

Accelerating the Market Transition for Distributed Energy Program

Terms of Reference (TOR) for the Independent Verification Agent (IVA) Stage 1

CONTENTS

I.	INTRODUCTION.....	3
II.	BACKGROUND.....	3
III.	OBJECTIVE OF THE IVA.....	5
IV.	SCOPE OF WORK.....	5
V.	EXPECTED QUALIFICATIONS OF THE IVA AND IVA’S KEY STAFF	6
VI.	ASSIGNMENT DURATION	7
VII.	REPORTING.....	7
VIII.	SELECTION PROCESS.....	8
IX.	CONFIDENTIALITY AND CONFLICT OF INTEREST.....	8
X.	CONCLUSION.....	8
	Table 1: Disbursement-Linked Indicator Matrix.....	9
	Table 2: Verification Protocol Table: Disbursement Linked Indicators	11
	Table 3: Program DLIs and Disbursement Amount (US\$ million)	15
	ANNEX 1.....	17

I. INTRODUCTION

Accelerating the Market Transition for Distributed Energy is a program (the 'Program') agreed between the Republic of Türkiye, the International Bank for Reconstruction and Development (IBRD) also known as the World Bank (WB), the Industrial Development Bank of Türkiye (*Türkiye Sınai Kalkınma Bankası* A.Ş. [TSKB]), and the Development and Investment Bank of Türkiye (*Türkiye Kalkınma ve Yatırım Bankası* A.Ş. [TKYB])¹. The Program Development Objective (PDO) is to expand Türkiye's distributed solar photovoltaic (DSPV) market and pilot distributed battery energy storage systems (BESS). The Program is part of the World Bank's Europe and Central Asia Renewable Scale-Up (ECARES) Multiphase Programmatic Approach with the broad objective to enable renewable energy capacity in participating countries of the region. The Program involves WB financing in the form of two IBRD loans of €300 million (€600 million in total), two Clean Technology Fund (CTF) loans of US\$15 million (US\$30 million in total), and two grants co-financing from the World Bank's Energy Sector Management Assistance Program (ESMAP) of US\$1.5 million (US\$3 million in total), one of each to TSKB and TKYB as the Program Implementing Agencies (PIAs). The Republic of Türkiye is guaranteeing the IBRD and CTF loans. The Program is the first Program-for-Results (PforR) Financing from the World Bank to be implemented in Türkiye. PforR's unique features include using a country's own institutions and processes, and linking disbursement of WB funds directly to the achievement of specific program results². This Program will contribute to the implementation of the Türkiye National Energy Plan (2022)³, which sets ambitious targets for scale-up of solar PV and BESS as part of the government of Türkiye's strategy to strengthen energy security and decarbonize the economy by 2053.

PforR Financing proceeds are disbursed upon the achievement of verified results specified as disbursement-linked indicators (DLIs). DLIs are specific, measurable, and verifiable indicators related to and/or derived from the PDO and the Program's results framework. DLIs may be expressed as outcomes, outputs, intermediate outcomes or outputs, process indicators, or financing indicators. DLIs may also be defined as actions or process results deemed critical for strengthening performance under the PforR Program (this could include actions for improving fiduciary, social and environmental issues and/or monitoring and evaluation), or as indicators of key institutional changes. A verification protocol defines procedures for verification of results achieved toward each DLI. For this Program, verification for all DLIs is to be carried out by the Independent Verification Agent (IVA).

This Terms of Reference (ToR) document outlines the role and responsibilities of the IVA for this Program. The purpose of this document is to provide a comprehensive framework for the selection, engagement, and operations of the IVA, ensuring the successful verification of results to achieve the PDO.

II. BACKGROUND

The Türkiye National Energy Plan (NEP) sets targets to increase solar power capacity five-fold to 53 gigawatts (GW) and add 7.5 GW battery capacity by 2035. The solar target requires an estimated US\$22 billion investment including up to US\$7 billion for DSPV. Distributed solar and batteries offer distinct benefits but remain untapped in Türkiye due largely to financial barriers and lack of capacity among potential financiers. The Program will help create a large market for commercial financing of DSPV and pilot BESS to support Türkiye's energy security and accelerate decarbonization, through an

¹ For details of the Program design and context, see the Program Appraisal Document (PAD) and Program Technical Assessment Document (PTAD) available at the World Bank website for the Program: <https://projects.worldbank.org/en/projects-operations/project-detail/P176375>

² <https://www.worldbank.org/en/programs/program-for-results-financing>

³ https://enerji.gov.tr/Media/Dizin/EIGM/tr/Raporlar/TUEP/T%C3%BCrkiye_National_Energy_Plan.pdf

innovative and scalable mechanism. TSKB and TKYB will implement the Program by: lending directly to DSPV developers for a target of 0.69 GW (stage 1, 2024-2026); and extending long-maturity loans through a credit facility for new DSPV financiers such as commercial banks, leasing companies, and distribution companies with a target of 0.27 GW (stage 2, 2026-2029). IBRD loans will cover a portion of DSPV capital costs, while ESMAP grants will help cover costs of awareness, outreach and training activities for new DSPV financiers. TSKB and TKYB will use CTF funds to pilot distributed battery systems. The PforR aims to mobilize US\$318 million in counterpart financing, avoid 14 million metric tons of projected lifetime GHG emissions and create the conditions for the private sector to engage in a new market.

The IVA will be competitively selected by the PIAs jointly to verify the DLI results using the Program's verification protocol. TSKB and TKYB will jointly collaborate with each other in the recruitment, selection, and contracting of the IVA to ensure consistency and transparency in carrying out verification.

The PIAs are responsible for implementing the Program, monitoring its progress, evaluating results on completion, and meeting the relevant contractual obligations, including the Program Action Plan (PAP), set out or referred to in the legal agreements with the Bank¹. These responsibilities include the requirement to maintain agreed fiduciary, environmental and social, and risk management systems, and to deal in a timely and effective manner with failures (individual or systemic) in these areas.

The verification protocols are listed in Table 2 below. In this regard TSKB and TKYB are hiring a joint consulting firm using their own procurement guidelines together with the selection criteria defined in this ToR. This procurement is taking place with the PIAs' own procurement methods (WB Procurement Regulations do not apply to PforR financing).

The Program Results Framework features five PDO-level indicators, seven Intermediate Indicators, and seven DLIs as described in annex 2 of Program Appraisal Document that be accessed through the link in the footnote². The seven DLIs correspond to one of the PDO-level indicators and six of the Intermediate Indicators, grouped across two results areas as follows.

Results Area 1: Scaling up DSPV

- **DLI #1:** Commitment and disbursement of DSPV Sub-loans to DSPV Sub-borrowers (Amount (EUR))
- **DLI #2:** Generation capacity Commissioned under DSPV Sub-projects financed by DSPV Sub-loans (Watt)

Results Area 2: Expanding the market and promoting innovation for distributed energy

- **A)**
 - **DLI #3:** Increase eligible institutions' awareness of and capacity to participate in the credit facility for DSPV Subprojects under Results Area 2 (Text – Amount USD and EUR)
 - **DLI #4:** Commitment and disbursement of Facility Loans to Facility Borrowers to finance Facility Sub-loans for DSPV Sub-projects (Amount (EUR))
 - **DLI #5:** Generation capacity Commissioned under DSPV Sub-projects financed by Facility Sub-loans (Watt)
- **B)**

¹ Legal agreements available at <https://projects.worldbank.org/en/projects-operations/document-detail/P176375?type=projects>

² <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099020124165038064/bosib100a0392d0881b97818f251dc45531>

- **DLI #6:** Commitment and disbursement of BESS Sub-loans to BESS Sub-borrowers for BESS Subprojects. (Amount (USD))
- **DLI #7:** Battery energy storage capacity commissioned under BESS Sub-projects financed by Sub-loans (Watt hour)

III. OBJECTIVE OF THE IVA

The primary objective of the IVA is to independently verify, and report on, the achievement of the Program's DLIs and their corresponding Disbursement Linked Results (DLRs)¹. This process is vital for ensuring the integrity, transparency, and success of the Program's implementation. The IVA will provide unbiased, accurate assessments and reports to help guide decision-making and facilitate the effective allocation of resources.

IV. SCOPE OF WORK

The responsibilities and duties of the IVA include the following key activities:

- Verification of data and supporting evidence for each DLI and DLR in alignment with the verification protocols in Table 2.
- Timely preparation and submission of comprehensive verification reports to TSKB and TKYB, in accordance with the procedure framed in the verification protocols table (Table 2).
- Execution of field visits and assessments as necessary to verify the information provided by TSKB and TKYB, in accordance with the procedure framed in the verification protocols table.
- Collaboration with relevant stakeholders to ensure a thorough and effective verification process.

Scalability of Proposals: Proposals should be scalable to accommodate the potential variability in the number and size of sub-projects and to ensure that the IVA can effectively manage and verify the outcomes of a varied portfolio of projects.

Verification Protocols: As agreed between TSKB and TKYB, a single tender will be carried out and the jointly selected IVA consultant will be contracted to have the DLRs verified for a given time period of the Program. The IVA will verify results through verification protocols listed in Table 2 such as financial audit, procedural verification, and physical inspection that will test the accuracy and quality of results claimed by TSKB and TKYB. In accordance with good audit practice, physical verification will take place against a sampling framework and frequency. The IVA will use the verification protocol as the basis for preparation of program results verification reports that will be submitted to the World Bank by TSKB and TKYB.

Disbursements: WB Financing (proceeds of the IBRD loans, CTF loans and ESMAP grants) will be disbursed to TSKB and TKYB in increments against submission to, and review by, the World Bank of the IVA's program results verification reports regarding the achievement of DLRs. TSKB and TKYB will present a program results verification report to World Bank periodically, estimated at three times a year

¹ The achievement of each DLI is measured through one or more "Disbursement Linked Results" or "DLRs". DLR means a result on the basis of the achievement of which an amount of loan or grant allocated to said result may be withdrawn in accordance with the provisions of the legal agreement.

during Program implementation (2024-2029). The World Bank will use each program results verification report to process the disbursement requests.

Institutional framework, reporting, and management: The main counterparts to whom the IVA will report would be the program implementation unit at TSKB and TKYB which will provide coordination support during the verification process and the World Bank.

Expected Output: Disbursement-linked results verification

IVA is expected to develop a verification plan, at commencement, which shall include a detailed methodology for verification and a template for the verification report.

The below shall be taken into consideration about the disbursement-linked results verification process;

- a. IVA's verifying the DLRs three times a year on the basis of (i) the Disbursement Linked Indicator Matrix in Table 1, and (ii) the verification protocols in Table 2: DLI Verification Protocols. A "verification request" will be issued to the IVA by TKYB and TSKB for such verification and before or at the time of each such request, TSKB and TKYB will provide the IVA with all information needed, per the verification protocol, for the IVA to conduct its review of respective sub-projects.
- b. The IVA shall complete the verification request by the 10th business day after the date of receipt of the TKYB's and TSKB's relevant verification request including the necessary information referred to in "(a)" above, or by a later date as may be specified by TKYB and TSKB.
- c. IVA shall submit the verification reports to TKYB and TSKB (which will then be submitted to the World Bank) within 5 business days of the verification request completion.

V. EXPECTED QUALIFICATIONS OF THE IVA AND IVA'S KEY STAFF

The IVA shall be a company with at least ten years of operation in the consultancy sector, with satisfactory performance experience in carrying out assignments that are similar to the required services defined above in terms of their size and complexity within the last 10 years, having good reputation and track record and experience in relevant business activities, good financial standing and access to sample network of experts to engage for this Program.

The IVA will propose a team for the Program which will be consisted of key experts and team leader who is expected to be an experienced engineer who can represent the IVA in all contract-related matters, such as contractual, personnel, scheduling, and technical performance issues. He or she will attend meetings with TSKB, TKYB and World Bank, and other institutions and individuals as required, to discuss the status of contract implementation, provide general direction and support to the IVA team, and assist in the quality assurance of project deliverables.

The IVA team members should possess a robust set of qualifications and expertise, including but not limited to:

- (i) Expertise and experience in the field of renewable energy, preferably with a specific focus on engineering and financing of solar photovoltaic and battery energy storage systems, especially at the distributed level (i.e., systems with a connection to the electricity grid if any at 35 kV or less, including various systems connected on the electricity consumer side and systems connected directly on the grid side).

- (ii) A proven track record of conducting independent verification or audit activities, demonstrating a high degree of professionalism and objectivity, preferably in the field of distributed PV and BESS financing and engineering as described above.
- (iii) Familiarity with the operational context of Türkiye, particularly in the renewable energy sector, and an understanding of the local regulatory and business environment.
- (iv) Strong analytical skills and the ability to conduct thorough investigations, producing detailed, clear, and concise reports.
- (v) Proficiency in English and Turkish, with the capability to effectively communicate and report findings and recommendations to a diverse range of stakeholders.
- (vi) Prior working experience in the World Bank projects, especially PForRs, will be preferred.

The IVA team leader's duties, include, but are not limited to:

- (i) liaising with TSKB/TKYB and keeping the same apprised of any issues or concerns that could impact project performance and/or completion, and accomplishing the intended work within the expected timelines;
- (ii) coordinating the inputs per agreed work plans, advising team members of changes to the work plans, and monitoring team members' other project commitments to ensure priority attention is given to the Program;
- (iii) ensuring outputs of team members are in accordance with the contract's terms of reference and PIA's quality expectations, and reviewing, commenting on, and approving such outputs, as needed;
- (iv) ensuring all contracted deliverables are prepared in a timely manner, and managing Program scheduling;
- (v) briefing team members on (a) quality management, (b) safety and security issues, and (c) integrity and professional conduct, and keeping the team updated on changes in the operating environment or procedures;
- (vi) undertaking all the necessary tasks otherwise related to the audit and financial due diligence that is required in the monitoring and evaluation of the results indicators and achievement of the DLRs.

VI. ASSIGNMENT DURATION

The contract that will be signed with the IVA will have a validity of two years from the date of signature unless extended by TKYB and TSKB. If the performance of IVA is satisfactory to TSKB and TKYB, the contract can be renewed until the end of the Program in 2029.

VII. REPORTING

The IVA is required to prepare and submit verification reports within 5 business days after completion of verification process. Such reports will contain required information in a format to be agreed with the World Bank. These reports shall provide findings related with the achievement of DLIs and corresponding DLRs according to the procedure which is framed in the verification protocol for the previous period and as represented on cumulative basis. The reports should be presented in a format that is clear, structured, and accessible, facilitating effective review and decision-making. The structure of the reports for stage 1 of the Program should be proposed by IVA, and shall be validated during the first mission of the consultant with TSKB, TKYB and the World Bank task team.

Deliverables

- **Inception report:** The IVA shall prepare an accurate description of the assignment and examine the framework of the evaluation in detail based on the Terms of Reference, in order to allow more targeted information to be collected during the reporting and field phases. The consultant shall provide a document summarizing the evaluation framework after the kick-off meeting.
- **Program results verification reports:** The IVA shall prepare a report for each verification request covering achievement of DLIs for the specific time period.

VIII. SELECTION PROCESS

The selection of the IVA will be conducted through a competitive and transparent process. This process will be jointly managed by TSKB and TKYB. The comprehensive selection process will include evaluating technical competence, proposed methodology, personnel experience, the ability of the IVA to meet the Program's specific requirements, and the financial proposal.

The evaluation will be conducted according to the scoring table which contains the breakdown of eligibility criteria as detailed in Annex 1.

IX. CONFIDENTIALITY AND CONFLICT OF INTEREST

The IVA is expected to uphold the highest standards of confidentiality and integrity throughout their engagement. This includes avoiding any situation that could lead to a conflict of interest or compromise the impartiality of their work. The IVA must adhere to strict ethical guidelines and confidentiality agreements, ensuring the protection of sensitive information, the integrity of the verification process and equal treatment of TSKB and TKYB.

X. CONCLUSION

The IVA plays a pivotal role in the successful implementation of the Program. Its independent assessments and insights will be instrumental in achieving the Program's objectives.

1. DISBURSEMENT-LINKED INDICATORS, VERIFICATION PROTOCOLS, AND DISBURSEMENT SCHEDULE

The indicative timeline for DLI achievement is in calendar years, for which the annual targets are proposed to be achieved. For every DLR, the first line in the table below shows the results to be achieved (purple rows) while the other line shows the financial amount to be disbursed for the results achieved.

Table 1: Disbursement-Linked Indicator Matrix

DLIs	Unit	Result	% of total financing from relevant sources	DLI Baseline/ prior results						
				Year 1	Year 2	Year 3	Year 4			
Currency used (if result is a currency)										
Results Area 1 -Scaling up distributed solar PV (DSPV)										
DLR 1.1: DSPV Sub-loan Agreements signed	€ m	€530,8 m		0,00	212,3	318,5	0,0	0,0	0,0	
Allocated IBRD amount equally between TSKB and TKYB:	€ m	€145,0 m	24%		58,0	87,0	0,0	0,0	0,0	
DLR 1.2: DSPV Sub-loans disbursed	€ m	€530,8 m		0,00	212,3	318,5	0,0	0,0	0,0	
Allocated IBRD amount equally between TSKB and TKYB:	€ m	€145,0 m	24%		58,0	87,0	0,0	0,0	0,0	
DLR 2: Watts peak of generation capacity Commissioned	MegaWatt	691,0 MW		0,00	0,0	276,4	414,6	0,0	0,0	
Allocated IBRD amount equally between TSKB and TKYB:	€ m	€112,5 m	19%		0,0	45,0	67,5	0,0	0,0	
Results Area 2 – Unlocking commercial financing and innovation for distributed solar PV, battery energy storage systems, and untapped markets										
DLI 3: Increase eligible institutions' awareness of and capacity to participate in the credit facility for DSPV	Results defined in verification protocols	100%		0%	0%	100%	100%	100%	100%	
Allocated ESMAP amount equally between TSKB and TKYB:	US\$ million	\$3 m	100,0%		0,0	2,7	0,0	0,0	0,0	
Allocated IBRD amount equally between TSKB and TKYB:	€ million	€21,0 m	3,5%		0,0	0,0	21,0	0,0	0,0	
DLR 4.1: Facility Loan Agreements signed	€ million	€218,5 m		0,0	0,0	0,0	87,4	131,1	0,0	

Allocated IBRD amount equally between TSKB and TKYB:	€ million	€65,0 m		10,8%		0,0	0,0	26,0	39,0	0,0
DLR 4.2: Facility Loans disbursed at least 50%	€ milion	€218,5 m			0,0	0,0	0,0	87,4	131,1	0,0
Allocated IBRD amount equally between TSKB and TKYB:	€ million	€65,0 m		10,8%		0,0	0,0	26,0	39,0	0,0
DLR 5: Watts peak of generation capacity Commissioned	MegaWatt	271,0 MW			0,0	0,0	0,0	0,0	108,4	162,6
Allocated IBRD amount equally between TSKB and TKYB:	€ million	€45,0 m		7,5%		0,0	0,0	0,0	18,0	27,0
DLR 6.1: BESS Sub-loan Agreements signed	US\$ million	\$30,0 m			0,0	0,0	0,0	5,4	13,5	8,1
Allocated CTF Loan amount equally between TSKB and TKYB:	US\$ million	\$10,0 m		33,3%		0,0	0,0	1,8	4,5	2,7
DLR 6.2: BESS Sub-loan Agreements disbursed	US\$ million	\$30,0m			0,0	0,0	0,0	5,4	13,5	8,1
Allocated CTF Loan amount equally between TSKB and TKYB:	US\$ million	\$10,0 m		33,3%		0,0	0,0	1,8	4,5	2,7
DLR 7: Watt-hour of storage capacity installed	MegaWatt-hour	64,0 MW			0,0	0,0	0,0	12,8	32,0	19,2
Allocated CTF Loan amount equally between TSKB and TKYB:	US\$ million	\$9,9 m		32,9%		0,0	0,0	1,8	4,5	2,7
IBRD Front-end fee	€ million	€1,50 m		0,25%		1,5				
CTF Front-end fee	US\$ million	\$0,12 m		0,45%		0,1				
Total financing allocated (IBRD, CTF, ESMAP)		€600, m \$33,0 m								

Table 2: Verification Protocol Table: Disbursement Linked Indicators

1 : Commitment and disbursement of DSPV Sub-loans to DSPV Sub-borrowers (Amount(USD))	
Formula	<p>EUR 0.27 for each EUR 1.00 of the total DSPV Sub-loan amounts committed under duly signed DSPV Sub-loan Agreements, up to EUR 72,500,000 (per PIA) for DLR 1.1.</p> <p>EUR 0.27 for each EUR 1.00 of the total Sub-loan amount for each DSPV Sub-loan that has achieved fifty percent (50%) disbursement, up to EUR 72,500,000 (per PIA) for DLR 1.2.</p>
Description	<p>This DLI is based on the cumulative monetary amounts of sub-loans for DSPV made to sub-project borrowers by the Program Implementing Agencies (PIAs), namely TSKB and TKYB. Each PIA is allocated half of the DLRs amount. The target of this DLI is to commit and disburse at least 50 percent of total sub-loan amounts equivalent to US\$588 million (US\$294 million for each PIA).</p> <p>The DLRs are: DLR 1.1 (Scalable): DSPV Sub-loan Agreements signed between PIA and DSPV Sub-borrowers before the Transition Date.</p> <p>DLR 1.2 (Scalable): DSPV Sub-loans disbursed under the DSPV Sub-loan Agreements referenced in DLR #1.1, for which, in each case, at least the first fifty percent (50%) of the said Sub-loan has been disbursed.</p> <p>See PTAD⁷ for list of eligible investments. (For investments involving battery energy storage, see DLI 6 and 7).</p>
Data source/ Agency	TSKB and TKYB reports
Verification Entity	Independent Verification Agent (IVA)
Procedure	The IVA will verify, based on the report submitted by TSKB and TKYB, the number of sub-loan agreements signed and disbursements to sub-projects against the eligibility criteria and relevant data described in the Program Operational Manual (POM) ⁸ such as sub-project borrower name, loan amount, and disbursed and undisbursed amounts. The IVA will verify a small representative sample of these sub-loans, including through field visits and will ensure diversity when deciding which projects will be visited. Most of the verification is expected to be done desk-based, yet IVA is expected to implement field visits to two projects (one for TSKB and one for TKYB) every four months.
2 : Generation capacity Commissioned under DSPV Sub-projects financed by DSPV Sub-loans (Watt)	
Formula	EUR 0.17 per watt of capacity, up to EUR 56,250,000 (per PIA)
Description	<p>This DLI is based on the cumulative amounts of DSPV electric power generation capacity made to sub-project borrowers by TSKB and TKYB. Each PIA is allocated half of the DLR amount. The target of this DLI is 691MW (345.5 MW for each PIA).</p> <p>The DLR is DLR 2 (Scalable): Watts peak of generation capacity Commissioned.</p>
Data source/ Agency	TSKB and TKYB reports
Verification Entity	IVA
Procedure	The IVA will verify the acceptance document, issued by the prescribed authority under the Regulation on the Acceptance of Electricity Generation and submitted by TSKB and TKYB as described in the POM, to accept a facility's application to commence commercial operation in the electricity market. The IVA will verify a small representative sample of these sub-loans, including through field visits and will ensure diversity when deciding which projects will be visited. Most of the verification is expected to be done desk-based, yet IVA is expected to implement field visits to two projects (one for TSKB and one for TKYB) every four months.

⁷ <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099944502022417408/idu14ef087b4150d1b96018a4079c2c66a>

⁸ Currently being prepared by the PIAs.

3 : Increase eligible institutions' awareness of and capacity to participate in the credit facility for DSPV Subprojects under Results Area 2 (Text)

Formula	<p>USD 150,000 (per PIA) for each potential Facility Borrower to which Awareness and Outreach is delivered jointly or individually by the TKYB and/or TSKB, and documented in a results report prepared jointly or individually by TKYB and/or TSKB, up to USD 1,500,000 for DLR 3.1 (total USD 3 million)</p> <p>EUR 2,625,000 (per PIA) for each potential or selected Facility Borrower to which the Facility Training Curriculum is fully delivered and documented in a results report prepared by TKYB and/or TSKB, up to EUR 10,500,000 for DLR 3.2 (total EUR 21 million)</p>
Description	<p>Establishment of a transparent and inclusive facility by the PIAs (TSKB and TKYB) through which they finance Facility Borrowers (FBs), such as commercial banks and leasing companies, to on-lend to sub-project borrowers for DSPV investments. Each PIA is allocated half of the DLRs amount.</p> <p>The DLRs are: DLR 3.1 (Scalable): Awareness and Outreach delivered (in accordance with terms of reference specified in the POM to potential Facility Borrowers on the credit facility for DSPV Subprojects under Results Area 2, with a collective TSKB and TKYB target of a minimum of ten (10) potential Facility Borrowers.</p> <p>DLR 3.2 (Scalable): Facility Training Curriculum delivered (in accordance with terms of reference specified in the POM to potential and/or selected Facility Borrowers on the credit facility for DSPV Subprojects under Results Area 2, with a collective TSKB and TKYB target of a minimum of four (4) such potential and/or selected Facility Borrowers.</p>
Data source/ Agency	TSKB and TKYB reports
Verification Entity	IVA
Procedure	The IVA will verify, based on the reports submitted by TSKB and TKYB, that the potential Facility Borrowers have completed awareness and capacity building events as described in the Program Action Plan (PAP) ⁹ and POM.

4 : Commitment and disbursement of Facility Loans to Facility Borrowers to finance Facility Sub-loans for DSPV Sub-projects (Amount(USD))

Formula	<p>EUR 0.30 for each EUR 1.00 of the total Facility Loan amounts committed under duly signed Facility Loan Agreements between PIA and Facility Borrowers, up to EUR 32,500,000 (per PIA) for DLR 4.1</p> <p>EUR 0.30 for each EUR 1.00 of the total Facility Loan amount for each Facility Loan that has achieved fifty percent (50%) disbursement, up to EUR 32,500,000 (per PIA) for DLR 4.2.</p>
Description	<p>This DLI is based on the cumulative monetary amounts of sub-loans for DSPV made to sub-project borrowers by the Facility Borrowers (FBs) through funds on-lent by the PIAs, namely TSKB and TKYB. Each PIA is allocated half of the DLRs amount. The target of this DLI is to commit and disburse at least 50 percent of total sub-loan amounts equivalent to US\$242 million (US\$121 million for each PIA).</p> <p>The DLRs are: DLR #4.1 (Scalable): Facility Loan Agreements signed between PIA and Facility Borrowers.</p> <p>DLR #4.2 (Scalable): Facility Loans disbursed under Facility Loan Agreements referenced in DLR #4.1 for which, in each case, at least the first fifty percent (50%) of the said Facility Loan has been disbursed.</p>
Data source/ Agency	TSKB and TKYB reports
Verification Entity	IVA
Procedure	The IVA will verify, based on the report submitted by TSKB and TKYB, the number of sub-loan agreements signed and disbursements of FBs to sub-borrowers through on-lent funds from TSKB and TKYB. Eligibility criteria and relevant data described in the POM such as borrower name, loan amount, and disbursed and undisbursed amounts will be verified. The IVA will also verify a small representative sample of these sub-loans, including through field visits and will ensure diversity when deciding which projects will be visited. Most of the

⁹ Detailed capacity-building activities are being assessed and will be outlined in the Program Action Plan (PAP).

	verification is expected to be done desk-based, yet IVA is expected to implement field visits to two projects (one for TSKB and one for TKYB) every four months.
5 : Generation capacity Commissioned under DSPV Sub-projects financed by Facility Sub-loans (Watt)	
Formula	EUR 0.17 per watt of capacity, up to EUR 22,500,000 (per PIA)
Description	<p>This DLI is based on the cumulative amounts of DSPV electric power generation capacity made to sub-project borrowers by FBs. Each PIA is allocated half of the DLR amount. The collective target of this DLI is 271MW (135.5 MW for each PIA).</p> <p>The DLR is: DLR #5 (Scalable): Watts peak of generation capacity Commissioned.</p>
Data source/ Agency	TSKB and TKYB reports
Verification Entity	IVA
Procedure	The IVA will verify, based on the report submitted by TSKB and TKYB including documents described in the FOM, such as the acceptance letter by the distribution company, that the capacity of sub-projects has been installed and is operational. The IVA will verify a small representative sample of these sub-loans, including through field visits and will ensure diversity when deciding which projects will be visited. Most of the verification is expected to be done desk-based, yet IVA is expected to implement field visits to two projects (one for TSKB and one for TKYB) every four months.
6 : Commitment and disbursement of BESS Sub-loans to BESS Sub-borrowers for BESS Subprojects (Amount(USD million))	
Formula	<p>USD 0.33 for each USD 1.00 of the total Sub-loan amounts committed under duly signed Sub-loan Agreements up to USD 5,000,000 (per PIA) for DLR 6.1.</p> <p>USD 0.33 for each USD 1.00 of the total Sub-loan amount for each BESS Sub-loan that has achieved fifty percent (50%) disbursement, up to USD 5,000,000 (per PIA) for DLR 6.2.</p>
Description	<p>This DLI is based on the cumulative monetary amounts of battery energy storage system (BESS) sub-loans for made to sub-project borrowers by the PIAs, namely TSKB and TKYB. Each PIA is allocated half of the DLR amount. The target of this DLI is to commit and disburse at least 50 percent of total sub-loan amounts equivalent to US\$30 million (US\$15 million for each PIA).</p> <p>The DLRs are: DLR #6.1 (Scalable): BESS Sub-loan Agreements signed between PIA and BESS Sub-borrowers to finance BESS Subprojects.</p> <p>DLR #6.2 (Scalable): BESS Sub-loans disbursed under BESS Sub-loan Agreements referenced in DLR #6.1 and for which, in each case, at least the first fifty percent (50%) of the said Sub-loan has been disbursed.</p>
Data source/ Agency	TSKB and TKYB reports
Verification Entity	IVA
Procedure	The IVA will verify, based on the report submitted by TSKB and TKYB, the number of sub-loan agreements signed and disbursements to sub-projects against the eligibility criteria and relevant data described in the POM such as borrower name, loan amount, and disbursed and undisbursed amounts. The IVA will verify a small representative sample of these sub-loans, including through field visits and will ensure diversity when deciding which projects will be visited. Most of the verification is expected to be done desk-based, yet IVA is expected to implement field visits to two projects (one for TSKB and one for TKYB) every four months.
7 : Battery energy storage capacity Commissioned under BESS Sub-projects financed by Sub-loans (Watt-hour)	
Formula	USD 0.16 per watt-hour (Wh) of capacity, up to USD 4,932,500 (per PIA)
Description	<p>This DLI is based on the cumulative amounts of BESS capacity commissioned by sub-project borrowers of TSKB and TKYB. Each PIA is allocated half of the DLR amount. The target of this DLI is 64 MWh (32.0 MWh for each PIA).</p> <p>The DLR is: DLR #7 (Scalable): Watt-hours of storage capacity Commissioned.</p>

Data source/ Agency	TSKB and TKYB reports with evidence to verify achievement of each BESS facility commissioned. Documentation may include, as applicable (and not restricted to): record of the facility scope and capacity (in MWh and MW) of BESS project (such as TOR or contract documents); records of field tests reports and necessary permit procedures under the responsibility of the licensee or facility owner; record of approval of the facility design in accordance with the Regulation on Electric Facility Projects; record of acceptance of the facility constructed according to the approved design in accordance with the Regulation on Acceptance of Electricity Generation and Electricity Storage Facilities; record of contractual power of the consumption facility to which the BESS is integrated; facility inspection report.
Verification Entity	IVA
Procedure	The IVA will verify that the capacity (MWh and MW) of sub-projects is commissioned based on the report submitted by TSKB or TKYB with the documentation as specified in the POM (considering data items indicated above). The IVA will also visit a representative sample of BESS sub-loan facilities. The IVA will check that given facilities comply with the terms and conditions specified in official documentation as applicable.

Table 3: Program DLIs and Disbursement Amount (US\$ million)

DLIs	Description of DLIs including DLRs (as applicable)	Disbursement Amount (Million)
Results Area 1: Scaling up distributed solar PV (DSPV)		
Commitment and disbursement of DSPV Sub-loans to DSPV Sub-borrowers (EUR, millions)	<p>Sub-loans from PIAs to sub-borrowers for DSPV sub-projects.</p> <p>The target of this DLI is to commit and disburse at least 50 percent of total sub-loan amounts equivalent to US\$294.0 million for each PIA.</p> <p>DLR 1.1 (Scalable): DSPV Sub-loan Agreements signed between the Borrower and DSPV Sub-borrowers before the Transition Date.</p> <p>DLR 1.2 (Scalable): DSPV Sub-loans disbursed under the DSPV Sub-loan Agreements referenced in DLR #1.1, for which, in each case, at least the first fifty percent (50%) of the said Sub-loan has been disbursed.</p>	EUR 290.0 (IBRD)
DLI 2: Generation capacity Commissioned under DSPV Sub-projects financed by DSPV Sub-loans	<p>Generation capacity from DSPV sub-projects financed with PIA sub-loans.</p> <p>The end-of-program target of this DLI is 345.5 MW for each PIA.</p> <p>DLR 2 (Scalable): Watts peak of generation capacity Commissioned.</p>	EUR 112.5 (IBRD)
Results Area 2: Expanding the market and promoting innovation for distributed energy		
DLI-3: Increase eligible institutions' awareness of and capacity to participate in the credit facility for DSPV Subprojects under Results Area 2	<p>Establishment of a transparent and inclusive facility by the PIAs (TSKB and TKYB) through which they finance Facility Borrowers (FBs) to on-lend to sub-project borrowers for DSPV investments.</p> <p>DLR 3.1: (Scalable) Awareness and Outreach delivered (in accordance with terms of reference specified in the POM) to potential Facility Borrowers on the credit facility for DSPV Subprojects under Results Area 2, with a collective TSKB and TKYB target of a minimum of ten (10) potential Facility Borrowers</p> <p>DLR 3.2: (Scalable) Facility Training Curriculum delivered (in accordance with terms of reference specified in the POM) to potential and/or selected Facility Borrowers on the credit facility for DSPV Subprojects under Results Area 2, with a collective TSKB and TKYB target of a minimum of four (4) such potential and/or selected Facility Borrowers.</p>	EUR 21.0 (IBRD) USD 3.0 (ESMAP)

DLIs	Description of DLIs including DLRs (as applicable)	Disbursement Amount (Million)
<p>DLI 4: Commitment and disbursement of Facility Loans to Facility Borrowers to finance Facility Sub-loans for DSPV Sub-projects.</p>	<p>Facility sub-loans disbursed to sub-project borrowers to finance DSPV. The end-of-program target of this DLI is to commit and disburse at least 50 percent of total sub-loan amounts equivalent to \$US121 million for each PIA.</p> <p>DLR #4.1 (Scalable): Facility Loan Agreements signed between the Borrower and Facility Borrowers.</p> <p>DLR #4.2: Facility Loans disbursed under Facility Loan Agreements referenced in DLR #4.1 for which, in each case, at least the first fifty percent (50%) of the said Facility Loan has been disbursed.</p>	<p>EUR 130.0 (IBRD)</p>
<p>DLI 5: Generation capacity Commissioned under DSPV Sub-projects financed by Facility Sub-loans</p>	<p>Sub-loans disbursed to sub-borrowers to finance DSPV investments. The end-of-program target of this DLI is 135.5 MW for each PIA.</p> <p>DLR #5 (Scalable): Watts peak of generation capacity Commissioned.</p>	<p>EUR 45.0 (IBRD)</p>
<p>DLI 6: Commitment and disbursement of BESS Sub-loans to BESS Sub-borrowers for BESS Subprojects (USD, million).</p>	<p>Sub-loans disbursed to sub-borrowers to finance BESS investments. The end-of-program target of this DLI is to commit and disburse at least 50 percent of total sub-loan amounts equivalent to US\$15 million for each PIA.</p> <p>DLR #6.1 (Scalable): BESS Sub-loan Agreements signed between the Borrower and BESS Sub-borrowers to finance BESS Subprojects.</p> <p>DLR #6.2 (Scalable): BESS Sub-loans disbursed under BESS Sub-loan Agreements referenced in DLR #6.1 and for which, in each case, at least the first fifty percent (50%) of the said Sub-loan has been disbursed.</p>	<p>USD 20.0 (CTF)</p>
<p>DLI #7: Battery energy storage capacity Commissioned under BESS Sub-projects financed by BESS Sub-loans.</p>	<p>Installed BESS capacity (MWh) financed in subprojects. Eligible use cases are stationary facilities with a grid connection, if any, at 36 kV or below including for distributed generation, grid services, or consumer-side to increase renewable energy</p> <p>The end-of-program target of this DLI is 32.0 MWh for each PIA.</p> <p>DLR #7 (Scalable): Watt-hours of storage capacity Commissioned.</p>	<p>USD 9.9 (CTF)</p>

Note: Front-end fees equal to EUR 1.5 million for IBRD and US\$ 0.135 million for CTF.

ANNEX 1

Evaluation of Proposal (Scoring Table)

Financial Score: The financial proposal with the lowest price will be scored 100 and the others are given an inversely proportional score based on their price compared to the lowest priced financial proposal.

Technical Score: The proposals will be assigned a technical score based on following criteria,

Proposal Component	Weightage in Technical Score
Organization, Methodology and Reporting (40%)	
Proposed approach and methodology that adhere to the procedure in the verification protocol, Overall design of the program, Scalability	40%
Applicant's Capabilities (60%)	
<p>The IVA team members capabilities ;</p> <ul style="list-style-type: none"> (i) Experience in the field of renewable energy, preferably with a specific focus on solar photovoltaic and battery energy storage systems. (ii) A proven track record of conducting independent verification or audit activities, demonstrating a high degree of professionalism and objectivity. (iii) Familiarity with the operational context of Türkiye, particularly in the renewable energy sector, and an understanding of the local regulatory and business environment. (iv) Strong analytical skills and the ability to conduct thorough investigations, producing detailed, clear, and concise reports. (v) Proficiency in English and Turkish, with the capability to effectively communicate and report findings and recommendations to a diverse range of stakeholders. (vi) Prior working experience in the World Bank projects, especially PForRs, will be preferred. 	60%

The Proposal selected is the one that obtains the highest technical/financial weighted score. The weightings should be **80% for the technical score** and **20% for the financial score**.