

**MINISTRY FOR COMMUNITIES, TERRITORIES AND INFRASTRUCTURE
DEVELOPMENT OF UKRAINE**

SECOND URBAN INFRASTRUCTURE PROJECT,

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

Together with Independent Auditor's Report

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

For the period from 01 January 2022 to 31 December 2022

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INDEPENDENT AUDITORS' REPORT

To the Ministry for Communities, Territories and Infrastructure Development of Ukraine

Report on the audit of the special purpose financial statements

Opinion

We have audited the Special Purpose Financial Statements with regard to the Urban Infrastructure Project - 2 (further in the text – the Project), being financed with funds of IBRD Loan No. 8391-UA and CTF Loan No. TF017112 for the period from 01 January 2022 to 31 December 2022, which comprise:

- Summary of Sources and Uses of Funds as at 31 December 2022;
- Report on the Statements of Expenditure from 01 January 2022 to 31 December 2022;
- Special Account Statement for the period from 01 January 2022 to 31 December 2022;
- Summary of significant accounting policies and other explanatory notes.

In our opinion, Special Purpose Financial Statements present fairly, in all material aspects, the sources and use of funds of IBRD Loan No. 8391-UA and CTF Loan No. TF017112 concerning the Urban Infrastructure Project - 2 for the period from 01 January 2022 to 31 December 2022, in accordance the Bank's regulations.

External funds have been used in compliance with the requirements of the corresponding general conditions, financial agreements, and the Disbursement Letter, paying due attention to efficiency and cost-effectiveness; and have been used only for the corresponding purposes.

Conditions of the Loan Agreements No. 8391-UA and No. TF017112 do not provide for the use of partners' funds.

The services have been purchased in compliance with the corresponding general conditions, financial agreements, and the Disbursement Letter.

Accounting and storing of the necessary interim documents, accounting data and accounts regarding all Project transactions, including those concerning the expenditures disclosed in the Statements of actual expenditures, are performed in a due manner. There is a clear interconnection between accounting data and the financial statements provided to the World Bank.

The prepared special purpose financial statements comply with the requirements of generally accepted accounting principles and practices, and the instructions from the World Bank; and truly and objectively reflect the financial position of the Project as at 31 December 2022 as well as the resources and expenditures for the period from 01 January 2022 to 31 December 2022.

Opinion regarding expenditures

In addition, with regard to the expenditures for the period from 01 January 2022 to 31 December 2022, adequate supporting documentation was maintained to confirm applications submitted to the Bank for reimbursement of the expenditures incurred, and that the expenditures stated in the withdrawal applications are to be financed in accordance with the terms and conditions of the IBRD Loan No. 8391-UA and CTF Loan No. TF017112.

Separate opinion regarding Special Accounts Statement

In our opinion, the financial statements on the Special accounts give true and fair view of financial position of the Special Accounts of the Project, as at 31 December 2022 and for the period from 01 January 2022 to the date fixed in consistence with the World Bank regulations.

These accounts were conducted according to the provisions of the corresponding general conditions, financial agreements, and the Disbursement Letter.

BDO LLC, a Ukrainian LLC, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Ministry for Communities, Territories and Infrastructure Development of Ukraine in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA's Code), and ethical requirements applied in Ukraine to our audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the IESBA's Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 2 to the special purpose financial statements, where it is stated that the closing date for the Loan disbursement is June 30, 2024 or such later date set by the Bank. We do not further qualify our opinion with respect to this matter.

We refer to Notes 5 and 6 to the special purpose financial statements of the Project, which state that the military aggression of the Russian Federation against Ukraine has occurred during the reporting period upon the implementation of the Project. The military aggression resulted in the imposition of martial law in Ukraine from 05:30 a.m. on February 24, 2022, in accordance with the Law of Ukraine "On Approval of the Decree of the President of Ukraine "On the Introduction of Martial Law in Ukraine" No. 2102, which continues until its official end, and is ongoing as of the date of approval of these special purpose financial statements.

It is stated in Notes 5 and 6 that the Management and Personnel of the Ministry for Communities, Territories and Infrastructure Development of Ukraine and the Project are located outside the area of open hostilities and continue to operate normally. Management of the Ministry for Communities, Territories and Infrastructure Development of Ukraine and the Project takes all necessary measures to operate efficiently and continue the operations of the Ministry for Communities, Territories and Infrastructure Development of Ukraine and the Project on an ongoing basis.

The mentioned above developments indicate that there is material uncertainty that could cast significant doubt on the ability of the Ministry for Communities, Territories and Infrastructure Development of Ukraine and the Project to continue as a going concern.

Our opinion is not modified with respect to these matters.

Responsibility of Management and Those Charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with World Bank's regulations, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Project ability to continue as a going concern within the period of uses of funds, i.e. before 30 June 2024, or such later date set by the Bank disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Project.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole 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 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 the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs, we exercise 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, and 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The audit was performed under the supervision of the Key Audit Partner Nikolaenko O.M.

Key Audit Partner



Nikolaenko O.M.

Number of registration with the Register of Auditors and Audit Companies: 101534

1 December 2023

Kyiv

Limited Liability Company BDO. Identification code under EDRPOU: 20197074. Number of registration in the Register of Auditors and Audit Companies: 2868. Legal address: 4, Andriia Fabra Street, Dnipro, 49070. Tel. 044-393-26-87.

BDO LLC is included in the Register of auditors and audit companies in section 4 «Auditing companies entitled to perform statutory audits of financial statements of public interest entities». Link to the Register: <https://www.apu.com.ua/subjekty-audytorskoi-dijalnosti-jaki-majut-pravo-provodyty-obovjazkovyj-audyt-finansovoi-zvitnosti-pidpryjemstv-shho-stanovljat-suspilnyj-interes/>

Special Purpose Financial Statements

For the period from 01 January 2022 to 31 December 2022

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the independent auditor's responsibilities stated in the Independent Auditor's Report on pages I-III is made with a view to distinguishing the respective responsibilities of management and of the independent auditor in relation to the special purpose financial statements under the Second Urban Infrastructure Project, financed from the IBRD Loan No. 8391-UA and CTF Loan No. TF017112, for the period from January 01, 2022 to December 31, 2022.

Ministry for Communities, Territories and Infrastructure Development of Ukraine and the Project is responsible for the preparation of the special purpose financial statements that give true and fair view of the financial position of the Project as at December 31, 2022, and resources and expenditures for the period from January 01, 2022 to December 31, 2022.

Within the framework of the Urban Infrastructure Project - 2, the Central Project Management Unit (hereinafter referred to as the CPMU), in accordance with the Project Operational Manual, approved by the Order of the Ministry for Communities, Territories and Infrastructure Development of Ukraine No. 249 dated 07.12.2022, provides:

- Selecting suitable accounting principles and applying them consistently;
- Presentation of information, including accounting policies so as to provide for its appropriateness, reliability, comparability and understandability;
- Additional disclosures in Notes and Annexes in cases, where meeting the requirements of the accounting policies stated in Note 2 is insufficient for understanding of the effect of specific operations, other events and conditions on the special purpose financial statements under the Project;

The CPMU also provides:

- Designing, implementing and maintaining an effective and sound internal control system within the Project's implementation;
- Maintaining proper accounting records that enables disclosures at any time with sufficient accuracy about the financial condition of the Project and that ensure that these special purpose financial statements under the Project comply with the accounting policies set out in Note 2;
- Taking such steps as are reasonably available to them to safeguard the assets of the Project;
- Preventing and detecting fraud and other irregularities.

The special purpose financial statements for the period from January 01, 2022 to December 31, 2022, were approved on December 01, 2023.

Signed on behalf of the CPMU:

Head of the CPMU



V. M. Doroshenko

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

SUMMARY OF SOURCES AND USE OF FUNDS

in US dollars

	Actual	
	For the period	Total
Balance at the beginning of the period		
Special account A (1) - Kyiv UC (for the project 8391-UA) - USD	526	
Special account K (2) - Kyiv UC (for the project TF017112) - USD	474	
Special account B (1) - Kharkiv UC (for the project 8391-UA) - USD	4 615 925	
Special account L (2) - Kharkiv UC (for the project TF017112) - USD	1 049 491	
Special account C (1) - Kharkiv Waste Management UC (for the project 8391-UA) - USD	2 131 634	
Special account M (2) - Kharkiv Waste Management UC (for the project TF017112) - USD	429 612	
Special account D (1) Dnipro - Kirovohrad UC (for the project 8391-UA) - USD	1 774 148	
Special account N (2) Dnipro - Kirovohrad UC (for the project TF017112) - USD	385 241	
Special account E (1) - Ternopil UC (for the project 8391-UA) - USD	1 012 439	
Special account O (2) - Ternopil UC (for the project TF017112) - USD	239 049	
Special account F (1) - Zhytomyr UC (for the project 8391-UA) - USD	776 944	
Special account Q (2) - Zhytomyr UC (for the project TF017112) - USD	165 174	
Special account I (1) - Cherkasy UC (for the project 8391-UA) - USD	468 094	
Special account J (1) - Ministry for Communities, Territories and Infrastructure Development of Ukraine (for the project 8391-UA) - USD	112 171	
Special account S (1) - Kolomiya UC (for the project 8391-UA) - USD	19 001	
Special account G (1) - Vinnytsia UC (for the project 8391-UA) - USD	1 945 393	
Special account R (2) - Vinnytsia UC (for the project TF017112) - USD	8 669	
Current account A (1) - Kyiv UC (for the project 8391-UA) - UAH	4 087	
Current account K (2) - Kyiv UC (for the project TF017112) - UAH	928	
Current account B (1) - Kharkiv UC (for the project 8391-UA) - UAH	20 764	
Current account L (2) - Kharkiv UC (for the project TF017112) - UAH	5 566	
Current account C (1) - Kharkiv Waste Management UC (for the project 8391-UA) - UAH	4 996	
Current account M (2) - Kharkiv Waste Management UC (for the project TF017112) - UAH	7 123	
Current account D (1) Dnipro - Kirovohrad UC (for the project 8391-UA) - UAH	25 322	
Current account N (2) Dnipro - Kirovohrad UC (for the project TF017112) - UAH	5 516	
Current account E (1) - Ternopil UC (for the project 8391-UA) - UAH	165 359	
Current account O (2) - Ternopil UC (for the project TF017112) - UAH	46 345	
Current account F (1) - Zhytomyr UC (for the project 8391-UA) - UAH	49 636	
Current account Q (2) - Zhytomyr UC (for the project TF017112) - UAH	14 110	
Current account I (1) - Cherkasy UC (for the project 8391-UA) - UAH	10 727	
Current account S (1) - Kolomiya UC (for the project 8391-UA) - UAH	7 133	
Current account J (1) - Ministry for Communities, Territories and Infrastructure Development of Ukraine (for the project 8391-UA) - UAH	947	
Current account G (1) - Vinnytsia UC (for the project 8391-UA) - UAH	11 397	
Current account R (2) - Vinnytsia UC (for the project TF017112) - UAH	80	
Balance at the beginning of the period:	15 514 021	

Notes on pages 22 - 30 are an integral part of these special purpose financial statements.

URBAN INFRASTRUCTURE PROJECT - 2
Special Purpose Financial Statements
for the period from 01 January 2022 to 31 December 2022

SUMMARY OF SOURCES AND USE OF FUNDS (CONTINUED)

in US dollars

	Actual	
	For the period	Total
Fund source:		
Loans of IBRD and CTF	11 003 845	140 229 759
Total financing:	11 003 845	140 229 759
Project costs:		
Category 1-B: Kharkiv UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	498 199	15 343 291
Category 1-C: Kharkiv Waste Management UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	2 956 697	46 251 202
Category 1-D: Kyiv UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	77 898	10 959 087
Category 1-E: Dnipro - Kirovohrad UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	4 625 939	33 752 534
Category 1-F: Ternopil UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	5 131 553	20 798 594
Category 1-G: Zhytomyr UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	3 515 530	28 227 001
Category 1-H: Vinnytsia UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	1 663 760	6 263 291
Category 2-A: Kramatorsk UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	-	343 000
Category 2-B: Kolomiya UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	-	2 417 672
Category 2-D: Cherkasy UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	281 259	9 115 174
Category 2-E: Novovolynsk UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	-	5 696 561
Category 3: Consultants' services and additional operating costs of the Ministry for Communities, Territories and Infrastructure Development of Ukraine	368 936	5 006 768
Category 4: Front-end fee	-	975 000
Total project costs:	19 119 768	185 149 172

Notes on pages 22 - 30 are an integral part of these special purpose financial statements.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

SUMMARY OF SOURCES AND USE OF FUNDS (CONTINUED)

in US dollars

	Actual	
	For the period	Total
Balance at the end of the period		
Special account A (1) - Kyiv UC (for the project 8391-UA) - USD		526
Special account K (2) - Kyiv UC (for the project TF017112) - USD		474
Special account B (1) - Kharkiv UC (for the project 8391-UA) - USD	4 350 322	
Special account L (2) - Kharkiv UC (for the project TF017112) - USD	989 201	
Special account C (1) - Kharkiv Waste Management UC (for the project 8391-UA) - USD	721 634	
Special account M (2) - Kharkiv Waste Management UC (for the project TF017112) - USD	40 112	
Special account D (1) Dnipro - Kirovohrad UC (for the project 8391-UA) - USD	36 309	
Special account N (2) Dnipro - Kirovohrad UC (for the project TF017112) - USD	9 090	
Special account E (1) - Ternopil UC (for the project 8391-UA) - USD	141 389	
Special account O (2) - Ternopil UC (for the project TF017112) - USD	48 549	
Special account F (1) - Zhytomyr UC (for the project 8391-UA) - USD	76 680	
Special account Q (2) - Zhytomyr UC (for the project TF017112) - USD	28 12	
Special account I (1) - Cherkasy UC (for the project 8391-UA) - USD	186 875	
Special account J (1) - Ministry for Communities, Territories and Infrastructure Development of Ukraine (for the project 8391-UA) - USD	118 371	
Special account S (1) - Kolomiya UC (for the project 8391-UA) - USD	19 001	
Special account G (1) - Vinnytsia UC (for the project 8391-UA) - USD	287 738	
Special account R (2) - Vinnytsia UC (for the project TF017112) - USD	3 055	
Current account A (1) - Kyiv UC (for the project 8391-UA) - UAH	4 087	
Current account K (2) - Kyiv UC (for the project TF017112) - UAH	928	
Current account B (1) - Kharkiv UC (for the project 8391-UA) - UAH	138	
Current account L (2) - Kharkiv UC (for the project TF017112) - UAH	724	
Current account C (1) - Kharkiv Waste Management UC (for the project 8391-UA) - UAH	2 853	
Current account M (2) - Kharkiv Waste Management UC (for the project TF017112) - UAH	1 142	
Current account D (1) Dnipro - Kirovohrad UC (for the project 8391-UA) - UAH	6 692	
Current account N (2) Dnipro - Kirovohrad UC (for the project TF017112) - UAH	668	
Current account E (1) - Ternopil UC (for the project 8391-UA) - UAH	212 682	
Current account O (2) - Ternopil UC (for the project TF017112) - UAH	54 021	
Current account F (1) - Zhytomyr UC (for the project 8391-UA) - UAH	20 346	
Current account Q (2) - Zhytomyr UC (for the project TF017112) - UAH	6 744	
Current account I (1) - Cherkasy UC (for the project 8391-UA) - UAH	10 687	
Current account S (1) - Kolomiya UC (for the project 8391-UA) - UAH	7 133	
Current account J (1) - Ministry for Communities, Territories and Infrastructure Development of Ukraine (for the project 8391-UA) - UAH	812	
Current account G (1) - Vinnytsia UC (for the project 8391-UA) - UAH	10 972	
Current account R (2) - Vinnytsia UC (for the project TF017112) - UAH	15	
	7 398 098	

Signed on behalf of the CPMU:

Head of the CPMU



V. M. Doroshenko

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

SCHEDULE OF WITHDRAWALS FROM THE LOAN ACCOUNT

in US dollars

Application number	Category	Date of withdrawal	Currency	Payment	
				Amount	USD equivalent
245-ZHT	1-G	10.02.2022	EUR	492 686	562 745
160-ZHT	1-G	10.02.2022	EUR	103 642	118 380
242-TER	1-F	16.02.2022	UAH	18 317 054	655 585
158-TER	1-F	16.02.2022	UAH	3 980 029	142 449
259-KRD	1-E	30.03.2022	UAH	5 077 789	174 195
247-KRD	1-E	30.03.2022	UAH	3 864 645	132 578
261-TER	1-F	30.03.2022	UAH	2 041 814	70 045
163-KRD	1-E	30.03.2022	UAH	1 099 570	37 721
260-TER	1-F	31.03.2022	UAH	17 347 729	595 119
162-KRD	1-E	31.03.2022	UAH	836 870	28 709
164-TER	1-F	31.03.2022	UAH	3 769 409	129 311
246-KRD	1-E	04.04.2022	UAH	2 692 423	92 364
161-KRD	1-E	04.04.2022	UAH	583 031	20 001
266-ZHT	1-G	14.04.2022	EUR	28 097	30 511
262-ZHT	1-G	14.04.2022	UAH	627 632	21 531
172-ZHT	1-G	14.04.2022	EUR	5 911	6 418
166-ZHT	1-G	14.04.2022	UAH	132 029	4 529
167-TER	1-F	14.04.2022	UAH	443 656	15 220
170-ZHT	1-G	15.04.2022	UAH	846 477	29 039
263-KRD	1-E	20.04.2022	UAH	543 904	18 659
265-ZHT	1-G	20.04.2022	UAH	545 127	18 701
168-KRD	1-E	20.04.2022	UAH	117 780	4 040
169-KRD	1-E	20.04.2022	UAH	418 940	14 372
171-ZHT	1-G	20.04.2022	UAH	114 673	3 934
260-KRD	1-E	27.04.2022	UAH	122 338	4 197
164-KRD	1-E	27.04.2022	UAH	26 492	909
264-KRD	1-E	28.04.2022	UAH	1 934 655	66 369
269-KHV	1-B	05.05.2022	EUR	113 975	119 674
175-KHV	1-B	05.05.2022	EUR	25 872	27 165
271-KHW	1-C	06.05.2022	USD	804 236	804 236
270-KHW	1-C	06.05.2022	UAH	4 381 199	150 298
272-KRD	1-E	06.05.2022	UAH	567 973	19 484
176-KHW	1-C	06.05.2022	UAH	892 906	30 631
178-KRD	1-E	06.05.2022	UAH	122 992	4 219
177-KHW	1-C	09.05.2022	USD	163 907	163 907
273-KRD	1-E	02.06.2022	USD	354 541	354 541
267-TER	1-F	03.06.2022	UAH	1 754 362	60 184
173-TER	1-F	03.06.2022	UAH	381 197	13 077
274-KRD	1-E	06.06.2022	UAH	1 922 675	65 958
180-KRD	1-E	06.06.2022	UAH	416 346	14 283
179-KRD	1-E	07.06.2022	USD	76 774	76 774
272-CPMU	DA-J	14.06.2022	USD	248 000	248 000
279-KRD	1-E	14.07.2022	USD	39 196	39 196
275-KRD	1-E	14.07.2022	USD	455 999	455 999
181-KRD	1-E	14.07.2022	USD	98 744	98 744
185-KRD	1-E	14.07.2022	USD	8 488	8 488
277-KYV	1-D	18.07.2022	UAH	1 850 631	63 486
183-KYV	1-D	18.07.2022	UAH	420 082	14 411
244-TER	DA-E	25.07.2022	USD	1 800 000	1 800 000
159-TER	DA-O	26.07.2022	USD	390 000	390 000
276-TER	1-F	28.07.2022	UAH	7 600 337	208 671
182-TER	1-F	28.07.2022	UAH	1 651 443	45 341
282-KRD	1-E	28.11.2022	USD	461 482	461 482
188-KRD	1-E	28.11.2022	USD	99 932	99 932
164-KRD	1-E	27.04.2022	UAH	26 492	909
285-CPMU	DA-J	05.12.2022	USD	127 000	127 000
288-ZHT	DA-F	22.12.2022	USD	1 085 000	1 085 000

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

SCHEDULE OF WITHDRAWALS FROM THE LOAN ACCOUNT (CONTINUED)

in US dollars

<i>Application number</i>	<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Payment Amount</i>	<i>USD equivalent</i>
290-ZHT	1-G	23.12.2022	UAH	6 537 199	179 482
193-ZHT	DA-Q	22.12.2022	USD	400 000	400 000
195-ZHT	1-G	23.12.2022	UAH	2 287 314	62 799
284-KRD	1-E	28.12.2022	USD	160 501	160 501
190-KRD	1-E	28.12.2022	USD	34 756	34 756
289-ZHT	1-G	29.12.2022	UAH	3 197 188	87 781
194-ZHT	1-G	29.12.2022	UAH	1 118 671	30 714
Разом:					11 003 845

Summary by categories:	
Category 1-B total	146 839
Category 1-C total	1 149 072
Category 1-D total	77 897
Category 1-E total	2 488 471
Category 1-F total	1 935 002
Category 1-G total	1 156 564
DA-E total	1 800 000
DA-F total	1 085 000
DA-J total	375 000
DA-L total	390 000
DA-O total	400 000
DA-Q total	1 800 000
Total:	11 003 845

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF WITHDRAWALS THROUGH THE SUMMARY OF STATEMENTS OF EXPENDITURES

in US dollars

Application number	Category											Total	
	1-B	1-C	1-D	1-E	1-F	1-G	1-H	2-A	2-B	2-D	2-E		3
1. Expenditure incurred before 01.01.2022 and reflected in the applications to the World Bank during the period 01.01.2022 - 31.12.2022													
159-TER	-	-	-	-	389 863	-	-	-	-	-	-	-	389 863
160-ZHT	-	-	-	-	-	118 380	-	-	-	-	-	-	118 380
161-KRD	-	-	-	20 001	-	-	-	-	-	-	-	-	20 001
162-KRD	-	-	-	1 801	-	-	-	-	-	-	-	-	1 801
164-KRD	-	-	-	909	-	-	-	-	-	-	-	-	909
175-KHV	13 640	-	-	-	-	-	-	-	-	-	-	-	13 640
178-KRD	-	-	-	3 038	-	-	-	-	-	-	-	-	3 038
179-KRD	-	-	-	76 774	-	-	-	-	-	-	-	-	76 774
181-KRD	-	-	-	98 744	-	-	-	-	-	-	-	-	98 744
185-KRD	-	-	-	8 488	-	-	-	-	-	-	-	-	8 488
188-KRD	-	-	-	99 932	-	-	-	-	-	-	-	-	99 932
244-TER	-	-	-	-	1 793 801	-	-	-	-	-	-	-	1 793 801
245-ZHT	-	-	-	-	-	562 745	-	-	-	-	-	-	562 745
246-KRD	-	-	-	92 364	-	-	-	-	-	-	-	-	92 364
247-KRD	-	-	-	8 315	-	-	-	-	-	-	-	-	8 315
260-KRD	-	-	-	4 197	-	-	-	-	-	-	-	-	4 197
269-KHV	60 091	-	-	-	-	-	-	-	-	-	-	-	60 091
272-CPMU	-	-	-	-	-	-	-	-	-	-	-	61 306	61 306
272-KRD	-	-	-	14 028	-	-	-	-	-	-	-	-	14 028
273-KRD	-	-	-	354 541	-	-	-	-	-	-	-	-	354 541
275-KRD	-	-	-	455 999	-	-	-	-	-	-	-	-	455 999
279-KRD	-	-	-	39 196	-	-	-	-	-	-	-	-	39 196
Total	73 731	-	-	1 278 327	2 183 664	681 125	-	-	-	-	-	61 306	4 278 153

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF WITHDRAWALS THROUGH THE SUMMARY OF STATEMENTS OF EXPENDITURES (CONTINUED)

in US dollars

2. Expenditure incurred before 01.01.2022 and reflected in the applications to the World Bank during the period 01.01.2022 - 31.12.2022

Application number	Категорія												Total
	1-B	1-C	1-D	1-E	1-F	1-G	1-H	2-A	2-B	2-D	2-E	3	
156-VIN	-	-	-	-	-	-	3 251	-	-	-	-	-	3 251
158-TER	-	-	-	-	142 449	-	-	-	-	-	-	-	142 449
162-KRD	-	-	-	26 908	-	-	-	-	-	-	-	-	26 908
163-KRD	-	-	-	37 721	-	-	-	-	-	-	-	-	37 721
164-TER	-	-	-	-	129 311	-	-	-	-	-	-	-	129 311
166-ZHT	-	-	-	-	-	4 529	-	-	-	-	-	-	4 529
167-TER	-	-	-	-	15 220	-	-	-	-	-	-	-	15 220
168-KRD	-	-	-	4 040	-	-	-	-	-	-	-	-	4 040
169-KRD	-	-	-	14 372	-	-	-	-	-	-	-	-	14 372
170-ZHT	-	-	-	-	-	29 039	-	-	-	-	-	-	29 039
171-ZHT	-	-	-	-	-	3 934	-	-	-	-	-	-	3 934
172-ZHT	-	-	-	-	-	6 418	-	-	-	-	-	-	6 418
173-TER	-	-	-	-	13 077	-	-	-	-	-	-	-	13 077
174-ZHT	-	-	-	-	-	328 694	-	-	-	-	-	-	328 694
175-KHV	13 525	-	-	-	-	-	-	-	-	-	-	-	13 525
176-KHW	-	30 631	-	-	-	-	-	-	-	-	-	-	30 631
177-KHW	-	163 907	-	-	-	-	-	-	-	-	-	-	163 907
178-KRD	-	-	-	1 181	-	-	-	-	-	-	-	-	1 181
180-KRD	-	-	-	14 283	-	-	-	-	-	-	-	-	14 283
182-TER	-	-	-	-	45 341	-	-	-	-	-	-	-	45 341
183-KYV	-	-	14 411	-	-	-	-	-	-	-	-	-	14 411
187-VIN	-	-	-	-	-	-	3 927	-	-	-	-	-	3 927
190-KRD	-	-	-	34 756	-	-	-	-	-	-	-	-	34 756
193-ZHT	-	-	-	-	-	80 178	-	-	-	-	-	-	80 178
194-ZHT	-	-	-	-	-	30 714	-	-	-	-	-	-	30 714
195-ZHT	-	-	-	-	-	62 799	-	-	-	-	-	-	62 799
242-TER	-	-	-	-	655 585	-	-	-	-	-	-	-	655 585
243-VIN	-	-	-	-	-	-	752 158	-	-	-	-	-	752 158
247-KRD	-	-	-	124 263	-	-	-	-	-	-	-	-	124 263
259-KRD	-	-	-	174 195	-	-	-	-	-	-	-	-	174 195
260-TER	-	-	-	-	595 119	-	-	-	-	-	-	-	595 119
261-TER	-	-	-	-	70 045	-	-	-	-	-	-	-	70 045
262-ZHT	-	-	-	-	-	21 531	-	-	-	-	-	-	21 531

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF WITHDRAWALS THROUGH THE SUMMARY OF STATEMENTS OF EXPENDITURES (CONTINUED)

in US dollars

2. Applications provided to the World Bank on expenditure incurred during the period 01.01.2022 - 31.12.2022 (continued)

Application number	Категорія												Total	
	1-B	1-C	1-D	1-E	1-F	1-G	1-H	2-A	2-B	2-D	2-E	3		
263-KRD	-	-	-	18 659	-	-	-	-	-	-	-	-	-	18 659
264-KRD	-	-	-	66 369	-	-	-	-	-	-	-	-	-	66 369
265-ZHT	-	-	-	-	-	18 701	-	-	-	-	-	-	-	18 701
266-ZHT	-	-	-	-	-	30 511	-	-	-	-	-	-	-	30 511
267-TER	-	-	-	-	60 184	-	-	-	-	-	-	-	-	60 184
268-ZHT	-	-	-	-	-	1 702 924	-	-	-	-	-	-	-	1 702 924
269-KHV	59 583	-	-	-	-	-	-	-	-	-	-	-	-	59 583
270-KHW	-	150 298	-	-	-	-	-	-	-	-	-	-	-	150 298
271-KHW	-	804 236	-	-	-	-	-	-	-	-	-	-	-	804 236
272-CPMU	-	-	-	-	-	-	-	-	-	-	-	-	97 315	97 315
272-KRD	-	-	-	5 456	-	-	-	-	-	-	-	-	-	5 456
274-KRD	-	-	-	65 958	-	-	-	-	-	-	-	-	-	65 958
276-TER	-	-	-	-	208 671	-	-	-	-	-	-	-	-	208 671
277-KYV	-	-	63 486	-	-	-	-	-	-	-	-	-	-	63 486
281-VIN	-	-	-	-	-	-	908 740	-	-	-	-	-	-	908 740
282-KRD	-	-	-	461 482	-	-	-	-	-	-	-	-	-	461 482
284-KRD	-	-	-	160 501	-	-	-	-	-	-	-	-	-	160 501
285-CPMU	-	-	-	-	-	-	-	-	-	-	-	-	213 397	213 397
288-ZHT	-	-	-	-	-	298 751	-	-	-	-	-	-	-	298 751
289-ZHT	-	-	-	-	-	87 781	-	-	-	-	-	-	-	87 781
290-ZHT	-	-	-	-	-	179 482	-	-	-	-	-	-	-	179 482
Total	73 108	1 149 072	77 897	1 210 144	1 935 002	2 885 986	1 668 076	-	-	-	-	-	310 712	9 309 997

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF WITHDRAWALS THROUGH THE SUMMARY OF STATEMENTS OF EXPENDITURES (CONTINUED)

in US dollars

3. Costs actually incurred for the period from 01 January 2022 to 31 December 2022

<i>Application number</i>	<i>Категорія</i>												<i>Total</i>
	<i>1-B</i>	<i>1-C</i>	<i>1-D</i>	<i>1-E</i>	<i>1-F</i>	<i>1-G</i>	<i>1-H</i>	<i>2-A</i>	<i>2-B</i>	<i>2-D</i>	<i>2-E</i>	<i>3</i>	
From the Loan's account	146 839	1 149 072	77 897	2 488 471	1 935 002	1 156 564	-	-	-	-	-	-	6 953 845
From special accounts	320 792	-	-	-	-	229 302	-	-	-	4 219	-	-	554 313
From current accounts in national Date of withdrawal	30 568	1 807 624	-	2 137 468	3 196 550	2 129 664	1 663 760	-	-	277 040	-	368 936	11 611 610
Total	498 199	2 956 696	77 897	4 625 939	5 131 552	3 515 530	1 663 760	-	-	281 259	-	368 936	19 119 768

4. Table of differences in Project costs between the World Bank records and CPMU for the period from 01 January 2022 to 31 December 2022

<i>Application number</i>	<i>Категорія</i>												<i>Total</i>
	<i>1-B</i>	<i>1-C</i>	<i>1-D</i>	<i>1-E</i>	<i>1-F</i>	<i>1-G</i>	<i>1-H</i>	<i>2-A</i>	<i>2-B</i>	<i>2-D</i>	<i>2-E</i>	<i>3</i>	
Reimbursed according to IBRD information	73 108	1 149 072	77 897	1 210 144	1 935 002	2 885 986	1 668 076	-	-	-	-	310 712	9 309 997
Amount of costs not reimbursed as at 31.12.2022	425 091	1 807 624	-	3 415 795	3 196 550	629 544	(4 316)	-	-	281 259	-	58 224	9 809 771
According to the data of CPMU	498 199	2 956 696	77 897	4 625 939	5 131 552	3 515 530	1 663 760	-	-	281 259	-	368 936	19 119 768

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF CASH WITHDRAWAL FROM SPECIAL ACCOUNTS

in US dollars

Kharkiv UC №UA89322313000002523217064932				
<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
1-B	03.02.2022	EUR	49 414	55 887
1-B	18.08.2022	EUR	109 560	111 586
1-B	02.11.2022	USD	39 120	38 768
1-B	15.12.2022	USD	51 860	55 205
Sub_accounts	27.12.2022	USD	4 157	4 157
Total:				265 603
Summary by categories				
1-B				261 446
Sub_accounts				4 157
Total:				265 603

Kharkiv UC №UA8322313000002523318064932				
<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
1-B	03.02.2022	EUR	11 217	12 686
Sub_accounts	18.02.2021	USD	944	944
1-B	18.08.2022	EUR	24 869	25 329
1-B	02.11.2022	EUR	8 800	8 800
1-B	15.12.2022	EUR	11 772	12 531
Total:				60 290
Summary by categories				
1-B				59 346
Sub_accounts				944
Total:				60 290

Kharkiv Waste Management UC №UA57322313000002523917074932				
<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	11.02.2022	USD	179 000	179 000
Sub_accounts	15.02.2022	USD	120 000	120 000
Sub_accounts	05.07.2022	USD	80 000	80 000
Sub_accounts	06.09.2022	USD	937 000	937 000
Sub_accounts	14.11.2022	USD	94 000	94 000
Total:				1 410 000
Summary by categories				
Sub_accounts				1 410 000
Total:				1 410 000

Kharkiv Waste Management UC №UA96322313000002523018074932				
<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	11.02.2022	USD	37 000	37 000
Sub_accounts	15.02.2022	USD	25 000	25 000
Sub_accounts	05.07.2022	USD	10 000	10 000
Sub_accounts	06.09.2022	USD	289 000	289 000
Sub_accounts	14.11.2022	USD	28 500	28 500
Разом:				389 500
Summary by categories				
Sub_accounts				389 500
Total:				389 500

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF CASH WITHDRAWAL FROM SPECIAL ACCOUNTS (continued)
in US dollars*Ministry for Communities, Territories and Infrastructure Development of Ukraine*
№UA04322313000002523017004932

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	02.02.2022	USD	27 300	27 300
Sub_accounts	30.03.2022	USD	26 500	26 500
Sub_accounts	11.04.2022	USD	21 000	21 000
Sub_accounts	18.05.2022	USD	22 000	22 000
Sub_accounts	16.06.2022	USD	25 400	25 400
Sub_accounts	08.07.2022	USD	22 600	22 600
Sub_accounts	03.08.2022	USD	110 500	110 500
Sub_accounts	05.09.2022	USD	3 800	3 800
Sub_accounts	05.10.2022	USD	23 000	23 000
Sub_accounts	04.11.2022	USD	28 500	28 500
Sub_accounts	02.12.2022	USD	24 200	24 200
Sub_accounts	22.12.2022	USD	34 000	34 000
Total:				368 800
Summary by categories				
Sub_accounts				368 800
Total:				368 800

Dnipro - Kirovohrad UC №UA69322313000002523717014932

<i>Category</i>	<i>Date of withdrawal</i>	<i>Category</i>	<i>Date of withdrawal</i>	<i>Category</i>
Sub_accounts	21.02.2022	USD	126 700	126 700
Sub_accounts	08.06.2022	USD	9 650	9 650
Sub_accounts	10.06.2022	USD	48 000	48 000
Sub_accounts	27.06.2022	USD	14 600	14 600
Sub_accounts	27.06.2022	USD	18 770	18 770
Sub_accounts	27.06.2022	USD	66 800	66 800
Sub_accounts	27.06.2022	USD	342 500	342 500
Sub_accounts	08.07.2022	USD	4 420	4 420
Sub_accounts	11.07.2022	USD	11 840	11 840
Sub_accounts	25.07.2022	USD	43 400	43 400
Sub_accounts	29.07.2022	USD	18 350	18 350
Sub_accounts	19.08.2022	USD	6 205	6 205
Sub_accounts	19.08.2022	USD	12 070	12 070
Sub_accounts	19.08.2022	USD	51 600	51 600
Sub_accounts	05.09.2022	USD	20 720	20 720
Sub_accounts	05.09.2022	USD	36 230	36 230
Sub_accounts	05.09.2022	USD	40 890	40 890
Sub_accounts	15.09.2022	USD	39 000	39 000
Sub_accounts	23.09.2022	USD	74 100	74 100
Sub_accounts	23.09.2022	USD	81 400	81 400
Sub_accounts	23.09.2022	USD	108 800	108 800
Sub_accounts	05.10.2022	USD	22 630	22 630
Sub_accounts	05.10.2022	USD	71 200	71 200
Sub_accounts	10.11.2022	USD	22 630	22 630
Sub_accounts	10.11.2022	USD	34 600	34 600
Sub_accounts	10.11.2022	USD	96 400	96 400
Sub_accounts	06.12.2022	USD	6 384	6 384
Sub_accounts	06.12.2022	USD	17 620	17 620
Sub_accounts	06.12.2022	USD	39 680	39 680
Sub_accounts	06.12.2022	USD	41 850	41 850
Sub_accounts	22.12.2022	USD	208 800	208 800
Total:				1 737 839
Summary by categories				
1-E				-
Sub_accounts				1 737 839
Total:				1 737 839

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF CASH WITHDRAWAL FROM SPECIAL ACCOUNTS (continued)
in US dollars

Dnipro - Kirovohrad UC №UA63322313000002523818014932

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	21.02.2022	USD	27 440	27 440
Sub_accounts	08.06.2022	USD	2 090	2 090
Sub_accounts	10.06.2022	USD	10 400	10 400
Sub_accounts	27.06.2022	USD	3 163	3 163
Sub_accounts	27.06.2022	USD	4 065	4 065
Sub_accounts	27.06.2022	USD	14 430	14 430
Sub_accounts	27.06.2022	USD	74 150	74 150
Sub_accounts	08.07.2022	USD	957	957
Sub_accounts	11.07.2022	USD	2 564	2 564
Sub_accounts	25.07.2022	USD	9 400	9 400
Sub_accounts	29.07.2022	USD	3 970	3 970
Sub_accounts	19.08.2022	USD	1 344	1 344
Sub_accounts	19.08.2022	USD	2 615	2 615
Sub_accounts	19.08.2022	USD	11 170	11 170
Sub_accounts	05.09.2022	USD	4 488	4 488
Sub_accounts	05.09.2022	USD	8 860	8 860
Sub_accounts	05.09.2022	USD	10 190	10 190
Sub_accounts	15.09.2022	USD	10 980	10 980
Sub_accounts	23.09.2022	USD	20 880	20 880
Sub_accounts	23.09.2022	USD	22 900	22 900
Sub_accounts	23.09.2022	USD	32 030	32 030
Sub_accounts	05.10.2022	USD	6 365	6 365
Sub_accounts	05.10.2022	USD	20 040	20 040
Sub_accounts	10.11.2022	USD	6 365	6 365
Sub_accounts	10.11.2022	USD	9 730	9 730
Sub_accounts	10.11.2022	USD	27 130	27 130
Sub_accounts	06.12.2022	USD	1 796	1 796
Sub_accounts	06.12.2022	USD	3 694	3 694
Sub_accounts	06.12.2022	USD	11 165	11 165
Sub_accounts	06.12.2022	USD	11 780	11 780
Total:				376 151
Summary by categories				
1-E				-
Sub_accounts				376 151
Total:				376 151

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF CASH WITHDRAWAL FROM SPECIAL ACCOUNTS (continued)
in US dollars

Ternopil UC №UA95322313000002523117034932

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	22.02.2022	USD	396 500	396 500
Sub_accounts	08.07.2022	USD	28 200	28 200
Sub_accounts	19.07.2022	USD	12 200	12 200
Sub_accounts	25.07.2022	USD	47 400	47 400
Sub_accounts	25.07.2022	USD	279 300	279 300
Sub_accounts	05.09.2022	USD	164 000	164 000
Sub_accounts	15.09.2022	USD	13 100	13 100
Sub_accounts	15.09.2022	USD	39 200	39 200
Sub_accounts	23.09.2022	USD	3 300	3 300
Sub_accounts	31.10.2022	USD	321 300	321 300
Sub_accounts	24.11.2022	USD	177 200	177 200
Sub_accounts	24.11.2022	USD	612 400	612 400
Sub_accounts	09.12.2022	USD	95 000	95 000
Sub_accounts	22.12.2022	USD	3 300	3 300
Sub_accounts	22.12.2022	USD	96 800	96 800
Sub_accounts	22.12.2022	USD	136 900	136 900
Sub_accounts	26.12.2022	USD	20 050	20 050
Sub_accounts	26.12.2022	USD	98 000	98 000
Sub_accounts	26.12.2022	USD	126 900	126 900
Total:				2 671 050
Summary by categories				
1-F				-
Sub_accounts				2 671 050
Total:				2 671 050

Ternopil UC №UA89322313000002523218034932

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	22.02.2022	USD	86 100	86 100
Sub_accounts	08.07.2022	USD	6 100	6 100
Sub_accounts	19.07.2022	USD	2 650	2 650
Sub_accounts	25.07.2022	USD	10 300	10 300
Sub_accounts	25.07.2022	USD	60 700	60 700
Sub_accounts	05.09.2022	USD	35 600	35 600
Sub_accounts	15.09.2022	USD	2 900	2 900
Sub_accounts	15.09.2022	USD	8 500	8 500
Sub_accounts	23.09.2022	USD	750	750
Sub_accounts	31.10.2022	USD	69 800	69 800
Sub_accounts	24.11.2022	USD	38 500	38 500
Sub_accounts	24.11.2022	USD	133 100	133 100
Sub_accounts	09.12.2022	USD	20 700	20 700
Sub_accounts	22.12.2022	USD	750	750
Sub_accounts	22.12.2022	USD	21 000	21 000
Sub_accounts	22.12.2022	USD	29 800	29 800
Sub_accounts	26.12.2022	USD	4 350	4 350
Sub_accounts	26.12.2022	USD	21 300	21 300
Sub_accounts	26.12.2022	USD	27 600	27 600
Total:				580 500
Summary by categories				
1-F				-
Sub_accounts				580 500
Total:				580 500

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF CASH WITHDRAWAL FROM SPECIAL ACCOUNTS (continued)
in US dollars

Zhytomyr UC №UA633223130000002523817044932

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
1-G	20.01.2022	EUR	26 067	29 639
1-G	21.02.2022	EUR	52 658	59 978
Sub_accounts	22.02.2022	USD	180 450	180 450
1-G	31.05.2022	EUR	27 453	29 511
Sub_accounts	27.06.2022	USD	45 200	45 200
Sub_accounts	28.06.2022	USD	1 400	1 400
Sub_accounts	05.07.2022	USD	8 700	8 700
1-G	05.07.2022	EUR	3 141	3 281
1-G	08.07.2022	EUR	16 188	16 447
Sub_accounts	25.07.2022	USD	4 800	4 800
1-G	25.07.2022	EUR	13 289	13 621
Sub_accounts	11.08.2022	USD	133 500	133 500
Sub_accounts	18.08.2022	USD	3 320	3 320
Sub_accounts	10.11.2022	USD	180 500	180 500
Sub_accounts	16.11.2022	USD	27 150	27 150
1-G	24.11.2022	EUR	6 174	6 443
Sub_accounts	26.12.2022	USD	1 028 750	1 028 750
1-G	26.12.2022	EUR	24 806	26 381
Total:			1 783 546	1 799 071
Summary by categories				
1-G			169 776	185 301
Sub_accounts			1 613 770	1 613 770
Total:				1 799 071

Zhytomyr UC №UA633223130000002523818014932

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	20.01.2022	USD	-	-
1-G	20.01.2022	EUR	5 484	6 235
1-G	21.02.2022	EUR	11 077	12 617
1-G	22.02.2022	EUR	5 775	6 650
Sub_accounts	31.05.2022	USD	6 208	6 208
Sub_accounts	27.06.2022	USD	8 150	8 150
Sub_accounts	28.06.2022	USD	300	300
Sub_accounts	05.07.2022	USD	1 830	1 830
1-G	05.07.2022	EUR	661	690
1-G	08.07.2022	EUR	3 405	3 460
Sub_accounts	25.07.2022	USD	1 000	1 000
1-G	25.07.2022	EUR	2 795	2 865
Sub_accounts	11.08.2022	USD	28 100	28 100
Sub_accounts	18.08.2022	USD	700	700
Sub_accounts	10.11.2022	USD	63 150	63 150
Sub_accounts	24.11.2022	USD	7 110	7 110
1-G	24.11.2022	EUR	2 160	2 254
Sub_accounts	26.12.2022	USD	2 730	2 730
Sub_accounts	26.12.2022	USD	1 560	1 560
Sub_accounts	26.12.2022	USD	358 400	358 400
1-G	26.12.2022	EUR	8 679	9 230
Total:			519 274	523 239
Summary by categories				
1-G			40 036	44 001
Sub_accounts			479 238	479 238
Total:				523 239

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF CASH WITHDRAWAL FROM SPECIAL ACCOUNTS (continued)
in US dollars

Vinnytsia UC №UA43322313000002523300000013

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	11.02.2022	USD	739 200	739 200
Sub_accounts	18.05.2022	USD	21 100	21 100
Sub_accounts	19.05.2022	USD	12 280	12 280
Sub_accounts	20.05.2022	USD	1 940	1 940
Sub_accounts	23.06.2022	USD	124 785	124 785
Sub_accounts	21.07.2022	USD	2 550	2 550
Sub_accounts	11.08.2022	USD	3 200	3 200
Sub_accounts	05.09.2022	USD	77 600	77 600
Sub_accounts	12.09.2022	USD	21 350	21 350
Sub_accounts	23.09.2022	USD	54 200	54 200
Sub_accounts	09.11.2022	USD	23 550	23 550
Sub_accounts	09.12.2022	USD	552 850	552 850
Sub_accounts	15.12.2022	USD	23 050	23 050

Total: 1 657 655

Summary by categories	
Sub_accounts	1 657 655
Total:	1 657 655

Vinnytsia UC №UA61322313000002523200000014

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	11.02.2022	USD	3 210	3 210
Sub_accounts	18.05.2022	USD	93	93
Sub_accounts	19.05.2023	USD	10	10
Sub_accounts	20.05.2022	USD	10	10
Sub_accounts	23.06.2022	USD	550	550
Sub_accounts	11.08.2022	USD	14	14
Sub_accounts	05.09.2022	USD	608	608
Sub_accounts	12.09.2022	USD	170	170
Sub_accounts	23.09.2022	USD	416	416
Sub_accounts	09.11.2022	USD	180	180
Sub_accounts	09.12.2022	USD	170	170
Sub_accounts	15.12.2022	USD	183	183

Total: 5 614

Summary by categories	
Sub_accounts	5 614
Total:	5 614

Cherkasy UC №UA85322313000002523100000004

<i>Category</i>	<i>Date of withdrawal</i>	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent amount</i>
Sub_accounts	20.01.2022	USD	8 000	8 000
Sub_accounts	12.09.2022	USD	4 000	4 000
2-D	07.10.2022	EUR	4 299	4 219
Sub_accounts	06.10.2022	USD	265 000	265 000

Total: 281 219

Summary by categories	
2-D	4 219
Sub_accounts	277 000
Total:	281 219

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

SPECIAL ACCOUNTS STATEMENT

in US dollars

Deposit bank JSC Ukreximbank
Loan No. 8391-UA
Currency US dollars

	Kharkiv UC №UA893223130000025 23217064932	Kyiv UC №UA823223130000002 523417024932	Dnipro - Kirovohrad UC №UA6932231300000252 3717014932	Ternopil UC №UA95322313000002523117 034932	Zhytomyr UC №UA633223130000025238 17044932
BALANCE AT THE BEGINNING OF THE PERIOD	4 615 925	526	1 774 148	1 012 439	776 944
Revenues: Funds received	-	-	-	1 800 000	1 085 000
Refund to IBRD	-	-	-	-	13 807
TOTAL FUNDS RECEIVED	4 615 925	526	1 774 148	2 812 439	1 875 751
Transfer of funds into national currency	4 157	-	1 737 839	2 671 050	1 613 770
Direct payments from special accounts	261 446	-	-	-	185 301
TOTAL COSTS	265 603	-	1 737 839	2 671 050	1 799 071
BALANCE AT THE END OF THE PERIOD	4 350 322	526	36 309	141 389	76 680

	Vinnitsia UC №UA4332231300000252 33000000013	Kolomiya UC №UA2532231300000252 34000000012	Cherkasy UC №UA8532231300000252 31000000004	Kharkiv Waste Management UC №UA57322313000002523917 074932	Ministry for Communities, Territories and Infrastructure Development of Ukraine №UA043223130000025230 17004932
BALANCE AT THE BEGINNING OF THE PERIOD	1 945 393	19 001	468 094	2 131 634	112 171
Revenues: Funds received	-	-	-	-	375 000
Refund to IBRD	-	-	-	-	-
TOTAL FUNDS RECEIVED	1 945 393	19 001	468 094	2 131 634	487 171
Transfer of funds into national currency	1 657 655	-	277 000	1 410 000	368 800
Direct payments from special accounts	-	-	4 219	-	-
TOTAL COSTS	1 657 655	-	281 219	1 410 000	368 800
BALANCE AT THE END OF THE PERIOD	287 738	19 001	186 875	721 634	118 371

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

SPECIAL ACCOUNTS STATEMENT (continued)

in US dollars

Deposit bank JSC Ukreximbank
 Loan No. TF017112
 Currency US dollars

	Kharkiv UC	Kyiv UC	Dnipro - Kirovohrad UC	Ternopil UC	Zhytomyr UC	Vinnytsia UC	Kharkiv Waste Management UC
	№UA8332231300000 02523318064932	№UA7632231300 00002523518024 932	№UA6332231300 00002523818014 932	№UA8932231300000025 23218034932	№UA6332231 30000002523 818014932	№UA6132231300000252 32000000014	№UA9632231300 00002523018074 932
BALANCE AT THE BEGINNING OF THE PERIOD	1 049 491	474	385 241	239 049	165 174	8 669	429 612
Revenues: Funds received	-	-	-	390 000	400 000	-	-
BCbOFO REVENUES: FUNDS RECEIVED	1 049 491	474	385 241	629 049	565 174	8 669	429 612
Transfer of funds into national currency	944	-	376 151	580 500	479 238	5 614	389 500
Direct payments from special accounts	59 346	-	-	-	44 001	-	-
Refund to IBRD	-	-	-	-	13 807	-	-
TOTAL COSTS	60 290	-	376 151	580 500	537 046	5 614	389 500
BALANCE AT THE END OF THE PERIOD	989 201	474	9 090	48 549	28 128	3 055	40 112

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

STATEMENT OF FACTUAL EXPENDITURES IN NATIONAL DATE OF WITHDRAWAL

in US dollars

	<i>Currency</i>	<i>Withdrawal amount</i>	<i>USD Equivalent</i>
Category 1-B: Kharkiv UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	690 740	30 568
Category 1-C: Kharkiv Waste Management UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	62 633 618	1 807 624
Category 1-E: Dnipro - Kirovohrad UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	72 435 240	2 137 468
Category 1-F: Ternopil UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	111 699 067	3 196 550
Category 1-G: Zhytomyr UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	75 813 232	2 129 664
Category 1-H: Vinnytsia UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	53 342 478	1 663 760
Category 2-D: Cherkasy UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	10 023 428	277 040
Category 2-E: Novovolynsk UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	UAH	12 463 977	368 936
Category 3: Consultants' services and additional operating costs of the Ministry for Communities, Territories and Infrastructure Development of Ukraine	UAH	690 740	30 568
Total expenditures of the period		399 101 780	11 611 610

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2
Special Purpose Financial Statements
for the period from 01 January 2022 to 31 December 2022

RECONCILIATION BETWEEN RECORDS OF CPMU AND THE BANK
in US dollars

Loan Withdrawal amount	350,000,000
Subtract:	
Project costs:	
Category 1-B: Kharkiv UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	14 845 091
Category 1-C: Kharkiv Waste Management UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	15 343 291
Category 1-D: Kyiv UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	46 251 201
Category 1-E: Dnipro - Kirovohrad UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	10 959 086
Category 1-F: Ternopil UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	33 752 534
Category 1-G: Zhytomyr UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	20 798 593
Category 1-H: Vinnytsia UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	28 227 001
Category 2-A: Kramatorsk UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	6 263 291
Category 2-B: Kolomiya UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	343 000
Category 2-D: Cherkasy UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	2 417 672
Category 2-E: Novovolynsk UC - Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	9 115 174
Category 3: Consultants' services and additional operating costs of the Ministry for Communities, Territories and Infrastructure Development of Ukraine	5 696 561
Category 4: Front-end fee	5 006 768
Total:	(185 149 172)

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

RECONCILIATION BETWEEN RECORDS OF CPMU AND THE BANK (CONTINUED)

in US dollars

Balance at the end of the period

Special account A (1) - Kyiv UC (for the project 8391-UA) - USD	526
Special account K (2) - Kyiv UC (for the project TF017112) - USD	474
Special account B (1) - Kharkiv UC (for the project 8391-UA) - USD	4 350 322
Special account L (2) - Kharkiv UC (for the project TF017112) - USD	989 201
Special account C (1) - Kharkiv Waste Management UC (for the project 8391-UA) - USD	721 634
Special account M (2) - Kharkiv Waste Management UC (for the project TF017112) - USD	40 112
Special account D (1) - Dnipro - Kirovohrad UC (for the project 8391-UA) - USD	36 309
Special account N (2) - Dnipro - Kirovohrad UC (for the project TF017112) - USD	9 090
Special account E (1) - Ternopil UC (for the project 8391-UA) - USD	141 389
Special account O (2) - Ternopil UC (for the project TF017112) - USD	48 549
Special account F (1) - Zhytomyr UC (for the project 8391-UA) - USD	76 680
Special account Q (2) - Zhytomyr UC (for the project TF017112) - USD	28 128
Special account I (1) - Cherkasy UC (for the project 8391-UA) - USD	186 875
Special account J (1) - Ministry for Communities, Territories and Infrastructure Development of Ukraine (for the project 8391-UA) - USD	118 371
Special account S (1) - Kolomiya UC (for the project 8391-UA) - USD	19 001
Special account G (1) - Vinnytsia UC (for the project 8391-UA) - USD	287 738
Special account R (2) - Vinnytsia UC (for the project TF017112) - USD	3 055
Current account A (1) - Kyiv UC (for the project 8391-UA) - UAH	4 087
Current account K (2) - Kyiv UC (for the project TF017112) - UAH	928
Current account B (1) - Kharkiv UC (for the project 8391-UA) - UAH	138
Current account L (2) - Kharkiv UC (for the project TF017112) - UAH	724
Current account C (1) - Kharkiv Waste Management UC (for the project 8391-UA) - UAH	2 853
Current account M (2) - Kharkiv Waste Management UC (for the project TF017112) - UAH	1 142
Current account D (1) - Dnipro - Kirovohrad UC (for the project 8391-UA) - UAH	6 692
Current account N (2) - Dnipro - Kirovohrad UC (for the project TF017112) - UAH	668
Current account E (1) - Ternopil UC (for the project 8391-UA) - UAH	212 682
Current account O (2) - Ternopil UC (for the project TF017112) - UAH	54 021
Current account F (1) - Zhytomyr UC (for the project 8391-UA) - UAH	20 346
Current account Q (2) - Zhytomyr UC (for the project TF017112) - UAH	6 744
Current account I (1) - Cherkasy UC (for the project 8391-UA) - UAH	10 687
Current account S (1) - Kolomiya UC (for the project 8391-UA) - UAH	7 133
Current account J (1) - Ministry for Communities, Territories and Infrastructure Development of Ukraine (for the project 8391-UA) - UAH	812
Current account G (1) - Vinnytsia UC (for the project 8391-UA) - UAH	10 972
Current account R (2) - Vinnytsia UC (for the project TF017112) - UAH	15
Total funds available	(7 398 098)
Total withdrawal:	(192 547 270)
Balance as at 31 December 2022	157 452 730

Notes on pages 22 - 30 are an integral part of these special purpose financial statement.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

in US dollars

1. Project description

Ukraine received loan funding in the Withdrawal amount of USD 350m from the International Bank for Reconstruction and Development (IBRD) under the Loan Agreement dated 26 May 2014 between Ukraine and the International Bank for Reconstruction and Development No. 8391-UA and the Loan Agreement dated 26 May 2014 between Ukraine and the Clear Technologies Fund (CTF) No. TF017112 regarding Urban infrastructure Project - 2.

The objective of the project is to improve the quality and efficiency of water, wastewater and solid waste services in selected cities of Ukraine.

The project consists of the following parts:

Part 1: Urban Infrastructure Improvement

Implementation of selected investment in the rehabilitation and upgrading of priority infrastructure specified in a Utility Company's Investment Program, with specific focus on water supply, wastewater, and solid waste sectors and including:

- (a) rehabilitation and upgrading of water supply systems; rehabilitation and upgrading of existing wastewater and sludge treatment facilities; provision of goods for water treatment systems, pumping stations, operations and maintenance and technical assistance for detailed designs and tender documents and construction supervision; and
- (b) rehabilitation, construction and management of solid waste landfills.

Part 2: Institutional Strengthening and Capacity Building

- (a) Provision of technical assistance to strengthen, at the sub-national level, the capacity and efficiency of municipalities/cities and utility entities to operate and manage their water supply, wastewater and solid waste infrastructure and systems, including: (i) development of policies and inter-sectoral instruments for water and wastewater management; (ii) development of policies for solid waste management to improve municipal service delivery and strengthen governance; and (iii) enhancement of social accountability mechanisms in the sectors with a view to improving performance.
- (b) Provision of technical assistance to strengthen, at the national level, policy dialogue and strategy development for improved service delivery and regulation in the water supply, wastewater, and solid waste sectors, including in the areas of tariffs, alternative financing options, sector governance, public awareness, benchmarking, and accountability mechanisms.

Part 3: Project Management

Provision of support to the CPMU in its management and implementation of the Project activities, including financing of Incremental Operating Costs, cost of Project financial and technical audits and feasibility studies of potential urban infrastructure improvement investments.

To facilitate the carrying out of each Utility Company's Respective Part of the Project in accordance with its Utility Company's Investment Program that has been approved by the Bank, the Borrower, through the Ministry of Finance, shall make part of the proceeds of the Loan equal to an Withdrawal amount approved by the Bank, available to said Utility Company under a subsidiary agreement between the Borrower (represented by MoF, Minregion and National Commission of the State Public Utilities Regulation), the municipal/regional council concerned and the Utility Company, under terms and conditions approved by the Bank ("Subsidiary Agreement").

2. Basic accounting policies

Basis of preparation

The special purpose financial statements were prepared on the cash basis. Accounting policy was consistently applied throughout the entire period of using the Loan funds.

Reporting period

These statements cover the period of using the funds of the Loans from January 01, 2022 till December 31, 2022. The Closing Date shall be June 30, 2024 or such later date as the Bank shall establish. The final date for closing all payments under the Loan Agreements is set to be four months after the specified Closing Date.

Reporting Date of withdrawal

In compliance with the World Bank requirements, the reporting Date of withdrawal is USD.

Recognition of proceeds and expenses

CPMU maintains its records and prepares its financial statements on the cash basis. Proceeds are reported when originating from bank accounts supported by advances from the IBRD. Expenses are reported as at the date of funds withdrawal from the account.

The Bank's requirement is to withdraw funds from the Loan Account based on statements of expenditures in order to cover contractual expenses for.

For submission of payment applications or statements of expenditures payable from Special Accounts the Borrower shall provide the Bank with the following supporting documents:

- the documents confirming the eligible costs (e.g. copies of payment receipts, invoices from suppliers) for payments under the contracts costing USD 500 000 and more;
- for payments for goods under the contracts costing USD 300 000 and more; for payments under the contracts costing USD 100 000 and more for the consulting services of the companies and USD 50 000 for services of individual consultants, training costs and operational expenses;
- statements of expenditures executed in special form for all other types of expenses/contracts;
- payment registers in special form for payments under the contracts which require the preliminary inspection from the Bank.

For confirming applications of statements of direct expenditures are required the supporting documents for eligible expenses, e.g. payment receipts, invoices from suppliers.

Special Bank Accounts

The following Special Accounts have been opened by the Borrower in AT Ukreximbank in US dollars, EURO as well as the current accounts in national Date of withdrawal UAH:

- a. Special Accounts A and K under two Loan Agreements in respect of Kyiv UC (for financing the expenses of the Category 1 of the Project);
- b. Special Accounts B and L under two Loan Agreements in respect of Kharkiv UC (for financing the expenses of the Category 1 of the Project);
- c. Special Accounts C and M under two Loan Agreements in respect of Kharkiv Waste Management UC (for financing the expenses of the Category 1 of the Project);
- d. Special Accounts D and N under two Loan Agreements in respect of Dnipro - Kirovohrad UC (for financing the expenses of the Category 1 of the Project);
- e. Special Accounts E and O under two Loan Agreements in respect of Ternopil UC (for financing the expenses of the Category 1 of the Project);
- f. Special Accounts F and Q under two Loan Agreements in respect of Zhytomyr UC (for financing the expenses of the Category 1 of the Project);
- g. Special Accounts G та R under two Loan Agreements in respect of Vinnytsya UC (for financing the expenses of the Category 1 of the Project);
- h. Special Account I under the Loan Agreement No. 8391-UA in respect of Cherkasy UC (for financing the expenses of the Category 2 of the Project);

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

in US dollars

- i. Special Account S under the Loan Agreement No. 8391-UA in respect of Kolomiya UC (for financing the expenses of the Category 2 of the Project);
- j. Special Account T under the Loan Agreement No. 8391-UA in respect of Novovolynsk UC (for financing the expenses of the Category 2 of the Project);
- k. Special Accounts J under the Loan Agreement No. 8391-UA in respect of the Ministry for Communities, Territories and Infrastructure Development of Ukraine (for financing the expenses of the Category 3 of the Project).

Payments out of the Special Accounts shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

IBRD set the following limits of “Marginal Withdrawal amounts in US dollars” for each of Special Accounts (maximum Withdrawal amounts that are subject to withdrawal from the Loan Account and depositing in Special Account):

Special Account	Limit
for Special Account A	926 000 USD
for Special Account B	6 159 000 USD
for Special Account C	3 575 000 USD
for Special Account D	2 795 000 USD
for Special Account E	2 981 000 USD
for Special Account F	2 437 000 USD
for Special Account G	3 947 000 USD
for Special Account I	1 230 000 USD
for Special Account S	309 000 USD
for Special Account T	598 000 USD
for Special Account J	1 500 000 USD
for Special Account K	210 000 USD
for Special Account L	1 398 000 USD
for Special Account M	811 000 USD
for Special Account N	634 000 USD
for Special Account O	676 000 USD
for Special Account Q	553 000 USD
for Special Account R	139 000 USD

The minimal Withdrawal amount of applications for cash withdrawal is 20% of the Marginal Withdrawal amount of Special Account.

3. Budget

Expenditures for the items stated below can be financed from the Loan’s funds; they should be used only to perform activities under the following categories.

URBAN INFRASTRUCTURE PROJECT - 2

Special Purpose Financial Statements

for the period from 01 January 2022 to 31 December 2022

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

in US dollars

According to the Amendments to the Loan Agreement No. 8391-UA dated 21 July 2022 and signed by Parties, the allocation of funds between the specified Utility Companies shall be made in the following way:

Category	Allocated funds of the Loan (in US dollars)	% of financed expenses (inclusive of taxes)
(1) Goods, works, non-consulting services, and consultant's services for Part 1 of the Project to be implemented by:		
(a) Donetsk UC (<i>deleted per August 2016 amendment</i>)	-	-
(b) Kharkiv UC	24 902 625,00	81,50%
(c) Kharkiv Waste Management UC	41 630 050,46	76,48%
(d) Kyiv UC	9 264 000,00	81,50%
(e) Kirovohrad UC	38 544 452,80	78,04%
(f) Ternopil UC	23 892 726,00	82,15%
(g) Zhytomyr UC	35 801 083,00	74,08%
(h) Vinnytsia UC	15 952 640,84	99,23%
(2) Goods, works, non-consulting services, and consultant's services for Part 1 of the Project to be implemented by:		
(a) Kramatorsk UC	343 000,00	100,00%
(b) Kolomiya UC	3 092 250,00	100,00%
(c) Ivano-Frankivsk UC (<i>deleted per August 2016 amendment</i>)	-	-
(d) Cherkasy UC	12 309 000,00	100,00%
(e) Novovolynsk UC	5 985 000,00	100,00%
(f) Chuguiv UC	-	100,00%
(3) Goods, works, non-consulting services, and consultant's services for the Parts 2 and 3 of the Project	7 800 000,00	100,00%
(4) Front-end fee	750 000,00	Withdrawal amount payable pursuant with Section 2.03 of this Agreement, in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium	-	Withdrawal amount payable pursuant with in accordance with Section 2.07 (c) of this Agreement
(6) Unallocated	56 829 250,00	
(7) Emergency Expenditures under Part 4 of the Project	-	100,00%
Cancelled as of April 17, 2018	7 893 000,00	
Cancelled as of June 12, 2020	15 010 921,90	
TOTAL AMOUNT	300 000 000,00	

According to Amendments made to the Loan Agreement No. TF017112 dated 21 July 2022 and signed by Parties the allocation of funds between the specified Utility Companies shall be made in the following way:

Category	Allocated funds of the Loan (in US dollars)	% of financed expenses (inclusive of taxes)
(1) Goods, works, non-consulting services, and consultant's services for Part 1 of the Project to be implemented by:		
(a) Donetsk UC (deleted)	-	-
(b) Kharkiv UC	5 651 675,00	18,50%
(c) Kharkiv Waste Management UC	12 803 440,91	23,52%
(d) Kyiv UC	2 103 000,00	18,50%
(e) Dnipro - Kirovohrad UC	10 844 789,20	21,96%
(f) Ternopil UC	5 191 274,00	17,85%
(g) Zhytomyr UC	12 529 217,00	25,92%
(h) Vinnytsia UC	123 269,16	0,77%
(2) Front-end fee	225 000,00	Withdrawal amount payable pursuant with Section 2.04 of this Agreement, in accordance with Section 4.01 (a) of the Standard Conditions
Cancelled as of June 12, 2020	528 334,73	
TOTAL AMOUNT	50 000 000,00	

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4. Schedule of loan repayment

Schedule of repayment of the Loan No. 8391-UA looks like the following:

Date of repayment	Principal loan Withdrawal amount to be repaid, % (USD)
on each June 15 and December 15, beginning June 15, 2019 to and including June 15, 2031	3,85% (11 550 000) * 25 payments = 288 750 000
on December 15, 2031	3,75% (11 250 000)
TOTAL	300 000 000

Schedule of repayment of the Loan No. TF017112 looks like the following:

Date of repayment	Principal loan Withdrawal amount to be repaid, % (USD)
on each June 15 and December 15, beginning June 15, 2024 to and including June 15, 2033	5% (2 500 000) * 20 payments = 50 000 000
TOTAL	50 000 000

According to the Loan Agreement No. 8391-UA the interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Date of withdrawal plus the Variable Spread, provided, that upon a conversion of all or any portion of the Principal Withdrawal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such Withdrawal amount shall be determined in accordance with the relevant provisions of the Article IV of the General Conditions. Notwithstanding the foregoing, if any Withdrawal amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

According to the Loan Agreement No. TF017112 the Service Charge payable by the Borrower on the Withdrawn Loan Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

The payment dates are June 15 and December 15.

5. Economic environment

2022 was the most difficult year for Ukraine since its independence. The full-scale war unleashed by Russia has had an unprecedented impact on the lives of every Ukrainian, business, and the country's economy in general.

On February 24, the President of Ukraine, based on the proposal of the National Security and Defense Council of Ukraine, introduced martial law in accordance with the Constitution of Ukraine and the Law of Ukraine "On the Legal Regime of Martial Law", which was extended as of the date of approval of these special purpose financial statements.

The ongoing military attack has resulted in significant destruction of infrastructure, displacement of large numbers of people and disruption of economic activity in Ukraine. Until August 2022, all ports in the Black Sea area were not operational, which resulted in a complete suspension of export and import operations carried out through seaports. Airports, many roads and bridges were closed, damaged or destroyed, further disrupting transportation and logistics. The transportation of goods to and from Ukraine was carried out by rail and trucks, and by European transportation companies, which allowed most companies in Ukraine to resume and establish transportation and logistics of their products from May-June 2022. On July 22, 2022, in Istanbul, representatives of Ukraine signed an agreement with Turkey and the UN to unblock ports and resume grain exports from August 01, 2022, which were blocked in Black Sea ports due to the war. Russia also signed a mirror agreement with Turkey and the UN. On November 17, 2022, in Istanbul, the parties agreed to extend the "grain deal" for another 120 days, until March 18, 2023, respectively. From the beginning of the agreement until the end of 2022, about 16.3 million tons of agricultural produce were exported from Ukrainian ports.

At the end of April 2022, Ukraine also faced a significant fuel shortage due to the need to create new logistics routes for supplies from Europe; the problem was resolved in May-June 2022. In October-December 2022, there were massive power outages for households and businesses due to significant damage to power

grids as a result of shelling by the Russian Federation, which also caused problems with water and heat supply. The government has introduced a number of emergency measures to address these matters and stabilize the impact on the country's economy. Since February 2023, the situation in Ukraine's energy system has improved and stabilized.

As a result of the armed invasion of the Russian Federation and the outbreak of a full-scale war, Ukraine's economy has undergone serious consequences. In 2022, Ukraine's GDP fell by 30.3% (in 2021, real GDP grew by 3.2%). Starting from February 2022, the inflation rate increased year-on-year and reached 26.6% at the end of the year (2021: 10.0%) due to disruption of supply chains and production processes, uneven demand, increased business costs, rising global prices, limited supply of certain goods, as well as physical destruction of assets of a number of companies caused by the military attack of the Russian Federation on Ukraine. The national currency devalued at official exchange rates by 34% against the US dollar and 26% against the euro at the end of 2022 compared to the end of 2021.

Since the outbreak of the full-scale war, the National Bank of Ukraine (NBU) has introduced a number of temporary measures, such as limiting international payments in foreign currency and fixing the official exchange rate for major currencies (on July 21, 2022, the NBU adjusted the official hryvnia/US dollar exchange rate by 25% to UAH 36.5686/USD). Despite the increase in the official US dollar exchange rate, the disparity between the official and market exchange rates still exists. Since the outbreak of the war, the NBU has kept the key policy rate at 10% due to the introduction of mandatory administrative restrictions, but later raised it to 25% in June. In 2023, the NBU further increased the required reserve requirements for banks. The NBU will return to inflation targeting with a floating exchange rate regime as the economy and financial system return to normal.

At the same time, thanks to assistance from partners, the NBU's international reserves exceeded the pre-war level and reached USD 28.5 billion by the end of 2022. In August 2022, the Ministry of Finance of Ukraine postponed payments on sovereign Eurobonds for two years and amended the terms of government derivatives, reducing funding needs. In general, the Ukrainian government keeps servicing its external debt obligations, and the banking system keeps operating and maintaining its stability.

The adopted state budget of Ukraine for 2023 envisages that budget revenues will be twice lower than expenditures, and the deficit will be about 21% of GDP (or USD 35.5 billion). It is expected that the budget deficit will be financed by financial assistance from foreign partners in the form of grants and concessional long-term interest-free loans.

The Ukrainian government has received substantial international support, funding and donor contributions from international organizations, including individual countries, and charitable contributions to maintain financial stability, social payments and military needs. In 2022, the volume of pledged international financial assistance amounted to more than USD 65 billion, and the volume of received international financial assistance was more than USD 32 billion. The volume of military aid exceeded USD 16 billion, and humanitarian aid exceeded USD 41 billion.

The scale and protracted nature of the war in Ukraine further increase risks to the global economy. War-fueled global inflation and corresponding monetary policy tightening are slowing economies and threatening Ukraine's key partners with recession. However, financial, military and humanitarian aid to Ukraine is only increasing, as is the sanctions pressure on Russia.

The war between Ukraine and the Russian Federation is ongoing, resulting in significant destruction of property and assets in Ukraine and other significant consequences. The consequences of the war are evolving on a daily basis and their impact in the longer term is uncertain. The future impact on the Ukrainian economy depends on the outcome of the full-scale war, the successful implementation of new reforms by the Ukrainian government, the country's recovery and transformation strategy with a view to EU membership, and cooperation with international funds.

The management and staff of the Ministry and the Project are located outside the area of open hostilities and are still operating in a relatively normal business mode.

These factors will have an impact on the Ministry's and the Project's performance in future periods. The management of the Ministry and the Project are monitoring the current situation and are taking measures to minimize any negative effects to the extent possible.

In preparing these special purpose financial statements for the Project, the known and estimable results of the impact of these factors on the special purpose financial statements for the Project in the reporting period were considered.

Management of the Ministry and the Project cannot predict all developments that could have an impact on the economy as a whole and what effect they might have on the special purpose financial statements of the Project and the Ministry in the future. Management of the Ministry and the Project believes it is taking all reasonable steps to support the sustainability of the business. However, a further unstable business environment could negatively affect the results of operations and financial position of the Ministry and the Project which nature and consequences cannot be currently determined. These special purpose financial statements for the Project reflect management's current assessment of the impact of the Ukrainian business environment on the operations and the financial position of the Ministry and the Project. The future business environment may differ from management's current assessment. As at the date of approval for issue of these special purpose financial statements for the Project, there is a material uncertainty regarding the going concern.

6. Events after the reporting period

Military aggression of the russian federation

As noted in Note 5, Ukraine is still engaged in a full-scale war with the Russian Federation and the legal regime of martial law is in effect.

Further, the key risk is the prolongation of the war, even if the hostilities are localized. This will require the economy to operate under extreme conditions for a long time, threaten to deepen its decline, and increase the need for assistance from partners. The impact of the war on the global economy will also increase.

International support for Ukraine is growing thanks to the resistance of the Armed Forces, effective diplomacy, and extensive coverage in the global media. The main mechanisms of support are arms supplies, financial and humanitarian aid, and sanctions against Russia.

Since the beginning of 2023, inflation has been falling faster than expected. The easing of inflationary pressures was facilitated by an ample supply of food and fuel, as well as a fairly rapid recovery of the energy system from the effects of Russian terrorist attacks. Another important factor was the improvement in inflation expectations since the beginning of the year, as the NBU stopped issuing debt, the hryvnia's cash exchange rate strengthened, and hryvnia assets became more attractive. According to the NBU's forecasts, inflation will slow to 10.6% in 2023 and return to single digits in the following years.

Given the rapid recovery of the energy system and loose fiscal policy, the economic growth forecast for 2023 has been improved from 0.3% to 2.9%. Under the security assumptions, no significant electricity shortages are expected in the future, except for localized and situational deficits in the second half of the year. At the same time, increased budget expenditures amid significant international financial assistance will support economic activity and consumption. Reducing security risks next year will help accelerate economic growth to 3.5% in 2024. Thus, the de-occupation of the territories and the full opening of the Black Sea ports will allow for a gradual increase in industrial production and harvests. In addition, domestic demand is expected to expand due to the return of some forced migrants.

Overall, this year's revenues from international partners may exceed USD 42 billion. Receipts from partners will contribute to the growth of international reserves to about USD 35 billion by the end of the year.

Given the uncertainty related to the war, and significant state budget expenditures, maintaining exchange rate stability amid plans for currency liberalization will require ensuring that hryvnia savings are highly attractive. In view of this, the discount rate was kept at 25%, was reduced to 22% and assumed further reduction in Quarter IV of 2023.

The key risk is still a longer duration and intensity of the war. The main assumption of the forecast, as before, is a significant reduction in security risks from the beginning of 2024. A longer period of hostilities is likely to slow economic recovery and worsen inflation and exchange rate expectations. This will create additional challenges for the economy and finance.

The situation is still evolving and its consequences are currently uncertain. Management is unable to predict all developments that might affect the economy as a whole and what effect they might have on the financial

position and the results of future operations of the Project. Management keeps monitoring the possible impact of these developments on the Ministry and will take all possible measures to mitigate any consequences.

Since the beginning of the military aggression of Russia and up to the date of approval of the special purpose financial statements, part of the assets purchased during the Project implementation have been damaged due to rocket shellings. The total balance amount of the destroyed or damaged assets due to rocket shellings is not disclosed as this information is sensitive and can be related to the information with limited access including the critical infrastructure objects.

In 2023 the new additional agreements to the general agreements including the amended limits of the existing designated accounts and opened new designated accounts (due to expenditures for emergency situations).

Repayment of previously paid advances

The Contract No. KHV-ICB-02 dated July 10, 2018, concluded between the CE Kharkivvodokanal and the TAHAL-KHILARI Consortium (State of Israel - Republic of India), has been terminated. To collect from the contractor the advance payment made under the Project in the amount of USD 11,750,000.00, on August 22, 2022, CE Kharkivvodokanal applied to Napoalim B.M. Bank (State of Israel), which was the issuer of bank guarantees, with a request to cash collection of such collateral in favor of CE Kharkivvodokanal. On August 11, 2023, funds in the amount of USD 11,724,985.00 were transferred to the account of CE Kharkivvodokanal by Napoalim B.M. Bank.

Unsettled litigations

As part of the Project implementation, on June 22, 2017, the communal enterprise "Ternopilvodokanal" and the consortium "Emit Group, Ercole Marelli Impianti Tecnologici S.R.L. - Atzwanger S.P.A." (Italian Republic) entered into Contract No. TER-ICB-01 "Reconstruction of the wastewater treatment plant, including construction of sludge dewatering facility". The Contract has been terminated, however, there are still unsettled litigations between the parties, in particular, those related to financial settlements. Currently, the Italian courts are considering two cases related to the implementation of the Contract No. TER-ICB-01, namely:

1. Litigation in the Court of Bolzano, Italy, RG 2470/2022.

Litigation subject: prohibition of fulfillment by the banks-guarantors INTESA SANPAOLO S.P.A. and BPER BANCA S.P.A. of the claims of the CE "Ternopilvodokanal" to collect the advance payment made under the guarantees issued by them;

Names of the Parties to the litigation: CE Ternopilvodokanal, Emit Group - Ercole Marelli Impianti Tecnologici S.R.L., Atzwanger S.P.A., INTESA SANPAOLO S.P.A., BPER BANCA S.P.A.;

The amount of lawsuit claims and disputes: EUR 1 052 136.12;

Stage of the litigation: the proceedings were initiated on August 04, 2022 at the request of Emit Group - Ercole Marelli Impianti Tecnologici S.R.L. and Atzwanger S.P.A. On November 22, 2023, the court of first instance issued a decision allowing INTESA SANPAOLO S.P.A. to make a payment under the bank guarantee, and BPER BANCA S.P.A. - was prohibited from making a payment under the bank guarantee;

The Management of CE Ternopilvodokanal is currently analyzing the prospects of filing an appeal.

2. Litigation in the Court of Milan, Italy, No. 358/2023 - bankruptcy of Emit Group - Ercole Marelli Impianti Tecnologici S.R.L.

Litigation subject: bankruptcy of Emit Group - Ercole Marelli Impianti Tecnologici S.R.L.;

Names of the Parties to the litigation: Emit Group - Ercole Marelli Impianti Tecnologici S.R.L. (debtor), CE Ternopilvodokanal (potential creditor), the list of creditors will be known after the expiration of the period for consideration of all creditors' claims (approximately February 2024);

The amount of lawsuit claims and disputes: EUR 2 011 118.66;

Stage of the litigation: On June 12, 2023, the proceeding was opened. The deadline for submission of creditors' claims was set at October 13, 2023. The bankruptcy manager is currently considering the claims of all creditors.

The management of CE Ternopilvodokanal is currently awaiting a decision on the acceptance of their claims by the bankruptcy manager.

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Extension of the Project implementation period

By an official letter dated June 28, 2023, the International Bank for Reconstruction and Development extended the Project implementation period until June 30, 2024.

WORLD BANK AUDIT DOCUMENTATION CHECKLIST

Name of Loan/Credit:	World Bank UKRAINE
Loan/Credit #	8391- UA, TF017112
Audit Report:	Period from January, 01, 2022 to December 31, 2022

	Check if Included	Check if N/A
I. Audit report (Opinion):		
A. Applicable accounting standards noted	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B. Applicable auditing standards noted	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C. Opinion rendered on all forms of withdrawals:		
1. Statement of Expenditures	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Special Account	<input checked="" type="checkbox"/>	<input type="checkbox"/>
D. All sources of financing for the project are noted	<input checked="" type="checkbox"/>	<input type="checkbox"/>
II. Financial Reports:		
A. Revenue Earning Entity (all of the following are required):		
1. Balance sheet	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Cash Flow Statement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Income Statement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B. Non-Revenue Earning Entity (all of the following are required):		
1. Balance sheet	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Summary of Sources and Uses of Funds	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C. If applicable (refer to Loan Agreement):		
1. Statement of Expenditure (SOE) Statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Special Account Statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>
III. Notes to the Financial Statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
IV. Reconciliation between World Bank records and project records	<input checked="" type="checkbox"/>	<input type="checkbox"/>
V. Management Letter	<input checked="" type="checkbox"/>	<input type="checkbox"/>