

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

TÜRKİYE SEISMIC RESILIENCE AND ENERGY EFFICIENCY PROJECT

Implemented by

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

**Financed Under International Bank for Reconstruction and Development
(IBRD) Loan Agreement Numbered 9261-TR**

As of December 31, 2023 and For the Year Then Ended

Prepared by

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Report's Number

200/7 - 26/10 - 16/10 - 20/10

INDEPENDENT AUDITOR'S REPORT

June 26, 2024

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

A. Project Summary

The Loan Agreement numbered 9261-TR of Türkiye Seismic Resilience and Energy Efficiency Project was signed between the Republic of Türkiye and the International Reconstruction and Development Bank (IBRD) on 07.09.2021. The Project Agreement was approved on 09.06.2021, and the Loan Agreement numbered 9261-TR became effective as of 10.11.2021.

In accordance with the Loan Agreement numbered 9261-TR, the responsibility for the implementation of the project lies with the Ministry of Environment, Urbanization and Climate Change General Directorate of Construction Affairs (GDCA).

The objective of the Project is to improve the disaster resilience and reduce energy use in selected Central Government Buildings, and to strengthen the policy framework and institutional capacity to develop, finance and implement resilient and sustainable public buildings in Türkiye.

The project consists of the following Components:

Component 1. Investments in Central Government Buildings for structural strengthening and energy efficiency improvement.

A. Retrofitting and Renovation

Provision of goods, works, consulting services, and non-consulting services to support:

- (i) The preparation of all technical documentation for investments on priority Central Government Buildings, including energy and structural audits, technical design and construction supervision, commissioning and energy monitoring for both renovation and demolition or reconstruction; and
- (ii) Retrofitting and renovation of buildings through:
 - (a) Structural strengthening measures;
 - (b) Energy efficiency measures (including building-level renewable energy); and
 - (c) other measures necessary to improve the accessibility, safety, and operation of buildings (including universal access improvements for all



categories of visitors and staff, water efficiency improvements, cool or green roofs, measures to improve fire safety, electricity supply, and fire detection, warning and safe egress).

B. Demolition and Reconstruction.

Provision of goods, works, consulting services, and non-consulting services to support the demolition and reconstruction of Central Government Buildings, for which structural strengthening through retrofitting and renovation is not technically and economically feasible.

Component 2. Advanced technical assistance and capacity building.

Development of a long-term, investment program to increase energy efficiency, structural strength, and multi-hazard resilience in public buildings; said development includes establishing a prioritized investment plan and the key elements for implementation.

(i) *Data collection and improved systems.* Collection and development of data related to the energy, safety, resilience, occupancy, and service provision of Central Government Buildings.

(ii) *Building evidence, developing guides and designs, and documenting best practices.* Development and dissemination of case studies that document investment costs, measures implemented, lessons learned, and experience gained in optimizing energy efficiency and structural strengthening, including approaches to minimize service disruption during works.

(iii) *Improved regulatory environment.*

(a) Review of existing Borrower regulations associated with structural strengthening, disaster and climate resilience and energy efficiency improvements, and associated compliance, assessed against global best practice.

(b) Determination of the need for regulatory improvements to accelerate, improve, enforce or monitor enhanced energy efficiency, safety and resilience of both public and private buildings in Türkiye.

(iv) *Increased pool of trained professionals through capacity building and outreach.* Development and delivery of training programs for building renovations — for structural strengthening and energy efficiency — for engineering, energy and



architectural professionals working in government agencies and in design and construction firms to serve both public and private buildings.

(v) Assessment of capacity to test and verify materials and equipment for structural safety and energy efficiency.

(a) Assessment of current capacity constraints in laboratory testing of equipment and materials for structural safety and energy efficiency.

(b) Determination of the necessary technical requirements and recommendation of implementation options, with consideration for sustainability, efficiency, and value for money.

Component 3. Project Management.

Provision of goods, consulting services, non-consulting services, Operating Costs, and Training to support Project management and implementation activities, including, inter alia: (a) engineering, architectural, occupational health and safety, and other technical expertise; (b) Subproject supervision; (c) Project monitoring and evaluation; (d) communications with Project beneficiaries; and (e) training of Project Implementation Unit (PIU) staff.

Through the Loan Agreement numbered 9261-TR dated 07.09.2021, a loan of 219.400.000,00 Euro is envisaged to be used by Ministry of Environment, Urbanisation and Climate Change within the framework of the "Türkiye Seismic Resilience and Energy Efficiency Project". As of 31.12.2023, Ministry of Environment, Urbanisation and Climate Change has disbursed an amount of 2.217.462,00 Euro and an amount of 217.182.538,00 Euro has not been disbursed yet. Ministry of Environment, Urbanisation and Climate Change has disbursed an amount of 1.853.268,52 Euro from World Bank sources between 01.01.2023 and 31.12.2023.

As of 31.12.2023, some 1.200.000,00 Euro out of the total loan has been disbursed as advance and some 1.017.462,00 Euro has been disbursed as SOE.

B. Objectives of Audit

The objective of the audit is to express an opinion on the Financial Statements of the Türkiye Seismic Resilience and Energy Efficiency Project for the period ended 31 December 2023. 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:



REPUBLIC OF TÜRKİYE
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The Board of Treasury Controllers

- (a) The fund has been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided. Relevant financing agreement include the Loan Agreement numbered 9261-TR.
- (b) All expenditures have been incurred in accordance with the Loan Agreement numbered 9261-TR, 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 special account.

Examined expenditures for eligibility based on criteria defined in the terms of the Loan Agreement numbered 9261-TR and detailed in the Project Appraisal Document and Disbursement Letter. In addition, we examined;

- (a) All expenditure documents have been prepared in accordance with the provisions of the Loan Agreement numbered 9261-TR;



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The Board of Treasury Controllers

- (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) expenditure documents can be relied upon to support the related withdrawal applications.

Review of special accounts

During the audit of the project financial statements, we reviewed the activities of the project's special account such as deposits received, payments made, 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 Loan Agreement numbered 9261-TR.

Representations by implementing agency

Obtained specific written representations from management.

E. Audit Results

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

F. Management Recommendation

Since we have not identified any material deficiencies 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, URBANISATION AND CLIMATE CHANGE General Directorate of Construction Affairs

Opinion

We have audited the Statement of Sources and Uses of Funds, Statement of the Comparison of Budget and Actual Amount, Statement of Withdrawal Application Summary, and Statement of Special Account of the Türkiye Seismic Resilience and Energy Efficiency Project as of December 31, 2023, and for the period then ended, and notes to the financial statements including a summary of significant accounting policies. The financial statements have been prepared by Ministry of Environment, Urbanization and Climate Change General Directorate of Construction Affairs in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in the Loan Agreement numbered 9261-TR.

In our opinion;

The accompanying financial statements present fairly, in all material respects, the financial position and cash flows of the Türkiye Seismic Resilience and Energy Efficiency Project as of December 31, 2023 and for the period then ended in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in the Loan Agreement numbered 9261-TR.

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 Ministry of Environment, Urbanization and Climate Change General Directorate of Construction Affairs within the meaning of "IFAC Code of Ethics for Professional Accountants" 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 Ministry of Environment, Urbanization and Climate Change General Directorate of Construction Affairs 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 Projects financial statements have not been prepared using the going concern basis of accounting. The project will end 30.06.2027.

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

Ministry of Environment, Urbanization and Climate Change General Directorate of Construction Affairs is responsible for the preparation and fair presentation of these financial statements in accordance with the Loan Agreement numbered 9261-TR, 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 Ministry of Environment, Urbanization and Climate Change General Directorate of Construction Affairs' 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 skepticism 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) Ministry of Environment, Urbanization and Climate Change General Directorate of Construction Affairs, as of December 31, 2023 has complied with, in all material respects, the requirements of the Loan Agreement numbered 9261-TR.

b) With respect to all expenditures, adequate supporting documentation has been maintained to support claims to the IBRD for reimbursement of expenditures incurred, and these expenditures are eligible for financing under the Loan Agreement numbered 9261-TR.

Okan SÜLER
Acting Chairman of
The Board of Treasury Controllers

Akif Bülent BOYACIOĞLU
Audit Partner
Acting Vice Chairman

Ethem AKIN
Senior Treasury
Controller

Hüseyin TOPAL
Treasury Controller

Alican AKTÜRK
Junior Treasury
Controller

Betül YÜZER
Junior Treasury
Controller

Date: 26.06.2024

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

ANNEX I: FINANCIAL STATEMENTS

REPUBLIC OF TURKIYE MINISTRY OF ENVIROMENT, URBANIZATION AND CLIMATE
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS
SEISMIC RESILIENCE AND ENERGY EFFICIENCY IN PUBLIC BUILDINGS PROJECT
STATEMENT OF SOURCES and USES of FUNDS
LOAN NUMBER IBRD 9261-TR
As of December 31, 2023 and For The Year Then Ended.
(In EURO)

	Notes	Current Period	Previous Period	Cumulative
I-SOURCES OF FUNDS				
A- IBRD Loan		1.853.268,52	364.193,48	2.217.462,00
1- Special Account	8,11	1.853.268,52	364.193,48	2.217.462,00
a- Advance		1.000.000,00	200.000,00	1.200.000,00
b- SOE		853.268,52	164.193,48	1.017.462,00
Total Funds Received		1.853.268,52	364.193,48	2.217.462,00
II-A USES OF FUNDS				
I-INVESTMENT COSTS(BY COMPONENT)				
Component- 1:Investments in Central Government Buildings for Structural Strengthening and Energy Efficiency Improvement				
		473.319,56	0,00	473.319,56
A) Retrofitting and Renovation		473.319,56	0,00	473.319,56
i) Goods		0,00	0,00	0,00
ii) Works		0,00	0,00	0,00
iii) Consulting Services		473.319,56	0,00	473.319,56
iv) Non-Consulting Services		0,00	0,00	0,00
B) Demolition and Reconstruction		0,00	0,00	0,00
i) Goods		0,00	0,00	0,00
ii) Works		0,00	0,00	0,00
iii) Consulting Services		0,00	0,00	0,00
iv) Non-Consulting Services		0,00	0,00	0,00
Component-2: Advanced Technical Assistance and Capacity Building.				
		440.062,08	0,00	440.062,08
i) Goods		440.062,08	0,00	440.062,08
ii) Consulting Services		0,00	0,00	0,00
Component- 3: Project Management				
		276.592,75	184.978,12	461.570,87
i) Goods		0,00	49.291,47	49.291,47
ii) Consulting Services		276.242,75	128.466,70	404.709,45
iii) Non-Consulting Services		0,00	0,00	0,00
iv) Operating Costs	11	350,00	7.219,95	7.569,95
v) Training		0,00	0,00	0,00
Total Investment Costs by Component		1.189.974,39	184.978,12	1.374.952,51
TOTAL USES OF FUNDS BY COMPONENT				
		1.189.974,39	184.978,12	1.374.952,51
II-INVESTMENT COSTS(BY CATEGORY)				
Category 1- Goods		440.062,08	49.291,47	489.353,55
Category 2- Consultant		749.562,31	128.466,70	878.029,01
Category 3- Operating Cost	11	350,00	7.219,95	7.569,95
Total Investment Costs by Category		1.189.974,39	184.978,12	1.374.952,51
TOTAL USES OF FUNDS BY CATEGORY				
		1.189.974,39	184.978,12	1.374.952,51

Cash at the Beginning of the Period	1.01.2023	179.215,36	5
Cash at the end of the Period	31.12.2023	842.509,49	7

Prepared by
12.06.2024
Selahaddin Ali KOC
Financial Expert

Controlled by
Önder KARDAKUL
Daire Başkanı
Approved by
Nami KÖVER
Genel Müdür Yrd. V.

STATEMENT of COMPARISON BUDGET AND ACTUAL AMOUNT									
Government of Türkiye									
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS									
Seismic Resilience and Energy Efficiency in Public Buildings Project									
IBRD - 9261-TR									
01.01.2023-31.12.2023									
		Current Period				Cumulative			
	NOTES	Actual	Final Budget	Original Budget	Progress %	Actual	Planned	Progress %	
		1	2		3=1/2	4	5	6=4/5	
Sources of Funds									
IBRD Loan	8,11	1.853.268,52	1.153.601,30	514.738,06	1,61	2.217.462,00	1.579.298,50		1,40
Total Sources of Funds		1.853.268,52	1.153.601,30	514.738,06	1,61	2.217.462,00	1.579.298,50		1,40
Uses of Funds									
1 By components									
Component 1 - Investments in Central Government Buildings for Structural Strengthening and Energy Efficiency Improvement									
Component 2 - Advanced Technical Assistance and Capacity Building		473.319,56	350.926,77	0,00	1,35	473.319,56	523.793,76		0,90
Component 3 - Project Management	11	440.062,08	440.062,08	0,00	1,00	440.062,08	440.062,08		1,00
Total		276.592,75	362.612,45	514.738,06	0,76	461.570,87	615.442,66		0,75
2 By expenditure category		1.189.974,39	1.153.601,30	514.738,06	1,03	1.374.952,51	1.579.298,50		0,87
- Category 1 - Works		0,00	0,00	0,00	-	0,00	0,00		-
- Category 2 - Goods/Equipment & Materials		440.062,08	440.062,08	393.867,24	1,00	489.353,55	489.353,55		1,00
- Category 3 - Consultancies		749.562,31	713.539,22	120.870,82	1,05	878.029,01	1.089.944,95		0,81
- Category 4 - Operating Cost	11	350,00	0,00	0,00	-	7.569,95	0,00		-
Total		1.189.974,39	1.153.601,30	514.738,06	1,03	1.374.952,51	1.579.298,50		0,87

Prepared by

14.06.2024
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DAİRE BAŞKANI
Daire Başkanı

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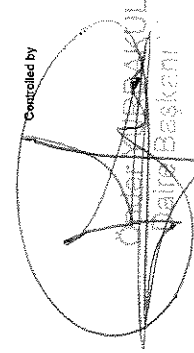
Namık AKINER
Genel Müdür Yrd. V.

REPUBLIC OF TURKYE MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE
SEISMIC RESILIENCE AND ENERGY EFFICIENCY IN PUBLIC BUILDINGS PROJECT

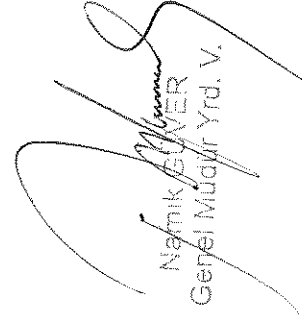
Withdrawal Application Summary
Loan Grant No: 9251-TR
For the Period: 01.07.2023-31.12.2023

For the Period: 01.01.2023-31.12.2023											
Withdrawal application number	Notes	Date	Category 1 Goods/Equipment and Materials	Category 2 Consultancies	Category 3 Operating Cost	Total Documented Amount	Advance Requested	Total Requested Amount	Value date	Rejected	Net reimbursed
In Designated Account currency - Euro											
Section A: Payment method - Advance/Reimbursement											
Approved withdrawals											
5 (Withdrawal + Advance Applications)	8,11	15.02.2023	-	20.584,64	-	20.584,64	1.000.000,00	1.020.584,64	21.02.2023	-	1.020.584,64
6 (Withdrawal Applications)	8,11	4.05.2023	440.062,08	37.948,35	-	478.010,43	-	478.010,43	11.05.2023	-	478.010,43
7 (Withdrawal Applications)	6	16.08.2023	-	250.038,27	-	250.038,27	-	250.038,27	21.08.2023	-	250.038,27
8 (Withdrawal Applications)	6	16.10.2023	-	104.635,18	150,00	104.635,18	-	104.635,18	19.10.2023	-	104.635,18
Pending Submission											
Sub-Total (A)			440.062,08	413.056,44	150,00	853.268,52	1.000.000,00	1.853.268,52		0,00	1.853.268,52
Section B: Payment method - Reimbursement											
Approved withdrawals											
Pending Submission											
Sub-Total (B)			0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00
Section C: Payment method - Direct Payment											
Approved withdrawals											
Pending submission											
Sub-Total (c)			0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00
TOTAL (A+B+C)			440.062,08	413.056,44	150,00	853.268,52	1.000.000,00	1.853.268,52		0,00	1.853.268,52

Prepared by
11.06.2024
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Financial Expert

Controlled by

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Başkan

Approved by


Namik GEYVER
Genel Müdür Yrd. V.

REPUBLIC OF TURKIYE MINISTRY OF ENVIROMENT, URBANIZATION AND
CLIMATE CHANGE
SEISMIC RESILIENCE AND ENERGY EFFICIENCY IN PUBLIC BUILDINGS
PROJECT
SPECIAL ACCOUNT STATEMENT
ACCOUNT NO: 941432023
For the year ended. December 31, 2023
(In EURO)

Opening Balance (01.01.2023)			179.215,36
Reimbursements to SA	8,11	1.853.068,52	1.853.068,52
Available Funds			2.032.283,88
Payments Made for Expenditures	11	1.189.774,39	
Total Project Investments		1.189.774,39	1.189.774,39
Closing Balance (31.12.2023)	7		842.509,49

Prepared by

14.06.2024
Selahaddin Ali Koc
Selahaddin
Financial Expert

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Önder YURDAKUL
Daire Başkanı
Namik GÜVER
Genel Müdür Yrd. V.

Approved by

Önder YURDAKUL
Daire Başkanı

REPUBLIC OF TÜRKİYE
MINISTRY OF ENVIROMENT, URBANIZATION AND CLIMATE CHANGE
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS
PROJECT of SEISMIC RESILIENCE AND ENERGY EFFICIENCY IN PUBLIC BUILDINGS PROJECT

Project No: 9261-TR

NOTES TO THE PROJECT FINANCIAL STATEMENTS

As of December 31, 2023 and for the year then ended.

1- PROJECT OBJECTIVES AND STRUCTURE

Seismic Resilience and Energy Efficiency in Public Buildings Project (SREEPB) Loan Agreement (9261-TR) was signed between the Republic of Türkiye and the International Reconstruction and Development Bank (IBRD) on September 7, 2021. The Project Agreement was approved on 09.06.2021, and the Loan Agreement became effective as of 10.11.2021.

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

PROJECT DESCRIPTION

The objective of the Project is to improve the disaster resilience and reduce energy use in selected Central Government Buildings, and to strengthen the policy framework and institutional capacity to develop, finance and implement resilient and sustainable public buildings in Türkiye.

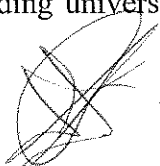
The project consists of the following Components:

Component 1. Investments in Central Government Buildings for structural strengthening and energy efficiency improvement.

A. Retrofitting and Renovation

Provision of goods, works, consulting services, and non-consulting services to support:

- (i) The preparation of all technical documentation for investments on priority Central Government Buildings, including energy and structural audits, technical design and construction supervision, commissioning and energy monitoring for both renovation and demolition or reconstruction; and
- (ii) Retrofitting and renovation of buildings through:
 - (a) Structural strengthening measures;
 - (b) Energy efficiency measures (including building-level renewable energy); and
 - (c) other measures necessary to improve the accessibility, safety, and operation of buildings (including universal access improvements for all categories of visitors and



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Genel Müdür Yrd. V.



staff, water efficiency improvements, cool or green roofs, measures to improve fire safety, electricity supply, and fire detection, warning and safe egress).

B. Demolition and Reconstruction.

Provision of goods, works, consulting services, and non-consulting services to support the demolition and reconstruction of Central Government Buildings, for which structural strengthening through retrofitting and renovation is not technically and economically feasible.

Component 2. Advanced technical assistance and capacity building.

Development of a long-term, investment program to increase energy efficiency, structural strength, and multi-hazard resilience in public buildings; said development includes establishing a prioritized investment plan and the key elements for implementation.

(i) **Data collection and improved systems.** Collection and development of data related to the energy, safety, resilience, occupancy, and service provision of Central Government Buildings.

(ii) **Building evidence, developing guides and designs, and documenting best practices.** Development and dissemination of case studies that document investment costs, measures implemented, lessons learned, and experience gained in optimizing energy efficiency and structural strengthening, including approaches to minimize service disruption during works.

(iii) **Improved regulatory environment.**

(a) Review of existing Borrower regulations associated with structural strengthening, disaster and climate resilience and energy efficiency improvements, and associated compliance, assessed against global best practice.

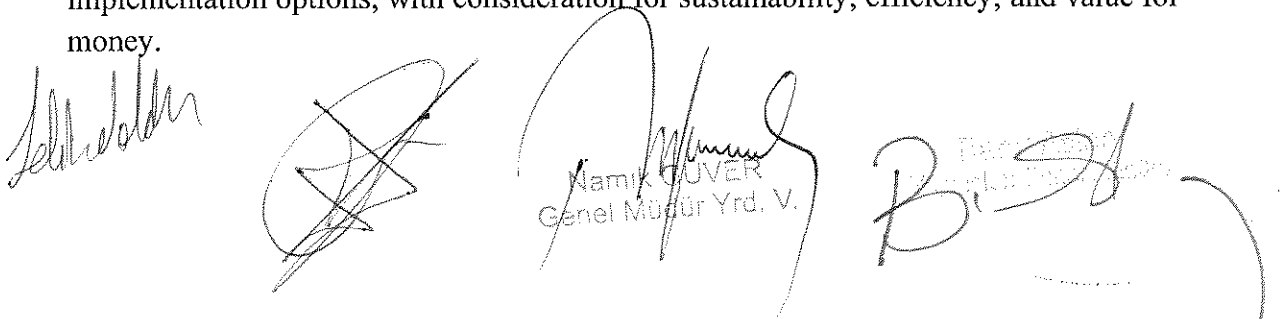
(b) Determination of the need for regulatory improvements to accelerate, improve, enforce or monitor enhanced energy efficiency, safety and resilience of both public and private buildings in Türkiye.

(iv) **Increased pool of trained professionals through capacity building and outreach.** Development and delivery of training programs for building renovations — for structural strengthening and energy efficiency — for engineering, energy and architectural professionals working in government agencies and in design and construction firms to serve both public and private buildings.

(v) **Assessment of capacity to test and verify materials and equipment for structural safety and energy efficiency.**

(a) Assessment of current capacity constraints in laboratory testing of equipment and materials for structural safety and energy efficiency.

(b) Determination of the necessary technical requirements and recommendation of implementation options, with consideration for sustainability, efficiency, and value for money.


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Component 3. Project Management.

Provision of goods, consulting services, non-consulting services, Operating Costs, and Training to support Project management and implementation activities, including, inter alia: (a) engineering, architectural, occupational health and safety, and other technical expertise; (b) Subproject supervision; (c) Project monitoring and evaluation; (d) communications with Project beneficiaries; and (e) training of PIU staff.

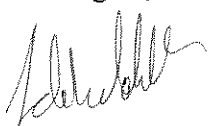
Closing date: June 30, 2027

Project Components	Amount of the Loan Allocated (Expressed in EUR)	Percentage of Expenditures to be Financed (Inclusive of taxes)
1- Investments in Central Government Buildings for Structural Strengthening and Energy Efficiency Improvement	211.090.000	%100
(A) Retrofitting and Renovation	165.560.000	%100
(B) Demolition and Reconstruction	45.530.000	%100
2- Advanced Technical Assistance and Capacity Building	4.155.000	%100
3- Project Management	4.155.000	%100
TOTAL BUDGET	219.400.000,00	

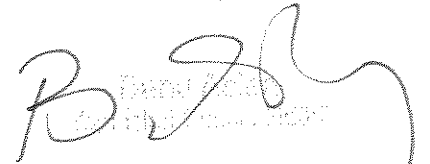
The implementation, coordination and supervision of Seismic Resilience and Energy Efficiency in Public Buildings Project Loan Agreement: General Director of Construction Affairs / Asst. (Project Director / Deputy Project Director) and Head of Internationally Funded Seismic Retrofit Department. (Project 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 SREEPB. The Project Coordinator is responsible for taking, managing, and directing all types of technical, managerial, legal, and financial measures necessary to complete the project. GDCA has established a Project Implementation Unit (PIU) under the Head of Internationally Funded Seismic Retrofit Department 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 personnel involved in the project, Finance Specialist, Structural Specialist,



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Environmental and Social Specialist, Occupational Health & Safety specialist recruited in 2022 for the implementation of the project. And their execution are responsible to the Project Director.

2- MAIN ACCOUNTING POLICIES

(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 Seismic Resilience and Energy Efficiency in Public Buildings Project the transactions from the International Bank for Reconstruction and Development (IBRD) Loan Agreement are recorded and monitored in terms of EUROS. Transactions made in other currencies are translated into EUROS using the currency selling exchange rate of the Central Bank of the Republic of Türkiye effective at the date of the transaction.

(d) The sources and uses of funds of the project are monitored using a computerised recording system in accordance with the General Accounting Standards. Expenditures for all parts of the project are recorded in project ledgers under this system and project financial statements and schedules are produced by the system.

3- FINANCIAL STATEMENTS

In accordance with the Loan 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 loan agreement. Unaudited interim financial statements regarding project uses of funds for each calendar quarter are submitted to the World Bank to the World Bank Client Connection is uploaded to the system in due time via the Client Connection.

4- IBRD LOAN

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.

5-SOURCES OF FUNDS



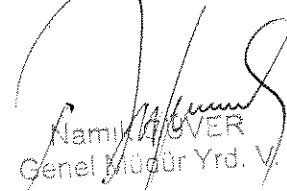


At the beginning of the review period, there was a balance of EUR 179.215,36 in the special account. 1.853.268,52 Euro was withdrawn and 1.189.974,39 Euro was spent. At the end of the review period, the balance in the special account was 842.509,49 Euro. There is no cash held within the scope of the project other than the deposits in the special account.

6- PENDING APPLICATIONS

There are no applications pending.

7- CASH BALANCES

The balance of the special account at the end of the period is EUR 842.509,49.

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8- WITHDRAWAL APPLICATION

During the review period, 4 withdrawal applications were made. EUR 1.020.584,64 on 15.02.2023 (EUR 1.000.000,00 Advance, EUR 20.584,64 SOE); EUR 478.010,43 on 04.05.2023 (EUR 478.010,43 SOE); EUR 250.038,27 on 16.08.2023 (250.038,27 EUR SOE); on 16.10.2023 (104.635,18 EUR SOE).

9- REFUNDS TO THE ACCOUNTS

No refund has been made to the credit special account.

10 - AMOUNTS WITHDRAWN NOT CLAIMED YET

There is no amount withdrawn from the credit project account but not yet claimed.

11- INTERMEDIARY BANK FEES

- On 15 February 2023, a total of EUR 1.020.584,64 was requested from the credit facilities (Withdrawal Application No. 5). On 21 February 2023, a total of EUR 1.020.484,64 was transferred to the special account. A fee of EUR 100 was charged by the Agent Bank (Deutsche Bank AG).

- On 04 May 2023, a total of EUR 478.010,43 was requested from the credit facilities (Withdrawal Application No. 6). On 11 May 2023, a total of EUR 477.910,43 was transferred to the special account. A fee of EUR 100 was charged by the Agent Bank (Deutsche Bank AG).

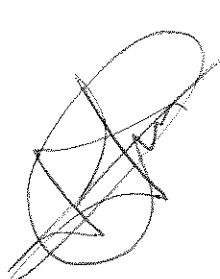
EUR 1.853.268,52 was sent by the World Bank in 2023, but EUR 1.853.068,52 was received in the TCMB Special Account. The difference of EUR 200 is due to the intermediary bank commissions for the withdrawals mentioned above.

The expense of EUR 200 was deducted from the budget item 'Statement of Expenditure (SOE)' in the Statement of Special Account.

Since EUR 200 expenses were charged by the Agent Bank (Deutsche Bank A.G) before being transferred to the special account, EUR 200 expenses were deducted from the budget item 'Payments for Expenses' in the Statement of Special Account.

Therefore, there is a difference of EUR 200 between the amount in the budget item 'Payments for Expenditures' in the Statement of Special Account (EUR 1.189.774,39) and the total amounts (EUR 1.189.974,39) in the other financial statements (for fund utilisation/investment/implementation). These expenditures are shown under the 'Operating Cost' budget item in the financial statements in accordance with the Loan Agreement.

14.06.2024
Selahaddin Ali ZOG
Finacial Expert



Namık GÜVER
Genel Müdür Yrd. V.

