

**State Institution “The Republican Scientific and Practical Center of
Medical Technologies, Informatization, Management and Economics
of Public Health”**

**Special Purpose Financial Statements under the Project
“Modernization of the Healthcare System of the Republic of Belarus”
Loan No. 8663-BY
for the period from January 01, 2020 to December 31, 2020 with the Independent
Auditor’s report**

Minsk | 2021

Modernization of the Healthcare System of the Republic of Belarus
Loan No. 8663-BY

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Our ref. No. 05-01/70 of May 21, 2021

INDEPENDENT AUDITOR'S REPORT

To the Director of State Institution "The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health"

Opinion

We have audited the special purpose financial statements under the Project "Modernization of the Healthcare System of the Republic of Belarus" financed by the International Bank for Reconstruction and Development (hereinafter – IBRD) according to Loan Agreement No. 8663-BY of November 25, 2016 between the Republic of Belarus and IBRD ("Agreement") that includes Project Sources and Uses of Funds Statement, Uses of Funds, Designated Account Statement, Current Account Statement, Uses of Funds using Statements for the period from January 01, 2020 to December 31, 2020, notes to the special purpose financial statements including disclosure of the fundamental principles of the accounting policies.

In our opinion, the accompanying special purpose Financial Statements under the Project fairly in all material respects represent the financial position of the Project as at December 31, as well as received and used Project funds for the period from January 01, 2020 to December 31, 2020, in accordance with the International Public Sector Accounting Standard "Financial Reporting under the Cash Basis of Accounting" developed by the International Public Sector Accounting Standards Board of the International Federation of Accountants.

Basis for Opinion

We conducted our audit in accordance with the requirements of Law of the Republic of Belarus of July 12, 2013 "On Auditing Activity", the National Rules on Auditing Activities effective in the Republic of Belarus, the International Standards on Auditing (hereinafter – "ISAs"). Our responsibilities under these standards are further described in the section "Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements" of this Auditor's Report. We are independent of RSPC MT in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Restriction on Distribution and Use

This Auditor's Report is intended solely for the use of RSPC MT for presentation of information to IBRD on the Project funds received and used. This Auditor's Report is not intended for the use of third parties, and we do not bear any responsibility or liability to any other parties except RSPC MT in respect of this Auditor's Report. In case of taking a decision by such parties based on the contents of this Auditor's Report, the third parties are liable for such decisions.

Responsibilities of the Management and Those Charged with Governance for the Special Purpose Financial Statements under the Project

The Management of the Project is responsible for preparation and fair presentation of the special purpose financial statements under the Project prepared in accordance with the International Public Sector Accounting Standard "Financial Reporting under the Cash Basis of Accounting" developed by the International Public Sector Accounting Standards Board of the International Federation of Accountants and for the internal control system that the Management considers necessary for preparation of the special purpose financial statements under the Project that is free from material misstatement, whether due to fraud or error.

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TIN 690398039

Auditor’s Responsibilities for the Audit of the Special Purpose Financial Statements under the Project

Our objective is to obtain reasonable assurance on whether the special purpose financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on basis of these special purpose financial statements.

Within the frames of the audit held in accordance with the ISAs, we apply professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the special purpose financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control system;
- obtain an understanding of the internal control system relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system;
- evaluate appropriateness of the accounting policies used and reasonableness of accounting estimates and related disclosures made by the Management;
- evaluate presentation of the special purpose financial statements as a whole, their structure and contents, including disclosures, as well as whether the special purpose financial statements present the underlying transactions and events in a manner that ensures their reliable representation.

We communicate with the Management and those charged with governance regarding, among other matters, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in the internal control system that we identify in the course of the audit.

Engagement Partner,

Director of FBK-Bel LLC



Alexey G. Reneisky

Head of Engagement Team,

Auditor

Renata V. Kirslite

Audited organisation:

State Institution “The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health” (RSPC MT)

7-A, P. Brovki St., Minsk, 220013, Republic of Belarus

State registration: was registered by the Minsk City Executive Committee on June 23, 1992 in the Unified State Register of legal entities and individual entrepreneurs under No. 100185223.

Taxpayer’s identification number – 100185223.

Auditing organisation:

FBK-Bel Limited Liability Company (FBK-Bel LLC);

office 201-11, 22A Logoisky highway, Minsk, 220090, Republic of Belarus;

State registration: was registered by Minsk City Executive Committee on February 6, 2009 in the Unified State Register of legal entities and individual entrepreneurs under No.690398039;

Taxpayer's identification number – 690398039.

Date of signing the Auditor's report is May 21, 2021.

The Auditor's report was received on May 21, 2021

Full name, job title Dmitry Yu. Ruzanov

Signature



Project Sources and Uses of Funds Statement/Отчет об источниках средств проекта и их использовании

Belarus Health System Modernization Project/ Проект "Модернизация системы здравоохранения РБ"

8663-BY

for the Period 01.01.2020 to 31.12.2020

за период с 01.01.2020 по 31.12.2020

in USD/в долларах США

	Reporting period/ Отчетный период	Cumulative from effectiveness/ С даты начала реализации	TOTAL PER ICA/ Всего по соглашению
Opening Cash Balances/Остаток денежных средств на начало периода			
Designated account-Project funds/Специально выделенный счет-Средства проекта	2 515 927,33	0,00	0,00
Settlement account-Project funds/Текущий счет-Средства проекта	0,00	0,00	0,00
Total opening cash balance/Итого остаток денежных средств на начало периода	2 515 927,33	0,00	0,00
Sources of funds/Источники средств			
8663-BY	5 000 000,00	13 687 500,00	124 687 500,00
Direct Payments/ Прямые платежи	0,00	0,00	0,00
Other/ Другие	0,00	0,00	0,00
Front-End-Fee/ Разовый сбор	0,00	312 500,00	312 500,00
Total financing/Итого по источникам средств	5 000 000,00	14 000 000,00	125 000 000,00
Less: Expenditures by Components/ Расходы по компонентам			
Component 1: Establishment of e-Health and Clinical Decision-support Systems/ Компонент 1: Создание электронного здравоохранения и системы поддержки клинических решений	1 059 413,11	1 962 211,10	65 211 000,00
Component 2: Improvement of Clinical Competencies of Health Care Providers in Non-communicable Disease Management/ Компонент 2: Повышение уровня клинических компетенций работников здравоохранения по ведению нефункциональных заболеваний	3 023 716,75	6 913 985,86	46 146 000,00
Component 3: Modernization of Neonatal care at the Republican Center of Mother and Child/ Компонент 3: Модернизация системы оказания неонатальной помощи в ГУ РНПЦ "Мать и дитя"	2 392 176,98	2 693 508,11	11 599 000,00
Component 4: Project Management, Monitoring and Evaluation/ Компонент 4: Управление, мониторинг и оценка Проекта	200 607,08	1 590 281,52	2 044 000,00
Total Expenditures/Итого расходы по компонентам	6 675 913,92	13 159 986,59	125 000 000,00
Interest earned/Проценты банка	0,00	0,00	
Closing Cash balances per Bank Statements/Остаток денежных средств на конец отчетного периода по банковским выпискам			
Designated account-IBRD loan/Специально выделенный счет-IBRD	840 013,41	840 013,41	
Settlement account-Project funds/Текущий счет-источники средств	0,00	0,00	
Funds in transit/Средства в пути	0,00	0,00	
Total closing Cash balances/Итого остаток денежных средств на конец периода	840 013,41	840 013,41	840 013,41

Director RSPC MT/ Директор РНПЦ МТ

General accountant RSPC MT / Главный бухгалтер РНПЦ МТ

Head of the Project Implementation Unit of RSPC MT / Заведующий отделом управления проектом РНПЦ МТ

Head of Finance Sector of Project Implementation Unit / Заведующий сектором по финансовому обеспечению отдела

Dmitry Yu. Ruzanov/Д.Ю. Рузанов

Natalia A. Zaharevich / Н.А. Захаревич

Andrei A. Kobel / А.А. Кобель

Nikolai V. Olesniuk/Н.В. Олесьнюк



Uses of Funds/Отчет о расходовании средств Проекта

Belarus Health System Modernization Project/ Проект "Модернизация системы здравоохранения РБ"

8663-BY

for the Period 01.01.2020 to 31.12.2020 /за период с 01.01.2020 по 31.12.2020

Project expenditures/Расходы Проекта

in USD/в долларах США

Project component/Subcomponent/Activity/Компонент Проекта/Мероприятие	Total Amount per procurement plan/Общая сумма согласно плану закупок	Current quarter/Отчетный квартал	Year to date/Отчетный год	Cumulative to date/Совокупные расходы на отчетную дату	Amount payable at the reporting date/(goods/services accepted but not paid)/Кредиторская задолженность(товары/услуги приняты, но не оплаченные)	Total payments still to be made/Итого расходы
	1	2	3	4	5	6=1-4
Component 1: Establishment of e-Health and Clinical Decision-support Systems/Компонент 1: Создание электронного здравоохранения и системы поддержки клинических решений						
Total Component 1/Итого Компонент 1	65 211 000,00	339 148,71	1 059 413,11	1 962 211,10	0,00	63 248 788,90
Component 2: Improvement of Clinical Competencies of Health Care Providers in Non-communicable Disease Management/Компонент 2: Повышение уровня клинических компетенций работников здравоохранения по ведению неинфекционных заболеваний						
Total Component 2/Итого Компонент 2	46 146 000,00	2 540 075,23	3 023 716,75	6 913 985,86	0,00	39 232 014,14
Component 3: Modernization of Neonatal care at the Republican Center of Mother and Child/Компонент 3: Модернизация системы оказания неонатальной помощи в ГУ РНПЦ "Мать и дитя"						
Total Component 3/Итого Компонент 3	11 599 000,00	809 785,66	2 392 176,98	2 693 508,11	0,00	8 905 491,89
Component 4: Project Management, Monitoring and Evaluation/Компонент 4: Управление, мониторинг и оценка Проекта						
Total Component 4/Итого Компонент 4	2 044 000,00	3 745 173,45	200 607,08	1 590 281,52	0,00	453 718,48
Total project Expenditure/Итого расходы проекта	125 000 000,00	3 745 173,45	6 675 913,92	13 159 986,59	0,00	111 840 013,41

Director RSPC MT/ Директор РНПЦ МТ

General accountant RSPC MT / Главный бухгалтер РНПЦ МТ

Head of the Project Implementation Unit of RSPC MT / Заведующий отделом управления проектом РНПЦ МТ

Head of Finance Sector of Project Implementation Unit / Заведующий сектором по финансовому обеспечению отдела

Директор Ю. Рузанов/Д.Ю. Рузанов

Наталья А. Захаревич / Н.А. Захаревич

Андрей А. Кобель / А.А. Кобель

Николай В. Олесиук/Н.В. Олесиук



Designated Account Statement/Отчет о состоянии специально выделенного счета

Belarus Health System Modernization Project/ Проект "Модернизация системы здравоохранения РБ"		
8663-BY		
for the Period 01.01.2020 to 31.12.2020		
за период с 01.01.2020 по 31.12.2020		
in USD/в долларах США		
		Period/Отчетный период
1	Opening balance at 01.01.2020/Остаток денежных средств на начало отчетного периода	2 515 927,33
2	Advance of Project funds during the period/Поступившие в отчетном периоде авансы	5 000 000,00
3	Amount of eligible expenditures paid during the present period/Сумма санкционированных расходов в отчетном периоде	1 320 546,07
4	Amount of funds transferred to the transit account/Сумма денежных средств перечисленная на транзитный счет	5 355 367,85
	Refund to IBRD from DA during the period/Возмещение средств со специально выделенного счета на счет Проекта	0,00
	Intereset earned/Начисленные проценты банка	0,00
	Service charges/Стоимость услуг	0,00
5	Calculated DA closing balance/Расчитанный остаток денежных средств на специально выделенном счете	840 013,41
6	DA closing balance as at 31.12.2020 carried forward to next period-per bank statements/Остаток денежных средств на специально выделенном счете, перенесенный на следующий отчетный период	840 013,41
	Difference between 5 and 6/ Разница между линиями 5 и 6 (should be zero or explained)/должна быть равна нулю или объяснена	0,00
Explanation of any discrepansy/Объяснение любых разниц и несоответствий:		

Director RSPC MT/ Директор РНПЦ МТ

Dmitry Yu. Ruzanov/Д.Ю. Рузанов

General accountant RSPC MT / Главный бухгалтер РНПЦ МТ

Natallia A. Zaharevich / Н.А. Захаревич

Head of the Project Implementation Unit of RSPC MT / Заведующий отделом управления проектом РНПЦ МТ

Andrei A. Kobel / А.А. Кобель

Head of Finance Sector of Project Implementation Unit / Заведующий сектором по финансовому обеспечению отдела

Nikolai V.Olesiuk/Н.В. Олесиук

Current Account Statement/Отчет о состоянии текущего счета

Belarus Health System Modernization Project/ Проект "Модернизация системы здравоохранения РБ"		
8663-BY		
for the Period 01.01.2020 to 31.12.2020		
за период с 01.01.2020 по 31.12.2020		
in USD/в долларах США		
	Period/Отчетный период	
1	Opening balance at 01.01.2020/Остаток денежных средств на начало отчетного периода	0,00
2	Advance from DA during the period/Сумма авансов, поступившая со специально выделенного счета	5 355 367,85
3	Amount of eligible expenditures paid during the present period/ Сумма санкционированных расходов в отчетном периоде	5 355 367,85
	Refunds/Возмещение на специально выделенный счет	0,00
	Interest earned/Начисленные проценты банка	0,00
	Service charges/Стоимость услуг	0,00
4	Calculated closing balance/Расчитанный остаток денежных средств на текущем счете	0,00
5	DA closing balance as at 31.12.2020 carried forward to next period-per bank statements/Остаток денежных средств на текущем счете, перенесенный на следующий отчетный период	0,00
	Diffrence between 4 and 5/ Разница между линиями 4 и 5. (should be zero or explained)/должна быть равна нулю или объяснена	0,00
Explanation of any discrepancy/Объяснение любых различий и несоответствий:		

Director RSPC MT/ Директор РНПЦ МТ

Dmitry Yu. Ruzanov/Д.Ю. Рузанов

General accountant RSPC MT / Главный бухгалтер РНПЦ МТ

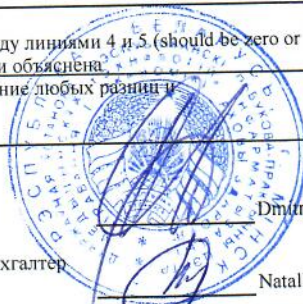
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Head of the Project Implementation Unit of RSPC MT / Заведующий отделом управления проектом РНПЦ МТ

Andrei A. Kobel / А.А. Кобель

Head of Finance Sector of Project Implementation Unit / Заведующий сектором по финансовому обеспечению отдела

Nikolai V.Olesiuk/Н.В. Олесиук



WITHDRAWAL STATEMENT FOR THE PERIOD
FROM 1, JANUARY, 2020 TO 31, DECEMBER, 2020

(USD)

Withdrawal application number	Date of replenishment of a special loan account	Replenishment of a special account	Total	Type of transaction
25	25.06.2020	BY40BLBB36200100185223001001	1 000 000,00	DA-A
27	25.09.2020	BY40BLBB36200100185223001001	4 000 000,00	DA-A
Total			5 000 000,00	

Director of RSPC MT

General accountant RSPC MT

Head of the PIU

Head of the Finance Sector of PIU



Dmitry Yu. Ruzanov

Natallia A. Zaharevich

Andrei A. Kobel

Nikolai V. Olesiuk

Notes to the financial statements
under the Project “Modernization of the Health System of the Republic of Belarus”
No. 8663-BY
for the reporting period from January 1 2020 to December 31, 2020

1. Information on the Project

The Project “Modernization of the Health System of the Republic of Belarus” is implemented within the framework of the Loan Agreement between the Republic of Belarus and the International Bank for Reconstruction and Development signed on November 25, 2016 and ratified by Law of the Republic of Belarus of April 10, 2017 No. 21-3.

Date of the Project entering into force – May 19, 2017.

The budget of the Project in accordance with the Loan Agreement is 125 million US Dollars, the loan term is 15 years including the grace period (moratorium on the principal amount of loan) of 5 years.

The loan closing date is December 31, 2023.

The objective of the Project is to contribute to improving selected aspects of the quality of the health care delivery in the Republic of Belarus.

This objective will be attained through:

1. establishment of a centralized e-health system and introduction of a clinical decision-support system based on information and communication technologies for quality improvement;
2. improvement of clinical competencies of health care providers in non-communicable disease management;
3. modernization of neonatal care system at the Republican Center of Mother and Child;

The Project consists of four major components:

1. Establishment of e-health and clinical decision-support system (65.2 million US Dollars);
2. Improvement of clinical competencies of health care providers in non-communicable disease management (46.2 million US Dollars);
3. Modernization of neonatal care at the Republican Center of Mother and Child (11.6 million US Dollars);
4. Project management, monitoring and evaluation (2.0 million US Dollars).

2. Accounting Policies

Fundamental accounting principles – these financial statements under the Project are prepared based on the cash basis which complies with the International Public Sector Accounting Standards developed by the International Public Sector Accounting Standards Board of the International Federation of Accountants.

Project funding is recognized to be the source of the Project funds at the moment of receipt of the funds. Project costs are recognized to be the use of Project funds at the moment of effecting the payment.

Transactions in foreign currencies – these financial statements are presented in US Dollars. Transactions in other currencies are translated into US Dollars at the exchange rate effective at the date of withdrawal of the said funds from the designated Project account.

Basis for preparation of the financial statements is the accounting data of State Institution "The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health. Accounting for transactions under the Project is separated from accounting for funds of other funding sources of State Institution "The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health".

3. Project Funds Financed by the World Bank

The Project funds were provided by the World Bank against applications for withdrawal signed by authorized representatives of State Institution "The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health" – the Director, Deputy Director for Research, Chief Accountant, Deputy Chief Accountant.

Project Accounts

Project accounts are opened in the Direction of Belinvestbank JSC for Minsk City and Minsk Region meeting the requirements of the World Bank.

a. Designated Account

Designated account No. BY40BLBB36200100185223001001 has been opened in US Dollars.

The balance of the designated account at the end of the reporting period constituted 840 013,41 US Dollars.

b. Current Account in BYN (Transit Account)

Current account in BYN No. BY13BLBB36200100185223001002 has been opened for settlements with national consultants and suppliers of goods, works, services. The funds after conversion of US Dollars from the designated account into BYN hit this account.

The balance of the current account in BYN at the end of the reporting period constituted 0 BYN.

Basis for Funding

Loan funds can be withdrawn for funding of 100% of eligible expenses, including payment for Consultants' services, audit, training and operating expenses inclusive of taxes.

Reconciliation of funding received from the World Bank with actual Project costs

Applications for withdrawal of funds	in US Dollars
Expenses for the period from January 1, 2020 to December 31, 2020	6 675 913,92
Total, expenses incurred for the period from January 1, 2020 to December 31, 2020	6 675 913,92
World Bank funds received for the period from January 1, 2020 to December 31, 2020	5 000 000,00
Replenishment of the designated account	5 000 000,00
Direct payments	

Front-End-Fee

Plus: Balance of the designated account at January 1, 2020	2 515 927,33
Minus: Front-End-Fee	0
Minus: Balance of the designated account at December 31, 2020	840 013,41
Minus: Balance of the transit account in BYN at December 31, 2020	0
Total, expenses incurred for the period from January 1, 2020 to December 31, 2020	6 675 913,92

Director of RSPC MT

Dmitry Yu. Ruzanov

General accountant RSPC MT

Natallia A. Zaharevich

Head of the PIU

Andrei A. Kobel

Head of the Finance Sector of PIU

Nikolai V. Olesiuk



FBK-Bel LLC

Numbered and tied together

14 (fourteen) sheets

Reneisky A.G.