

**“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, 2022

and independent auditors’ report

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

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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; both Groups hereinafter - PIGs) 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, 2022.

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 Expenditure (SOE); (ii) Statement of the 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, 2022 and the results of its operations for the year ended December 31, 2022, in conformity with the International Public Sector Accounting Standards (hereinafter – IPSAS);
- b) The PIGs has utilized all proceeds of the Grant Agreements withdrawn from IDA only for purposes of the Project in accordance with the Grant Agreements; and no proceeds of the Grant Agreements have been utilized for other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) The PIGs was in compliance for the year ended December 31, 2022 with all financial covenants of the Grant Agreements;
- d) Statement of Designated Account on Project for the year ended December 31, 2022 give a true and fair view of the financial position of the Designated Account of the Project as at December 31, 2022 and of the cash flows for the year ended December 31, 2022 and complies with the World Bank's guidelines; moreover
- e) 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 PIGs 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 PIGs 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 PIGs 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 PIGs 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 PIGs 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 PIGs 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, 100047,
Istikbol Street, 15

Tashkent, May 23, 2023

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022 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, 2022 were approved and authorized for issue on May 23, 2023 by the management of the Project.

On behalf of the Management of the Project:

Nematzoda F.

Deputy Minister of
Transport of the
Republic of
Tajikistan/Project
Director

May 23, 2023
Dushanbe, the Republic of
Tajikistan

Musozoda M.

Head of Finance and
Accounting Department
of the Ministry of
Transport of the
Republic of Tajikistan

May 23, 2023
Dushanbe, the Republic of
Tajikistan

Karimzoda Kh.

Head of Customs
Service under the
Government of the
Republic of Tajikistan

May 23, 2023
Dushanbe, the Republic of
Tajikistan

Jumaev Kh.

Chief Inspector of the
Finance Department of
Customs Service under
the Government of the
Republic of Tajikistan

May 23, 2023
Dushanbe, the Republic of
Tajikistan

**“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, 2022
(in US dollars)**

	Notes	For the year ended December 31, 2022		For the year ended December 31, 2021		Cumulative
		PIG MOT	PIG CS Total	PIG MOT	PIG CS Total	
Opening balance	4	2,480,583	- 636,904	-	-	-
Funds received						
Grant No. D699-TJ	5	4,957,671	4,850,193 9,807,864	2,000,000	- 2,000,000	11,807,864
Grant No. TF0B3028	5	2,000,000	- 2,000,000	-	-	2,000,000
Contribution of the Government of the Republic of Tajikistan	5	838,973	- 838,973	530,973	- 530,973	1,369,946
Total funds received		7,796,644	4,850,193 12,646,837	2,530,973	2,530,973	15,177,810
Other income		-	-	-	-	-
Total receipts		7,796,644	4,850,193 12,646,837	2,530,973	2,530,973	15,177,810
Expenses						
Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 1,2,4 under the Project MoT	6	8,677,635	- 8,677,635	50,390	- 50,390	8,728,025
Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 3,4 under the Project CS	6	-	4,008,784 4,008,784	-	-	4,008,784
Total expenses		8,677,635	4,008,784 12,686,419	50,390	50,390	12,736,809

"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, 2022 (CONTINUED)**


(in US dollars)

Notes	For the year ended December 31, 2022		For the year ended December 31, 2021	
	PIG MOT	PIG CS	PIG MOT	PIG CS
			Total	Total
Foreign exchange (gain)/ loss	(88,769)	9	(88,760)	-
Other expenses	-	-	-	-
Closing balance	1,688,361	841,400	2,529,761	2,480,583
				2,529,761

On behalf of the Management of the Project:


Nematzoda F.
Deputy Minister of Transport of the
Republic of Tajikistan/Project Director

May 23, 2023
Dushanbe, the Republic of Tajikistan


Musozoda M.
Head of Finance and Accounting
Department of the Ministry of Transport
of the Republic of Tajikistan

May 23, 2023
Dushanbe, the Republic of Tajikistan


Karimzoda Kh.
Head of Customs Service under the
Government of the Republic of
Tajikistan

May 23, 2023
Dushanbe, the Republic of Tajikistan


Jumaev Kh.
Chief Inspector of the Finance
Department of Customs Service under
the Government of the Republic of
Tajikistan

May 23, 2023
Dushanbe, the Republic of Tajikistan

The notes on pages 10-23 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, 2022
(in US dollars)

	For the year ended December 31, 2022		For the year ended December 31, 2021	
	PIG MOT	Total	PIG MOT	Total
Part 1. Improve regional connections in Sughd region and Gorno-Badakhshan Autonomous (GBAO) region	8,279,961	8,279,961	-	8,279,961
Part 2. Improve road asset preservation and road safety	-	3,891,390	-	3,891,390
Part 3. Facilitate cross-border movement of goods	-	515,068	-	515,068
Part 4. Support project implementation, coordination and management	397,674	515,068	50,390	50,390
Part 5. Contingent Emergency Response	-	-	-	-
	<u>8,677,635</u>	<u>12,686,419</u>	<u>50,390</u>	<u>12,736,809</u>

On behalf of the Management of the Project:

Nematzoda F. 
 Deputy Minister of Transport of the Republic of Tajikistan/Project Director

Musozoda M.

Head of Finance and Accounting Department of the Ministry of Transport of the Republic of Tajikistan

May 23, 2023
 Dushanbe, the Republic of Tajikistan

May 23, 2023
 Dushanbe, the Republic of Tajikistan



Karimzoda Kh.

Head of Customs Service under the Government of the Republic of Tajikistan

May 23, 2023
 Dushanbe, the Republic of Tajikistan


 Jumaaev Kh.

Chief Inspector of the Finance Department of Customs Service under the Government of the Republic of Tajikistan

May 23, 2023
 Dushanbe, the Republic of Tajikistan

The notes on pages 10-23 form an integral part of the project special purpose financial statements.
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"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, 2022
(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.

Monetary assets and liabilities expressed in foreign currency are converted to functional currency at official exchange rate on a date settled by the NBT.

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

Non-monetary items are valued according to their historic cost in foreign currency, which are recalculated on rates of the initial operation date.

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, 2022 and 2021 comprise:

	Currency	December 31, 2022		December 31, 2021	
		PIG MOT	PIG CS	PIG MOT	PIG CS
Designated account Grant No. D699-TJ	USD	1,688,332	841,397	1,949,607	-
Designated account Credit No. TF0B3028	USD	-	-	-	-
Transit account Grant No. D699-TJ	TJS	-	3	3	-
Transit account Credit No. TF0B3028	TJS	-	-	-	-
Contribution of the Government of the Republic of Tajikistan	TJS	29	-	530,973	-
		<u>1,688,361</u>	<u>841,400</u>	<u>2,529,761</u>	<u>2,480,583</u>
					<u>2,480,583</u>

The funds received are presented by the following financing methods:

Grant № D699-TJ	For the year ended December 31, 2022		For the year ended December 31, 2021		Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	
Advances	423,284	1,000,000	1,423,284	2,000,000	3,423,284
Direct payment	4,534,387	3,850,193	8,384,580	-	8,384,580
	4,957,671	4,850,193	9,807,864	2,000,000	11,807,864
Government contribution	838,973	-	838,973	530,973	1,396,946
	5,796,644	4,850,193	10,646,837	2,530,973	13,177,810

Grant № TF0B3028	For the year ended December 31, 2022		For the year ended December 31, 2021		Total	Cumulative
	PIG MOT	PIG CS	PIG MOT	PIG CS		
Advances	245,180	-	-	-	-	245,180
Direct payment	1,754,820	-	-	-	-	1,754,820
	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Government contribution	-	-	-	-	-	-
	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>

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 nature is presented as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021					
	PIG MOT	PIG CS	Total	Cumulative	PIG MOT	PIG CS	Total
Supervision services for road construction and rehabilitation works	182,700	-	182,700	182,700	-	-	-
Resettlement Action Plan	1,458,681	-	1,458,681	<u>1,458,681</u>	-	-	-
Preparation of feasibility studies	2,104,194	-	2,104,194	<u>2,104,194</u>	-	-	-
Rehabilitation of roads in Sughd Oblast	<u>4,534,387</u>	-	<u>4,534,387</u>	<u>4,534,387</u>	-	-	-
	<u>8,279,962</u>	-	<u>8,279,962</u>	<u>8,279,962</u>	-	-	-

	For the year ended December 31, 2022	For the year ended December 31, 2021
	PIG CS	PIG MOT
	Total	Cumulative
		PIG CS
		Total
Technical assistance for migration to Asycuda world and the implementation of customs reform	-	-
Payroll and related taxes	-	-
Software	-	-
	<u>3,850,193</u>	<u>3,850,193</u>
	<u>29,277</u>	<u>29,277</u>
	<u>11,920</u>	<u>11,920</u>
	<u>3,891,390</u>	<u>3,891,390</u>

Part 4. Support project implementation, coordination and management

	For the year ended December 31, 2022		For the year ended December 31, 2021		
	PIG MOT	PIG CS	Total	Cumulative	PIG MOT
					PIG CS
					Total
Payroll and related taxes	160,822	103,776	264,598	314,268	49,670
Operating expenses	2,738	9,515	12,253	12,253	-
Bank's services	1,315	999	2,314	2,663	349
Fuel	-	1,590	1,590	1,590	-
Advertising	958	155	1,113	1,484	371
Stationery	1,948	1,211	3,159	3,159	-
Travel expenses	6,380	148	6,528	6,528	-
Office equipment	46,324	-	46,324	46,324	-
Repair of office	7,684	-	7,684	7,684	-
Software	4,685	-	4,685	4,685	-
Vehicles	161,220	-	161,220	161,220	-
Fuel, maintenance and registration of vehicles	3,600	-	3,600	3,600	-
	<u>397,674</u>	<u>117,394</u>	<u>515,067</u>	<u>565,457</u>	<u>50,390</u>
	<u>8,677,636</u>	<u>4,008,784</u>	<u>12,686,419</u>	<u>12,736,809</u>	<u>50,390</u>

7. 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 2022 till December 31, 2022 is stated in the following table:

	PIG MOT	PIG CS	TOTAL 2022
Total Amount reported under SOEs	618,074	-	618,074
<i>Expenses for 2022 offset against previously received advance</i>			
MT6	(200,000)	-	(200,000)
MT10	(144,206)	-	(144,206)
	(55,794)	-	(55,794)
Subtotal	418,074	-	418,074
Of which: replenished to Designated Account	668,083	999,967	1,668,464
<i>Add: interbank charge</i>	381	33	414
<i>Less: advance payments under:</i>			
MT3	(200,000)	(1,000,000)	(1,200,000)
3	(200,000)		(200,000)
<i>Less: Reimbursement of expenses for 2021 under:</i>			
MT8	(50,390)	(1,000,000)	(1,000,000)
	(50,390)	-	(50,390)
	(50,390)	-	(50,390)
Subtotal:	418,074	-	418,074
Difference	-	-	-

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

SOE application No.	Period of expenses (year)	PIG MOT		PIG CS		SOE total amount for 2022	Expenses related to SOE 2021	Date of replenishment in fact	Total amount of replenishment of the Designated Account	Offset from advances
		Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 1,2,4 under the Project MoT	Expenses category	Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 3,4 under the Project CS						
MOT										
Grant No. D699-TJ										
MT8 ¹	2022	423,284		-		372,894	50,390	14.12.2022	423,284	-
Grant No. TF0B3028										
MT3										
MT6 ³	2022	189,386	-	-		189,386	-	04.04.2022	200,000	-
MT10 ²	2022	55,794		-		55,794	-	21.11.2022	45,180	144,206
				-			-		-	55,794
	Total:	668,464		-		618,074	50,390		668,464	200,000
CS										
Grant No. D699-TJ										
3				-		-	-	15.03.2022	1,000,000	-
	Total:	-		-		-	-		1,000,000	-
*1 The application "MT8" for the amount of 423,284 USD, which was actually replenished in 2022, contains SOE 2021 for the amount of 50,390 USD.										

8. FINANCIAL POSITION

Financial position as at December 31, 2022 and 2021 comprises:

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total
ASSETS AND EXPENDITURES						
Cash and cash equivalents	1,688,361	841,400	2,529,761	2,480,583	-	2,480,583
Cumulative project expenses	8,728,025	4,008,784	12,736,809	50,390	-	50,390
Foreign exchange loss	-	9	9	-	-	-
TOTAL ASSETS AND EXPENDITURES	10,416,386	4,850,193	15,266,579	2,530,973	-	2,530,973
FINANCING						
Funds received	10,327,617	4,850,193	15,177,810	2,530,973	-	2,530,973
Foreign exchange gain	88,769	-	88,769	-	-	-
Other income	-	-	-	-	-	-
TOTAL FINANCING	10,416,386	4,850,193	15,266,579	2,530,973	-	2,530,973

9. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2022 comprise:

Source	Implementation unit	Application	Value Date	Advances	Direct payment	Total
Grant No. D699-TJ	PIG MOT	MT8 MT9	05.12.2022	423,284	-	423,284
			28.12.2022	-	4,534,387	4,534,387
				<u>423,284</u>	<u>4,534,387</u>	<u>4,957,671</u>
Grant No. D699-TJ	PIG CS	3 5	09.03.2022	1,000,000	-	1,000,000
			28.06.2022	-	3,850,193	3,850,193
				<u>1,000,000</u>	<u>3,850,193</u>	<u>4,850,193</u>
Grant No. TF0B3028	PIG MOT	MT4	30.03.2022	-	292,470	292,470
		MT2	30.03.2022	-	389,960	389,960
		MT3	04.04.2022	200,000	-	200,000
		MT5	23.09.2022	-	389,960	389,960
		MT7	26.10.2022	-	682,430	682,430
		MT6	21.11.2022	45,180	-	45,180
				<u>245,180</u>	<u>1,754,820</u>	<u>2,000,000</u>
				<u>1,668,464</u>	<u>10,139,400</u>	<u>11,807,864</u>

10. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the year ended December 31, 2022 comprise:

Bank	OJSC "Bank Eskhata"	OJSC "Bank Eskhata"	US Dollars	CJSC "International Bank of Tajikistan"	CJSC "International Bank of Tajikistan"	US Dollars	Total:
Currency							
Bank account	20206840700020100787	202068409000020100862		202068409000030260001	20208840500030260001		
Bank's location	Dushanbe, the Republic of Tajikistan	Dushanbe, the Republic of Tajikistan		Dushanbe, the Republic of Tajikistan	Dushanbe, the Republic of Tajikistan		
	Grant No. D699-TJ	Grant No. TF0B3028	Grant No. D699-TJ	Grant No. D699-TJ	Grant No. D699-TJ		
Balance as at January 01, 2022	1,949,607	-	-	-	-	1,949,607	
Advances	423,284	245,180	1,000,000	-	-	1,668,464	
Transfer from Designated account No. 202068409000030260001	-	-	-	-	946,547	946,547	
Total receipts	423,284	245,180	1,000,000	946,547	946,547	2,615,011	
Transfer to transit account	462,025	244,933	53,420	105,150	865,528		
Expenditures paid	222,400	-	-	-	222,400		
Bank services	134	247	33	-	414		
Transfer to Designated account No. 20208840500030260001	-	-	946,547	-	946,547		
Balance as at December 31, 2022	1,688,332	-	-	841,397	2,529,729		

11. UNDRAWN FUNDS

As at December 31, 2022 undrawn funds are presented as follows:

	Grant No. D699-TJ In SDR	Grant No. TF0B3028 In USD
Approved financing amount	95,500,000	2,000,000
Disbursed for the period from May 17, 2021 to December 31, 2022	8,760,439	2,000,000
Undrawn financing amount	86,739,561	-
Funds received as at January 01, 2022	1,430,973	-
Disbursed in 2022	7,329,466	2,000,000
Funds received as at December 31, 2022	86,739,561	-

12. 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, 2022 was as follows:

Counterparty	Contract No.	Currency	Contract value (in USD)	Paid up to December 31, 2022 (in USD)	Remaining amount to be paid (in USD)
MOT					
China Railway Wujia	CARs-4/RFB/W-PQ/02	USD	56,679,834	4,534,387	52,145,447
ALTINOK Consulting Engineering Inc.+ Soosung Engineering Co.,Ltd	CARs-4/QCBS-01	USD	2,293,882	2,064,494	229,388
Temelsu International Engineering services Inc	CARs-4/4DS-CS-01	USD	198,500	39,700	158,800
ISAN Corporation + M50 Consulting Group LLP	CARs-4/QCBS-02	USD	2,149,412	182,700	1,966,712
ISAN Corporation + M50 Consulting Group LLP	CARs-4/QCBS-02	TJS	1,324,746	-	1,324,746
LLC "Shans Soft"	CARs-4/RFQ-DS-01	TJS	5,796	4,684	1,113
			62,652,171	6,825,964	55,826,206
CS					
United Nations Conference on Trade and Development (UNCTAD)	TJ-CS-271103-CSCDS	USD	6,989,543	3,850,193	3,139,350
LLC "Orien Farm"	CARS/SH/G-1	USD	12,700	11,920	780
			7,002,243	3,862,113	3,140,130

13. LEGAL CASES

There were no any legal cases related to the Project.

14. EVENTS AFTER THE REPORTING DATE

Project Financing

During 2023 until the date of issue of these project special purpose financial statements the World Bank provided financing to the Project as follows:

Source	Implementation unit	Application	Value Date	Advances	Direct payment	Total:
Grant No. D699-TJ	PIG MOT	MT11	11.05.2023	-	1,068,849	1,068,849

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.