

**Emergency response to COVID-19 in the Republic of Belarus
Loan No. 9117 – BY**

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

**Financial statements under
Emergency response to COVID-19 in the Republic of Belarus Project
Loan No. 9117 – BY
for the period from January 1, 2022 to May 17, 2022 with the independent
auditor’s report**

Minsk | 2022

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STATEMENT ON THE MANAGEMENT'S RESPONSIBILITY FOR PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS UNDER THE PROJECT FOR THE PERIOD FROM JANUARY 01, 2022 TO MAY 17, 2022

The Management of is responsible for preparation of the financial statements under Emergency response to COVID-19 in the Republic of Belarus Project (hereinafter – “the Project”) being implemented by State Institution “The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health” that present fairly in all material respects the financial position of the Project as at May 17, 2022, as well as funds received and used under the Project for the period from January 1, 2022 to May 17, 2022 in accordance with the International Public Sector Accounting Standards (IPSAS).

While preparing the financial statements under the Project, the Management is responsible for:

- adequate choice and application of accounting policies' principles;
- presentation of information including that on accounting policies in a form which ensures relevance, reliability, comparability and transparency of such information;
- compliance with the requirements of IPSAS and disclosure of all significant deviations from IPSAS in the Notes to the financial statements under the Project.

The Management is also responsible for:

- development, introduction and maintaining of effective and reliable internal control system under the Project;
- maintenance of accounting in a form that allows to address the substance and explain transactions under the Project, and also to provide information of sufficient accuracy on the financial position of the Project at any date and ensure compliance with IPSAS;
- taking all possible reasonable steps to safeguard of the assets of the Project and detecting and preventing facts of financial and other irregularities.

The present financial statements under the Project for the period from January 1, 2022 to May 17, 2022 were approved by the Management on June 20, 2022.

On behalf of the Management

Dmitry Y. Ruzanov
Director

July 15, 2022



Nataliya A. Zaharevich
Chief Accountant

Reg. No. 05-01/97 of July 15, 2022.

INDEPENDENT AUDITOR'S OPINION

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

Auditor's Opinion

We have audited the financial statements of State Institution "The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health" (hereinafter – RSPC MT) under Emergency response to COVID-19 in the Republic of Belarus Project (hereinafter – the "Project"), financed by the International Bank for Reconstruction and Development (hereinafter – "IBRD") according to Loan Agreement No. 9117-BY of June 01, 2020 between the Republic of Belarus and IBRD (hereinafter – the Agreement) that include the statement of project sources and uses of funds statement, uses of funds, designated account statement, current account statement and withdrawal statement withdrawal statement for the period from January 1, 2022 to May 17, 2022, as well as notes to the financial statements including disclosure of main accounting policies.

In our opinion, the accompanying financial statements under the Project fairly in all material respects represent data on received and used Project funds for the period from January 1, 2022 to May 17, 2022, 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 specified standards are stated 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.

Emphasis of Matter – Accounting Principles and Restriction on Distribution and Use

Without modifying the generated conclusion, we wish to draw your attention to Paragraph 2 of the Notes to the I financial statements, which describes the principles used in the preparation of financial statements. Our 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. Our Auditor's Report is not intended for the use of third parties, and in respect of this Auditor's Report we do not bear any responsibility or liability to any other parties except RSPC MT. In case of taking a decision by such parties based on the contents of our Auditor's Report, the third parties are liable for such decisions.

Significant Uncertainty in regards to Going Concern

We wish to draw your attention to Paragraph 3 of the Notes to the financial statements, which states that since March 19, 2022, the financing of the Project by the International Bank for Reconstruction and Development (hereinafter – "the Bank") has been suspended. RSPC MT has been notified by the Bank that due to large-scale restrictions and sanctions imposed on financial institutions of the Republic of Belarus by a significant number of countries, as well as other restrictions, further implementation of the Project is unlikely. We do not express a modified opinion due to this issue.

Responsibilities of the Management of the Financial Statements under the Project

The Management of the Project is responsible for preparation and fair presentation of the 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 financial statements under the Project that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the ability of the Project to operate as a going concern, for disclosing, as appropriate, information related to the continuity of operations, and for applying the principle of continuity of activities used in accounting, unless the Management intends to terminate the activities of the Project or when it does not have any there is another real alternative, other than termination of activity.

Auditor's Responsibilities for the Audit of the Financial Statements under the Project

Our objective is to obtain reasonable assurance on whether the 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 financial statements.

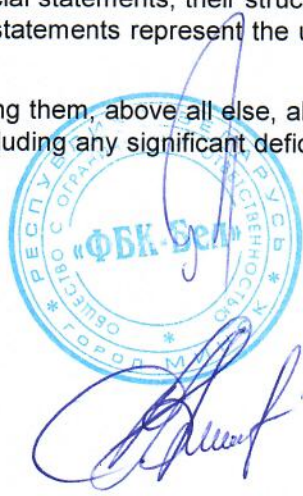
Within the frames of the audit held in accordance with the ISAs, we apply professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the 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 estimated values calculated by the Management, and related disclosures;
- we conclude on the legality of the Management's application of the going concern assumption, and on the basis of the audit evidence obtained, we conclude whether there is a material uncertainty due to events or conditions that may result in significant doubts about the ability of the Project to operate on the going-concern basis. If we conclude that there is a material uncertainty, we should draw attention in our auditor's report to the relevant disclosures in the financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our audit opinion. However, future events or conditions may cause the Project to lose the ability to operate on the going-concern basis;
- evaluate the overall presentation of the financial statements, their structure and content, including disclosure of information, as well as whether the financial statements represent the underlying transactions and events in such a way as to ensure their fair presentation.

We communicate with the Management, informing them, above all else, about 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

Head of Engagement Team,
Auditor



Alexey G. Reneisky

Renata V. Kirslite

FBK-BEL LLC

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;

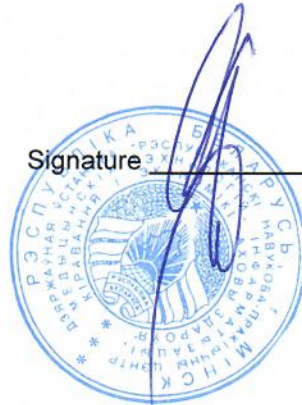
State registration: was registered by Minsk City Executive Committee on February 6, 2009 in the Unified State Register of legal entities and individual entrepreneurs under No.690398039;

Taxpayer's identification number – 690398039.

Date of signing the Auditor's report is July 15, 2022.

The Auditor's report was received on 15 July, 2022.

Full name, job title Director D. Yu. Puzanov



Signature _____

Project Sources and Uses of Funds Statement

Belarus Emergency COVID-19 Response Project
 9117-BY
 for the Period 01.01.2022 to 17.05.2022
 in EUR

	Reporting period		Cumulative from effectiveness	TOTAL PER LA
Opening Cash balances				
Designated account-Project funds	3 019 572,31		0,00	0,00
Settlement account-Project funds	0,00		0,00	0,00
Total opening cash balance	3 019 572,31		0,00	0,00
Sources of funds				
9117-BY	0,00		18 400 000,00	32 334 511,47
Direct Payments	2 971 028,14		57 440 488,53	57 440 488,53
Other	0,00		0,00	0,00
Front-End-Fee	0,00		225 000,00	225 000,00
Total financing		2 971 028,14	76 065 488,53	90 000 000,00
Less: Expenditures by Components				
Component 1 Emergency measures for the coronavirus COVID-19 disease counteractions and prompt emergency responses	4 440 205,85		74 133 883,07	89 420 000,00
Component 2: Execution and monitoring of the Project	74 135,50		455 346,36	580 000,00
Total Expenditures		4 514 341,35	74 589 229,43	90 000 000,00
Interest earned		0,00	0,00	
Closing Cash balances per Bank Statements				
Designated account-IBRD loan	1 475 303,63		1 475 303,63	
Settlement account-Project funds	955,47		955,47	
Funds in transit/Счета в пути	0,00		0,00	
Total closing Cash balances		1 476 259,10	1 476 259,10	

Director RSPC MT

General accountant RSPC MT

Head of the Project Implementation Unit of RSPC MT

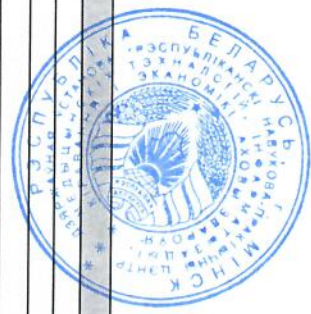
Head of Finance Sector of Project Implementation Unit

Dmitry Yu. Ruzanov

Natallia A. Zaharevich

Vladislav V. Shilov

Nikolai V. Olesiuk



Uses of Funds

Belarus Emergency COVID-19 Response Project
 9117-BY
 for the Period 01.01.2022 to 17.05.2022
 Project expenditures
 in EUR

Project component/Subcomponent/Activity	Total amount per procurement plan 1	Current quarter 2	Year to date 3	Cumulative to date 4	Amount payable at the reporting date (goods/services accepted but not paid) 5	Total payments still to be made 6=1-4
Component 1: Emergency measures for the coronavirus COVID-19 disease counteractions and prompt emergency responses						
Total Component 1	89 420 000,00	2 112 562,25	4 440 205,85	74 133 883,07	709 993,06	15 286 116,93
Component 2: Execution and monitoring of the Project						
Total Component 2	580 000,00	54 818,31	74 135,50	455 346,36	0,00	124 653,64
Total project Expenditure	90 000 000,00	2 167 380,56	4 514 341,35	74 589 229,43	709 993,06	15 410 770,57

Director RSPC MT

Dmitry Yu. Ruzanov

General accountant RSPC MT

Natallia A. Zaharevich

Head of the Project Implementation Unit of RSPC MT

Vladislav V. Shilov

Head of Finance Sector of Project Implementation Unit

Nikolai V. Olesiuk




Designated Account Statement

Belarus Emergency COVID-19 Responce Project			
Designated Account Statement			
9117-BY			
for the Period 01.01.2022 to 17.05.2022			
in EUR			
		Period	
1	Opening balance at 01.01.2022	3 019 572,31	
2	Advance of Project funds during the period	0,00	
3	Amount of eligible expenditures paid during the present period	271 923,76	
4	Amount of funds transferred to the transit account	1 272 344,92	
	Refund to IBRD from DA during the period	0,00	
	Interest earned	0,00	
	Service charges	0,00	
5	Calculated DA closing balance		1 475 303,63
6	DA closing balance as at 17.05.2022 carried forward to next period-per bank statements	1 475 303,63	
	Difference between 5 and 6 (should be zero or explained)		0,00
Explanation of any discrepancy:			

Director RSPC MT




 Dmitry Yu. Ruzanov


General accountant RSPC MT

 Natallia A. Zaharevich

Head of the Project Implementation Unit of RSPC MT

 Vladislav V. Shilov


Head of Finance Sector of Project Implementation Unit

 Nikolai V. Olesiuk

Current Account Statement

Belarus Emergency COVID-19 Responce Project			
9117-BY			
for the Period 01.01.2022 to 17.05.2022			
in EUR			
		Period	
1	Opening balance at 01.01.2022	0,00	
2	Advance from DA during the period	1 272 344,92	
3	Amount of eligible expenditures paid during the present period	1 271 389,45	
	Refunds	0,00	
	Intereset earned	0,00	
	Service charges	0,00	
4	Calculated closing balance		955,47
5	DA closing balance as at 17.05.2022 carried forward to next period-per bank statements	955,47	
	Difference between 4 and 5 (should be zero or explained)		0,00
Explanation of any discrepancy:			


Director RSPC MT


Dmitry Yu. Ruzanov


General accountant RSPC MT


Natallia A. Zaharevich

Head of the Project Implementation Unit of RSPC MT


Vladislav V. Shilov

Head of Finance Sector of Project Implementation Unit


Nikolai V. Olesiuk



WITHDRAWAL STATEMENT FOR THE PERIOD
FROM 1, JANUARY, 2022 TO 17, MAY, 2022

(EUR)

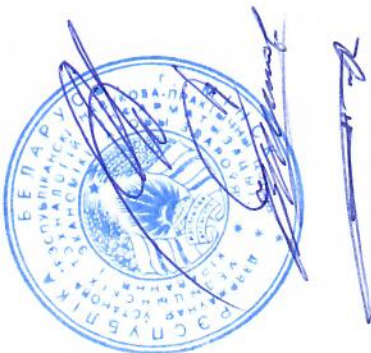
Withdrawal application number	Date of replenishment of a special loan account	Replenishment of a special account	Total	Type of transaction
Total			-	

Director of RSPC MT

General accountant RSPC MT

Head of the PIU

Head of the Finance Sector of PIU



Dmitry Yu. Ruzanov

Natalia A. Zaharevich

Vladislav V. Shilov

Nikolai V. Olesiuk

**Comments concerning financial statements
of the Project “Belarus Emergency COVID-19 Response Project” No. 9117-BY
for the reporting period January 1, 2022 - May 17, 2022**

1. Information about the Project

“**Belarus Emergency COVID-19 Response Project**” is implemented within the framework of the Loan Agreement between the Republic of Belarus and the International Bank for Reconstruction and Development signed on June 01, 2020 and ratified by the Law of the Republic of Belarus on July 23, 2020 No. 292.

The Project entered into force on August 5, 2020.

In accordance with the Loan Agreement the budget of the Project is 90 million EUR, the loan term is 11 years including the grace period (moratorium on the principal amount of the loan) - 11 years.

Closing date of the loan is December 31, 2022.

The aim of the Project is to prevent, detect and respond to the COVID-19 outbreak, as well as to improve the preparedness of the national health system for public health emergencies in the Republic of Belarus.

This goal will be achieved by:

1. equipment, development and/or modernization of intensive care units in selected healthcare organizations and provision of medical devices, medicines and equipment for the treatment of COVID-19 patients, as well as training and individual operating expenses;

2. support in procurement and distribution of modern, well-equipped and functional ambulances and the necessary equipment to ensure the timely delivery of COVID-19 patients to intensive care units and their redirection to other facilities, if necessary;

3. provision the staff of government medical laboratories and health organizations with the protective equipment, diagnostic reagents, including test kits, and training to detect, prevent, and manage COVID-19 patients, as well as training to build long-term capacity for pandemic preparedness; and

4. support in communication readiness and communication activities through, inter alia, the development of messages and materials to raise awareness and understanding among the public and stakeholders of the risks and possible consequences associated with COVID-19 infection.

The Project consists of two major components:

1. Emergency COVID-19 measures and rapid emergency response (89.42 million EUR);

2. Project Implementation and Monitoring (0.58 million EUR).

2. Accounting Policy

Fundamental accounting principles – these financial statements under the Project are prepared 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 EUR. Transactions in other currencies are calculated into EUR at the actual EUR selling rate for posting expenses.

Basis of the financial statements - accounting data of the State Institution "The Republican Scientific and Practical Center of Medical Technologies, Informatization, Management and Economics of Public Health" serves as the basis for reporting. Accounting for transactions under the Project is separated from accounting for funds from other funding sources of the 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 according to applications for withdrawal signed by authorized representatives of the 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 Directorate of Belinvestbank JSC in Minsk and Minsk Region and meet the requirements of the World Bank.

a. Designated Account

Designated account No. BY83BLBB36200100185223001003 has been opened in EUR.

The balance of the designated account at the end of the reporting period is 1 475 303.63 EUR.

b. Current Account in BYN (Transit Account)

Project account in BYN No. BY56BLBB36200100185223001004 has been opened to pay for national consultants and suppliers of goods, works, services. Project account is credited to the account after converting EUR from a designated account in BYN.

The balance of the current account in BYN at the end of the reporting period is 2500,00 BYN.

Basis for Funding

Loan funds could be withdrawn in period from March 20, 2022 to May 17, 2022 for funding of 100% of eligible expenses, including payment for Consultants' services, audit, training and operating expenses inclusive of taxes.

It should be noted that, citing the deterioration of the operating environment resulting from the cumulative impact of the sweeping restrictions and sanctions imposed on Belarusian financial institutions by a significant number of countries and institutions, as well as substantial restrictions on travel and access to materials and technology, the Bank has determined that an extraordinary situation has occurred that makes it improbable that the Projects can be carried out in accordance with the obligations contained in the respective Loan and Grant Agreements and has notified us that the right of the Borrower to make further withdrawals from the Loans and Grant referenced above and in the attached Annex is suspended as of 12:01 a.m., Washington, D.C. time, March 19, 2022 ("Suspension Date").

No deposits will be made to the Special Account for the Loan during the suspension period.

In accordance to the Bank's policy, the suspension is not apply to withdrawal requests received by the Bank up to and including 60 days after the Suspension Date,

covering payments made or due to suppliers and contractors under contracts signed prior to the suspension, for goods supplied, services rendered and work completed within 30 days of the Suspension Date, also Advances provided to U.N. agencies under Project. Applications documenting the allowable expenses from the account must still be submitted to the Bank. Any expenses paid from the Special Account are documented to the Bank no later than 90 days after the Suspension Date, except that the Borrower may continue to use the Special Account for six months after the Suspension Date for payments by: (1) external auditors; and (2) staff of the Project Implementation Units. Any funds remaining in the Special Account must be returned to the Bank after six months.

Until March 19, 2022, expenditures under the Project were carried out in accordance to the requirements of the Project, determined by the Loan Agreement. Between March 20, 2022 and May 17, 2022, expenses were incurred in accordance with the requirements of the suspension notice.

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

Applications for withdrawal of funds	in EUR
Expenses for the period from January 1, 2022 to May 17, 2022	1 543 313.21
Total, expenses incurred for the period from January 1, 2022 to May 17, 2022	1 543 313.21
World Bank funds received for the period from January 1, 2022 to May 17, 2022	2 971 028,14
Replenishment of the designated account	0.00
Direct payments	2 971 028,14
Front-End-Fee	0,00
Plus: Balance of the designated account at January 1, 2022	3 019 572.31
Minus: Direct payments	2 971 028,14
Minus: Balance of the designated account at May 18, 2022	1 475 303.63
Minus: Balance of the transit account in BYN at May 18, 2022	955.47
Total, expenses incurred for the period from January 1, 2022 to May 17, 2022	1 543 313.21

Director of RSPC MT



Dmitry Yu. Ruzanov

Chief accountant of RSPC MT

Natallia A. Zaharevich

Head of the PIU



Vladislav V. Shilov

Head of the Financial Sector of PIU



Nikolai V. Olesiuk

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FBK-Bel LLC

Numbered and tied together

15 (Fifteen) sheets

Director Alexey G. Reneisky