

**“Zarafshon Irrigation Rehabilitation and  
Management Improvement Project”  
Grant No. TF0A6507**

**The project financial statements**  
for the year ended December 31, 2018

**and independent auditors’ report**

**“ZARAFSHON IRRIGATION REHABILITATION AND MANAGEMENT IMPROVEMENT  
PROJECT”  
GRANT NO. TF0A6507**

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018**

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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 "Zarafshon Irrigation Rehabilitation and Management Improvement Project", Grant No. TF0A6507 (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 for the year ended December 31, 2018 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 "World Bank 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 World Bank 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 continue its activity for the foreseeable future.

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 World Bank 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, 2018 were approved and authorized for issue on May 10, 2019 by the management of the Project.



On behalf of the Management

  
S. Karimzoda  
Director

May 10, 2019  
Dushanbe, the Republic of Tajikistan

  
Yu. Narzulloev  
Chief accountant

May 10, 2019  
Dushanbe, the Republic of Tajikistan

## INDEPENDENT AUDITORS' REPORT

To the management of the Project “Zarafshon Irrigation Rehabilitation and Management Improvement Project”, under the Agency for the Land Reclamation and Irrigation under the Government 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 “Zarafshon Irrigation Rehabilitation and Management Improvement Project” (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, 2018, and a 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, 2018 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 “World Bank 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 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 qualifying our opinion, 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 and Grant agreements requirements.

#### 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 "World Bank 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.

*Baker Tilly Klitou and Partners*

**Baker Tilly Klitou and Partners SRL**

Chisinau, Republic of Moldova  
May 10, 2019



**“ZARAFSHON IRRIGATION REHABILITATION AND MANAGEMENT IMPROVEMENT PROJECT”  
GRANT NO. TF0A6507**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID  
FOR THE YEAR ENDED DECEMBER 31, 2018**  
*(in US dollars)*

|                                   | Notes | For the year ended December 31, 2018 | Cumulative |
|-----------------------------------|-------|--------------------------------------|------------|
| Opening balance                   |       | -                                    | -          |
| <b>Funds received</b>             |       |                                      |            |
| Grant No. TF0A6507                | 5     | 2,270,044                            | 2,270,044  |
| <b>Total funds received</b>       |       | 2,270,044                            | 2,270,044  |
| Other income                      |       | 1,005                                | 1,005      |
| <b>Total receipts</b>             |       | 2,271,049                            | 2,271,049  |
| <b>Project expenses</b>           |       |                                      |            |
| Consulting and services           | 6     | 1,064,020                            | 1,064,020  |
| Civil works                       | 6     | 631,696                              | 631,696    |
| Goods                             | 6     | 275,830                              | 275,830    |
| Travel expenses                   | 6     | 5,919                                | 5,919      |
| Training and workshops            | 6     | 3,757                                | 3,757      |
| <b>Total project expenses</b>     |       | 1,981,222                            | 1,981,222  |
| Net loss on foreign exchange loss |       | 9                                    | 9          |
| Other expenses                    |       | 168                                  | 168        |
| <b>Closing balance</b>            | 4     | 289,650                              | 289,650    |



On behalf of the Management

  
S. Karimzoda  
Director

May 10, 2019  
Dushanbe, the Republic of Tajikistan

  
Yu. Narzullov  
Chief accountant

May 10, 2019  
Dushanbe, the Republic of Tajikistan

The notes on pages 7-13 form an integral part of the project financial statements. The independent auditors' report is on pages 3-4

**“ZARAFSHON IRRIGATION REHABILITATION AND MANAGEMENT IMPROVEMENT PROJECT”  
GRANT NO. TF0A6507**

**SUMMARY OF EXPENDITURES PAID BY PROJECT COMPONENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**  
*(in US dollars)*

|   | For the year<br>ended<br>December 31,<br>2018 | Cumulative       |
|---|---|------------------|
| Component I. Rehabilitation of irrigation infrastructure  | 701,815                                       | 701,815          |
| Component II. Development and strengthening of irrigation and water resources management institutions | 857,318                                       | 857,318          |
| Component III. Project management   | 422,089                                       | 422,089          |
|   | <u>1,981,222</u>                              | <u>1,981,222</u> |



**On behalf of the Management**

  
**S. Karimzoda**  
Director

May 10, 2019  
Dushanbe, the Republic of Tajikistan

  
**Yu. Narzulloev**  
Chief accountant

May 10, 2019  
Dushanbe, the Republic of Tajikistan

The notes on pages 7-13 form an integral part of the project financial statements. The independent auditors' report is on pages 3-4

**“ZARAFSHON IRRIGATION REHABILITATION AND MANAGEMENT IMPROVEMENT PROJECT”**  
**GRANT NO. TF0A6507**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
*(in US dollars)*

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**1. GENERAL INFORMATION**

According to the Agreement between the Republic of Tajikistan and International Development Association (the “IDA”) signed on January 16, 2018, IDA provided the Grant No. TF0A6507 in the amount of 13,962,000 Euro to the Republic of Tajikistan (the “Project”).

The financing was provided for the Project “Zarafshon Irrigation Rehabilitation and Management Improvement Project” (the “Project”).

**Project purpose**

The objectives of the Project are: (i) to strengthen the institutional basis for irrigation planning and management in the Zarafshon River Basin; and (ii) to improve the condition and management of irrigation infrastructure in the Zarafshon River Basin and adjacent districts in the Syr-Darya Basin.

The Project consists of the following parts:

Part I: Rehabilitation of irrigation infrastructure

Part II: Development and strengthening of irrigation and water resources management institutions

Part III: Project management

***Part 1: Rehabilitation of irrigation infrastructure***

***Small scale irrigation canal rehabilitation program*** through generating short-term employment for low-income people from food insecure households to manually clean and rehabilitate badly deteriorated on-farm irrigation canals and to repair flood damaged critical sections of on-farm irrigation canals.

***Large-scale irrigation system rehabilitation through:*** (i) mechanized cleaning and restoration of larger-sized irrigation canals; (ii) repair and rehabilitation of irrigation canal and water control structures, irrigation pipelines and selected irrigation pump station; (iii) supply and installation of irrigation system water control gates, control fixtures and fittings and electro-mechanical equipment for the rehabilitated pump stations; (iv) rehabilitation, on a pilot basis, of selected irrigation tube wells, including testing, cleaning and development of existing vertical wells, and repair, supply and installation of corresponding electromechanical equipment; (v) supply and installation of flow measurement devices at key irrigation system water flow capture improvement schemes; (vi) selected pumped-to-gravity irrigation system conversion and/or connection works (where feasible); and (vii) engineering planning, design and supervision services for the above activities, as appropriate.

***Emergency flood works and equipment procurement,*** including: (i) emergency repairs of flood-related damage to irrigation infrastructure systems that may occur during the Project implementation period; (ii) selective river bank protection works; (iii) the provision of appropriate machinery for both emergency repairs and routine maintenance of irrigation schemes and related flood protection infrastructure system; and (iv) engineering planning, design and supervision services for the above activities, as appropriate.

***Part II: Development and strengthening of irrigation and water resources management institutions***

***Irrigation main system and river basin management supporting ALRI and MEWR*** through the revitalization and strengthening of ALRI’s capacity as an irrigation and drainage services provider, including (i) restructuring ALRI to operate along hydraulic boundaries; (ii) introducing streamlined digitally-based operational, administrative, and financial management practices; (iii) providing ALRI with improved communications technology; (iv) introducing volume-based management of main system canal flows and water deliveries to WUAs; (v) building the capacity of ALRI staff to manage main system and work effectively with WUAs; (vi) assisting ALRI in carrying out a GIS-based inventory of hydraulic infrastructure in selected districts and establishing an irrigation assets database for Zarafshon River Basin; and (vii) assisting MEWR with the establishment of its offices in Zarafshon River Basin.

**Local level irrigation system management: supporting water user associations** through the strengthening of WUAs' capacity, including (i) dividing WUAs' into designated areas to ensure that their Board members know and represent all farmers in their area at Board meetings; (ii) training WUA Board members in leadership and budget preparation; (iii) training WUA office staff in accounting, financial management, record-keeping and reporting; (iv) providing technical assistance and Training to improve system operational practices, including internal irrigation scheduling; (v) working with ALRI staff to optimize the scheduling of irrigation water delivery; (vi) establishing water measurement system, including joint measurement with ALRI staff of bulk water deliveries; and (vii) training WUAs operational staff in asset inventory use and maintenance of irrigation infrastructure.

**Renovation and equipment of ancillary structures** through constructions and rehabilitation of selected building and supply of equipment, including: (i) construction of office space for the new Zarafshon River Basin office in Ayni; (ii) renovating and equipping part of an existing ALRI building in Panjakent; (iii) construction of a new ALRI pump and motor repair workshop in Panjakent; (iv) improving and re-equipping smaller ALRI pump and motor repair facilities in the basin to upgrade their capacity for minor repairs to pumps, motors, piping and machinery; and (v) construction or rehabilitation of the WUAs' offices where necessary.

### **Part III: Project management**

Strengthening the PMU's Project management, coordination, supervision, communication and implementation capacity.

#### *Project management*

The Project is implemented by Fergana Valley Water Resource Management Project Management Unit (the "PMU") that has the status of a legal entity and was established based on the Decree of the Government of the Republic of Tajikistan.

Duration of the Project is from January 16, 2018 until 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 "World Bank 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 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 on the sources of funds, the purpose of uses of funds, and 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 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 Euro (the "EUR") 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 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 funds were provided by the World Bank to the Project by advances and replenishment.

### 4. CASH AND CASH EQUIVALENTS

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

|                    | Currency | December 31,<br>2018 |
|--------------------|----------|----------------------|
| Designated account | USD      | 288,191              |
| Tender accounts    | USD      | 835                  |
| Cash on hand       | TJS      | 607                  |
| Transit account    | TJS      | 17                   |
|                    |          | <hr/>                |
|                    |          | 289,650              |
|                    |          | <hr/> <hr/>          |

## 5. FUNDS RECEIVED

The funds received are presented by the following financing methods:

|                           | <b>For the year<br/>ended<br/>December 31,<br/>2018</b> | <b>Cumulative</b>       |
|---------------------------|---|-------------------------|
| Reimbursement of expenses | 1,270,044   | 1,270,044               |
| Advance                   | <u>1,000,000</u>  | <u>1,000,000</u>        |
|                           | <u><u>2,270,044</u></u>                                 | <u><u>2,270,044</u></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 the Project expenses by nature and by sources of financing is presented as follows:

### Consulting and services

|   | <b>For the year<br/>ended<br/>December 31,<br/>2018</b> | <b>Cumulative</b>       |
|---|---|-------------------------|
| Irrigation system management                      | 489,700   | 489,700                 |
| Rehabilitation of large irrigation canals         | 215,276   | 215,276                 |
| Software maintenance                              | 201,909   | 201,909                 |
| Local consultant                                  | 61,832  | 61,832                  |
| International consultants                         | 47,322  | 47,322                  |
| Restoration and equipment of auxiliary facilities | 17,934  | 17,934                  |
| Monitoring and impact assessment                  | 17,901  | 17,901                  |
| Administrative expenses                           | <u>12,146</u>   | <u>12,146</u>           |
|   | <u><u>1,064,020</u></u>                                 | <u><u>1,064,020</u></u> |

### Civil Works

|   | <b>For the year<br/>ended<br/>December 31,<br/>2018</b> | <b>Cumulative</b>     |
|---|---|-----------------------|
| Restoration and equipment of auxiliary facilities | 349,684   | 349,684               |
| Rehabilitation of large irrigation canals         | 174,507   | 174,507               |
| Rehabilitation of small irrigation canals         | <u>107,505</u>  | <u>107,505</u>        |
|   | <u><u>631,696</u></u>                                   | <u><u>631,696</u></u> |

### Goods

|                      | <b>For the year<br/>ended<br/>December 31,<br/>2018</b> | <b>Cumulative</b>     |
|----------------------|---|-----------------------|
| Tools and materials  | 264,944   | 264,944               |
| Stationery and fuels | <u>10,886</u>   | <u>10,886</u>         |
|                      | <u><u>275,830</u></u>                                   | <u><u>275,830</u></u> |

**Other operating expenses**

|          | <b>For the year<br/>ended<br/>December 31,<br/>2018</b> | <b>Cumulative</b>   |
|----------|---|---------------------|
| Travel   | 5,919   | 5,919               |
| Training | <u>3,757</u>  | <u>3,757</u>        |
|          | <u><u>9,676</u></u>                                     | <u><u>9,676</u></u> |

**7. FINANCIAL POSITION**

Financial position as at December 31, 2018 comprises:

|                                      | <b>December 31,<br/>2018</b> |
|--------------------------------------|------------------------------|
| <b>ASSETS AND EXPENDITURES</b>       |                              |
| Cash and cash equivalents            | 289,650                      |
| Cumulative expenses                  | 1,981,222                    |
| Foreign exchange loss                | 9                            |
| Other expenses                       | <u>168</u>                   |
| <b>TOTAL ASSETS AND EXPENDITURES</b> | <u><u>2,271,049</u></u>      |
| <b>FINANCING</b>                     |                              |
| Funds received                       | 2,270,044                    |
| Other income                         | <u>1,005</u>                 |
| <b>TOTAL FINANCING</b>               | <u><u>2,271,049</u></u>      |

**8. WITHDRAWAL APPLICATIONS**

Withdrawal applications for the year ended December 31, 2018 comprise:

| Application | Date             | Advance                 | Reimbursement<br>of expenses | Total                   |
|-------------|------------------|-------------------------|------------------------------|-------------------------|
| 1           | June 6, 2018     | 300,000                 | -                            | 300,000                 |
| 3           | August 2, 2018   | 700,000                 | -                            | 700,000                 |
| 2           | October 30, 2018 | -                       | 846,818                      | 846,818                 |
| 4           | December 3, 2018 | <u>-</u>                | <u>423,226</u>               | <u>423,226</u>          |
|             |                  | <u><u>1,000,000</u></u> | <u><u>1,270,044</u></u>      | <u><u>2,270,044</u></u> |

## 9. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the year ended December 31, 2018 comprise:

|   |   |
|---|---|
| <b>Designated account</b>                             | Grant No.TF0A6507   |
| <b>Bank</b>   | CJSC "FMFB"   |
| <b>Currency</b>                                       | US Dollars  |
| <b>Bank account</b>                                   | 20206840518220724083  |
| <b>Bank's location</b>                                | 71/1 Nusratulo Makhsum str., Dushanbe, 734064, Republic of Tajikistan |
| <b>Balance as at January 1, 2018</b>                  | -   |
| Advances received                                     | 1,000,000   |
| Reimbursement of expenses                             | 1,270,044   |
| <b>Total funds received to the designated account</b> | <u>2,270,044</u>  |
| Expenses paid   | 59,752  |
| Transfer between accounts                             | 1,922,101   |
| <b>Balance as at December 31, 2018</b>                | <u>288,191</u>  |

## 10. UNDRAWN FUNDS

As at December 31, 2018 undrawn funds are presented as follows:

|  | <b>Grant<br/>No. TF0A6507<br/>in EUR</b> |
|--|--|
| Approved financing amount  | 13,962,000                               |
| Disbursed for the period from January 1, 2018 to December 31, 2018 | 1,979,242                                |
| Undrawn financing amount   | <u>11,982,758</u>                        |
| Financing received as at January 1, 2018                           | -  |
| Disbursed in 2018  | 1,979,242                                |
| Financing received as at December 31, 2018                         | <u>11,982,758</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, 2018 was as follows:

| Counterparty                                      | Contract No. | Currency | Contract value | Paid up to December 31, 2018 | Remaining amount to be paid |
|---|--------------|----------|----------------|------------------------------|-----------------------------|
| LLC "Somoniyon-1"                                 | NCB-012      | USD      | 534,214        | 315,164                      | 219,050                     |
| LLC "Anas Sokhtmon"                               | NCB-W-014    | USD      | 531,169        | 106,248                      | 424,920                     |
| SO "Sarchashmai Hayot"                            | CQS-010      | USD      | 426,097        | 85,219                       | 340,878                     |
| LLC "Ehson-2010"                                  | NCB-W-013    | USD      | 342,546        | 68,258                       | 274,288                     |
| LLC "Cadastre and geographic information systems" | CQS-017      | USD      | 310,346        | 96,207                       | 214,139                     |
| LLC "Muhayo"                                      | NCB-G-001    | USD      | 241,681        | 215,988                      | 25,693                      |
| LLC "Babilon-T"                                   | 23240718-U   | USD      | 200,898        | 39,619                       | 161,279                     |
| LLC "Muhayo"                                      | NCB-G-003    | USD      | 179,980        | 35,996                       | 143,984                     |

| Counterparty                         | Contract No. | Currency | Contract value | Paid up to December 31, 2018 | Remaining amount to be paid |
|--------------------------------------|--------------|----------|----------------|------------------------------|-----------------------------|
| LLC "Bunyod Loiha"                   | CQS-012      | USD      | 116,401        | 38,947                       | 77,453                      |
| SO "Umedbakhsh"                      | CQS-005      | USD      | 99,842         | 59,890                       | 39,952                      |
| SO "Loihai ob"                       | CQS-007      | USD      | 97,266         | 19,389                       | 77,877                      |
| LLC "Consulting Engineering Service" | CQS-011      | USD      | 87,343         | 17,469                       | 69,875                      |
| SO "Eho-Farhang va Tarakiyot"        | CQS-003      | USD      | 81,648         | 36,899                       | 44,749                      |
| SO "Nakukor"                         | CQS-006      | USD      | 69,488         | 22,236                       | 47,252                      |
| LLC "Sugdshakhrofar-M"               | CQS-013      | USD      | 58,999         | 40,027                       | 18,972                      |
| LLC "Nematulloh-2009"                | CQS-014      | USD      | 58,659         | 11,732                       | 46,927                      |
| SO "Loihai ob"                       | CQS-015      | USD      | 22,417         | 17,934                       | 4,483                       |

## 12. LEGAL CASES

There were no any legal cases related to the Project.

## 13. EVENTS AFTER THE REPORTING DATE

During 2019 until the date of issue of these project financial statements the World Bank provided financing to the Project as follows:

| Application | Value date       | Reimbursement    | Direct Payment | Total            |
|-------------|------------------|------------------|----------------|------------------|
| 5           | January 29, 2019 | 604,936          | -              | 604,936          |
| 6           | March 08, 2019   | 393,880          | -              | 393,880          |
| 7           | March 18, 2019   | -                | 352,080        | 352,080          |
| 8           | March 26, 2019   | 599,720          | -              | 599,720          |
| 9           | April 18, 2019   | 574,246          | -              | 574,246          |
|             |                  | <u>2,172,782</u> | <u>352,080</u> | <u>2,524,862</u> |

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.