

**“Fourth Phase of the Central Asia Regional
Links Program”
Grant No. D699-TJ,
Grant No. TF0B3028**

**The project special purpose financial
statements**

for the year ended December 31, 2023

and independent auditors’ report

TABLE OF CONTENTS

	Page
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023	3
INDEPENDENT AUDITORS' REPORT	4-6
THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023:	
Summary of funds received and expenditures paid	7
Summary of expenditures paid by components	8
Notes to the project special purpose financial statements	9-25

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

The following statement, which should be read in conjunction with the independent auditors' responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the project special purpose financial statements of the Project "Fourth Phase of the Central Asia Regional Links Program", Grant No. D699-TJ, Grant No. TF0B3028 (the "Project").

Management is responsible for the preparation of the project special purpose financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by components for the year ended December 31, 2023 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

In preparing the project special purpose financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project special purpose financial statements; and
- preparing the project special purpose financial statements on a going concern basis, unless it is inappropriate to presume that the Project will be implemented in accordance with the established period.

Management is also responsible for:

- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to ensure that the project special purpose financial statements of the Project comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Republic of Tajikistan, accounting system of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud and other irregularities.

The project special purpose financial statements for the year ended December 31, 2023 were approved and authorized for issue on June 21, 2024 by the management of the Project.

On behalf of the Management of the Project:





Nematzoda F.
Deputy Minister of Transport/Project Director





Musozoda M.
Head of Finance and accounting Department of the Ministry of transport

June 21, 2024
Dushanbe, the Republic of Tajikistan

June 21, 2024
Dushanbe, the Republic of Tajikistan



Karimzoda Kh.
Head of Customs Service



Rizoiev Z.
Chief Inspector of the Finance Department of Customs Service

June 21, 2024
Dushanbe, the Republic of Tajikistan

June 21, 2024
Dushanbe, the Republic of Tajikistan

INDEPENDENT AUDITOR'S REPORT

To the Management of Project "Fourth Phase of the Central Asia Regional Links Program" the Project Implementation Group under the Ministry of Transport of the Republic of Tajikistan and the Project Implementation Group under the Customs service under the Government of the Republic of Tajikistan and to the Management of State Committee on Investments and State Property Management of the Republic of Tajikistan.

Opinion

We have audited the Special Purpose Financial Statements prepared by the Management of Project Implementation Group under the Ministry of Transport of the Republic of Tajikistan (hereinafter- PIG) and by the Management of Project Implementation Group under the Customs service under the Government of the Republic of Tajikistan (hereinafter- PIG) of the "Fourth Phase of the Central Asia Regional Links Program" (hereinafter-Project) financed against the financial proceeds of the International Development Association (hereinafter-IDA) according to the Grant Agreement No.D699-TJ and Grant Agreement No.TF0B3028 (hereinafter – Grant Agreements) for the year ended December 31, 2023.

The Special Purpose Financial Statements comprise: Summary of Funds received and Expenditures paid, Summary of Expenditures paid by Components, Notes to the special purpose financial statements includes: (i) Statement of expenditures (SOE); (ii) Statement of Designated Account (iii) Statement of Financial Position; and the principal accounting policies and other explanatory information.

In our opinion,

- a) The Special Purpose Financial Statements of the Project fairly present in all material respects the financial position of the Project as at December 31, 2023 and the results of its operations for the year ended December 31, 2023, in conformity with the International Public Sector Accounting Standards (hereinafter – IPSAS);
- b) The PIG has utilized all proceeds of the Grant Agreements withdrawn from IDA only for purposes of the Project in accordance with the Grant Agreements; and no proceeds of the Grant Agreements have been utilized for other purposes;
- c) Statement of the Designated Account on Project for the year ended December 31, 2023 give a true and fair view of the financial position of the Designated Account of the Project as at December 31, 2023 and of the cash flows for the year ended December 31, 2023 and complies with the World Bank's guidelines; moreover
- d) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the IDA for reimbursement of expenditures incurred and the expenditures comply with objectives stipulated in the Grant Agreements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project PIG in accordance with the ethical requirements that are relevant to our audit of the statements in with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 3 to the Special Purpose Financial Statements, which describes the basis of accounting. The Special Purpose Financial Statements are prepared to assist the Project to comply with the financial reporting provisions on the requirements conditions of the Grant Agreements and IPSAS. As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Special Purpose Financial Statements based on the cash flow basis in accordance with IPSAS 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.

In preparing the financial statements, management is responsible for assessing the Project PIG ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project PIG financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 International Standards on Auditing (ISAs) will always detect a material misstatement when it exists.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout 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 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 Project PIG internal control.

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

- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PIG ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PIG to cease to continue as a going concern.

- ✓ 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 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 also 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.

Auditor:

KRESTON TASHKENT LLC

Uzbekistan, Tashkent region, 100007,
Makhtumkuli street, 99A

Tashkent, June 21, 2024



“FOURTH PHASE OF THE CENTRAL ASIA REGIONAL LINKS PROGRAM”

GRANT No. D699-TJ, GRANT No. TF0B3028

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID

FOR THE YEAR ENDED DECEMBER 31, 2023

(in US dollars)

	Notes	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
		PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Opening balance	4	<u>1,688,361</u>	<u>841,400</u>	<u>2,529,761</u>	<u>2,480,583</u>	<u>-</u>	<u>636,904</u>	<u>-</u>
FUNDS RECEIVED								
Grant No. D699-TJ	5	17,650,616	1,053,462	18,704,078	4,957,671	4,850,193	9,807,864	30,511,942
Grant No. TF0B3028	5	-	-	-	2,000,000	-	2,000,000	2,000,000
Government Contribution	5	<u>608,048</u>	<u>-</u>	<u>608,048</u>	<u>838,973</u>	<u>-</u>	<u>838,973</u>	<u>1,977,994</u>
Total funds received		<u>18,258,664</u>	<u>1,053,462</u>	<u>19,312,126</u>	<u>7,796,644</u>	<u>4,850,193</u>	<u>12,646,837</u>	<u>34,489,936</u>
EXPENSES								
Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 1,2,4 (MoT):		<u>19,592,710</u>	<u>-</u>	<u>19,592,710</u>	<u>8,677,635</u>	<u>-</u>	<u>8,677,635</u>	<u>28,320,735</u>
Grant No. D699-TJ and Grant No. TF0B3028	6	19,159,743	-	19,159,743	7,218,948	-	7,218,948	26,429,081
Government Contribution		<u>432,967</u>	<u>-</u>	<u>432,967</u>	<u>1,458,687</u>	<u>-</u>	<u>1,458,687</u>	<u>1,891,654</u>
Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 3,4 (CS)	6	<u>-</u>	<u>1,132,271</u>	<u>1,132,271</u>	<u>-</u>	<u>4,008,784</u>	<u>4,008,784</u>	<u>5,141,055</u>
Grant No. D699-TJ and Grant No. TF0B3028		-	1,132,271	1,132,271	-	4,008,784	4,008,784	5,141,055
Government Contribution		-	-	-	-	-	-	-
Total expenses		<u>19,592,710</u>	<u>1,132,271</u>	<u>20,724,981</u>	<u>8,677,635</u>	<u>4,008,784</u>	<u>12,686,419</u>	<u>33,461,790</u>
Foreign exchange loss/(gain)		908	(13)	954	(88,769)	9	(88,760)	(87,865)
Closing balance	4	<u>353,407</u>	<u>762,604</u>	<u>1,116,011</u>	<u>1,688,361</u>	<u>841,400</u>	<u>2,529,761</u>	<u>1,116,011</u>

On behalf of the Management of the Project:

Nematzoda F.
Deputy Minister of Transport/Project
Director

Musozoda M.
Head of Finance and accounting
Department of the Ministry of transport

Karimzoda Kh.
Head of Customs Service

Rizoev Z.
Chief Inspector of the Finance
Department of Customs Service

June 21, 2024
Dushanbe, the Republic of Tajikistan

June 21, 2024
Dushanbe, the Republic of Tajikistan

June 21, 2024
Dushanbe, the Republic of Tajikistan

June 21, 2024
Dushanbe, the Republic of Tajikistan

The notes on pages 9-25 form an integral part of the project special purpose financial statements. The independent auditors' report is on pages 4-6

“FOURTH PHASE OF THE CENTRAL ASIA REGIONAL LINKS PROGRAM”
GRANT No. D699-TJ, GRANT No. TF0B3028

SUMMARY OF EXPENDITURES PAID BY COMPONENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(in US dollars)

	For the year ended December 31, 2023				For the year ended December 31, 2022				Cumulative
	PIG MOT	PIG CS	Government Contribution	Total	PIG MOT	PIG CS	Government Contribution	Total	
Part 1. Improve regional connections in Sughd region and Gorno-Badakhshan Autonomous (GBAO) region	18,786,027	-	432,961	19,218,988	6,821,280	-	1,458,681	8,279,961	27,498,949
Part 2. Improve road asset preservation and road safety	141,000	-	-	141,000	-	-	-	-	141,000
Part 3. Facilitate cross-border movement of goods	-	1,063,501	-	1,063,501	-	3,891,390	-	3,891,390	4,954,891
Part 4. Support project implementation, coordination and management	232,716	68,770	6	301,492	397,668	117,394	6	515,068	866,950
Part 5. Contingent Emergency Response	-	-	-	-	-	-	-	-	-
	<u>19,159,743</u>	<u>1,132,271</u>	<u>432,967</u>	<u>20,724,981</u>	<u>7,218,948</u>	<u>4,008,784</u>	<u>1,458,687</u>	<u>12,686,419</u>	<u>33,461,790</u>

On behalf of the Management of the Project:

Nematzoda F.

Deputy Minister of Transport/Project Director

June 21, 2024

Dushanbe, the Republic of Tajikistan

The notes on pages 9-25 form an integral part of the project special purpose financial statements.
The independent auditors' report is on pages 4-6

Musozoda M.

Head of Finance and accounting Department of the Ministry of transport

June 21, 2024

Dushanbe, the Republic of Tajikistan

Karimzoda Kh.

Head of Customs Service

June 21, 2024

Dushanbe, the Republic of Tajikistan

Rizoev Z.

Chief Inspector of the Finance Department of Customs Service

June 21, 2024

Dushanbe, the Republic of Tajikistan

"FOURTH PHASE OF THE CENTRAL ASIA REGIONAL LINKS PROGRAM"
GRANT No. D699-TJ, GRANT No. TF0B3028

NOTES TO THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(in US dollars)

1. GENERAL INFORMATION

According to the Agreements between the Republic of Tajikistan and International Development Association (the "IDA") dated May 17, 2021 the IDA provided a Grant No. D699-TJ in the amount of 95,500,000 Special Drawing Rights (the "SDR") and a Grant No. TF0B3028 in the amount of 2,000,000 US Dollars

The Grants were provided for implementation of the Project "Fourth Phase of the Central Asia Regional Links Program" (the "Project").

Project purpose

The objectives of the Project are to enhance the efficiency of cross-border trade for participants of the regional economy, and to improve the resilience and safety of regional connectivity infrastructure in Sughd region and Gorno-Badakhshan Autonomous region.

The Project consist of the following parts:

Part 1: Improve regional connections in Sughd region and Gorno-Badakhshan Autonomous (GBAO) region

Improve connectivity and road infrastructure resilience along the priority trade and travel routes for Sughd region and GBAO region through:

1. rehabilitation of Category I and III roads in Sughd region in selected sections along Bek Abad (Uzbek Border) - Konibodom corridor;
2. construction of (a) Khorog bridge, and (b) tunnels/galleries and bridges around Barsem Village in GBAO region;
3. preparation of feasibility studies for improvement of regional road connectivity through survey of initial road conditions, identification of natural disaster risks and mitigation measures, identification and assessment of measures to maximize wider economic benefits of corridor development, and assessment of technical, financial, social and environmental feasibility for (a) Khatlon region, and (b) Sughd and GBAO regions.

Part 2: Improve road asset preservation and road safety

2.1 Improve road asset preservation through:

- (i) supply and installation of weigh-in-motion systems to preserve road assets on selected locations;
- (ii) installation and commission of software packages for recording, storage and analysis of road network condition, traffic volumes, and natural hazard exposure data, and development of prioritized maintenance planning;
- (iii) provision of training on the installed systems.

2.2 Improve road safety through:

- (i) provision of consultants services and goods to the Department of State Automobile Inspection to increase use of 4-wheel vehicle safety belts, through carrying out (a) a legal and regulatory review, (b) publicity campaign to promote use of safety belts, and (c) design of working procedures and capacity-building to raise compliance.
- (ii) retrofit or construct safety barriers along selected road sections in severe mountainous terrains;
- (iii) provision of support to the Department of State Automobile Inspection to (a) develop a road safety strategy, and (b) establish a Road Safety Observatory, through inter alia, provision of technical assistance, equipment, support for the design, installation, commissioning and training of staff for a road accident reporting and analysis database, training of key staff in the management and operation of a Road Safety Observatory, and office operating costs.

Part 3: Facilitate cross-border movement of goods

- (i) Upgrading of the customs information and communication technology (ICT) platform, including inter alia (a) equipment and facilities, (b) customs automation software suitably adapted and tested to be compatible with local requirements and including a module to facilitate relief consignment in the event of natural disasters and other emergencies, and (c) implementation support for the said platform;
- (ii) Strengthening of institutional capacity and human resources in Customs Service, including:
 - a) integration of the newly upgraded Customs Service ICT platform with other governmental ICT systems;
 - b) technical assistance for development of a detailed implementation plan for customs modernization;
 - c) implementation of time release studies;
 - d) assessment of implementation of measures under the WTO Trade Facilitation Agreement; and
 - e) improving the gender balance within the customs offices employees and carry out training of staff on the revised code of ethics and gender sensitive service delivery.
- (iii) Support for the border inspection of cargo and passenger traffic through provision of technical equipment.

Part 4: Support project implementation, coordination and management

Provision of support for project coordination, implementation and management through the provision of goods, consultants' services, Training, and Operating Costs, including for Project's audit for (i) MOT-PIG and (ii) CS-PIG.

Part 5: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

The Project is implemented jointly by the Ministry of Transport Projects Implementation Group (the "MOT PIG"); and the Customs service under the Government of the Republic of Tajikistan Projects Implementation Group (the "CS PIG").

Duration of the Project is from the May 17, 2021 to October 31, 2026.

2. PRESENTATION OF THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS

Basis of preparation

These project financial statements have been prepared in accordance with the International Public Sector Accounting Standard (the "IPSAS") "Financial Reporting under the Cash Basis of Accounting" issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the following principal accounting policies, which have been consistently followed in all material respects and comply with the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Under the cash basis system income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received or provided.

The Project's approved budget disclosed by categories of expenses is not publicly available and as such comparison of budget and actual amounts is not presented.

These project special purpose financial statements consist of:

- Summary of funds received and expenditures paid;
- Summary of expenditures paid by components;
- Notes to the project special purpose financial statements, including short description of main statements of accounting policy and other descriptive notes.

The reporting currency of these project special purpose financial statements is US dollars (the "USD").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The project special purpose financial statements are prepared on a cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the Project. The project special purpose financial statements prepared under the cash basis provide information on the sources of funds, the purpose of uses of funds, and cash balances at the reporting date. The measurement focus in the project special purpose financial statements is balances of cash and changes therein.

Foreign currency

Operations in foreign currency initially are counted in functional currency by the official currency exchange rate settled by the National Bank of Tajikistan (the "NBT") on a date of operation.

Funds received are translated into US dollars at official exchange rate of Special Drawing Rights (the "SDR") at the date of funds receipt. All payments made in local currency are translated into US dollars at the official exchange rate defined by the NBT, at the date of transaction.

All foreign exchange differences resulted from maturity or recounting are included in the summary of funds received and expenditures paid.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short term. Balances of advances paid to employees at the end of the period are also part of closing cash position.

Taxes

Calculation and payment of personal income tax and social security contributions from income of local staff and consultants is made in accordance with the requirements and rates of the Tax Code of the Republic of Tajikistan and relevant legislation of the Republic of Tajikistan.

Project expenses

The expenses are recorded in the period when they were actually paid.

Sources of funds

The World Bank provided the funds to the Project by advance, direct payment and reimbursement.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2023 and 2022 comprise:

	Currency	December 31, 2023			December 31, 2022		
		PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total
Designated account Grant No. D699-TJ	USD	178,799	762,586	941,385	1,688,332	841,397	2,529,729
Designated account Credit No. TF0B3028	USD	-	-	-	-	-	-
Transit account Grant No. D699-TJ	TJS	3	18	21	-	3	3
Transit account Credit No. TF0B3028	TJS	-	-	-	-	-	-
Contribution of the Government of the Republic of Tajikistan	TJS	<u>174,605</u>	<u>-</u>	<u>174,605</u>	<u>29</u>	<u>-</u>	<u>29</u>
		<u>353,407</u>	<u>762,604</u>	<u>1,116,011</u>	<u>1,688,361</u>	<u>841,400</u>	<u>2,529,761</u>

5. FUNDS RECEIVED

The funds received are presented by the following financing methods:

	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Advances	-	815,862	815,862	668,464	1,000,000	1,668,464	4,484,326
Direct payments	17,650,616	237,600	17,888,216	6,289,207	3,850,193	10,139,400	28,027,616
	17,650,616	1,053,462	18,704,078	6,957,671	4,850,193	11,807,864	32,511,942
Government contribution	608,048	-	608,048	838,973	-	838,973	1,977,994
	<u>18,258,664</u>	<u>1,053,462</u>	<u>19,312,126</u>	<u>7,796,644</u>	<u>4,850,193</u>	<u>12,646,837</u>	<u>34,489,936</u>

	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
Grant No. D699-TJ	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Advances	-	815,862	815,862	423,284	1,000,000	1,423,284	4,239,146
Direct payments	17,650,616	237,600	17,888,216	4,534,387	3,850,193	8,384,580	26,272,796
	17,650,616	1,053,462	18,704,078	4,957,671	4,850,193	9,807,864	30,511,942
Government contribution	608,048	-	608,048	838,973	-	838,973	1,977,994
	<u>18,258,664</u>	<u>1,053,462</u>	<u>19,312,126</u>	<u>5,796,644</u>	<u>4,850,193</u>	<u>10,646,837</u>	<u>32,489,936</u>

	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
Grant No. TF0B3028	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Advances	-	-	-	245,180	-	245,180	245,180
Direct payments	-	-	-	1,754,820	-	1,754,820	1,754,820
	-	-	-	2,000,000	-	2,000,000	2,000,000
Government contribution	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>

6. EXPENSES

The Project expenses by parts are presented in the summary of expenditures paid by components. The Project expenses on major categories are presented in the summary of funds received and expenditures paid.

Breakdown of the Project expenses by categories and nature is presented as follows:

GOODS, WORKS, NON-CONSULTING SERVICES, CONSULTING SERVICES TRAINING AND OPERATING COSTS PARTS 1,2,4 (MOT):

	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
	Grant No. D699-TJ and Grant No. TF0B3028	Government Contribution	Total	Grant No. D699-TJ and Grant No. TF0B3028	Government Contribution	Total	
Rehabilitation of roads in Sughd Oblast	9,984,491	-	9,984,491	4,534,387	-	4,534,387	14,518,878
Construction of Khorog bridge and tunnels/galleries and bridgest	7,666,125	-	7,666,125	-	-	-	7,666,125
Supervision services for road construction and rehabilitation works	747,223	-	747,223	182,700	-	182,700	929,923
Preparation of feasibility studies	388,188	-	388,188	2,104,194	-	2,104,194	2,492,382
Payroll and related taxes	163,175	-	163,175	160,822	-	160,822	373,667
Software licenses and Computer Hardware for RAMS	141,000	-	141,000	-	-	-	141,000
Road user survey	20,980	-	20,980	-	-	-	20,980
Audit	14,218	-	14,218	-	-	-	14,218
Fuel, maintenance and registration of vehicles	11,599	-	11,599	3,600	-	3,600	15,199
Office equipment	7,791	-	7,791	46,324	-	46,324	54,115
Travel expenses	4,122	-	4,122	6,380	-	6,380	10,502
Stationery	3,786	-	3,786	1,948	-	1,948	5,734
Trainings and seminars	2,927	-	2,927	-	-	-	2,927
Operating expenses	1,834	-	1,834	2,738	-	2,738	4,572
Bank's services	1,296	6	1,302	1,309	6	1,315	2,966
Advertising	988	-	988	958	-	958	2,317
Repair of office	-	-	20,980	7,684	-	7,684	7,684
Software	-	-	2,927	4,684	-	4,684	4,684
Vehicles	-	-	-	161,220	-	161,220	161,220
Resettlement Action Plan	-	432,961	432,961	-	1,458,681	1,458,681	1,891,642
	19,159,743	432,967	19,592,710	7,218,948	1,458,687	8,677,635	28,320,735

GOODS, WORKS, NON-CONSULTING SERVICES, CONSULTING SERVICES TRAINING AND OPERATING COSTS PARTS 3,4 (CS)

	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
	Grant No. D699-TJ and Grant No. TF0B3028	Government Contribution	Total	Grant No. D699-TJ and Grant No. TF0B3028	Government Contribution	Total	
Software	396,780	-	396,780	11,920	-	11,920	408,700
Consulting services	252,343	-	252,343	-	-	-	252,343
Development of software	217,200	-	217,200	-	-	-	217,200
Vehicles	79,300	-	79,300	-	-	-	79,300
Payroll and related taxes	70,233	-	70,233	133,053	-	133,053	203,286
Procurement of generator	59,592	-	59,592	-	-	-	59,592
ICT equipment for UNCTAD National Team	39,614	-	39,614	-	-	-	39,614
Operating expenses	10,276	-	10,276	9,515	-	9,515	19,791
Travel expenses	3,259	-	3,259	148	-	148	3,407
Fuel	2,014	-	2,014	1,590	-	1,590	3,604
Advertising	839	-	839	155	-	155	994
Bank's services	683	-	683	999	-	999	1,682
Stationery	138	-	138	1,211	-	1,211	1,349
Technical assistance for migration to Asycuda world and the implementation of customs reform	-	-	-	3,850,193	-	3,850,193	3,850,193
	1,132,271	-	1,132,271	4,008,784	-	4,008,784	5,141,055
	20,292,014	432,967	20,724,981	11,227,732	1,458,687	12,686,419	33,461,790

Breakdown of project expenditures by components and sources of financing is presented as follows:

PART 1. IMPROVE REGIONAL CONNECTIONS IN SUGH D REGION AND GORNO-BADAKHSHAN AUTONOMOUS (GBAO) REGION

	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Grant No. D699-TJ and Grant No. TF0B3028							
Supervision services for road construction and rehabilitation works	747,223	-	747,223	182,700	-	182,700	929,923
Preparation of feasibility studies	388,188	-	388,188	2,104,194	-	2,104,194	2,492,382
Construction of Khorog bridge and tunnels/galleries and bridgest	7,666,125	-	7,666,125	-	-	-	7,666,125
Rehabilitation of roads in Sughd Oblast	9,984,491	-	9,984,491	4,534,386	-	4,534,386	14,518,877
	<u>18,786,027</u>	<u>-</u>	<u>18,786,027</u>	<u>6,821,280</u>	<u>-</u>	<u>6,821,280</u>	<u>25,607,307</u>
Contribution of the Government of the Republic of Tajikistan							
Resettlement Action Plan	432,961	-	432,961	1,458,681	-	1,458,681	1,891,642
	<u>432,961</u>	<u>-</u>	<u>432,961</u>	<u>1,458,681</u>	<u>-</u>	<u>1,458,681</u>	<u>1,891,642</u>
	<u>19,218,988</u>	<u>-</u>	<u>19,218,988</u>	<u>8,279,961</u>	<u>-</u>	<u>8,279,961</u>	<u>27,498,949</u>

PART 2. IMPROVE ROAD ASSET PRESERVATION AND ROAD SAFETY

Grant No. D699-TJ and Grant No. TF0B3028	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Software licenses and Computer Hardware for RAMS	141,000	-	141,000	-	-	-	141,000
	<u>141,000</u>	<u>-</u>	<u>141,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,000</u>

PART 3. FACILITATE CROSS-BORDER MOVEMENT OF GOODS

Grant No. D699-TJ and Grant No. TF0B3028	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Technical assistance for migration to Asycuda world and the implementation of customs reform	-	-	-	-	3,850,193	3,850,193	3,850,193
ICT equipment for UNCTAD National Team	-	39,614	39,614	-	-	-	39,614
Development of software	-	217,200	217,200	-	-	-	217,200
Consulting services	-	252,343	252,343	-	-	-	252,343
Vehicles	-	79,300	79,300	-	-	-	79,300
Procurement of generator	-	59,592	59,592	-	-	-	59,592
Payroll and related taxes	-	18,672	18,672	-	29,277	29,277	47,949
Software	-	396,780	396,780	-	11,920	11,920	408,700
	<u>-</u>	<u>1,063,501</u>	<u>1,063,501</u>	<u>-</u>	<u>3,891,390</u>	<u>3,891,390</u>	<u>4,954,891</u>

PART 4. SUPPORT PROJECT IMPLEMENTATION, COORDINATION AND MANAGEMENT

	For the year ended December 31, 2023			For the year ended December 31, 2022			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Grant No. D699-TJ and Grant No. TF0B3028							
Payroll and related taxes	163,175	51,561	214,736	160,823	103,776	264,599	529,005
Operating expenses	1,834	10,276	12,110	2,738	9,515	12,253	24,363
Bank's services	1,296	683	1,979	1,309	999	2,308	4,636
Fuel	-	2,014	2,014	-	1,590	1,590	3,604
Audit	14,218	-	14,218	-	-	-	14,218
Trainings and seminars	2,927	-	2,927	-	-	-	2,927
Road user survey	20,980	-	20,980	-	-	-	20,980
Advertising	988	839	1,827	958	155	1,113	3,311
Stationery	3,786	138	3,924	1,948	1,211	3,159	7,083
Travel expenses	4,122	3,259	7,381	6,380	148	6,528	13,909
Office equipment	7,791	-	7,791	46,324	-	46,324	54,115
Repair of office	-	-	-	7,684	-	7,684	7,684
Software	-	-	-	4,684	-	4,684	4,684
Vehicles	-	-	-	161,220	-	161,220	161,220
Fuel, maintenance and registration of vehicles	11,599	-	11,599	3,600	-	3,600	15,199
	<u>232,716</u>	<u>68,770</u>	<u>301,486</u>	<u>397,668</u>	<u>117,394</u>	<u>515,062</u>	<u>866,938</u>
Contribution of the Government of the Republic of Tajikistan							
Bank's services	6	-	6	6	-	6	12
	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>	<u>6</u>	<u>12</u>
	232,722	68,770	301,492	397,674	117,394	515,068	866,950
	<u>19,592,710</u>	<u>1,132,271</u>	<u>20,724,981</u>	<u>8,677,635</u>	<u>4,008,784</u>	<u>12,686,419</u>	<u>33,461,790</u>

For the year ended December 31, 2023, under Part 5: "Contingent Emergency Response" had no expenditures.

7. DIRECT PAYMENTS PROCEDURES

Direct payments made by the IDA from Grant Account during the period from January 01, 2023 till December 31, 2023 are stated in the following table:

Sources of financing	No. of Withdrawal application	Dated	Payment Currency	Amount in payment currency	Paid Amount by category (in USD) Goods	Total amount in USD
PIG MOT						
Grant No. D699-TJ	MT11	May 11, 2023	TJS	1,163,9771	1,068,849	1,068,849
Grant No. D699-TJ	MT14	June 26, 2023	USD	2,267,193	2,267,193	2,267,193
Grant No. D699-TJ	MT12	June 26, 2023	USD	3,128,374	3,128,374	3,128,374
Grant No. D699-TJ	MT13	June 27, 2023	USD	1,564,187	1,564,187	1,564,187
Grant No. D699-TJ	MT15	June 29, 2023	TJS	5,819,885	533,665	533,665
Grant No. D699-TJ	MT16	October 18, 2023	USD	939,541	939,541	939,541
Grant No. D699-TJ	MT17	October 23, 2023	TJS	2,411,801	220,256	220,256
Grant No. D699-TJ	MT 20	November 15, 2023	USD	2,267,193	2,267,193	2,267,193
Grant No. D699-TJ	MT 21	November 16, 2023	USD	1,745,402	1,745,402	1,745,402
Grant No. D699-TJ	MT 23	November 16, 2023	USD	1,409,377	1,409,377	1,409,377
Grant No. D699-TJ	MT 18	November 16, 2023	USD	1,564,187	1,564,187	1,564,187
Grant No. D699-TJ	MT19	November 20, 2023	TJS	5,819,885	532,469	532,469
Grant No. D699-TJ	MT 22	November 20, 2023	TJS	4,480,448	409,923	409,923
					17,650,616	17,650,616
PIG CS						
Grant No. D699-TJ	CS16	August 10, 2023	USD	237,600	237,600	237,600
					237,600	237,600
Total					17,888,216	17,888,216

Below is the summary of IDA-financed total under the Direct Payment Procedure (from the beginning of the Project):

Reporting Year	Goods	Paid Amount by category (in USD)			Total Amount in USD
		Works	Consulting Services	Operating expenses	
2022	10,139,400	-	-	-	10,139,400
2023	17,888,216	-	-	-	17,888,216
Total	28,027,616	-	-	-	28,027,616

8. STATEMENT OF EXPENDITURE (SOE) PROCEDURES

SOE procedure used by the Project to replenish funds to the Designated Account in accordance with the conditions of the Financing Agreement and World Bank Guidelines' requirements.

Summary data on funds reimbursed through SOE procedures for the period 01 January 2023 till December 31, 2023 is stated in the following table:

	PIG MOT	PIG CS	TOTAL 2023
Total Amount reported under SOEs	1,509,127	894,671	2,403,798
<i>Less: Expenditures no submitted to WB on 31 December 2023</i>	<i>(1,509,127)</i>	<i>(237,399)</i>	<i>(1,746,526)</i>
MT27	(1,509,127)	-	(1,509,127)
CS4	-	(237,399)	(237,399)
Subtotal	-	657,272	657,272
Of which: replenished to Designated Account	-	815,862	815,862
<i>Less: Reimbursement of expenses for 2022 under:</i>	<i>-</i>	<i>(158,590)</i>	<i>(158,590)</i>
CS2	-	(158,590)	(158,590)
Subtotal:	-	657,272	657,272
Difference	-	-	-

Below is the summary of IDA-financed total under the SOE Procedure (from the beginning of the Project):

SOE application No. / Agency	Expenses category						Total SOE amount for 2023	Total amount to be replenished by application	Total amount of replenishment of the Designated Account
	Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 1,2,4 under the Project MoT			Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 3,4 under the Project CS					
	2022	2023	2024	2022	2023	2024			
MOT / Grant No. D699-TJ MT27 ¹	311,668	1,509,127	-	-	-	-	1,509,127	1,820,795	-
Total:	311,668	1,509,127	-	-	-	-	1,509,127	1,820,795	-
CS / Grant No. D699-TJ									
CS2	-	-	-	158,589	657,272	-	657,272	815,861	815,861
CS4 ²	-	-	-	-	237,399	215,572	237,399	452,971	-
Total:	-	-	-	158,589	894,671	215,572	894,671	1,268,832	815,861

^{*1} The application "MT27" for the amount of 1,820,795 USD, which was actually replenished in 2024, contains SOE 2022 for the amount of 311,668 USD and SOE 2023 for the amount of 1,509,127 USD.

^{*2} The application "CS4" for the amount of 452,971 USD, which was actually replenished in 2024, contains SOE 2023 for the amount of 237,399 USD and SOE 2024 for the amount of 215,572 USD.

9. STATEMENT OF FINANCIAL POSITION

Financial position as at December 31, 2023 and 2022 comprises:

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total
ASSETS AND EXPENDITURES						
Cash and cash equivalents	353,407	762,604	1,116,011	1,688,361	841,400	2,529,761
Cumulative project expenses	28,320,735	5,141,055	33,461,790	8,728,025	4,008,784	12,736,809
Foreign exchange loss	-	-	-	-	9	9
TOTAL ASSETS AND EXPENDITURES	28,674,142	5,903,659	34,577,801	10,416,386	4,850,193	15,266,579
FINANCING						
Funds received	28,586,281	5,903,655	34,489,936	10,327,617	4,850,193	15,177,810
Foreign exchange gain	87,861	4	87,865	88,769	-	88,769
Other income	-	-	-	-	-	-
TOTAL FINANCING	28,674,142	5,903,659	34,577,801	10,416,386	4,850,193	15,266,579

10. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2023 comprise:

Source: Grant No. D699-TJ
Implementation unit: PIG MOT

Application	Value Date	Advances	Direct payments	Total
MT11	May 11, 2023	-	1,068,849	1,068,849
MT14	June 26, 2023	-	2,267,193	2,267,193
MT12	June 26, 2023	-	3,128,374	3,128,374
MT13	June 27, 2023	-	1,564,187	1,564,187
MT15	June 29, 2023	-	533,665	533,665
MT16	October 18, 2023	-	939,541	939,541
MT17	October 23, 2023	-	220,256	220,256
MT20	November 15, 2023	-	2,267,193	2,267,193
MT21	November 16, 2023	-	1,745,402	1,745,402
MT23	November 16, 2023	-	1,409,377	1,409,377
MT18	November 16, 2023	-	1,564,187	1,564,187
MT19	November 20, 2023	-	532,469	532,469
MT22	November 20, 2023	-	409,923	409,923
		-	17,650,616	17,650,616

Source: Grant No. D699-TJ
Implementation unit: PIG CS

Application	Value Date	Advances	Direct payments	Total
CS16	August 10, 2023	-	237,600	237,600
CS2	November 06, 2023	815,862	-	815,862
		815,862	237,600	1,053,462
		815,862	17,888,216	18,704,078

11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the year ended December 31, 2023 comprise:

Bank	OJSC "Bank Eskhata"	CJSC "International Bank of Tajikistan"	Total:
Currency	US Dollars	US Dollars	
Bank account	20206840700020100787	20208840500030260001	
Bank's location	Dushanbe, the Republic of Tajikistan	Dushanbe, the Republic of Tajikistan	
	PIG MOT	PIG CS	
	Grant No. D699-TJ	Grant No. D699-TJ	
Balance as at January 01, 2023	1,688,332	841,397	2,529,729
Advances	-	815,862	815,862
Total receipts	-	815,862	815,862
Transfer to transit account	769,924	567,631	1,337,555
Expenditures paid	739,609	326,959	1,066,568
Bank services	-	83	83
Balance as at December 31, 2023	178,799	762,586	941,385

12. STATEMENT OF PROJECT'S TJS CO-FINANCING ACCOUNT

Account No:	20202972700020101771
Depository bank:	OJSC "Bank Eskhata"
Address:	Dushanbe, the Republic of Tajikistan
Related Grant	D699-TJ
Currency:	TJS

	TJS	US Dollars
Balance as at January 01, 2023	<u>296</u>	<u>29</u>
Inflow:		
CO-Financing	6,653,319	608,082
Exchange difference	-	60
Total inflow:	<u>6,653,319</u>	<u>608,142</u>
Outflow:		
Expenses on related categories/components	4,740,454	433,566
Total Outflow:	<u>4,740,454</u>	<u>433,566</u>
Balance at December 31, 2023	<u>1,913,161</u>	<u>174,605</u>

13. UNDRAWN FUNDS

As at December 31, 2023 undrawn funds are presented as follows:

	Grant No. D699-TJ In SDR	In USD	Grant No. TF0B3028 In USD
Approved financing amount	95,500,000	131,000,000	2,000,000
Total funds received for the period from the beginning of the Project to December 31, 2023.	22,827,373	30,511,942	2,000,000
Historical forex between SDR and USD	<u>-</u>	<u>-</u>	<u>-</u>
Undrawn financing amount	<u>72,672,627</u>	<u>100,488,058</u>	<u>-</u>

14. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan.

Contract value of obligations valid as at December 31, 2023 was as follows:

Counterparty	Contract No.	Currency	Remaining amount to be paid (in USD)
PIG MOT			
China Railway Wujia	CARs-4/RFB/W-PQ/02	USD	42,161,022
China Road & Bridge Corporation	CARs-4/RFB/W-PQ/01	USD	22,263,694
ISAN Corporation + M50 Consulting Group LLP	CARs-4/QCBS-02	USD	1,219,489
Corporate Solutions Consulting Ltd	CARs-4/DS-CS-03	USD	799,000
NARCO - Nabeel Abdul-Raheem Consultants	CARs-4/QCBS-03	USD	228,588
LLC "Shans Soft"	CARs-4/RFQ-DS-01	TJS	257
Public organization Center for Sociological Research "Zerkalo"	CARs-4/DS-CS-02	USD	38,963
			66,711,013
PIG CS			
United Nations Conference on Trade and Development (UNCTAD)	TJ-CS-271103-CSCDS	USD	3,139,350
LLC "Orien Farm"	CARS/SH/G-1	USD	1,560
Sovereign border solutions	J-CS-328099-CS-QCBS	USD	452,301
			3,593,211

15. LEGAL CASES

There were no any legal cases related to the Project.

16. EVENTS AFTER THE REPORTING DATE

Project Financing

During 2024 until the date of issue of these project special purpose financial statements the World Bank provided financing to the Project as follows:

Sources of financing	Financing method	Application	Currency	Value Date	Amount in USD	Amount in SDR
PIG MOT						
Grant No. D699-TJ	Direct payment	MT26	USD	January 04, 2024	1,353,923	1,012,832
Grant No. D699-TJ	Direct payment	MT25	USD	January 04, 2024	976,639	730,596
Grant No. D699-TJ	Direct payment	MT24	TJS	January 08, 2024	229,239	171,580
Grant No. D699-TJ	Direct payment	MT29	USD	March 07, 2024	998,879	749,915
Grant No. D699-TJ	Advance	MT27	USD	March 07, 2024	1,820,795	1,366,973
Grant No. D699-TJ	Direct payment	MT28	TJS	March 15, 2024	234,638	176,208
Grant No. D699-TJ	Direct payment	MT31	USD	April 22, 2024	975,313	741,970
Grant No. D699-TJ	Direct payment	MT30	TJS	April 24, 2024	229,691	174,492
Grant No. D699-TJ	Direct payment	MT32	USD	May 22, 2024	1,126,599	851,041
Grant No. D699-TJ	Direct payment	MT33	USD	May 29, 2024	1,185,198	895,571
Grant No. D699-TJ	Direct payment	MT34	TJS	June 03, 2024	416,032	314,387
Grant No. D699-TJ	Direct payment	MT35	USD	June 04, 2024	1,744,318	1,315,543
					1,129,1264	8,501,108
PIG CS						
Grant No. D699-TJ	Direct payment	CS3	USD	June 03, 2024	217,327	164,229
Grant No. D699-TJ	Advance	CS4	USD	June 04, 2024	452,971	341,625
					670,298	505,854
					11,961,562	9,006,962

As at the date of issue of the project special purpose financial statements no other significant events or transactions occurred, except for the events or transactions described above.