



**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, 2022 and For the Year Then Ended

Prepared by

**Semih ŞAHİN
Senior Treasury Controller**

**Servan KUTLUCAN
Junior Treasury Controller**

**Betül YÜZER
Junior Treasury Controller**



**Report's Number
106/10 - 21/8 - 8/8**

INDEPENDENT AUDITOR'S REPORT

June 02, 2023



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

CONTENTS

| | |
|--|----|
| EXECUTIVE SUMMARY | 1 |
| A. Project Summary | 2 |
| B. Objectives of Audit | 4 |
| C. Scope of Audit | 4 |
| D. Audit Results | 4 |
| E. Management Recommendation | 5 |
| INDEPENDENT AUDITOR'S REPORT & FINANCIAL STATEMENTS OF THE PROJECT | 6 |
| INDEPENDENT AUDITOR'S REPORT | 7 |
| Opinion | 7 |
| Basis of Opinion | 7 |
| Emphasis of Matter in the Financial Statement..... | 8 |
| Going Concern | 8 |
| Responsibilities of Management and Those Charged with Governance or Other Appropriate Terms for the Financial Statements..... | 8 |
| Auditor's Responsibilities for the Audit of the Financial Statements | 8 |
| ANNEX I: Financial Statements | 11 |

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

A. Project Summary

Türkiye Seismic Resilience and Energy Efficiency Project Loan Agreement (9261-TR) were signed between the Republic of Türkiye and the International Reconstruction and Development Bank (IBRD) on September 07, 2021, for a loan of EUR 219.400.000,00. The project is carried out by Ministry of Environment, Urbanization and Climate Change (MoEUCC). The Project Agreement was approved on 07.09.2021, and the Loan Agreement became effective as of 10.11.2021.

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 investment 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 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, works, consulting services and 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.

In 2022, the total amount of EUR 364.193,48 was withdrawn from the loan account with the "Advance" and "SOE" disbursement methods. The total amount of EUR 184.978,12 was spent from the source withdrawn. It is the first year of the project in terms of financial statements. Therefore, cumulative and current period amounts are the same with regard to fund sources and uses.

B. Objectives of Audit

The objectives of our audit are;

- a) To give an opinion on whether the financial statements, prepared as of December 31, 2022 and for the period then ended, present fairly, in all material respects, the financial position of the project in accordance with the cash receipts and disbursements basis of accounting,
- b) To determine, as of December 31, 2022, whether the MoEUCC General Directorate of Construction Affairs, the Project Management Unit has complied, in all material respects, with the rules and procedures of the Loan Agreement numbered 9261-TR,
- c) To examine whether adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred with respect to SOEs and evaluate eligibility of these expenditures for financing under the Loan Agreement.

C. Scope of Audit

We have performed an audit of financial statements of Türkiye Seismic Resilience and Energy Efficiency Project as of December 31, 2022 in accordance with the cash receipts and disbursements basis of accounting. This report covers the period between January 01, 2022 and December 31, 2022. We have also performed a compliance audit on whether project activities are in line with the Loan Agreement.

Our audit was conducted in accordance with International Standards on Auditing published by International Federation of Accountants (IFAC) applicable to the audit of financial statements and compliance auditing.



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

D. Audit Results

For the financial statements of project; our audit resulted with an unmodified opinion.

As of December 31, 2022, MoEUCC General Directorate of Construction Affairs, the Project Management Unit has complied, in all material respects, with the rules and procedures of the Loan Agreement numbered 9261-TR.

In addition, with respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and which expenditures are eligible for financing under the Loan Agreement numbered 9261-TR.

E. Management Recommendation

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

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



INDEPENDENT AUDITOR'S REPORT

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 Cumulative Investments, Statement of Requests for Reimbursement (SOE Statement) and Statement of Special Account of the Türkiye Seismic Resilience and Energy Efficiency Project as of December 31, 2022, and for the period between 01.01.2022-31.12.2022, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by MoEUCC General Directorate of Construction Affairs, the Project Management Unit based on financial reporting provisions of the Loan Agreement numbered 9261-TR.

In our opinion;

- a) The accompanying Statement of Sources and Uses of Funds, Statement of Cumulative Investments, Statement of Requests for Reimbursement (SOE Statement) and Statement of Special Account present fairly, in all material respects, the financial position and cash flows of the Energy Efficiency in Public Buildings Project as of December 31, 2022 and for the period then ended in accordance with the provisions of the Loan Agreement numbered 9261-TR.
- b) MoEUCC General Directorate of Construction Affairs, the Project Management Unit, as of December 31, 2022 has complied with, in all material respects, the requirements of the Loan Agreement numbered 9261-TR.
- c) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditures incurred, and these expenditures are eligible for financing under the Loan Agreement numbered 9261-TR.

Basis of 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 MoEUCC General Directorate of Construction Affairs, the Project Management Unit 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 Türkiye Seismic Resilience and Energy Efficiency Project Management Unit to comply with the financial reporting provisions of the loan agreement 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 end on June 30, 2027.

Responsibilities of Management and Those Charged with Governance or Other Appropriate Terms for the Financial Statements

MoEUCC General Directorate of Construction Affairs, the Project Management Unit is responsible for the preparation and fair presentation of these financial statements in accordance with 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 General Directorate of Construction Affairs, the Project Management Unit’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



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

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.

Ahmet TUTAL
Chairman of
Board of Treasury Controllers

Akif Bülent BOYACIOĞLU
(Audit Partner)
Vice Chairman



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

Semih ŞAHİN

Senior Treasury Controller

Servan KUTLUCAN

Junior Treasury Controller

Betül YÜZER

Junior Treasury Controller

Date: 02/06/2023

Address: Ministry of Treasury and Finance

Board of Treasury Controllers

06510, Emek, ANKARA/TÜRKİYE

ANNEX I: Financial Statements

Republic of Türkiye Ministry of Environment, Urbanisation and Climate Change
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS
Seismic Resilience and Energy Efficiency in Public Buildings Project

Loan Number IBRD 9261-TR

STATEMENT OF SOURCES AND USES OF FUNDS

As of December 31, 2022 and For The Year Then Ended (Euro)

| | Notes | ACTUAL | | PLANNED | | VARIANCE BETWEEN PLANNED AND ACTUAL | |
|---|-------|-------------------|-------------------|-------------------|-------------------|-------------------------------------|-----------------|
| | | Current Period | Cumulative | Current Period | Cumulative | Current Period | Cumulative |
| I- IBRD 9261-TR Fund Flows | | | | | | | |
| A- Government Fund | | 0,00 | 0,00 | | | | |
| B- Others Funds | | 0,00 | 0,00 | | | | |
| C- IBRD 9261-TR FUNDS | | 364.193,48 | 364.193,48 | 177.311,48 | 177.311,48 | 186.882,00 | 186.882,00 |
| 1- Direct Payment | | 0,00 | 0,00 | | | | |
| 2- Special Account | | 364.193,48 | 364.193,48 | | | | |
| a- Advance | | 200.000,00 | 200.000,00 | | | | |
| b- Statement of Expenditures (SOE) | | 164.193,48 | 164.193,48 | | | | |
| c- Summary Sheet | | 0,00 | 0,00 | | | | |
| D- Refunds to Special Account | | 0,00 | 0,00 | | | | |
| TOTAL FUNDS | | 364.193,48 | 364.193,48 | | | | |
| II- USAGES OF FUNDS | | | | | | | |
| Component- 1: Investments in Central Government Buildings for Structural Strengthening and Energy Efficiency Improvement | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| A) Retrofitting and Renovation | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| i) Goods | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| ii) Works | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iii) Consulting Services | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iv) Non-Consulting Services | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| B) Demolition and Reconstruction | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| i) Goods | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| ii) Works | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iii) Consulting Services | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iv) Non-Consulting Services | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Component-2: Advanced Technical Assistance and Capacity Building | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| i) Goods | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| ii) Consulting Services | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Component- 3: Project Management | | 184.978,12 | 184.978,12 | 177.311,48 | 177.311,48 | 7.666,64 | 7.666,64 |
| i) Goods | | 49.291,47 | 49.291,47 | 45.529,00 | 45.529,00 | 3.762,47 | 3.762,47 |
| ii) Consulting Services | | 128.466,70 | 128.466,70 | 131.782,48 | 131.782,48 | -3.315,78 | -3.315,78 |
| iii) Non-Consulting Services | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iv) Operating Costs | | 7.219,95 | 7.219,95 | 0,00 | 0,00 | 7.219,95 | 7.219,95 |
| v) Training | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| TOTAL USES | | 184.978,12 | 184.978,12 | 177.311,48 | 177.311,48 | 7.666,64 | 7.666,64 |
| Opening Balance | | 0,00 | 0,00 | | | | |
| Closing Balance | | 179.215,95 | 179.215,95 | | | | |

Yeni İhtisap Genel Müdürlüğü
Yeni İhtisap Genel Müdürü

[Handwritten Signature]

Republic of Türkiye Ministry of Environment, Urbanisation and Climate Change
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS
 Seismic Resilience and Energy Efficiency in Public Buildings Project
 Loan Number IBRD 9261-TR

STATEMENT OF CUMULATIVE INVESTMENTS

As of December 31, 2022, and For The Year Then Ended (Euro)

| Component Name | ACTUAL | | PLANNED | | VARIANCE BETWEEN PLANNED AND ACTUAL | |
|--|-----------------------|------------|----------------|------------|-------------------------------------|------------|
| | Current Period | Cumulative | Current Period | Cumulative | Current Period | Cumulative |
| | 1- INVESTMENTS | | | | | |
| I- INVESTMENT COSTS | | | | | | |
| Component- 1: Investments in Central Government Buildings for Structural Strengthening and Energy Efficiency Improvement | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| A) Retrofitting and Renovation | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| i) Goods | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| ii) Works | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iii) Consulting Services | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iv) Non-Consulting Services | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| B) Demolition and Reconstruction | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| i) Goods | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| ii) Works | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iii) Consulting Services | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iv) Non-Consulting Services | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Component-2: Advanced Technical Assistance and Capacity Building | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| i) Goods | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| ii) Consulting Services | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Component- 3: Project Management | 184.978,12 | 184.978,12 | 177.311,48 | 177.311,48 | 7.666,64 | 7.666,64 |
| i) Goods | 49.291,47 | 49.291,47 | 45.529,00 | 45.529,00 | 3.762,47 | 3.762,47 |
| ii) Consulting Services | 128.466,70 | 128.466,70 | 131.782,48 | 131.782,48 | -3.315,78 | -3.315,78 |
| iii) Non-Consulting Services | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| iv) Operating Costs | 7.219,95 | 7.219,95 | 0,00 | 0,00 | 7.219,95 | 7.219,95 |
| v) Training | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| TOTAL INVESTMENT COSTS | 184.978,12 | 184.978,12 | 177.311,48 | 177.311,48 | 7.666,64 | 7.666,64 |
| II- Current Expenses | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| A- Financial Expenses | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| B- General and Administrative Expenses | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| C- Exchange Differences | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| TOTAL CURRENT EXPENSES | 184.978,12 | 184.978,12 | 177.311,48 | 177.311,48 | 7.666,64 | 7.666,64 |
| PROJECT INVESTMENTS | | | | | | |





| Category Name | ACTUAL | | PLANNED | | VARIANCE BETWEEN PLANNED AND ACTUAL | |
|------------------------------------|-----------------------------------|------------|----------------|------------|-------------------------------------|------------|
| | Current Period | Cumulative | Current Period | Cumulative | Current Period | Cumulative |
| | 2- INVESTMENTS BY CATEGORY | | | | | |
| 1) GOODS | 49.291,47 | 49.291,47 | 45.529,00 | 45.529,00 | 3.762,47 | 3.762,47 |
| 2) WORKS | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 3) CONSULTING SERVICES | 128.466,70 | 128.466,70 | 131.782,48 | 131.782,48 | -3.315,78 | -3.315,78 |
| 4) NON- CONSULTING SERVICES | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 5) TRAINING | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| 6) OPERATING COST | 7.219,95 | 7.219,95 | 0,00 | 0,00 | 7.219,95 | 7.219,95 |
| TOTAL | 184.978,12 | 184.978,12 | 177.311,48 | 177.311,48 | 7.666,64 | 7.666,64 |

Yapısal Gelecek Müdürlüğü
 Fehi ASER

Republic of Türkiye Ministry of Environment, Urbanisation and Climate Change
GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS
Seismic Resilience and Energy Efficiency in Public Buildings Project
Loan Number IBRD 9261-TR
SPECIAL ACCOUNT STATEMENT 94 14 32 023
As of December 31, 2022 and For The Year Then Ended (Euro)

| | |
|--|-------------------|
| Opening Balance | 0,00 |
| Withdrawals to Special Account | 363.993,48 |
| a) Advance | 200.000,00 |
| b) Statement of Expenditures (SOE) | 163.993,48 |
| c) Summary Sheet | 0,00 |
| | |
| Refunds to Loan Account from Designated Account | 0,00 |
| | |
| Special Account Balance | 363.993,48 |
| | |
| Payments Made for Expenditures | 184.778,12 |
| | |
| Commissions Paid to the Central Bank | 0,00 |
| | |
| Total Uses Made From Special Account | 184.778,12 |
| | |
| Closing Balance | 179.215,36 |

Banu Aslan
Yapı İşleri Genel Müdürü

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

SEISMIC RESILIENCE AND ENERGY EFFICIENCY
IN PUBLIC BUILDINGS PROJECT
(LOAN NO. 9261-TR)

NOTES TO PROJECT FINANCIAL STATEMENTS FOR THE PERIOD
ENDED DECEMBER 31, 2022

I. OBJECTIVES AND NATURE OF THE PROJECT

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



Banu Aslan
Yapı İşleri Genel Müdürü

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 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 |



Banu Aslan
Yapı İşleri Genel Müdürü


| | | |
|--|-----------------------|------|
| (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, 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. 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 sale exchange rate of the Central Bank of the Republic of Türkiye 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 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.

 **Danu Aslan**
Yapı İşleri Genel Müdürü


As of the end of the review period, the uses in the project were made from the special account with the "Advance" and Statement of Expenditures (SOE) methods. A total amount of EUR 364.193,48 (EUR 200.000,00, Advance, EUR 164.193,48 SOE method) was withdrawn to the special account from loan sources. As of the end of the review period, EUR 184.978,12 was spent from the special account.

The account balance of the special account at the end of the period is EUR. 179.215,36

During the review year, a commitment fee payment of USD 379.304,62 was made on 15 July, 2022 for the loan. There were no principal repayments made for the loan during the review year.

5. CASH AVAILABILITY

Other than deposit in the special account, there is no cash held under the project.

6. SPECIAL ACCOUNT

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. Seismic Resilience and Energy Efficiency in Public Buildings Project Loan Special Account No. 94 14 32 023 (EURO),

In Disbursement Letter: Seismic Resilience and Energy Efficiency in Public Buildings Project (9261-TR) Advance balance ceiling EUR 12.000.000,00.

As of the end of the review period, the uses in the project were made from the special account with the "Advance" and Statement of Expenditures (SOE) methods. A total of EUR 364.193,48 (EUR 200.000,00, Advance, EUR 164.193,48 SOE method) was withdrawn to the special account from loan sources. As of the end of the review period, EUR 184.978,12 was spent from the special account.

The account balance of the special account at the end of the period is EUR. 179.215,36

7. INTERMEDIARY BANK CHARGES

In 2022, EUR 200 expense was charged by the Intermediary Bank (Deutsche Bank AG) from the withdrawal of EUR 364.193,48 made by the World Bank.

- In September 8, 2022, A total of EUR 133.056,94 was requested from loan sources (Withdrawal Application Number 3). In September 13, 2022, A total of EUR 132.956,94 was transferred to the special account. EUR 100 expense was charged by the Intermediary Bank. (Deutsche Bank AG).
- In November 16, 2022, A total of EUR 93.801,40 was requested from loan sources. (Withdrawal Application Number 4). In November 21, 2022, A total of EUR 93.701,40 was transferred to the special account. EUR 100 expense was charged by the Intermediary Bank. (Deutsche Bank AG).

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

Since EUR 200 expense was charged by the Intermediary Bank (Deutsche Bank. A.G) before transferring to the special account, EUR 200 expense was deducted from the "Payments Made for Expenditures" budget item in the Special Account Statement.

For this reason, there is a difference of EUR 200 between the amount (EUR 184.778,12) stated in the "Payments Made for Expenditures" budget item in the Special Account Statement and the total amounts (EUR 184.978,12) stated (for usage of fund/investment/application) in other financial statements. These expenses are shown in "Operating Cost" budget item in those financial statements in accordance with the Loan Agreement



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