

**“Public Finance Management
Modernization Project II”
Grant No. TF0A1735, Grant No. D055-TJ,
Credit No. 5631-TJ**

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

and independent auditors’ report

**“PUBLIC FINANCE MANAGEMENT MODERNIZATION PROJECT II”
GRANT NO. TF0A1735, GRANT NO. D055-TJ, CREDIT NO. 5631-TJ**

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**“PUBLIC FINANCE MANAGEMENT MODERNIZATION PROJECT II”
GRANT NO. TF0A1735, GRANT NO. D055-TJ, CREDIT NO. 5631-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 “Public Finance Management Modernization Project II”, Grant No. TF0A1735, Grant No. D055-TJ, Credit No. 5631-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 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:

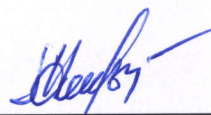
- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to 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, 2020 by the management of the Project.

On behalf of the Management



**Jonmamadzoda M.
Executive Director of Public Finance
Management Modernization Project II**



**Imomkulov R.
Finance Management Consultant**

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 "Public Finance Management Modernization Project II" under the Ministry of Finance 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 "Public Finance Management Modernization Project II" (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 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, 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 qualifying our opinion, we draw attention to the following matters:
- 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.
 - 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.

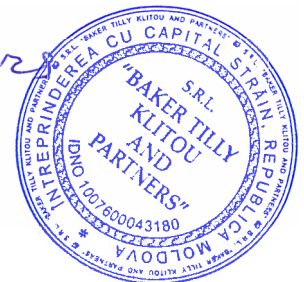
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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, the Republic of Moldova
August 14, 2020



**“PUBLIC FINANCE MANAGEMENT MODERNIZATION PROJECT II”
GRANT NO. TF0A1735, GRANT NO. D055-TJ, CREDIT NO. 5631-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	1,198,147	1,498,674	-
Funds received				
Grant No. TF0A1735	5	1,119,463	1,009,515	3,929,514
Grant No. D055-TJ	5	706,545	640,317	2,974,391
Total funds received		1,826,008	1,649,832	6,903,905
Other income		-	1,122	1,122
Total receipts		1,826,008	1,650,954	6,905,027
Project expenses				
Goods, non-consulting services, consultants' services and Training under Part 1.1 (a), (b), (c), (d); 1.2 (a), (b); 1.3; 3.1; 3.2; 4.1; 4.3 (c), (d)	6	1,119,772	1,204,395	3,602,800
Goods, non-consulting services, consultants' services, Training and Incremental Operating Costs for the following Parts of the Project: 1.1 (e), 1.2 (c), (d), 2, 4.2, 4.3 (a), (b); and 5	6	1,145,495	747,086	2,543,349
Total project expenses		2,265,267	1,951,481	6,146,149
Foreign exchange gain		9	-	19
Closing balance	4	758,897	1,198,147	758,897

On behalf of the Management:

Jonmamadzoda M.
Executive Director of Public Finance
Management Modernization Project II



Imomkulov R.
Finance Management Consultant

August 14, 2020
Dushanbe, the Republic of Tajikistan

August 14, 2020
Dushanbe, the Republic of Tajikistan

The notes on pages 7-15 form an integral part of the project financial statements. The independent auditors' report is on pages 3-4.

**“PUBLIC FINANCE MANAGEMENT MODERNIZATION PROJECT II”
GRANT NO. TF0A1735, GRANT NO. D055-TJ, CREDIT NO. 5631-TJ**

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

(in US dollars)

1. GENERAL INFORMATION

According to the Grant Agreement between the Republic of Tajikistan and International Development Association (the “IDA”, “World Bank”) dated February 17, 2016, the World Bank provided a Grant No. TF0A1735 in the amount of 9,770,000 US dollars.

According to the Financing Agreement between the Republic of Tajikistan and International Development Association (the “IDA”, “World Bank”) dated February 17, 2016, the World Bank provided a Grant No. D055-TJ in the amount of 3,200,000 Special Drawing Rights (the “SDR”) and Credit No. 5631-TJ in the amount of 4,000,000 SDR.

The Financing was provided for the Project “Public Finance Management Modernization Project II” (the “Project”).

Project purpose

The objective of the Project is to improve the effectiveness, control and accountability of the Republic of Tajikistan (the “Recipient”) public expenditure.

The Project comprises the following parts:

- Part 1. Public finance management modernization;
- Part 2. Improving public procurement;
- Part 3. Strengthening external audit;
- Part 4. Managing public administration reforms;
- Part 5. Project management.

Part 1. Public finance management modernization

1. Design and implementation of the Public Financial Management (the “PFM”) reforms through, *inter alia*: (a) the provision of technical assistance to the Ministry of Finance (the “MOF”) and other relevant Recipient’s entities responsible for budget; (b) the carrying out of activities supporting the Recipient’s change management process to implement PFM reforms, including the carrying out of a consultation process within the Recipient’s public sector to access the status of implementation of said reforms; (c) the design and implementation of Training courses and workshops on, *inter alia*, expenditure planning, budgeting, treasury, accounting and financial reporting. (d) the carrying out of a feasibility study on the introduction of a certification for PFM specialists, and (e) the provision and installation of Training and video-conferencing equipment, respectively.

2. Strengthening and implementation of the of the Recipient’s Public Financial Management Information System (the “TFMIS”) through, *inter alia*: (a) the design of modules to support the implementation of commitment controls, cash management, purchase order processing and payroll management; (b) the integration of the TFMIS with order e-government system of the Recipient, including human resources management and procurement system; (c) the provision and installation of equipment (including software) for data recovery, document digitization, system security, expansion of network connectivity and storage in the Information Technology (the “IT”) Center and regional offices, as necessary, including the provision of Training on the use of said equipment; and (d) the design and implementation of a strategy on developing more sophisticated and integrated financial management information system.

3. Strengthening the Recipient and its state-owned enterprises’ accounting and financial reporting practices through, *inter alia*: (a) the development of: (i) accounting policies; (ii) a model chart of accounts; and (iii) accounting manuals; all for state-owned enterprises; (b) the revision of financial reporting templates; (c) the carrying out of an assessment of the software requirements for processing and analyzing state-owned enterprises’ financial statements; (d) the provision of Training to key accounting and financial reporting personnel of state -owned enterprises and relevant Recipient’s officials on the preparation of interim financial reports and proposed accounting policies developed under Part 1.3 (a) (i) above; (e) the provision of support to selected state-owned enterprises for transitioning to interim financial reports; and (f) the incorporation of IFAC/IASSB’s International Standards of Auditing (the “ISA”) into the Recipient’s regulatory framework, followed by the provision of related Training.

Part 2. Improving public procurement

1. Improving the legal and regulatory framework of the Recipient's public procurement through, *inter alia*: (a) (i) carrying out of a review of the Public Procurement Law (the "PPL"); and (ii) if a new legal procurement framework is enacted, preparation of regulations; and (b) (i) development of manuals, guidance notes for procurement procedures and contract management; and (ii) the update of Recipient's standard bidding documents based on the new legislation mentioned in (ii) herein.

2. Strengthening of the institutional capacity of the State Agency for Public Procurement through the provision of support for, *inter alia*: (a) carrying out a change management process to implement the procurement reforms mentioned in Part 2.1 of the Project, including carrying out of a consultation process with relevant stakeholders to assess the status of implementation of said reforms; (b) developing the State Agency for Public Procurements regulatory function, including developing a public procurement management system and a performance management framework for the Recipient's public procurement system; (c) improving access to procurement data, including through the publication and dissemination of annual public procurement performance report; and (d) establishing an independent complaints handling mechanism.

3. (a) Development of an e-procurement system through the design and implementation of modules for e-tendering, including framework agreement, contract management, procurement planning, on-line complaint handling mechanism; (b) the development of interfaces between the e-procurement system and the TFMIS budget and treasury modules; and (c) the design and implementation of a communication strategy to raise awareness of said e-procurement system among users in both public and private sectors, including through the provision of technical assistance and Training.

Part 3. Strengthening external audit

1. Strengthening the governance and management framework through, *inter alia*: (a) the review of the existing organization structure, (b) the design and implementation of an audit coverage expansion plan; (c) the provision of Training; (d) the participation in INTOSAI and other international and regional auditing events; and (e) the design and implementation of a communication of a communication strategy.

2. (a) The design and implementation of an audit methodology for compliance and performance of audits (including public procurement audits); (b) the development of enabling tools for audit work planning and management and database; (c) the provision of IT equipment for connectivity, communication, server and backup solutions; and (d) the design and implementation of an audit curriculum which includes technical and soft skills training.

Part 4. Managing public administration reforms

1. Strengthening the institutional capacity of the Strategic Planning Unit through, *inter alia*: (a) the review and formal adoption of its organizational structure, functions, roles and responsibilities; (b) the development of a national strategic planning methodology and other related methodologies and sectorial strategies; (c) the development of strategic plans in key areas of public administration; (d) the carrying out of capacity building activities, including Training; and (e) the design and implementation of a communications strategy.

2. Design and implementation of the e-government roadmap through, *inter alia*: (a) the strengthening of the regulatory framework for e-government services and methodologies for the selection and prioritization of e-government services; (b) the design and implementation of a communication strategy; and (c) the carrying out of a pilot of selected e-government services (including business process reengineering and software development).

3. Strengthening of the Recipient's human resource management system through, *inter alia*: (a) the development and operationalization of the civil service registry system; (b) the development of an automated and integrated performance appraisal system; (c) the development and implementation of a training program on human resources business process and IT system management; and (d) the development of preliminary business process for a recruitment and selection module.

Part 5. Project management

Strengthening the Recipient's capacity through the provision of support for the implementation, monitoring and evaluation of the Project, including: (i) the carrying out of the Project audits; (ii) the carrying out of periodic user surveys (including dissemination of the results) to assess the impact of the reforms supported by the Project; and (iii) the carrying out of a communication campaign on the Project activities.

Project management

The Project is implemented by Administrative Procurement Support Team (the "APST") under the Ministry of Finance of the Republic of Tajikistan.

Grant and Financing Agreements were signed on February 17, 2016 and became effective on May 10, 2016. The closing date of the Project is June 30, 2021.

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

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

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

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

Cash and cash equivalents

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

Taxes

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

Project expenses

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

Sources of funds

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

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. D055-TJ	USD	413,467	852,416
Designated account	Grant No. TF0A1735	USD	345,430	345,731
			<u>758,897</u>	<u>1,198,147</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
Grant No. TF0A1735			
Reimbursement	534,554	559,456	2,244,546
Direct payment	584,909	450,059	1,034,968
Advances	-	-	650,000
	<u>1,119,463</u>	<u>1,009,515</u>	<u>3,929,514</u>
Grant No. D055-TJ			
Reimbursement	706,545	640,317	1,974,391
Advances	-	-	1,000,000
	<u>706,545</u>	<u>640,317</u>	<u>2,974,391</u>
	<u>1,826,008</u>	<u>1,649,832</u>	<u>6,903,905</u>

6. PROJECT EXPENSES

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

Goods, non-consulting services, consultants' services and training under Part 1.1 (a), (b), (c), and (d); 1.2 (a) and (b); 1.3; 3.1; 3.2; 4.1; 4.3 (c) and (d)

	For the year ended December 31, 2019	Grant No. TF A01735 For the year ended December 31, 2018	Cumulative
Consultants' services	741,077	778,330	1,813,908
Payroll and related taxes	274,045	238,250	822,927
Goods	72,098	133,877	771,621
Training	28,425	8,172	83,273
Business trips	2,930	33,999	77,603

	Grant No. TF A01735		
	For the year ended December 31, 2019	For the year ended December 31, 2018	Cumulative
Bank charges	1,197	8,176	17,618
Non-consulting services	-	-	3,212
Advertising	-	1,687	3,028
Translation services	-	-	1,407
Web-site design	-	-	873
Other	-	1,904	7,330
	<u>1,119,772</u>	<u>1,204,395</u>	<u>3,602,800</u>

Goods, non-consulting services, consultants' services, training and incremental operating costs for the following Parts of the Project: 1.1 (e), 1.2 (c) and (d), 2, 4.2, 4.3 (a) and (b), and 5

	Grant No. D055-TJ		
	For the year ended December 31, 2019	For the year ended December 31, 2018	Cumulative
Consultants' services	413,066	301,191	935,305
Goods	332,251	257,455	845,883
Payroll and related taxes	144,332	170,957	413,970
Web-site design	96,248	-	96,248
Translation services	71,186	1,904	73,090
Business trips	53,641	3,651	103,799
Printing services	18,592	-	18,592
Communication	10,532	-	10,532
Advertising	1,536	-	1,536
Bank charges	1,493	2,944	5,229
Training	-	5,623	33,183
Other	2,618	3,361	5,982
	<u>1,145,495</u>	<u>747,086</u>	<u>2,543,349</u>

7. FINANCIAL POSITION

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

	December 31, 2019	December 31, 2018
ASSETS AND EXPENDITURES		
Cash and cash equivalents	758,897	1,198,147
Cumulative project expenses	<u>6,146,149</u>	<u>3,880,882</u>
TOTAL ASSETS AND EXPENDITURES	<u>6,905,046</u>	<u>5,079,029</u>
FINANCING		
Funds received	6,903,905	5,077,897
Foreign exchange gain	19	10
Other income	<u>1,122</u>	<u>1,122</u>
TOTAL FINANCING	<u>6,905,046</u>	<u>5,079,029</u>

8. WITHDRAWAL APPLICATIONS

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

Sources of financing	Application	Value Date	Direct Payments	Goods, non-consulting services, consultants' services, training and incremental operating costs	Total
Grant No. TF0A1735	12	January 28, 2019	-	314,420	314,420
	13	May 31, 2019	86,286	-	86,286
	14	July 9, 2019	-	220,134	220,134
	15	July 29, 2019	73,903	-	73,903
	16	September 11, 2019	252,148	-	252,148
	17	September 26, 2019	86,286	-	86,286
	18	September 27, 2019	86,286	-	86,286
				<u>584,909</u>	<u>534,554</u>
Grant No. D055-TJ	6	April 18, 2019	-	462,099	462,099
	7	June 17, 2019	-	244,446	244,446
			<u>-</u>	<u>706,545</u>	<u>706,545</u>
			<u>584,909</u>	<u>1,241,099</u>	<u>1,826,008</u>

9. STATEMENT OF DESIGNATED ACCOUNT

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

<i>Source of financing</i>	Grant No. TF A01735	Grant No. D055-TJ	Total
Bank	National Bank of Republic of Tajikistan	National Bank of Republic of Tajikistan	
Currency	US dollars	US dollars	
Bank account	22696840800098	22696840500097	
Bank's location	107A Rudaki ave., Dushanbe, the Republic of Tajikistan	107A Rudaki ave., Dushanbe, the Republic of Tajikistan	
Balance as at January 1, 2019	<u>345,731</u>	<u>852,416</u>	<u>1,198,147</u>
Replenishment of account	<u>534,554</u>	<u>706,545</u>	<u>1,241,099</u>
Total funds received to the designated account	<u>534,554</u>	<u>706,545</u>	<u>1,241,099</u>
Transfers between accounts	521,508	887,119	1,408,627
Expenses paid	<u>13,347</u>	<u>258,375</u>	<u>271,722</u>
Balance as at December 31, 2019	<u>345,430</u>	<u>413,467</u>	<u>758,897</u>

10. UNDRAWN FUNDS

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

	Grant No. TF0A1735 in USD	Grant No. D055-TJ in SDR
Approved financing amount	9,770,000	3,200,000
Disbursed from the period from June 8, 2012 to December 31, 2019	<u>3,929,514</u>	<u>2,603,408</u>
Undrawn financing amount	<u><u>5,840,486</u></u>	<u><u>596,592</u></u>
Financing received as at December 31, 2018	2,810,051	1,623,675
Disbursed in 2019	<u>1,119,463</u>	<u>979,733</u>
Financing received as at December 31, 2019	<u><u>3,929,514</u></u>	<u><u>2,603,408</u></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:

Counterparty	Contract No.	Contract value	Paid up to December 31, 2019	Remaining amount to be paid
CIPFA	PFMMPII/QCBS-2/2015	1,015,124	609,075	406,049
FINA, LLC	FMMPII/QCBS-1/2017	873,964	436,982	436,982
PMCG, LLC	PFMMPII/QCBS-3/2015	579,633	376,761	202,872
Softline IT, LLC	PFMMPII/ICB-4/2015 Lot 1	427,725	39,241	388,484
SOFTENGI UKRAINE, LLC	PFMMPII/SIIS-1/2018	427,553	37,179	390,374
Softline IT, LLC	PFMMPII/ICB-4/2015 Lote 2	404,830	36,471	368,359
Somon Varorud, LLC	PFMMPII/NCB-6/2017	275,652	192,808	82,844

12. LEGAL CASES

There were no any legal cases related to the Project.

13. EVENTS AFTER THE REPORTING DATE

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

Financing method	Application	Value date	Grant No. TF0A1735	Grant No. D055-TJ
Reimbursement	19	January 23, 2020	314,528	-
Direct payment	20	March 24, 2020	77,657	-
Direct payment	21	June 3, 2020	134,079	-
Direct payment	23	July 17, 2020	252,430	-

Financing method	Application	Value date	Grant No. TF0A1735	Grant No. D055-TJ
Direct payment	24	July 17, 2020	206,140	-
Reimbursement	22	July 20, 2020	538,696	-
Reimbursement	8	February 4, 2020	-	609,020
Direct payment	9	June 3, 2020	-	38,362
			<u>1,523,530</u>	<u>647,382</u>

Pandemic COVID-19.

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

The Project is implemented by the Ministry of Finance of the Republic of Tajikistan. All employees responsible for Project implementation had been working in accordance with their normal working schedule. Thus, pandemic COVID-19 had no negative impact on meeting Project deadlines and its implementation in general.

While 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.

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.