

# **AUDITED PROJECT FINANCIAL STATEMENTS**

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Project N° : 1100001623

Grant No. 1000004415 / G-I-C-1418-

Period covered 1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2018

## **Murat River Watershed Rehabilitation Project (MRWRP)**

Prepared by: H.Hamdi GÜLKAYA (Senior Treasury Controller), Semih ŞAHİN (Treasury Controller) - Ministry of Treasury and Controllers

Received on 25<sup>th</sup> June, 2019

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

**MURAT RIVER WATERSHED REHABILITATION PROJECT**

**Implemented by**

**MINISTRY OF AGRICULTURE AND FORESTRY  
GENERAL DIRECTORATE OF FORESTRY**

**Financed Under International Fund for Agricultural Development (IFAD)  
Grant Agreement Numbered I-C-1418-TR**

**As of December 31, 2018 and For the Year Then Ended**

**Prepared by**

**H.Hamdi GÜLKAYA  
Senior Treasury Controller**

**Semih ŞAHİN  
Treasury Controller**

**Report's Number**

**144/7 58/3**



**INDEPENDENT AUDITOR'S REPORT**

**June 24, 2019**



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## **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

### A. Project Summary

Financing Agreement No. I-889-TR Loan and No. I-C-1418-TR Grant was signed between the Turkish Republic and the International Fund for Agricultural Development (IFAD) of the United Nations on February 15, 2013 within the scope of Murat River Watershed Rehabilitation Project.

The Murat River Watershed Rehabilitation Project aims at preventing the degradation of natural resources in 25 micro-catchments to be selected in Murat River basin of Elazığ, Muş and Bingöl through Murat River which is one of the two main tributaries of Fırat River, and reducing the poverty of people living in the upper elevations of the basin.

This Report is prepared for the all sections of Project. The following activities will be implemented in the Project.

- **Conservation, Rehabilitation and Development of Natural Resources:** Forestry activities such as afforestation, erosion control, rehabilitation and pasture improvement for the improvement of degraded forests,
- **Investments in Livelihood Improvement:** Development of small-scale irrigation, development of animal husbandry and greenhouse cultivation, orchard establishment, beekeeping, dissemination of energy-efficient technologies, insulation for village houses, and energy-saving stoves,
- **Training and Awareness Raising Activities:** Training and awareness raising activities will be performed in natural resource conservation, use, development, enhancing productivity in agriculture,
- **Strengthening of Institutional Capacity:** The capacity of institutions will be increased and the cooperation between institutions will be developed with the experience gained in areas such as project construction techniques, project approach, logical framework, monitoring and evaluation.

The Project will be implemented between 2013 - 2021. The amount of the Financing Agreement is **USD 38.642.855** including IFAD Loan Contribution of **17.955.162 SDR** (USD 27.791.100), IFAD Grant Contribution of **280.000 SDR** (USD 430.000), the Government Contribution of **USD 7.453.051** and beneficiary contribution of **USD 2.968.704** for the Project. The expenditures started in 2013 within the scope of the Project. On the other hand, the project was extended to **2021** year with the **USD 8.200.000** additional finance support by the IFAD on the **28.01.2019**. The total budget of the additional financing agreement signed with IFAD is **USD 13,559,000** including USD 8,200,000 IFAD Loan, USD 4,365,000 Government Contribution and USD 994,000 Beneficiary Contribution.

In 2018, **USD 103.456,06** was spent for the Project within the scope of the grant financing of the Project including internal contribution (tax) of **USD 6.467,61** and external contribution (grant) **USD 96.988,45**. As of December 31, 2018, the cumulative expenditure amount was **USD 196.540,77** within the scope of the grant financing.



## **B. Scope of the Financial Audit**

In performing the audit, we have:

- a) Obtained an understanding of the internal controls related to the financial reporting process, to identify and assess any weakness in internal control that might result in misstatements whether due to fraud or error;
- b) Designed and conducted audit procedures in response to weaknesses identified in the internal controls relating to the financial reporting process, to obtain audit evidence that the financial statements are fairly presented and free from material misstatements in accordance with the applicable accounting framework;
- c) Verified whether expenditure incurred in the name of the project is in line with the terms of the financing agreement and incurred for the purposes intended in this agreement;
- d) Verified that inventory and fixed assets held by the entity exists, are complete, and are properly accounted and used for the project purposes;
- e) Noted any control weaknesses in the internal control environment and in the financial reporting process and communicated those in the management letter.

## **C. Scope of the Agreed Upon Procedures**

We have also carried out test procedures for agreed-upon procedures. In this regard;

- a) With regard to "Withdrawal Application Summary Statements";
  - a. We checked whether the Designated Account currency equivalent was determined using the historical exchange rate of transfers to the operating account;
  - b. We checked whether goods and services have been purchased through the SOE mechanism in line with the stipulated SOE threshold;
  - c. We checked whether the expenditures claimed through SOE procedures were properly and appropriately authorized, classified and supported by audit documentation;
  - d. We checked whether all the expenditures submitted are eligible.
- b) With regard to "Designated Account Statement and Reconciliation";
  - a. We checked the accuracy of the Designated Account reconciliation(s);
  - b. We confirmed that the Designated Account(s) have been maintained in accordance with the provisions of the financing agreement;



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

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

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

#### **D. Audit Results**

For the financial statements of project; our audit resulted with a qualified opinion.

In addition, as of December 31, 2018, except the issues stated in the basis for qualified opinion section, General Directorate of Forestry has complied in all material respects, with the rules and procedures of the Financing Agreement No. I-C-1418-TR Grant.

With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IFAD for reimbursements of expenditures incurred.

#### **E. Management Recommendation**

A management letter, dated June 24, 2019, to the attention of the General Directorate of Forestry was issued separately from this report. The objective of this Management Letter is to enable the auditors to communicate appropriately to those charged with governance and management deficiencies in internal control that the auditors have identified during the audit and that, in the auditors' professional judgment, are of sufficient importance to merit their respective attentions. For this purpose, our recommendations are attached to the Letter.

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





## **INDEPENDENT AUDITOR'S REPORT**

**TO MINISTRY OF AGRICULTURE AND FORESTRY,**

**GENERAL DIRECTORATE OF FORESTRY**

### **Qualified Opinion**

We have audited the accompanying financial statements of the Murat River Watershed Rehabilitation Project as of December 31, 2018 and for the period then ended, which comprise the Withdrawal Application Statements, the Sources and Uses of Funds Statements, Statement of Cumulative Investments, the Designated Account Statements and Reconciliations and the Notes to the financial statements, including the summary of significant accounting policies.

In our opinion, except the issues stated in the basis for qualified opinion section;

a) The accompanying Withdrawal Application Statements, the Sources and Uses of Funds Statements, the Designated Account Statements and Reconciliations, in all material respects, the financial position of the Murat River Watershed Rehabilitation Project accounting policies and as of December 31, 2018 in accordance with the provisions of the IFAD Grant Agreement Numbered I-C-1418-TR.

b) The General Directorate of Forestry, as of December 31, 2018 has complied with, in all material respects, the requirements of the IFAD Grant Agreement Numbered I-C-1418-TR and International Public Sector Accounting Standards (IPSAS).

c) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IFAD for reimbursement of expenditures incurred, and these expenditures are eligible for financing under the IFAD Grant Agreement Numbered I-C-1418-TR.

d) With respect to Designated Account Statement and Reconciliation, we found that designated account reconciliations are correct and designated accounts have been maintained in accordance with the provisions of the Financing Agreement.

### **Basis for Qualified Opinion**

We have an issue with respect to Project Financial Statements. Finding number 1 is related to tax payments which is included in Management Letter. According to the finding, totally **USD 9.313,83** (%9 of the total expenditure) is considered as ineligible expenditure which exceeds our materiality level (%2).

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 Forestry within the meaning of “IFAC Code of Ethics for Professional Accountants” and ethical requirements and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

General Directorate of Forestry is responsible for the preparation and fair presentation of these financial statements in accordance with IPSAS, Financial Reporting under cash basis of accounting and Grant Agreement Numbered I-C-1418-TR, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **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.



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

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

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

Ahmet TURAL  
Acting Chairman of  
Board of Treasury Controllers

Akif Bülent BOYACIOĞLU  
(Audit Partner)  
Vice Chairman

H. Hamdi GÜLKAYA  
Senior Treasury Controller

Semih ŞAHİN  
Treasury Controller

Date: 24.06.2019

Addres: Ministry of Treasury and Finance,  
Board of Treasury Controllers  
06510, Emek, ANKARA/TÜRKİYE

REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY  
GENERAL DIRECTORATE OF FORESTRY / GENERAL DIRECTORATE OF COMBATING DESERTIFICATION AND EROSION  
MURAT RIVER WATERSHED REHABILITATION PROJECT (I-C-1418-TR)  
USE OF FUND RESOURCES (GRANT)  
01/01/2018 - 31/12/2018  
(Currency Type USD)

I- FUND RESOURCES		ANNUAL	CUMULATIVE				
	<b>I. A-GOVERNMENT FUNDS</b>	6,467.61	20,666.96				
	I.A.1- Taxes	6,467.61	20,666.96				
	I.A.2- Government Budget	0.00	0.00				
	<b>SUB-TOTAL INTERNAL CONTRIBUTION</b>	6,467.61	20,666.96				
	<b>I.B- IFAD GRANT</b>	291,095.00	391,095.00				
	I.B- OSB Main Account (6)	291,095.00	391,095.00				
	I.B.1- Advance Amount (6)	291,095.00	391,095.00				
	I.B.1 a- OSB Main Account	291,095.00	391,095.00				
	I.B.1.b- OGM Sub Account	0.00	0.00				
	I.B.1.c- ÇEM Sub Account	0.00	0.00				
	I.B.2- SOE Amount	0.00	0.00				
	I.B.2 a- OSB Main Account	0.00	0.00				
	I.B.2 b- OGM Sub Account	0.00	0.00				
	I.B.2 c- ÇEM Sub Account	0.00	0.00				
	<b>I.C- REFUND TO THE DESIGNED ACCOUNT</b>	0.00	0.00				
	<b>TOTAL FUND RESOURCES</b>	297,562.61	411,761.96				
II- USE OF FUNDS		ACTUALIZATION		PLANNED		DEVIATION	
A- BY COMPONENTS		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
	A.II.1- Natural Resource and Environmental Management	7,787.46	38,000.73	77,880.00	371,700.00	-70,092.54	-333,699.27
	A.II.2- Investments in Natural Res. And Environmental Values						
	A.II.3- Investments in the Improvement of Livelihood	27,757.38	27,757.38	118,000.00	118,000.00	-90,242.62	-90,242.62
	A.II.4- Operations Units	67,911.22	130,782.66	127,200.00	185,800.00	-59,288.78	-55,017.34
	<b>TOTAL USE BY COMPONENTS</b>	103,456.06	196,540.77	323,080.00	675,500.00	-219,623.94	-478,959.23
B- BY CATEGORIES		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
	B.II.3- Technical Assistance, Training, Workshops and Seminars	103,456.06	196,540.77	323,080.00	675,500.00	-219,623.94	-478,959.23
	<b>TOTAL USE BY CATEGORIES</b>	103,456.06	196,540.77	323,080.00	675,500.00	-219,623.94	-478,959.23
III- OPENING		ANNUAL	CUMULATIVE				
	Central Bank of the Republic of Turkey	21,114.64					
IV- CLOSING							
	Central Bank of the Republic of Turkey	215,221.19					

İbrahim YÜZER  
Head of the Department  
Central Focal Point

Mehmet ÇELİK  
Deputy General Director  
Project Coordinator



REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY  
GENERAL DIRECTORATE OF FORESTRY / GENERAL DIRECTORATE OF COMBATING DESERTIFICATION AND EROSION  
MURAT RIVER WATERSHED REHABILITATION PROJECT (I-C-1418-TR)  
CUMULATIVE STATEMENT OF INVESTMENTS (GRANT)  
01/01/2018 - 31/12/2018  
(Currency Type USD)



CONSOLIDATED

Component 1. Management of Natural Resources and Environment		ACTUALIZATION		PLANNED		DEVIATION		Financing Rule	Gross Tax
ACTIVITIES TO BE PERFORMED WITHIN THE SCOPE OF THE PROJECT		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE		
I. Investment Costs									
C. Technical Assistance (3rdCategory)									
C.1- Subject Specialists									
C.1.1- GIS/Data Management Specialist		7,787.46	30,137.62	48,380.00	67,380.00	-40,592.54	-37,242.38	GRANT - IFAD (100%)	
C.1.2- Monitoring of physical investment (Specialist)		-	0.00	0.00	67,500.00	-	-67,500.00	GRANT - IFAD (100%)	
Sub-Total Technical Assistance		7,787.46	30,137.62	48,380.00	134,880.00	-40,592.54	-104,742.38		
D. Training and Workshops (3rdCategory)									
D.2- Planning and Technical Subjects		-	7,863.11	29,500.00	34,500.00	-29,500.00	-26,636.89	GRANT - IFAD (100%)	
Sub-Total Training and Workshops		-	7,863.11	29,500.00	34,500.00	-29,500.00	-26,636.89		
E. Studies (3rdCategory)									
E.1- Natural Resource Economics		-	0.00	0.00	60,000.00	-	-60,000.00	GRANT - IFAD (100%)	0
E.2 Assessment of Opportunities For Carbon Sequestration		-	0.00	0.00	30,000.00	-	-30,000.00	GRANT - IFAD (100%)	
E.3- Evaluation of Non-Wood Products Opportunities		-	0.00	0.00	45,000.00	-	-45,000.00	GRANT - IFAD (100%)	0
E.4- Evaluation of Alternative Energy Sources		-	0.00	0.00	7,500.00	-	-7,500.00	GRANT - IFAD (100%)	0
E.5- Feasibility Studies of Private / Public Nurseries		-	0.00	0.00	15,000.00	-	-15,000.00	GRANT - IFAD (100%)	0
Sub-Total Surveys		-	0.00	0.00	167,500.00	0.00	167,500.00		
SUB TOTAL TECHNICAL ASSISTANCE, TRAINING, WORKSHOPS, SEMINARS, (3rd Category)		7,787.46	38,000.73	77,880.00	326,880.00	-70,092.64	-288,879.27		
COMPONENT 1 TOTAL		7,787.46	38,000.73	77,880.00	326,880.00	-70,092.64	-288,879.27		

Component 3. Investments in Improving Livelihoods		ACTUALIZATION		PLANNED		DEVIATION		Financing Rule	Gross Tax
ACTIVITIES TO BE PERFORMED WITHIN THE SCOPE OF THE PROJECT		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE		
I. Investment Costs									
C. Technical Assistance (3rdCategory)									
C.1- Subject Specialists									
C.1.1- GIS/Data Management Specialist		27,757.38	27,757.38	118,000.00	118,000.00	-90,242.62	-90,242.62	GRANT - IFAD (100%)	
Sub-Total Technical Assistance		27,757.38	27,757.38	118,000.00	118,000.00	-90,242.62	-90,242.62		
SUB TOTAL TECHNICAL ASSISTANCE, TRAINING, WORKSHOPS, SEMINARS, (3rd Category)		27,757.38	27,757.38	118,000.00	118,000.00	-90,242.62	-90,242.62		
COMPONENT 3 TOTAL		27,757.38	27,757.38	118,000.00	118,000.00	-90,242.62	-90,242.62		

COMPONENT 4 Operations Units (COU + FOU)				ACTUALIZATION		PLANNED		DEVIATION		Financing Rule	Gross Tax
ACTIVITIES TO BE PERFORMED WITHIN THE SCOPE OF THE PROJECT				ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE		
I. Investment Costs											
	B. Studies (3rd Category)										
	B.6- Training Needs Assessment of FOU + COU			6,853.97	6,853.97	11,800.00	10,000.00	-4,946.03	-3,146.03	GRANT - IFAD (100%)	
	B.7- Various Studies (CEM)			26,613.95	38,949.21	35,400.00	105,000.00	-8,786.04	-66,050.79	GRANT - IFAD (100%)	
	B.8- Baseline Survey (Basic Research) - (CEM)			-	50,536.19	0.00	70,800.00	-	-20,263.81	GRANT - IFAD (100%)	
	B.9- Demonstration for the International Watershed Training Area (CEM)			34,443.29	34,443.29	60,000.00	0.00	-45,556.71	34,443.29		
SUB TOTAL TECHNICAL ASSISTANCE, TRAINING, WORKSHOPS, SEMINARS, (3rd Category)				67,911.22	130,782.66	127,200.00	185,800.00	-59,288.78	-65,017.34		
COMPONENT 4 TOTAL				67,911.22	130,782.66	127,200.00	185,800.00	-59,288.78	-65,017.34		
COMPONENTS TOTAL				103,456.06	196,540.77	323,080.00	630,680.00	-219,623.94	-434,139.23		

CATEGORIES		ACTUALIZATION		PLANNED		DEVIATION		Financing Rule	Gross Tax
		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE		
3- Technical Assistance, Training, Workshops and Seminars		103,456.06	196,540.77	323,080.00	630,680.00	-219,623.94	-434,139.23	GRANT - IFAD (100%)	
<b>CATEGORIES TOTAL</b>		103,456.06	196,540.77	323,080.00	630,680.00	-219,623.94	-434,139.23		

İbrahim MÜZER  
 Daire Başkanı

Mehmet ÇELİK  
 Genel Müdür Yardımcısı

REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY

GENERAL DIRECTORATE OF FORESTRY

MURAT RIVER WATERSHED REHABILITATION PROJECT

DESIGNATED ACCOUNT STATEMENT (GRANT)


\*\*\*\*CONSOLIDATED\*\*\*\*

External Financing Code	:	
Related Central Accountancy Code	:	
IFAD Grant Number	:	I-C-1418-TR
Designated Account Number + Sub-Grant Accounts	:	

01/01/2018 - 31/12/2018

(Currency Type USD)

OPENING BALANCE	:	21,114.64
TRANSFERS TO THE DESIGNATED ACCOUNT	:	291,095.00
Designated Account Advance	:	291,095.00
Statement of Expenditure (SOE)	:	0.00
TOTAL ASSETS	:	312,209.64
NET WITHDRAWALS MADE FOR EXPENDITURES	:	96,988.45
Total Disbursements	:	96,988.45
Refunds to the Designated Account (-)	:	0.00
Net Disbursements	:	96,988.45
CLOSING BALANCE	:	215,221.19

  
Ibrahim YÜZER  
Head of the Department  
Central Focal Point

21.12/2019  
  
Mehmet ÇELİK  
Deputy General Director  
Project Coordinator

**Annex 1: Summary for withdrawal application (GRANT)**

Name of the Recipient: Republic of Turkey, Ministry of Agriculture and Forestry / General Directorate of Forestry

Grant No: I-C-1418-TR

Project Name: MURAT RIVER WATERSHED REHABILITATION PROJECT

Reporting Period from 01.01.2018 to 31.12.2018

Withdrawal application number	Date	Category 1 Civil Works	Category 2 Vehicles, Equipment & Goods	Category 3 Technical Assistance, Training & Workshops	Category 4 Recurrent Expenditures	Total	Designated account currency equivalent	Value date	Recovered Advance	Rejected by IFAD	Net reimbursed
			In local currency - TRY				In Designated Account currency - USD				
Section A: Payment method - Advance/Replenishment											
Approved withdrawals											
WA 3 (Replenishment)	27.06.2018	0.00	0.00	128,724.98	0.00	128,724.98	37,174.78				
WA 4 (Advance)	13.08.2018						297,000.00	14.08.2018	0.00	0.00	291,095.00
Pending submission											
Sub-Total (A)		0.00	0.00	128,724.98	0.00	128,724.98	334,174.78		0.00	0.00	291,095.00
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	0.00
Section C: Payment method – Direct payment											
Approved withdrawals											
Pending submission											
Sub-Total (C)		0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
TOTAL (A+B+C)		0.00	0.00	128,724.98	0.00	128,724.98	334,174.78		0.00	0.00	291,095.00

İbrahim YÜZER  
Baire BaşkanıMehmet ÇELİK  
Genel Müdür Yardımcısı

## Annex 3: Designated account statement and reconciliation

## Designated account reconciliation statement

Name of the Recipient: REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY / GENERAL DIRECTORATE OF FORESTRY

Loan No: I-C-1418-TR

Project Name: MURAT RIVER WATERSHED REHABILITATION PROJECT

Year: 2018

Bank Account No

	SECTION 1				USD
1	Total advanced by IFAD				391,095.00
2	Total amount recovered by IFAD				0.00
3	<b>Outstanding amount advanced by IFAD</b>				<b>391,095.00</b>
	SECTION 2				
4	Balance of designated account as per bank statement				0.00
5	Balance of operating accounts (Opening Balance)				21,114.64
	Cash on Hand				0.00
	Total bank balances as at 31/12/2018 (Closing Balance)				215,221.19
	Amount claimed in this application				
	WA 3 Requested				37,174.78
	WA 3 Deposited				0.00
	WA 4 Requested				297,000.00
	WA 4 Deposited				291,095.00
	Amounts withdrawn not yet claimed				175,873.81
	Provide reasons - not yet claimed				
	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	USD	AMOUNT	
			USD	0	
			USD	0	
			USD	0	
9	Less: interest earned				0.00
10	<b>Total advance accounted for (D+E+F+G+H-I)</b>				<b>391,095.00</b>
11	<b>Explanation of difference between outstanding advance (line 3) and advance accounted for (line 10)</b>				<b>0.00</b>

Note 1: Total cumulative expenditure as of the end of 2018 is USD 175,873.81.

Note 2: USD 37,174.78 was requested for replenishment with WA 3. However, no money was deposited by IFAD in the grant account for the WA 3. USD 297,000.00 was requested with WA 4 to the GRANT account on 13.08.2018 for the expenditures to be made in 2019. USD 291,095.00 was transferred as Advance by IFAD for WA 4.

**İbrahim YÜZER**  
Daire Başkanı

**Mehmet ÇELİK**  
Genel Müdür Yardımcısı





**MINISTRY OF AGRICULTURE AND FORESTRY**  
General Directorate of Forestry  
**Murat River Watershed Rehabilitation Project**



**MRWRP Financed Partly with the Grant No. I-C-1418-TR**  
**As of the Year Ended on 31/12/2018**  
**NOTES ON FINANCIAL STATEMENTS OF THE PROJECT**

**1- PROJECT OBJECTIVES AND STRUCTURE**

The Financing Agreement with IFAD Loan No. I-889-TR and Grant No. I-C-1418-TR was signed between the Republic of Turkey and the International Fund for Agricultural Development (IFAD) of the United Nations on **February 15, 2013** within the scope of Murat River Watershed Rehabilitation Project.

Murat River Watershed Rehabilitation Project aims at preventing the degradation of natural resources in the micro-catchments to be selected in Murat River basin of **Bingöl, Elazığ and Muş** provinces through Murat River which is one of the two main tributaries of Fırat River, and reducing the poverty of people living in the upper elevations of the basin.

The Project is a participatory project ensuring the participation of all relevant departments of the state together with the local people for a sustainable natural resource management.

The project will be implemented between 2013 and 2021. The amount of Financing Agreement signed for the Project is **USD 38,642,855** including IFAD Loan Contribution of **17,955,162 SDR** (USD 27,791,100), IFAD Grant Contribution of **280,000 SDR** (USD 430,000), and Government Contribution of USD 7,453,051 for the Project. The expenditures started in 2013 within the scope of the Project. The project implementation period was extended by the end of **2021** with the additional financing of **USD 8,200,000** by IFAD as per the additional financing agreement **signed on 28.01.2019**. The total budget of the additional financing agreement signed with IFAD is **USD 13,559,000** including USD 8,200,000 IFAD Loan, USD 4,365,000 Government Contribution and USD 994,000 Beneficiary Contribution.

According to the final situation with the additional budget, USD 52,201,855 will be invested within the scope of the project including;

- 1) Investments in Natural Resources and Environmental Management (**USD 3,532,200**)
- 2) Investments in Natural Resources and Environmental Values (**USD 20,554,075**)
- 3) Investments in Improving Livelihoods (**USD 26,273,460**)
- 4) Investments in Strengthening the Institutional Capacity (**USD 1,932,100**)

**The expenditures made in 2018;**

**USD 6,467.61** was spent from the **Internal Budget** in total;

- USD 5,279.69 from the budget of the General Directorate of Forestry as taxes,
- USD 1,187.92 from the budget of the General Directorate of Combating Desertification and Erosion (ÇEM) as taxes ,

**USD 96,988.45** was spent from the **External Budget** in total including;

- USD 29,331.66 from the budget of the General Directorate of Forestry,
- USD 67,656.79 from the budget of the General Directorate of Combating Desertification and Erosion (ÇEM),

Total amount of expenditure in 2018 = External Budget + Internal Budget is

$$= 96,988.45 + 6,467.61 = \text{USD } 103,456.06$$



**MINISTRY OF AGRICULTURE AND FORESTRY**  
General Directorate of Forestry  
**Murat River Watershed Rehabilitation Project**



**From the beginning of the project to the date of 31.12.2018;**

**USD 20,666.96** was spent from the **Internal Budget** in total including;

- USD 5,279.69 from the budget of the General Directorate of Forestry as taxes,
- USD 15,387.27 from the budget of the General Directorate of Combating Desertification and Erosion (ÇEM) as taxes ,

**USD 175,873.81** was spent from the **External Budget** in total including;

- USD 29,331.66 from the budget of the General Directorate of Forestry,
- USD 146,542.15 from the budget of the General Directorate of Combating Desertification and Erosion (ÇEM),

Total Amount of Expenditure = External Budget + Internal Budget is

$$= 175,873.81 + 20,666.96 = \text{USD } 196,540.77.$$

## **2- MAIN ACCOUNTING POLICIES**

Overall responsibility for financial management of the project belongs to the Financial Management Unit within the body of the Ministry of Forestry and Water Affairs - General Directorate of Forestry.

Transactions related to the project have been prepared on the basis of cash collection and payment. On this basis, the income is recorded at the date of obtainment, not at the date of acquisition; and the expenditures are recorded at the date of payment, not at the date of occurrence.

Accounting Transactions are recorded in USD and TRY in order to confirm the accuracy of the accounts, although the currency provided through the financing agreement signed between the International Fund for Agricultural Development (IFAD) and the Republic of Turkey is SDR.

## **3- FINANCIAL STATEMENTS**

The use of funds deposited in the Designated Account in accordance with the Financing Agreement signed between the Government and the International Fund for Agricultural Development (IFAD) is limited only with the Project. At the end of the Project, the remaining amount of project funds shall be returned to the Ministry of Treasury and Finance to be distributed to the financiers in accordance with the provisions of the relevant financing agreement.

## **4- INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) LOAN**

Principal repayments of the Financing Agreement with the Loan No. of I-889-TR and Grant No. of I-C-1418-TR signed on February 15, 2013 between International Fund for Agricultural Development (IFAD) and the Republic of Turkey will start on June 01, 2018, and will be completed on June 01, 2031.

## **5- CASH BALANCE AS OF DECEMBER 31, 2018**

Cash balance on the date of December 31, 2018 in dollar includes the following;

<b>Designated Account Total (Loan)</b>	<b>215,221.19</b>
PRIMARY GRANT ACCOUNT (■■■■)	91,095.00
OGM Grant Account (■■■■)	668.34
ÇEM Grant Account (■■■■)	123,457.85



**MINISTRY OF AGRICULTURE AND FORESTRY**  
**General Directorate of Forestry**  
**Murat River Watershed Rehabilitation Project**



**6- WITHDRAWAL APPLICATIONS**

Replenishment to the Primary Grant Account was requested with the **WA no. 3** made on 21.05.2018 at the amount of USD 31,366.33. However, no money was deposited by IFAD in the grant account for the WA 3. USD 297,000.00 was requested with **WA 4** to the GRANT account on 13.08.2018 for the expenditures to be made in 2019. **USD 291,095.00** was transferred as Advance by IFAD for WA 4.

  
İbrahim YÜZER  
Head of the Department  
Central Focal Point

 21/06/2019  
Mehmet ÇELİK  
Deputy General Director  
Project Coordinator

# **AUDITED PROJECT FINANCIAL STATEMENTS**

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Project N° : 1100001623

Loan No. 1000004414 / L-I--889-

Period covered 1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2018

## **Murat River Watershed Rehabilitation Project (MRWRP)**

Prepared by: H.Hamdi GÜLKAYA (Senior Treasury Controller), Semih ŞAHİN (Treasury Controller) - Ministry of Treasury and Controllers

Received on 25<sup>th</sup> June, 2019

The Audited project financial statements are documents owned by the Borrower/ Recipient. The views expressed herein do not necessarily represent those IFAD's Executive Board, Management or Staff. This document is made publicly available in accordance with the "Conceptual Framework on Financial Reporting and Auditing of IFAD-Financed Projects (2018)"





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

**MURAT RIVER WATERSHED REHABILITATION PROJECT**

Implemented by

**MINISTRY OF AGRICULTURE AND FORESTRY  
GENERAL DIRECTORATE OF FORESTRY**

**Financed Under International Fund for Agricultural Development (IFAD) Loan  
Agreement Numbered I-889-TR**

**As of December 31, 2018 and For the Year Then Ended**

Prepared by

**H.Hamdi GÜLKAYA  
Senior Treasury Controller**

**Semih ŞAHİN  
Treasury Controller**

Report's Number

145/8 59/4



**INDEPENDENT AUDITOR'S REPORT**

**June 24, 2019**



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## **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

### A. Project Summary

Financing Agreement No. I-889-TR Loan and No. I-C-1418-TR Grant was signed between the Turkish Republic and the International Fund for Agricultural Development (IFAD) of the United Nations on February 15, 2013 within the scope of Murat River Watershed Rehabilitation Project.

The Murat River Watershed Rehabilitation Project aims at preventing the degradation of natural resources in 25 micro-catchments to be selected in Murat River basin of Elazığ, Muş and Bingöl through Murat River which is one of the two main tributaries of Fırat River, and reducing the poverty of people living in the upper elevations of the basin.

This Report is prepared for the all sections of Project. The following activities will be implemented in the Project.

- **Conservation, Rehabilitation and Development of Natural Resources:** Forestry activities such as afforestation, erosion control, rehabilitation and pasture improvement for the improvement of degraded forests,
- **Investments in Livelihood Improvement:** Development of small-scale irrigation, development of animal husbandry and greenhouse cultivation, orchard establishment, beekeeping, dissemination of energy-efficient technologies, insulation for village houses, and energy-saving stoves,
- **Training and Awareness Raising Activities:** Training and awareness raising activities will be performed in natural resource conservation, use, development, enhancing productivity in agriculture,
- **Strengthening of Institutional Capacity:** The capacity of institutions will be increased and the cooperation between institutions will be developed with the experience gained in areas such as project construction techniques, project approach, logical framework, monitoring and evaluation.

The project will be implemented between 2013 and 2021. The amount of Financing Agreement signed for the Project is **USD 38,642,855** including IFAD Loan Contribution of **17,955,162 SDR (USD 27,791,100)**, IFAD Grant Contribution of **280,000 SDR (USD 430,000)**, and Government Contribution of **USD 7,453,051** and beneficiary contribution of **USD 2,968,704**. The expenditures started in 2013 within the scope of the Project. The project implementation period was extended by the end of **2021** with the additional financing of **USD 8,200,000** by IFAD as per the additional financing agreement signed on 28.01.2019. The total budget of the additional financing agreement signed with IFAD is **USD 13,559,000** including USD 8,200,000 IFAD Loan, USD 4,365,000 Government Contribution and USD 994,000 Beneficiary Contribution.

In 2018, within the scope of the loan financing of the Project, **USD 3,077,737,04** was spent for the Project including internal contribution of **USD 760,478,04** which includes USD **404,621,71** government budgets and taxes and **USD 355,856,33** beneficiary contribution;



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MINISTRY OF TREASURY AND FINANCE  
Board of Treasury Controllers

and external contribution of **USD 2.317.259,00**. As of December 31, 2018, the cumulative expenditure amount was **USD 27.554.787,57** within the scope of the loan financing..

### **B. Scope of the Financial Audit**

In performing the audit, we have:

- a) Obtained an understanding of the internal controls related to the financial reporting process, to identify and assess any weakness in internal control that might result in misstatements whether due to fraud or error;
- b) Designed and conducted audit procedures in response to weaknesses identified in the internal controls relating to the financial reporting process, to obtain audit evidence that the financial statements are fairly presented and free from material misstatements in accordance with the applicable accounting framework;
- c) Verified whether expenditure incurred in the name of the project is in line with the terms of the financing agreement and incurred for the purposes intended in this agreement;
- d) Verified that inventory and fixed assets held by the entity exists, are complete, and are properly accounted and used for the project purposes;
- e) Noted any control weaknesses in the internal control environment and in the financial reporting process and communicated those in the management letter.

### **C. Scope of the Agreed Upon Procedures**

We have also carried out test procedures for agreed-upon procedures. In this regard;

- a) With regard to "Withdrawal Application Summary Statements";
  - a. We checked whether the Designated Account currency equivalent was determined using the historical exchange rate of transfers to the operating account;
  - b. We checked whether goods and services have been purchased through the SOE mechanism in line with the stipulated SOE threshold;
  - c. We checked whether the expenditures claimed through SOE procedures were properly and appropriately authorized, classified and supported by audit documentation;
  - d. We checked whether all the expenditures submitted are eligible.
- b) With regard to "Designated Account Statement and Reconciliation";
  - a. We checked the accuracy of the Designated Account reconciliation(s);





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- b. We confirmed that the Designated Account(s) have been maintained in accordance with the provisions of the financing agreement;

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

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

#### **D. Audit Results**

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

In addition, as of December 31, 2018, General Directorate of Forestry has complied in all material respects, with the rules and procedures of the Financing Agreement No. I-889-TR Loan.

With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IFAD for reimbursements of expenditures incurred.

#### **E. Management Recommendation**

A management letter, dated June 24, 2019, to the attention of the General Directorate of Forestry was issued separately from this report. The objective of this Management Letter is to enable the auditors to communicate appropriately to those charged with governance and management deficiencies in internal control that the auditors have identified during the audit and that, in the auditors' professional judgment, are of sufficient importance to merit their respective attentions. For this purpose, our recommendations are attached to the Letter.

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



## **INDEPENDENT AUDITOR'S REPORT**

**TO MINISTRY OF AGRICULTURE AND FORESTRY,  
GENERAL DIRECTORATE OF FORESTRY**

### **Opinion**

We have audited the accompanying financial statements of the Murat River Watershed Rehabilitation Project as of December 31, 2018 and for the period then ended, which comprise the Withdrawal Application Statements, the Sources and Uses of Funds Statements, Statement of Cumulative Investments, the Designated Account Statements and Reconciliations and the Notes to the Financial Statements, including the summary of significant accounting policies.

In our opinion;

a) The accompanying Withdrawal Application Statements, the Sources and Uses of Funds Statements, the Designated Account Statements and Reconciliations, in all material respects, the financial position of the Murat River Watershed Rehabilitation Project accounting policies and as of December 31, 2018 in accordance with the provisions of the IFAD Loan Agreement Numbered I-889-TR.

b) The General Directorate of Forestry, as of December 31, 2018 has complied with, in all material respects, the requirements of the IFAD Loan Agreement Numbered I-889-TR and International Public Sector Accounting Standards (IPSAS).

c) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IFAD for reimbursement of expenditures incurred, and these expenditures are eligible for financing under the IFAD Loan Agreement Numbered I-889-TR.

d) With respect to Designated Account Statement and Reconciliation, we found that designated account reconciliations are correct and designated accounts have been maintained in accordance with the provisions of the Financing Agreement.

### **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 of the Financial Statements" section of this report. We are independent of the General Directorate of Agricultural Reform within the meaning of "IFAC Code of Ethics for Professional Accountants" and ethical requirements and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **Other Information**

General Directorate of Agricultural Reform is required by IFAD to submit additional specific disclosures. The specific disclosures comprise the following table;

a) Fixed Asset Schedule

Our opinion on the financial statements does not cover the additional specific disclosures and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

General Directorate of Forestry is responsible for the preparation and fair presentation of these financial statements in accordance with IPSAS, Financial Reporting under cash basis of accounting and Loan Agreement Numbered I-889-TR, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **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



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MINISTRY OF TREASURY AND FINANCE  
Board of Treasury Controllers

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.

Ahmet TURAL  
Acting Chairman of  
Board of Treasury Controllers

Akif Bülent BOYACIOĞLU  
(Audit Partner)  
Vice Chairman





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

H.Hamdi GÜLKAYA  
Senior Treasury Controller

Semih ŞAHİN  
Treasury Controller

Date: 24.06.2019

Addres: Ministry of Treasury and Finance,  
Board of Treasury Controllers  
06510, Emek, ANKARA/TÜRKİYE

REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY  
 GENERAL DIRECTORATE OF FORESTRY / GENERAL DIRECTORATE OF COMBATING DESERTIFICATION AND EROSION  
 MURAT RIVER WATERSHED REHABILITATION PROJECT (I-889-TR)  
 USE OF FUND RESOURCES (LOAN)  
 01/01/2018 - 31/12/2018  
 (Currency Type USD)

I- FUND RESOURCES		ANNUAL	CUMULATIVE				
<b>I. A-GOVERNMENT FUNDS</b>		404,621.71	3,916,941.10				
	I.A.1- Taxes	403,633.99	3,555,319.39				
	I.A.2- Government Budget	987.72	361,621.71				
<b>I.B- BENEFICIARY CONTRIBUTION</b>		355,856.33	2,350,267.86				
<b>SUB-TOTAL INTERNAL CONTRIBUTION</b>		760,478.04	6,267,208.96				
<b>I.C- IFAD LOAN</b>		1,562,967.55	22,069,999.00				
	I.C- OSB Main Account	1,562,967.55	22,069,999.00				
	I.C.1- Advance Amount	-390,741.89	3,109,258.11				
	II.C.1 a- OSB Main Account	-390,741.89	3,109,258.11				
	I.C.2 - SOE Amount	1,953,709.44	18,102,538.79				
	II.C.2 a- OSB Main Account	1,953,709.44	18,102,538.79				
	I.C.2- Withdrawal Amount in Summary Sheet	0.00	858,202.10				
	II.C.3 a- OSB Main Account	0.00	858,202.10				
<b>I.D- REFUND TO THE DESIGNATED ACCOUNT (6)</b>		0.00	44,852.04				
<b>TOTAL FUND RESOURCES</b>		2,323,445.59	28,382,060.00				
II- USE OF FUNDS		ACTUALIZATION		PLANNED		DEVIATION	
A- BY COMPONENTS		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
	A.II.1- Natural Resource and Environmental Management (7)	127,255.00	2,785,554.58	316,830.00	3,885,580.00	189,575.00	1,100,025.42
	A.II.2- Investments in Natural Res. And Environmental Values	517,855.38	9,114,043.24	2,474,750.00	22,567,645.00	1,956,894.62	13,453,601.76
	A.II.3- Investments in the Improvement of Livelihood	2,249,975.03	14,777,167.57	4,149,964.00	26,993,724.00	1,899,988.97	12,216,556.43
	A.II.4- Operations Units	182,651.63	878,022.18	259,600.00	1,937,690.00	76,948.37	1,059,667.82
<b>TOTAL USE BY COMPONENTS</b>		3,077,737.04	27,554,787.57	7,201,144.00	55,384,639.00	4,123,406.96	27,829,851.43
B- BY CATEGORIES		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE
	B.II.1- Civil Works	562,344.63	10,431,762.11	2,625,476.00	27,895,576.00	2,063,131.37	17,463,813.89
	B.II.2- Vehicles, Equipment and Goods (7)	1,935,665.32	12,437,414.70	3,580,488.00	18,644,468.00	1,644,822.68	6,207,053.30
	B.II.3- Technical Assistance, Training, Workshops and Seminars	443,848.98	3,959,248.51	744,580.00	6,940,530.00	300,731.02	2,981,281.49
	B.II.4- Recurrent Costs (Current Costs)	135,878.11	726,362.25	250,600.00	1,904,065.00	114,721.89	1,177,702.75
<b>TOTAL USE BY CATEGORIES</b>		3,077,737.04	27,554,787.57	7,201,144.00	55,384,639.00	4,123,406.96	27,829,851.43
III- OPENING		ANNUAL	CUMULATIVE				
	Central Bank of the Republic of Turkey	1,581,563.89					
IV- CLOSING							
	Central Bank of the Republic of Turkey (6)	827,272.44					

Ibrahim YUZER  
 Head of the Department  
 Central Focal Point

Mehmet ÇELİK  
 Deputy General Director  
 Project Coordinator

REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY  
GENERAL DIRECTORATE OF FORESTRY / GENERAL DIRECTORATE OF COMBATING DESERTIFICATION AND EROSION  
MURAT RIVER WATERSHED REHABILITATION PROJECT (I-889-TR)  
CUMULATIVE INVESTMENTS TABLE (LOAN)  
01/01/2018 - 31/12/2018  
(Currency Type USD)

CONSOLIDATED

Component 1. Management of Natural Resources and Environment		ACTUALIZATION		PLANNED		DEVIATION		Financing Rule	Gross Tax
ACTIVITIES TO BE PERFORMED WITHIN THE SCOPE OF THE PROJECT		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE		
I. Investment Costs									
A. Vehicle Rental (2ndCategory)									
A.1- 4x4 vehicles	6.1	0.00	160,715.72	0.00	506,800.00	0.00	346,084.28	IFAD (100%)	18
A.2- Minibus		0.00	31,441.06	0.00	99,300.00	0.00	67,858.94	IFAD (100%)	18
A.3- Vehicle Purchase	6.3	0.00	252,314.62	0.00	0.00	0.00	252,314.62		
Sub-Total Vehicle Rental		0.00	444,471.40	0.00	606,100.00	0.00	161,628.60		
B. Equipment and Materials (2ndCategory)									
B.1- Office Equipment (Computer-printer-copier-GPS)		0.00	24,166.36	0.00	23,700.00	0.00	466.36		
B.2- Office Equipment (CEM)		30,409.53	30,409.53	29,500.00	29,500.00	909.53	909.53		
B.3- GIS Software (CEM)		0.00	86,099.61	44,250.00	202,250.00	44,250.00	116,150.39	IFAD (100%)	18
B.4- GIS Maps (CEM)		0.00	17,021.65	0.00	81,800.00	0.00	64,778.35	IFAD (100%)	18
B.5- Aerial Imaging Device		0.00	4,129.66	0.00	0.00	0.00	4,129.66		
Sub-Total Equipment and Materials		30,409.53	161,826.81	73,750.00	337,250.00	43,340.47	175,423.19		
SUB-TOTAL VEHICLES, EQUIPMENTS AND GOODS (2nd Category)		30,409.53	606,298.21	73,750.00	943,350.00	43,340.47	337,051.79		
C. Technical Assistance (3rdCategory)									
C.2- Participatory Integrated Micro-catchment Planning		52,020.59	1,879,980.98	113,280.00	2,507,030.00	61,259.41	627,049.02	IFAD (100%)	18
Sub-Total Technical Assistance		52,020.59	1,879,980.98	113,280.00	2,507,030.00	61,259.41	627,049.02		
D. Training and Workshops (3rdCategory)									
D.1- Natural Resource Economics		0.00	0.00	0.00	15,000.00	0.00	15,000.00	IFAD (100%)	0
D.2- Workshops for Planning and Technical Subjects		0.00	0.00	0.00	0.00	0.00	0.00		
D.3- Carbon Absorption		0.00	0.00	0.00	5,000.00	0.00	5,000.00	IFAD (100%)	0
D.4- Awareness campaigns		12,588.82	189,146.96	94,400.00	219,400.00	81,811.18	30,253.04	IFAD (100%)	0
D.5- Visit Between Villages		0.00	0.00	0.00	55,900.00	0.00	55,900.00	IFAD (100%)	0
D.6- Multi-Purpose Management Plans		0.00	0.00	0.00	60,000.00	0.00	60,000.00	IFAD (100%)	0
D.7- Training of Project Provincial Teams (PPTs)		32,236.06	84,704.83	35,400.00	79,900.00	3,163.84	4,804.83	IFAD (100%)	0
D.8- Evaluation of Opportunities in Non-wood Products		0.00	25,423.60	0.00	0.00	0.00	25,423.60		
Sub-Total Training and Workshops		44,824.88	299,275.39	129,800.00	435,200.00	84,975.12	135,924.61		
SUB TOTAL TECHNICAL ASSISTANCE, TRAINING, WORKSHOPS, SEMINARS, (3rd Category)		96,845.47	2,179,256.37	243,080.00	2,942,230.00	146,234.53	762,973.63		
COMPONENT 1 TOTAL		127,255.00	2,785,554.58	316,830.00	3,885,580.00	189,575.00	1,100,025.42		

Component 2. Investments in Natural Resources and Environmental Values		ACTUALIZATION		PLANNED		DEVIATION		Financing Rule	Gross Tax
ACTIVITIES TO BE PERFORMED WITHIN THE SCOPE OF THE PROJECT		ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE	ANNUAL	CUMULATIVE		
I. Investment Costs									
	A. Civil Works (1st Category)								
	A.1- Damaged Land, Soil and Flora Investments								
	A.1.1- Erosion Control in Damaged Areas								
	A.1.1.1- Erosion Control Works (pre-investments)	0.00	4,031,897.69	944,000.00	7,489,500.00	944,000.00	3,457,602.31	IFAD (95%); GB (5%)	18
	A.1.1.2- Erosion Control Maintenance Works (perennial)	0.00	495,005.79	354,000.00	3,424,700.00	354,000.00	2,928,694.21	IFAD (95%); GB (5%)	18
	Sub-Total Erosion Control in Damaged Areas	0.00	4,527,903.48	1,298,000.00	10,914,200.00	1,298,000.00	6,386,296.52		
	A.1.2- Afforestation Activities								
	A.1.2.1- Afforestation of Degraded Forests	37,481.25	2,395,053.49	354,000.00	3,831,000.00	316,518.75	1,435,946.51	IFAD (95%); GB (5%)	18
	A.1.2.2- Afforestation Maintenance Works (perennial)	2,876.70	121,523.14	59,000.00	1,868,400.00	59,123.30	1,746,876.89	IFAD (95%); GB (5%)	18
	A.1.2.3- Oak Rehabilitation	0.00	382,233.31	118,000.00	1,302,500.00	118,000.00	920,266.69	IFAD (95%); GB (5%)	18
	A.1.2.4- Oak Rehabilitation Maintenance Works (perennial)	0.00	8,906.06	11,800.00	956,450.00	11,800.00	947,543.94	IFAD (95%); GB (5%)	18
	A.1.2.5- Closure in Damaged Areas	0.00	1,512.68	0.00	108,000.00	0.00	106,487.32	IFAD (95%); GB (5%)	18
	Sub-Total Afforestation Activities	40,357.95	2,909,228.68	542,800.00	8,066,350.00	502,442.05	5,157,121.32		
	A.1.3- Rehabilitation of Rangeland/Grazing Areas 6.2								
	A.1.3.1- Closure	14,600.02	99,280.14	0.00	163,350.00	14,600.02	64,069.86	IFAD (95%); BENF: (5%)	18
	A.1.3.2-Animal drinking water ponds	0.00	0.00	0.00	900,000.00	0.00	900,000.00	IFAD (95%); BENF: (5%)	18
	A.1.3.3-Animal drinking water troughs	70,420.45	70,420.45	36,900.00	415,950.00	33,520.45	345,529.55	IFAD (95%); BENF: (5%)	18
	A.1.3.4- Simple animal shelters for common use	392,476.96	1,329,500.47	467,400.00	1,038,000.00	74,923.04	291,500.47	IFAD (95%); BENF: (5%)	18
	Sub-Total Rehabilitation of Rangeland / Grazing Lands	477,497.43	1,499,201.06	504,300.00	2,517,300.00	26,802.57	1,018,098.94		
	Sub-Total Damaged Land, Soil and Flora Investments	517,855.38	8,936,333.22	2,345,100.00	21,497,850.00	1,827,244.62	12,561,516.78		
	SUB-TOTAL CIVIL WORKS (1st Category)	517,855.38	8,936,333.22	2,345,100.00	21,497,850.00	1,827,244.62	12,561,516.78		
	B. Equipment and Materials (2nd Category)								
	B.1- Erosion and Sediment Measurement Equipment	0.00	153,050.60	79,650.00	429,320.00	79,650.00	276,269.40	IFAD (100%)	18
	Sub-Total Equipment and Materials	0.00	153,050.60	79,650.00	429,320.00	79,650.00	276,269.40		
	SUB-TOTAL VEHICLES, EQUIPMENTS AND GOODS (2nd Category)	0.00	153,050.60	79,650.00	429,320.00	79,650.00	276,269.40		
	II. Current Expenses								
	A. Land Ranger (Conservation) - 4th Category	0.00	24,659.42	50,000.00	640,475.00	50,000.00	615,815.58	GB (100%)	0
	RECURRENT COSTS (4th Category)	0.00	24,659.42	50,000.00	640,475.00	50,000.00	615,815.58		
	COMPONENT 2 TOTAL	517,855.38	9,114,043.24	2,474,750.00	22,567,645.00	1,956,894.62	13,453,601.76		

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**REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY**  
**GENERAL DIRECTORATE OF FORESTRY / GENERAL DIRECTORATE OF COMBATING DESERTIFICATION AND EROSION**  
**MURAT RIVER WATERSHED REHABILITATION PROJECT (I-889-TR)**  
**CUMULATIVE INVESTMENTS TABLE (LOAN)**  
**01/01/2018 - 31/12/2018**  
**(Currency Type USD)**

<b>Component 3: Investments In Improving Livelihoods</b>		<b>ACTUALIZATION</b>		<b>PLANNED</b>		<b>DEVIATION</b>		<b>Financing Rule</b>	<b>Gross Tax</b>
<b>ACTIVITIES TO BE PERFORMED WITHIN THE SCOPE OF THE PROJECT</b>		<b>ANNUAL</b>	<b>CUMULATIVE</b>	<b>ANNUAL</b>	<b>CUMULATIVE</b>	<b>ANNUAL</b>	<b>CUMULATIVE</b>		
<b>I. Investment Costs</b>									
<b>A. Technical Assistance and Farmers' Training (3rd Category)</b>									
<b>A.1- Project Provincial Teams (PPT)</b>									
A.1.1- Contracted Consultants (FOU+COU)		283,188.75	1,541,666.44	354,000.00	2,621,600.00	70,811.25	1,079,933.56	IFAD (100%)	0
A.1.2- Focal Point Members (FOU)		0.00	0.00	0.00	126,000.00	0.00	126,000.00	GB (100%)	0
A.1.3- Monitoring & Evaluation Specialist (CEM)		17,041.24	17,041.24	29,500.00	29,500.00	12,458.76	12,458.76	IFAD (100%)	0
<b>Sub-total Provincial Project Teams (PPT)</b>		<b>300,229.99</b>	<b>1,558,707.68</b>	<b>383,500.00</b>	<b>2,777,100.00</b>	<b>83,270.01</b>	<b>1,218,392.32</b>		
<b>A.2 Demonstrations, farmer training courses and information exchange visits</b>									
A.2.1- Demonstration programmes		0.00	0.00	59,000.00	213,000.00	59,000.00	213,000.00	IFAD (100%)	0
A.2.2- Farmer training programmes		0.00	35,060.50	0.00	111,200.00	0.00	76,139.50	IFAD (100%)	0
A.2.3- Farmers information exchange visits		0.00	27,340.75	0.00	233,400.00	0.00	206,059.25	IFAD (100%)	0
<b>Sub-total demonstrations, farmer training courses and information exchange visits</b>		<b>0.00</b>	<b>62,401.25</b>	<b>59,000.00</b>	<b>557,600.00</b>	<b>59,000.00</b>	<b>495,198.75</b>		
<b>Sub-total Technical Assistance and Farmers' Training</b>		<b>300,229.99</b>	<b>1,621,108.93</b>	<b>442,500.00</b>	<b>3,334,700.00</b>	<b>142,270.01</b>	<b>1,713,591.07</b>		
<b>SUB TOTAL TECHNICAL ASSISTANCE, TRAINING, WORKSHOPS, SEMINARS, (3rd Category)</b>		<b>300,229.99</b>	<b>1,621,108.93</b>	<b>442,500.00</b>	<b>3,334,700.00</b>	<b>142,270.01</b>	<b>1,713,591.07</b>		
<b>B. In-field and Non-operating Investments (2nd and 1st Category)</b>									
<b>B.1- Improving wheat and barley production</b>									
<b>B.2- Improving Animal Production</b>									
B.2.1- Increasing dry fodder crop production		0.00	14,688.18	0.00	169,100.00	0.00	154,411.82	IFAD (80%); BENF. (20%)	18
B.2.2- Increasing irrigated fodder crop production		11,840.18	200,530.65	50,400.00	352,150.00	38,559.82	151,619.35	IFAD (80%); BENF. (20%)	18
B.2.3- Improving animal barns in the villages		440,161.94	1,917,416.86	858,000.00	4,480,650.00	417,838.06	2,563,233.14	IFAD (80%); BENF. (20%)	18
B.2.4- Development of Beekeeping		79,720.52	292,693.59	0.00	0.00	79,720.52	292,693.59		
<b>Sub-Total improving animal production</b>		<b>531,722.64</b>	<b>2,425,328.28</b>	<b>908,400.00</b>	<b>5,001,900.00</b>	<b>376,677.36</b>	<b>2,576,570.72</b>		
<b>B.3- Improving plant production</b>									
B.3.1- Orchard establishment		99,609.92	716,195.75	71,500.00	960,600.00	26,109.92	244,404.25	IFAD (80%); BENF. (20%)	18
B.3.2- Improving vegetable production under plastic cover (greenhouse)		76,470.79	796,984.26	114,400.00	1,545,500.00	37,929.21	748,515.74	IFAD (80%); BENF. (20%)	18
B.3.3- Developing vegetable production in the field		0.00	27,994.05	5,720.00	36,195.00	5,720.00	8,200.92	IFAD (80%); BENF. (20%)	18
<b>Sub-total Improving Plant Production</b>		<b>176,080.71</b>	<b>1,541,174.09</b>	<b>191,620.00</b>	<b>2,542,295.00</b>	<b>15,539.29</b>	<b>1,001,120.91</b>		
<b>B.4- Contracted seedling production</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>280,000.00</b>	<b>0.00</b>	<b>280,000.00</b>	IFAD (80%); BENF. (20%)	18
<b>B.4.1- Supporting Nursery Infrastructure Investments</b>									
B.4.1.1- Irrigation Systems		28,206.93	182,216.27	82,600.00	142,300.00	54,393.07	39,916.27		
B.4.1.2- Seedling Production Materials		38,025.04	156,919.70	35,400.00	146,400.00	2,625.04	10,519.70		
<b>Sub-Total Contracted Seedling Production and Supporting Nursery Infrastructure Investments</b>		<b>66,231.97</b>	<b>339,135.97</b>	<b>118,000.00</b>	<b>568,700.00</b>	<b>51,768.03</b>	<b>229,564.03</b>		
<b>B.5- Promotion and dissemination of energy-saving technologies</b>									
B.5.1- Solar water heating systems		377,055.56	1,629,990.48	128,700.00	2,516,150.00	248,355.56	886,159.52	IFAD (80%); BENF. (20%)	18
B.5.2- Insulation of the village houses		583,720.81	4,563,312.41	1,716,000.00	3,846,800.00	1,132,279.19	710,512.41	IFAD (80%); BENF. (20%)	18
B.5.3- Energy-saving stoves		71,357.36	560,416.42	93,808.00	2,173,508.00	22,450.64	1,613,091.58	IFAD (80%); BENF. (20%)	18
B.5.4- Bakeries for Common Use		68,253.38	219,120.16	183,040.00	329,840.00	114,786.62	110,719.84		
<b>Sub-total promotion and dissemination of energy saving technologies</b>		<b>1,100,387.11</b>	<b>6,972,839.47</b>	<b>2,121,548.00</b>	<b>8,866,298.00</b>	<b>1,021,160.89</b>	<b>1,893,458.53</b>		
<b>SUB-TOTAL VEHICLES, EQUIPMENTS AND GOODS (2nd Category)</b>		<b>1,905,255.79</b>	<b>11,660,629.75</b>	<b>3,427,088.00</b>	<b>17,261,298.00</b>	<b>1,521,832.21</b>	<b>5,600,668.25</b>		
<b>B.6- Developing small-scale irrigation infrastructure</b>									
B.6.1- Water storage ponds		0.00	422,100.00	100,300.00	3,914,850.00	100,300.00	3,492,750.00	IFAD (95%); BENF. (5%)	18
B.6.2- Rehabilitation of soil irrigation canals		5,467.77	589,156.74	15,340.00	1,401,640.00	9,872.23	612,483.26	IFAD (95%); BENF. (5%)	18
B.6.3- In-field drip irrigation		39,021.48	484,172.15	164,736.00	1,081,236.00	125,714.52	597,083.85	IFAD (80%); BENF. (20%)	18
<b>Sub-total developing small-scale irrigation infrastructure</b>		<b>44,489.25</b>	<b>1,495,428.89</b>	<b>280,376.00</b>	<b>6,397,726.00</b>	<b>235,886.75</b>	<b>4,902,297.11</b>		
<b>SUB-TOTAL CIVIL WORKS (1st Category)</b>		<b>44,489.25</b>	<b>1,495,428.89</b>	<b>280,376.00</b>	<b>6,397,726.00</b>	<b>235,886.75</b>	<b>4,902,297.11</b>		
<b>Sub-Total In-field and Non-operating Investments</b>		<b>1,949,745.04</b>	<b>13,156,058.64</b>	<b>3,707,464.00</b>	<b>23,659,024.00</b>	<b>1,757,718.96</b>	<b>10,502,965.36</b>		
<b>COMPONENT 3 TOTAL</b>		<b>2,249,975.03</b>	<b>14,777,167.57</b>	<b>4,149,964.00</b>	<b>26,993,724.00</b>	<b>1,899,988.97</b>	<b>12,216,556.43</b>		

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**GENERAL DIRECTORATE OF FORESTRY / GENERAL DIRECTORATE OF COMBATING DESERTIFICATION AND EROSION**  
**MURAT RIVER WATERSHED REHABILITATION PROJECT (I-889-TR)**  
**CUMULATIVE INVESTMENTS TABLE (LOAN)**  
**01/01/2018 - 31/12/2018**  
**(Currency Type USD)**

<b>COMPONENT 4 Operations Units (COU + FOU)</b>		<b>ACTUALIZATION</b>		<b>PLANNED</b>		<b>DEVIATION</b>		<b>Financing Rule</b>	<b>Gross Tax</b>
<b>ACTIVITIES TO BE PERFORMED WITHIN THE SCOPE OF THE PROJECT</b>		<b>ANNUAL</b>	<b>CUMULATIVE</b>	<b>ANNUAL</b>	<b>CUMULATIVE</b>	<b>ANNUAL</b>	<b>CUMULATIVE</b>		
<b>I. Investment Costs</b>									
<b>A. Equipment and Materials (2nd Category)</b>									
A.1- Office Equipment (Computer-printer-copier)		0.00	17,436.14	0.00	10,500.00	0.00	6,936.14	IFAD (100%)	18
<b>Sub-Total Equipment and Materials</b>		0.00	17,436.14	0.00	10,500.00	0.00	6,936.14		
<b>SUB-TOTAL VEHICLES, EQUIPMENTS AND GOODS (2nd Category)</b>		0.00	17,436.14	0.00	10,500.00	0.00	6,936.14		
<b>B. Studies (3rd Category)</b>									
B.1- Baseline Survey (Basic Research) - (CEM)		0.00	0.00	0.00	40,000.00	0.00	40,000.00	IFAD (100%)	0
B.2- 18-Month Review (CEM)		0.00	3,934.05	0.00	20,000.00	0.00	16,065.95	IFAD (100%)	0
B.3- Mid-Term Project Review (CEM)		0.00	18,159.02	0.00	53,600.00	0.00	35,440.98	IFAD (100%)	0
B.4- Project Impact Assessment (CEM)		12,505.59	12,505.59	0.00	50,000.00	12,505.59	37,494.41	IFAD (100%)	0
B.5- Project Completion Report (CEM)		0.00	0.00	0.00	30,000.00	0.00	30,000.00	IFAD (100%)	0
B.6- Project Annual Monitoring Survey (CEM)		24,259.59	24,259.59	29,500.00	29,500.00	5,240.41	5,240.41	IFAD (100%)	0
<b>Sub-total Studies</b>		36,765.18	58,858.25	29,500.00	223,100.00	7,265.18	164,241.75		
<b>C. Training and Workshops (3rd Category)</b>									
C.1- Project training of COU + FOU (central and field)		0.00	0.00	0.00	15,000.00	0.00	15,000.00	IFAD (100%)	0
C.2- Project Startup Workshop (Ankara)		0.00	0.00	0.00	10,000.00	0.00	10,000.00	IFAD (100%)	0
C.3- Project Startup Workshop (Field)		0.00	0.00	0.00	7,500.00	0.00	7,500.00	IFAD (100%)	0
C.4- Planning Workshops (Ankara)		0.00	0.00	0.00	60,000.00	0.00	60,000.00	IFAD (100%)	0
C.5- Project Completion Workshop (Ankara)		0.00	0.00	0.00	10,000.00	0.00	10,000.00	IFAD (100%)	0
C.6- Participation in international events / international training		8,645.51	83,861.05	23,600.00	304,400.00	14,954.49	220,538.92	IFAD (100%)	0
C.7- Foreign language courses		1,362.83	16,163.88	5,900.00	33,600.00	4,537.17	17,436.12	IFAD (100%)	0
<b>Sub-Total Training and Workshops</b>		10,008.34	100,024.96	29,500.00	440,500.00	19,491.66	340,475.04		
<b>SUB-TOTAL TECHNICAL ASSISTANCE, TRAINING, WORKSHOPS, SEMINARS, (3rd Category)</b>		46,773.52	158,883.21	59,000.00	663,600.00	12,226.48	504,716.79		
<b>II. Current Expenses</b>									
<b>A. Salaries (4th Category)</b>									
A.1- Deputy Project Director (Elazığ)		27,395.56	180,224.64	47,200.00	381,320.00	19,804.44	201,095.36	IFAD (100%)	0
A.2- Focal Point Responsible (Ankara)		0.00	0.00	0.00	42,000.00	0.00	42,000.00	GB (100%)	0
A.3- Monitoring and Evaluation Specialist (Ankara)		0.00	0.00	0.00	42,000.00	0.00	42,000.00	GB (100%)	0
A.4- Procurement / Finance Specialist (Ankara)		0.00	0.00	0.00	42,000.00	0.00	42,000.00	GB (100%)	0
A.5- Translator - Secretary (Ankara)		21,282.11	144,147.59	35,400.00	166,950.00	14,117.89	22,802.41	IFAD (100%)	0
<b>Sub-Total Salaries</b>		48,677.67	324,372.23	82,600.00	674,270.00	33,922.33	349,897.77		
<b>B. Travels, allowances and flight tickets (4th Category)</b>									
B.1- Travels, allowances and air tickets (including Component 3) Component)		3,073.18	55,245.09	23,600.00	365,920.00	20,526.82	310,674.91	IFAD (100%)	18
<b>Sub-total travel, allowances and flight tickets</b>		3,073.18	55,245.09	23,600.00	365,920.00	20,526.82	310,674.91		
<b>C. Other Operating / Current Expenses (4th Category)</b>								IFAD (100%)	0
C.1- Other Operating / Current Expenses (including 3rdComponent)		84,127.26	322,085.51	94,400.00	223,400.00	10,272.74	98,685.51		
<b>Sub-total Other Operating / Current Expenses</b>		84,127.26	322,085.51	94,400.00	223,400.00	10,272.74	98,685.51		
<b>RECURRENT COSTS (4th Category)</b>		135,878.11	701,702.83	200,600.00	1,263,590.00	64,721.89	561,887.17		
<b>COMPONENT 4 TOTAL</b>		182,651.63	878,022.18	259,600.00	1,937,690.00	76,948.37	1,059,667.82		
<b>COMPONENTS TOTAL</b>		3,077,737.04	27,554,787.57	7,201,144.00	55,384,639.00	4,123,406.96	27,829,851.43		

<b>CATEGORIES</b>	<b>ACTUALIZATION</b>		<b>PLANNED</b>		<b>DEVIATION</b>		<b>Financing Rule</b>	<b>Gross Tax</b>
	<b>ANNUAL</b>	<b>CUMULATIVE</b>	<b>ANNUAL</b>	<b>CUMULATIVE</b>	<b>ANNUAL</b>	<b>CUMULATIVE</b>		
1- Civil Works	562,344.63	10,431,762.11	2,625,476.00	27,895,576.00	2,063,131.37	17,463,813.89		
2- Vehicles, Equipment and Goods (7)	1,935,665.32	12,437,414.70	3,580,488.00	18,644,468.00	1,644,822.68	6,207,053.30		
3- Technical Assistance, Training, Workshops and Seminars	443,848.98	3,959,248.51	744,580.00	6,940,530.00	300,731.02	2,981,281.49		
4- Recurring Costs (Current Costs)	135,878.11	726,362.25	250,600.00	1,904,065.00	114,721.89	1,177,702.75		
4.1- Land Rangeland (Protection)	0.00	24,659.42	50,000.00	640,475.00	50,000.00	615,815.58		
4.2- Salaries (CPM & Translator & ME & Procurement Specialist)	48,677.67	324,372.23	82,600.00	674,270.00	33,922.33	349,897.77		
4.3- Travels, allowances, and flight tickets (including 3rdComponent)	3,073.18	55,245.09	23,600.00	365,920.00	20,526.82	310,674.91		
4.4- Other Operating/Current Expenses (including 3rdComponent)	84,127.26	322,085.51	94,400.00	223,400.00	10,272.74	98,685.51		
<b>CATEGORIES TOTAL</b>	3,077,737.04	27,554,787.57	7,201,144.00	55,384,639.00	4,123,406.96	27,829,851.43		

**İbrahim TUZAR**  
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REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY  
GENERAL DIRECTORATE OF FORESTRY  
**MURAT RIVER WATERSHED REHABILITATION PROJECT**  
DESIGNATED ACCOUNT STATEMENT (**LOAN**)

\*\*\*\*CONSOLIDATED\*\*\*\*

External Financing Code	:	
IFAD Loan Number	:	I-889-TR
Designated Account Number + Sub-Loan Accounts	:	

01/01/2018 - 31/12/2018  
(Currency Type **USD**)

OPENING BALANCE	:	1,581,563.89
TRANSFERS TO THE DESIGNATED ACCOUNT	:	1,562,967.55
Designated Account Advance	:	-390,741.89
Statement of Expenditure (SOE)	:	1,953,709.44
Summary Sheet	:	0.00
TOTAL ASSETS	:	3,144,531.44
NET WITHDRAWALS MADE FOR EXPENDITURES	:	2,317,259.00
Total Disbursements	:	2,317,259.00
Refunds to the Designated Account (-)	:	0.00
Net Disbursements	:	2,317,259.00
CLOSING BALANCE	:	827,272.44

21/06/2019

İbrahim YÜZER  
Head of the Department  
Central Focal Point

Mehmet ÇELİK  
Deputy General Director  
Project Coordinator

**Annex 1: Summary for withdrawal application (LOAN)**

Name of the Recipient: Republic of Turkey, Ministry of Agriculture and Forestry / General Directorate of Forestry

Loan No: I-889-TR

Project Name: MURAT RIVER WATERSHED REHABILITATION PROJECT

Reporting Period from 01.01.2018 to 31.12.2018 (USD)

Withdrawal application number	Date	Category 1 Civil Works	Category 2 Vehicles, Equipment & Goods	Category 3 Technical Assistance, Training & Workshops	Category 4 Recurrent Expenditures	Total	Designated account currency equivalent	Value date	Recovered Advance	Rejected by IFAD	Net reimbursed
			In local currency - TRY				In Designated Account currency - USD				
Section A: Payment method - Advance/Replenishment											
Approved withdrawals											
WA 17 (Replenishment)	04.04.2018	1,996,277.26	4,598,669.78	679,907.68	194,741.96	7,469,596.68	1,953,709.44	20.04.2018	390,741.89	0.00	1,562,967.55
Pending submission											
Sub-Total (A)		1,996,277.26	4,598,669.78	679,907.68	194,741.96	7,469,596.68	1,953,709.44		390,741.89	0.00	1,562,967.55
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	0.00
Section C: Payment method – Direct payment											
Approved withdrawals											
Pending submission											
Sub-Total (C)		0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00
TOTAL (A+B+C)		1,996,277.26	4,598,669.78	679,907.68	194,741.96	7,469,596.68	1,953,709.44		390,741.89	0.00	1,562,967.55

**İbrahim TUZER**  
Daire Başkanı

**Mehmet ÇELİK**  
Genel Müdür Yardımcısı

**Annex 3: Designated account statement and reconciliation**

Name of the Recipient: REPUBLIC OF TURKEY MINISTRY OF AGRICULTURE AND FORESTRY / GENERAL DIRECTORATE OF FORESTRY  
 Loan No: I-889-TR  
 Project Name: MURAT RIVER WATERSHED REHABILITATION PROJECT  
 Year: 2018  
 Bank Account No: [REDACTED]

	SECTION 1				USD
1	Total advanced by IFAD				3,500,000.00
2	Total amount recovered by IFAD				390,741.89
3	<b>Outstanding amount advanced by IFAD</b>				<b>3,109,258.11</b>
	SECTION 2				
4	Balance of designated account as per bank statement				0.00
5	Balance of operating accounts (Opening Balance)				1,581,563.89
	Cash on Hand				0.00
	Total bank balances as at 31/12/2018 (Closing Balance)				827,272.44
	Amount claimed in this application				<b>1,953,709.44</b>
6	WA 17				1,953,709.44
	Amount deposited into the designated account after advance deduction				
	WA 17				1,562,967.55
7	Amounts withdrawn not yet claimed				2,317,259.00
	Provide reasons - not yet claimed				
8	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	USD	AMOUNT	
			USD	0	
			USD	0	
			USD	0	
9	Less: interest earned				0.00
10	<b>Total advance accounted for (D+E+F+G+H+I)</b>				<b>3,144,531.44</b>
11	<b>Explanation of difference between outstanding advance (line 3) and advance accounted for (line 10)</b>				<b>-35,273.33</b>

**Note 1:** USD 35,273.36 is the amount refunded to the Designated Account on 06/12/2017. (The rounding error of USD 0.03 in the WA no 7 dated 28/12/2015 and Refund of the Beneficiary Contributions Paid from the Loan Account for the period 2013-2017). There is USD 35,273.33 surplus in the DA. This amount will be accounted in the next WA.

**Note 2:** In spite of the withdrawal application amount of USD 1,953,709.44 in the WA 17, the amount of USD 1,562,967.55 was deposited to the DA of the project after the advance account amount of USD 390,741.89 was deducted in this application.

  
 İbrahim YÜZER  
 Daire Başkanı

  
 Mehmet ÇELİK  
 Genel Müdür Yardımcısı

Name of Recipient: REPUBLIC OF TURKEY - MINISTRY OF AGRICULTURE AND FORESTRY / GENERAL DIRECTORATE OF FORESTRY

Loan No: I - 889-TR

Project Name: MURAT RIVER WATERSHED REHABILITATION PROJECT

01.08.2013 - 31.12.2018

Inventory List

Asset ref	Description	Source	Category	Location	Assigned to	Tag nr	Supplier	Invoice nr/contract	Date of Purchase	Date of receipt	Purchase price	Explanations
Asset code		Source of finance										Note on condition of asset
255.2.1.1.1.1	2 PCS DESKTOP COMPUTER (I5 PROCESSOR)	Loan	Category 2	Ankara	Ali Rıza Uğurelli Mustafa Ay	255.2.1/13/100455 255.2.1/13/100456	Prodes Grup Bilg.Yaz.Bil.		30.12.2013	19.11.2013	1.138,68	In use
255.2.1.1.1.1	1 PCS DESKTOP COMPUTER (I7 PROCESSOR)	Loan	Category 2	Ankara	Bilal Özalpın	255.2.1/13/100454	Prodes Grup Bilg.Yaz.Bil.		30.12.2013	19.11.2013	620,26	In use
255.2.1.1.2	2 PCS ASUS TAICHI 21 CW014H i5 3337U ULTRABOOK	Loan	Category 2	Ankara	İbrahim Yüzer M.Metin Avşaroğlu	255.2.1/13/100460 255.2.1/13/100461	Prodes Grup Bilg.Yaz.Bil.		30.12.2013	19.11.2013	2.730,98	In use
255.2.1.1.99	1 PCS DESKTOP COMPUTER (ALL IN ONE)	Loan	Category 2	Ankara	İbrahim Yüzer	255.2.1/13/100462	Prodes Grup Bilg.Yaz.Bil.		30.12.2013	19.11.2013	1.328,46	In use
255.2.3.1	1 PCS CANON IR ADV 2525 COPIER	Loan	Category 2	Ankara	Afforestation Dept.	255.2.3/13/100453	Prodes Grup Bilg.Yaz.Bil.		30.12.2013	19.11.2013	2.476,39	In use
255.10.2.5.4	3 PCS 23 INCH. MX239H WIDE SCREEN LED MONITOR	Loan	Category 2	Ankara	Ali rıza Uğurelli Mustafa Ay Bilal Özalpın	255.10.2/13/100457 255.10.2/13/100458 255.10.2/13/100459	Prodes Grup Bilg.Yaz.Bil.		30.12.2013	19.11.2013	708,20	In use
255.2.1.1.2	1 PCS ASUS TAICHI 21 CW014H i5 3337U ULTRABOOK	Loan	Category 2	Ankara	Afforestation Dept.	255.10.2/13/100463	Prodes Grup Bilg.Yaz.Bil.		30.12.2013	19.11.2013	1.365,48	In use
<b>2013 Total</b>											<b>10.368,45</b>	
255.2.1.1.1.1	1 PCS OF I3 PROCESSOR COMPUTER	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/14/1871	Mahmut Yılmaz (ID No: 15649993804)		06.06.2014	07.04.2014	391,55	In use
255.2.1.1.1.1	1 PCS SAMSUNG 522C300B MONITOR	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/14/1873	Mahmut Yılmaz (ID No: 15649993804)		06.06.2014	07.04.2014	128,98	In use
255.2.2.1.2	1 PCS OF I5 PROCESSOR COMPUTER	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.2.2/14/1872	Mahmut Yılmaz (ID No: 15649993804)		06.06.2014	07.04.2014	584,17	In use
255.2.2.4.1	1 PCS PHILIPS 233VSLAB101 MONITOR	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.2.2/14/1874	Mahmut Yılmaz (ID No: 15649993804)		06.06.2014	07.04.2014	137,99	In use
255.10.2.5.4	1 PCS SAMSUNG SCX-3405 PRINTER	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.10.2/14/1876	Mahmut Yılmaz (ID No: 15649993804)		06.06.2014	07.04.2014	141,36	In use
255.10.2.5.4	1 PCS 1 TB SAMSUNG EXTERNAL HARD DRIVE	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.10.2/14/1875	Mahmut Yılmaz (ID No: 15649993804)		06.06.2014	07.04.2014	73,98	In use

255.3.1.2.3	3 PCS DRAWER TABLE (80X160)	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.3.1/14/1804 255.3.1/14/1805 255.3.1/14/1806	Fetih Durusoy (ID No: 24445706822)		06.06.2014	07.04.2014	661,51	In use
255.3.1.2.3	DRAWER TABLE (70X140)	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.3.1/14/1801 255.3.1/14/1802 255.3.1/14/1803	Fetih Durusoy (ID No: 24445706822)		06.06.2014	07.04.2014	625,95	In use
255.3.1.3.1	6 PCS OFFICE CHAIR	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.3.1/14/1798- 255.3.1/14/1800 255.3.2/14/1807- 255.3.2/14/1809	Fetih Durusoy (ID No: 24445706822)		06.06.2014	07.04.2014	995,83	In use
255.3.1.3.2	10 PCS GUEST CHAIR	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.3.1/14/1810 - 255.3.1/14/1819	Fetih Durusoy (ID No: 24445706822)		06.06.2014	07.04.2014	284,52	In use
255.3.1.1.3	2 PCS OFFICE TABLE	Loan	Category 4	Bingöl	Bingöl Provincial Directorate of Forestry	255.3.1/14/2453 255.3.1/14/2454	Atılım Mobilya Hayv. Mob.İnş.Gıda San.		16.07.2014	08.07.2014	366,79	In use
255.3.1.3.1	3 PCS MANAGER'S CHAIR	Loan	Category 4	Bingöl	Bingöl Provincial Directorate of Forestry	255.3.1/14/2450 255.3.1/14/2451 255.3.1/14/2452	Atılım Mobilya Hayv. Mob.İnş.Gıda San.		16.07.2014	08.07.2014	636,80	In use
255.3.1.3.2	4 PCS GUEST CHAIR	Loan	Category 4	Bingöl	Bingöl Provincial Directorate of Forestry	255.3.1/14/2444 255.3.1/14/2445 255.3.1/14/2446 255.3.1/14/2447	Atılım Mobilya Hayv. Mob.İnş.Gıda San.		16.07.2014	08.07.2014	490,57	In use
255.3.2.4.2	2 PCS FOLDER CABINET	Loan	Category 4	Bingöl	Bingöl Provincial Directorate of Forestry	255.3.2/14/2448 255.3.2/14/2449	Atılım Mobilya Hayv. Mob.İnş.Gıda San.		16.07.2014	08.07.2014	543,58	In use
255.2.2.4.1	3 PCS 1 TB SAMSUN EXTERNAL HARD DRIVE	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.2.2/14/13839 255.2.2/14/13840 255.2.2/14/13841	Mahmut Yılmaz (ID No: 15649993804)		23.10.2014	10.10.2014	181,48	In use
255.2.5.4.2	3 PCS PHOTO CAMERA (PANASONIC DNC-TZ30)	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.2.5/14/13836 255.2.5/14/13837 255.2.5/14/13838	Mahmut Yılmaz (ID No: 15649993804)		23.10.2014	10.10.2014	1.321,53	In use
253.3.6.9.2.2	5 PCSGARMIN GPS MAP 645 GPS	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	253.3.6/14/13842 253.3.6/14/13843 253.3.6/14/13844 253.3.6/14/13845 253.3.6/14/13846	Mahmut Yılmaz (ID No: 15649993804)		23.10.2014	10.10.2014	2.799,50	In use
150.13.2.3.1	1 PCS Camera Lens	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	401738093801	Mahmut Yılmaz (ID No: 15649993804)		23.10.2014	10.10.2014	407,24	In use
2014 Total											10.773,33	
255.2.2.4.1	2 PCS EXTERNAL BACKUP UNIT (2.5 1 TB USB)	Loan	Category 4	Muş	Mus Provincial Directorate of Forestry	255.2.2/15/3782 255.2.2/15/3783	Giyasettin Demir (ID No: 41671855186)		28.04.2015	16.04.2015	93,87	In use
255.2.99.1.1	2 PCS CALCULATOR	Loan	Category 4	Muş	Mus Provincial Directorate of Forestry	255.2.99/15/3780 255.2.99/15/3781	Giyasettin Demir (ID No: 41671855186)		28.04.2015	16.04.2015	12,48	In use



255.2.1.1.1.1	1 PCS COMPUTER CASE - (DESKTOP INTEL CORE PROCESSOR)	Loan	Category 4	Elazığ	Elazığ Provincial Directorate of Forestry	255.2.1/157426	Mahmut Yılmaz (ID No: 15649993804)		07.08.2015	28.07.2015	811,00	In use
255.2.1.1.2	2 PCS LAPTOP COMPUTER (ASUS BRAND)	Loan	Category 4	Elazığ	Elazığ Provincial Directorate of Forestry	255.2.1/15/7424 255.2.1/15/7425	Mahmut Yılmaz (ID No: 15649993804)		07.08.2015	28.07.2015	2.306,14	In use
255.2.2.1.3-188	2 PCS LASER PRINTER - (M 2070 SAMSUNG)	Loan	Category 4	Elazığ	Elazığ Provincial Directorate of Forestry	255.2.2/15/7427 255.2.2/15/7428	Mahmut Yılmaz (ID No: 15649993804)		07.08.2015	28.07.2015	222,06	In use
255.2.5.4.2-99	3 PCS PHOTO CAMERA- (NICON C-520)	Loan	Category 4	Elazığ	Elazığ Provincial Directorate of Forestry	255.2.5/15/7429 255.2.5/15/7430 255.2.5/15/7431	Mahmut Yılmaz (ID No: 15649993804)		07.08.2015	28.07.2015	1.167,45	In use
255.2.5.2.2-5	1 PCS TOTEM - (SAMSUNG ELECTRONIC TOTEM)	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.5/15/14150	Ogem- Vak.Orm.Gel. Ve Orm.Yan.		12.11.2015	26.11.2015	2.891,63	In use
255.2.2.1.3-71	1 PCS COPIER-SCANNER- PRINTER - (LASERJET HP M1005 MFP)	Loan	Category 4	Muş	Mus Provincial Directorate of Forestry	255.2.2/15/14151	Menduh Yılmaz (ID No:34988078300)		02.12.2015	26.11.2015	177,49	In use
255.2.1.1.2-3	1 PCS NOTEBOOK (ASUS DCN1670)	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/15/14269	Mahmut Yılmaz (ID No: 15649993804)		07.12.2015	30.11.2015	1.489,25	In use
253.3.6.9.2.1-2	1 PCS GPS (GARMIN MONTERNA ANDROID)	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	253.3.6/15/14270	Mahmut Yılmaz (ID No: 15649993804)		07.12.2015	30.11.2015	354,23	In use
255.2.99.1.1-1	3 PCS Calculator	Loan	Category 4	Bingöl	Bingol Provincial Directorate of Forestry	255.2.99/16/11102 255.2.99/16/11103 255.2.99/16/11104	Bin Yıldız İnş. Gıda Teks.Elekt. Tic.San.		22.12.2015	04.11.2015	20,64	In use
<b>2015 Total</b>											<b>9.546,24</b>	
255.2.1.1.1.1	3 PCS DESKTOP COMPUTER CASE	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/19/13822 255.2.1/19/13823 255.2.1/19/13824	Mahmut Yılmaz (ID No: 15649993804)		28.04.2016	14.04.2016	2.048,85	In use
255.2.1.1.2	2 PCS LAPTOP COMPUTER	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/16/13820 255.2.1/16/13821	Mahmut Yılmaz (ID No: 15649993804)		28.04.2016	14.04.2016	1.847,24	In use
255.2.2.1.3	1 PCS LASER PRINTER	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.2/16/13825	Mahmut Yılmaz (ID No: 15649993804)		28.04.2016	14.04.2016	200,02	In use
255.2.1.1.1.1	2 PCS COMPUTER CASES	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/16/17545 255.2.1/16/17546	Mahmut Yılmaz (ID No: 15649993804)		05.08.2016	18.07.2016	1.623,67	In use
255.2.1.1.2	11 PCS LAPTOP COMPUTERS	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/16/17560 - 255.2.1/16/17570	Mahmut Yılmaz (ID No: 15649993804)		05.08.2016	18.07.2016	13.004,60	In use

255.2.2.1.3	2 PCS LASER PRINTER (COLOR)	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.2/16/17571 255.2.2/16/17572	Mahmut Yılmaz (ID No: 15649993804)		05.08.2016	18.07.2016	2.131,07	In use
255.2.2.1.3	4 PCS LASER PRINTER	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.2/16/17547 - 255.2.2/16/17550	Mahmut Yılmaz (ID No: 15649993804)		05.08.2016	18.07.2016	742,83	In use
255.2.2.4.1	10 PCS EXTERNAL BACKUP UNIT	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.2/16/17573 - 255.2.2/16/17582	Mahmut Yılmaz (ID No: 15649993804)		05.08.2016	18.07.2016	598,72	In use
255.2.5.4.2	9 PCS PHOTO CAMERA	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.5 / 16/17551 - 255.2.5 / 16/17559	Mahmut Yılmaz (ID No: 15649993804)		05.08.2016	18.07.2016	4.301,73	In use
253.3.6.9.2.2	9 PCS HAND TYPE GPS DEVICES	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	253.3.6/16/17583 - 253.3.6/16/17591	Mahmut Yılmaz (ID No: 15649993804)		05.08.2016	18.07.2016	3.653,26	In use
254.1.1.2-45	7 PCS 4X4 PICK UP VEHICLES	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	254.1.1/16/24625 - 254.1.1/16/24631	State Supply Office	2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030	10.08.2016	01.04.2016	188.552,51	In use
254.1.2.2	1 PCS OF MINIBUS VEHICLE (TRANSIT 410 L)	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	254.1.2/16/17542	State Supply Office	2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030	28.09.2016	01.04.2016	23.139,12	In use
255.3.1.1.1-12	1 PCS OFFICE CHAIR	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	255.3.1/16/28761	Ofism Büro Mobilya Bilişim		30.11.2016	15.11.2016	271,94	In use
255.3.1.3.1-4	3 PCS OFFICE FOLDER CABINET	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.3.1/16/28758 255.3.1/16/28759 255.3.1/16/28760	Ofism Büro Mobilya Bilişim		30.11.2016	15.11.2016	342,11	In use
255.3.1.7-1	2 PCS OFFICE TABLE	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.3.1/16/28756 255.3.1/16/28757	Ofism Büro Mobilya Bilişim		30.11.2016	15.11.2016	43,86	In use
254.3.2.99-1	AERIAL IMAGING DEVICE (DRONE)	Loan	Category 2	Elazığ	Elazığ Regional Directorate of Forestry	254.3.2/16/29250	Reflex Mağ.İth.İhr.San. ve Tic.Ltd.Şti.		28.12.2016	23.12.2016	1.037,14	In use
	2 PCS COMPUTER CASE	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry		Mahmut Yılmaz (ID No: 15649993804)		29.12.2016	12.12.2016	1.655,86	In use
	1 PCS PRINTER	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry		Mahmut Yılmaz (ID No: 15649993804)		29.12.2016	12.12.2016	450,05	In use
<b>2016 Total</b>											<b>245.644,58</b>	
255.2.1.1.1.1	1 PCS MULTI FUNCTIONAL COPIER MACHINE	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.1/17/8325	As Talay Teknik Elek.Ltd.Şti.		04.08.2017	17.07.2017	805,65	In use
<b>255.2.3.1</b>	1 PCS DESKTOP COMPUTER	Loan	Category 4	Elazığ	Elazığ Regional Directorate of Forestry	255.2.3/17/8326	As Talay Teknik Elek.Ltd.Şti.		04.08.2017	17.07.2017	579,50	In use

	1 PCS COPIER-PRINTER-SCANNER MACHINE	Loan	Category 2	Ankara	Afforestation Department		PRODES GRUP BİLGİSAYAR LTD.	A095435	25.12.2017	21.12.2017	4.407,94	In use
<b>2017 Total</b>											<b>5.793,09</b>	
255.2.1.1.2-133	2 PCS LAPTOP COMPUTER (15 APPLE)	Loan	Category 2	Ankara	CEM	255.2.1/18/1064 255.2.1/18/1065	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	2.192,36	In use
255.2.1.1.2-38	1 PCS LAPTOP COMPUTERS (APPLE MACBOOK)	Loan	Category 2	Ankara	CEM	255.2.1/18/1062	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	1.773,33	In use
255.2.1.1.3-51	1 PCS TABLET COMPUTERS (17 ASUS)	Loan	Category 2	Ankara	CEM	255.2.1/18/1066	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	1.536,89	In use
255.2.1.1.3-7	1 PCS TABLET COMPUTERS (SAMSUNG GALAXY TAB)	Loan	Category 2	Ankara	CEM	255.2.1/18/1051	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	644,81	In use
255.2.1.1.3-9	10 PCS TABLET COMPUTERS (LENOVA TABLET)	Loan	Category 2	Ankara	CEM	255.2.1/18/1052 - 255.2.1/18/1061	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	12.789,70	In use
255.2.4.99-9	1 PCS OTHER COMMUNICATION DEVICES (CONFERENCE CAMERA)	Loan	Category 2	Ankara	CEM	255.2.4/18/1067	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	376,23	In use
255.2.5.1.1-4	1 PCS PROJECTORS, PROJECTION DEVICES	Loan	Category 2	Ankara	CEM	255.2.4/18/1050	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	494,36	In use
255.2.5.4.1.4-15	1 PCS DIGITAL CAMERAS	Loan	Category 2	Ankara	CEM	255.2.5/18/1063	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	913,58	In use
255.2.5.4.2-113	1 PCS PHOTO CAMERAS (LENS CANON)	Loan	Category 2	Ankara	CEM	255.2.5/18/1068	Gülhane Tic.ve Paz.Ltd.Şti.		14.12.2018	13.12.2018	1.762,49	In use
<b>2018 Total</b>											<b>22.483,75</b>	
<b>Grand Total (2013-2018)</b>											<b>304.609,44</b>	

  
İbrahim YÜZER  
Daire Başkanı

  
Mehmet ÇELİK  
Genel Müdür Yardımcısı



**MINISTRY OF AGRICULTURE AND FORESTRY**  
**General Directorate of Forestry**  
**Murat River Watershed Rehabilitation Project**



**MRWRP Financed Partly with the Loan No. I-889-TR**  
**As of the Year Ended on 31/12/2018**  
**NOTES ON FINANCIAL STATEMENTS OF THE PROJECT**

**1- PROJECT OBJECTIVES AND STRUCTURE**

The Financing Agreement with IFAD Loan No. I-889-TR and Grant No. I-C-1418-TR was signed between the Republic of Turkey and the International Fund for Agricultural Development (IFAD) of the United Nations on **February 15, 2013** within the scope of Murat River Watershed Rehabilitation Project.

Murat River Watershed Rehabilitation Project aims at preventing the degradation of natural resources in the micro-catchments to be selected in Murat River basin of **Bingöl, Elazığ and Muş** provinces through Murat River which is one of the two main tributaries of Fırat River, and reducing the poverty of people living in the upper elevations of the basin.

The Project is a participatory project ensuring the participation of all relevant departments of the state together with the local people for a sustainable natural resource management.

The project will be implemented between 2013 and 2021. The amount of Financing Agreement signed for the Project is **USD 38,642,855** including IFAD Loan Contribution of **17,955,162 SDR** (USD 27,791,100), IFAD Grant Contribution of **280,000 SDR** (USD 430,000), and Government Contribution of USD 7,453,051 for the Project. The expenditures started in 2013 within the scope of the Project. The project implementation period was extended by the end of **2021** with the additional financing of **USD 8,200,000** by IFAD as per the additional financing agreement **signed on 28.01.2019**. The total budget of the additional financing agreement signed with IFAD is **USD 13,559,000** including USD 8,200,000 IFAD Loan, USD 4,365,000 Government Contribution and USD 994,000 Beneficiary Contribution.

According to the final situation with the additional budget, USD 52,201,855 will be invested within the scope of the project including;

- 1) Investments in Natural Resources and Environmental Management (**USD 3,532,200**)
- 2) Investments in Natural Resources and Environmental Values (**USD 20,554,075**)
- 3) Investments in Improving Livelihoods (**USD 26,273,460**)
- 4) Investments in Strengthening the Institutional Capacity (**USD 1,932,100**)

**The expenditures made in 2018;**

**USD 760,478.04** was spent from the **Internal Budget** in total;

- USD 391,775.21 from the budget of the General Directorate of Forestry as the Government Budget and taxes,
- USD 12,846.50 from the budget of the General Directorate of Combating Desertification and Erosion (ÇEM) as taxes ,
- USD 355,856.33 was spent as a beneficiary contribution.

**USD 2,317,259.00** was spent from the **External Budget** in total including;

- USD 2,245,889.55 from the loan account of the General Directorate of Forestry,
- USD 71,369.45 was spent from the loan account of the General Directorate of Combating Desertification and Erosion (ÇEM).

Total amount of expenditure in 2018 = External Budget + Internal Budget is

$$= \text{USD } 2,317,259.00 + \text{USD } 760,478.04 = \text{USD } 3,077,737.04$$



**MINISTRY OF AGRICULTURE AND FORESTRY**  
General Directorate of Forestry  
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**From the beginning of the project to the date of 31.12.2018;**

**USD 6,267,208.96** was spent from the **Internal Budget** in total;

- USD 3,884,994.12 from the budget of the General Directorate of Forestry as the Government Budget and taxes,
- USD 31,946.98 from the budget of the General Directorate of ÇEM as tax,
- USD 2,350,267.86 was spent as a beneficiary contribution.

**USD 21,287,578.60** was spent from the **External Budget** in total including;

- USD 21,110,095.30 from the loan account of the General Directorate of Forestry,
- USD 177,483.30 from the loan account of the General Directorate of Combating Desertification and Erosion (ÇEM).

Total Expenditure Amount = External + Internal Budget

$$= 21,287,578.60 + 6,267,208.97 = \text{USD } 27,554,787.57$$

## **2- MAIN ACCOUNTING POLICIES**

Overall responsibility for financial management of the project belongs to the Financial Management Unit within the body of the Ministry of Forestry and Water Affairs - General Directorate of Forestry.

Transactions related to the project have been prepared on the basis of cash collection and payment. On this basis, the income is recorded at the date of obtainment, not at the date of acquisition; and the expenditures are recorded at the date of payment, not at the date of occurrence.

Accounting Transactions are recorded in USD and TRY in order to confirm the accuracy of the accounts, although the currency provided through the financing agreement signed between the International Fund for Agricultural Development (IFAD) and the Republic of Turkey is SDR.

## **3- FINANCIAL STATEMENTS**

The use of funds deposited in the Designated Account in accordance with the Financing Agreement signed between the Government and the International Fund for Agricultural Development (IFAD) is limited only with the Project. At the end of the Project, the remaining amount of project funds shall be returned to the Ministry of Treasury and Finance to be distributed to the financiers in accordance with the provisions of the relevant financing agreement.

## **4- INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) LOAN**

Principal repayments of the Financing Agreement with the Loan No. of I-889-TR and Grant No. of I-C-1418-TR signed on February 15, 2013 between International Fund for Agricultural Development (IFAD) and the Republic of Turkey will start on June 01, 2018, and will be completed on June 01, 2031.

## **5- CASH BALANCE AS OF DECEMBER 31, 2018**

Cash balance on the date of December 31, 2018 in dollar includes the following;

<b>Designated Account Total (Loan)</b>	<b>827,272.44</b>
PRIMARY LOAN ACCOUNT (■)	0.00
OGM Loan Account (■)	784,991.12
ÇEM Loan Account (■)	42,281.32





**MINISTRY OF AGRICULTURE AND FORESTRY**  
**General Directorate of Forestry**  
**Murat River Watershed Rehabilitation Project**



#### **6- REFUNDS**

**6.1-** The payment of Çiftçiler Taşımacılık - Yasin Çifçi (vehicle rental) made on 29.12.2016 was paid as USD 488.27 instead of USD 244.13 by mistake from the DA in the Central Bank. The overpaid amount of USD 244.13 was refunded to the DA in the Central Bank in January 2017.

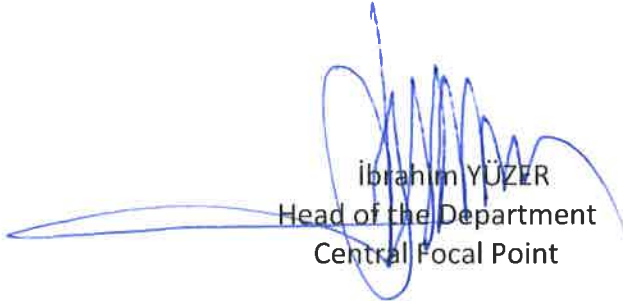
**6.2-** As the beneficiary contribution to be paid as the internal contribution was paid from the loan budget of the project between 2013 and 2017, USD 35,273.36 was refunded to the loan account of the Project on 06.12.2017.

**6.3-** In addition, Special Consumption Tax amounts of the 4x4 all-terrain vehicles and minibuses purchased for the Project from the State Supply Office were calculated and refunded to the Project's loan account as USD 9,334.54 on 11.07.2017.

In total **USD 44,852.04** was refunded to the primary loan account of the project.

#### **7- ACCOUNTING RECORDS**

The overpayment amount of USD 244.13 is also reflected in the accounting records of 2016, therefore there seems to be a surplus difference in the cumulative amounts of the previous period the amount of USD 244.13. This issue is also explained in the financial statements.

  
İbrahim YÜZER  
Head of the Department  
Central Focal Point

21.06/2019  
  
Mehmet ÇELİK  
Deputy General Director  
Project Coordinator