ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-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

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

2002

شركة فرقد السلمان وشركاه
لتدقيق ومراقبة الحسابات / تضامنية

Independent auditor's report
To the management of Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 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 ELECTRICITY
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		21,451,246	5,936,136	27,387,382
Receipts from Tenders Revenue	2		-	5,520	5,520
Total cash receipts		**50,000,000**	**21,451,246**	**5,941,656**	**27,392,902**
CASH PAYMENTS					
Cash Payments for Components			(20,692,779)	(6,142,751)	(26,835,530)
Total cash payments	2	**50,000,000**	**(20,692,779)**	**(6,142,751)**	**(26,835,530)**
Cash at Bank as at end of the period	3				**557,372**

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 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula- As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS IN ACCORDANCE TO THE LOAN AGREEMENT

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Receipts from Tenders Revenue During the period 21/8/2018-31/12/2022 (USD	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
part 1	Restoring Electricity Infrastructure and Connectivity	**50,000,000**	27,387,382	5,520	(26,835,530)	**557,372**

IN U.S. DOLLARS

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	558,772	764,974
Add:		
Bank fees	–	–
Tender fees	–	–
Less:		
Bank fees	–	–
Tender fees	–	–
Outstanding checks	(1,400)	(6,506)
Difference	-	(1)
Fund balance per books as at 31 December	**557,372**	**758,467**

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

5 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 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 Additional Loan for Emergency Operation for Development PROJECT (P 155732) LOAN NO. 8793-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. 8793-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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-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/200/23

Date: 21/6/2023

Ministry of Electricity
Additional Loan for Emergency Operation for Development Project
(P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF CONSTRUCTION AND HOUSING - 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 of Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ / Ministry of Construction and Housing / 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended December 31st2022 .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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 2023

MINISTRY OF CONSTRUCTION AND HOUSING - DEPARTMENT OF PROJECTS FUNDED EXTERNALLY
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		11,242,341	6,800,177	18,042,518
Total cash receipts		**47,500,000**	**11,242,341**	**6,800,177**	**18,042,518**
CASH PAYMENTS					
Cash Payments for Components			(10,278,554)	(6,962,844)	(17,241,398)
Total cash payments	2	**47,500,000**	**(10,278,554)**	**(6,962,844)**	**(17,241,398)**
Cash at Bank as at end of the period	3				**801,120**

PMT Manager
Ihsan Sattar Majhool

Financial Management
Halah Adnan Abdulameer

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula- As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
part 2	Restoring Muni-copal Waste, Water and Sanitation Services	47,500,000	18,042,518	(17,241,398)	801,120

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	807,370	962,787
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	**(6,250)**	-
Fund balance per books as at 31 December	**801,120**	**962,787**

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

5 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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. 8793-IQ).

6,3 Disbursement

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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF CONSTRUCTION AND HOUSING / 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

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

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / تضامنية

2002

No: FHS/200/23

Date: 21/6/2023

Ministry of Construction and Housing / Department of Projects Funded Externally
Additional Loan for Emergency Operation for Development Project (P 155732)
LOAN NO. 8793-IQ .
Funded by the International Bank for Reconstruction and Development
Baghdad – The Republic of Iraq

Dear Sirs,

<u>Subject: Management Letter</u>

While performing our audit for the statement of Cash Receipts and Payments of Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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

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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
Ministry of Construction and Housing
Department of Roads and Bridges

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

2002

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / تضامنية

Independent auditor's report

To the management of Additional Loan for Emergency Operation for Development Project

Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ /Ministry of Construction and Housing - Department of Roads and Bridges.

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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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:June 21st 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 AND HOUSING DEPARTMENT OF ROADS AND BRIDGES
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		37,721,709	26,199,828	63,921,537
Received letter of guarantee			37,500	(37,500)	–
Total cash receipts	**2**	**111,000,000**	**37,759,209**	**26,162,328**	**63,921,537**
CASH PAYMENTS					
Cash Payments for Components			(36,901,592)	(26,351,488)	(63,253,080)
Total cash payments	2	**111,000,000**	**(36,901,592)**	**(26,351,488)**	**(63,253,080)**
Cash at Bank as at end of the period	3				**668,457**

3/7/2023

PMT Manager
Hussien Jasim Kadhem

Financial Management
Adwaa Qasim Mohammed

٥.٢٣/٧/٢

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula' As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023

IN U.S. DOLLARS

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

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments by During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 3 -A	Restoring Transport Infrastructure and Serv1ces/Transport Infrastructure (Roads and Bridges)	111,000,000	63,921,537	(63,253,080)	**668,457**

IN U.S. DOLLARS

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	669,353	858,087
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	(896)	(470)
Fund balance per books as at 31 December	**668,457**	**857,617**

4 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

5 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.

5.1 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.

5.2 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. 8793-IQ).

5.3 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.

6 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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF CONSTRUCTION AND HOUSING
DEPARTMENT OF ROADS AND BRIDGES

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 / ضريبية

No: FHS/200/23

Date: 21/6/2023

Ministry of Construction and Housing- Department of Roads and Bridges
Additional Loan for Emergency Operation for Development Project (P 155732)
LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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

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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF TRANSPORTATION

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

2002

شركة فرقد السلمان وشركاؤه
لتدقيق ومراقبة الحسابات / تضامنية

Independent auditor's report
To the management of Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ/ Ministry of Transportation.
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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended December 31st 2022 .he 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 2023

MINISTRY OF TRANSPORTATION
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 2021 USD	Actual receipts and payments in year 2022 USD	Accumulated receipts and p3,311,673ayments balance as of 31 December 2022 USD
CASH RECEIPTS					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		1,272,923	2,038,750	3,311,673
Travel advance settlement	2		5	(5)	–
Receipts difference	2		(200)	200	–
Total cash receipts		**5,000,000**	**1,272,728**	**2,038,945**	**3,311,673**
CASH PAYMENTS					
Cash Payments for Components			(1,206,860)	(2,104,315)	(3,311,175)
Total cash payments	2	**5,000,000**	**(1,206,860)**	**(2,104,315)**	**(3,311,175)**
Difference	2				**(200)**
Cash at Bank as at end of the period	3				**298**

THE WORLD BANK
وزارة النقل / فريق إدارة المشروع قرض البنك الدولي
Ministry of transport /Project management team

PMT Manager
Younes Khalid Jawad
9-2-2023

Financial Management
Khalida Abdulraheem Jaber

لمى وليد مهدي
معاونة المدير المالي
قرض البنك الدولي لوزارة النقل

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement- part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Difference During the period 21/8/2018-31/12/2022 (USD	Cash at Bank as of 31-12-2022 (USD)
Part 3 -B	Restoring Transport Infrastructure and Serv1ces/Transport Services (Civil Aviation, Railways, and Public Transport)	5,000,000	3,311,673	(3,311,175)	(200)	298

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	298	65,868
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**298**	**65,868**

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

5 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 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 Additional Loan for Emergency Operation for Development PROJECT (P 155732) LOAN NO. 8793-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. 8793-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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF TRANSPORTATION

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 /200/23

Date: 21/6/2023

Ministry of Transportation
Additional Loan for Emergency Operation for Development Project
(P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 / Ministry of Transportation.
Period	: Covering the year ended December 31st 2022 .
Project	: Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.
Submitted to	: Reconstruction Fund for areas affected by terrorist operations

Note (1)	: 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 (200).
Effect	:A shortage in the amount of actual cash received for the balance USD (200).
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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORIST 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 Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ / Reconstruction Fund for areas affected by terrorist 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 2023

RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORIST OPERATIONS
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		2,380,105	158,195	2,538,300
Total cash receipts		**2,500,000**	**2,380,105**	**158,195**	**2,538,300**
CASH PAYMENTS					
Cash Payments for Components			(1,881,746)	(148,755)	(2,030,501)
Total cash payments	2	**2,500,000**	**(1,881,746)**	**(148,755)**	**(2,030,501)**
advance payments	2				**(9,494)**
Cash at Bank as at end of the period	3				**498,305**

PMT Manager
Mohammed Qassim Mohammed

Financial Management
Zina Tariq Shakory

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula' As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

2 CATEGORIES OF ALLOCATED SPENDING AND ACTUAL PAYMENTS IN ACCORDANCE TO THE LOAN AGREEMENT

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	advance Payments During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 5 and 6	Technical Assistance and Project Management. Sensitization, and Communications, and Monitoring and Evaluation.	2,500,000	2,538,300	(2,030,501)	(9,494)	498,305

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	498,305	498,359
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**498,305**	**498,359**

4 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

5 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.

5-1 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.

5.2 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. 8793-IQ).

5.3 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.

6 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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORIST 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/200/23

Date: 21/6/2023

Reconstruction Fund for areas affected by terrorist operations
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
MINISTRY OF AGRICULTURE

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 Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ/Ministry of Agriculture
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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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:June 21st 2023

MINISTRY OF AGRICULTURE.
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		260,214	165,995	426,209
Total cash receipts		**32,000,000**	**260,214**	**165,995**	426,209
CASH PAYMENTS					
Cash Payments for Components			(123,367)	(180,925)	(304,292)
Total cash payments	2	**32,000,000**	**(123,367)**	**(180,925)**	(304,292)
Cash at Bank as at end of the year	3				**121,917**

PMT Manager
Abdul Amir Abbas Hassan

Financial Management
Omar Asim Ismail

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula- As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement- part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 7	Restoring Agriculture Productivity	32,000,000	426,209	(304,292)	121,917

IN U.S. DOLLARS

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	122,931	136,972
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	(15)	-
Tender fees	-	-
Outstanding checks	(999)	(125)
Fund balance per books as at 31 December	**121,917**	**136,847**

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory.

5 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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. 8793-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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
MINISTRY OF AGRICULTURE

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/200/23

Date: 21/6/2023

Ministry of Agriculture
Additional Loan for Emergency Operation for Development Project
(P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended 31^{st} 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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 2023

MINISTRY OF WATER RESOURCES.
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		6,509,872	6,166,334	12,676,206
Total cash receipts		**32,000,000**	**6,509,872**	**6,166,334**	**12,676,206**
CASH PAYMENTS					
Cash Payments for Components			(5,585,235)	(6,631,603)	(12,216,838)
Total cash payments	2	**32,000,000**	**(5,585,235)**	**(6,631,603)**	**(12,216,838)**
Cash at Bank as at end of the period	3				**459,368**

financial coordinator
instead of PMT Manager
Raed Abd Zaied Al-Geshemi
Hazim Ibrahim Othman

Financial Management
Omar Safwat Hasan

The notes on pages from 1 to 4 are integral part of these financial statements

وزارة الموارد المائية
القرض الاضافي
حسابات البنك الدولي

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula- As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 8	Emergency Repair of Water Control Infrastructure and Irrigation Schemes	32,000,000	12,676,206	(12,216,838)	459,368

3 - FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	459,368	942,909
Add:		
Bank fees	-	-
Tender fees		
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	(18,272)
Fund balance per books as at 31 December	**459,368**	**924,637**

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

5 - REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.

1.6 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.

2.6 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. 8793-IQ).

3.6 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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-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/200/22

Date: 21/6/2022

Ministry of Water Resources
Additional Loan for Emergency Operation for Development Project
(P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
Ministry of Education

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 Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ / Ministry of Education
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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 2023

MINISTRY OF EDUCATION
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		1,000,000	8,091,068	9,091,068
Total cash receipts		**35,000,000**	**1,000,000**	**8,091,068**	**9,091,068**
CASH PAYMENTS					
Cash Payments for Components			(345,952)	(8,496,652)	(8,842,604)
Total cash payments	2	**35,000,000**	**(345,952)**	**(8,496,652)**	**(8,842,604)**
Cash at Bank as at end of the period	3				**248,464**

PMT Manager
Safaa Laftah younis

Financial Management
Quyood Abdul kadhim Abed

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula- As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement- part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments by During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 9	Restoring Education Services	**35,000,000**	**9,091,068**	**(8,842,604)**	**248,464**

IN U.S. DOLLARS

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	248,454	591,734
Add:		
Bank fees	10	14
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	(13,010)
Fund balance per books as at 31 December	**248,464**	**578,738**

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory.

5 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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. 8793-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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

MINISTRY OF EDUCATION

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/200/23

Date: 21/6/2023

Ministry of Education
Additional Loan for Emergency Operation for Development Project (P 155732)
LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended 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

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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
ANBAR GOVERNORATE

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 Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732)
LOAN NO. 8793-IQ / Anbar Governorate.
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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 2023

ANBAR GOVERNORATE
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		15,852,085	3,582,515	19,434,600
Total cash receipts		**20,000,000**	**15,852,085**	**3,582,515**	**19,434,600**
CASH PAYMENTS					
Cash Payments for Components			(15,822,048)	(3,598,754)	(19,420,802)
Total cash payments	2	**20,000,000**	**(15,822,048)**	**(3,598,754)**	**(19,420,802)**
Cash at Bank as at end of the year	3				**13,798**

PMT Manager
Adnan Abdullah Bardan

Financial Management
Ali Hameed Rashid

محافظة الانبار
PMT OF ANBAR
المالية
FINANCIAL
مشروع التمويل الأضافي للبنك الدولي

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula- As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 10	Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets	20,000,000	19,434,600	(19,420,802)	13,798

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	13,798	30,037
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**13,798**	**30,037**

4 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

5 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.

5.1 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.

5.2 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. 8793-IQ).

5.3 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.

6 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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
ANBAR GOVERNORATE

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/200/23**

Date: 21/6/2023

Anbar Governorate
Additional Loan for Emergency Operation for Development Project
(P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended 31st2022, 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

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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
Diyala Governorate

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 Additional Loan for Emergency Operation for Development Project

Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ / Diyala Governorate.

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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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

Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad - Iraq
Baghdad, Republic of Iraq
Date: June 21st 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

DIYALA GOVERNORATE
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		3,478,232	3,102,597	6,580,829
Total cash receipts		**10,000,000**	**3,478,232**	**3,102,597**	**6,580,829**
CASH PAYMENTS					
Cash Payments for Components			(3,445,656)	(3,115,660)	(6,561,316)
Total cash payments	2	**10,000,000**	**(3,445,656)**	**(3,115,660)**	**(6,561,316)**
					19,513
Advances	2				**(15,952)**
Cash at Bank as at end of the period	3				**3,561**

ادارة فريق مشاريع القرض الطارئ للبنك الدولي
محافظة ديالى

PMT MANAGER
Ali Abbas Bida
2023-6-25

FINANCIAL MANAGEMENT
Abdul jabbar Abdul sattar Dawod

The notes on pages from 1 to 4 are integral part of these financial statements

DIYALA GOVERNORATE
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-IQ
NOTES TO THE FINANCIAL STATEMENTS
COVERING THE YEAR ENDED DECEMBER 31ST 2022
IN U.S. DOLLARS

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula' As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments by During the period 21/8/2018-31/12/2022 (USD)	Advances During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 10	Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets	10,000,000	6,580,829	(6,561,316)	(15,952)	3,561

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	3,561	24,896
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	3,561	24,896

4 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ. encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

5 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.

5.1 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.

5.2 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. 8793-IQ).

5.3 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.

6 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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

DIYALA GOVERNORATE

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

2002

No: FHS/200/23

Date: 21/6/2023

Diyala Governorate
Additional Loan for Emergency Operation for Development Project (P 155732)
LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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
E-Mail : farquad.salman@gmail.com

Management Letter
the year ended December 31st 2022

TABLE OF CONTENTS

Definitions and Interpretation

Report	: Management Letter / Diyala Governorate.
Period	: Covering the year ended December 31st 2022 .
Project	: Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.
Submitted to	: Reconstruction Fund for areas affected by terrorist operations

Note (2) :Advances .

Observation :Non-settlement of advance d the period . The amount was USD (15,952).

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

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
NINEWA GOVERNORATE

FUNDED BY
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE PERIOD YEAR ENDED DECEMBER 31ST 2022

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

Independent auditor's report

To the management of Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ / Ninewa Governorate
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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 : June 21st 2023

NINEWA GOVERNORATE
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		12,814,817	2,271,347	15,086,164
Total cash receipts		**20,000,000**	**12,814,817**	**2,271,347**	**15,086,164**
CASH PAYMENTS					
Cash Payments for Components			(12,791,808)	(2,236,013)	(15,027,821)
Total cash payments	2	**20,000,000**	(12,791,808)	**(2,236,013)**	**(15,027,821)**
Difference	2				(100)
Cash at Bank as at end of the period	3				**58,243**

PMT Manager
Abdul wahhab Sultan Ahmed

Financial Management
Omar Lqman Hammadi

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula' As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Difference During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 10	**Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets**	20,000,000	15,086,164	(15,027,821)	(100)	58,243

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	58,243	23,009
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	**58,243**	**23,009**

4 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

5 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.

5.1 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.

5.2 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. 8793-IQ).

5.3 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.

6 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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

NINEWA GOVERNORATE

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/200/23

Date:21/6/2023

Ninewa Governorate
Additional Loan for Emergency Operation for Development Project
(P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended 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
E-Mail : farquad.salman@gmail.com

Management Letter

The year ended December 31st 2022

TABLE OF CONTENTS

Definitions and Interpretation

Report	:Management Letter / Ninewa Governorate.
Period	: Covering the year ended December 31st 2022 .
Project	:Emergency Operation for Development Project (P 155732) Loan No. (8793-IQ).
Submitted to	: Reconstruction Fund for areas affected by terrorist operations

---

Note (1)	: Differences adjustments.
Observation	: The balance of the Receipts from the World Bank, as per in trial balance was USD (15,086,044), it was not matchet with the financial report in fourth quarter 2022, which was sent to the World Bank, as the component management had confirmed that the balance was USD (15,086,164), With differences USD (120).
Effect	: The differences amount USD (120) in 2022 financial report in fourth quarter, which was already delivered and sent to the World Bank.
Recommendation	: There is a need to adjust the difference.
Management Response	: The differences were in commission fees deducted from the correspondent bank for refunded to the World Bank, The necessary action will be taken in 2023.

End of Management Letter

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT *PROJECT*

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ
SALAH EL-DIN GOVERNORATE

FUNDED BY
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE PERIOD YEAR ENDED DECEMBER 31ST 2022

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

Independent auditor's report
To the management of Additional Loan for Emergency Operation for Development Project
Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ / Salah El-Din Governorate.
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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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: June 21st 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

SALAH EL-DIN GOVERNORATE
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-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 from August 21st 2018 until December 31st 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. 8793-IQ)	2		3,719,503	1,831,528	5,551,031
Total cash receipts		**10,000,000**	**3,719,503**	**1,831,528**	**5,551,031**
CASH PAYMENTS					
Cash Payments for Components			(3,677,901)	(1,860,088)	(5,537,989)
Total cash payments	2	**10,000,000**	**(3,677,901)**	**(1,860,088)**	**(5,537,989)**
Cash at Bank as at end of the period	3				**13,042**

PMT Manager
Raed Mazban Abdullh

Financial Management
Oday Dkheel Hameed

محافظة صلاح الدين
مشروع القرض الطارئ الاضافي

The notes on pages from 1 to 4 are integral part of these financial statements

1 GENERAL

The Emergency Operation for Development Project (EODP) is a US$ 350 million operation for Iraq launched in 2015 with a development objective aimed at supporting the Government of Iraq (GoI) in the reconstruction of the damaged infrastructure and the restoration of public service delivery in targeted municipal areas (the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah Al-Din governorate, as well as the cities of Jalula- As-Saidiya and Al-othiem in Diyala governorate).

The GoI has expressed the need to review some of the components in order to expand the geographical and sector coverage of the project. The WB and the GoI have agreed to restructure the existing project to include needs arising from the evolving context, where the amount was extended by an additional US$ 400 million in 2017. The additional financing is planned to scale-up EODP activities and expand them in terms of sectoral (adding irrigation and education) and geographical coverage as per the original design of EODP. Such expansion is critical to ensure that project impacts are extended to new liberated cities in the Salah Al-Din and Diyala governorates, as well as in Kirkuk, Al-Anbar (including Ramadi), Ninewa (including Mosel).

Both EODP and EODP-AF projects are composed of ten components that focus on the following areas:

Component (1): Restoring Electricity Infrastructure and its Connectivity;

Component (2): Restoring Municipal Waste, Water and Sanitation Services;

Component (3): Restoring Transport Infrastructure;

Component (4): Restoring Health Services;

Component (5): Technical Assistance;

Component (6): Project Management, Sensitization and Monitoring and Evaluation;

Component (7): Restoring Agriculture Productivity;

Component (8): Emergency repair of water control infrastructure and irrigation schemes;

Component (9): Restoring Education Services; and,

Component (10): Restoring Municipal Infrastructure and Services and Preserving Cultural Heritage Assets

This financing agreement cover all works contracts to restore and repaired Electricity, Municipalities, Roads and Bridge, Transport, Medical Equipment, Consulting Services for REFAATO, Agriculture, Water supply, Education in 5 liberated governorates at Al Anbar, Diyala, Ninawa, Salah Ad-Din and Kirkuk as well as contracts implemented by Component 10 governorates (Al Anbar, Diyala, Ninawa and Salah Ad-Din) furthermore cover supervision contracts and consultant contracts, projects implementation.

The financial statements and the notes on pages 1 to 4 were authorized for issuance by Management Letter dated June 21st 2023.

IN U.S. DOLLARS

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

Loan Agreement-part number	The nature of the task	Amount allocated of the Component from the loan (USD)	Actual Amount Receipts from IBRD During the period 21/8/2018-31/12/2022 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2022 (USD)	Cash at Bank as of 31-12-2022 (USD)
Part 10	Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets	10,000,000	5,551,031	(5,537,989)	13,042

3 FUND BALANCE

	2022 USD	2021 USD
Fund balance per bank as at 31 December	13,042	49,612
Add:		
Bank fees	-	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	(8,010)
Fund balance per books as at 31 December	**13,042**	**41,602**

4 REPORTING ENTITY

The financial statements for the Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ, encompasses the reporting entity as specified in the Loan Agreement NO. 8793- IQ dated 17 December 2017 between the Republic of Iraq / Reconstruction Fund for Areas Affected by Terroristic Operations and the International Bank for Reconstruction and Development.

5 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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.

5.1 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.

5.2 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. 8793-IQ).

5.3 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.

6 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.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT

(P 155732)
LOAN NO. 8793-IQ

IMPLEMENTED BY
THE GOVERNMENT OF REPUBLIC OF IRAQ

SALAH EL-DIN GOVERNORATE

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/200/23

Date:21/ 3/2023

Salah El-Din Governorate
Additional Loan for Emergency Operation for Development Project
(P 155732) LOAN NO. 8793-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 Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-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