



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

**ENERGY EFFICIENCY IN PUBLIC BUILDINGS PROJECT**

**Implemented by**

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

**Financed Under International Bank for Reconstruction and Development  
(IBRD) Clean Technology Fund (CTF) Loan Agreement Numbered TF-0B0782**

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

**Prepared by**

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**Report's Number**

**84/5 - 44/12 - 40/8 - 36/13**

**INDEPENDENT AUDITOR'S REPORT**

**June 20, 2025**





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

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## **EXECUTIVE SUMMARY**





## EXECUTIVE SUMMARY

### A. Project Summary

Energy Efficiency in Public Buildings Project (EPPB) Loan Agreement (TF-0B0782) were signed between the Republic of Türkiye and the International Bank for Reconstruction and Development (IBRD) on December 12, 2019, for a loan of USD 46.200.000,00. The project is carried out in cooperation with Ministry of Environment, Urbanization and Climate Change (MoEUCC) and the Ministry of Energy and Natural Resources (MoENR). The Project Agreement was approved on 26.02.2020, and the Loan Agreement became effective as of 16.03.2020.

The objectives of the project are to reduce energy use in central government buildings and inform the development of sustainable financing mechanisms to support a scaled-up, National program for energy efficiency in public buildings.

The project consists of the following Components:

#### **Component 1. Energy Efficiency Investments in Central Government Buildings**

(a) Conventional energy efficiency investments in central government buildings.

Carrying out of subprojects to improve energy efficiency performance in selected central government buildings, including central government affiliated buildings, through the provision of studies and renovation works, for:

(i) Simpler renovation investments that reduce energy use in buildings by at least twenty (20) percent with a simple payback period of less than twelve years; and

(ii) Deeper renovation investments that reduce energy use in buildings by at least forty percent with simple payback periods between twelve and twenty years.

(b) Energy service company investments.

Carrying out of subprojects to improve energy efficiency performance in selected in central government buildings, including central government affiliated buildings, that have sufficient baseline energy consumption data and service quality (i.e., proper heating and cooling systems) through the use of Energy Performance Contracts with energy service companies (ESCOs).

(c) Near-Zero Energy Buildings pilot.

Carrying out of pilot, Near-Zero Energy Buildings ("NZEB") Subprojects in selected central government buildings, including central government affiliated buildings, that have high demonstration value, determined based on the respective buildings' annual number of





users and/or visitors, and located in different climatic zones in the Barrower's territory, to showcase the concept of NZEB integrated design and renovation techniques and newer technologies.

## **Component 2. Technical Assistance and Implementation Support**

(a) Technical assistance to the Ministry of Environment, Urbanization and Climate Change.

(i) Provision of technical assistance to MoEUCC in areas including, inter alia, development of early Subprojects including communication and outreach to solicit Subproject applications, energy audits, technical design reviews, assessment of ESCO proposals and energy savings monitoring; and provision of monitoring software.

(ii) Provision of support to MoEUCC for the evaluation of early Subprojects and NZEB pilots, including developing case studies to document investment costs, measures, implemented, actual energy savings, and lessons;

(iii) Provision of comprehensive training program in building renovations for, inter alia, design and construction firms, energy managers, MoEUCC staff and provisional branch offices, women in the energy efficiency field, building administrators in operations and maintenance.

(iv) Provision of support for program management and Project implementation to the MoEUCC Project Implementing Unit, including in financial management, procurement, environmental and social safeguards and other technical areas.

(b) Technical assistance to Ministry of Energy and Natural Resources.

Provision of technical assistance to MoENR to:

(i) Build capacity for ESCO market development through the training of ESCOs, provision of regulatory support, and development of procedures, templates and case studies;

(ii) (A) build capacity of MoENR staff on energy efficiency measurement and verification, and energy audits, and (B) revise and update existing training materials;

(iii) Monitor the energy efficiency of Subproject renovations and make enhancements to MoENR's building consumption database;

(iv) Assess the regulatory adjustments needed to support energy efficiency in public buildings and ESCOs, including budgeting rules to allow for budget savings retention, financing of public building renovations, public procurement rules to support ESCOs in the public sector, and public procurement rules in energy efficient equipment and materials;



(v) Develop appropriate financing agreement templates for energy services for the public sector;

(vi) Prepare a market assessment and develop a project pipeline in energy efficiency for municipalities to be presented to a suitable financial institution or institutions acceptable to the Bank in support of a national program for energy efficiency; and

(vii) Develop a plan for a national program efficiency in the public sector (including, inter alia, in respect to central and municipal buildings, public lighting, and water) that would rely on sustainable financing mechanisms to serve the broader public sector in the Borrower's territory.

In 2024, the total amount of USD 40.028.048,14 was withdrawn from the loan account with the "Advance" and "SOE" disbursement methods. The total amount of USD 38.371.133,41 was spent from the source withdrawn. As the end of the review period, the amount of USD 46.157.900,00 was disbursed and the amount of USD 40.946.312,95 was spent cumulatively.

With the amendment was made on October 3, 2024, the energy use reduction rate in Component 1 (a) (ii) of Loan Agreement numbered TF-0B0782 was increased to 40%, operating costs were added to the definitions section, the distribution among the components was revised and the project's outcomes framework was revised to be consistent with all agreements.

## **B. Objectives of Audit**

The objective of the audit is to express an opinion on the Financial Statements of the Energy Efficiency in Public Buildings 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 fund have 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 TF-0B0782.
- (b) All expenditure has been incurred in accordance with the Loan Agreement numbered TF-0B0782, 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 TF-0B0782 and detailed in the Project Appraisal Document. In addition, we examined;

- (a) all expenditure documents have been prepared in accordance with the provisions of the Loan Agreement numbered TF-0B0782;
- (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 account**

During the audit of the project financial statements, we reviewed the activities of the project's special account such as 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 TF-0B0782.

### **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 are included under the Report on Other Legal and Regulatory Requirements heading of the report.

### **F. Management Recommendation**

A management letter containing comments and recommendations related to internal control deficiencies and other matters dated 20.06.2025 has been prepared and shared with the General Directorate of Construction Affairs of Ministry of Environment, Urbanisation and Climate Change. We believe these matters warrant management's attention.

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS OF MINISTRY OF ENVIRONMENT, URBANISATION AND CLIMATE CHANGE

#### 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 Energy Efficiency In Public Buildings Project as of December 31, 2024, 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 the General Directorate of Construction Affairs of Ministry of Environment, Urbanisation and Climate Change in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in the Loan Agreement numbered TF-0B0782.

In our opinion;

The accompanying financial statements present fairly, in all material respects, the financial position and cash flows of the Energy Efficiency In Public Buildings Project as of December 31, 2024 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 TF-0B0782.

#### 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 of Ministry of Environment, Urbanisation and Climate Change 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 the General Directorate of Construction Affairs of Ministry of Environment, Urbanisation and Climate Change 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 31.12.2025.

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

The General Directorate of Construction Affairs of Ministry of Environment, Urbanisation and Climate Change is responsible for the preparation and fair presentation of these financial statements in accordance with the Loan Agreement numbered TF-0B0782 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 of Ministry of Environment, Urbanisation and Climate Change'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) The General Directorate of Construction Affairs of Ministry of Environment, Urbanisation and Climate Change, as of December 31, 2024 has complied with, in all material respects, the requirements of the Loan Agreement numbered TF-0B0782.

b) With respect to all expenditures, adequate supporting documentation has been maintained to support claims to the IBRD, and these expenditures are eligible for financing under the Loan Agreement numbered TF-0B0782.

Okan SÜLER  
Chairman of  
The Board of Treasury Controllers

Akif Bülent BOYACIOĞLU  
Audit Partner  
Vice Chairman

Selçuk KIRBAŞ  
Senior Treasury  
Controller

Hüseyin TOPAL  
Treasury Controller

Mervenur TOZLUYURT  
Treasury Controller

Betül YÜZER  
Treasury Controller

Date: 20.06.2025

Address: Ministry of Treasury and Finance

The Board of Treasury Controllers

ANKARA/TÜRKİYE



## **ANNEX I: FINANCIAL STATEMENTS**

General Directorate of Construction Affairs  
Energy Efficiency in Public Building Projects (CTF LOAN Number TF0B0782)  
LOAN/GRANT NO:TF0B0782  
Withdrawal Application Summary  
For the Period: 01.01.2024-31.12.2024

Withdrawal application number	Date	Category 1 Goods	Category 2 Works	Category 3 Consultancies	Category 4 Non-Consulting Services	Category 5 Operating Cost	Total Documented Amount	Advance Requested	Total Requested Amount	Value date	Rejected by	Net reimbursed
Section A: Payment method - Advance/Replenishment												
Approved withdrawals												
1 (Withdrawal-10) (SOE)	8.01.2024	0,00	1.445.327,68	0,00	0,00	0,00	1.445.327,68	0,00	1.445.327,68	8.01.2024	0,00	1.445.327,68
2 (Withdrawal-11) (SOE)	12.03.2024	0,00	1.343.065,69	35.178,18	0,00	0,00	1.378.243,87	0,00	1.378.243,87	12.03.2024	0,00	1.378.243,87
3 (Withdrawal-12) (SOE)	29.03.2024	0,00	3.315.040,47	33.804,53	0,00	0,00	3.348.845,00	0,00	3.348.845,00	29.03.2024	0,00	3.348.845,00
4 (Withdrawal-13) (SOE)	9.05.2024	0,00	2.148.014,10	29.092,24	0,00	0,00	2.177.106,34	0,00	2.177.106,34	9.05.2024	0,00	2.177.106,34
5 (Withdrawal-14) (SOE)	13.06.2024	0,00	1.820.822,17	29.797,27	0,00	0,00	1.850.619,44	0,00	1.850.619,44	13.06.2024	0,00	1.850.619,44
6 (Withdrawal-15) (SOE)	1.07.2024	0,00	2.340.205,19	31.410,95	0,00	0,00	2.371.616,14	0,00	2.371.616,14	1.07.2024	0,00	2.371.616,14
7 (Withdrawal-16) (SOE)	23.07.2024	0,00	2.435.110,00	30.826,00	0,00	0,00	2.465.936,00	0,00	2.465.936,00	23.07.2024	0,00	2.465.936,00
8 (Withdrawal-17) (SOE)	15.08.2024	0,00	3.057.684,37	0,00	0,00	0,00	3.057.684,37	0,00	3.057.684,37	15.08.2024	0,00	3.057.684,37
9 (Withdrawal-18) (SOE)	6.09.2024	0,00	2.006.919,95	35.458,17	0,00	0,00	2.042.378,12	0,00	2.042.378,12	6.09.2024	0,00	2.042.378,12
10 (Withdrawal-19) (SOE)	3.10.2024	0,00	2.134.117,83	34.237,70	0,00	0,00	2.168.355,53	0,00	2.168.355,53	3.10.2024	0,00	2.168.355,53
11 (Withdrawal-20) (SOE)	12.11.2024	0,00	3.046.869,07	34.281,40	0,00	0,00	3.081.150,48	0,00	3.081.150,48	12.11.2024	0,00	3.081.150,48
12 (Withdrawal-21) (SOE and Advance)	3.12.2024	0,00	1.806.058,24	34.515,18	0,00	0,00	1.840.573,42	5.000.000,00	6.840.573,42	3.12.2024	0,00	6.840.573,42
13 (Withdrawal-22) (SOE)	10.12.2024	0,00	3.825.799,45	33.689,94	0,00	0,00	3.859.489,39	0,00	3.859.489,39	10.12.2024	0,00	3.859.489,39
14 (Withdrawal-23) (SOE)	13.12.2024	0,00	6.480.375,11	0,00	0,00	0,00	6.480.375,11	0,00	6.480.375,11	13.12.2024	0,00	4.140.722,36
Sub-Total (A)		0,00	37.005.409,32	362.291,56	0,00	0,00	37.367.700,89	5.000.000,00	42.367.700,89			40.028.048,14
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				
TOTAL (A+B+C)		0,00	37.005.409,32	362.291,56	0,00	0,00	37.367.700,89	5.000.000,00	42.367.700,89			40.028.048,14

Prepared by

Controlled by

Approved by

Date  
Name Elife Gülniz SAYGI  
Title Finance specialist

Date  
Name Esra TURAN TOMBAK  
Title Head Of Department

Date  
Name  
Title

Namık GÜVER  
Acting General Manager

GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS  
Energy Efficiency in Public Building Projects  
CTF LOAN Number TF0B0782  
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
<b>I-SOURCES OF FUNDS</b>				
A-CTF Loan		40.028.048,14	5.578.683,27	46.157.900,00
A-1 Special Account		40.028.048,14	5.578.683,27	46.157.900,00
A-1.1 SOE		37.367.700,89	878.683,27	38.497.552,75
A.1.2 Net Advance		2.660.347,25	4.700.000,00	7.660.347,25
A1.2.1. Advance		5.000.000,00	4.700.000,00	10.000.000,00
A1.2.2. Advance Close (-)		2.339.652,75	-	2.339.652,75
<b>Total Funds Received</b>	4	<b>40.028.048,14</b>	<b>5.578.683,27</b>	<b>46.157.900,00</b>
<b>II-USES OF FUNDS</b>				
<b>II A-INVESTMENT COSTS (BY COMPONENT)</b>				
<b>Component 1. Energy Efficiency Investments in Central Government Buildings</b>		<b>37.962.049,90</b>	<b>2.265.658,12</b>	<b>40.531.855,66</b>
(a) Conventional energy efficiency investments in central government buildings,		27.342.581,28	1.870.229,97	29.163.781,54
(a) (ii) Goods, Works, consulting services and Non-consulting services		27.342.581,28	1.870.229,97	29.163.781,54
(b) Energy service company investments.		2.515.131,03	-	2.868.308,38
(c) Near-Zero Energy Buildings pilot.		8.104.337,59	395.428,15	8.499.765,74
<b>Component 2. Technical assistance and Implementation Support</b>		<b>403.409,90</b>	<b>-</b>	<b>403.409,90</b>
(a) Technical assistance to the Ministry of Environment and Urbanization		403.409,90	-	403.409,90
<b>Operating Cost</b>		<b>5.673,61</b>	<b>5.373,78</b>	<b>11.047,39</b>
<b>Total Uses of Funds by Components</b>		<b>38.371.133,41</b>	<b>2.271.031,90</b>	<b>40.946.312,95</b>
<b>II B-INVESTMENT COSTS (BY CATEGORY)</b>				
Category 1-Goods		11.700,43	-	11.700,43
Category 2-Works		37.962.049,90	2.265.658,12	40.531.855,66
Category 3-Consulting Services		391.709,47	-	391.709,47
Category 4-Nonconsulting Services		-	-	-
Category 5-Operating Cost		5.673,61	5.373,78	11.047,39
<b>Total Uses of Funds by Category</b>		<b>38.371.133,41</b>	<b>2.271.031,90</b>	<b>40.946.312,95</b>
<b>TOTAL USES</b>	6	<b>38.371.133,41</b>	<b>2.271.031,90</b>	<b>40.946.312,95</b>

Cash at the beginning of the period 01.01.2024  
Cash at the end of the period 31.12.2024

3.554.672,32  
5.211.587,05

Prepared by

Controlled by

Date  
Name  
Title

Date  
Name  
Title

Approved by

Namık GÜVER  
Acting General Manager

18.06.2025



STATEMENT OF COMPARISON BUDGET AND ACTUAL AMOUNT									
General Directorate of Construction Affairs									
CTF LOAN NO: TF 0B0782									
Energy Efficiency in Public Building Projects									
01.01.2024-31.12.2024									
(In USD)									
	NOTES	Current Period			Variance %	Cumulative			Progress %
		Actual	Planned	Original Budget		Actual	Planned	5	
		1	2		3=1/2	4	5	6=4/5	
Sources of Funds									
CTF Loan		40.028.048,14	40.028.048,14	43.859.325,66	100,00%	46.157.900,00	46.200.000,00		99,91%
Total Sources of Funds	4	40.028.048,14	40.028.048,14	43.859.325,66	100,00%	46.157.900,00	46.200.000,00		99,91%
Uses of Funds									
1 By Component		38.371.133,41	38.371.133,41	43.859.325,66	100,00%	40.946.312,95	46.200.000,00		80,23%
Component 1. Energy Efficiency Investments in Central Government Buildings		37.962.049,90	37.962.049,90	43.178.339,89	100,00%	40.531.855,66	46.200.000,00		80,42%
(a) Conventional investments in central government buildings, and Non-consulting services		27.342.581,28	27.342.581,28	34.278.680,54	100,00%	29.163.781,54	25.200.000,00		77,34%
(a) (i) Goods, Works, consulting services		27.342.581,28	27.342.581,28	34.278.680,54	100,00%	29.163.781,54	25.200.000,00		77,34%
(b) Energy service company investments.		2.515.131,03	2.515.131,03	-	100,00%	2.868.308,38	5.000.000,00		75,62%
(c) Near-Zero Energy Buildings pilot.		8.104.337,59	8.104.337,59	8.899.659,35	100,00%	8.499.765,74	15.000.000,00		95,51%
Component 2. Technical assistance and Implementation Support		403.409,90	403.409,90	680.985,77	100,00%	403.409,90	950.000,00		63,15%
(a) Technical assistance to the Ministry of Environment and Urbanization		403.409,90	403.409,90	680.985,77	100,00%	403.409,90	950.000,00		63,15%
Operating Cost		5.673,61	5.673,61	-		11.047,39	50.000,00		
2 By Category		38.371.133,41	38.371.133,41	43.859.325,66	100,00%	40.946.312,95	46.200.000,00		80,23%
Category 1-Goods		11.700,43	11.700,43	230.000,00	100,00%	11.700,43	208.192,79		5,09%
Category 2-Works		37.962.049,90	37.962.049,90	43.178.339,89	100,00%	40.531.855,66	45.621.772,79		80,42%
Category 3-Consulting Services		391.709,47	391.709,47	450.985,77	100,00%	391.709,47	370.034,41		95,82%
Category 4-Nonconsulting Services		-	-	-		-	-		
Category 5-Operating Cost		5.673,61	5.673,61	-	100,00%	11.047,39	-		
Total	6	38.371.133,41	38.371.133,41	43.859.325,66	100,00%	40.946.312,95	46.200.000,00		88,63%

Prepared by

Date  
Name  
Title

Elife Gülhiz SAYGI  
Financial Specialist

Controlled by

Date  
Name  
Title

Esra TURAN TOMBAK  
Head Of Department

Approved by

Date  
Name  
Title

Namık GÜVER  
Acting General Manager

18.06.2025

GENERAL DIRECTORATE OF CONSTRUCTION AFFAIRS

Energy Efficiency in Public Building Projects

CTF LOAN Number (TF0B0782)

SPECIAL ACCOUNT STATEMENT

ACCOUNT NO: 94 14 010 16

For the year ended. December 31, 2024

(In USD)

Notes

Opening Balance (01.01.2024)			3.554.672,32
Reimbursements to SA	4		40.028.048,14
Refunds to SA			0,00
Available Funds			43.582.720,46
Payments Made for Expenditures		38.371.133,41	
Service charges for the account		0,00	
Total Project Investments	6	38.371.133,41	
Closing Balance (31.12.2024)			5.211.587,05

Prepared by

Date

Name Elife Gülüz SAYGI

Title Finance Specialist

Controlled by

Date

Name

Title

Esra TURAN TOMBAK

Head Of Department

Approved by

Date

Name

Title

Namık GÜVER

Acting General Manager

18.06.2025

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

**CLEAN TECHNOLOGY FUND LOAN AGREEMENT  
(CTF LOAN NUMBER TF0B0782)**

**NOTES TO PROJECT FINANCIAL STATEMENTS  
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,





Energy Efficiency in Public Buildings Projects (EPPB) Loan Agreement (9015-TR), CTF Loan TF0B0782 and CTF Grant TF0B0853 were signed between the Republic of Türkiye and the International Reconstruction and Development Bank (IBRD) on December 12, 2019. 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**

The objectives of the project are to reduce energy consumption in public buildings and to develop and scale appropriate sustainable financing and institutional mechanisms to support the National program.

The project consists of the following Components:

### **Component 1. Energy Efficiency Investments in Central Government Buildings**

#### **(a) Conventional energy efficiency investments in central government buildings.**

Carrying out of subprojects to improve energy efficiency performance in selected central government buildings, including central government affiliated buildings, through the provision of studies and renovation works, for:

- Simpler renovation investments that reduce energy use in buildings by at least twenty (20) percent with a simple payback period of less than twelve (12) years; and
- Deeper renovation investments that reduce energy use in buildings by at least thirty (30) percent with simple payback periods between twelve (12) and twenty (20) years.

#### **(b) Energy service company investments.**

Carrying out of subprojects to improve energy efficiency performance in selected in central government buildings, including central government affiliated buildings, that have sufficient baseline energy consumption data and service quality (i.e., proper heating and cooling systems) through the use of Energy Performance Contracts with energy service companies (ESCOs).

#### **(c) Near-Zero Energy Buildings pilot.**

Carrying out of pilot, Near-Zero Energy Buildings ("NZEB") Subprojects in selected central government buildings, including central government affiliated buildings, that have sufficient baseline energy consumption data and service quality (i.e., proper heating and cooling systems).



## **Component 2. Technical assistance and Implementation Support**

### **(a) Technical assistance to the Ministry of Environment and Urbanization**

- Provision of technical assistance to MoEUCC in areas including, inter alia, development of early Subprojects including communication and outreach to solicit Subproject applications, energy audits, technical design reviews, assessment of ESCO proposals and energy savings monitoring; and provision of monitoring software.
- Provision of support to MoEUCC for the evaluation of early Subprojects and NZEB pilots, including developing case studies to document investment costs, measures, implemented, actual energy savings, and lessons;
- Provision of comprehensive training program in building renovations for, inter alia, design and construction firms, energy managers, MoEUCC staff and provisional branch offices, women in the energy efficiency field, building administrators in operations and maintenance.
- Provision of support for program management and Project implementation to the MoEUCC Project Implementing Unit, including in financial management, procurement, environmental and social safeguards and other technical areas.

### **(b) Technical assistance to Ministry of Energy and Natural Resources**

Provision of technical assistance to MoENR to:

- build capacity for ESCO market development through the training of ESCOs, provision of regulatory support, and development of procedures, templates and case studies;
- (A) build capacity of MoENR staff on energy efficiency measurement and verification, and energy audits, and (B) revise and update existing training materials;
- Monitor the energy efficiency of Subproject renovations and make enhancements to MoENR's building consumption database;
- Assess the regulatory adjustments needed to support energy efficiency in public buildings and ESCOs, including budgeting rules to allow for budget savings retention, financing of public building renovations, public procurement rules to support ESCOs in the public sector, and public procurement rules in energy efficient equipment and materials;
- Develop appropriate financing agreement templates for energy services for the public sector;
- Prepare a market assessment and develop a project pipeline in energy efficiency for municipalities to be presented to a suitable financial institution or institutions acceptable to the Bank in support of a national program for energy efficiency; and

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- Develop a plan for a national program efficiency in the public sector (including, inter alia, in respect to central and municipal buildings, public lighting, and water) that would rely on sustainable financing mechanisms to serve the broader public sector in the Borrower's territory.

**The goal of the project;** To develop a transition plan to reduce energy consumption in public buildings, develop and scale appropriate sustainable financing and institutional mechanisms to support the National program.

**Closing date;** December 31, 2025

<b>Project Components</b>	<b>Amount of the Loan Allocated (expressed in USD )</b>	<b>Percentage of Expenditures to be financed (Inclusive of taxes)</b>
<b>Component 1. Energy Efficiency Investments In Central Government Buildings</b>	<b>196.2 millions USD</b> <i>(150 millions USD IBRD, 46.2 millions USD CTF Loan)</i>	% 100
<b>Component 2. Technical assistance and Implementation Support</b>	<b>3.8 millions USD</b> <i>(3.8 Millions USD Grant)</i>	%100
<b>TOTAL BUDGET</b>	<b>200.000.000</b>	

#### **First Amendment to the Legal Agreements**

In line with the request of the Ministry, the following amendments were requested to be made to the Loan Agreements and Grant Agreement, and the said amendment letter was approved on 05 October 2023 and the results and framework of the project were revised to be in line with all Agreements.

- Revision of the energy use reduction rate in section 1(a)(ii) of Schedule 1 of all Agreements,
- Adding the definition of "Operating Expenses" to the Definitions section of all Agreements,
- Amending the table in Section III.A of Schedule 2 of the IBRD Loan Agreement according to the new distribution among the components and revising the related references in the agreement,
- Components of the table in Section IV.A.2 of Schedule 2 of the TTF Loan Agreement and revise the relevant references in the agreement accordingly,
- Amend Section III.A of Schedule 2 of the TTF Grant Agreement in accordance with the new distribution among the components in line with the Loan Agreements and revise the corresponding references in the agreement; and
- Revision of the results framework of the project to be in line with all Agreements.



In this framework, the Loan Agreements (9015-TR, TF0B0782) and the Grant Agreement (TF0B0853) were amended by the Amendment Letter signed between the World Bank and the Ministry of Treasury and Finance on October 5, 2023.

***IBRD Loan (9015-TR), CTF Loan (TFB0782), CTF Grant (TF0B0853)***

1. Part 1(a)(ii) of Schedule 1 of the Legal Agreements, respectively, is hereby amended to read as follows:  
“(ii) deeper renovation investments that reduce energy use in buildings by at least forty (40) percent”
2. The following new definition is hereby added in alphabetical order to the Legal Agreements, respectively, to read as follows and the remaining definition are renumbered to maintain alphabetical order:  
“Operating Costs” means reasonable incremental expenses directly incurred by the Borrower, through MOEUCC, in respect to Project implementation, management and monitoring, including office supplies and equipment, including its maintenance and repair, vehicle maintenance and repair, travel, communication, publication of procurement notices, communication, translation and interpretation, publication fees, and other miscellaneous expenses directly associated with the Project and agreed between the Bank and the Borrower, through MOEUCC, but excluding salaries of officials and employees of the Borrower.”

***(IBRD Loan (9015-TR))***

3. The second paragraph of the preamble of the IBRD Loan Agreement is hereby amended to read as follows:  
“ WHEREAS the Republic of Turkiye and the Bank, acting as an implementing entity of the Clean Technology Fund (“CTF”), intend to enter into a loan agreement (“CTF Loan Agreement”) for the purpose of providing a concessional loan in an amount of forty-six million two hundred thousand Dollars (USD 46,200,000) to the Republic of Turkiye assist in financing Part 1(a) (ii), Part 1 (b), Part 1(c) and Part 2 (a) of the Project, on the terms and conditions set forth in the CTF Loan Agreement”
4. Section 2.01 of the IBRD Loan Agreement is hereby amended to read as follows:  
“2.01. The Bank agrees to lend to the Borrower the amount of one hundred thirty-five million nine hundred thousand Euros (EUR 135,900,000), as such amount may be converted from time-to-time through a Currency Conversion (“Loan”), to assist in financing Part 1(a) (i) of the project described in Schedule 1 to the this Agreement (“Project”).”
5. The table Section III.A of Schedule 2 to the IBRD Loan Agreement is hereby amended as set forth in Attachment 1 of the Amendment Letter.



***CTF Loan (TF0B0782)***

6. The second paragraph of the preamble to the CTF Loan Agreement is hereby amended to read as follows:

“ WHEREAS the Republic of Türkiye and the World Bank intend to enter into a loan agreement (“IBRD Loan Agreement”) for the purpose of providing a loan in an amount of one hundred thirty-five million nine hundred thousand Euros (EUR 135,900,000) to the Republic of Türkiye to assist in financing Part 1 (a)(i) of the Project, on the terms and conditions set forth in the IBRD Loan Agreement.

7. Section 2.01 of the CTF Loan Agreement is hereby amended to read as follows:

“2.01. The World Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of forty-six-million two hundred thousand United States Dollars (USD 46,200,000) (“Loan”), to assist in financing Part 1(a)(ii), Part 1(b), Part 1 (c) and Part 2 (a) of the project described in Schedule I to this Agreement (“Project”),”

8. Table in Section IV.A.2 of Schedule 2 to the CTF Loan Agreement is hereby amended as set forth in Attachment 2 to the Amendment Letter.

***CTF Grant (TF0B0853)***

9. The Second and third paragraphs of the preamble of the CTF Grant Agreement are hereby amended to read as follows:

“ WHEREAS the Republic of Türkiye and the World Bank intend to enter into a loan agreement (“IBRD Loan Agreement”) for the purpose of providing a loan in an amount of one hundred thirty-five million nine hundred thousand Euros (EUR 135,900,000) to the Republic of Türkiye to assist in financing Part 1 (a) (i) of the Project, on the terms and conditions set forth in the IBRD Loan Agreement.

“ WHEREAS the Republic of Türkiye and the World Bank, acting as an implementing entity of the Clean Technology Fund (“CTF”), intend to enter into a loan agreement (“CTF” Loan Agreement) for the purpose of providing a concessional loan in an amount of forty-six million two hundred thousand Dollars (USD 46.200.000) to the Republic of Türkiye to assist in financing Part 1 (a) (ii), Part 1 (b) , Part 1 (c) and Part 2 (a) of the Project, on the terms and conditions set forth in the CTF Loan Agreement”

10. Section III.A of Schedule 2 to the CTF Grant Agreement is hereby amended as set forth in Attachment 3 of the Amendment Letter.

Except as specifically amended herein, all the other terms and conditions of the Legal Agreements shall remain in full force and effect.





The implementation, coordination and supervision of Energy Efficiency Project Loan Agreement / Clean Technology Fund Loan and Grant Agreements in Public Buildings: 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 EEPB. 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, Procurement Specialist (2), Finance Specialist (1), Project Assistant (1), Environmental Engineer (1), Occupational Health and Safety Specialist (1), Social Specialist (1), Communication and Stakeholder Engagement Specialist (1), Civil Engineers (3), Electrical Engineer (1) and Mechanical Engineers (2) 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 40.028.048,14 USD were made from Loan resources.

## **2. MAIN ACCOUNTING POLICIES**

For the CTF Loan Account of the Project; there is a Project Special Account numbered 94 14 010 16 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 Energy Efficiency in Public Building Project Clean Technology Fund Loan Agreement the transactions from the International Bank for Reconstruction and Development CTF Loan Agreement are recorded and monitored in terms of DOLLARs, Transactions made in other currencies are translated into DOLLARs using the currency sale 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 Clean Technology Fund Loan Agreements, 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 Client Connection is uploaded to the system in due time via the Client Connection.

### 4. SOURCE OF FUNDS (CTF LOAN) 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 with the "Advance" and Statement of Expenditures (SOE) methods .

In 2024, a total of USD 40,028,048.14 was withdrawn from the CTF Loan TF0872 account, consisting of USD 5,000,000.00 advance (Application No. 12), USD 37,367,700.89 SOE method and USD 2,339,652.75 advance ceiling reduction (closure).

### 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 Turkey Administrative Center of the General Directorate of Operations Funds and Banking Operations Directorate. The account number Energy Efficiency in Public Buildings Loan Special Account is 94 14 01 016 (USD).

In Disbursement Letters: Clean Technology Fund Loan Agreement (TF0B0782) Advance balance ceiling USD 5.000.000,00.

As of the end of the review period, a total amount of USD 40.028.048,14 was withdrawn to the special account, including USD 5.000.000,00 in Advance and USD 37.367.700,89 in Statement of Expenditures (SOE) methods. A total of USD 38,371,133.41 (USD 38,365,459.80 in progress payments and USD 5,673.61 in operating expenses) was paid from the withdrawn funds.

For the period under review, the opening balance of the project special account was USD 3.554.672,32 The account balance of the Loan Special Account at the end of the period is USD 5.211.587,05.

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## 7. WITHDRAWAL APPLICATION

As of the review period, from the Clean Technology Loan Account No. TF0B0782: 94 14 010 16, withdrawal application numbered 10,11,12,13,14,15,16,17,18,19,20,21,22 and 23 which were created and approved through the World Bank Client Connection System, were made.

In 2024, a total of USD 40,028,048.14 was withdrawn from the CTF Loan TF0872 account, consisting of USD 5,000,000.00 advance (Application No. 12), USD 37,367,700.89 SOE method and USD 2,339,652.75 advance ceiling reduction (closure).

## 8. REFUNDS TO THE ACCOUNTS

There were no returns to the Special Account during the review period.

## 9- BUDGET OVERRUN

In the Budget Table in Annex-10a; while the Loan Budget is 46.200.000 USD, the planned expenditure is 51.039.230,46 USD and this difference is due to the contract amount under the works contracts category.

As agreed with the World Bank, some of the contracts signed under the CTF Loan were transferred first to the Energy Efficiency in Public Buildings Loan (9015-TR) and then to the Energy Efficiency in Public Buildings-2 Loan.

M. Gökhan KARAGÖZLÜ  
Şube Müdürü

Esra TURAN TOMBAK  
Dünya Bankası

Nesrin GÜNER  
Genel Müdür V.

19.06.2025

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

**ENERGY EFFICIENCY IN PUBLIC BUILDINGS PROJECT**

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

**Financed Under International Bank for Reconstruction and Development**  
**(IBRD) CTF Loan Agreement Numbered TF-B0782**

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

**Prepared by**

**Selçuk KIRBAŞ**  
**Senior Treasury Controller**

**Hüseyin TOPAL**  
**Treasury Controller**

**Mervenur TOZLUYURT**  
**Treasury Controller**

**Betül YÜZER**  
**Treasury Controller**



**MANAGEMENT LETTER**

**Ref: Independent Auditor's Report dated June 20, 2025**





## MANAGEMENT LETTER

### TO MINISTRY OF ENVIRONMENT, URBANISATION AND CLIMATE CHANGE General Directorate of Construction Affairs

We have audited the financial statements of "Energy Efficiency in Public Buildings Project" (IBRD CTF Loan Agreement Numbered TF-B0782) as of December 31, 2024, and for the year then ended.

According to International Standards on Auditing the auditors are required to obtain an understanding of internal control relevant to the audit when identifying and assessing the risk of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control 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 internal control.

We prepared this Management Letter in order to communicate appropriately to those charged with governance and management deficiencies in internal control that we have identified during the audit and that, in our professional judgement, are of sufficient importance to merit their respective attentions. For this purpose, our recommendations in order of priorities are attached to this Letter.

Our letter is intended solely for General Directorate of Construction Affairs, Ministry of Treasury and Finance, and IBRD, and should not be distributed or used by other parties.

Okan SÜLER  
Chairman of The Board of Treasury Controllers

Akif Bülent BOYACIOĞLU  
(Audit Partner)  
Vice Chairman

Selçuk KIRBAŞ  
Senior Treasury  
Controller

Hüseyin TOPAL  
Treasury Controller

Mervener TOZLUYURT  
Treasury Controller

Betül YÜZER  
Treasury Controller

Date: 20.06.2025

Address: Ministry of Treasury and Finance

The Board of Treasury Controllers 06420, Dikmen, ANKARA/TÜRKİYE



### AUDIT FINDING OF THE PREVIOUS YEAR

<b>FINDING NUMBER</b>	<b>MoEUCC.2023.TF0782.1</b>
<b>FINDING</b>	<b>Non-compliance with Contract Provisions</b>
<b>CONDITION</b> <p>During the bidding process of REN-WORKS-P06R, there have been no clarifications requested by the contractors regarding the warranty articles and for this reason no explanation was declared by the PIU. This indicates that all contractors have accepted the related article.</p> <p>The following discrepancies have been detected for REN-WORKS-P06R Lot3 Site-2 (Karasu Public Hospital):</p> <ol style="list-style-type: none"><li>1- Despite being envisaged in Article 18.2.5 of Electrical Renovation Works Technical Specification annex to the contract, 10-year physical durability guarantee has not been provided by the contractor or the manufacturer.</li><li>2- In case of failure by the manufacturer to fulfill warranty obligations, it is mandatory to obtain an international insurance guarantee according to the provisions of article 18.2.5 of the Electrical Renovation Works Technical Specification annexed to the contract. However, there is no warranty certificate from any <b>international insurance company</b>.</li><li>3- It has been detected that PV panels could not be activated because of TEİAŞ had not approved the project yet.</li></ol>	
<b>CRITERIA - CAUSE - IMPACT</b> <p><b>Contract Annex Construction Works Technical Specification / Electrical Renovation Works Technical Specification:</b></p> <p><i>"18.2 Photovoltaic Solar Panels</i></p> <p><i>4. Panels will have a product warranty of at least 12 years and a linear energy warranty of 25 years. The linear energy guarantee will provide at least 90% of the panel power after 12 years and at least 80% after 25 years. In case the panel manufacturer is unable to fulfill this responsibility, it is mandatory to have a warranty certificate provided by international insurance companies.</i></p> <p><i>5. At least 10 years of physical durability warranty must be provided for solar panels. This warranty will be documented by both the Contractor and the manufacturer."</i></p> <p>The absence of a warranty certificate from the manufacturer, as well as the requirement for a warranty certificate provided by international insurance companies, as stated in the contracts under the title of technical specifications, may lead to inconsistencies in the contracts. The lack of warranty documents could prevent the beneficiary from accessing the warranty in the event of a malfunction, potentially increasing the cost of PV panels and risking the sustainability of the project.</p>	
<b>RECOMMENDATION</b> <p>In order to fulfill the contractual provisions, it is recommended to increase controls regarding warranty certificates for ongoing projects, to activate the PV panels as soon as possible and to deliver the warranty documents to the beneficiary with minutes after they are obtained.</p>	



#### RESPONSE OF THE AUDITEE IN 2023

1- The warranty documents for the works in question are available and attached.

2- In the Technical Specifications, the section "International insurance guarantee is mandatory" was left by mistake. In line with the opinions and suggestions of the audit, this article of the Technical Specifications will be revised in parallel with the practice in the tenders to be held in the future.

3- This issue is within the scope of TEİAŞ's duty, authority and responsibility. We have communicated verbally and in writing with the authorities of the aforementioned Institution regarding the issue and the process is being meticulously followed by us.

However, since the planning of the works in question is carried out within the scope of TEİAŞ's own plans and programs within the corporate functioning of TEİAŞ, the process may take time.

In the coming periods, the commissioning process will be carried out by TEİAŞ in line with our request for the commissioning of PV panels.

In the coming period, actions will be taken in line with the opinions and recommendations of the audit team regarding the works and transactions subject to the findings.

#### FINAL OPINION OF THE AUDITORS IN 2023

##### OPEN

The documents submitted has not include any evidence concerning the issues in finding. Therefore, these issues will be review in the next audit period.

#### RESPONSE OF THE AUDITEE IN 2024

1- The warranty documents for the works in question are available and attached.

2-In the tenders held in 2024, in line with the opinions and suggestions of the Audit team; tender documents (technical specifications) have been revised and these documents are presented in the annex.

3-The process related to TEİAŞ has been followed and the SPP has been commissioned, and the relevant documents are attached.

#### FINAL OPINION OF THE AUDITORS IN 2024

##### ADDRESSED

The warranty certificate submitted by the MoEUCC, the amendments made to the contract conditions of the tenders held in 2024, and the commissioning form of the PV panels have been noted. The corrective actions taken by MoEUCC are deemed sufficient.