



**MINISTRY OF TREASURY AND FINANCE
BOARD OF TREASURY CONTROLLERS**

PUBLIC AND MUNICIPAL RENEWABLE ENERGY PROJECT

**Implemented by
MINISTRY OF ENVIRONMENT, URBANISATION AND CLIMATE CHANGE
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS**

**Financed Under International Bank for Reconstruction and Development
(IBRD) Grant Agreement Numbered TF0C1420**

As of December 31, 2024 and For the Year Then Ended

Prepared by

**Engin YAŞAR
Treasury Controller**

**Melda Nur NOGAY KURT
Treasury Controller**

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Treasury Controller**

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Treasury Controller**

Report's Number

78/7 - 66/11 - 46/10 - 35/4



INDEPENDENT AUDITOR'S REPORT

June 20, 2025

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

A. Project Summary

The Public and Municipal Renewable Energy Project is financed through a Grant Agreement (ESMAP) (Grant No. TF0C1420) was signed between the Republic of Türkiye and the International Reconstruction and Development Bank (IBRD) on January 25, 2024. The project is carried out in cooperation with our Ministry of Environment, Urbanization and Climate Change (MoEUCC) and the Ministry of Energy and Natural Resources (MENR). In accordance with the Grant Agreement, the responsibility for the implementation of the project lies with the Ministry of Environment and Urbanization General Directorate of Construction Affairs (GDCA).

The grant agreement was signed on September 20, 2023, and accordingly the Project has become effective as of January 25, 2024, the closing date is June 30, 2027.

The Public and Municipal Renewable Energy Project is structured around five distinct parts. Nevertheless, pursuant to the provisions of Grant Agreement No. TF-C1420, financing is exclusively allocated to the component outlined below.

Part 3. Technical assistance and project implementation support

(a) Technical assistance and project implementation support for MoEUCC.

Support of MoEUCC:

(i) Under the ESMAP Grant: to certify greenhouse gas credits for activities under Part 1 of the Project;

(ii) Under the ESMAP Grant and this Loan:

(A) to prepare feasibility studies, and provide technical inputs for procurement packages, for RE Subprojects under Part 1 of the Project; and

(B) to build the capacity of Project beneficiaries on the operations and maintenance ("O&M") of Project investments under Part 1 of the Project; and

The project is financed through a grant agreement (Grant No. TF0C1420) signed between the Republic of Türkiye and IBRD. The total budget allocated under this grant is \$ 1.500.000,00 , fully funded by the IBRD. Total opening balance of the Central Bank of the Republic of Türkiye (TCMB) designated account for grant, as of January 01, 2024 is \$ 0,00



and closing balance as of December 31, 2024 is \$ 379.094,94. According to the Project Financial Statements, \$ 342.561,37 was disbursed in this audit period and \$ 342.561,37 was disbursed cumulatively.

This report is prepared for all components of the Project.

B. Objectives of Audit

The objective of the audit is to express an opinion on the Financial Statements of the Public and Municipal Renewable Energy Project Project for the period ended 31 December 2024. The audit includes but not limited to the following tasks.

In evidencing compliance with agreed project financing arrangements, we are expected to carry out tests to confirm that:

- (a) The funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided. Relevant financing agreements include the Grant Agreement numbered TF0C1420.
- (b) All expenditure has been incurred in accordance with the Grant Agreement numbered TF0C1420, including specific provisions of the World Bank Procurement Guidelines.
- (c) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE).
- (d) Respective reports issued during the period were in agreement with the underlying books of account.

C. Scope of Audit

The audit was conducted in accordance with International Standards on Auditing. Those Standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

There was no limitation in our scope for the Project's audit.



D. Audit Methodology

Financial Statements

Verified that the financial statements have been prepared in accordance with International Public Sector Accounting Standards.

Audited all SOE submitted to the World Bank in support of requests for periodic replenishment of the project designated account.

Examined expenditures for eligibility based on criteria defined in the terms of the grant agreement. In addition, we examined;

- (a) SOEs have been prepared in accordance with the provisions of the relevant financing agreement;
- (b) expenditures have been made wholly and necessarily for the realization of project objectives;
- (c) information and explanation necessary for the purpose of the audit have been obtained;
- (d) supporting records and documents necessary for the purpose of the audit have been retained, and
- (e) SOEs can be relied upon to support the related withdrawal applications.

Review of designated accounts

During the audit of the project financial statements, we reviewed the activities of the project's designated account(s) such as deposits received, payments made, interest earned, and reconciliation of period-end balances.

Internal controls

Evaluated significant internal controls to obtain a sufficient understanding of the design of relevant controls, policies and procedures and whether they have been in operation during the period under review.

Compliance with agreement terms and applicable laws and regulations

Reviewed, assessed and reported on compliance with the terms and conditions of the Grant Agreement numbered TF0C1420.

Representations by implementing agency

Obtained specific written representations from management.



E. Audit Results

For the financial statements of Project, our audit resulted with an unmodified opinion. In addition, other reporting responsibilities about the project is included under the heading of Report on Other Legal and Regulatory Requirements.

F. Management Recommendation

Since we have not identified any material deficiency in internal control during our audit, we have not issued a Management Letter.

**INDEPENDENT AUDIT REPORT'S & FINANCIAL
STATEMENTS OF THE PROJECT**



INDEPENDENT AUDITOR'S REPORT

TO MINISTRY OF ENVIRONMENT AND URBANIZATION, GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS (GDCA)

Opinion

We have audited the accompanying financial statements of the Public and Municipal Renewable Energy Project as of December 31, 2024 and for the period then ended, which comprise the Withdrawal Application Summary Statement, Statement Of Sources And Uses Of Funds, Statement of Comparison Budget And Actual Amount, Statement of Designated Account and the Notes to the Project Financial Statements including the summary of significant accounting policies. The financial statements have been prepared by General Directorate of Construction Affairs (GDCA) based on financial reporting provisions of the Grant Agreement Numbered TF0C1420.

In our opinion;

a) The accompanying the Withdrawal Application Summary Statement, Statement of Sources and Uses of Funds, Statement of Comparison Budget And Actual Amount, Statement of Designated Account present fairly, in all material respects, the financial position and cash flows of the Public and Municipal Renewable Energy Project as of December 31, 2024 and for the period then ended in accordance with the provisions of the Grant Agreement Numbered TF0C1420.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report. We are independent of the General Directorate of Construction Affairs (GDCA) within the meaning of "IFAC Code of Ethics for Professional Accountants" and ethical requirements and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter in the Financial Statement

Without modifying our opinion, we draw attention to Note “2” to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist (Institution) to comply with the financial reporting provisions of the contract referred to above. As a result, the financial statements may not be suitable for another purpose.

Going Concern

The Project’s financial statements have not been prepared using the going concern basis of accounting. The project will be completed on June 30, 2027.

Responsibilities of Management and Those Charged with Governance or other appropriate terms for the Financial Statements

General Directorate of Construction Affairs (GDCA) is responsible for the preparation and fair presentation of these financial statements in accordance with Grant Agreement Numbered TF0C1420 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the General Directorate of Construction Affairs (GDCA)’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

The conclusions drawn from audits conducted within the scope of other reporting requirements are as follows:



REPUBLIC OF TÜRKİYE
MINISTRY OF TREASURY AND FINANCE
The Board of Treasury Controllers

a) General Directorate of Construction Affairs (GDCA), as of December 31, 2024 has complied with, in all material respects, the requirements of the Grant Agreement Numbered TF0C1420.

b) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and these expenditures are eligible for financing under the World Bank Grant Agreement numbered TF0C1420.

Okan SÜLER
Chairman of
The Board of Treasury Controllers

Akif Bülent BOYACIOĞLU
(Audit Partner)
Vice Chairman

Engin YAŞAR
Treasury Controller

Melda Nur NOGAY KURT
Treasury Controller

Yavuz Selim BAYRAKÇI
Treasury Controller

Anıl Edip ASLAN
Treasury Controller

Date: 20.06.2025

Address: Ministry of Treasury and Finance
The Board of Treasury Controllers
ANKARA/TÜRKİYE

ANNEX I: FINANCIAL STATEMENTS

GRANT NO: TF0C1420

For the Period: 01.01.2024-31.12.2024

Prepared by

Approved by

Date _____

Esra TURAN TOMBAK
Head Of Department

Namika K. YERK
Genel Müdür Yrd. V.

Date _____
Name **Murat ORAL**
Title **General Manager**

M. Gökhan KARAGÖZLÜ
Şube Müdürü

GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS
PUBLIC and MUNICIPAL RENEWABLE ENERGY PROJECT GRANT AGREEMENT
Grant Number TF0C1420
STATEMENT OF SOURCES and USES of FUNDS
As of December 31, 2024 and For The Year Then Ended.
(In USD)

	Notes	Current Period	Previous Period	Cumulative
I-SOURCES OF FUNDS				
A-IBRD Grant	7	721.656,31	-	721.656,31
A-1 Special Account Methods	7	721.656,31	-	721.656,31
A-1.1 Advance	7	500.000,00	-	500.000,00
A-1.2 SOE	7	221.656,31	-	221.656,31
B-Refunds	8	-	-	-
B-1 Refunds Special Account	8	-	-	-
Total Funds Received	7	721.651,31	-	721.651,31
II-A USES OF FUNDS by COMPONENT				
Component 3. (a) (ii) Technical assistance and Implementation Support				
(a) Technical assistance to the Ministry of Environment and Urbanization	4	341.628,50	-	341.628,50
Total Uses of Funds by Component	4	341.628,50	-	341.628,50
II-B USES OF FUNDS BY CATEGORY				
Category 1-Goods, consulting services, and non-consulting services for Part 3 (a) (i) of the Project	4	341.628,50	-	341.628,50
Category 2- Consulting services for Part 3 (a) (ii) of the Project	4	341.628,50	-	341.628,50
Total Uses of Funds by Category	7	932,87	-	932,87
Exchange Rate Difference	4	342.561,37	-	342.561,37
Cash at the beginning of the period 01.01.2024		0,00		
Cash at the end of the period 31.12.2024	6	379.094,94		

Prepared by
Date
Name Elife Gülriz SAYGI
Title Finance Specialist

Controlled by
Date
Name Esra TURAN TOMBAK
Title Head Of Department

M. Gökhan KARAGÖZLÜ
Sade Müdür

Murat ORAL
General Manager

Namık İsmail
Genel Müdür Yard. V.

<p align="center">STATEMENT of COMPARISON BUDGET AND ACTUAL AMOUNT GENERAL DIRECTORATE of CONSTRUCTION AFFAIRS Grant No: TFC1420 PUBLIC and MUNICIPAL RENEWABLE ENERGY PROJECT GRANT AGREEMENT 01.01.2024-31.12.2024 Reporting Rate (In USD)</p>									
	NOTES	Current Period				Cumulative			
		Actual	Final Budget	Original Budget	Variance %	Actual	Planned	Variance %	
		1	2		3=1/2	4	5	6=4/5	
Sources of Funds									
IBRD Grant	7	721.656,31	146.464,79	114.000,00	492,72%	721.656,31	1.500.000,00	48,11%	
Refunds to Special Account	8	0,00	0,00	0,00	0,00%	0,00	0,00	0,00	
Total Sources of Funds	7	721.656,31	146.464,79	114.000,00	492,72%	721.656,31	1.500.000,00	48,11%	
Uses of Funds									
1 By Components	4	341.628,50	146.464,79	114.000,00	233,25%	341.628,50	1.500.000,00	22,78%	
Component 3. (a) Technical assistance and Implementation Support for MoUUC									
(i) Technical assistance and Implementation Support for MoUUC	4	0,00	0,00	0,00	0,00%	0,00	50.000,00	0,00%	
(ii) Technical assistance and Implementation Support for MoUUC	4	341.628,50	146.464,79	114.000,00	233,25%	341.628,50	1.450.000,00	23,56%	
2 By Category	4	341.628,50	146.464,79	114.000,00	233,25%	341.628,50	1.500.000,00	22,78%	
Category 1- Goods, consulting services and non-consulting services for Part 3(a) (i) of the Project									
		0,00	0,0	0,0	0,0	0,00	50.000,00	0,00%	
Category 2-Consulting services for Part 3 (a) (ii) of the Project									
	4	341.628,50	146.464,79	114.000,00	233,25%	341.628,50	1.450.000,00	23,56%	
3 Exchange Rate Difference	7	932,87	0,00	0,00	-	932,87	0,00	-	
Total	4	342.561,37	146.464,79	114.000,00	233,89%	342.561,37	1.500.000,00	22,84%	

Prepared by

Date

Name Elife Gülriz SAYGI

Financial Specialist

Controlled by

Date

Name

Title

Approved by

Date

Name

Title

Esra TURAN TOMBAK

Head Of Department

Murat ORAL

General Manager

M. Gökhan KARAGÖZÜ
Şube Müdürü

Namik ZEKER
Genel Müdür Yrd. V.

GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS
PUBLIC and MUNICIPAL RENEWABLE ENERGY PROJECT GRANT AGREEMENT
SPECIAL ACCOUNT STATEMENT

ACCOUNT NO: 94 070 10 62

For the year ended. December 31, 2024
(In USD)

Opening Balance (01.01.2024)				0,00
Reimbursements to SA	7			721.656,31
Refunds to SA	8			0,00
Available Funds	7			721.656,31
Payments Made for Expenditures	7	341.628,50		
Exchange Rate Difference	7	932,87		
Service charges for the account		0,00		
Total Project Investments	7	342.561,37		
Closing Balance (31.12.2024)	6			379.094,94

Prepared by



Date
Name Elife Gülriz SAYGI
Finance Specialist

Controlled by

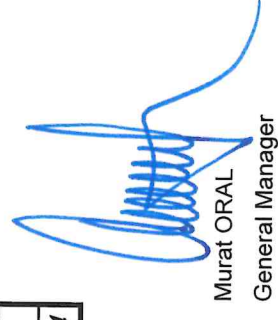


Date
Name
Title

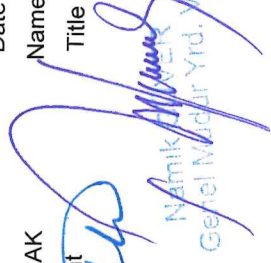
Approved by



Esra TURAN TOMBAK
Head Of Department
Date
Name
Title


Murat ORAL
General Manager


M. Gökhan KARAGÖZLÜ
Şube Müdürü


NamiK KARAKÖK
Genel Müdür Yrd. Y.

**MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS**

**PUBLIC and MUNICIPIAL RENEWABLE ENERGY PROJECT
ESMAP GRANT AGREEMENT (Grant Number TF0C1420)
NOTES TO PROJECT FINANCIAL STATE MENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024**

1. PROJECT OBJECTIVES AND STRUCTURE

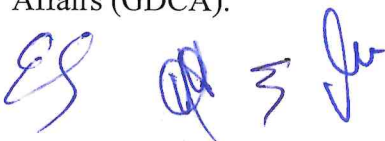
The General Directorate of Construction Affairs, which was carried out as the Directorate of Building Works under the Nafia Nezaret in 1848 and the Ministry of Nafia in 1920, was renamed as the Directorate of Building Works under the Ministry of Public Affairs established in 1934 after the proclamation of the Republic, and as the General Directorate of Construction Affairs under the Ministry of Zoning and Settlement established in 1957, and currently operates under the Ministry of Environment, Urbanization and Climate Change.

The duties, authorities and responsibilities of the General Directorate of Construction Affairs, which are determined by the Presidential Decree No. 1 on the Organization of the Presidency published on 10.07.2018, are as follows

- To determine the general principles, strategies and standards regarding all kinds of buildings belonging to Public Institutions and Organizations and to ensure their implementation,
- To determine the procedures and principles regarding public investment projects and works and transactions related to construction, and the qualifications of studies and projects, and to ensure their implementation,
- To prepare the requirement programs of the buildings and facilities belonging to the Public Institutions and Organizations within the scope of the general budget, to make or have made the studies and projects and cost calculations, to approve or have approved, to construct, strengthen, modify and repair the main ones,
- If requested and deemed appropriate, to make or have made, approve or have approved the projects, cost calculations and constructions of the buildings and facilities included in the investment programs of special budget administrations, regulatory and supervisory institutions and social security institutions,
- To carry out or have carried out all kinds of surveys, plans, projects, cost calculations and construction works in the fields of duty of the Ministry,
- To perform the duties assigned to the Ministry by Law No. 5543,
- Pursuant to Law No. 5543, to carry out or have carried out, approve or have approved the survey and planning works related to all kinds of buildings and dwellings to be built by Public Institutions and Organizations for permanent settlement, to carry out or have carried out the construction of all kinds of buildings to be built for permanent settlement,
- To perform the duties assigned to the Ministry by the Law No. 4708 on Building Inspection,
- To inspect the buildings, including those built or commissioned by Public Institutions and Organizations, in terms of the safety of life and property and compliance with the legislation and technique, to request and ensure that the detected contradictions and deficiencies are eliminated,

Public and Municipal Renewable Energy Project Grant Agreement (ESMAP) was signed between the Republic of Turkiye and the International Reconstruction and Development Bank (IBRD) on September 20, 2023. The project is carried out in cooperation with our Ministry of Environment, Urbanization and Climate Change (MoEUCC) and the Ministry of Energy and Natural Resources (MENR).

In accordance with the Loan and Grant Agreement, the responsibility for the implementation of the project lies with the Ministry of Environment and Urbanization General Directorate of Construction Affairs (GDCA).



PROJECT DESCRIPTION

Project Objective and Description. The objective of the Project is to increase the use of renewable energy through self-generation in public facilities. The Project consists of the following parts:

Part 1. Renewable energy investments in Central Government Facilities

(a) Renewable energy investments in Central Government Facilities.

Carrying out, through MoEUCC, of designs, design reviews, installation and civil works (including the supervision of said installation and works) for eligible renewable energy investments in Central Government Facilities (including central government affiliated facilities) used to offset the facilities' grid electricity consumption pursuant to the *Unlicensed Renewable Energy Regulation Scheme* ("RE Subprojects").

(b) Pilot to combine renewable energy investments with heat pump installation in Central Government Facilities.

Carrying out, through MoEUCC, of energy audits, designs, installation and civil works (including the supervision of said installation and works) for pilot subproject investments to combine solar photovoltaic ("PV") investments with electrification of heating (i.e., substituting fossil-fuel boiler capacity with heat pumps to support both heating and cooling), and investments in light-emitting diode (LED) to replace inefficient lighting technologies, to allow additional renewable energy capacity to be deployed and ultimately reduce the buildings' emissions.

Part 2. Renewable energy investments in municipalities

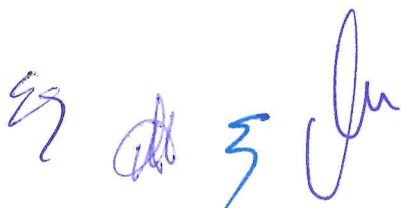
Establishment and operation of a financing mechanism for ILBANK to provide sub-loans ("Municipal Sub-loans") to eligible Project Municipalities and Project Enterprises (collectively "Municipal Sub-borrowers") to finance goods, civil works, consulting services and non-consulting services for the carrying out of designs, design reviews, installation and related works (including the supervision of said installation and works) for renewable energy technologies in provincial, district, and metropolitan municipalities across Türkiye ("Municipal Subprojects") to offset the relevant public facilities' overall grid electricity consumption in accordance with the *Unlicensed Renewable Energy Regulation Scheme*.

Part 3. Technical assistance and project implementation support

(a) Technical assistance and project implementation support for MoEUCC.

Support of MoEUCC:

- (i) *Under the ESMAP Grant:* to certify greenhouse gas credits for activities under Part 1 of the Project;
- (ii) *Under the ESMAP Grant and this Loan:*
 - (A) to prepare feasibility studies, and provide technical inputs for procurement packages, for RE Subprojects under Part 1 of the Project; and
 - (B) to build the capacity of Project beneficiaries on the operations and maintenance ("O&M") of Project investments under Part 1 of the Project; and



(iii) *Under this Loan:*

- (A) to carry out early Subproject development activities under Part 1 of the Project, including marketing and outreach (but excluding related activities financed under Part 3(a)(ii) of the Project);
- (B) to carry out day-to-day Project management activities, including contract management, supervision of installation and works, financial management, compliance with environmental and social framework requirements, Project monitoring and evaluation, and communications (but excluding related activities financed under Part 3(a)(ii) of the Project); and
- (C) to provide training, capacity building, and knowledge sharing for MoEUCC's Project Implementation Unit ("MoEUCC PIU") staff and for contractors, building administrators, women in the renewable energy field, and other relevant project stakeholders (but excluding related activities financed under Part 3(a)(ii) of the Project).

(b) ***Technical assistance and Project implementation support for ILBANK.***

Support of ILBANK:

(i) *Under the ESMAP Grant:*

- (A) to install an online Supervisory Control and Data Acquisition (SCADA) database for Municipal Subproject monitoring; and
- (B) to support pursuing certification of greenhouse gas credits for Project activities, including, *inter alia*, developing documentation required to register the Project, and developing a measurement, reporting and verification framework;

(ii) *Under the ESMAP Grant and the Loan:* to extend support to Municipal Sub-borrowers, through consulting services, for activities including

- (A) the selection of project management consultant(s) to support Municipal Sub-borrowers in carrying out procurement activities for Municipal Subprojects under Part 2 of the Project, and (B) the hiring of said project management consultant(s); and

(iii) *Under the Loan:*

- (A) to support early Municipal Subproject development, including marketing and outreach, and preparation and/or technical review of feasibility studies;
- (B) to carry out the management of ILBANK's Respective Parts of the Project, through consulting services, including hiring of project management consultant(s) to support Municipal Sub-borrowers, and consultants to support financial management, environmental and social framework compliance requirements, project monitoring and evaluation, and communications (but excluding related activities financed under Part 3(b)(ii) of the Project); and
- (C) to provide training, capacity building, and knowledge sharing for Project Management Unit staff and for contractors, building administrators, Project Municipalities and Project Enterprises and other relevant Project stakeholders.



Part 4. Contingent Emergency Response Component

- (a) Provision, through MoEUCC, of immediate response to an Eligible Crisis or Emergency, as needed.
- (b) Provision, through ILBANK, of immediate response to an Eligible Crisis or Emergency, as needed.

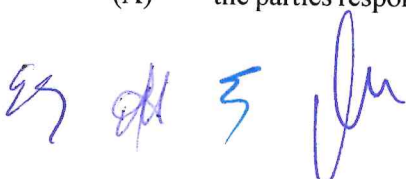
2.02. ***Project Execution Generally.*** The Recipient, through MoEUCC, declares its commitment to the objective of the Project. To this end, the Recipient, through MoEUCC, shall carry out Part 3(a)(i) and Part 3(a)(ii) of the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. Institutional and Other Arrangements.

(a) Project Management

- (i) The Recipient, through MoEUCC, shall, throughout Project implementation and to the satisfaction of the Bank, for the purposes of this Grant, be responsible for the overall management of Part 3(a)(i) and Part 3(a)(ii) of the Project; said responsibility shall include:
 - (A) overseeing the overall implementation and management, including ensuring close coordination with all relevant agencies, in the preparation and implementation of the technical aspects of the related Project activities, as detailed in the Project Operations Manual ("POM");
 - (B) ensuring the proper application of the Project requirements, criteria, policies, procedures, and organizational arrangements, as set forth in this Agreement and detailed in the POM; and
 - (C) preparing, and furnishing to the Bank, as may be relevant, all Project implementation documents, including Project supervision reports.
 - (ii) The Recipient, through MoEUCC, shall maintain throughout Project implementation a Project Implementation Unit ("MoEUCC PIU"), under its General Directorate of Construction Affairs, with terms of reference, qualified staffing, authority and budgetary resources necessary and appropriate to, in the Bank's opinion, effectively carry out Part 3(a)(i) and Part 3(a)(ii) of the Project to the satisfaction of the Bank.
 - (iii) In carrying out Part 3(a)(i) and Part 3(a)(ii) of the Project, the Recipient, through MoEUCC, shall ensure that: (a) all expenditures financed under this Agreement are directly incurred on account of the implementation, management, and monitoring of Part 3(a)(i) and Part 3(a)(ii) of the Project; and (b) in the event that the expenditures are shared with other projects or events, such expenditures are properly prorated to the respective budgets of the relevant projects and/or events.
- (b) **Project Operations Manual.**
- (i) The Recipient, through MoEUCC, shall maintain throughout Project implementation, a Project Operations Manual ("POM"), which shall consist of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of, *inter alia*, Part 3(a)(i) and Part 3(a)(ii) of the Project, all in substance and manner acceptable to the Bank; said POM shall include, *inter alia*, provisions on the following:

- (A) the parties responsible for carrying out the Recipient's Respective Parts of the Project;



- (B) the coordination arrangements between the relevant parties for the day-to-day execution of the Recipient's Respective Parts of the Project;
- (C) detailed description of all activities under the Recipient's Respective Parts of the Project supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
- (D) the detailed policies and procedures for the implementation of the Recipient's Respective Parts of the Project, including for the selection and management of Project activities, including specifically:
 - (1) the environmental and social obligations, Environmental and Social Instruments, and arrangements, details on the function of the grievance redress mechanism(s), and gender and citizen engagement for Part 3(a)(i) and Part 3(a)(ii) of the Project, consistent with the provisions of Section 2.04 of this Annex to the Agreement and the Environmental and Social Commitment Plan;
 - (2) the financial management arrangements, requirements and detailed procedures consistent with the provisions of Section 2.07 of the Standard Conditions, including the functions, staffing, job descriptions (with special emphasis on the segregation of duties), workflows, internal controls and all financial management arrangements for the Project;
 - (3) the guidelines and procedures for procurement consistent with the provisions of the Procurement Regulations;
 - (4) the requirements of the Anti-Corruption Guidelines; and
 - (5) the requirements and procedures for Project monitoring, evaluation, reporting, and communications, including the frequency and content of environmental and social monitoring reports.
- (ii) The Recipient, through MoEUCC, shall carry out Part 3(a)(i) and Part 3(a)(ii) of the Project, and cause the said Parts of the Project to be carried out, in accordance with the arrangements, procedures and guidelines set forth in the POM, provided, however, that in case of any conflict between the arrangements and procedures set out in the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (iii) The POM, and any provision thereof, shall not be assigned, amended, abrogated or waived, nor shall be permitted to be assigned, amended, abrogated or waived, without the prior written consent of the Bank; the POM may only be amended in consultation with, and after the approval of, the Bank.

2.04. *Environmental and Social Standards*

- (a) The Recipient, through MoEUCC, shall ensure that Part 3(a)(i) and Part 3(a)(ii) of the Project are carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph 1 above, the Recipient, through MoEUCC, shall ensure that Part 3(a)(i) and Part 3(a)(ii) of the Project are implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient, through MoEUCC, shall ensure that:



- (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient, through MoEUCC, shall ensure that:
 - (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the Environmental and Social Instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) the Bank is promptly notified of any incident or accident related to or having an impact on Part 3(a)(i) and Part 3(a)(ii) of the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers (including, (i) explosions, spills, and any workplace accidents that result in death, serious or multiple injury, or pollution, (ii) any issues or grievances arising from the surveillance and/or monitoring activities under the Recipient's Respective Parts of the Project, (iii) any violent labor unrest or dispute between the Recipient or security forces (assigned to protect the Recipient's Respective Parts of the Project) and local communities, (iv) any case of sexual exploitation and abuse, sexual harassment and violence against minors, or (v) incidents in or related to any waterways as defined and applicable under World Bank Operational Policy 7.50 or disputed areas, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards).
- (e) The Recipient, through MoEUCC, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
- (f) The Recipient, through MoEUCC, shall ensure that all bidding documents and contracts for civil works under the Recipient's Respective Parts of the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation

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and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

2.05. Annual Work Plan and Budget

The Recipient, through MoEUCC, shall:

- (a) prepare and furnish to the Bank not later than December 30th of each year during the implementation of Part 3(a)(i) and Part 3(a)(ii) of the Project, a proposed Annual Work Plan and Budget containing: (i) all activities to be carried out under the Project during the following year; and (ii) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing;
- (b) afford the Bank a reasonable opportunity to exchange views on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that Part 3(a)(i) and Part 3(a)(ii) of the Project are implemented with due diligence during said following year, in accordance with such Annual Work Plan and Budget as shall have been approved by the Bank; and
- (c) not make or allow to be made any change to the approved Annual Work Plan and Budget without the Bank's prior written approval.

2.06. Project Monitoring, Reporting and Evaluation. The Recipient shall ensure that each Project Report for Part 3(a)(i) and Part 3(a)(ii) is furnished to the Bank not later than one (1) month after each calendar semester, covering the calendar semester.

**Article III
Withdrawal of Grant Proceeds**

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, and (b) this Section, to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, consulting services, and non-consulting services for Part 3(a)(i) of the Project	50,000	100%
(2) Consulting services for Part 3(a)(ii) of the Project	1,450,000	100%
TOTAL AMOUNT	1,500,000	

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Annex to the Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. Withdrawal Period. The Closing Date is June 30, 2027

The implementation, coordination and supervision of Public and Municipal Renewable Energy Project Grant Agreement (ESMAP): General Director of Construction Affairs / Asst. (Project Director / Deputy Project Director) and Head of External Investments Department (Project Coordinator).

Project Coordinator; responsible to the Project Director for taking, implementing, and directing all technical, administrative, legal, and financial measures necessary for the project to be carried out and finalized following its goals and objectives.

The Project Coordinator provides the coordination and supervision of PUMREP. The Project Coordinator is responsible for taking, managing, and directing all types of technical, managerial, legal, and financial measures necessary to complete the project. Tenders, contracts, and payments are performed under the coordination of the General Directorate of Construction Affairs (GDCA) (General Manager /Deputy General Manager) as the Tendering/Payment Officer. GDCA has established a Project Implementation Unit (PIU) under the Department of External Investments for the implementation of the project. PIU is responsible for the implementation and monitoring of the project. In addition to the Head of Department, Branch Managers, technical and administrative personnel involved in the project Occupational Health and Safety Specialist (1), Social Specialist (1) are responsible to the Project Director for the implementation and execution of the project.

As of the end of the review period, progress payments of USD 379.094,94 were made from ESMAP Grant resources.

2. MAIN ACCOUNTING POLICIES

For the TFC1420 ESMAP Grant Account of the Project; there is a Project Special Account numbered 94 070 10 62 opened at the Central Bank of the Republic of Türkiye.

(a) The Project uses the cash basis of accounting to account for the project transactions. Under that basis, the income or expense is included in the income statement of the period to which it belongs.

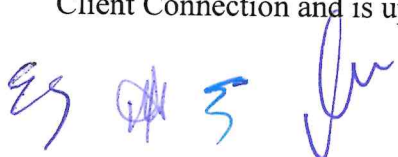
(b) Eligible expenditures shall be made either as direct payments from the loan account or through payments from the special account (advance) as per the disbursement letter.

(c) Within the Public and Municipal Renewable Energy Project Grant Agreement (ESMAP) the transactions from the International Bank for Grant Agreement Project transactions are recorded and monitored in terms of DOLLARS. Transactions made in other currencies are translated into DOLLARS using the currency exchange rate of the Central Bank of the Republic of Turkey effective at the date of the transaction.

(d) Project sources and uses of funds are monitored in line with the chart of accounts recommended by the Board of Treasury Controllers using a computerized recording system. Expenditures for all parts of the project are recorded in the books of project under this system and project financial tables and statements are produced by the system.

3. FINANCIAL STATEMENTS

In accordance with the ESMAP Grant Agreement, funds provided under the project are restricted to project purposes only. The project funds remaining unused at the end of the project will be returned in per the relevant provisions of the ESMAP Grant Agreement. Unaudited interim financial statements regarding project uses of funds for each calendar quarter are submitted to the World Bank Client Connection and is uploaded to the system in due time via the Client Connection.



4. SOURCE OF FUNDS (ESMAP GRANT AGREEMENT)

The methods that can be applied for spending from credit are defined as Direct Payment, Special Commitment, Reimbursement, and Advance in the letter of use of funds.

As of the end of the review period, all the uses in the project were made from the special account disbursed with the "SOE" and "Advance" methods, a total of USD 721.656,31 was withdrawn to ESMAP Grant Account and USD 342.561,37 was spent from the source withdrawn.

The account balance of the ESMAP Grant Special Account at the end of the period is USD 379.094,94.

5. PENDING APPLICATION

There are no pending applications for the project review period.

6. CASH BALANCES

Project Special Account is the designated bank account opened in the Central Bank of the Republic of Türkiye Administrative Center of the General Directorate of Operations Funds and Banking Operations Directorate. The Clean Technology Fund Grant Special Account numbers is 94 070 10 62 (US Dollar),

In Sourcing Letters: ESMAP Grant Agreement Advance balance ceiling is USD 500.000,00.

As of the end of the review period, from the ESMAP Grant Account a total amount of USD 721.656,31 was withdrawn to the special account, in the Statement of Expenditures (SOE) and Advance methods and total disbursements has been USD 342.561,37

The account balance of the ESMAP Grant Special Account at the end of the period is USD 379.094,94.

7. WITHDRAWAL APPLICATION

As of the review period, withdrawal applications numbered 1 and 2 were made from the ESMAP Grant Account numbered TF0C1420: 94 070 10 62, which were created and approved through the World Bank Client Connection System.

In this context, a total of USD 721,656.31 was withdrawn during the review period, of which USD 500,000.00 was made as Advance and USD 221,656.31 as Statement of Expenditure (SOE).

"Consultancy Services for the Preparation of Feasibility Studies for Renewable Energy Facilities in Public Buildings - Ref. No: CS-FS-PV-01" contract was signed on 20.02.2024 with Eltemtek Elektrik Tesisleri Mühendislik Müteahhitlik Dan.veTic. A.Ş. on 20.02.2024.

For the payment of the feasibility study; on 13.05.2024, an advance withdrawal in the amount of EUR 100.000,00 was made to the Project Special Account 94 14 32 037 through the World Bank Client Connection System.

On 25.06.2024, progress payment no.1 amounting to USD 31.531,92 (including VAT) was made from the Loan Special Account No. 94 14 32 037 at the Central Bank of the Republic of Türkiye.



It was understood that this payment was made by mistake from the Loan Account instead of the ESMAP Grant. In line with the No Objection dated 08.08.2024 received from the World Bank regarding the issue, 29,408.32 Euros equivalent to USD 31,531.92 was returned from the ESMAP Loan account to the IBRD 9550-TR Loan Account.

The foreign exchange difference amounting to USD 932,87- arising from this situation is reflected in the financial statements.

8. REFUNDS TO THE ACCOUNTS

There were no refunds to the special account during the Review Period.

9. BUDGET OVERRUN

There is no budget overrun.

M. Gökhan KARAGÖZLÜ
Şube Müdürü

Esra TURAN TOMBAK
Daire Başkanı

Murat ORAL
Genel Müdür

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