

**“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, 2025

and independent auditors’ report

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

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025 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, 2025 were approved and authorized for issue on May 13, 2026 by the Management of the Project.

On behalf of the Management of the Project:

Nematzoda F.

First Deputy Minister of
Transport/Project
Director

May 13, 2026

Dushanbe, the Republic of
Tajikistan



Musozoda M.

Head of Finance and
accounting Department
of the Ministry of
transport

May 13, 2026

Dushanbe, the Republic of
Tajikistan

Karimzoda Kh.

Head of Customs
Service

May 13, 2026

Dushanbe, the Republic of
Tajikistan



Majidov A. D.

Chief Accountant of the
Central Accounting
Office of the Financial
and Administrative
Department of the CS

May 13, 2026

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, 2025.

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, 2025 and the results of its operations for the year ended December 31, 2025, 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, 2025 give a true and fair view of the financial position of the Designated Account of the Project as at December 31, 2025 and of the cash flows for the year ended December 31, 2025 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, May 13, 2026



“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, 2025

(in US dollars)

	Notes	For the year ended December 31, 2025		For the year ended December 31, 2024		Cumulative
		PIG MOT	PIG CS	PIG MOT	PIG CS	Total
Opening balance	4	845,141	294,141	353,407	762,604	1,116,011
FUNDS RECEIVED						
Grant No. D699-TJ	5	25,314,944	5,468,348	34,457,219	4,230,202	38,687,421
Grant No. TF0B3028	5	-	-	-	-	-
Government Contribution	5	-	-	-	-	-
Total funds received		25,314,944	5,468,348	34,457,219	4,230,202	38,687,421
EXPENSES						
Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 1,2,4 (MoT):		25,583,579	-	33,966,039	-	33,966,039
Grant No. D699-TJ and Grant No. TF0B-3028	6	25,565,961	-	33,807,555	-	33,807,555
Government Contribution	6	17,618	-	158,484	-	158,484
Goods, works, non-consulting services, consulting services Training and Operating Costs Parts 3,4 (CS)		-	5,099,839	-	4,698,661	4,698,661
Grant No. D699-TJ and Grant No. TF0B-3028	6	-	5,099,839	-	4,698,661	4,698,661
Government Contribution	6	-	-	-	-	-
Total expenses		25,583,579	5,099,839	33,966,039	4,698,661	38,664,700
Foreign exchange loss/(gain)		(2,092)	(1)	(554)	4	(550)
Closing balance	4	578,598	662,651	845,141	294,141	1,139,282

On behalf of the Management of the Project:

Nematzoda F.

First 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

Majidov A.D.

Chief Accountant of the Central Accounting Office of the Financial and Administrative Department of the CS

May 13, 2026

Dushanbe, the Republic of Tajikistan

May 13, 2026

Dushanbe, the Republic of Tajikistan

May 13, 2026

Dushanbe, the Republic of Tajikistan

The notes on pages 9-27 form an integral part of the project special purpose financial statements. The independent auditor's 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, 2025

(in US dollars)

Notes	For the year ended December 31, 2025				For the year ended December 31, 2024				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	18,743,435	-	17,617	18,761,052	32,693,881	-	158,482	32,852,363	79,112,364
Part 2. Improve road asset preservation and road safety	6,528,370	-	-	6,528,370	854,981	-	-	854,981	7,524,351
Part 3. Facilitate cross-border movement of goods	-	5,005,660	-	5,005,660	-	4,611,071	-	4,611,071	14,571,622
Part 4. Support project implementation, coordination and management	294,156	94,179	1	388,336	258,693	87,590	2	346,285	1,601,571
Part 5. Contingent Emergency Response	-	-	-	-	-	-	-	-	-
	25,565,961	5,099,839	17,618	30,683,418	33,807,555	4,698,661	158,484	38,664,700	102,809,908

On behalf of the Management of the Project:

Nematzoda F.

First Deputy Minister of Transport/Project Director

Musozoda M.

Head of Finance and accounting Department of the Ministry of transport

Karimzoda M.

Head of Customs Service

Majidov A. D.

Chief Accountant of the Central Accounting Office of the Financial and Administrative Department of the CS

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Dushanbe, the Republic of Tajikistan
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The independent auditors' report is on pages 4-6

Dushanbe, the Republic of Tajikistan

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, 2025
(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 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 advances and direct payments.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2025 and 2024 comprise:

	Currency	December 31, 2025			December 31, 2024		
		PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total
Designated account Grant No. D699-TJ	USD	577,912	662,646	1,240,558	828,511	294,126	1,122,637
Designated account Credit No. TF0B3028	USD	-	-	-	-	-	-
Transit account Grant No. D699-TJ	TJS	12	5	17	245	15	260
Transit account Credit No. TF0B3028	TJS	-	-	-	-	-	-
Contribution of the Government of the Republic of Tajikistan	TJS	674	-	674	16,385	-	16,385
		<u>578,598</u>	<u>662,651</u>	<u>1,241,249</u>	<u>845,141</u>	<u>294,141</u>	<u>1,139,282</u>

5. FUNDS RECEIVED

The funds received are presented by the following financing methods:

	For the year ended December 31, 2025			For the year ended December 31, 2024			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Grant No. D699-TJ							
Advances	2,629,669	745,938	3,375,607	2,948,943	452,971	3,401,914	11,261,847
Direct payments	22,685,275	4,722,410	27,407,685	31,508,276	3,777,231	35,285,507	90,720,808
	<u>25,314,944</u>	<u>5,468,348</u>	<u>30,783,292</u>	<u>34,457,219</u>	<u>4,230,202</u>	<u>38,687,421</u>	<u>101,982,655</u>
Grant No. TF0B3028							
Advances	-	-	-	-	-	-	245,180
Direct payments	-	-	-	-	-	-	1,754,820
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Government contribution							
	-	-	-	-	-	-	1,977,994
	<u>25,314,944</u>	<u>5,468,348</u>	<u>30,783,292</u>	<u>34,457,219</u>	<u>4,230,202</u>	<u>38,687,421</u>	<u>103,960,649</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, 2025			For the year ended December 31, 2024			Cumulative
	Grant No. D699-TJ and Grant No. TF0B-3028	Government Contribution	Total	Grant No. D699-TJ and Grant No. TF0B-3028	Government Contribution	Total	
Rehabilitation of roads in Sughd Oblast	10,597,728	-	10,597,728	17,695,476	-	17,695,476	42,812,082
Construction of Khorog bridge and tunnels/galleries and bridgest	6,722,214	-	6,722,214	13,812,799	-	13,812,799	28,201,138
Design for Safety Barrier Retrofitting	3,394,906	-	3,394,906	228,588	-	228,588	3,623,494
Supply, installation and commissioning of WIMs	1,646,428	-	1,646,428	-	-	-	1,646,428
Supervision services for road construction and rehabilitation works	1,423,495	-	1,423,495	1,185,605	-	1,185,605	3,539,023
Software licenses and Computer Hardware for RAMS	927,691	-	927,691	235,000	-	235,000	1,303,691
National Road Safety	407,200	-	407,200	71,859	-	71,859	479,059
Payroll and related taxes	192,017	-	192,017	165,697	-	165,697	731,380
Safety Barrier retrofitting - installation	84,235	-	84,235	-	-	-	84,235
Supply, installation and commissioning of Road Safety	67,909	-	67,909	-	-	-	67,910
Fuel, maintenance and registration of vehicles	32,392	-	32,392	10,568	-	10,568	58,159
Trainings and seminars	30,971	-	30,971	24,877	-	24,877	58,775
Road user survey	11,989	-	11,989	11,989	-	11,989	44,958
Operating expenses	7,246	-	7,246	6,091	-	6,091	17,909
Audit	5,963	-	5,963	5,870	-	5,870	26,051
Travel expenses	5,810	-	5,810	4,324	-	4,324	20,636
Bank's services	4,072	1	4,073	3,415	2	3,417	10,456
Stationery	2,806	-	2,806	2,258	-	2,258	10,798
Advertising	889	-	889	365	-	365	3,572
Measures to ensure seat-belt use	-	-	-	302,534	-	302,534	302,533
Resettlement Action Plan	-	17,617	17,617	-	158,482	158,482	2,067,741
Consulting services for the development of the MTR	-	-	-	23,240	-	23,240	23,240
HDM-4 licenses	-	-	-	17,000	-	17,000	17,000
Preparation of feasibility studies	-	-	-	-	-	-	2,492,382
Office equipment	-	-	-	-	-	-	54,115
Repair of office	-	-	-	-	-	-	7,684
Software	-	-	-	-	-	-	4,684
Vehicles	-	-	-	-	-	-	161,220
	25,565,961	17,618	25,583,579	33,807,555	158,484	33,966,039	87,870,353

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

	For the year ended December 31, 2025			For the year ended December 31, 2024			Cumulative
	Grant No. D699-TJ and Grant No. TF0B-3028	Government Contribution	Total	Grant No. D699-TJ and Grant No. TF0B-3028	Government Contribution	Total	
Technical assistance for migration to Asycuda world and the implementation of customs reform	1,770,355	-	1,770,355	1,368,995	-	1,368,995	6,989,543
ICT and Network Equipment for BCP	1,486,476	-	1,486,476	-	-	-	1,486,476
Procurement of generator	733,333	-	733,333	-	-	-	792,925
Procurement of software to support the AW system	556,374	-	556,374	61,819	-	61,819	618,193
Supply of Non-Intrusive Equipment for BCPs	397,852	-	397,852	-	-	-	397,852
Consulting services	37,175	-	37,175	403,520	-	403,520	693,038
Payroll and related taxes	90,450	-	90,450	128,737	-	128,737	422,473
Operating expenses	12,902	-	12,902	9,983	-	9,983	42,676
Travel expenses	6,045	-	6,045	1,691	-	1,691	11,143
Fuel	4,166	-	4,166	3,279	-	3,279	11,049
Trainings and seminars	3,081	-	3,081	15,026	-	15,026	18,107
Bank's services	1,136	-	1,136	841	-	841	3,658
Stationery	289	-	289	633	-	633	2,271
Advertising	205	-	205	628	-	628	1,827
Server and Network Equipment to support the AW system	-	-	-	2,173,265	-	2,173,265	2,173,266
Procurement of equipment for Customs Service Data Center	-	-	-	528,684	-	528,684	528,684
Software	-	-	-	1,560	-	1,560	410,260
Development of software	-	-	-	-	-	-	217,200
Vehicles	-	-	-	-	-	-	79,300
ICT equipment for UNCTAD National Team	-	-	-	-	-	-	39,614
	<u>5,099,839</u>	<u>-</u>	<u>5,099,839</u>	<u>4,698,661</u>	<u>-</u>	<u>4,698,661</u>	<u>14,939,555</u>
	<u>30,665,800</u>	<u>17,618</u>	<u>30,683,418</u>	<u>38,506,216</u>	<u>158,484</u>	<u>38,664,700</u>	<u>102,809,908</u>

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, 2025			For the year ended December 31, 2024			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Grant No. D699-TJ and Grant No. TF0B-3028							
Rehabilitation of roads in Sughd Oblast	10,597,727	-	10,597,727	17,695,476	-	17,695,476	42,812,081
Construction of Khorog bridge and tunnels/galleries and bridgest	6,722,213	-	6,722,213	13,812,800	-	13,812,800	28,201,138
Supervision services for road construction and rehabilitation works	1,423,495	-	1,423,495	1,185,605	-	1,185,605	3,539,023
Preparation of feasibility studies	-	-	-	-	-	-	2,492,381
	<u>18,743,435</u>	<u>-</u>	<u>18,743,435</u>	<u>32,693,881</u>	<u>-</u>	<u>32,693,881</u>	<u>77,044,623</u>
Contribution of the Government of the Republic of Tajikistan							
Resettlement Action Plan	17,617	-	17,617	158,482	-	158,482	2,067,741
	<u>17,617</u>	<u>-</u>	<u>17,617</u>	<u>158,482</u>	<u>-</u>	<u>158,482</u>	<u>2,067,741</u>
	<u>18,761,052</u>	<u>-</u>	<u>18,761,052</u>	<u>32,852,363</u>	<u>-</u>	<u>32,852,363</u>	<u>79,112,364</u>

PART 2. IMPROVE ROAD ASSET PRESERVATION AND ROAD SAFETY

Grant No. D699-TJ and Grant No. TF0B-3028	For the year ended December 31, 2025			For the year ended December 31, 2024			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Design for Safety Barrier Retrofitting	3,394,907	-	3,394,907	228,588	-	228,588	3,623,495
Supply, installation and commissioning of WIMs	1,646,428	-	1,646,428	-	-	-	1,646,428
Software licenses and Computer Hardware for RAMS	927,691	-	927,691	235,000	-	235,000	1,303,691
National Road Safety	407,200	-	407,200	71,859	-	71,859	479,059
Safety Barrier retrofitting - installation	84,235	-	84,235	-	-	-	84,235
Supply, installation and commissioning of Road Safety	67,909	-	67,909	-	-	-	67,909
Measures to ensure seat-belt use	-	-	-	302,534	-	302,534	302,534
HDM-4 licenses	-	-	-	17,000	-	17,000	17,000
	6,528,370	-	6,528,370	854,981	-	854,981	7,524,351

PART 3. FACILITATE CROSS-BORDER MOVEMENT OF GOODS

Grant No. D699-TJ and Grant No. TF0B-3028	For the year ended December 31, 2025			For the year ended December 31, 2024			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Technical assistance for migration to Asycuda world and the implementation of customs reform	-	1,770,355	1,770,355	-	1,368,995	1,368,995	6,989,543
ICT and Network Equipment for BCP	-	1,486,477	1,486,477	-	-	-	1,486,477
Procurement of generator	-	733,333	733,333	-	-	-	792,925
Procurement of software to support the AW system	-	556,374	556,374	-	61,819	61,819	618,193
Supply of Non-Intrusive Equipment for BCPs	-	397,852	397,852	-	-	-	397,852
Consulting services	-	37,175	37,175	-	403,521	403,521	693,039
Payroll and related taxes	-	24,094	24,094	-	73,227	73,227	145,270
Server and Network Equipment to support the AW system	-	-	-	-	2,173,265	2,173,265	2,173,265
Procurement of equipment for Customs Service Data Center	-	-	-	-	528,684	528,684	528,684
Software	-	-	-	-	1,560	1,560	410,260
ICT equipment for UNCTAD National Team	-	-	-	-	-	-	39,614
Development of software	-	-	-	-	-	-	217,200
Vehicles	-	-	-	-	-	-	79,300
	-	5,005,660	5,005,660	-	4,611,071	4,611,071	14,571,622

PART 4. SUPPORT PROJECT IMPLEMENTATION, COORDINATION AND MANAGEMENT

	For the year ended December 31, 2025			For the year ended December 31, 2024			Cumulative
	PIG MOT	PIG CS	Total	PIG MOT	PIG CS	Total	
Grant No. D699-TJ and Grant No. TF0B-3028							
Payroll and related taxes	192,017	66,356	258,373	165,697	55,510	221,207	1,008,585
Fuel, maintenance and registration of vehicles	32,392	-	32,392	10,568	-	10,568	58,159
Trainings and seminars	30,971	3,081	34,052	24,877	15,026	39,903	76,882
Road user survey	11,989	-	11,989	11,989	-	11,989	44,958
Operating expenses	7,246	12,902	20,148	6,090	9,983	16,073	60,584
Audit	5,963	-	5,963	5,870	-	5,870	26,051
Travel expenses	5,810	6,045	11,855	4,324	1,691	6,015	31,779
Bank's services	4,072	1,136	5,208	3,415	840	4,255	14,098
Stationery	2,807	289	3,096	2,258	633	2,891	13,071
Advertising	889	204	1,093	365	628	993	5,398
Consulting services for the development of the MTR	-	-	-	23,240	-	23,240	23,239
Fuel	-	4,166	4,166	-	3,279	3,279	11,049
Office equipment	-	-	-	-	-	-	54,115
Repair of office	-	-	-	-	-	-	7,684
Software	-	-	-	-	-	-	4,684
Vehicles	-	-	-	-	-	-	161,220
	294,156	94,179	388,335	258,693	87,590	346,283	1,601,556
Contribution of the Government of the Republic of Tajikistan							
Bank's services	1	-	1	2	-	2	15
	1	-	1	2	-	2	15
	294,157	94,179	388,336	258,695	87,590	346,285	1,601,571
	25,583,579	5,099,839	30,683,418	33,966,039	4,698,661	38,664,700	102,809,908

For the year ended December 31, 2025, 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 1, 2025 to December 31, 2025 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 № D699-TJ	MT 56	March 28, 2025	TJS	2,409,366	220,901	220,901
Grant № D699-TJ	MT 57	March 26, 2025	USD	938,592	938,592	938,592
Grant № D699-TJ	MT 58	May 16, 2025	USD	1,552,315	1,552,315	1,552,315
Grant № D699-TJ	MT59	June 13, 2025	USD	1,288,238	1,288,238	1,288,238
Grant № D699-TJ	MT60	June 17, 2025	TJS	3,306,907	327,417	327,417
Grant № D699-TJ	MT61	June 27, 2025	USD	1,401,657	1,401,657	1,401,657
Grant № D699-TJ	MT62	July 31, 2025	USD	1,298,634	1,298,634	1,298,634
Grant № D699-TJ	MT63	August 4, 2025	TJS	3,333,594	350,639	350,639
Grant № D699-TJ	MT64	September 15, 2025	USD	903,683	903,683	903,683
Grant № D699-TJ	MT 66	September 25, 2025	USD	288,064	288,064	288,064
Grant № D699-TJ	MT67	October 9, 2025	USD	908,098	908,098	908,098
Grant № D699-TJ	MT 68	October 14, 2025	TJS	2,331,088	252,536	252,536
Grant № D699-TJ	MT69	October 9, 2025	USD	1,231,220	1,231,220	1,231,220
Grant № D699-TJ	MT70	November 4, 2025	USD	324,000	324,000	324,000
Grant № D699-TJ	MT71	December 2, 2025	USD	1,633,919	1,633,919	1,633,919
Grant № D699-TJ	MT72	December 4, 2025	TJS	4,194,269	452,593	452,593
Grant № D699-TJ	MT73	December 2, 2025	USD	1,052,750	1,052,750	1,052,750
Grant № D699-TJ	MT74	December 18, 2025	USD	1,484,270	1,484,270	1,484,270
Grant № D699-TJ	MT75	December 18, 2025	USD	1,358,364	1,358,364	1,358,364
Grant № D699-TJ	MT76	December 18, 2025	USD	2,288,895	2,288,895	2,288,895
Grant № D699-TJ	MT77	December 23, 2025	TJS	5,875,592	637,266	637,266
Grant № D699-TJ	MT78	December 18, 2025	USD	2,491,224	2,491,224	2,491,224
					22,685,275	22,685,275

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 CS						
Grant NeD699-TJ	CS10	March 27, 2025	USD	556,374	556,374	556,374
Grant NeD699-TJ	CS11	August 22, 2025	USD	440,000	440,000	440,000
Grant NeD699-TJ	CS12	October 9, 2025	USD	826,906	826,906	826,906
Grant NeD699-TJ	CS13	November 4, 2025	USD	220,000	220,000	220,000
Grant NeD699-TJ	CS14	November 4, 2025	USD	510,923	510,923	510,923
Grant NeD699-TJ	CS15	December 9, 2025	USD	1,770,355	1,770,355	1,770,355
Grant NeD699-TJ	CS17	December 11, 2025	USD	397,852	397,852	397,852
					4,722,410	4,722,410
Total					27,407,685	27,407,685

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

Reporting Year	Paid Amount by category (in USD)			Total Amount in USD
	Goods	Works	Consulting Services Operating expenses	
2022	10,139,400	-	-	10,139,400
2023	17,888,216	-	-	17,888,216
2024	35,285,507	-	-	35,285,507
2025	27,407,685	-	-	27,407,685
Total	90,720,808	-	-	90,720,808

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 from January 1, 2025 to December 31, 2025 is stated in the following table:

	PIG MOT	PIG CS	TOTAL 2025
Total Amount reported under SOEs	2,880,686	545,944	3,426,630
<i>Less: Expenditures no submitted to WB on 31 December 2025</i>			
MT79*	(1,422,147)	(505,861)	(1,928,008)
CS18	(1,422,147)	-	(1,422,147)
	-	(505,861)	(505,861)
Subtotal	1,458,539	40,083	1,498,622
Of which: replenished to Designated Account	2,629,670	745,938	3,375,608
<i>Less: Reimbursement of expenses for 2024 under:</i>			
MT55*	(1,171,131)	(705,855)	(1,876,986)
CS9	(1,171,131)	-	(1,171,131)
	-	(705,855)	(705,855)
Subtotal:	1,458,539	40,083	1,498,622
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 2025	Total amount to be replenished by application	Total amount of replenishment of the Designated Account
	2023	2024	2025	2026	2026			
MOT / Grant No. D699-TJ								
MT55*	-	1,171,131	225,601	-	-	225,601	1,396,732	-
MT65	-	-	1,232,938	-	-	1,232,938	1,232,938	-
MT79*	-	-	1,422,147	16,342	-	1,422,147	1,438,489	-
Total:		1,171,131	2,880,686	16,342	-	2,880,686	2,629,670	-
CS / Grant No. D699-TJ								
CS9*	-	-	-	-	-	40,083	745,938	745,938
CS18	-	-	-	-	-	505,861	616,734	-
Total:						545,944	1,362,672	745,938
*1 The application "MT55" for the amount of 1,396,732 USD, which was actually replenished in 2025, contains SOE 2024 for the amount of 1,171,131 USD and SOE 2025 for the amount of 225,601 USD.								
*2 The application "CS9" for the amount of 745,938 USD, which was actually replenished in 2025, contains SOE 2024 for the amount of 705,855 USD and SOE 2025 for the amount of 40,083 USD.								

Financial position as at December 31, 2025 and 2024 comprises:

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10. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2025 comprise:

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

Application	Value Date	Advances	Direct payments	Total
MT55	March 26, 2025	1,396,731	-	1,396,731
MT 56	March 28, 2025	-	220,901	220,901
MT 57	March 26, 2025	-	938,592	938,592
MT 58	May 16, 2025	-	1,552,315	1,552,315
MT59	June 13, 2025	-	1,288,238	1,288,238
MT60	June 17, 2025	-	327,417	327,417
MT61	June 27, 2025	-	1,401,657	1,401,657
MT62	July 31, 2025	-	1,298,634	1,298,634
MT63	August 4, 2025	-	350,639	350,639
MT64	September 15, 2025	-	903,683	903,683
MT65	September 25, 2025	1,232,938	-	1,232,938
MT 66	September 25, 2025	-	288,064	288,064
MT67	October 9, 2025	-	908,098	908,098
MT 68	October 14, 2025	-	252,536	252,536
MT69	October 9, 2025	-	1,231,220	1,231,220
MT70	November 4, 2025	-	324,000	324,000
MT71	December 2, 2025	-	1,633,919	1,633,919
MT72	December 4, 2025	-	452,593	452,593
MT73	December 2, 2025	-	1,052,750	1,052,750
MT74	December 18, 2025	-	1,484,270	1,484,270
MT75	December 18, 2025	-	1,358,364	1,358,364
MT76	December 18, 2025	-	2,288,895	2,288,895
MT77	December 23, 2025	-	637,266	637,266
MT78	December 18, 2025	-	2,491,224	2,491,224
		2,629,669	22,685,275	25,314,944

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

Application	Value Date	Advances	Direct payments	Total
CS09	March 26, 2025	745,938	-	745,938
CS10	March 27, 2025	-	556,374	556,374
CS11	August 22, 2025	-	440,000	440,000
CS12	October 9, 2025	-	826,906	826,906
CS13	November 4, 2025	-	220,000	220,000
CS14	November 4, 2025	-	510,923	510,923
CS15	December 9, 2025	-	1,770,355	1,770,355
CS17	December 11, 2025	-	397,852	397,852
		745,938	4,722,410	5,468,348
		3,375,607	27,407,685	30,783,292

11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the year ended December 31, 2025 comprise:

Bank	OJSC "Bank Eskhata"	CJSC "International Bank of Tajikistan"	
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	Total
	Grant No. D699-TJ	Grant No. D699-TJ	
Balance as at January 1, 2025	828,511	294,126	1,122,637
Advances	2,629,669	745,938	3,375,607
Other income*	-	168,559	168,559
Total receipts	2,629,669	914,497	3,544,166
Transfer to transit account	1,202,306	377,042	1,579,348
Expenditures paid	1,677,682	-	1,677,682
Other expenses*	-	168,559	168,559
Bank services	280	376	656
Balance as at December 31, 2025	577,912	662,646	1,240,558

*The amount of USD 168,559 was reflected both under "Other income" and "Other expenses", since during 2025 the same amount was refunded by the supplier directly to the Project's designated account as a reimbursement of previously recognized expenditures. However, during the same year, an amendment to the contract with the same supplier was signed for the same amount. As a result, all related works were completed by the supplier and the respective contractual obligations were settled. For the purpose of proper presentation of cash movements, the amount was recorded both as an inflow of funds and as the corresponding outflow. This transaction did not affect the overall balance of project financing.

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

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

	TJS	US Dollars
Balance as at January 1, 2025	179,125	16,385
Inflow:		
CO-Financing	-	-
Exchange difference	-	285
Total inflow:	-	285
Outflow:		
Expenses on related categories/components	172,889	15,996
Total Outflow:	172,889	15,996
Balance at December 31, 2025	6,236	674

13. UNDRAWN FUNDS

As at December 31, 2025 undrawn funds are presented as follows:

	Grant No. D699-TJ		Grant No. TF0B3028
	In SDR	In USD	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, 2025.	74,663,739	99,982,654	2,000,000*
Historical forex between SDR and USD	-	-	-
Undrawn financing amount	20,836,261	31,017,346	-

*For the period from January 1, 2025, to December 31, 2025, no disbursements were made under Grant No. TF0B3028.

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, 2025 was as follows:

Counterparty	Contract No.	Currency	Remaining amount to be paid (in USD)
PIG MOT			
China Railway Wuju	CARs-4/RFB/W-PQ/02	USD	15,027,179
China Road & Bridge Corporation	CARs-4/RFB/W-PQ/01	USD	2,607,777
ISAN Corporation + M50 Consulting Group LLP	CARs-4/QCBS-02	USD	403,763
Corporate Solutions Consulting Ltd	CARs-4/DS-CS-03	USD	397,074
Finnish Overseas Consultants Ltd	CARs-4/RFP-G-01	USD	618,000
LLC "Kvadrat system"	CARs-4/RFB-G-03	USD	1,234,212
NARCO - Nabeel Abdul-Raheem Consultants	CARs-4/QCBS-03	USD	124,118
EASST Expertise LTD	CARs-4/QCBS-04	USD	162,903
FRED Engineering S.r.l	CARS-4/QCBS-05	USD	611,108
LLC "Shans Soft"	CARs-4/RFQ-DS-01	TJS	257
Public organization Center for Sociological Research "Zerkalo"	CARs-4/DS-CS-02	USD	14,986
PIG CS			
Nuctech Company Limited	TJ-CS-462222-GO-RFB	USD	3,580,668
SOVEREIGN BORDER SOLUTIONS	TJ-CS-328099-CS-QCBS	USD	129,229

15. LEGAL CASES

There were no any legal cases related to the Project.

16. EVENTS AFTER THE REPORTING DATE

Project Financing

From January 1, 2026, to the date of issuance 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 SDR	Amount in USD
PIG MOT						
Grant No. D699-TJ	Advance	MT 79	USD	March 24, 2026	1,054,742	1,438,489
Grant No. D699-TJ	Direct payment	MT 80	USD	April 20, 2026	1,179,001	1,619,217
Grant No. D699-TJ	Direct payment	MT 81	TJS	April 22, 2026	320,927	440,366
Grant No. D699-TJ	Direct payment	MT 82	USD	April 20, 2026	150,975	207,347
					2,705,645	3,705,419
PIG CS						
Grant No. D699-TJ	Advance	CS18	USD	May 13, 2026	145,739	200,000
					145,739	200,000
					2,851,384	3,905,419

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.