

**“Central Asia roads links project – CARs-2”  
Grant No. D030-TJ, Credit No. 5593-TJ**

**The project financial statements**  
for the year ended December 31, 2019

**and independent auditors’ report**

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**“CENTRAL ASIA ROADS LINKS PROJECT – CARS-2”  
GRANT NO. D030-TJ, CREDIT NO. 5593-TJ**

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL  
OF THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

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 financial statements of the Project “Central Asia roads links project – CARs-2”, Grant No. D030-TJ, Credit No. 5593-TJ (the “Project”).

Management is responsible for the preparation of the project financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project components of the Project for the year ended December 31, 2019 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 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 financial statements; and
- preparing the project 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 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 financial statements for the year ended December 31, 2019 were approved and authorized for issue on August 14, 2019 by the management of the Project.

On behalf of the Management:

  
**Sirojzoda Sh.**  
Deputy Minister of Transport / Project Director

  
**Askarzoda Sh.**  
Head of Finance and accounting Department of  
the Ministry of Transport

August 14, 2020  
Dushanbe, the Republic of Tajikistan

August 14, 2020  
Dushanbe, the Republic of Tajikistan

## INDEPENDENT AUDITORS' REPORT

To the management of the Project "Central Asia roads links project – CARs-2" under the Ministry of Transport of the Republic of Tajikistan and the State Committee on Investments and Government Property Management of the Republic of Tajikistan

### Report on the project financial statements

#### Opinion

- [1] We have audited the project financial statements of the Project "Central Asia roads links project – CARs-2" (the "Project"), which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project components for the year ended December 31, 2019, and the summary of significant accounting policies and other explanatory information (the "project financial statements").
- [2] In our opinion, the accompanying project financial statements present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project components of the Project for the year ended December 31, 2019 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector 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").

#### Basis for opinion

- [3] 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 project financial statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the project financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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

- [4] Without further qualifying our opinion, we draw attention to the following matters:
- (a) We draw attention to Note 2 to the project financial statements, which describes the basis of accounting. These project financial statements were prepared for complying with the appropriate World Bank Guidelines and Financing agreements requirements.
- (b) We draw attention to Note 13 to the financial statements of the project, which describes the situation with the COVID-19 pandemic.

#### Other matter

- [5] The project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result the project financial statements may not be suitable for another purpose.

## Responsibilities of management and those charged with governance for the project financial statements

- [6] Management is responsible for the preparation and fair presentation of the project financial statements 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”), and for such internal control as management determines is necessary to enable the preparation of the project financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor’s responsibilities for the audit of the project financial statements

- [7] Our objectives are to obtain reasonable assurance about whether the project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the project financial statements.

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 project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project’s 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 Project’s 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 project 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 Project to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- [8] 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.
- [9] We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Baker Tilly Klitou and Partners*  
**Baker Tilly Klitou and Partners SRL**

Chisinau, Republic of Moldova  
August 14, 2020





**“CENTRAL ASIA ROADS LINKS PROJECT – CARS-2”  
GRANT NO. D030-TJ, CREDIT NO. 5593-TJ**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID  
FOR THE YEAR ENDED DECEMBER 31, 2019**

*(in US dollars)*

	Notes	For the year ended December 31, 2019	For the year ended December 31, 2018	Cumulative
Opening balance	4	866,220	1,584,310	-
<b>Funds received</b>				
Credit No. 5593-TJ	5	9,254,630	10,499,407	32,528,868
Grant No. D030-TJ	5	-	-	6,481,204
Contribution of the Government of the Republic of Tajikistan	5	1,528,529	1,913,589	6,772,409
<b>Total funds received</b>		<u>10,783,159</u>	<u>12,412,996</u>	<u>45,782,481</u>
Other income		-	-	141
<b>Total receipts</b>		<u>10,783,159</u>	<u>12,412,996</u>	<u>45,782,622</u>
<b>Project expenses</b>				
Works for Part I	6	9,708,212	12,391,004	40,462,245
Goods, non-consulting services, consultants' services, training and incremental operating costs (including audit)	6	663,816	740,074	4,031,539
<b>Total project expenses</b>		<u>10,372,028</u>	<u>13,131,078</u>	<u>44,493,784</u>
Foreign exchange loss		2	8	11,489
<b>Closing balance</b>	4	<u>1,277,349</u>	<u>866,220</u>	<u>1,277,349</u>

**On behalf of the Management:**

  
Sirojzoda Sh.  
Deputy Minister of Transport / Project Director

August 14, 2020  
Dushanbe, the Republic of Tajikistan

  
Askarzoda Sh.  
Head of Finance and Accounting Department of  
the Ministry of Transport

August 14, 2020  
Dushanbe, the Republic of Tajikistan

The notes on pages 7-14 form an integral part of the project financial statements. The independent auditors' report is on pages 3-4.

**“CENTRAL ASIA ROADS LINKS PROJECT – CARS-2”  
GRANT NO. D030-TJ, CREDIT NO. 5593-TJ**

**SUMMARY OF EXPENDITURES PAID BY PROJECT COMPONENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(in US dollars)**

	For the year ended December 31, 2019	For the year ended December 31, 2018	Cumulative
Part 1: Rehabilitation of priority road sections in Sugd Oblast	10,200,535	12,792,474	42,541,443
Part 2: Improvement of road operations and asset management practices	54,704	175,362	1,275,153
Part 3: Project management and implementation	116,789	163,242	677,188
	<u>10,372,028</u>	<u>13,131,078</u>	<u>44,493,784</u>

**On behalf of the Management:**

  
**Sirojzoda Sh.**  
 Deputy Minister of Transport / Project Director

August 14, 2020  
 Dushanbe, the Republic of Tajikistan

  
**Askarzoda Sh.**  
 Head of Finance and Accounting Department of  
 the Ministry of Transport

August 14, 2020  
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The notes on pages 7-14 form an integral part of the project financial statements. The independent auditors' report is on pages 3-4.

**“CENTRAL ASIA ROADS LINKS PROJECT – CARS-2”  
GRANT NO. D030-TJ, CREDIT NO. 5593-TJ**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

*(in US dollars)*

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**1. GENERAL INFORMATION**

According to the Financing Agreements between the Republic of Tajikistan and International Development Association (the “IDA”, “the World Bank”) dated April 16, 2015, the IDA provided a Grant No. D030-TJ and a Credit No. 5593-TJ in the amount of 4,700,000 Special Drawing Rights and 26,500,000 Special Drawing Rights, respectively to the Republic of Tajikistan.

The Grant and Credit were provided for implementation of the Project “Central Asia roads links project - CARS-2” (the “Project”).

According to the Financing agreements expenses under Category I (Works for Part I) are shared between Grant/Credit and the Government of the Republic of Tajikistan using the following proportion: 83% - contribution of the IDA (Grant/Credit funds) and 17% - contribution of the Government of the Republic of Tajikistan.

**Project purpose**

The objective of the Project is to increase transport connectivity between the Republic of Tajikistan and neighboring countries along priority cross-border road links in Sugd Oblast, and to support improvements in road operations and asset management practices.

The Project is implemented during 2015-2020, and comprises of 3 parts:

Part 1: Rehabilitation of priority road sections in Sugd Oblast;  
Part 2: Improvement of road operations and asset management practices;  
Part 3: Project management and implementation.

***Part 1: Rehabilitation of priority road sections in Sugd Oblast***

Rehabilitating approximately 70 kilometers of road sections in Sugd Oblast, including and within close proximity of the road linking Kuckkak-Kim-Isfara-Guliston Dehmoi-Proletarsk-Madaniyat, and Kanibadam-Patar through the provision of works and consultants’ services.

***Part 2: Improvement of road operations and asset management practices***

Provision of goods and consultants’ services for improving road operations and asset maintenance practices, including:

- (i) a review of technical standards, norms and parameters on vehicle weight and axle road limits and tariffication, development of an axle loading control plan and financing of equipment necessary to implement the axle loading control plan;
- (ii) procurement of roughness profiler; and
- (iii) support towards final deployment of a road asset management system, and preparation of a Transport Sector Development Strategy within the Ministry of Transport of the Recipient.

***Part 3: Project management and implementation***

Providing support for project coordination, implementation and management through the provision of goods, consultants’ services, training, and incremental operating costs, including for Project’s external audit.

***Project management***

Project is implemented by Project Implementation Group (the “PIG”) under the Ministry of Transport of the Republic of Tajikistan.

Original duration of the Project was from April 16, 2015 to August 31, 2020. According to letter from World Bank dated July 22, 2020 the closing date of the Project was prolonged till December 31, 2020.



## **2. PRESENTATION OF THE PROJECT 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 approach 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 financial statements consist of:

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

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Cash basis of accounting**

The project 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 financial statements prepared under the cash basis provide information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the project financial statements is balances of cash and changes therein.

### **Foreign currency**

Operations in foreign currency initially are counted in functional currency by the currency exchange rate settled by National bank of Tajikistan ("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 NBT at the date of the last conversion .

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 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 funds were provided by the World Bank to the Project by advance, replenishment of designated account or through direct payment.

## 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2019 and 2018 comprise:

	Source of financing	Currency	December 31, 2019	December 31, 2018
Designated account	Grant No. D030-TJ	USD	1,277,349	866,179
Transit account	Grant No. D030-TJ	TJS	-	-
Transit account	Contribution of the Government of the Republic of Tajikistan	TJS	-	1
Cash on hand	Grant No. D030-TJ	TJS	-	40
			<u>1,277,349</u>	<u>866,220</u>

## 5. FUNDS RECEIVED

The funds received are presented by the following financing methods and sources of financing:

	For the year ended December 31, 2019	For the year ended December 31, 2018	Cumulative
<b>Grant No. D030-TJ</b>			
Reimbursement of expenses	-	-	3,446,644
Advances	-	-	2,000,000
Direct payments	-	-	1,034,560
	<u>-</u>	<u>-</u>	<u>1,034,560</u>
<b>Credit No. 5593-TJ</b>			
Advances	1,055,545	-	1,055,545
Direct payments	8,199,085	10,499,407	31,473,323
	<u>1,055,545</u>	<u>10,499,407</u>	<u>31,473,323</u>
<b>The Government of the Republic of Tajikistan</b>			
Contribution	1,528,529	1,913,589	6,772,409
	<u>1,528,529</u>	<u>1,913,589</u>	<u>6,772,409</u>
	<u>10,783,159</u>	<u>12,412,996</u>	<u>45,782,481</u>

## 6. PROJECT EXPENSES

The Project expenses by components are presented in the summary of expenditures paid by project components. The Project expenses on major categories are presented in the summary of funds received and expenditures paid. Breakdown of project expenses by categories, natures and sources of financing is presented as follows:

### Works for Part I

For the year ended December 31, 2019				
	Grant No. D030-TJ	Credit No. 5593-TJ	Contribution of the Government of the Republic of Tajikistan	Total
Construction works	-	8,199,084	1,509,128	9,708,212
Resettlement action plan	-	-	-	-
	<u>-</u>	<u>8,199,084</u>	<u>1,509,128</u>	<u>9,708,212</u>

For the year ended December 31, 2018				
	Grant No. D030-TJ	Credit No. 5593-TJ	Contribution of the Government of the Republic of Tajikistan	Total
Construction works	-	10,499,407	1,761,025	12,260,432
Resettlement action plan	-	-	130,572	130,572
	<u>-</u>	<u>10,499,407</u>	<u>1,891,597</u>	<u>12,391,004</u>

Cumulative				
	Grant No. D030-TJ	Credit No. 5593-TJ	Contribution of the Government of the Republic of Tajikistan	Total
Construction works	2,280,649	31,473,322	6,384,190	40,138,161
Resettlement action plan	-	-	324,084	324,084
	<u>2,280,649</u>	<u>31,473,322</u>	<u>6,708,274</u>	<u>40,462,245</u>

### Goods, non-consulting services, consultants' services, training and incremental operating costs (including audit)

For the year ended December 31, 2019				
	Grant No. D030-TJ	Credit No. 5593-TJ	Contribution of the Government of the Republic of Tajikistan	Total
Consulting services for construction supervision	-	492,323	-	492,323
Payroll and related taxes	80,182	-	-	80,182
Equipment	49,283	-	-	49,283
Bank services	493	830	19,400	20,723
Audit	11,764	-	-	11,764
Consulting services	5,421	-	-	5,421
Communication	2,939	-	-	2,939
Business trips	600	-	-	600
Fuel expenses	40	-	-	40
Other	541	-	-	541
	<u>151,263</u>	<u>493,153</u>	<u>19,400</u>	<u>663,816</u>

For the year ended December 31, 2018

	<b>Grant No. D030-TJ</b>	<b>Credit No. 5593-TJ</b>	<b>Contribution of the Government of the Republic of Tajikistan</b>	<b>Total</b>
Consulting services for construction supervision	401,469	-	-	401,469
Consulting services	207,914	-	-	207,914
Payroll and related taxes	87,211	-	-	87,211
Bank services	1,115	-	21,992	23,107
Trainings	6,739	-	-	6,739
Fuel expenses	5,291	-	-	5,291
Stationery	3,582	-	-	3,582
Communication	2,671	-	-	2,671
Business trips	1,890	-	-	1,890
Other	200	-	-	200
	<u>718,082</u>	<u>-</u>	<u>21,992</u>	<u>740,074</u>

**Cumulative**

	<b>Grant No. D030-TJ</b>	<b>Credit No. 5593-TJ</b>	<b>Contribution of the Government of the Republic of Tajikistan</b>	<b>Total</b>
Consulting services for construction supervision	1,524,934	492,323	-	2,017,257
Traffic counters	664,615	-	-	664,615
Consulting services	537,664	-	-	537,664
Payroll and related taxes	324,730	-	-	324,730
Roughness profiler	165,565	-	-	165,565
Vehicles	119,756	-	-	119,756
Bank services	3,858	830	57,493	62,181
Equipment	49,283	-	-	49,283
Trainings	16,490	-	-	16,490
Office equipment	14,170	-	-	14,170
Communication	12,431	-	-	12,431
Audit	11,764	-	-	11,764
Stationery	11,582	-	-	11,582
Fuel expenses	10,255	-	-	10,255
Business trips	5,273	-	-	5,273
Software	2,932	-	-	2,932
Office renovation	2,097	-	-	2,097
Other	3,494	-	-	3,494
	<u>3,480,893</u>	<u>493,153</u>	<u>57,493</u>	<u>4,031,539</u>



## 7. FINANCIAL POSITION

Financial position as at December 31, 2019 and 2018 comprise:

	December 31, 2019	December 31, 2018
<b>ASSETS AND EXPENDITURES</b>		
Cash and cash equivalents	1,277,349	866,220
Cumulative project expenses	44,493,784	34,121,756
Foreign exchange loss	11,489	11,487
	<u>45,782,622</u>	<u>34,999,463</u>
<b>TOTAL ASSETS AND EXPENDITURES</b>		
<b>FINANCING</b>		
Funds received	45,782,481	34,999,322
Other income	141	141
	<u>45,782,622</u>	<u>34,999,463</u>
<b>TOTAL FINANCING</b>		

## 8. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2019 comprise:

Sources of financing	Application	Value date	Direct payments	Advances	Total
<b>Credit No. 5593-TJ</b>					
	40	January 10, 2019	1,254,483	-	1,254,483
	41	January 14, 2019	220,884	-	220,884
	42	March 27, 2019	1,067,142	-	1,067,142
	43	March 29, 2019	188,095	-	188,095
	44	July 3, 2019	86,286	-	86,286
	45	July 1, 2019	344,673	-	344,673
	46	July 18, 2019	556,266	-	556,266
	47	July 22, 2019	139,257	-	139,257
	48	July 19, 2019	-	1,055,545	1,055,545
	49	August 27, 2019	288,011	-	288,011
	50	September 24, 2019	265,517	-	265,517
	51	September 26, 2019	134,846	-	134,846
	52	October 22, 2019	426,409	-	426,409
	53	October 24, 2019	103,878	-	103,878
	54	November 7, 2019	984,587	-	984,587
	55	November 13, 2019	239,857	-	239,857
	57	December 12, 2019	568,981	-	568,981
	58	December 16, 2019	138,610	-	138,610
	59	December 31, 2019	1,191,303	-	1,191,303
			<u>8,199,085</u>	<u>1,055,545</u>	<u>9,254,630</u>
<b>Contribution of the Government of the Republic of Tajikistan</b>			<u>1,528,529</u>	<u>-</u>	<u>1,528,529</u>
			<u>9,727,614</u>	<u>1,055,545</u>	<u>10,783,159</u>

## 9. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the year ended December 31, 2019 comprises:

<b>Bank</b>	National Bank of Tajikistan
<b>Currency</b>	US Dollars
<b>Bank account</b>	22696840700088
<b>Bank's location</b>	107A Rudaki ave, Dushanbe, Republic of Tajikistan
<b>Balance as at January 1, 2019</b>	<u>866,179</u>
Advances	<u>1,055,545</u>
<b>Total funds received</b>	<u>1,055,545</u>
Transfers to transit account	205,531
Expenses paid	<u>438,844</u>
<b>Balance as at December 31, 2019</b>	<u><u>1,277,349</u></u>

## 10. UNDRAWN FUNDS

As at December 31, 2019 undrawn funds are presented as follows:

	<b>Grant No. D030-TJ in SDR</b>	<b>Credit No. 5593-TJ in SDR</b>
Approved financing amount	4,700,000	26,500,000
Disbursed during the period from April 16, 2015 to December 31, 2019	<u>4,697,917</u>	<u>23,166,511</u>
Undrawn financing amount	<u>2,083</u>	<u>3,333,489</u>
Financing received as at January 1, 2019	4,697,917	16,479,545
Disbursed in 2019	<u>-</u>	<u>6,686,966</u>
Financing received as at December 31, 2019	<u>4,697,917</u>	<u>23,166,511</u>

## 11. 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, 2019 was as follows:

<b>Counterparty</b>	<b>Contract No.</b>	<b>Contract value</b>	<b>Paid up to December 31, 2019</b>	<b>Remaining amount to be paid</b>
Branch of "China Railway WUJU (Group) Corporation Co Ltd"	CARs-2/ICB-CW, CARs-2/DC-W-01	30,943,748	30,006,605	937,143
Dohwa Engineering Co. Ltd	CARs/CS-SSS-01	391,712	266,352	125,360
Diloshub LLC	CARs/NCB-G-04	96,048	48,024	48,024
Aleksandra Spernol	CARs/CS-SSS-02	30,347	-	30,347
Khabibulloev Khabibullo	CARs/CS-SSS-02	21,686	5,422	16,265

\*According to the contract No. CARs-2/ICB-CW dated March 28, 2016 with Branch of China Railway WUJU (Group) Corporation Co. Ltd, the Project should pay the contractor 80% of the total contract amount in US dollars applying fixed exchange rate of 6.6207.

## 12. LEGAL CASES

There were no any legal cases related to the Project.

## 13. EVENTS AFTER THE REPORTING DATE

### Project financing

During 2020 until the date of issue of these project financial statements the World Bank provided financing to the Project as follows:

Sources of financing	Applications	Value Date	Direct payments	Advances	Total
Credit No. 5593-TJ	60	January 3, 2020	203,901	-	203,901
	61	May 22, 2020	-	673,164	673,164
			203,901	673,164	877,065

### Pandemic COVID-19.

In early 2020, an outbreak of COVID-19 has been found in a number of countries. In Tajikistan, the first cases of infection with the coronavirus COVID-19 were officially confirmed on April 29, 2020.

The project is implemented by the Ministry of Transport of the Republic of Tajikistan. Pandemic coronavirus has made changes in terms of realization of many investment projects. In order to prevent the spread of coronavirus, the Ministry of Transport has restricted visits by third parties. All ministry employees were also instructed to take a coronavirus test. Project employees were not sent on vacation or remote work, all employees worked as usual.

While the exact effect of the COVID-19 is unknown, it is clear that it poses substantial risks. The Project assesses the situation and undertakes mitigating steps to reduce the impact that may be caused by the adverse market situation. At the moment, negotiations have begun on prolongation of implementation period of the Project.

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