EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)

LOAN NO, (85200-IQ)

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
Ministry of Electricity
FUNDED BY
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT
&
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2021

F,H,AL-SALMAN & CO,
PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS
BAGHDAD – IRAQ

F. H. Al-Salman & Co
Public Accountants, Auditors
& Tax Consultants

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / تضامنية

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Independent auditor's report
To the management of Emergency Operation for Development Project

Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) - Ministry of Electricity
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq

Report on the financial statement

We have audited the accompanying statement of Cash Receipts and Payments of the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) covering the year ended December 31st 2021, The preparation of the financial statement is the responsibility of project managements team (PMT), Our responsibility is to express an opinion on these financial statements based on our audit,

We have also audited the compliance with laws, regulations, guidelines and provisions which governs the Loan Agreement covering for the year ended December 31st 2021,

We have conducted our audit in accordance with International Standards on Auditing, Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether The Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) has complied with the laws, regulations, guidelines and provisions governed by the Loan Agreement, An audit involves performance, on a test basis, evidence supporting the amounts and disclosures in the financial statements, An audit also includes assessing the accounting principles used, as well as evaluating the overall financial statement presentation, We believe that our audits provide a reasonable basis for our opinion,

Opinion

(a) The Projects' Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) covering the year ended December 31st 2021, in accordance with the International Public Sector Accounting Standards (IPSAS), under the cash basis accounting approach,

(b) Proper level of internal control over financial reporting had been practiced by PMT during the preparation of replenishments, direct payments, payments through special commitments, and reimbursements for the project,

(c) The project is in all material respects, has been in compliance with the laws, regulations, guidelines and provisions governed by the Loan agreement,

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B,Sc, FCCA
F,H,Al-Salman & Co,
Public Accountants, Auditors & Consultants
Baghdad - Iraq
Baghdad, Republic of Iraq
Date: March 1st 2022

MINISTRY OF ELECTRICITY
EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO, (85200-IQ)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2021
IN U,S, DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2020	Actual receipts and payments in year 2021	Accumulated receipts and payments balance as of 31 December 2021
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO, 85200-IQ)	3-1		67,882,750	519,826	68,402,576
Total cash receipts		**70,000,000**	**67,882,750**	**519,826**	**68,402,576**
CASH PAYMENTS					
Cash Payments for Components			(67,712,537)	(153,957)	(67,866,494)
Total cash payments	3-2	**70,000,000**	**(67,712,537)**	**(153,957)**	**(67,866,494)**
Advance purchase committee	2				**(140)**
Cash at Bank as at end of the period	4				**535,942**

PMT Manager
عبد لوهاب كاظم امويش

Financial Management
لمياء مانع محسن

The notes on pages from 1 to 5 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation 1-The Government of Iraq (GoI) has received financing in the amount of US$ 350 million from the World Bank (WB), to support GOI in meeting the dual challenge of reconstruction and restoring services to liberated municipal areas while laying the foundations for longer – terms development The overall aim of Emergency Operation for Development (EODP) for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the project area,

2-This amount will be used to finance components 1, 2, 3, 4, 5, 6 that will be carried out by the Road and Bridges Directorate (RBD) of Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), Ministry of Health (MoH) and Ministry of Electricity (MoE) and Reconstruction Fund (RF) in addition to Ministry of Water Resource and Mabany Directorate - Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW) These financing agreements cover all works contracts to restore and repairing Road and Bridge, Water supply and sanitation, mobile hospitals and clinics, ambulances, restoration of electricity in 7 liberated area at Salah Ad-Din and Diyala further more cover supervision contracts and some of consultant contracts, projects implementation and monitoring,

The financial statements and the notes on pages 1 to 5 were authorized for issuance by Management Letter dated March 1st 2022

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS FOR ACCORDANCE TO THE LOAN CONTRACT

Category Description	Amount allocated of the Component from the loan (USD)	Actual receipts since inception to 31 December 2021 (USD)	Actual payments since inception to 31 December 2021 (USD)	Advance purchase committee since inception to 31 December (USD)	Cash at Bank as of 31-12-2021 (USD)
(1) Goods, works, non-consulting services, consultants' services, and Operating Costs for Parts 1 and 6(a) of the Project	70,000,000	68,402,576	(67,866,494)	(140)	**535,942**

3 CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total CASH RECEIPTS from date of inception to 31 December 2021:

	Actual cash Receipts since inception to 31 December 2020 USD	Actual cash Receipts in year 2021 USD	Accumulated cash Receipts balance as of 31 December 2021 USD
Designated bank account	18,685,000	519,826	19,204,826
Direct payments	49,197,750	—	49,197,750
Total	**67,882,750**	**519,826**	**68,402,576**

3-2 The following table summarizes total Cash Disbursements from date of inception To 31 December2021:

	Actual Disbursements since inception to 31 December 2020 USD	Actual Disbursements in year 2021 USD	Accumulated Disbursements balance as of 31 December 2021 USD
Goods and Equipment	66,717,523	51,734	66,769,257
Civil work	313,488	—	313,488
Consultant services	312,516	88,272	400,788
Operation costs	369,010	13,951	382,961
Non-Consultancy services	—	—	—
Total	**67,712,537**	**153,957**	**67,866,494**

3-3 The office equipment it was Equivalent with actual Inventory.

4- FUND BALANCE

	2021 USD	2020 USD
Fund balance per bank as at 31 December	540,970	170,403
Add:		
Bank fees	-	-
Operating Advance	-	317
Less:		
Bank fees	-	-
Recovering an Operating advance	(378)	-
Outstanding checks	(4,650)	(508)
Fund balance per books as at 31 December	**535,942**	**170,212**

5. REPORTING ENTITY

The financial statements for the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ), encompasses the reporting entity as specified in the Loan Agreement NO, 85200- IQ dated 12 July 2015 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development,

6. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under the cash basis of accounting,
The accounting policies have been applied consistently throughout the period,
The financial statements have been presented in U,S Dollar (USD) which is the functional currency of the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ),

6.1 Cash

Cash comprises cash in hand, deposits in demand at the bank, and cash equivalents, as deposits in demand and cash equivalents are considered as balances at banks,

6.2 Receipts

Receipts comprise of cash in hand, deposits in demand at the bank, and cash equivalents received from International Bank for Reconstruction and Development (Loan Agreement-Loan No, 85200-IQ),

6.3 Disbursements

The disbursements of project's resources are restricted for (Goods ,Works , Non-Consulting Services, Consulting Services , Operating Costs, Training And Workshop) related to implementing, managing, and monitoring the project,

7. GOING CONCERN

The entity shall be terminate and seize to exist once the final budget from the International Bank for Reconstruction and Development is Expensed or the projects indicated in the Loan agreement are fulfilled and accomplished,

EMERGENCY OPERATION DEVELOPMENT PROJECT

(P 155732)

LOAN NO. (85200- IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF ELECTRICITY

Funded by

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

MANAGEMENT LETTER

ON

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2021

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

F. H. Al-Salman & Co
Public Accountants, Auditors
& Tax Consultants

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / تضامنية

No: FHS/69/22

Date:1/3/2022

Ministry of Electricity

Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ)

Funded by the International Bank for Reconstruction and Development

Baghdad – The Republic of Iraq

Dear Sirs,

Subject: Management Letter

While performing our audit for the statement of Cash Receipts and Payments of Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, we had noticed certain matters that, in our opinion, might affect the "Project" Managements' Team (PMT), as to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Receipts and Payments.

While this report is intended solely for the use of management and others within The Reconstruction Fund for areas affected by terrorist operations and the International Bank for Reconstruction and Development. It should not be used for any other purposes.

Finally, we would like to take this opportunity to express our gratitude and appreciation for your kind cooperation during the performance of our audit.

Yours Faithfully

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad – Iraq

Management Letter

The year ended December 31st 2021

TABLE OF CONTENTS

Definitions and Interpretation

Report	:Management Letter / Ministry of Electricity.
Period	: Covering the year ended December 31st 2021 .
Project	:Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ).
Submitted to	: Reconstruction Fund for areas affected by terrorist operations

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Note (1)	:Advance to Purchase Committee .
Observation	:Non-settlement of advance d the period , The amount was USD (140).
Effect	: Non settlement of advances at the end of the period means non-application of the cash basis approach .
Recommendation	:It is necessary to implement the instructions for International Public Sector Accounting Standards, concerning accounting for cash basis.
Management Response	: The said advances shall be settled at the beginning of 2022.

End of Management Letter

EMERGENCY OPERATION FOR DEVELOPMENT PROJECT
(P 155732)
LOAN NO. (85200-IQ)

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS
(DEPARTMENT OF PROJECTS FUNDED EXTERNALLY)
FUNDED BY
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT
&
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2021

F.H.AL-SALMAN & CO.
PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS
BAGHDAD – IRAQ

Independent auditor's report
To the management Emergency Operation for Development Project
Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) / Ministry of Construction, Housing, Municipalities and Public Works / Department of Projects Funded Externally.
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq

Report on the financial statement

We have audited the accompanying statement of Cash Receipts and Payments of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021. The preparation of the financial statement is the responsibility of project managements team (PMT). Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the compliance with laws, regulations, guidelines and provisions which governs the Loan Agreement covering for the year ended December 31st 2021.

We have conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) has complied with the laws, regulations, guidelines and provisions governed by the Loan Agreement. An audit involves performance, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Opinion

(a) The Projects' Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in accordance with the International Public Sector Accounting Standards (IPSAS), under the cash basis accounting approach.

(b) Proper level of internal control over financial reporting had been practiced by PMT during the preparation of replenishments, direct payments, payments through special commitments, and reimbursements for the project.

(c) The project is in all material respects, has been in compliance with the laws, regulations, guidelines and provisions governed by the Loan agreement.

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad - Iraq

Baghdad, Republic of Iraq
Date: March 1st 2022

MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS
EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. (85200-IQ)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2021
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2020	Actual receipts and payments in year 2021	Accumulated receipts and payments balance as of 31 December 2021
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 85200-IQ)	3-1		59,026,210	780,425	59,806,635
Total cash receipts		**62,000,000**	**59,026,210**	**780,425**	**59,806,635**
CASH PAYMENTS					
Cash Payments for Components			(58,114,945)	(1,485,798)	(59,600,743)
Total cash payments	3-2	**62,000,000**	**(58,114,945)**	**(1,485,798)**	**(59,600,743)**
Cash at Bank as at end of the period	4				**205,892**

PMT Manager
Ashti alwindi

Financial Management
Hala Adnan

The notes on pages from 1 to 5 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation 1-The Government of Iraq (GoI) has received financing in the amount of US$ 350 million from the World Bank (WB), to support GOI in meeting the dual challenge of reconstruction and restoring services to liberated municipal areas while laying the foundations for longer – terms development The overall aim of Emergency Operation for Development (EODP) for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the project area.

2-This amount will be used to finance components 1, 2, 3, 4, 5, 6 that will be carried out by the Road and Bridges Directorate (RBD) of Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), Ministry of Health (MoH) and Ministry of Electricity (MoE) and Reconstruction Fund (RF) in addition to Ministry of Water Resource and Mabany Directorate - Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW) These financing agreements cover all works contracts to restore and repairing Road and Bridge, Water supply and sanitation, mobile hospitals and clinics, ambulances, restoration of electricity in 7 liberated area at Salah Ad-Din and Diyala further more cover supervision contracts and some of consultant contracts, projects implementation and monitoring.

The financial statements and the notes on pages 1 to 5 were authorized for issuance by Management Letter dated March 1st 2022.

IN U.S. DOLLARS

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS FOR ACCORDANCE TO THE LOAN CONTRACT

Category Description	Amount allocated of the Component from the loan (USD)	Actual receipts since inception to 31 December 2021 (USD)	Actual payments since inception to 31 December 2021 (USD)	Cash at Bank as of 31-12-2021 (USD)
(2) Goods, works, non-consulting services, consultants' services, and Operating Costs, for Parts 2, 5(a), 5(d)(ii), and 6(b) of the Project	62,000,000	59,806,635	(59,600,743)	**205,892**

IN U.S. DOLLARS

3 CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total Cash Receipts from date of inception to 31 December 2021:

	Actual cash Receipts since inception to 31 December 2020 USD	Actual cash Receipts in year 2021 USD	Accumulated cash Receipts balance as of 31 December 2021 USD
Designated bank account	42,408,273	780,425	43,188,698
Direct payments	16,617,937	—	16,617,937
Total	**59,026,210**	**780,425**	**59,806,635**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December2021:

	Actual Disbursements since inception to 31 December 2020 USD	Actual Disbursements in year 2021 USD	Accumulated Disbursements balance as of 31 December 2021 USD
Goods and Equipment	30,431,133	934,022	31,365,155
Civil work	25,776,933	448,433	26,225,366
Consultant services	981,774	95,062	1,076,836
Operation costs	845,448	8,281	853,729
Non-Consultancy services	79,657	—	79,657
Total	**58,114,945**	**1,485,798**	**59,600,743**

3-3 The office equipment it was Equivalent with actual Inventory.

IN U.S. DOLLARS

4- FUND BALANCE

	2021 USD	2020 USD
Fund balance per bank as at 31 December	205,892	1,180,887
Add:		
Bank fees	-	-
Operating Advance	-	65
Less:		
Bank fees	-	(121)
Recovering an Operating advance	-	(269,566)
Outstanding checks	-	-
Fund balance per books as at 31 December	**205,892**	**911,265**

5- REPORTING ENTITY

The financial statements for the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ), encompasses the reporting entity as specified in the Loan Agreement NO. 85200- IQ dated 12 July 2015 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

6- BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under the cash basis of accounting.
The accounting policies have been applied consistently throughout the period.
The financial statements have been presented in U.S Dollar (USD) which is the functional currency of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ).

6.1 Cash

Cash comprises cash in hand, deposits in demand at the bank, and cash equivalents, as deposits in demand and cash equivalents are considered as balances at banks.

6.2 Receipts

Receipts comprise of cash in hand, deposits in demand at the bank, and cash equivalents received from International Bank for Reconstruction and Development (Loan Agreement- Loan No. 85200-IQ).

6.3 Disbursements

The disbursements of project's resources are restricted for (Goods, Works, Non-Consulting Services, Consulting Services, Operating Costs, Training and Workshop) related to implementing, managing, and monitoring the project.

7- GOING CONCERN

The entity shall be terminate and seize to exist once the final budget from the International Bank for Reconstruction and Development is Expensed or the projects indicated in the Loan agreement are fulfilled and accomplished.

EMERGENCY OPERATION DEVELOPMENT PROJECT

(P 155732)

LOAN NO. (85200- IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS

(DEPARTMENT OF PROJECTS FUNDED EXTERNALLY)

FUNDED BY

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MANAGEMENT LETTER

ON

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2021

F.H. AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

No: FHS/69/22

Date: 1/3/2022

Ministry of Construction, Housing, Municipalities and Public Works – Department of Project Funded Externally

Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ)

Funded by the International Bank for Reconstruction and Development

Baghdad – The Republic of Iraq

Dear Sirs,

Subject: Management Letter

While performing our audit for the statement of Cash Receipts and Payments of Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in our opinion, there was no observation for the component which affects the "Project" Managements' Team (PMT), as to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Receipts and Payments.

While this report is intended solely for the use of management and others within The Reconstruction Fund for areas affected by terrorist operations and the International Bank for Reconstruction and Development. It should not be used for any other purposes.

Finally, we would like to take this opportunity to express our gratitude and appreciation for your kind cooperation during the performance of our audit.

Yours Faithfully

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad – Iraq

EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)

LOAN NO, (85200-IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS

ROAD AND BRIDGES DIRECTORATE

FUNDED BY

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS, REPORT

&

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2021

F,H,AL-SALMAN & CO,

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

Independent auditor's report
To the management of Emergency Operation for Development Project
Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) / Ministry of Construction, Housing, Municipalities and Public Works - Road and Bridges Directorate
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq

Report on the financial statement

We have audited the accompanying statement of Cash Receipts and Payments of the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) covering the year ended December 31st 2021, The preparation of the financial statement is the responsibility of project managements team (PMT), Our responsibility is to express an opinion on these financial statements based on our audit,

We have also audited the compliance with laws, regulations, guidelines and provisions which governs the Loan Agreement covering for the year ended December 31st 2021,

We have conducted our audit in accordance with International Standards on Auditing, Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether The Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) has complied with the laws, regulations, guidelines and provisions governed by the Loan Agreement, An audit involves performance, on a test basis, evidence supporting the amounts and disclosures in the financial statements, An audit also includes assessing the accounting principles used, as well as evaluating the overall financial statement presentation, We believe that our audits provide a reasonable basis for our opinion,

opinion

(a) The Projects Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) covering the year ended December 31st 2021, in accordance with the International Public Sector Accounting Standards (IPSAS), under the cash basis accounting approach,

(b) Proper level of internal control over financial reporting had been practiced by PMT during the preparation of replenishments, direct payments, payments through special commitments, and reimbursements for the project,

(c) The project is in all material respects, has been in compliance with the laws, regulations, guidelines and provisions governed by the Loan agreement,

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B,Sc, FCCA
F,H,Al-Salman & Co,
Public Accountants, Auditors & Consultants
Baghdad - Iraq
Baghdad, Republic of Iraq
Date: March 1st 2022

MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS - ROAD AND BRIDGES DIRECTORATE
EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO, (85200-IQ)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2021
IN U,S, DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2020	Actual receipts and payments in year 2021	Accumulated receipts and payments balance as of 31 December 2021
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO, 85200-IQ)	3-1		126,261,243	7,679,206	133,940,449
Total cash receipts		**137,000,000**	**126,261,243**	**7,679,206**	**133,940,449**
CASH PAYMENTS					
Cash Payments for Components			(122,385,234)	(10,028,002)	(132,413,236)
Total cash payments	3-2	**137,000,000**	**(122,385,234)**	**(10,028,002)**	**(132,413,236)**
Cash at Bank as at end of the period	4				**1,527,213**

PMT Manager
Eng. Hussein J. Kadhim

Financial Management
Adwaa Qassim

The notes on pages from 1 to 5 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation The Government of Iraq (GoI) has received financing in the amount of US$ 350 million from the World Bank (WB), to support GOI in meeting the dual challenge of reconstruction and restoring services to liberated municipal areas while laying the foundations for longer – terms development The overall aim of Emergency Operation for Development (EODP) for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the project area,

2-This amount will be used to finance components 1, 2, 3, 4, 5, 6 that will be carried out by the Road and Bridges Directorate (RBD) of Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), Ministry of Health (MoH) and Ministry of Electricity (MoE) and Reconstruction Fund (RF) in addition to Ministry of Water Resource and Mabany Directorate - Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW) These financing agreements cover all works contracts to restore and repairing Road and Bridge, Water supply and sanitation, mobile hospitals and clinics, ambulances, restoration of electricity in 7 liberated area at Salah Ad-Din and Diyala further more cover supervision contracts and some of consultant contracts, projects implementation and monitoring,

The financial statements and the notes on pages 1 to 5 were authorized for issuance by Management Letter dated March 1st 2022

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS FOR ACCORDANCE TO THE LOAN CONTRACT

Category Description	Amount allocated of the Component from the loan (USD)	Actual receipts since inception to 31 December 2021 (USD)	Actual payments since inception to 31 December 2021 (USD)	Cash at Bank as of 31-12-2021 (USD)
(3) Goods, works, non-consulting services, consultants' services, and Operating Costs, for Parts 3, 5(b), 5(c), and 6(c) of the Project	137,000,000	133,940,449	(132,413,236)	**1,527,213**

3 CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total CASH RECEIPTS from date of inception to 31 December 2021:

	Actual cash Receipts since inception to 31 December 2020	Actual cash Receipts in year 2021	Accumulated cash Receipts balance as of 31 December 2021
	USD	USD	USD
Designated bank account	92,458,850	—	92,458,850
Direct payments	33,802,393	7,679,206	41,481,599
Total	**126,261,243**	**7,679,206**	**133,940,449**

3-2 The following table summarizes total CASH DISBURSEMENTS from date of inception To 31 December2021:

	Actual Disbursements since inception to 31 December 2020	Actual Disbursements in year 2021	Accumulated Disbursements balance as of 31 December 2021
	USD	USD	USD
Goods and Equipment	10,680,851	—	10,680,851
Civil work	109,491,306	9,509,606	119,000,912
Consultant services	1,228,999	488,777	1,717,776
Operation costs	984,078	29,619	1,013,697
Non-Consultancy services	—	—	—
Total	**122,385,234**	**10,028,002**	**132,413,236**

3-3 The office equipment it was Equivalent with actual Inventory.

4- Fund Balance

	2021 USD	2020 USD
Fund balance per bank as at 31 December	1,527,213	3,875,042
<u>Add</u>:		
Bank fees	–	–
Tender fees	–	–
Operating Advance	–	967
<u>Less</u>:		
Bank fees	–	–
Tender fees	–	–
Outstanding checks	–	–
Fund balance per books as at 31 December	**1,527,213**	**3,876,009**

5. REPORTING ENTITY

The financial statements for the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ), encompasses the reporting entity as specified in the Loan Agreement NO, 85200- IQ dated 12 July 2015 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development,

6. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under the cash basis of accounting,
The accounting policies have been applied consistently throughout the period,
The financial statements have been presented in US Dollar (USD) which is the functional currency of the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ),

6.1 Cash

Cash comprises cash in hand, deposits in demand at the bank, and cash equivalents, as deposits in demand and cash equivalents are considered as balances at banks,

6.2 Receipts

Receipts comprise of cash in hand, deposits in demand at the bank, and cash equivalents received from International Bank for Reconstruction and Development (Loan Agreement- Loan No, 85200-IQ),

6.3 Disbursements

The disbursements of project's resources are restricted for (Goods ,Works , Non-Consulting Services, Consulting Services , Operating Costs, Training And Workshop) related to implementing, managing, and monitoring the project,

7. GOING CONCERN

The entity shall be terminate and seize to exist once the final budget from the International Bank for Reconstruction and Development is Expensed or the projects indicated in the Loan agreement are fulfilled and accomplished,

EMERGENCY OPERATION DEVELOPMENT PROJECT
(P 155732)
LOAN NO. (85200- IQ)

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS
ROAD AND BRIDGES DIRECTORATE

Funded by
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MANAGEMENT LETTER
ON
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2021

F.H. AL-SALMAN & CO.
PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS
BAGHDAD – IRAQ

No: FHS/69/22

Date: 1/3/2022

Ministry of Construction, Housing, Municipalities and Public Works - Road and Bridges Directorate

Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ)

Funded by the International Bank for Reconstruction and Development

Baghdad – The Republic of Iraq

Dear Sirs,

Subject: Management Letter

While performing our audit for the statement of Cash Receipts and Payments of Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in our opinion, there was no observation for the component which affects the "Project" Managements' Team (PMT), as to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Receipts and Payments.

While this report is intended solely for the use of management and others within The Reconstruction Fund for areas affected by terrorist operations and the International Bank for Reconstruction and Development. It should not be used for any other purposes.

Finally, we would like to take this opportunity to express our gratitude and appreciation for your kind cooperation during the performance of our audit.

Yours Faithfully

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA

F.H.Al-Salman & Co.

Public Accountants, Auditors & Consultants

Baghdad – Iraq

EMERGENCY OPERATION FOR DEVELOPMENT PROJECT
(P 155732)
LOAN NO. (85200-IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

Ministry of Health

FUNDED BY

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT
&
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2021

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

Independent auditor's report
To the management of Emergency Operation for Development Project
Emergency Operations for Development is Project (P 155732) Loan No. (85200-IQ) - Ministry of Health
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq

Report on the financial statement

We have audited the accompanying statement of Cash Receipts and Payments of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021. The preparation of the financial statement is the responsibility of project managements team (PMT). Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the compliance with laws, regulations, guidelines and provisions which governs the Loan Agreement covering for the year ended December 31st 2021.

We have conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) has complied with the laws, regulations, guidelines and provisions governed by the Loan Agreement. An audit involves performance, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Opinion

(a) The Projects' Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in accordance with the International Public Sector Accounting Standards (IPSAS), under the cash basis accounting approach.

(b) Proper level of internal control over financial reporting had been practiced by PMT during the preparation of replenishments, direct payments, payments through special commitments, and reimbursements for the project.

(c) The project is in all material respects, has been in compliance with the laws, regulations, guidelines and provisions governed by the Loan agreement.

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad - Iraq

Baghdad, Republic of Iraq
Date: March 1st 2022

Hay Babil • District No. 929 • Avenue No. 15 • House No. 6 • Baghdad – Iraq
Mobile : + 964 7901 33 47 67
E-Mail : farquad.salman@gmail.com

MINISTRY OF HEALTH
EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. (85200-IQ)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2021
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2020	Actual receipts and payments in year 2021	Accumulated receipts and payments balance as of 31 December 2021
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 85200-IQ) Part (A-4)	3-1	18,000,000	15,152,698	—	15,152,698
Receipts from IBRD (LOAN NO. 85200-IQ) Part (C-4)	3-1	35,825,000	500,0000	4,500,000	5,000,000
Total cash receipts		**53,825,000**	**15,652,698**	**4,500,000**	**20,152,698**
CASH PAYMENTS					
Cash Payments for Components - Part (A-4)	3-2	**18,000,000**	(15,029,115)	(19,792)	(15,048,907)
Cash Payments for Components - Part (A-4)	3-2	**35,825,000**	(500,000)	(4,500,000)	(5,000,000)
Total cash payments		53,825,000	**(15,529,115)**	**(4,519,792)**	**(20,048,907)**
Advance purchase committee	2				**(2,825)**
Cash at Bank as at end of the period	4				**100,966**

PMT Manager Financial Management

The notes on pages from 1 to 5 are integral part of these financial statements

1- GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation 1-The Government of Iraq (GoI) has received financing in the amount of US$ 350 million from the World Bank (WB), to support GOI in meeting the dual challenge of reconstruction and restoring services to liberated municipal areas while laying the foundations for longer – terms development The overall aim of Emergency Operation for Development (EODP) for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the project area.

2-This amount will be used to finance components 1, 2, 3, 4, 5, 6 that will be carried out by the Road and Bridges Directorate (RBD) of Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), Ministry of Health (MoH) and Ministry of Health (MoE) and Reconstruction Fund (RF) in addition to Ministry of Water Resource and Mabany Directorate - Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW) These financing agreements cover all works contracts to restore and repairing Road and Bridge, Water supply and sanitation, mobile hospitals and clinics, ambulances, restoration of Health in 7 liberated area at Salah Ad-Din and Diyala further more cover supervision contracts and some of consultant contracts, projects implementation and monitoring.

The financial statements and the notes on pages 1 to 5 were authorized for issuance by Management Letter dated March 1st 2022.

IN U.S. DOLLARS

1 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS FOR ACCORDANCE TO THE LOAN CONTRACT

Category Description	Amount allocated of the Component from the loan (USD)	Actual receipts since inception to 31 December 2021 (USD)	Actual payments since inception to 31 December 2021 (USD)	Advance purchase committee since inception to 31 December (USD)	Cash at Bank as of 31-12-2021 (USD)
(4) (a) Goods, non-consulting services, consultant services, and Operating Costs for Parts 4(a), 5(e), and 6(d) of the Project	18,000,000	15,152,698	(15,048,907)	(2,825)	100,966
(4) (c) Goods, non-consulting services, consultant services, and Operating Costs for Parts 4(b)(ii) of the Project	35,825,000	5,000,000	(5,000,000)	—	—
Total	**53,825,000**	**20,152,698**	**(20,048,907)**	**(2,825)**	**100,966**

IN U.S. DOLLARS

3- CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total Cash Receipts from date of inception to 31 December 2021:

	Actual cash Receipts since inception to 31 December 2020 USD	Actual cash Receipts in year 2021 USD	Accumulated cash Receipts balance as of 31 December 2021 USD
Designated bank account	8,001,888	-	8,001,888
Direct payments	7,650,810	4,500,000	12,150,810
Total	**15,652,698**	**4,500,000**	**20,152,698**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December 2021:

	Actual Disbursements since inception to 31 December 2020 USD	Actual Disbursements in year 2021 USD	Accumulated Disbursements balance as of 31 December 2021 USD
Goods and Equipment	15,375,699	4,500,000	19,875,649
Civil work	-	-	-
Consultant services	-	-	-
Operation costs	153,416	19,792	173,258
Non-Consultancy services	-	-	-
Total	**15,529,115**	**4,519,792**	**20,048,907**

3-3 The office equipment it was Equivalent with actual Inventory.

3-4 The advance of USD (7,806,788) Equipment for coved 19 and executed on June 2nd 2020 in favour of UNOPS is still pending as of the date of our report.

IN U.S. DOLLARS

4- FUND BALANCE

	2021 USD	2020 USD
Fund balance per bank as at 31 December	100,966	110,742
Add:		
Bank fees	-	-
Operating Advance	-	13,331
Less:		
Bank fees	-	-
Refund to World Bank	-	(490)
Outstanding checks	-	-
Fund balance per books as at 31 December	**100,966**	**123,583**

5 REPORTING ENTITY

The financial statements for the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ), encompasses the reporting entity as specified in the Loan Agreement NO. 85200- IQ dated 12 July 2015 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

6 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under the cash basis of accounting.
The accounting policies have been applied consistently throughout the period.
The financial statements have been presented in U.S Dollar (USD) which is the functional currency of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ).

6.1 Cash

Cash comprises cash in hand, deposits in demand at the bank, and cash equivalents, as deposits in demand and cash equivalents are considered as balances at banks.

6.2 Receipts

Receipts comprise of cash in hand, deposits in demand at the bank, and cash equivalents received from International Bank for Reconstruction and Development (Loan Agreement- Loan No. 85200-IQ).

6.3 Disbursements

The disbursements of project's resources are restricted for (Goods ,Works , Non-Consulting Services, Consulting Services , Operating Costs, Training And Workshop) related to implementing, managing, and monitoring the project.

7 GOING CONCERN

The entity shall be terminate and seize to exist once the final budget from the International Bank for Reconstruction and Development is Expensed or the projects indicated in the Loan agreement are fulfilled and accomplished.

EMERGENCY OPERATION DEVELOPMENT PROJECT

(P 155732)

LOAN NO. (85200- IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF HEALTH

Funded by

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

MANAGEMENT LETTER

ON

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2021

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

F. H. Al-Salman & Co
Public Accountants, Auditors
& Tax Consultants

شركة فرقد السلمان وشركاه
لتدقيق ومراقبة الحسابات / تضامنية

2002

No: FHS/69/22

Date: 1/3/2022

Ministry of Health
Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ)
Funded by the International Bank for Reconstruction and Development
Baghdad – The Republic of Iraq

Dear Sirs,

Subject: Management Letter

While performing our audit for the statement of Cash Receipts and Payments of Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, we had noticed certain matters that, in our opinion, might affect the "Project" Managements' Team (PMT), as to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Receipts and Payments.

While this report is intended solely for the use of management and others within The Reconstruction Fund for areas affected by terrorist operations and the International Bank for Reconstruction and Development. It should not be used for any other purposes.

Finally, we would like to take this opportunity to express our gratitude and appreciation for your kind cooperation during the performance of our audit.

Yours Faithfully

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad – Iraq

Management Letter

The year ended December 31st 2021

TABLE OF CONTENTS

Definitions and Interpretation

Report :Management Letter / Ministry of Health.

Period : Covering the year ended December 31st 2021 .

Project :Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ).

Submitted to : Reconstruction Fund for areas affected by terrorist operations

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Note (1) :Advance to Purchase Committee .

Observation :Non-settlement of advance d the period , The amount was USD (2,825).

Effect : Non settlement of advances at the end of the period means non-application of the cash basis approach .

Recommendation :It is necessary to implement the instructions for International Public Sector Accounting Standards, concerning accounting for cash basis.

Management Response : The said advances shall be settled at the beginning of 2022.

End of Management Letter

EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)

LOAN NO. (85200-IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

Ministry of Construction, Housing, Municipalities and Public Works

MABANY DIRECTORATE

FUNDED BY

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2021

F.H. AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

Independent auditor's report
To the management of Emergency Operation for Development Project
Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) / Ministry of Construction, Housing, Municipalities and Public Works - Mabany Directorate
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq

Report on the financial statement

We have audited the accompanying statement of Cash Receipts and Payments of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, The preparation of the financial statement is the responsibility of project managements team (PMT). Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the compliance with laws, regulations, guidelines and provisions which governs the Loan Agreement covering for the year ended December 31st 2021.

We have conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) has complied with the laws, regulations, guidelines and provisions governed by the Loan Agreement. An audit involves performance, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Opinion

(a) The Projects Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in accordance with the International Public Sector Accounting Standards (IPSAS), under the cash basis accounting approach.

(b) Proper level of internal control over financial reporting had been practiced by PMT during the preparation of replenishments, direct payments, payments through special commitments, and reimbursements for the project.

(c) The project is in all material respects, has been in compliance with the laws, regulations, guidelines and provisions governed by the Loan agreement.

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad - Iraq

Baghdad, Republic of Iraq
Date: March 1st 2022

MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS - MABANY DIRECTORATE
EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. (85200-IQ)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2021
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2020	Actual receipts and payments in year 2021	Accumulated receipts and payments balance as of 31 December 2021
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 85200-IQ)	3-1		1,300,000	916,984	2,216,984
Total cash receipts		**7,100,000**	**1,300,000**	**916,984**	**2,216,984**
CASH PAYMENTS					
Cash Payments for Components			(616,704)	(329,738)	**(946,442)**
Total cash payments	3-2	**7,100,000**	**(616,704)**	**(329,738)**	**(946,442)**
Cash at Bank as at end of the period	4				**1,270,542**

PMT Manager

Financial Management

The notes on pages from 1 to 5 are integral part of these financial statements

1 General

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation 1-The Government of Iraq (GoI) has received financing in the amount of US$ 350 million from the World Bank (WB), to support GOI in meeting the dual challenge of reconstruction and restoring services to liberated municipal areas while laying the foundations for longer – terms development The overall aim of Emergency Operation for Development (EODP) for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the project area.

2-This amount will be used to finance components 1, 2, 3, 4, 5, 6 that will be carried out by the Road and Bridges Directorate (RBD) of Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), Ministry of Health (MoH) and Ministry of Electricity (MoE) and Reconstruction Fund (RF) in addition to Ministry of Water Resource and Mabany Directorate - Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW) These financing agreements cover all works contracts to restore and repairing Road and Bridge, Water supply and sanitation, mobile hospitals and clinics, ambulances, restoration of electricity in 7 liberated area at Salah Ad-Din and Diyala further more cover supervision contracts and some of consultant contracts, projects implementation and monitoring.

The financial statements and the notes on pages 1 to 5 were authorized for issuance by Management Letter dated March 1st 2022.

IN U.S. DOLLARS

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS FOR ACCORDANCE TO THE LOAN CONTRACT

Category Description	Amount allocated of the Component from the loan (USD)	Actual receipts since inception to 31 December 2021 (USD)	Actual payments since inception to 31 December 2021 (USD)	Cash at Bank as of 31-12-2021 (USD)
(4) (b) Goods, works, non-consulting services, consultant services, and Operating Costs for Parts 4(b)(i) of the Project	7,100,000	2,216,984	(946,442)	**1,270,542**

IN U.S. DOLLARS

3 CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total CASH RECEIPTS from date of inception to 31 December 2021:

	Actual cash Receipts since inception to 31 December 2020 USD	Actual cash Receipts in year 2021 USD	Accumulated cash Receipts balance as of 31 December 2021 USD
Designated bank account	1,300,000	916,984	2,216,984
Direct payments	—	—	—
Total	**1,300,000**	**916,984**	**2,216,984**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December 2021:

	Actual Disbursements since inception to 31 December 2020 USD	Actual Disbursements in year 2021 USD	Accumulated Disbursements balance as of 31 December 2021 USD
Goods and Equipment	11,128	—	11,128
Civil work	564,272	297,992	862,264
Consultant services	—	—	—
Operation costs	41,304	31,746	73,050
Non-Consultancy services	—	—	—
Total	**616,704**	**329,738**	**946,442**

3-3 The office equipment it was Equivalent with actual Inventory.

4- FUND BALANCE

	2021 USD	2020 USD
Fund balance per bank as at 31 December	1,270,542	683,296
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**1,270,542**	**683,296**

5- REPORTING ENTITY

The financial statements for the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ), encompasses the reporting entity as specified in the Loan Agreement NO. 85200- IQ dated 12 July 2015 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

6- BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under the cash basis of accounting.
The accounting policies have been applied consistently throughout the period.
The financial statements have been presented in U.S Dollar (USD) which is the functional currency of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ).

6.1 Cash

Cash comprises cash in hand, deposits in demand at the bank, and cash equivalents, as deposits in demand and cash equivalents are considered as balances at banks.

6.2 Receipts

Receipts comprise of cash in hand, deposits in demand at the bank, and cash equivalents received from International Bank for Reconstruction and Development (Loan Agreement- Loan No. 85200-IQ).

6.3 Disbursements

The disbursements of project's resources are restricted for (Goods ,Works , Non-Consulting Services, Consulting Services , Operating Costs, Training And Workshop) related to implementing, managing, and monitoring the project.

7- GOING CONCERN

The entity shall be terminate and seize to exist once the final budget from the International Bank for Reconstruction and Development is Expensed or the projects indicated in the Loan agreement are fulfilled and accomplished.

EMERGENCY OPERATION DEVELOPMENT PROJECT
(P 155732)
LOAN NO. (85200- IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF CONSTRUCTION, HOUSING, MUNICIPALITIES AND PUBLIC WORKS - MABANY DIRECTORATE

FUNDED BY

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MANAGEMENT LETTER
ON
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2021

F.H. AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

F. H. Al-Salman & Co
Public Accountants, Auditors
& Tax Consultants

2002

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / قضائية

No: FHS/69/22

Date: 1/3/2022

Ministry of Construction, Housing, Municipalities and Public Works - Mabany Directorate

Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ)

Funded by the International Bank for Reconstruction and Development

Baghdad – The Republic of Iraq

Dear Sirs,

Subject: Management Letter

While performing our audit for the statement of Cash Receipts and Payments of Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in our opinion, there was no observation for the component which affects the "Project" Managements' Team (PMT), as to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Receipts and Payments.

While this report is intended solely for the use of management and others within The Reconstruction Fund for areas affected by terrorist operations and the International Bank for Reconstruction and Development. It should not be used for any other purposes.

Finally, we would like to take this opportunity to express our gratitude and appreciation for your kind cooperation during the performance of our audit.

Yours Faithfully

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad – Iraq

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E-Mail : farquad.salman@gmail.com

EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*
(P 155732)
LOAN NO, (85200-IQ)

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORISTIC OPERATIONS
FUNDED BY
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT
&
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2021

F,H,AL-SALMAN & CO,
PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS
BAGHDAD – IRAQ

Independent auditor's report
To the management of Emergency Operation for Development Project
Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ)-Reconstruction Fund for Areas Affected by Terroristic Operations
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq

Report on the financial statement

We have audited the accompanying statement of Cash Receipts and Payments of the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) covering the year ended December 31st 2021, The preparation of the financial statement is the responsibility of project managements team (PMT), Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the compliance with laws, regulations, guidelines and provisions which governs the Loan Agreement covering for the year ended December 31st 2021.

We have conducted our audit in accordance with International Standards on Auditing, Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether The Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) has complied with the laws, regulations, guidelines and provisions governed by the Loan Agreement, An audit involves performance, on a test basis, evidence supporting the amounts and disclosures in the financial statements, An audit also includes assessing the accounting principles used, as well as evaluating the overall financial statement presentation, We believe that our audits provide a reasonable basis for our opinion.

Opinion

(a) The Projects' Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ) covering the year ended December 31st 2021, in accordance with the International Public Sector Accounting Standards (IPSAS), under the cash basis accounting approach.

(b) Proper level of internal control over financial reporting had been practiced by PMT during the preparation of replenishments, direct payments, payments through special commitments, and reimbursements for the project,

(c) The project is in all material respects, has been in compliance with the laws, regulations, guidelines and provisions governed by the Loan agreement.

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B,Sc, FCCA
F,H,Al-Salman & Co,
Public Accountants, Auditors & Consultants
Baghdad - Iraq

Baghdad, Republic of Iraq
Date: March 1st 2022

RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORISTIC OPERATIONS
EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. (85200-IQ)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2021
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2020	Actual receipts and payments in year 2021	Accumulated receipts and payments balance as of 31 December 2021
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO, 85200-IQ)	3-1		6,171,028	1,001,137	7,172,165
Total cash receipts		**9,200,000**	**6,171,028**	**1,001,137**	**7,172,165**
CASH PAYMENTS					
Cash Payments for Components			(5,693,341)	(1,412,379)	(7,105,720)
Total cash payments	**3-2**	**9,200,000**	**(5,693,341)**	**(1,412,379)**	**(7,105,720)**
Advance purchase committee	**2**				**(25,172)**
Cash at Bank as at end of the period	**4**				**41,273**

PMT manager — Mohammed Qasim Muhammed

Financial Management — زينة طارق شكوري

The notes on pages from 1 to 5 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation 1-The Government of Iraq (GoI) has received financing in the amount of US$ 350 million from the World Bank (WB), to support GOI in meeting the dual challenge of reconstruction and restoring services to liberated municipal areas while laying the foundations for longer – terms development The overall aim of Emergency Operation for Development (EODP) for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the project area.

2-This amount will be used to finance components 1, 2, 3, 4, 5, 6 that will be carried out by the Road and Bridges Directorate (RBD) of Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), Ministry of Health (MoH) and Ministry of Electricity (MoE) and Reconstruction Fund (RF) in addition to Ministry of Water Resource and Mabany Directorate - Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW) These financing agreements cover all works contracts to restore and repairing Road and Bridge, Water supply and sanitation, mobile hospitals and clinics, ambulances, restoration of electricity in 7 liberated area at Salah Ad-Din and Diyala further more cover supervision contracts and some of consultant contracts, projects implementation and monitoring.

The financial statements and the notes on pages 1 to 5 were authorized for issuance by Management Letter dated March 1st 2022

IN U.S. DOLLARS

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS FOR ACCORDANCE TO THE LOAN CONTRACT

Category Description	Amount allocated of the Component from the loan (USD)	Actual receipts since inception to 31 December 2021 (USD)	Actual payments since inception to 31 December 2021 (USD)	Advance purchase committee since inception to 31 December (USD)	Cash at Bank as of 31-12-2021 (USD)
(5) Goods, non-consulting services, consultants' services, Operating Costs, and Training and Workshops for Parts 5(d),(i), (iii) and 6(e) of the Project	9,200,000	7,172,165	(7,105,720)	(25,172)	**41,273**

IN U.S. DOLLARS

3- CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total Cash Receipts from date of inception to 31 December 2021:

	Actual cash Receipts since inception to 31 December 2020 USD	Actual cash Receipts in year 2021 USD	Accumulated cash Receipts balance as of 31 December 2021 USD
Designated bank account	4,577,321	171,478	4,748,799
Reimbursements	21,514	-	21,514
Direct payments	1,572,193	829,659	2,401,852
Total	**6,171,028**	**1,001,137**	**7,172,165**

3-2 The following table summarizes total Disbursements from date of inception To 31 December 2021

	Actual Disbursements since inception to 31 December 2020 USD	Actual Disbursements in year 2021 USD	Accumulated Disbursements balance as of 31 December 2021 USD
Goods and Equipment	17,485	10,858	28,343
Consultant services	4,543,847	1,324,578	5,868,425
Operation costs	1,132,009	76,943	1,208,952
Total	**5,693,341**	**1,412,379**	**7,105,720**

3-3 The office equipment it was Equivalent with actual Inventory.

IN U.S. DOLLARS

4- FUND BALANCE

	2021 USD	2020 USD
Fund balance per bank as at 31 December	59,038	263,274
Add:		
Bank fees	-	-
Amount temporarily restricted by Trade bank of Iraq based on central bank of Iraq Ins traction	-	65,248
Payments made in 2020 and recorded in 2021	-	152,651
Advance	-	540
Less:		
Bank fees	(10)	(26)
Tender fees	-	-
Outstanding checks	(17,755)	(4,000)
Fund balance per books as at 31 December	**41,273**	**477,687**

5- REPORTING ENTITY

The financial statements for the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ), encompasses the reporting entity as specified in the Loan Agreement NO, 85200- IQ dated 12 July 2015 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development,

6- BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under the cash basis of accounting,

The accounting policies have been applied consistently throughout the period,

The financial statements have been presented in U,S Dollar (USD) which is the functional currency of the Emergency Operation for Development Project (P 155732) Loan No, (85200-IQ).

6.1 Cash

Cash comprises cash in hand, deposits in demand at the bank, and cash equivalents, as deposits in demand and cash equivalents are considered as balances at banks,

6.2 Receipts

Receipts comprise of cash in hand, deposits in demand at the bank, and cash equivalents received from International Bank for Reconstruction and Development (Loan Agreement- Loan No, 85200-IQ),

6.3 Disbursements

The disbursements of project's resources are restricted for (Goods ,Works , Non-Consulting Services, Consulting Services , Operating Costs, Training And Workshop) related to implementing, managing, and monitoring the project,

7- GOING CONCERN

The entity shall be terminate and seize to exist once the final budget from the International Bank for Reconstruction and Development is Expensed or the projects indicated in the Loan agreement are fulfilled and accomplished,

EMERGENCY OPERATION DEVELOPMENT PROJECT

(P 155732)

LOAN NO. (85200- IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORISTIC OPERATIONS

Funded by

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MANAGEMENT LETTER

ON

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2021

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

No: FHS/69/22

Date: 1/3/2022

Reconstruction Fund for Areas Affected by Terroristic Operations
Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ)
Funded by the International Bank for Reconstruction and Development
Baghdad – The Republic of Iraq

Dear Sirs,

Subject: Management Letter

While performing our audit for the statement of Cash Receipts and Payments of Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, we had noticed certain matters that, in our opinion, might affect the "Project" Managements' Team (PMT), as to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Receipts and Payments.

While this report is intended solely for the use of management and others within The Reconstruction Fund for areas affected by terrorist operations and the International Bank for Reconstruction and Development. It should not be used for any other purposes.

Finally, we would like to take this opportunity to express our gratitude and appreciation for your kind cooperation during the performance of our audit.

Yours Faithfully

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad – Iraq

Management Letter

The year ended December 31st 2021

TABLE OF CONTENTS

Definitions and Interpretation

Report	:Management Letter / Reconstruction Fund for Areas Affected by Terroristic Operations
Period	: Covering the year ended December 31st 2021 .
Project	:Emergency Operation for Development Project (P 155732) Loan No.(85200-IQ).
Submitted to	: Reconstruction Fund for areas affected by terrorist operations

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Note (1)	:Advance to Purchase Committee .
Observation	:Non-settlement of advance d the period , The amount was USD (25,172).
Effect	: Non settlement of advances at the end of the period means non-application of the cash basis approach .
Recommendation	:It is necessary to implement the instructions for International Public Sector Accounting Standards, concerning accounting for cash basis.
Management Response	: The said advances are for temporary advances and not advance to purchase committee and will be settled during 2022.

Definitions and Interpretation

Report :Management Letter / Reconstruction Fund for Areas Affected by Terroristic Operations

Period : Covering the year ended December 31st 2021 .

Project :Emergency Operation for Development Project (P 155732) Loan No.(85200-IQ).

Submitted to : Reconstruction Fund for areas affected by terrorist operations

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Note (2) : Documentation and record transactions.

Observation : Documentation needs more attention.

There were many write-offs in the records.

Effect : By not taking care to the documentation process, which would result in loss of documents.

Such write – offs would give the impression that of a lot mistake.

Recommendation : They need to take care the documentation of records in the accounting books.

Management Response : Notes will be taken into consideration in the future

End of Management Letter

EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)

LOAN NO. (85200-IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

Ministry of Water Resources

FUNDED BY

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2021

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

F. H. Al-Salman & Co
Public Accountants, Auditors
& Tax Consultants

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / تضامنية

2002

Independent auditor's report

To the management of Emergency Operation for Development Project

Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) - Ministry of Water Resources

Reconstruction Fund for Areas Affected by Terroristic Operations

Baghdad - Republic of Iraq

Report on the financial statement

We have audited the accompanying statement of Cash Receipts and Payments of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, The preparation of the financial statement is the responsibility of project managements team (PMT). Our responsibility is to express an opinion on these financial statements based on our audit.

We have also audited the compliance with laws, regulations, guidelines and provisions which governs the Loan Agreement covering for the year ended December 31st 2021.

We have conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) has complied with the laws, regulations, guidelines and provisions governed by the Loan Agreement. An audit involves performance, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Opinion

(a) The Projects' Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in accordance with the International Public Sector Accounting Standards (IPSAS), under the cash basis accounting approach.

(b) Proper level of internal control over financial reporting had been practiced by PMT during the preparation of replenishments, direct payments, payments through special commitments, and reimbursements for the project.

(c) The project is in all material respects, has been in compliance with the laws, regulations, guidelines and provisions governed by the Loan agreement.

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad - Iraq

Baghdad, Republic of Iraq
Date: March 1st 2022

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MINISTRY OF WATER RESOURCES
EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. (85200-IQ)
STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2021
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2020	Actual receipts and payments in year 2021	Accumulated receipts and payments balance as of 31 December 2021
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 85200-IQ)	3-1		6,000,000	—	6,000,000
Total cash receipts		**10,000,000**	**6,000,000**	—	**6,000,000**
CASH PAYMENTS					
Cash Payments for Components			(596,672)	(3,139,254)	**(3,735,926)**
Total cash payments	3-2	**10,000,000**	**(596,672)**	**(3,139,254)**	**(3,735,926)**
Cash at Bank as at end of the period	4				**2,264,074**

PMT Manager

Financial Management
Dr. Omar Safwat
14/6/2022

The notes on pages from 1 to 5 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation 1-The Government of Iraq (GoI) has received financing in the amount of US$ 350 million from the World Bank (WB), to support GOI in meeting the dual challenge of reconstruction and restoring services to liberated municipal areas while laying the foundations for longer – terms development The overall aim of Emergency Operation for Development (EODP) for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the project area.

2-This amount will be used to finance components 1, 2, 3, 4, 5, 6 that will be carried out by the Road and Bridges Directorate (RBD) of Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), Ministry of Health (MoH) and Ministry of Electricity (MoE) and Reconstruction Fund (RF) in addition to Ministry of Water Resource and Mabany Directorate - Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW) These financing agreements cover all works contracts to restore and repairing Road and Bridge, Water supply and sanitation, mobile hospitals and clinics, ambulances, restoration of electricity in 7 liberated area at Salah Ad-Din and Diyala further more cover supervision contracts and some of consultant contracts, projects implementation and monitoring.

The financial statements and the notes on pages 1 to 5 were authorized for issuance by Management Letter dated March 1st 2022.

IN U.S. DOLLARS

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS FOR ACCORDANCE TO THE LOAN CONTRACT

Category Description	Amount allocated of the Component from the loan (USD)	Actual receipts since inception to 31 December 2021 (USD)	Actual payments since inception to 31 December 2021 (USD)	Cash at Bank as of 31-12-2021 (USD)
(9) Goods, Works, Non-Consulting Services, Consulting Services, Operating Costs and Training and Workshops for Part 7 of the Project.	10,000,000	6,000,000	(3,735,926)	**2,264,074**

3 CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total CASH RECEIPTS from date of inception to 31 December 2021:

	Actual cash Receipts since inception to 31 December 2020 USD	Actual cash Receipts in year 2021 USD	Accumulated cash Receipts balance as of 31 December 2021 USD
Designated bank account	6,000,000	—	6,000,000
Direct payments	—	—	—
Total	**6,000,000**	**—**	**6,000,000**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December 2021:

	Actual Disbursements since inception to 31 December 2020 USD	Actual Disbursements in year 2021 USD	Accumulated Disbursements balance as of 31 December 2021 USD
Goods and Equipment	—	—	—
Civil work	528,899	2,849,747	3,378,646
Consultant services	—	262,996	262,996
Operation costs	67,773	26,511	94,284
Non-Consultancy services	—	—	—
Total	**596,672**	**3,139,254**	**3,735,926**

4- Fund Balance

	2021 USD	2020 USD
Fund balance per bank as at 31 December	2,264,074	5,402,503
Add:		
Bank fees	—	—
Advance	—	825
Less:		
Bank fees	—	—
Tender fees	—	—
Outstanding checks	—	—
Fund balance per books as at 31 December	2,264,074	5,403,328

5 REPORTING ENTITY

The financial statements for the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ), encompasses the reporting entity as specified in the Loan Agreement NO. 85200- IQ dated 12 July 2015 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

6 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under the cash basis of accounting.
The accounting policies have been applied consistently throughout the period.
The financial statements have been presented in U.S Dollar (USD) which is the functional currency of the Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ).

6-1 Cash

Cash comprises cash in hand, deposits in demand at the bank, and cash equivalents, as deposits in demand and cash equivalents are considered as balances at banks.

6.2Receipts

Receipts comprise of cash in hand, deposits in demand at the bank, and cash equivalents received from International Bank for Reconstruction and Development (Loan Agreement- Loan No. 85200-IQ).

6.3 Disbursements

The disbursements of project's resources are restricted for (Goods ,Works , Non-Consulting Services, Consulting Services , Operating Costs, Training And Workshop) related to implementing, managing, and monitoring the project.

7 GOING CONCERN

The entity shall be terminate and seize to exist once the final budget from the International Bank for Reconstruction and Development is Expensed or the projects indicated in the Loan agreement are fulfilled and accomplished.

EMERGENCY OPERATION DEVELOPMENT PROJECT
(P 155732)
LOAN NO. (85200- IQ)

IMPLEMENTED BY

THE GOVERNMENT OF REPUBLIC OF IRAQ

Ministry of Water Resources

FUNDED BY

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

MANAGEMENT LETTER
ON
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2021

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

F. H. Al-Salman & Co
Public Accountants, Auditors
& Tax Consultants

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / تضامنية

2002

No: FHS/69/22

Date: 1/3/2022

Ministry of Water Resources

Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ)

Funded by the International Bank for Reconstruction and Development

Baghdad – The Republic of Iraq

Dear Sirs,

Subject: Management Letter

While performing our audit for the statement of Cash Receipts and Payments of Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ) covering the year ended December 31st 2021, in our opinion, there was no observation for the component which affects the "Project" Managements' Team (PMT), as to record, process, summarize and report financial data consistent with the assertions of management in the Statement of Cash Receipts and Payments.

While this report is intended solely for the use of management and others within The Reconstruction Fund for areas affected by terrorist operations and the International Bank for Reconstruction and Development. It should not be used for any other purposes.

Finally, we would like to take this opportunity to express our gratitude and appreciation for your kind cooperation during the performance of our audit.

Yours Faithfully

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
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