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 2022

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 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 2022, 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 2022,

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: May 22nd 2023

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 2022
IN U,S, DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2021	Actual receipts and payments in year 2022	Accumulated receipts and payments balance as of 31 December 2022
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO, 85200-IQ)	3-1		68,402,576	222,880	**68,625,456**
Receipts from Tenders Revenue			-	31,206	**31,206**
Total cash receipts		**70,000,000**	**68,402,576**	**254,086**	**68,656,662**
CASH PAYMENTS					
Cash Payments for Components			(67,866,494)	(656,911)	**(68,523,405)**
Total cash payments	3-2	**70,000,000**	**(67,866,494)**	**(656,911)**	**(68,523,405)**
Cash at Bank as at end of the period	4				**133,257**

PMT Manager
Laila Manea Mohsin

Financial Management
Abdul Wahhab Kadim Mawyesh

وزارة الكهرباء
E-O-D-P
AF
مشروع التمويل الاضافي
لقرض البنك الدولي

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 May 22nd 2023

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 2022 (USD)	Receipts from Tenders Revenue since inception to 31 December (USD)	Actual payments since inception to 31 December 2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
(1) Goods, works, non-consulting services, consultants' services, and Operating Costs for Parts 1 and 6(a) of the Project	**70,000,000**	**68,625,456**	**31,206**	**(68,523,405)**	**133,257**

3 CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total CASH RECEIPTS from date of inception to 31 December 2022:

	Actual cash Receipts since inception to 31 December 2021 USD	Actual cash Receipts in year 2022 USD	Accumulated cash Receipts balance as of 31 December 2022 USD
Designated bank account	19,204,826	222,880	19,427,706
Direct payments	49,197,750	—	49,197,750
Total	**68,402,576**	**222,880**	**68,625,456**

3-2 The following table summarizes total Cash Disbursements from date of inception To 31 December2022:

	Actual Disbursements since inception to 31 December 2021 USD	Actual Disbursements in year 2022 USD	Accumulated Disbursements balance as of 31 December 2022 USD
Goods and Equipment	66,769,257	621,871	67,391,128
Civil work	313,488	—	313,488
Consultant services	400,788	—	400,788
Operation costs	382,961	35,040	418,001
Non-Consultancy services	—	—	—
Total	**67,866,494**	**656,911**	**68,523,405**

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

4- FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	133,257	540,970
Add:		
Bank fees	-	-
Operating Advance	-	-
Less:		
Bank fees	-	-
Recovering an Operating advance	-	(378)
Outstanding checks	-	(4,650)
Fund balance per books as at 31 December	**133,257**	**535,942**

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 2022

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

No: FHS/177/23

Date: May 22nd 2023

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 2022, 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

(DEPARTMENT OF PROJECTS FUNDED EXTERNALLY)

FUNDED BY

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT
&
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2022

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 2022. 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 2022.

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 2022, 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: May 22nd 2023

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

STATEMENT OF CASH RECEIPTS AND PAYMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2022
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2021	Actual receipts and payments in year 2022	Accumulated receipts and payments balance as of 31 December 2022
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 85200-IQ)	3-1		59,806,635	-	59,806,635
Total cash receipts		**62,000,000**	**59,806,635**	**-**	**59,806,635**
CASH PAYMENTS					
Cash Payments for Components			(59,600,743)	(33,529)	(59,634,272)
Total cash payments	3-2	**62,000,000**	**(59,600,743)**	**(33,529)**	**(59,634,272)**
Cash at Bank as at end of the period	4				**172,363**

PMT Manager
Ihsan Sattar Majhool

Financial Management
Halah Adnan Abdulameer

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 May 22nd 2023.

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 2022 (USD)	Actual payments since inception to 31 December 2022 (USD)	Cash at Bank as of 31-12-2022 (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	(59,634,272)	172,363

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 2022:

	Actual cash Receipts since inception to 31 December 2021 USD	Actual cash Receipts in year 2022 USD	Accumulated cash Receipts balance as of 31 December 2022 USD
Designated bank account	43,188,698	-	43,188,697
Direct payments	16,617,937	-	16,617,938
Total	**59,806,635**	-	**59,806,635**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December2022:

	Actual Disbursements since inception to 31 December 2021 USD	Actual Disbursements in year 2022 USD	Accumulated Disbursements balance as of 31 December 2022 USD
Goods and Equipment	31,365,155	-	31,365,155
Civil work	26,225,366	-	26,225,366
Non-Consultancy services	79,657	6,247	85,904
Consultant services	1,076,836	22,452	1,099,288
Operation costs	853,729	4,830	858,559
Total	**59,600,743**	**33,529**	**59,634,272**

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

4- FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	172,363	205,892
Add:		
Bank fees	-	-
Operating Advance	-	-
Less:		
Bank fees	-	-
Recovering an Operating advance	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**172,363**	**205,892**

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 2022

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

No: FHS/177/23

Date: May 22nd 2023

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 2022, 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 2022

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 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 2022, 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 2022,

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 31st2022, 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: May 22nd 2023

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 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 2022
IN U,S, DOLLARS

	Notes	Allocated amounts for the life of the project USD	Actual receipts and payments since inception to 31 December 2021 USD	Actual receipts and payments in year 2022 USD	Accumulated receipts and payments balance as of 31 December 2022 USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO, 85200-IQ)	3-1		133,940,449	1,651,780	135,592,229
Total cash receipts		**135,700,000**	**133,940,449**	**1,651,780**	**135,592,229**
CASH PAYMENTS					
Cash Payments for Components			(132,413,236)	(2,873,946)	(135,287,182)
Total cash payments	3-2	**135,700,000**	**(132,413,236)**	**(2,873,946)**	**(135,287,182)**
Cash at Bank as at end of the period	4				**305,047**

PMT Manager
Adwaa Qasim Mohammed

Financial Management
Hussien Jasim Kadhem
29-5-2023

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 May 22nd 2023

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 2022 (USD)	Actual payments since inception to 31 December 2022 (USD)	Cash at Bank as of 31-12-2022 (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	**135,700,000**	135,592,229	(135,287,182)	**305,047**

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 2021 USD	Actual cash Receipts in year 2022 USD	Accumulated cash Receipts balance as of 31 December 2022 USD
Designated bank account	92,458,850	250,000	92,708,850
Direct payments	41,481,599	1,401,780	42,883,379
Total	**133,940,449**	**1,651,780**	**135,592,229**

3-2 The following table summarizes total CASH DISBURSEMENTS from date of inception To 31 December2022:

	Actual Disbursements since inception to 31 December 2021 USD	Actual Disbursements in year 2022 USD	Accumulated Disbursements balance as of 31 December 2022 USD
Goods and Equipment	10,680,851	—	10,680,851
Civil work	119,000,912	2,684,233	121,685,145
Consultant services	1,717,776	116,407	1,834,183
Operation costs	1,013,697	73,306	1,087,003
Non-Consultancy services	—	—	—
Total	**132,413,236**	**2,873,946**	**135,287,182**

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

4- Fund Balance

	2022 USD	2021 USD
Fund balance per bank as at 31 December	305,047	1,527,213
Add:		
Bank fees	–	–
Tender fees	–	–
Operating Advance	–	–
Less:		
Bank fees	–	–
Tender fees	–	–
Outstanding checks	–	–
Fund balance per books as at 31 December	**305,047**	**1,527,213**

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 2022

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 / تضامنية

No: FHS/177/23

Date: May 22nd 2023

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 2022, 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

Hay Babil • District No. 929 • Avenue No. 15 • House No. 6 • Baghdad – Iraq
Mobile : + 964 7901 33 47 67
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Management Letter

The year ended December 31^{st} 2022

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Definitions and Interpretation

Report	:Management Letter / Ministry of Construction, Housing, Municipalities and Public Works - Road and Bridges Directorate.
Period	: Covering year ended December 31st 2022 .
Project	: Emergency Operation for Development Project (P 155732) Loan No. (85200-IQ).
Submitted to	: Fund for Reconstruction of Areas Affected by Terrorist Operations

Note (1)	: Segregation of duties
Observation	: The duties of cash operations, and duties of accounts administration is carried out by the same individual, who is the Manager of Finance.
Effect	: The Non- segregation of duties between cashier and accounting personnel would affect negatively the process of internal controls system
Recommendation	: We do recommend to Segregate of duties.
Management Response	: Emergency Operation for Development Project is in it is final stages thus there were no new recruitments, and cans gently this subject shall be 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 Health

FUNDED BY

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT
&
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31ST 2022

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 2022. 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 2022.

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 2022, 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: May 22nd 2023

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 2022
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2021	Actual receipts and payments in year 2022	Accumulated receipts and payments balance as of 31 December 2022
		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	5,000,000	-	5,000,000
Total cash receipts		**53,825,000**	**20,152,698**	-	**20,152,698**
CASH PAYMENTS					
Cash Payments for Components - Part (A-4)	3-2	**18,000,000**	(15,048,907)	(7,874)	(15,056,781)
Cash Payments for Components - Part (A-4)	3-2	**35,825,000**	(5,000,000)	(7,806,788)	(12,806,788)
Total cash payments		**53,825,000**	**(20,048,907)**	**(7,814,662)**	**(27,863,569)**
					(7,710,871)
Advance payments	2				(2,196)
UNOPS Advance	2				7,806,788
Difference	2				(3,033)
Cash at Bank as at end of the period	4				**90,688**

PMT Manager
Husam Alwan Kareem

Financial Management
Adnan Abdulhassan Kayem

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 May 22nd 2023.

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 2022 (USD)	Actual payments since inception to 31 December 2022 (USD)	Advance UNOPS since inception to 31 December 2022 (USD)	Advance payments since inception to 31 December 2022 (USD)	Difference since inception to 31 December 2022 (USD)	Cash at Bank as of 31-12-2022 (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	(15,056,781)	-	(2,196)	(3,033)	90,688
(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	(12,806,788)	7,806,788	-	-	-
Total	**53,825,000**	**20,152,698**	**(27,863,569)**	**7,806,788**	**(2,196)**	**(3,033)**	**90,688**

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 2022.

	Actual cash Receipts since inception to 31 December 2021 USD	Actual cash Receipts in year 2022 USD	Accumulated cash Receipts balance as of 31 December 2022 USD
Designated bank account	8,001,888	–	8,001,888
Direct payments	12,150,810	–	12,150,810
Total	**20,152,698**	**–**	**20,152,698**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December 2022.

	Actual Disbursements since inception to 31 December 2021 USD	Actual Disbursements in year 2022 USD	Accumulated Disbursements balance as of 31 December 2022 USD
Goods and Equipment	19,875,649	7,806,788	27,682,437
Civil work	–	–	–
Consultant services	–	–	–
Operation costs	173,258	7,874	181,132
Non-Consultancy services	–	–	–
Total	**20,048,907**	**7,814,662**	**27,863,569**

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 2021 in favour of UNOPS is still not settled as of the date 31/12/2022.

4- FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	90,688	100,966
Add:		
Bank fees	-	-
Operating Advance	-	-
Less:		
Bank fees	-	-
Refund to World Bank	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**90,688**	**100,966**

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 2022

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/177/23

Date: May 22nd 2023

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 2022, 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 2022

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Definitions and Interpretation

Report	:Management Letter / Ministry of Health.
Period	: Covering the year ended December 31st 2022 .
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) : Differences adjustments.

Observation : The balance of the advance payments, as per in trial balance was USD (2,196), it was not matchet with the financial report for the fourth quarter of 2022, which was sent to the World Bank, as the component management had confirmed that the balance was USD (5,021), With a difference of USD (205) to be settled with the advance amount.

Effect : A difference in amounting to USD (3,030) in the preparation of the financial report for the fourth quarter, which was already delivered and sent to the World Bank.

Recommendation : There is a need to adjust the difference.

Management Response : The necessary action will be taken in 2023.

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 2022

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 2022, 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 2022.

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 2022, 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 May 22nd 2023

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 2022
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project USD	Actual receipts and payments since inception to 31 December 2021 USD	Actual receipts and payments in year 2022 USD	Accumulated receipts and payments balance as of 31 December 2022 USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 85200-IQ)	3-1		2,216,984	-	2,216,984
Total cash receipts		**8,400,000**	**2,216,984**	**-**	**2,216,984**
CASH PAYMENTS					
Cash Payments for Components			(946,442)	(212,291)	(1,158,733)
Total cash payments	3-2	**8,400,000**	**(946,442)**	**(212,291)**	**(1,158,733)**
Cash at Bank as at end of the period	4				**1,058,251**

PMT Manager
Khaleel Ibrahim Noor

Financial Management
Khaldoon Abbas Hasan

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 May 22nd 2023.

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 2022 (USD)	Actual payments since inception to 31 December 2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
(4) (b) Goods, works, non-consulting services, consultant services, and Operating Costs for Parts 4(b)(i) of the Project	**8,400,000**	2,216,984	(1,158,733)	**1,058,251**

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 2022:

	Actual cash Receipts since inception to 31 December 2021 USD	Actual cash Receipts in year 2022 USD	Accumulated cash Receipts balance as of 31 December 2022 USD
Designated bank account	2,216,984	—	2,216,984
Direct payments	—	—	—
Total	**2,216,984**	—	**2,216,984**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December 2022:

	Actual Disbursements since inception to 31 December 2021 USD	Actual Disbursements in year 2022 USD	Accumulated Disbursements balance as of 31 December 2022 USD
Goods and Equipment	11,128	365	11,493
Civil work	862,264	180,257	1,042,521
Consultant services	—	—	—
Operation costs	73,050	31,669	104,719
Non-Consultancy services	—	—	—
Total	**946,442**	**212,291**	**1,158,733**

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

4- FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	1,058,241	1,270,542
Add:		
Bank fees	10	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**1,058,251**	**1,270,542**

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 2022

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/177/23

Date: May 22nd 2023

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 2022, 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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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 2022

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 2022, 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 2022.

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 2022, 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: May 22nd 2023

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 2022
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2021	Actual receipts and payments in year 2022	Accumulated receipts and payments balance as of 31 December 2022
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO, 85200-IQ)	3-1		7,172,165	1,002,686	8,174,851
Total cash receipts		**9,200,000**	**7,172,165**	**1,002,686**	**8,174,851**
CASH PAYMENTS					
Cash Payments for Components			(7,105,720)	(927,728)	(8,033,448)
Total cash payments	3-2	**9,200,000**	**(7,105,720)**	**(927,728)**	**(8,033,448)**
advance payments	2				**(12,757)**
Cash at Bank as at end of the period	4				**128,646**

PMT manager
Mohammed Qassim Mohammed

Financial Management
Zina Tariq Shakory

صندوق أعادة أعمار المناطق
المتضررة من العمليات
الأرهابية
REFAATO

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 May 22nd 2023

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 2022 (USD)	Actual payments since inception to 31 December 2022 (USD)	advance payments since inception to 31 December 2022	Cash at Bank as of 31-12-2022 (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	8,174,851	(8,033,448)	(12,757)	128,646

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 2022:

	Actual cash Receipts since inception to 31 December 2021 USD	Actual cash Receipts in year 2022 USD	Accumulated cash Receipts balance as of 31 December 2022 USD
Designated bank account	4,748,799	346,469	5,095,268
Reimbursements	21,514	-	21,514
Direct payments	2,401,852	656,217	3,058,069
Total	**7,172,165**	**1,002,686**	**8,174,851**

3-2 The following table summarizes total Disbursements from date of inception To 31 December 2022

	Actual Disbursements since inception to 31 December 2021 USD	Actual Disbursements in year 2022 USD	Accumulated Disbursements balance as of 31 December 2022 USD
Goods and Equipment	28,343	553	28,896
Consultant services	5,868,425	847,113	6,715,538
Operation costs	1,208,952	80,062	1,289,014
Total	**7,105,720**	**927,728**	**8,033,448**

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

4- FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	128,646	59,038
Add:		
Bank fees	-	-
Advance	-	-
Less:		
Bank fees	-	(10)
Tender fees	-	-
Outstanding checks	-	(17,755)
Fund balance per books as at 31 December	**128,646**	**41,273**

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 2022

F.H.AL-SALMAN & CO.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – IRAQ

No: FHS/177/23

Date: May 22nd 2023

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 2022, 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 2022

TABLE OF CONTENTS

Definitions and Interpretation

Report	:Management Letter / Reconstruction Fund for Areas Affected by Terroristic Operations
Period	: Covering the year ended December 31st 2022 .
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 payments.
Observation	: The balance of the advance payments, as per in trial balance was USD (12,757), it was not matchet with the financial report for the fourth quarter of 2022, which was sent to the World Bank, as the component management had confirmed that the balance was USD (8,264).
Effect	: A difference in recording the amount of "advance payments" amounting to USD (4,493) in the preparation of the financial report for the fourth quarter, which was already delivered and sent to the World Bank.
Recommendation	: There is a need to adjust the difference.

Management Response	: The difference represents the amount of advances paid to consultants and the remaining unpaid amounts and shall be settled during the year 2023, since most of the contracts will be closed later.

Definitions and Interpretation

Report	:Management Letter / Reconstruction Fund for Areas Affected by Terroristic Operations
Period	: Covering the year ended December 31st 2022 .
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)	: Receipts difference.
Observation	: The difference in the balance of cash receipts, as indicated in the accounting books, for the amount received from the International Bank for Reconstruction and Development was USD (20).
Effect	:A shortage in the amount of actual cash received for the balance USD (20).
Recommendation	: Settle the amount indicated above, and amend the accounting books accordingly.
Management Response	: The accounting books a shall be amended during 2023 to that effect.

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 2022

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 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 2022, 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 2022.

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 2022, 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 May 22nd 2023

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 2022
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments since inception to 31 December 2021	Actual receipts and payments in year 2022	Accumulated receipts and payments balance as of 31 December 2022
		USD	USD	USD	USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 85200-IQ)	3-1		6,000,000	1,111,294	7,111,294
Total cash receipts		**10,000,000**	**6,000,000**	**1,111,294**	**7,111,294**
CASH PAYMENTS					
Cash Payments for Components			**(3,735,926)**	(3,238,405)	(6,974,331)
Total cash payments	3-2	**10,000,000**	**(3,735,926)**	**(3,238,405)**	**(6,974,331)**
Cash at Bank as at end of the period	4				**136,963**

PMT Manager
Raed Abd Zaied Al-Geshemi

Financial Management
Omar Safwat Hasan

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 May 22nd 2023.

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 2022 (USD)	Actual payments since inception to 31 December 2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
(9) Goods, Works, Non-Consulting Services, Consulting Services, Operating Costs and Training and Workshops for Part 7 of the Project.	10,000,000	7,111,294	(6,974,331)	**136,963**

3 CASH RECEIPTS& DISBURSEMENTS FOR COMPONENTS

3-1 The following table summarizes total CASH RECEIPTS from date of inception to 31 December 2022:

	Actual cash Receipts since inception to 31 December 2021 USD	Actual cash Receipts in year 2022 USD	Accumulated cash Receipts balance as of 31 December 2022 USD
Designated bank account	6,000,000	719,492	6,719,492
Direct payments	—	391,802	391,802
Total	**6,000,000**	**1,111,294**	**7,111,294**

3-2 The following table summarizes total Cash Disbursements from date of inception to 31 December 2022:

	Actual Disbursements since inception to 31 December 2021 USD	Actual Disbursements in year 2022 USD	Accumulated Disbursements balance as of 31 December 2022 USD
Goods and Equipment	—	—	—
Civil work	3,378,646	2,990,076	6,368,722
Consultant services	262,996	231,215	494,211
Operation costs	94,284	17,114	111,398
Non-Consultancy services	—	—	—
Total	**3,735,926**	**3,238,405**	**6,974,331**

4- Fund Balance

	2022 USD	2021 USD
Fund balance per bank as at 31 December	136,963	2,264,074
Add:		
Bank fees	—	—
Advance	—	—
Less:		
Bank fees	—	—
Tender fees	—	—
Outstanding checks	—	—
Fund balance per books as at 31 December	**136,963**	**2,264,074**

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 2022

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

No: FHS/177/23

Date: May 22nd 2023

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 2022, 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