

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 2023

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 Electricity.
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq**

Report on the financial statement

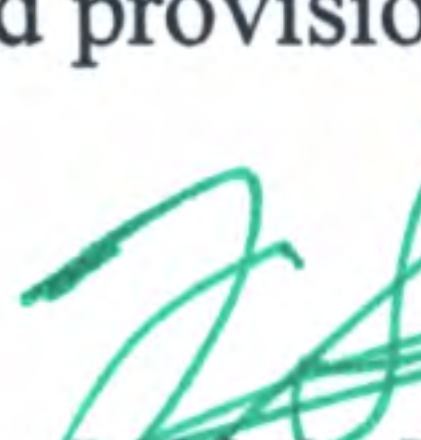
We have audited the accompanying statement of Cash Receipts and Payments of Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended December 31st 2023 .The preparation of the financial statement is the responsibility of project managements team (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 2023.

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 31st2023, 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

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

Baghdad, Republic of Iraq
Date: June 27th 2024

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 2023
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		27,387,382	4,179,710	31,567,092
Receipts from Tenders Revenue	2		5,520	(5,520)	-
Total cash receipts		50,000,000	27,392,902	4,174,190	31,567,092
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(26,835,530)	(4,377,572)	(31,213,102)
Total cash payments	2	50,000,000	(26,835,530)	(4,377,572)	(31,213,102)
Cash at Bank as at end of the period	3				353,990


PMT Manager
Abdul Wahhab Kadim Mawyesh


Financial Management
Laila Manea Mohsin

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



MINISTRY OF ELECTRICITY
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 2023
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 27th 2024.

MINISTRY OF ELECTRICITY
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 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	Actual Amount Receipts from IBRD	Actual Amount Payments	Cash at Bank as of
			During the period 21/8/2018-31/12/2023	During the period 21/8/2018-31/12/2023	31-12-2023
		(USD)	(USD)	(USD)	(USD)
part 1	Restoring Electricity Infrastructure and Connectivity	50,000,000	31,567,092	(31,213,102)	353,990

MINISTRY OF ELECTRICITY
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 2023
IN U.S. DOLLARS

3 FUND BALANCE

	2023	2022
	USD	USD
Fund balance per bank as at 31 December	361,522	558,772
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	(7,532)	(1,400)
Difference	-	-
Fund balance per books as at 31 December	353,990	557,372

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

MINISTRY OF ELECTRICITY
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 2023
IN U.S. DOLLARS

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 cease 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 2023

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



No: FHS/188/24

Date: 27/6/2024

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 2023, 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 2023

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 31st2023 .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 2023.

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 31st2023, 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.


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

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

Baghdad, Republic of Iraq
Date: June 27th 2024

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 2023
 IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		18,042,518	17,213,943	35,256,461
Total cash receipts		47,500,000	18,042,518	17,213,943	35,256,461
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(17,241,398)	(17,075,716)	(34,317,114)
Total cash payments	2	47,500,000	(17,241,398)	(17,075,716)	(34,317,114)
Cash at Bank as at end of the period	3				939,347
					
		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

**MINISTRY OF CONSTRUCTION AND HOUSING - DEPARTMENT OF PROJECTS FUNDED EXTERNALLY
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 2023
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 27th 2024.

MINISTRY OF CONSTRUCTION AND HOUSING - DEPARTMENT OF PROJECTS FUNDED EXTERNALLY
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 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 21/8/2018-31/12/2023 (USD)	Actual Amount Payments During the period 21/8/2018-31/12/2023 (USD)	Cash at Bank as of 31-12-2023 (USD)
part 2	Restoring Muni-copal Waste, Water and Sanitation Services	47,500,000	35,256,461	(34,317,114)	939,347

MINISTRY OF CONSTRUCTION AND HOUSING - DEPARTMENT OF PROJECTS FUNDED EXTERNALLY
 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 2023
 IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	939,347	807,370
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	(6,250)
Fund balance per books as at 31 December	939,347	801,120

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

**MINISTRY OF CONSTRUCTION AND HOUSING - DEPARTMENT OF PROJECTS FUNDED EXTERNALLY
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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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



No: FHS/188/24

Date: 27/6/2024

**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,

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 2023, 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 Roads and Bridges

FUNDED BY

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2023

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 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 2023, 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 2023.

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 2023, 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 27th 2024

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 2023
 IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		63,921,537	24,187,671	88,109,208
Total cash receipts	2	111,000,000	63,921,537	24,187,671	88,109,208
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(63,253,080)	(23,909,948)	(87,163,028)
Total cash payments	2	111,000,000	(63,253,080)	(23,909,948)	(87,163,028)
Cash at Bank as at end of the period	3				946,180

PMT Manager
Hussien Jasim Kadhem

Financial Management
Adwaa Qasim Mohammed

4-7-2024

31/7/2024

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

MINISTRY OF CONSTRUCTION AND HOUSING DEPARTMENT OF ROADS AND BRIDGES
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 2023
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 27th 2024.

MINISTRY OF CONSTRUCTION AND HOUSING DEPARTMENT OF ROADS AND BRIDGES
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 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 21/8/2018-31/12/2023 (USD)	Actual Amount Payments by During the period 21/8/2018-31/12/2023 (USD)	Cash at Bank as of 31-12-2023 (USD)
Part 3 -A	Restoring Transport Infrastructure and Services/Transport Infrastructure (Roads and Bridges)	111,000,000	88,109,208	(87,163,028)	946,180

MINISTRY OF CONSTRUCTION AND HOUSING DEPARTMENT OF ROADS AND BRIDGES
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 2023
IN U.S. DOLLARS

3 FUND BALANCE

	2023	2022
	USD	USD
Fund balance per bank as at 31 December	946,908	669,353
<u>Add:</u>		
Bank fees		-
Tender fees		-
<u>Less:</u>		
Bank fees		-
Tender fees		-
Outstanding checks	(728)	(896)
Fund balance per books as at 31 December	946,180	668,457

MINISTRY OF CONSTRUCTION AND HOUSING DEPARTMENT OF ROADS AND BRIDGES
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 2023
IN U.S. DOLLARS

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 2023

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



No: FHS/188/24

Date: 27/6/2024

**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 2023, 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 TRANSPORTATION

FUNDED BY
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2023

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 Transportation.
Reconstruction Fund for Areas Affected by Terroristic Operations
Baghdad - Republic of Iraq
Report on the financial statement**

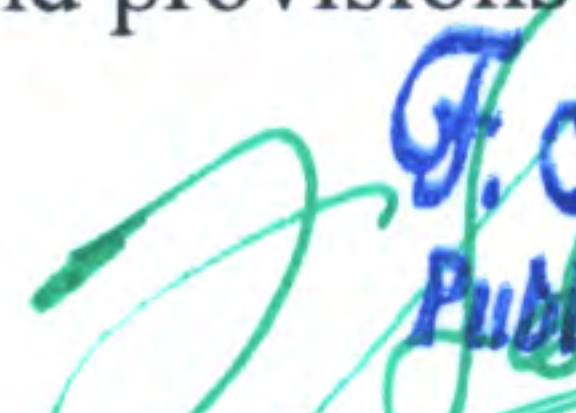
We have audited the accompanying statement of Cash Receipts and Payments of Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended December 31st 2023 .he preparation of the financial statement is the responsibility of project managements team (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 2023.

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

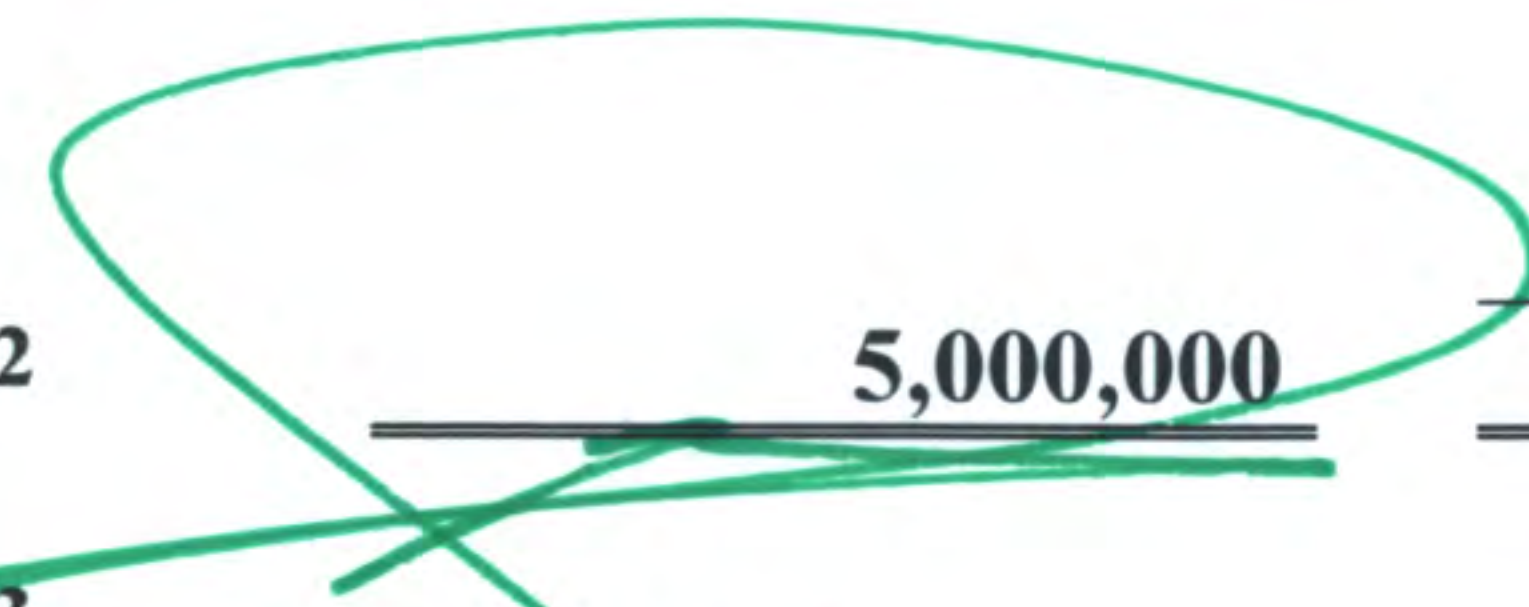
- (a) The Projects Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended December 31st2023, in accordance with the International Public 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.

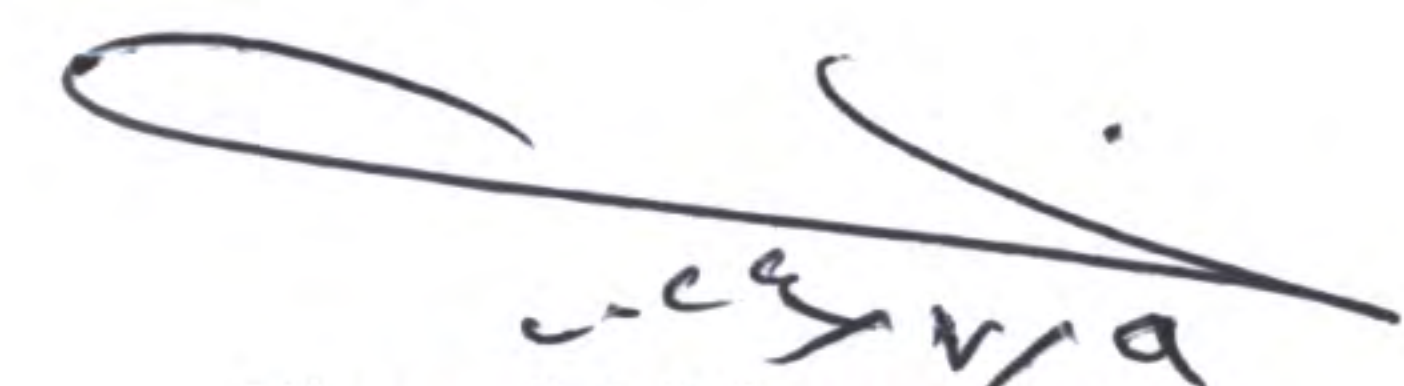

F. H. Al-Salman & Co
Public Accountants & Auditors

Farquod Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad - Iraq
Baghdad, Republic of Iraq
Date: June 27th 2024

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 2023
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments s balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		3,311,673	1,136,667	4,448,340
Total cash receipts		5,000,000	3,311,673	1,136,667	4,448,340
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(3,311,175)	(1,074,090)	(4,385,265)
Total cash payments	2	5,000,000	(3,311,175)	(1,074,090)	(4,385,265)
Difference					(240)
Cash at Bank as at end of the period	3				62,835


PMT Manager
Younes Khalid Jawad


Financial Management
Thikra Kadhim Hussin

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

**MINISTRY OF TRANSPORTATION
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 2023
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 27th 2024.

MINISTRY OF TRANSPORTATION
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 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	Actual Amount Receipts from IBRD	Difference	Actual Amount Payments	Cash at Bank as of
			During the period 21/8/2018-31/12/2023	During the period 21/8/2018-31/12/2023	During the period 21/8/2018-31/12/2023	31-12-2023
		(USD)	(USD)	(USD)	(USD)	(USD)
Part 3 -B	Restoring Transport Infrastructure and Services/Transport Services (Civil Aviation, Railways, and Public Transport)	5,000,000	4,448,340	(240)	(4,385,265)	62,835

MINISTRY OF TRANSPORTATION
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 2023
IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	71,160	298
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	(8,325)	-
Fund balance per books as at 31 December	62,835	298

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

**MINISTRY OF TRANSPORTATION
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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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



No: FHS /188/24

Date: 27/6/2024

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 2023, 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 2023

TABLE OF CONTENTS

Note (1) :Receipts difference.

Definitions and Interpretation

Report	:Management Letter / Ministry of Transportation.
Period	: Covering the year ended December 31 st 2023 .
Project	: Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ.
<u>Submitted to</u>	<u>: Reconstruction Fund for areas affected by terrorist operations</u>

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 (240).

Effect :A shortage in the amount of actual cash received for the balance USD (240).

Recommendation : Settle the amount indicated above, and amend the accounting books accordingly.

Management Response : The accounting books a shall be amended during 2024 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 2023

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 2023, 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 2023.

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 2023, 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

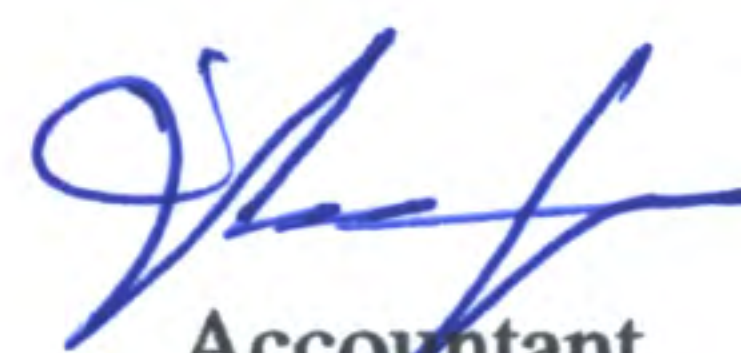
Farquad Al-Salman, B.Sc, FCCA
F.H.Al-Salman & Co.
Public Accountants, Auditors & Consultants
Baghdad - Iraq

Baghdad, Republic of Iraq
Date: June 27th 2024

**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 2023
 IN U.S. DOLLARS**

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		2,538,300	-	2,538,300
Total cash receipts		2,500,000	2,538,300	-	2,538,300
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(2,030,501)	(66,891)	(2,097,392)
Settlement of advance payments in 2022			(9,494)	-	(9,494)
Total cash payments	2	2,500,000	(2,039,995)	(66,891)	(2,106,886)
Cash at Bank as at end of the period	3				431,414


 PMT Manager
 Mohammed Qassim Mohammed


 Accountant
 Mohammed Muttlaq Sadkhan

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

**RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORIST OPERATIONS
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 2023
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 27th 2024.

RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORIST OPERATIONS
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 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- 31/12/2023 (USD)	Actual Amount Payments During the period 21/8/2018- 31/12/2023 (USD)	Cash at Bank as of 31-12-2023 (USD)
Part 5 and 6	Technical Assistance and Project Management. Sensitization, and Communications, and Monitoring and Evaluation.	2,500,000	2,538,300	(2,106,886)	431,414

RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORIST OPERATIONS
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 2023
IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	431,404	498,305
Add:		
Bank fees	10	-
Tender fees	-	-
Less:		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	431,414	498,305

**RECONSTRUCTION FUND FOR AREAS AFFECTED BY TERRORIST OPERATIONS
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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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



No: FHS/188/24

Date: 27/6/2024

**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 2023, 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

Farquod 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 2023

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 2023. 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 2023.

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 2023, 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

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

Baghdad, Republic of Iraq
Date: June 27th 2024

MINISTRY OF AGRICULTURE.

ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-IQ

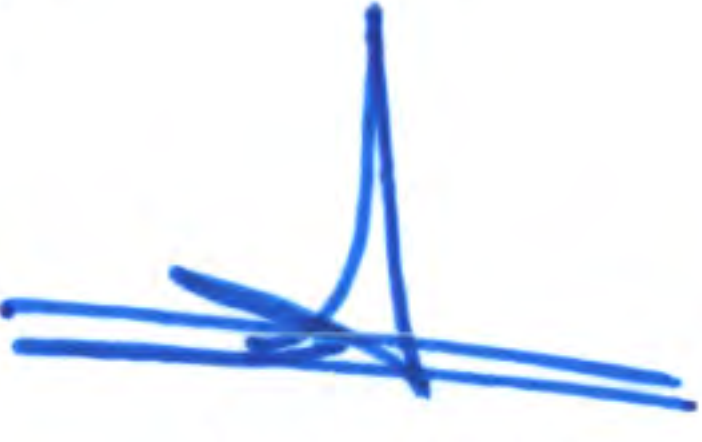
STATEMENT OF CASH RECEIPTS AND PAYMENTS.

COVERING THE YEAR ENDED DECEMBER 31ST 2023.

IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments In year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		426,209	1,980,511	2,406,720
Total cash receipts		32,000,000	426,209	1,980,511	2,406,720
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(304,292)	(1,996,174)	(2,300,466)
Total cash payments	2	32,000,000	(304,292)	(1,996,174)	(2,300,466)
Cash at Bank as at end of the year	3				106,254




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

**MINISTRY OF AGRICULTURE
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 2023
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 to4 were authorized for issuance by Management Letter dated 2024.

MINISTRY OF AGRICULTURE
 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 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	Actual Amount Receipts from IBRD	Actual Amount Payments	Cash at Bank as of
			During the period 21/8/2018-31/12/2023	During the period 21/8/2018-31/12/2023	31-12-2023
		(USD)	(USD)	(USD)	(USD)
Part 7	Restoring Agriculture Productivity	32,000,000	2,406,720	(2,300,466)	106,254

MINISTRY OF AGRICULTURE
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 2023
IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	111,849	122,931
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	(15)
Tender fees	-	-
Outstanding checks	(5,595)	(999)
Fund balance per books as at 31 December	106,254	121,917

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory.

**MINISTRY OF AGRICULTURE
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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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



No: FHS/188/24

Date: 27/6/2024

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 31st 2023, 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 2023

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 2023. 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 2023.

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 2023, 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

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

Baghdad, Republic of Iraq
Date: June 27th 2024

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 2023.

IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21st 2018 until December 31st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		12,676,206	5,287,993	17,964,199
Total cash receipts		32,000,000	12,676,206	5,287,993	17,964,199
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(12,216,838)	(5,494,193)	(17,711,031)
Total cash payments	2	32,000,000	(12,216,838)	(5,494,193)	(17,711,031)
Cash at Bank as at end of the period	3				253,168


PMT Manager
Raed Abd Zaied Al-Geshemi
2/2


Financial Management
Omar Safwat Hasan



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

MINISTRY OF WATER RESOURCES
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 2023
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 27th 2024.

MINISTRY OF WATER RESOURCES
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 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	Actual Amount Receipts from IBRD	Actual Amount Payments	Cash at Bank as of
			During the period 21/8/2018-31/12/2023	During the period 21/8/2018-31/12/2023	31-12-2023
		(USD)	(USD)	(USD)	(USD)
Part 8	Emergency Repair of Water Control Infrastructure and Irrigation Schemes	32,000,000	17,964,199	(17,711,031)	253,168

MINISTRY OF WATER RESOURCES
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 2023
IN U.S. DOLLARS

3 - FUND BALANCE

	2023	2022
	USD	USD
Fund balance per bank as at 31 December	255,768	459,368
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	(2,600)	-
Fund balance per books as at 31 December	253,168	459,368

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory

**MINISTRY OF WATER RESOURCES
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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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



No: FHS/188/24

Date: 27/6/2024

**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 2023, 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 2023

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 2023, 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 2023.

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 2023, 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 27th 2024

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 2023
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		9,091,068	5,378,856	14,469,924
Total cash receipts		35,000,000	9,091,068	5,378,856	14,469,924
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(8,842,604)	(5,523,834)	(14,366,438)
Total cash payments	2	35,000,000	(8,842,604)	(5,523,834)	(14,366,438)
Cash at Bank as at end of the period	3				103,486



PMT Manager
 Duraid Dhari Daas



Financial Management
 Sufyan Hameed Khudhair

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

MINISTRY OF EDUCATION
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 2023
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 27th 2024.

MINISTRY OF EDUCATION
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 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- 31/12/2023 (USD)	Actual Amount Payments by During the period 21/8/2018- 31/12/2023 (USD)	Cash at Bank as of 31-12-2023 (USD)
Part 9	Restoring Education Services	35,000,000	14,469,924	(14,366,438)	103,486

MINISTRY OF EDUCATION
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 2023
IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	122,918	248,454
<u>Add:</u>		
Bank fees	10	10
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	(19,442)	-
Fund balance per books as at 31 December	103,486	248,464

4 OFFICE EQUIPMENT

The office equipment it was Equivalent with actual Inventory.

**MINISTRY OF EDUCATION
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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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



No: FHS/188/24

Date: 27/6/2024

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 December 31st 2023, 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

Farquod Al-Salman, B.Sc, FCCA

F.H.Al-Salman & Co.

Public Accountants, Auditors & Consultants

Baghdad – Iraq

Management Letter
The year ended December 31st 2023

TABLE OF CONTENTS

Note (1) :Receipts and payments difference.

Definitions and Interpretation

Report :Management Letter/ Ministry of Education.

Period : Covering the year ended December 31st 2023 .

Project :Emergency Operation for Development Project (P 155732) Loan No. (8793-IQ).

Submitted to : Reconstruction Fund for areas affected by terrorist operations

Note (1) :Receipts and payments difference.

Observation : The balance of the Receipts from the World Bank and payments, with a difference USD (40) as per in trial balance not matchet with the financial report in fourth quarter 2023, which was sent to the World Bank.

Effect : The differences amount USD (40) in 2023 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 difference is bank commissions that were not recorded during the year 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

ANBAR GOVERNORATE

FUNDED BY

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2023

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 2023. 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 2023.

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 2023, 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 27th 2024

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 2023.

IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		19,434,600	341,842	19,776,442
Total cash receipts		<u>20,000,000</u>	<u>19,434,600</u>	<u>341,842</u>	<u>19,776,442</u>
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(19,420,802)	(341,874)	(19,762,676)
Total cash payments	2	<u>20,000,000</u>	<u>(19,420,802)</u>	<u>(341,874)</u>	<u>(19,762,676)</u>
Cash at Bank as at end of the year	3				<u>13,766</u>


 PMT Manager
 Jasim Mohammed Abdullah


 Financial Management
 Ali Hameed Rashid

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



**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 2023.
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 27th 2024.

ANBAR 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 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- 31/12/2023 (USD)	Actual Amount Payments During the period 21/8/2018- 31/12/2023 (USD)	Cash at Bank as of 31-12-2023 (USD)
Part 10	Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets	20,000,000	19,776,442	(19,762,676)	13,766

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 2023.
IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	13,766	13,798
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	13,766	13,798

**ANBAR 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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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

No: FHS/188/24

Date: 27/6/2024

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 31st2023, 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

Farquod 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

ANBAR GOVERNORATE

Funded by
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

ANNEX TO MANAGEMENT LETTER
ON

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2023

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

No: FHS/225/24

Date: 14/8/2024

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 : Annex to Management Letter

Further to our letter No. FHS/188/24 dated June 27th 2024.

Subject to the information presented to us by Management of the International Bank for Reconstruction and Development via email dated August 11th 2024, which had included the content for its letter dated December 1st 2022, concerning the issue of non-compliance, and the request for the refund of all additional amounts related for emergency project for the development No. 8793. As in this respect we would like to indicate below: -

This annexed letter was prepared for implementation by members of the team for redevelopment of damaged areas as a result of terrorism in Iraq, as well as the International Bank Reconstruction and Development, and the funds are not to be utilized 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

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

Annex to Management Letter
the year ended December 31st 2023

TABLE OF CONTENTS

Note (1) : Contracting with any entity that has been prohibited from contracting by the World Bank.

Definitions and Interpretation

Report	: Annex to Management Letter / Anbar Governorate.
Period Project	: Covering the year ended December 31 st 2023 . : Additional Loan for Emergency Operation as to Development Project (P 155732) LOAN NO. 8793-IQ.
Submitted to	: Reconstruction Fund for areas affected by terrorist operations
Note (1)	: Contracting with a company that has been prohibited from contracting with by the World Bank.
Observation	: Signing of two contracts by Anbar Governorate for Al-Ajam General Contracting Company Limited, and Al-Barqa General Contracting for Trade and Transport Company Limited, with the following details: 1.EODP-AF-ANB-W02, Rehabilitation of the Streets of Al Shurta Zone in Al Ramadi City with the total value of US\$ 2,936,646.03, including variation orders. The contract was signed on May 30, 2019, completed on July 30, 2020, and paid in full. 2.EODP-AF-ANB-W09R, Streets Rehabilitation in Al Khalidiyah City (Service Streets from Al-Siddeeqeen Bridge to the Boundary of Al Habaniyah Municipality with the total value of US\$ 3,421,745, including variation orders. The contract was signed on March 16 th 2021, it was completed on April 11 th 2022.
Effect	: Al-Ajam General Contracting Company Limited, the contractor is a company prohibited from contracting with by the International Bank for Reconstruction and Development since 2012 and this contract and its consequences are in violation of the Loan Agreement (according to Section 7.05(a) of the General Conditions).
Recommendation	: Despite the long period of time in which these facts were discovered, we recommend that the necessary measures be taken in implementation of the Loan Agreement (in accordance with Section 7.05(a) of the General Terms)..
Management Response	: Negotiations are still ongoing with the Iraqi government on this issue.

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

Diyala Governorate

FUNDED BY

THE INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS, REPORT

&

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2023

F.H.AL-SALMAN & Co.

PUBLIC ACCOUNTANTS, AUDITORS & CONSULTANTS

BAGHDAD – 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 2023. 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 2023.

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 2023, 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 27th 2024

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 2023
 IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		6,580,829	400,135	6,980,964
Total cash receipts		<u>10,000,000</u>	<u>6,580,829</u>	<u>400,135</u>	<u>6,980,964</u>
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(6,561,316)	(371,173)	(6,932,489)
Total cash payments	2	<u>10,000,000</u>	<u>(6,561,316)</u>	<u>(371,173)</u>	<u>(6,932,489)</u>
Cash at Bank as at end of the period	3				<u>48,475</u>




 PMT MANAGER
 Ali Abbas Bida


 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 2023
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 27th 2024.

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 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 21/8/2018-31/12/2023 (USD)	Actual Amount Payments by During the period 21/8/2018-31/12/2023 (USD)	Cash at Bank as of 31-12-2023 (USD)
Part 10	Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets	10,000,000	6,980,964	(6,932,489)	48,475

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 2023
 IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	48,475	3,561
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	48,475	3,561

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 2023
IN U.S. DOLLARS

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 2023

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

No: FHS/188/24

Date: 27/6/2024

**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 2023, 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 2023

TABLE OF CONTENTS

Note (1) : Stamp Duty .

Definitions and Interpretation

Report : Management Letter / Diyala Governorate.

Period : Covering the year ended December 31st 2023 .

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) : Stamp Duty.

Observation : We would like to draw your attention to an amount of (\$5,068) that has been recorded in the Stamp Duty Expense account. This amount was deducted from the contractor's account and then repaid in cash by the contractor, as per receipt (2937) dated 12/9/2019.

Effect : This process causes discrepancies between operational and investment project allocations. Delays in processing suspensions amounts lead to inaccuracies in the value of completed projects.

Recommendation : Proper settlements and adjustments are essential for contractor accounts.

Management Response : It was adjusted on February 7, 2024, when cash liquidity became available, and the due amount was paid to the contractor. Cash payment voucher number 35 was used to document the payment transaction and record it in the financial records. The amount was withdrawn from the operational cash balance of the Component, and It was recorded at the cost of the project.

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

DIYALA GOVERNORATE

Funded by
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

ANNEX TO MANAGEMENT LETTER
ON

FINANCIAL STATEMENTS

THE YEAR ENDED DECEMBER 31ST 2023

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

No: FHS/225 /24

Date: 14/8/2024

**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 : Annex to Management Letter

Further to our letter No. FHS/188/24 dated June 27th 2024.

Subject to the information presented to us by Management of the International Bank for Reconstruction and Development via email dated August 11th 2024, which had included the content for its letter dated December 1st 2022, concerning the issue of non-compliance, and the request for the refund of all additional amounts related for emergency project for the development No. 8793. As in this respect we would like to indicate below: -

This annexed letter was prepared for implementation by members of the team for redevelopment of damaged areas as a result of terrorism in Iraq, as well as the International Bank Reconstruction and Development, and the funds are not to be utilized 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**

Annex to Management Letter
the year ended December 31st 2023

TABLE OF CONTENTS

Note (1) : Contracting with any entity that has been prohibited from contracting with, by the World Bank.

Definitions and Interpretation

Report	: Annex to Management Letter / Diyala Governorate.
Period	: Covering the year ended December 31 st 2023 .
Project	: Additional Loan for Emergency Operation as Development Project (P 155732) LOAN NO. 8793-IQ.
Submitted to	: Reconstruction Fund for areas affected by terrorist operations
Note (1)	: Contracting with a company that has been prohibited to contracting with by the World Bank..
Observation	: Contracting with Al-Ajam General Contracting Company Limited with the following details: EODP-AF-DIY-W08, Rehabilitation of the second way in Sa'adiyah from Saad Area to the Small Mosque with the total value of U\$ 486,350, including variation orders. The contract was signed on October 24 th 2021.
Effect	: The contracting company is a company which is prohibited from contracting with by the International Bank for Reconstruction and Development since 2012 and this contract and its consequences are in violation of the Loan Agreement (according to Section 7.05(a) of the General Conditions).
Recommendation	: Despite the long period of time in which these facts were discovered, we recommend that the necessary measures be taken in implementation of the Loan Agreement (in accordance with Section 7.05(a) of the General Terms)..
Management Response	: Negotiations are still going with the Iraqi government on this issue.

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 2023

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 2023. 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 2023.

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

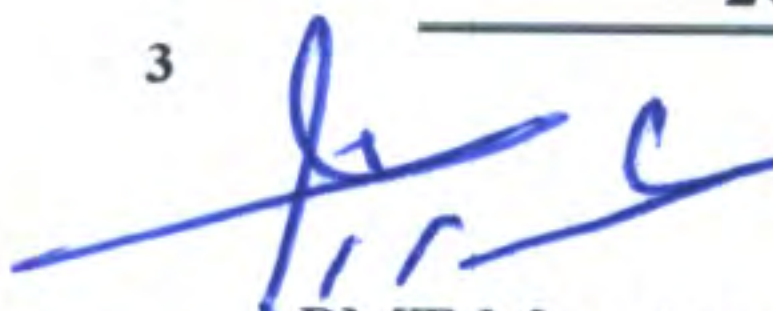
- (a) The Projects' Financial Statement (PFS) presents fairly, in all material respects, the cash receipts and payments of The Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended December 31st 2023, in accordance with the International Public 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 27th 2024.

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 2023.
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		15,086,164	2,780,483	17,866,647
Total cash receipts		20,000,000	15,086,164	2,780,483	17,866,647
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(15,027,821)	(2,800,945)	(17,828,766)
Settlement during the year			(100)	-	(100)
Total cash payments	2	20,000,000	(15,027,921)	(2,800,945)	(17,828,866)
Cash at Bank as at end of the period	3				37,781
					
		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



**NINEWA 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 2023
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 27th 2024.

NINEWA 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 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- 31/12/2023 (USD)	Actual Amount Payments During the period 21/8/2018- 31/12/2023 (USD)	Cash at Bank as of 31-12-2023 (USD)
Part 10	Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets	20,000,000	17,866,647	(17,828,866)	37,781

NINEWA 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 2023
IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	40,038	58,243
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	(2,257)	-
Fund balance per books as at 31 December	37,781	58,243

**NINEWA 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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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



No: FHS/188/24

Date: 27/6/2024

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 December 31st 2023, 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
SALAH EL-DIN GOVERNORATE

FUNDED BY
THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INDEPENDENT AUDITORS' REPORT

&

FINANCIAL STATEMENTS

THE PERIOD YEAR ENDED DECEMBER 31ST 2023

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

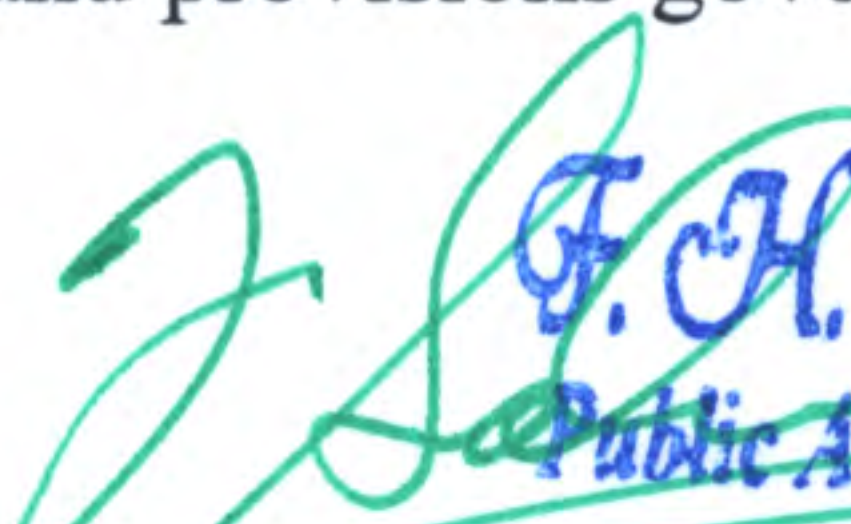
We have audited the accompanying statement of Cash Receipts and Payments of Additional Loan for Emergency Operation for Development Project (P 155732) LOAN NO. 8793-IQ covering the year ended December 31st 2023. The preparation of the financial statement is the responsibility of project managements team (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 2023.

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 2023, 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 27th 2024

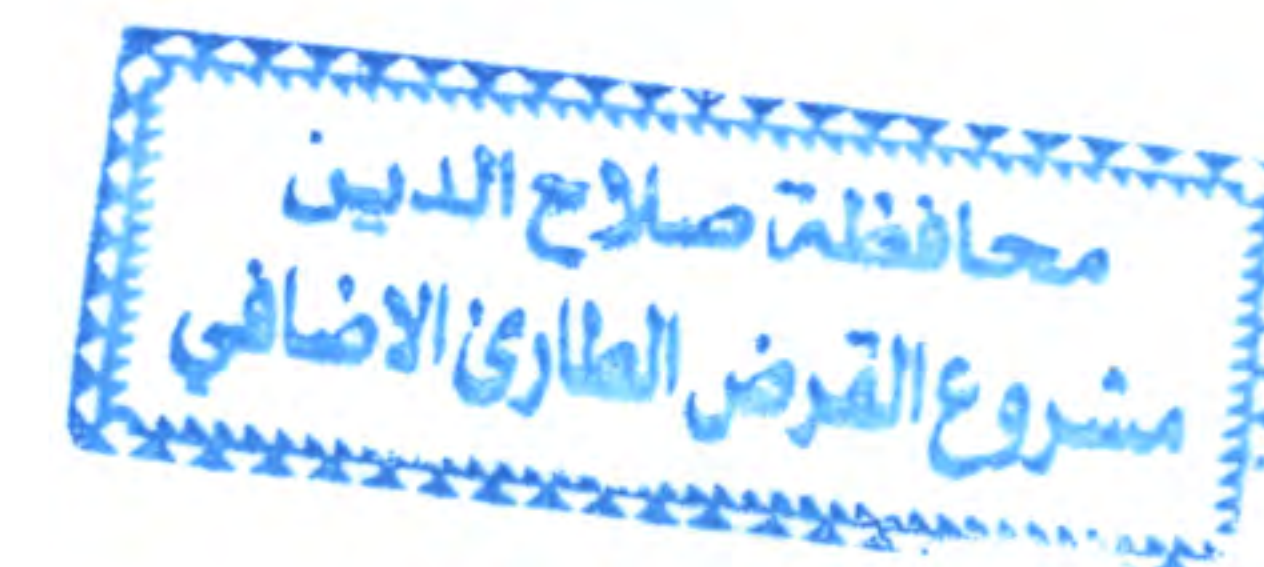
SALAH EL-DIN GOVERNORATE
ADDITIONAL LOAN FOR EMERGENCY OPERATION FOR DEVELOPMENT PROJECT (P 155732) LOAN NO. 8793-IQ
STATEMENT OF CASH RECEIPTS AND PAYMENTS.
COVERING THE YEAR ENDED DECEMBER 31ST 2023.
IN U.S. DOLLARS

	Notes	Allocated amounts for the life of the project	Actual receipts and payments from August 21 st 2018 until December 31 st 2022	Actual receipts and payments in year 2023	Accumulated receipts and payments balance as of 31 December 2023
		USD	USD	USD	USD
<u>CASH RECEIPTS</u>					
Receipts from IBRD (LOAN NO. 8793-IQ)	2		5,551,031	2,794,214	8,345,245
Total cash receipts		10,000,000	5,551,031	2,794,214	8,345,245
<u>CASH PAYMENTS</u>					
Cash Payments for Components			(5,537,989)	(2,795,424)	(8,333,413)
Total cash payments	2	10,000,000	(5,537,989)	(2,795,424)	(8,333,413)
Cash at Bank as at end of the period	3				11,832


PMT Manager
Raed Mazban Abdullh


Financial Management
Oday Dkheel Hameed

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



**SALAH EL-DIN 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 2023
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 27th 2024.

SALAH EL-DIN 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 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	Actual Amount Receipts from IBRD	Actual Amount Payments	Cash at Bank as of
			During the period 21/8/2018- 31/12/2023	During the period 21/8/2018- 31/12/2023	31-12-2023
		(USD)	(USD)	(USD)	(USD)
Part 10	Restoring Basic Municipal Infrastructure and Services and Preserving Cultural Heritage Assets	10,000,000	8,345,245	(8,333,413)	11,832

SALAH EL-DIN 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 2023
 IN U.S. DOLLARS

3 FUND BALANCE

	2023 USD	2022 USD
Fund balance per bank as at 31 December	11,832	13,042
<u>Add:</u>		
Bank fees	-	-
Tender fees	-	-
<u>Less:</u>		
Bank fees	-	-
Tender fees	-	-
Outstanding checks	-	-
Fund balance per books as at 31 December	11,832	13,042

**SALAH EL-DIN 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 2023
IN U.S. DOLLARS**

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 cease 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 2023

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

No: FHS/188/24

Date: 27/6/2024

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 2023, 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