 3**.
4. Prior to the ECAs seeking a final commitment from each of their Guardian Authorities to issue the Guarantees, DSI shall fulfill to the satisfaction of the ECAs the list of obligations presented in Annex 4. The Parties agree that the list in **Annex 4** is complete in terms of DSI's obligations to the ECAs prior to the ECAs seeking a final commitment from each of their Guardian Authorities to issue the Guarantees. No other TORs are linked to the ECAs' seeking of final commitment from their Guardian Authorities.
5. If for any reason the obligations of DSI shall be transferred to an operational company after the dam construction, the transfer conditions shall reflect the requirements of the Transfer Protocol as comprised in **Annex 5**.
6. To fulfill the requirements of the respective Guardian Authorities concerning the financial means needed for the Project, the Turkish Government shall provide a Letter of Comfort to demonstrate its commitment in accordance with TOR F-2 included in Annex 3. A sample of such Letter of Comfort is presented in **Annex 6**.
7. The Parties agree that having in mind the ECA Ilisu Concept as of August 24, 2006 (the "ECA Ilisu Concept"), all conditions that are conditions to a final commitment to be decided by the respective Guardian Authorities and that are comprised in the ECA Ilisu Concept are considered in these Agreed Minutes. On the request of DSI for an indication for final commitment, ECAs stated that based on these Agreed Minutes and its annexes and when the actions which are identified to be accomplished before final commitment are fulfilled, the ECAs shall apply to their respective Guardian Authorities for final commitment.
8. The parties agreed on two Terms of Reference concerning the procedures of contacting the riparian countries Iraq and Syria as presented in **Annex 7**.
9. The list of participants for the FAM is presented in **Annex 8**.

IN WITNESS WHEREOF the Parties have or have caused these Agreed Minutes to be executed in duplicate as of the date written above.

Oesterreichische Kontrollbank

Signature:

WERNER SCHMIED
SENIOR DIRECTOR

Euler Hermes

Signature:

THOMAS WOHLWILL
DIRECTOR

Exportrisikogarantie

Signature:

KURT SCHAERER
CONSULTANT

Devlet Su Isleri Genel Mudurlugu

Signature:

ALI HAYDAR SAHIN
DAM DEPARTMENT HEAD
TEAM LEADER

Devlet Su Isleri Genel Mudurlugu

Signature:

HAYDAR KOCAKER
DEPUTY GENERAL DIRECTOR

ANNEX 1

Structure and Tasks of the Project Implementation Unit (PIU)

GENERAL OBJECTIVES OF PIU:

The Project Implementation Unit will be responsible for all documentation, implementation, monitoring, conclusion of all necessary measures (including mitigation and even developing sustainable solutions for the grievance redresses) and actions with regard to the project in order to complete all tasks mentioned in the documentation (like TORs, RAP, CHAP, EAP etc.).

In identifying necessary actions and developing mitigation measures PIU will work in coordination with the Committee of Experts (CoE) and also incorporate any such recommendation or advice about their works (reports etc.) in order to create a quality and efficient output.

Until formation of the PIU the respective tasks will be performed by DSI/Consortium.

BOARD OF PIU:

GENERAL OBJECTIVES:

Board of PIU, the highest authority in the organizational structure will have three members consisting of the heads of the three committees, which are: resettlement, cultural heritage and environment. Under the body of PIU, each committee will be responsible for its own subject and headed by the head of that committee. All three committees shall be subordinated to the Board of PIU. All PIU activities will be coordinated with the project steering and controlling activities of the overall project, including construction activities and procurement activities of goods and services for the project.

SPECIFIC TASKS AND RESPONSIBILITIES :

Board of PIU will develop and establish a schedule of its goals in a timely manner to fulfill each commitment and will also report regularly on the progress of the project and on implementation issues to CoE in accordance with the TOR. PIU will also develop and establish the starting point and close of every task during the project implementation in coordination with the CoE. In this regard, it will also audit and evaluate the performance of the committees and make coordination in order to meet the requirements of the TORs. PIU shall have a right to call any/all the committees for the review meetings. PIU will also organize the regular follow-up meetings once a month.

More specifically, PIU will monitor internally the effectiveness of implemented measures; if required, in cooperation with external laboratories or experts. PIU will also ;

- develop and establish the observation of interdependencies between various tasks,
- take the necessary action to develop some measures and also make necessary coordination and correspondence with the relevant institutions (such as MNE, GAP RDA etc, via relevant Ministry),
- determine the responsibilities for every task to an appointed institution or person within its own working groups,

AUTHORIZATION:

The Board of PIU (any members of this board and their deputies) will have direct access to all involved Ministries on directorial level and will be equipped with the necessary authority to

enforce the required actions for the project. DSI shall take the necessary action through the commonly prepared Terms of Reference for the communication to the subject Ministries in due time before they are implemented.

ORGANIZATIONAL STRUCTURE:

The members of PIU will be from involved Turkish Authorities (DSI, MPWS, Ministry of Culture and Tourism, Ministry of Agriculture and Rural Affairs, Ministry of Health, Ministry of Environment and Forestry, GAP Administration, etc.) and others with the required experience in the fields of resettlement, cultural heritage and environment (e.g. also international experts). If required, PIU will employ any type of the personnel who can meet the requirements. PIU will include community-level representatives which will assist in conducting local PIU activities for resettlement issues.

PIU will nominate one of the members as a contact person for ECAs as a single point of correspondence.

LOCATION:

The main quarter of the PIU shall be located in Ankara while the local offices of the other committees shall be located in any of the project affected areas in accordance with the requirements for the implementation of the tasks efficiently in a timely manner. The offices shall be assigned by DSI.

START UP:

PIU shall be formed and operated immediately after final commitment and start operation promptly. PIU will be in operation until all Terms of Reference have been fulfilled. This may include further actions that the PIU has, in conjunction with the CoE, deemed necessary.

On ECAs' request and prior information, PIU will grant representatives of the ECAs, their consultants, and CoE access to all relevant construction, resettlement sites, project affected sites and project areas as well as to the relevant documentation concerning the issues of resettlement and income restoration, cultural heritage and environmental issues including waterflow, water quality and fauna and flora.

SUB-COMMITTEES OF PIU:

GENERAL OBJECTIVES:

Three sub committees will accompany the implementation of the project through the leading of the Board of PIU in coordination with the CoE. The working schedule of the committees will be arranged by themselves.

1. Resettlement Committee

GENERAL OBJECTIVES:

Under the body of PIU, this committee will be responsible for meeting the requirements of the TORs related to the resettlement and handling resettlement related issues.

ORGANIZATIONAL STRUCTURE:

The Resettlement Committee will report to the Board of PIU and will be composed of the following personnel with the approval of Board of PIU with the consent of CoE:

- Resettlement expert (lead)

- Representatives of local governing authorities (e.g. mayor)
- Representative of DSI
- Representative of Ministry of Agriculture and Rural Affairs (MARA)
- Representative responsible for the budget
- Representative of GAP-RDA
- Representative of Ministry of Public Works and Settlement
- Representatives of the project area (PAPs)
- Resettlement officers
- Representative of Consortium

LOCATION:

The main quarter of the PIU shall be located in Ankara while the local offices of the resettlement committee shall be located in Diyarbakir, Batman and Siirt. The offices shall be assigned by DSI. Where required, temporary offices will be established.

START UP:

Immediately after Board of PIU's charging, the committee will start to function.

GENERAL TASKS AND RESPONSIBILITIES:

Resettlement Committee is responsible for the implementation of the respective TORs, including resettlement and other resettlement related issues such as income restoration measures, project management, monitoring etc.

SPECIFIC TASKS AND RESPONSIBILITIES:

The Resettlement Committee will ensure that all studies, the mitigation measures, implementation schedules and monitoring concepts are initiated and completed. This committee will also receive grievance redresses and provide the necessary feedback for the efficient solutions. During the carrying out all these responsibilities, it will work in parallel with the CoE in order to make necessary coordination for a better implementation of the project.

The committee will also develop and establish the starting point and close of every task for each of its responsibilities and report to the Board of PIU periodically. This committee will also take necessary action, regarding the functioning of grievance&redress mechanisms through the structure for a better project implementation. The committee will take necessary action for the fulfillment of all the tasks related to public participation and consultation activities. Furthermore, the committee will also submit the results of the studies to the Board of PIU periodically and these reports will be in Turkish/English. The committee will also determine the responsibilities for every task to an appointed institution or person within its own working groups.

2. Cultural Heritage Committee

GENERAL OBJECTIVES:

Under the body of PIU, this committee will be responsible for meeting the requirements of the TORs related to the preservation of the cultural heritage.

ORGANIZATIONAL STRUCTURE:

The Cultural Heritage Committee will report to the Board of PIU and will be composed of the following personnel with the approval of Board of PIU with the consent of CoE:

- Archaeological expert from DSI (lead)
- Representative of DSI
- Representative of the Directorate General of Culture and Museums
- Archaeological expert with good practical experience in excavations and surveys and deputy (as permanent contact person for chance finds)
- Representative responsible for the budget
- Representative of the construction company (after award of the contract)
- Archaeologist of the excavations and surveys in the Tigris area
- Excavator of Hasankeyf and deputy
- Restorers or conservators
- Stress analysts
- Architects or architectural historians
- Representative of the company which is responsible for the relocation (after award of the contract); and
- Workers

LOCATION:

The main quarter of the PIU shall be located in Ankara while the local offices of the resettlement committee shall be located in Diyarbakir, Batman and Siirt. The offices shall be assigned by DSI.

START UP:

Immediately after Board of PIU's charging, the committee will start to function.

SPECIFIC TASKS AND RESPONSIBILITIES:

The Cultural Heritage Committee is responsible for the relocation of the monuments in Hasankeyf and for archeological work on the relevant finds in the Tigris-basin, be they known or unknown. The division shall operate in collaboration with the local museums.

Due to the importance of the Tigris area for archaeology, PIU's work should at least focus as much on the Tigris area as on Hasankeyf.

The Cultural Heritage Committee will deal with any chance finds that present themselves during construction work on the dam or on infrastructure such as streets. Staff from the Division of Cultural Heritage will be available at all times and will be at the construction site within a short period of time to evaluate these chance finds and to decide further steps.

This committee will also receive grievance redresses and provide the necessary feedback for the efficient solutions. During the carrying out all these responsibilities, it will work in parallel with the CoE in order to make necessary coordination for a better implementation of the project.

The committee will also develop and establish the starting point and close of every task for each of its responsibilities and report to the Board of PIU periodically. Furthermore, the committee will also submit the results of the studies to the Board of PIU periodically and these reports will be in Turkish/English. The committee will also determine the responsibilities for every task to an appointed institution or person within its own working groups.

3. Environment Committee

GENERAL OBJECTIVES:

Under the body of PIU, this committee will be responsible for meeting the requirements of the TORs related to environment.

ORGANIZATIONAL STRUCTURE:

The Environment Committee will report to the Board of PIU and will be composed of the following personnel with the approval of Board of PIU with the consent of CoE:

- Waste water/water quality expert (lead for water)
- Biodiversity expert (lead for flora and fauna)
- Representatives from local authorities responsible for construction and operation of waste water treatment plants (WWTP),
- Analysts for water quality (monitoring and supervision)
- Members of construction company for WWTP (after award of contracts)
- Representatives from Ministry of Environment
- Representatives from GAP Administration and/or MARA
- Representative of DSI
- Representative responsible for the budget
- Field workers

LOCATION:

The main quarter of the PIU shall be located in Ankara while the local offices of the resettlement committee shall be located in Diyarbakir, Batman and Siirt. The offices shall be assigned by DSI.

START UP:

Immediately after Board of PIU's charging, the committee will start to function.

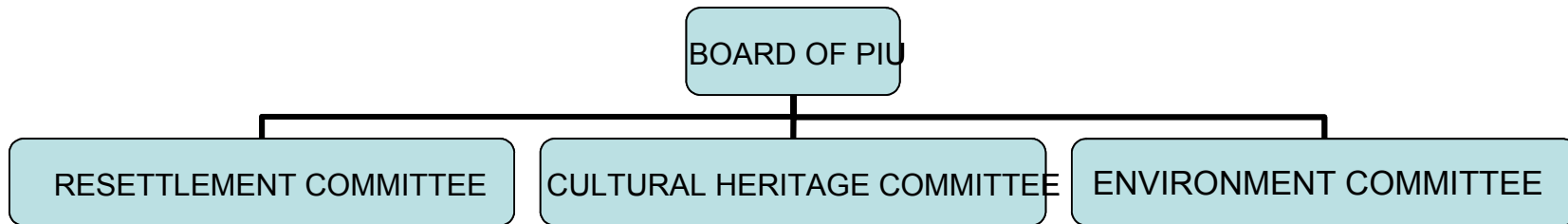
SPECIFIC TASKS AND RESPONSIBILITIES:

The Division for Environment will initiate necessary studies and works (refer to TOR for PIU) in the area of environment, including fauna and flora, water quality and water flow. For all measures already known, Division of Environment will immediately start implementation. Once the results of the studies, which yet have to be completed, are known, PIU will implement the mitigation measures that have been identified together with CoE. The implementation schedule as required by TORs has to be met.

This committee will also receive grievance redresses and provide the necessary feedback for the efficient solutions. During the carrying out all these responsibilities, it will work in parallel with the CoE in order to make necessary coordination for a better implementation of the project.

The committee will also develop and establish the starting point and close of every task for each of its responsibilities and report to the Board of PIU periodically. Furthermore, the committee will also submit the results of the studies to the Board of PIU periodically and these reports will be in Turkish/English. The committee will also determine the responsibilities for every task to an appointed institution or person within its own working groups.

STRUCTURE OF PIU



ANNEX 2

Structure and Competence of the Committee of Experts (CoE):

1. Aims and Scope

The CoE will provide guidance, supervision and assistance to the PIU in identifying necessary actions, mitigation measures and monitoring to ensure good practice according to international standards. CoE will review the action plans, implementation plans, studies, monitoring reports and documentation provided by PIU. The committee's recommendations will be incorporated into the final documents (plans, studies, reports etc.).

The CoE will comprise a number of qualified members who are independent from DSI and the Consortium, with expertise on resettlement, cultural heritage and environmental issues of hydropower projects, as specified under heading 4 below.

PIU will nominate a contact person, who is fluent in English and who will be available for liaison purposes on request of the ECAs.

This paper defines:

- the structure of the CoE
- the competence and professional background of CoE-members
- the way of determining the members

The main tasks of the CoE consist in reviewing and commenting on plans, studies and monitoring reports submitted to it by PIU according to the TOR as agreed upon on October 6, 2006 and provided in Annex 3 of these Agreed Minutes, and in reporting their conclusions (with supporting documentation, if deemed necessary) to the ECAs.

In specific points as defined by the respective TOR, the CoE will provide input and support to the Project Implementation Unit that is responsible for completing all outstanding documentation (such as RAP, RIP, CHAP, EAP/EMP), for implementing all necessary mitigation measures and actions with regard to the project.

There will be regular meetings of CoE with PIU to exchange views and to determine future work. Meetings of CoE and ECAs can be requested by the CoE or by the ECAs if deemed essential.

The sub-committees will define their rules of procedure.

2. Financial Budget

The CoE Board will submit an annual budget for its normal activities to DSI, who will be responsible for bearing through the relevant Ministries and Authorities all the costs for the CoE. Should extraordinary activities of the CoE be required (as e.g. in cases of non-compliance), the additional costs resulting from them will also have to be covered by DSI. This request should be given in a timely manner for DSI's evaluation and approval.

3. Reporting

The CoE or its sub-committees will report to the ECAs and PIU and, depending on the results, propose further required actions. Based on these recommendations, the ECAs will then suggest further actions and communicate this to PIU or DSI, as the case may require.

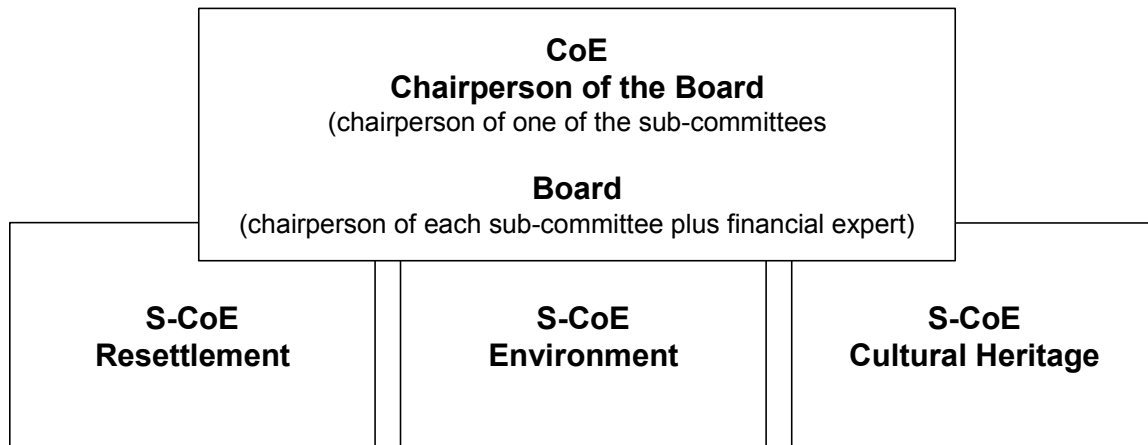
During the construction phase, the CoE shall submit semi-annual reports to the ECAs on the activities observed, the compliance with the TORs and substantial deviations from the Action Plans in suggested measures. A comprehensive annual report by CoE shall be made available to the public on the internet in English and Turkish language, the first of which will be due on Dec 1st, 2007.

After HPP commissioning, annual reports will be prepared and submitted.

In addition to the scheduled reporting, the ECAs may ask for additional reports by CoE when deemed necessary, or when input by PIU as mentioned in the PIU TOR does not seem to be sufficient.

4. Structure of the COE

The structure of the CoE will reflect the three main subjects of environmental and social issues of the project: resettlement, cultural heritage and environment. It is therefore suggested to divide CoE in three sub-committees as described below, each of them being responsible for one topic and headed by one person. All three sub-committees will be subordinated to the "Board of CoE" as shown in the graph below.



The CoE will have the following main characteristics:

- each sub-committee headed by one international expert;
- each sub-committee chairperson will be member of the board;
- one of the three sub-committee chairpersons will be overall CoE chairperson for one year on a revolving basis;
- in addition, the board will comprise one financial expert (for budgetary questions);
- secretary for the board

Qualifications of the financial expert: practical experience in project controlling, references from projects with similar size.

4.1 Sub-Committee for Resettlement

Members:

- 2 internationally recognised resettlement experts, one of them being the chairperson of the sub-committee.
- 2 domestic experienced resettlement experts with good English language ability.

Advisors to Sub-Committee:

- 1 representative of Resettlement Commission under Ministry of Public Works and Settlement (MPWS)
- 1 representative of Ministry of Agriculture and Rural Affairs (MARA)
- 1 representative of GAP Administration

Resettlement Sub-Committee will call upon the Advisors as and when needed.

Specific tasks and responsibilities:

The sub-committee for Resettlement will observe, guide and supervise the process related to resettlement and income restoration in order to achieve good practice according to international standards.

This sub-committee will be responsible for ensuring that all studies and analyses, the mitigation measures, implementation schedules, budgets, internal monitoring and external monitoring are initiated and completed. The sub-committee for Resettlement will provide support to PIU.

In order to enable the sub-committee to work effectively, the following structure is suggested: the chairperson belongs to the Board and has the main responsibility for the tasks defined and is leading the work. The other members of the sub-committee provide feedback at regular meetings and by other means as requested.

Qualification and Background:

International Resettlement Experts:

The International Resettlement Experts will have:

- Experience working on WB or/and other international Development Institutions (such as Asian Development Bank, OECD, European Investment Bank etc) projects which involve Involuntary Resettlement policy and project practice related to dam and hydropower projects (preferably with both RAP preparation and implementation).
- Experience of working either at the international or local level, and preferably both, with a demonstrated familiarity with and sensitivity for indigenous cultures, land acquisition, compensation and income restoration issues.
- Excellent command of English.
- Demonstrable history of being able to write clear analytical reports in English, in a timely manner.
- ability for good writing skills(for sub-committee chairperson).
- Work experience in reviewing legal instruments, resettlement planning and implementation of resettlement activities, monitoring and evaluation.

Domestic Resettlement Experts:

The Domestic Resettlement Experts will have:

- Experience in working on involuntary resettlement in policies, planning, implementation or administration related to dam and hydropower projects (preferably with experience in projects, which involve Involuntary Resettlement policy and project practice funded by WB or/and other international Development Institutions such as European Investment Bank, OECD, Asian Development Bank etc, and both RAP preparation and implementation).
- Experience working either at the national or local level, and preferably both, with a demonstrated familiarity with and sensitivity to indigenous cultures and land acquisition issues.
- Experience working with national and/or local government ministries/departments responsible for safeguards-equivalent policies on domestic and international projects.
- Excellent command of English.
- Demonstrable history of being able to write clear analytical reports in English as well as in the local language, in a timely manner.
- Work experience in reviewing legal instruments, planning and implementation of resettlement activities.

4.2 Sub-Committee for Cultural Heritage

Members:

- 2 international independent experts (one of them acting as chairperson).
- 2 national independent experts
- 1 representative of the Directorate General of Culture and Museums.

Qualification and background:

- Experts and representatives of the Directorate General of Culture and Museums:
 - 1 protohistory expert, degree in archaeology
 - 1 prehistoric archaeologist, degree in archaeology
 - 1 paleolithic expert, degree in archaeology
 - 1 architect or 1 architectural historian or 1 stress analyst, degree in archaeology or architecture or mechanical engineering
 - 1 archaeologist for late Roman and early mediaeval times, degree in archaeology

Specific tasks and responsibilities:

The Sub-Committee for Cultural Heritage will observe and guide the process related to the Cultural Heritage.

This sub-committee will be supervising all works in Hasankeyf and in the Tigris area as well as the techniques that will be used for relocation. It will guide and accompany the practical work of the PIU and evaluate the work that was done. It will supervise the release of appropriate documentation on a public website.

Due to the importance of the Tigris area the experts should at least put as much focus on this area as on Hasankeyf.

4.3 Sub-Committee for Environment

Members:

- 1 internationally recognised environmental expert
- 1 internationally recognised waste water/water quality expert (specifically for water quality issues)
- 2 experts of the regional Environmental Authorities (not being members of PIU).

Qualifications

- environmental expert with international experience in environmental impact issues related to dam and hydropower projects (covering biodiversity and other environmental topics)
- expert with experience in waste water treatment and water quality issues
- representatives of provincial environmental authorities with relevant experience in environmental issues related to dam and hydropower projects and good knowledge of English.

Specific tasks and responsibilities:

The Sub-committee for Environment will supervise the respective activities of PIU, especially the identification, planning and implementation of appropriate mitigation measures and their effects.

In specific cases as defined by the TOR, the Division for Environment will support PIU in the identification of mitigation measures to be taken.

It will supervise the release of appropriate documentation on a public website.

5. Intermediary Arrangement

The CoE shall be established as soon as possible after the FAM.

As long as CoE has not been established, the documents that have to be submitted before final commitment have to be reviewed and/or prepared in cooperation with international experts, preferably with experts that have been involved with the project, in order to reach alignment with the OECD Framework.

6. Selection of CoE Members

The selection of the CoE members will be done in the following way:

- DSI respectively the Consortium will propose the national expert members of the CoE
- ECAs will propose the international expert members of the CoE
- DSI respectively the Consortium and ECAs have to reach agreement on the members.

ANNEX 3

Terms of Reference for Activities of the Project Implementation Unit and the Committee of Experts

ANNEX 4

Obligations to be Fulfilled by DSI Prior to ECAs Seeking a Final Commitment

Environmental Issues – PIU	
E - 1	Water Quality
E - 3A	Water Quality
E - 4A	Water Quality
E - 12	Minimal water flow
E - 13*	Flora and Fauna
E - 15	Flora and Fauna
E – 24*	EMP/EAP
E - 27	Budgeting
Environmental Issues – COE	
EC-1A*	Water Quality
EC-2*	Water Quality
EC - 10	Minimal water flow
EC - 14	Flora and Fauna
EC-23*	EMP/EAP
Cultural Heritage – PIU	
C-7	Legal basis for relocation of monuments
Resettlement – PIU	
R-10*	RAP – Long term income restoration
R-14*	RAP – income restoration: benefit sharing
R-24*	RAP – income restoration: replacement value
R-26	RAP – communities affected by the construction itself
R-27	RAP – grievance redress mechanism
R-30*	RAP – Article 27 of the Turkish Expropriation Law
R-31	RAP – MARA's commitment to provide agricultural land
R - 36	RAP – Revised budget
R – 37*	RAP – New resettlement law
Resettlement – COE	
RC-10*	RAP – Long term income restoration
RC-14*	RAP – income restoration: benefit sharing
RC-24*	RAP – income restoration: replacement value
RC-26	RAP – communities affected by the construction itself
RC-27	RAP – grievance redress mechanism
RC-36	RAP – Revised budget
RC-37*	RAP – New resettlement law
Financial Structure – PIU	
F-1	Financial Structure – ensuring timely flow of funds
F-2	Financial Structure – commitment
Financial Structure – COE	
FC-1	Financial Structure – ensuring timely flow of funds

Riparian States – PIU	
RS -1	Information
RS -2	Consultation

* Partial completion of the TOR before final commitment

ANNEX 5

Transfer Protocol

1. This Transfer Protocol applies as a General Clause for all obligations of DSI under the Action Plans, the agreed Terms of Reference, other agreements between DSI and the three ECAs OEKB, Euler Hermes and ERG or commitments made by the DSI to the ECAs with regard to the Ilisu Hydropower Project.
2. If transferring operation of the Ilisu Hydropower Project to another entity, DSI commits to transfer all obligations referred to under Section 1 to such new entity and to ensure that such new entity is capable of fully performing such obligations and that it assumes these obligations as if it had at all times been party to the project.
3. Such transfer shall be notified to the ECAs with details of the transferred obligations, the recipient thereof, the effective date of the transfer and other matters that the ECAs shall reasonably require.
4. If the operational work will be transferred to a private entity or in the event of privatisation of the operation entity during the repayment period, the Government of the Republic of Turkey will provide ECAs with a formal confirmation that the Turkish Government will stay accountable for all obligations referred to under Section 1.

ANNEX 6

Form of Letter of Comfort

(Ilisu Dam and HEPP Project)

To: Österreichische Kontrollbank (OeKB), Wien
Exportrisikogarantien (ERG), Zürich
Euler Hermes, Hamburg

Whereas the Ministry of Energy and Natural Resources, represented by Devlet Su Isleri Genel Müdürlüğü (DSI) are planning the construction of the Ilisu Hydro Power Plant,

Whereas the Government of the Republic of Turkey, represented by the respective Ministry (“the Government”), recognises the importance to finance, build and operate the Ilisu Hydro Power Plant as part of the Governments program to enhance and develop national and renewable energy sources,

Whereas the Project shall be financed through international and domestic means and the financing requires the support from several parties, including the official export credit agencies (“ECAs”) of Austria (OeKB) Switzerland (ERG) and Germany (Euler Hermes),

Whereas the Government recognises that the ECAs and DSI have agreed on a structure of the Project Implementation Unit (PIU), the Committee of Experts (CoE) and the Terms of References for their work on Resettlement, Cultural Heritage and Environmental Issues of the Project,

Whereas the Government recognizes that the financing of the project and of the tasks connected with the project depends on the provision of financial funds from the Turkish Budget,

The Government agrees that it shall

a) undertake to facilitate and support the Project by providing the financial funds for the entire period of construction and for the repayment period of ECA-covered loans as well as for means required for actions in respect of Resettlement, Cultural Heritage and Environmental/Biodiversity Aspects.

b) undertake every effort that the necessary budget for the actions in respect of Resettlement, Cultural Heritage and Environmental/Biodiversity Aspects shall be earmarked on an ongoing basis in the Turkish Budget and shall be at the disposal of the Project Implementation Unit (PIU) and DSI along the Master Plan of the Project.

This Letter of Comfort shall take effect on the date hereof.

For the Republic of Turkey:

Ankara,

ANNEX 7

Terms of Reference for Riparian Countries

ANNEX 8

List of Participants for FAM

GROUPS	SUBJECT
FACILITATOR	
Diana SMALLRIDGE	AGENDA PRAPARATION
NOTE TAKER	
Patrick BREAN	NOTE TAKER
INTERNATIONAL EXPERTS	
Prof.Shi GUOQING	RESETTLEMENT
Dr Peter RUGGENDORFER	CULTURAL HERITAGES
Prof. Dr. A. Mete SAATCI	ENVIRONMENT (WATER)
Dr. Robert ZWAHLEN	ENVIRONMENT (FAUNA /FLORA)
DSİ GROUP	
Ali Haydar ŞAHİN	TEAM LEADER
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Mertken ERDEMLİ	ENVIRONMENT
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Verzeichnis: C:\DOCUME~1\0931803\LOCALS~1\Temp\DropOL\23787
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Data\Microsoft\Templates\Normal.dot
Titel: MEMORANDUM OF AGREEMENT TO PROCEED IN PRINCIPLE
Thema:
Autor: Deborah and Patrick Breaun
Stichwörter:
Kommentar:
Erstelldatum: 06.10.2006 10:40:00
Änderung Nummer: 4
Letztes Speicherdatum: 06.10.2006 18:04:00
Zuletzt gespeichert von: orcuntaskin
Letztes Druckdatum: 07.03.2011 16:04:00
Nach letztem vollständigen Druck
Anzahl Seiten: 22
Anzahl Wörter: 4.909 (ca.)
Anzahl Zeichen: 30.929 (ca.)