MINISTRY OF TREASURY AND FINANCE
BOARD OF TREASURY CONTROLLERS

SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION IN REFUGEE AND HOST COMMUNITIES IN TÜRKİYE PROJECT

Implemented by

REPUBLIC OF TÜRKİYE MINISTRY OF INDUSTRY AND TECHNOLOGY

Financed Under World Bank Grant Agreement Numbered TF-B4920

As of December 31, 2025 and For the Year Then Ended

Prepared by

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INDEPENDENT AUDITOR'S REPORT

June 10, 2026

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

A. Project Summary

"Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Türkiye Project" (Project or SEECO) will be implemented within the framework of the European Union FRIT II Financial Aid Fund, under the management of the Ministry of Industry and Technology (MoIT) and the World Bank in Türkiye with the local partnership of Çukurova, Eastern Mediterranean, İpekyolu, Karacadağ and Dicle Development Agencies.

Implementation area of the Project is Adana, Mersin, Gaziantep, Adıyaman, Kilis, Mardin, Hatay, Osmaniye, Kahramanmaraş, Diyarbakır and Şanlıurfa provinces of Türkiye. Project aims to improve the livelihoods of women and youth, contribute to their social cohesion for refugees and host communities in Türkiye's target regions.

Grant Agreement's amount, numbered TF-B4920, signed between World Bank and Republic of Türkiye (represented by MoIT) is **€ 39.500.000,00** (thirty nine million and five hundred thousand Euros). The Project closing date has been updated as 30.11.2025.

In terms of Project, as of December 31, 2025, **€ 36.941.561,27** was disbursed.

B. Objectives of Audit

The objective of the audit is to express an opinion on the Financial Statements of the Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Türkiye Project" for the period ended 31 December 2025. 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) All external funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided. Relevant financing agreements include Grant Agreement numbered TF-B4920.

(b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.

(c) Goods, works, and services financed have been procured in accordance with relevant financing agreements, including specific provisions of the World Bank Procurement Guidelines.

(d) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) method of reporting.

(e) Respective reports issued during the period were in agreement with the underlying books of account.

C. Scope of Audit

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

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

D. Audit Methodology

Financial Statements

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

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

Examined expenditures for eligibility based on criteria defined in the terms of the financing agreement and detailed in the Project Appraisal Document. In addition, we examined;

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

Review of designated accounts

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

Internal controls

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

Compliance with agreement terms and applicable laws and regulations

Reviewed, assessed and reported on compliance with the terms and conditions of the Grant Agreement numbered TF-B4920.

Representations by implementing agency

Obtained specific written representations from management.

E. Audit Results

For the financial statements of project; our audit resulted with unmodified of 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 21.05.2026 has been prepared and shared with MoIT. We believe these matters warrant management's attention.

INDEPENDENT AUDIT REPORT'S & FINANCIAL STATEMENTS OF THE PROJECT

INDEPENDENT AUDITOR'S REPORT

TO MINISTRY OF INDUSTRY AND TECHNOLOGY

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 Designated Account of the Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Türkiye Project as of December 31, 2025, and for the period then ended, and notes to the financial statements including a summary of significant accounting policies. The financial statements have been prepared by Ministry of Industry and Technology in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in Grant Agreement Numbered TF-B4920.

In our opinion;

The accompanying financial statements present fairly, in all material respects, the financial position and cash flows of the Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Türkiye Project as of December 31, 2025 and for the period then ended in accordance with cash basis International Public Sector Accounting Standards and financial reporting provisions outlined in Grant Agreement Numbered TF-B4920.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of this report. We are independent of the Ministry of Industry and Technology 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 MoIT 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 on 31.07.2026.

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

MoIT is responsible for the preparation and fair presentation of these financial statements in accordance with Grant Agreement Numbered TF-B4920, 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 MoIT'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 skepticism throughout the planning and performance of the audit. We also:

•Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

a) MoIT, as of December 31, 2025 has complied with, in all material respects, the requirements of the Grant Agreement Numbered TF-B4920.

b) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IBRD for reimbursement of expenditures incurred, and these expenditures are eligible for financing under the Grant Agreement Numbered TF-B4920.

Okan SÜLER
Chairman of The Board of Treasury Controllers

Akif Bülent BOYACIOĞLU
(Audit Partner)
Vice Chairman

Ekrem ALBAYRAK
Senior Treasury Controller

H.Mehtap İMAMOĞLU
Treasury Controller

Salih UÇAR
Junior Treasury Controller

Date: 10/06/2026
Address: Ministry of Treasury and Finance
The Board of Treasury Controllers, ANKARA/TÜRKİYE

ANNEX I: FINANCIAL STATEMENTS

MINISTRY OF INDUSTRY AND TECHNOLOGY
GENERAL DIRECTORATE OF DEVELOPMENT OF AGENCIES
SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION IN REFUGEE AND HOST COMMUNITIES IN TÜRKİYE PROJECT
GRANT NO: TF-B4920
Withdrawal Application Summary
For the Period: 01.01.2025-31.12.2025

Withdrawal application number	Date	Category 1 Goods, Works, Nonconsulting and Consulting Services under Components	Category 2 Subgrants under 1B	Category 3 Subgrants under 2B	Category 4 Goods, Works, Nonconsulting and Consulting Services, Operational Costs and Trainings under Part 3	Total Documented Amount	Requested Advance	Value date	Rejected by WB	Net reimbursed
					In Designated Account Currency- EUR					
Section A: Payment method - Advance/Replenishment										
Approved withdrawals						***18.057.304,24***	***9.847.766,21***			***9.847.766,21***
Seeco-31 (Advance + Replenishment (SoE))	26.12.2024		602.427,43	661.055,07	5.821,30	1.269.303,80	**1.269.303,80**	02.01.2025	0,00	**1.269.303,80**
Seeco-32 (Advance + Replenishment (SoE))	31.12.2024	160.445,20	631.415,96	481.148,85	26.800,31	1.299.810,32	**1.299.810,32**	07.01.2025	0,00	**1.299.810,32**
Seeco-33(Advance + Replenishment (SoE))	10.01.2025		262.308,48	264.569,24	302.358,78	829.236,50	**829.236,50**	15.01.2025	0,00	**829.236,50**
Seeco-34 (Advance + Replenishment (SoE))	24.01.2025	91.750,00	291.664,35	324.581,49	38.636,75	746.632,59	**746.632,59**	27.01.2025	0,00	**746.632,59**
Seeco-35 (Advance + Replenishment (SoE))	10.02.2025		372.486,32	314.490,76	14.194,90	701.171,98	**701.171,98**	14.02.2025	0,00	**701.171,98**
Seeco-36 (Advance + Replenishment (SoE))	24.02.2025		228.800,86	1.078.179,57	65.723,34	1.372.703,77	**1.372.703,77**	27.02.2025	0,00	**1.372.703,77**
Seeco-37 (Documentation of Prior Advance (SoE))	24.03.2025	180.892,49	297.150,38	1.834.711,64	84.324,01	2.397.078,52	**0,00**		0,00	**0,00**
Seeco-38 (Documentation of Prior Advance (SoE))	16.04.2025		107.040,29	1.184.444,41	33.822,24	1.325.306,94	**0,00**		0,00	**0,00**
Seeco-39 (Documentation of Prior Advance (SoE))	16.05.2025	530.663,73	450.655,86	1.683.356,92	65.765,36	2.730.441,87	**0,00**		0,00	**0,00**
Seeco-40 (Advance)	22.05.2025	0,00	0,00	0,00	0,00	0,00	**2.452.827,32**	28.05.2025		**2.452.827,32**
Seeco-41 (Documentation of Prior Advance (SoE))	12.06.2025		592.915,73	919.988,48	42.338,16	1.555.242,37	**0,00**		0,00	**0,00**
Seeco-42 (Advance)	25.06.2025	0,00	0,00	0,00	0,00	0,00	**1.176.079,92**	01.07.2025		**1.176.079,92**
Seeco-43 (Documentation of Prior Advance (SoE))	18.08.2025		293.357,52	604.734,54	144.975,78	1.043.067,84	**0,00**		0,00	**0,00**
Seeco-44 (Documentation of Prior Advance (SoE))	28.08.2025	72.700,00	162.625,03	661.025,29	183.062,65	1.079.412,97	**0,00**		0,00	**0,00**
Seeco-45 (Documentation of Prior Advance (SoE))	4.09.2025	108.437,03	17.670,28	593.460,44	49.360,93	768.928,68	**0,00**		0,00	**0,00**
Seeco-46 (Documentation of Prior Advance (SoE))	7.10.2025	38.795,13	3.660,07	221.754,73	41.847,55	306.057,48	**0,00**		0,00	**0,00**
Seeco-47 (Documentation of Prior Advance (SoE))	17.11.2025			234.636,56	157.907,81	392.544,37	**0,00**		0,00	**0,00**
Seeco-48 (Documentation of Prior Advance (SoE))	15.12.2025			189.562,14	50.802,09	240.364,23	**0,00**		0,00	**0,00**
Sub-Total (A)		**1.183.683,58**	**4.314.178,57**	**11.251.700,13**	**1.307.741,96**	**18.057.304,24**	**9.847.766,21**		**0,00**	**9.847.766,21**
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**
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**			
TOTAL (A+B+C)		**1.183.683,58**	**4.314.178,57**	**11.251.700,13**	**1.307.741,96**	**18.057.304,24**	**9.847.766,21**			**9.847.766,21**

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MINISTRY OF INDUSTRY AND TECHNOLOGY
GENERAL DIRECTORATE OF DEVELOPMENT AGENCIES
SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION IN REFUGEE AND HOST COMMUNITIES IN TÜRKİYE PROJECT
STATEMENT OF SOURCES and USES of FUNDS
As of December 31, 2025 and For The Year Then Ended
(In EURO)

	Notes	Current Period	Previous Period	Cumulative
I-SOURCES OF FUNDS				
IBRD - Grant	*4	9.847.766,20	20.847.919,74	39.500.000,00
Total Funds Received		**9.847.766,20**	**20.847.919,74**	**39.500.000,00**
II-A USES OF FUNDS by COMPONENT				
A- COMPONENT 1		**3.900.596,65**	**15.511.819,38**	**20.034.220,46**
1.A. Support Services for Social Entrepreneurship Incubation and Acceleration (1A)		1.082.569,97	2.187.928,64	3.892.303,04
1.B. Subgrants for Social Enterprise Incubation and Acceleration (1B)		2.818.026,68	13.323.890,74	16.141.917,42
B. COMPONENT 2		**9.953.003,75**	**3.494.151,71**	**13.991.692,20**
B.1. Activities of Community Implementing Partners (2A)		104.888,41	284.564,60	389.453,01
B.2. Subgrants for Community Livelihoods-related Facilities (2B)		9.848.115,34	3.209.587,11	13.602.239,19
C. COMPONENT 3		**1.086.138,86**	**1.080.494,10**	**2.915.648,61**
C.1. Institutional Capacity Strengthening		210.780,40	68.541,07	279.321,47
C.2. Project management, coordination and communications		817.363,21	952.728,03	2.457.881,89
C.3. Monitoring and Evaluation		57.995,25	59.225,00	178.445,25
TOTAL USES OF FUNDS BY COMPONENT		**14.939.739,26**	**20.086.465,19**	**36.941.561,27**
II-B USES OF FUNDS by CATEGORY				
A- CATEGORY 1		**1.187.458,38**	**2.472.493,24**	**4.281.756,05**
A.1. Consulting Services under Components 1A and 2A		1.187.458,38	2.472.493,24	4.281.756,05
B- CATEGORY 2		**2.818.026,68**	**13.323.890,74**	**16.141.917,42**
B.1. 1B Subgrants		2.818.026,68	13.323.890,74	16.141.917,42
C- CATEGORY 3		**9.848.115,34**	**3.209.587,11**	**13.602.239,19**
C.1. 2B Subgrants		9.848.115,34	3.209.587,11	13.602.239,19
D- CATEGORY 4		**1.086.138,86**	**1.080.494,10**	**2.915.648,61**
D.1. Goods under Part 3		22.324,21	277.759,95	453.098,08
D.2. Works under Part 3		-	-	-
D.3. Consulting Services under Part 3		604.688,98	575.169,07	1.632.494,74
D.4. Nonconsulting Services under Part 3		419.192,54	181.551,04	703.415,66
D.5. Operational Costs		39.933,13	46.014,04	126.640,13
D.6. Trainings		-	-	-
TOTAL USES OF FUNDS BY CATEGORY		**14.939.739,26**	**20.086.465,19**	**36.941.561,27**

Cash at the beginning of the period 01.01.2025	**7.650.411,79**
Cash at the end of the period 31.12.2025	**2.558.438,73**
Cash at the end of the period 31.12.2025 (General Directorate Account)	*2.242.265,31*
Cash at the end of the period 31.12.2025 (Cukurova DA Account)	*1.567,11*
Cash at the end of the period 31.12.2025 (Tigris DA Account)	*11.437,40*
Cash at the end of the period 31.12.2025 (East Mediterranean DA Account)	*26.480,69*
Cash at the end of the period 31.12.2025 (Silkroad DA Account)	*96.176,22*
Cash at the end of the period 31.12.2025 (Karacadağ DA Account)	*180.512,00*

*Current Advance information can be seen in Footnotes Heading 4.

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MINISTRY OF INDUSTRY AND TECHNOLOGY
GENERAL DIRECTORATE OF DEVELOPMENT AGENCIES
SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION IN REFUGEE AND HOST COMMUNITIES IN TÜRKİYE PROJECT
GRANT NO: TF-B4920

STATEMENT of COMPARISON BUDGET AND ACTUAL AMOUNT
As of December 31, 2025 and For The Year Then Ended
(In EURO)

			Current Period				Cumulative	
		NOTES	Actual	Final Budget	Original Budget	Progress %	Actual	Planned
			1	2		3=1/2	4	5
Sources of Funds								
	IBRD - Grant		14.939.739,26	39.500.000,00	39.500.000,00	37,82%	36.941.561,27	39.500.000,00
Total Sources of Funds			**14.939.739,26**	**39.500.000,00**	**39.500.000,00**	**37,82%**	**36.941.561,27**	**39.500.000,00**
Uses of Funds								
1	**By components**							
1.A	***Component 1***		**3.900.596,65**	**20.080.418,00**	**19.808.753,00**	**19,42%**	**20.034.220,46**	**20.080.418,00**
1.A.1	Support Services for Social Entrepreneurship Incubation and Acceleration (1A)		1.082.569,97	3.938.284,00	5.538.753,00	27,49%	3.892.303,04	3.938.284,00
1.A.2	Subgrants for Social Enterprise Incubation and Acceleration (1B)		2.818.026,68	16.142.134,00	14.270.000,00	17,46%	16.141.917,42	16.142.134,00
1.B	***Component 2***		**9.953.003,75**	**15.038.742,00**	**15.691.247,00**	**66,18%**	**13.991.692,20**	**15.038.742,00**
1.B.1	Activities of Community Implementing Partners (2A)		104.888,41	389.453,00	615.417,00	26,93%	389.453,01	389.453,00
1.B.2	Subgrants for Community Livelihoods-related Facilities (2B)		9.848.115,34	14.649.289,00	15.075.830,00	67,23%	13.602.239,19	14.649.289,00
1.C	***Component 3***		**1.086.138,86**	**4.380.840,00**	**4.000.000,00**	**24,79%**	**2.915.648,61**	**4.380.840,00**
1.C.1	Institutional Capacity Strengthening		210.780,40	500.000,00	500.000,00	42,16%	279.321,47	500.000,00
1.C.2	Project management, coordination and communications		817.363,21	3.260.840,00	2.880.000,00	25,07%	2.457.881,89	3.260.840,00
1.C.3	Monitoring and Evaluation		57.995,25	620.000,00	620.000,00	9,35%	178.445,25	620.000,00
Total			**14.939.739,26**	**39.500.000,00**	**39.500.000,00**	**37,82%**	**36.941.561,27**	**39.500.000,00**
2	**By expenditure category**							
2.A	***Category 1***		**1.187.458,38**	**4.327.737,00**	**4.721.718,17**	**27,44%**	**4.281.756,05**	**4.327.737,00**
2.A.1	*Consulting Services under Components 1A and 2A*		1.187.458,38	4.327.737,00	4.721.718,17	27,44%	4.281.756,05	4.327.737,00
2.B	***Category 2***		**2.818.026,68**	**16.142.134,00**	**15.702.451,83**	**17,46%**	**16.141.917,42**	**16.142.134,00**
2.B.1	*1B Subgrants*		2.818.026,68	16.142.134,00	15.702.451,8	17,46%	16.141.917,42	16.142.134,00
2.C	***Category 3***		**9.848.115,34**	**14.649.289,00**	**15.075.830,00**	**67,23%**	**13.602.239,19**	**14.649.289,00**
2.C.1	*2B Subgrants*		9.848.115,34	14.649.289,00	15.075.830,0	67,23%	13.602.239,19	14.649.289,00
2.D	***Category 4***		**1.086.138,86**	**4.380.840,00**	**4.000.000,00**	**24,79%**	**2.915.648,61**	**4.380.840,00**
2.D.1	*Goods under Part 3*		22.324,21	500.000,00	500.000,00	4,46%	453.098,08	500.000,00
2.D.2	*Works under Part 3*		0,00	100.000,00	100.000,00	0,00%	0,00	100.000,00
2.D.3	*Consulting Services under Part 3*		604.688,98	3.080.840,00	2.700.000,00	19,63%	1.632.494,74	3.080.840,00
2.D.4	*Nonconsulting Services under Part 3*		419.192,54	150.000,00	150.000,00	279,46%	703.415,66	150.000,00
2.D.5	*Operational Costs*		39.933,13	250.000,00	250.000,00	15,97%	126.640,13	250.000,00
2.D.6	*Trainings*		0,00	300.000,00	300.000,00	0,00%	0,00	300.000,00
Total Uses of Founds			**14.939.739,26**	**39.500.000,00**	**39.500.000,00**	**37,82%**	**36.941.561,27**	**39.500.000,00**

Prepared by
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Controlled by
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Approved by
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Director General

MINISTRY OF INDUSTRY AND TECHNOLOGY
GENERAL DIRECTORATE OF DEVELOPMENT AGENCIES
SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION IN REFUGEE AND HOST COMMUNITIES IN TÜRKİYE PROJECT
SPECIAL ACCOUNT STATEMENT
ACCOUNT NO: TR36 0001 5001 5804 8019 6694 56
December 31, 2025 For the year ended
(In EURO)

Opening Balance (01.01.2025)			***7.650.411,79***
Reimbursements to SA			*9.847.766,20*
Refunds to SA			*0,00*
Available Funds			***17.498.177,99***
Payments Made for Expenditures		*14.939.739,26*	
Service charges for the account		*0,00*	
Total Project Investments		*14.939.739,26*	*14.939.739,26*
Closing Balance (31.12.2025)			***2.558.438,73***
Cash at the end of the period 31.12.2025 (GD of DA - Vakıfbank Sanayi ve Teknoloji Bakanlığı Ankara Bağlı Br. Euro Acc. No: TR36 0001 5001 5804 8019 6694 56)			*2.242.265,31*
Cash at the end of the period 31.12.2025 (GD of DA - Vakıfbank Sanayi ve Teknoloji Bakanlığı Ankara Bağlı Br. TL Acc. No: TR14 0001 5001 5800 7313 8960 11)			*0,00*
Cash at the end of the period 31.12.2025 ÇUKUROVA KA Vakıfbank Seyhan-Adana Br. Euro Acc.TR65 001 5001 5804 8022 0594 02 Nolu Euro			*1.567,11*
Cash at the end of the period 31.12.2025 Tigris KA Vakıfbank Mardin Br. Euro Acc. TR290001500158048021964602			*11.437,40*
Cash at the end of the period 31.12.2025 Doğaka - Vakıfbank Antakya Br. Euro Acc. TR360001500158048022556661			*26.480,69*
Cash at the end of the period 31.12.2025 (Silkroad DA - Vakıfbank Binevler Br. Euro Acc. TR03 0001 5001 5804 8022 0827 31)			*96.176,22*
Cash at the end of the period 31.12.2025 Karacadağ Hevsel Diyarbakır Br. Euro Acc. TR120001500158048022564465			*180.512,00*

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MINISTRY OF INDUSTRY AND TECHNOLOGY
GENERAL DIRECTORATE OF DEVELOPMENT AGENCIES
SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION IN REFUGEE AND HOST COMMUNITIES IN TÜRKİYE PROJECT
GRANT NO: TF-B4920
Special/Designated account reconciliation statement
As of December 31, 2025 and For The Year Then Ended

Designated account reconciliation statement
Bank Account No: Vakıfbank Sanayi ve Teknoloji Bakanlığı Ankara Bağlı Branch with Euro Acc. No: TR36 0001 5001 5804 8019 6694 56

	SECTION 1	**NOTES**			**EURO**
1	Accumulated advanced by World Bank				39.500.000,00
2	Accumulated Justifications to World Bank				36.941.561,27
3	**Outstanding amount advanced by World Bank**				**2.558.438,73**
	SECTION 2				
4	Balance of special/designated account as per bank statement €uro				2.242.265,31
5	Balance of special/designated account as per bank statement TL				0,00
6	Plus: Balance of operating accounts Çukurova DA Vakıfbank Seyhan-Adana Br.TR65 0001 5001 5804 8022 0594 02				1.567,11
7	Plus: Balance of operating accounts Tigris DA Vakıfbank Mardin Br. TR290001500158048021964602				11.437,40
8	Plus: Balance of operating accounts DOĞAKA Vakıfbank Antakya Br.. TR360001500158048022556661				26.480,69
9	Plus: Balance of operating accounts Silkroad DA Vakıfbank Gaziantep Binevler Br. TR030001500158048022082731				96.176,22
10	Plus: Balance of operating accounts Karacadağ DA Karacadağ Vakıfbank Hevsel Diyarbakır Br. TR120001500158048022564465				180.512,00
11	Plus: Cash on Hand				0,00
12	**Total bank balances as at 31.12.2024**				**2.558.438,73**
13	**Amounts withdrawn not yet claimed**	**10,11**			**68.128,08**
14	**Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement**				**0,00**
	App nr	Date	EUR	AMOUNT	
				0,00	
				0,00	
				0,00	
15	**Interest earned**				**0,00**
16	**Total advance accounted for (12+13+14-15)**				**2.626.566,81**
17	**Explanation of difference between outstanding advance (line 3) and advance accounted for (line 17)**				**-68.128,08**

Note: Capital transfers were made to the Agencies under 1B expenditures. The difference arises from the portions of the transferred amounts that remain unspent and held as balances in bank accounts.

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MINISTRY OF INDUSTRY AND TECHNOLOGY
GENERAL DIRECTORATE OF DEVELOPMENT AGENCIES
SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION IN REFUGEE AND HOST COMMUNITIES IN TÜRKİYE PROJECT
NOTES ON PROJECT FINANCIAL DISCLOSURES
As of December 31, 2025, and for the year then ended.

1- PROJECT OBJECTIVES AND STRUCTURE

SEECO Project was approved in February 2021 and became effective in April 2021. The project aims to: (i) expand economic opportunities for mostly women refugee and host communities through support for social enterprises and vital livelihoods facilities; and (ii) improve social cohesion among refugees and host communities through enterprise development and participatory engagement in livelihoods facilities. The project consists of three components: (i) Component One: Social Entrepreneurship for Women and Youth in Refugee and Host Communities; (ii) Component Two: Community Livelihoods-related Facilities in Refugee and Host Communities; and (iii) Component Three: Institutional Capacity Strengthening and Project Management. There are six implementing agencies for the project – one at the national level and five at the subnational level. The Ministry of Industry and Technology (MoIT) is the recipient of grant financing and the implementing agency at the national level, together with the five participating Development Agencies (DAs) implementing the project in 11 target provinces, including Gaziantep, Adıyaman, and Kilis; Hatay, Osmaniye, and Kahramanmaraş; Şanlıurfa and Diyarbakır; Adana and Mersin; and Mardin, as follows:

- Silkroad Development Agency (implementing in Gaziantep, Adıyaman, and Kilis Provinces)
- Eastern Mediterranean Development Agency (implementing in Hatay, Osmaniye, and Kahramanmaraş Provinces)
- Karacadağ Development Agency (implementing in Şanlıurfa and Diyarbakır Provinces)
- Çukurova Development Agency (implementing in Adana and Mersin Provinces)
- Tigris Development Agency (implementing in Mardin Province)

The project is financed by a EUR 39.5 million grant provided by the European Commission (EC) through the Facility for Refugees in Türkiye (FRIT). The project closing date is 31.07.2026

Project provinces are shown on the map below.



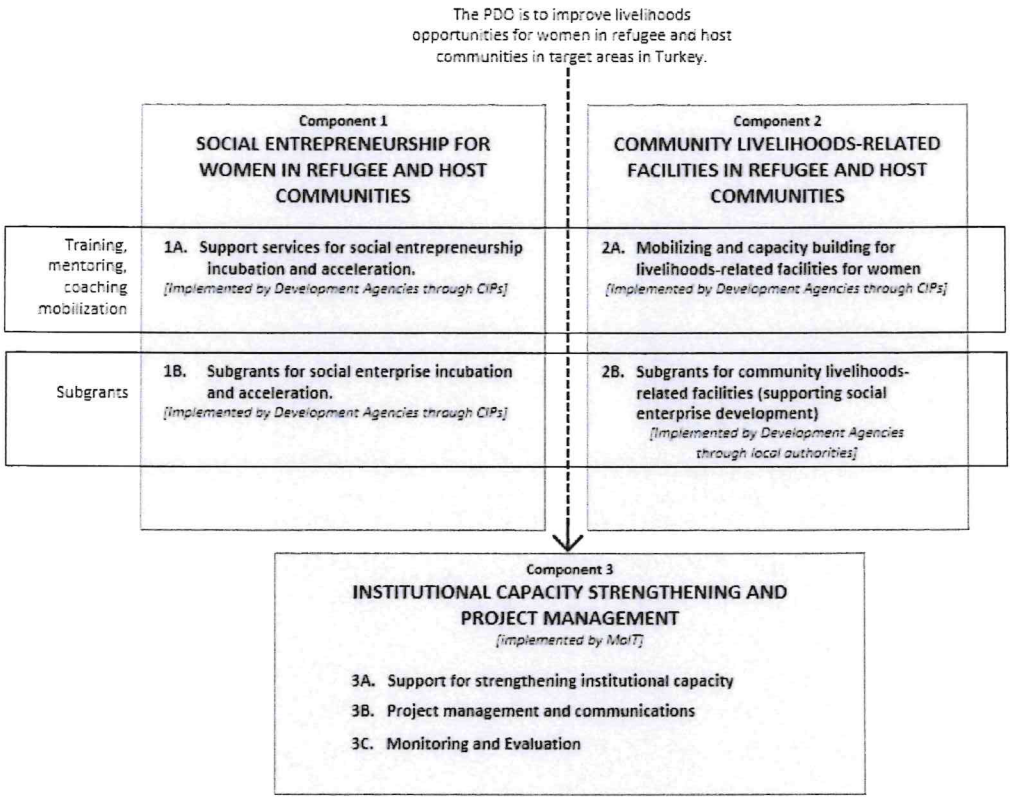
The project will be implemented through three components:

Component 1. Social Entrepreneurship for Women and Youth in Refugee and Host Communities (20.034.220,45 Avro),Activities in this component will be implemented by the Community Implementing Partners (CIPs) under the oversight of the Development Agencies (DAs). Incubation and acceleration program will start with the selection of beneficiaries (new and/or existing social entrepreneurs). Selected beneficiaries will receive training and coaching/mentoring support, and then be supported in submitting applications (in the form of business plans) for incubation grants. In the acceleration program, selected beneficiaries will receive coaching/mentoring for capacity development. Recipients of those subgrants will then be provided with continued mentoring.

Component 2. Community Livelihoods-related Facilities in Refugee and Host Communities will finance (15.084.939,55 Avro), (i) the capacity building and facilitation activities for refugees and host communities to engage in participatory decision-making processes over local needs and priorities for livelihoods-related facilities under Subcomponent 2A; and (ii) the cost of establishing/renovating selected livelihoods-related facilities under Subcomponent 2B.

Component 3. Institutional Capacity Strengthening and Project Management (4.380.840,00 Avro), will finance project management, Monitoring and Evaluation, and communications (and visibility) as well as the targeted capacity building of national (Ministry of Industry and Technology [MoIT], DAs) and local actors (local public entities, NGOs, other stakeholders) to strengthen their capabilities to support women's livelihoods development in this project and in the future.

The relational diagram of the components envisaged to be implemented within the overall design of the project is given below.



A Project Implementation Unit (PIU) was established within the Ministry of Industry and Technology to coordinate all project activities and take responsibility for financial management, procurement, monitoring and evaluation, environmental, social, communication and visibility. In these units, individual consultants were contracted to coordinate financial management, procurement, monitoring and evaluation, as well as to monitor the timeliness of overall project implementation. This technical support to the PIU ensures compliance with the World Bank's requirements on procurement, reporting, auditing and monitoring.

In addition to the PIU team, for each Development Agency, monitoring and evaluation experts, financial management experts, communication and visibility experts and procurement experts have been included in the project implementation team to support the activities under Component 1 and Component 2 of the project to be implemented by the Development Agencies.

As of the end of 2025, a total advance amount of EUR **39.500.000,00** has been drawn, of which EUR **9.847.766,20** pertains to the review period. By the end of 2025, closure procedures amounting to EUR **36.709.538,03** have been carried out using the SOE method, with EUR **18.057.304,03** corresponding to the review period. The total expenditure as of the end of 2025 amounts to EUR **36.941.561,27**, while the expenditure for the review period is EUR **14.939.739,26**.

2- MAIN ACCOUNTING POLICIES

(a) Transactions related to the Project are accounted for on a cash and Euro basis. According to this basis, funds are recognized as resources when received and as expenditure when used. Payments to contractors can be made in EUR or TL. In cases where payments are to be made in TL, foreign currency conversion is carried out using

the foreign exchange buying rate of the bank where the Special Account is opened on the date of payment and recorded in Euros in the accounting at the same exchange rate.

(b) LOGO Tiger Accounting Program was purchased fort he project's accounting records and started to be used. It is envisaged that the accounting records will be entered by the implementation units (MoIT-PIU or DAs) but currently recorded by the MoIT-PIU Financial Management Specialists.

(c) In accordance with the Disbursement and Financial Information Letter, withdrawals can be made through special account (advance). In advance withdrawal method, fund transfer is made in Euro currency and the project special account numbered TR36 0001 5001 5804 8019 6694 56 opened at Vakıfbank Ministry of Industry and Technology Ankara Affiliated Branch is used.

(d) All transactions related to the project are recorded and monitored in Euro in the accounting system.

3- FINANCIAL STATEMENTS

Interim Financial Reports (IFRs) covering each quarterly calendar period are prepared and submitted to the World Bank regarding the use of project funds. In this context, the report for the 2025 Q4 period was submitted on **14.03.2026** and the next quarter's report was submitted by the deadline of 15.05.2026.

4- IBRD LOAN/GRANT

The project budget with a grant no TF B4920 is financed by the European Union FRIT II Fund and implemented by the Ministry of Industry and Technology, Directorate General of Development Agencies and the World Bank. It is a grant with 100% European Union contribution. The utilization of the budget as of the end of the review period is as follows.

Application No	Application Date	Application Type	Application Amount (EUR)	SoE Amount (EUR)
Seeco-31	26.12.2024	Advance + Replenishment	1.269.303,80	1.269.303,80
Seeco-32	31.12.2024	Advance + Replenishment	1.299.810,32	1.299.810,32
Seeco-33	10.01.2025	Advance + Replenishment	829.236,50	829.236,50
Seeco-34	24.01.2025	Advance + Replenishment	746.632,59	746.632,59
Seeco-35	10.02.2025	Advance + Replenishment	701.171,98	701.171,98
Seeco-36	24.02.2025	Documentation of Prior Advance	1.372.703,77	1.372.703,77
Seeco-37	24.03.2025	Documentation of Prior Advance	0,00	2.397.078,52
Seeco-38	16.04.2025	Documentation of Prior Advance	0,00	1.325.306,94
Seeco-39	16.05.2025	Advance	0,00	2.730.441,87
Seeco-40	22.05.2025	Documentation of Prior Advance	2.452.827,32	0,00
Seeco-41	12.06.2025	Advance	0,00	1.555.242,37
Seeco-42	25.06.2025	Documentation of Prior Advance	1.176.079,92	
Seeco-43	18.08.2025	Documentation of Prior Advance		1.043.067,84

Seeco-44	01.09.2025	Documentation of Prior Advance		1.079.412,97
Seeco-45	04.09.2025	Documentation of Prior Advance		768.928,68
Seeco-46	07.10.2025	Documentation of Prior Advance		306.057,48
Seeco-47	17.11.2025	Documentation of Prior Advance		392.544,37
Seeco-48	15.12.2025	Documentation of Prior Advance		240.364,23
			9.847.766,20	18.057.304,23

Designated Account Reconciliation Statement
Bank Account No: Vakıfbank Sanayi ve Teknoloji Bakanlığı Ankara Bağlı Branch with Euro Acc. No: TR36 0001 5001 5804 8019 6694 56 Bank Account No: Vakıfbank Sanayi ve Teknoloji Bakanlığı Ankara Bağlı Branch with TL Acc. No: **TR14 0001 5001 5800**

	Section 1	**Notes**	**EURO**
1	Accumulated advanced by World Bank		39.500.000,00 €
2	Accumulated Justifications to World Bank		36.941.561,27€
3	**Outstanding amount advanced by World Bank**		**2.558.438,73 €**
	Section 2		
4	Balance of special/designated account as per bank statement Euro		2242265,31 €
5	Balance of special/designated account as per bank statement		
6	Plus: Balance of operating accounts (Vakıfbank Seyhan-Adana Br.TR65 0001 5001 5804 8022 0594 02)		1.567,11 €
7	Plus: Balance of operating accounts (Vakıfbank Mardin Br. TR29 0001 5001 5804 8021 9646 02)		11.437,4 €
8	Plus: Balance of operating accounts (Vakıfbank DOĞAKA Vakıfbank Antakya Br.. TR36 0001 5001 5804 8022 5566 61)		26.480,69 €
9	Plus: Balance of operating accounts (Vakıfbank Slkroad DA Vakıfbank Gaziantep Binevler Br. TR03 0001 5001 5804 8022 0827 31)		96.176,22€
10	Plus: Balance of operating accounts (Vakıfbank Karacadağ DA Karacadağ Vakıfbank Hevsel Diyarbakır Br. TR12 0001 5001 5804 8022 5644 65)		180.512,00€
11	Plus: Cash on Hand		0,00 €
12	**Total bank balances as at 31.12.2025**		**2.558.438,73** €
13	Amounts withdrawn not yet claimed		68.128,08 €
14	Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement		0,00 €
15	Less: interest earned		0,00 €
16	**Total advance accounted for (12+13+14+15)**		**2.626.566,81** €

5-SOURCES OF FUNDS

The breakdown of funding sources for the project is shown in the table below.

SOURCES OF FUNDS TABLE		
	Current Year	Cumulative
A-Government Contributions	0,00	0,00
B-Other Sources of Funds	0,00	0,00
C-Funding Institution Grant	9.847.766,20	39.500.000,00
	9.847.766,20	**39.500.000,00**

6- PENDING APPLICATIONS

7- CASH BALANCES

Bank account balances as of 31.12.2025 are as follows.

Account Holder	Bank	TL/EURO /USD	IBAN NO	TL Balance	USD Balance	Euro Balance	Euro
General Directorate of DA	Vakıfbank Sanayi ve Teknoloji Bakanlığı Ankara	TL	TR14 0001 5001 5800 7313 8960 11	-	-	-	-
		EUR	TR36 0001 5001 5804 8019 6694 56	-	-	2.242.265,31	2.242.265,31
		USD	TR08 0001 5001 5804 8021 4504 92	-	-	-	-
Çukurova DA	Vakıfbank Seyhan Şubesi	TL	TR02 0001 5001 5800 7319 0804 89	-	-	-	-
		EUR	TR65 0001 5001 5804 8022 0594 02	-	-	1.567,11	1.567,11
Tigris DA	Vakıfbank Mardin Şubesi	TL	TR55 0001 5001 5800 7318 8096 81	7.781,86	-	-	216,36
		EUR	TR29 0001 5001 5804 8021 9646 02	-	-	11.221,04	11.221,04
Karacadağ DA	Vakıfbank Hevsel Diyarbakır Şubesi	TL	TR71 0001 5001 5800 7320 2868 00	-	-	-	-
		EUR	TR12 0001 5001 5804 8022 5644 65	-	-	180.512,00	180.512,00
Silkroad DA	Vakıfbank Binevler Şubesi	TL	TR14 0001 5001 5800 7319 1467 18	-	-	-	-
		EUR	TR03 0001 5001 5804 8022 0827 31	-	-	2.314,22	96.176,22
Eastern Mediterranean DA	Vakıfbank Antakya Şubesi	TL	TR46 0001 5001 5800 7320 2625 15	118.470,89	-	-	3.154,54
		EUR	TR36 0001 5001 5804 8022 5566 61	-	-	23.326,15	23.326,15

8- WITHDRAWAL APPLICATION

Withdrawal and replenishment applications for the review period are as follows.

Application No	Application Date	Application Type	Application Amount (EUR)	SoE Amount (EUR)
Seeco-31	26.12.2024	Advance + Replenishment	1.269.303,80	1.269.303,80
Seeco-32	31.12.2024	Advance + Replenishment	1.299.810,32	1.299.810,32
Seeco-33	10.01.2025	Advance + Replenishment	829.236,50	829.236,50
Seeco-34	24.01.2025	Advance + Replenishment	746.632,59	746.632,59
Seeco-35	10.02.2025	Advance + Replenishment	701.171,98	701.171,98
Seeco-36	24.02.2025	Documentation of Prior Advance	1.372.703,77	1.372.703,77
Seeco-37	24.03.2025	Documentation of Prior Advance	0,00	2.397.078,52
Seeco-38	16.04.2025	Documentation of Prior Advance	0,00	1.325.306,94
Seeco-39	16.05.2025	Advance	0,00	2.730.441,87
Seeco-40	22.05.2025	Documentation of Prior Advance	2.452.827,32	0,00

Seeco-41	12.06.2025	Advance	0,00	1.555.242,37
Seeco-42	25.06.2025	Documentation of Prior Advance	1.176.079,92	
Seeco-43	18.08.2025	Documentation of Prior Advance		1.043.067,84
Seeco-44	01.09.2025	Documentation of Prior Advance		1.079.412,97
Seeco-45	04.09.2025	Documentation of Prior Advance		768.928,68
Seeco-46	07.10.2025	Documentation of Prior Advance		306.057,48
Seeco-47	17.11.2025	Documentation of Prior Advance		392.544,37
Seeco-48	15.12.2025	Documentation of Prior Advance		240.364,23
			9.847.766,20	18.057.304,23

9- REFUNDS TO THE ACCOUNTS

10 - AMOUNTS WITHDRAWN NOT CLAIMED YET

The outstanding balance of €68,128.08 transferred to the Agencies in 2025 remains unspent in the Agencies' bank accounts. Expenditures for December 2025 were submitted to the World Bank on 28.01.2026 (€232,023.23).

11- EXPLANATIONS REQUIRED (Regarding Expenditures)

While the expenditure amount in Annex-5 Form E for the year 2025 is stated as €13,795,734.05, it is shown as €14,939,739.26 in Annex-9a FKKT form. The reason for this difference is that capital transfers were made to the Agencies based on the approvals numbered E-67141271-730.06.01-4179442 and E-14226236-746.99-7132496 received on 12.11.2022, and payments were made to 1B beneficiaries from the Agencies' accounts. Since the expenditures are expensed by us as money is withdrawn from the Agencies' accounts, the actual expenditure differs. While the withdrawals from the Development Agencies General Directorate's Vakıfbank Euro account are recorded in Annex-5 Form; In Annex-9a FKKT form, expenses are recorded in the balance sheet according to expenditures from other agencies. Therefore, the expenditure amount in Annex-5 Form E is consistent with the accounting records (expense list); the expenditure amount in Annex-9a FKKT form is consistent with the Special Account Statement. The payments made to the Agencies and the amounts spent are shown in detail in the table below.

In addition, the balance of €1,212,133.28 presented by us in footnote 11 of the previous year (2024) was spent by the Agencies in 2025 and included in Annex-9a FKKT form. However, the balance of €68,128.06 transferred to the Agencies in 2025 but not yet spent has not been included in the total expenditure part of Annex-9a FKKT form.

Table showing the amounts spent in 2025 as indicated in Footnote No. 11 for the year 2024

	SILKROAD	KARACADAĞ	DOĞAKA	TİGRİS	ÇUKUROVA	2024 TOTAL
TRANSFERRED AMOUNT	€ 3.900.000,00	€ 3.300.000,00	€ 5.000.000,00	€ 336.024,00	€ 2.000.000,00	€ 14.536.024,00
DISBURSED	€ 3.741.015,11	€ 3.017.992,97	€ 4.851.137,82	€ 302.042,70	€ 1.411.702,14	€ 13.323.890,74
	€ 158.984,89	€ 282.007,03	€ 148.862,18	€ 33.981,30	€ 588.297,86	€ 1.212.133,26

EK-5 FORM E 2024 Withdrawn from the Special	€ 21.298.598,47
EK 9a FFKT	€ 20.086.465,19
*	€ 1.212.133,28

Table showing amounts transferred to agencies but not yet spent in 2025

	İpekyolu	Dicle	DOĞAKA	Karacadağ	Çukurova KA	
Transferred Amout	€ 3.900.000,00	€ 758.757,00	€ 5.000.000,00	€ 3.300.000,00	€ 3.251.283,48	€ 16.210.040,48
Disbursed	€ 3.897.685,77	€ 747.319,61	€ 4.974.323,28	€ 3.272.872,39	€ 3.249.716,37	€ 16.141.917,42
Remaining	€ 2.314,23	€ 11.437,39	€ 25.676,72	€ 27.127,61	€ 1.567,11	€ 68.123,06

Transferred Amout	€ 193.770,00	An amount of EUR 5.00 remained from the transfer made to DOĞAKA under instruction no. ÖH1333.
Disbursed	€ 193.765,00	
Remaining	€ 5,00	

Remaining Amount from Category 1B Budget	€ 68.123,06
Remaining Amount from Category 2B Budget	€ 5,00
	€ 68.128,06

Therefore, the difference of €1,144,005.22 between the expenditure amount of €13,795,734.05 in Annex 5 Form E and €14,939,739.26 in Annex 9a FKKT is shown in this way.

Amount transferred to agencies in 2024; amount spent in 2025.	€ 1.212.133,28
Unspent amount transferred to agencies in 2025	-€ 68.128,06
	€ 1.144.005,22

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