

Project's Financial Statements and
Independent Auditors' Report

Ministry of Finance of the Republic of Macedonia

"Municipal Services Improvement Project" - International
Bank for Reconstruction and Development
Loan number 7699-MK , Loan number 8158-MK and EC
IPA Grant No. TF 018812

31 December 2015

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Management Responsibility

The accompanying financial statements comprising of Statement of Sources and Uses of Funds, Statement of Uses of Funds by Project Activity, Statement of Unit of Output by Project Activity, Statement of Breakdown of Loans and Grants, Statements of Withdrawals (SOE's), Designated Account Statements and related disclosure Notes (further referred as to "Project's Financial Statements"), of the Ministry of Finance of the Republic of Macedonia (MoF), "Municipal Services Improvement Project" (further referred to as "the Project"), financed under International Bank for Reconstruction and Development Loan (IBRD) numbered 7699-MK ("Original loan") , Loan numbered 8158-MK ("Additional financing") and EC IPA Grant No. TF 018812, as at and for the year ended 31 December 2015 on pages 4 to 51, are the responsibility of, and have been approved by the Project's management.

The accompanying Project's financial statements have been compiled by the Project's management, for the purposes of reporting to the MoF and the International Bank for Reconstruction and Development, in conformity with the related requirements of the World Bank's financial reporting guidelines and in compliance with the relevant provisions set out in the Loan Agreement numbered 7699-MK dated 29 June 2009, Disbursement letter, dated 29 June 2009 and Loan Agreement numbered 8158-MK dated 7 June 2012, Disbursement letter, dated 7 June 2012 and EC IPA Grant No. TF 018812, Disbursement letter, dated 24 December 2014.

Project's management, in furtherance of the integrity and objectivity of the Project's financial statements, has developed and maintained an internal control structure, including the appropriate control environment, accounting systems and control procedures. Project's management believes that internal controls provide assurance that financial records are reliable and form a proper basis for the preparation of financial statements, and that assets are properly accounted for and safeguarded. There are, however, inherent limitations that should be recognized in considering the assurances provided by the internal control structure. The internal control process also includes management's communication to employees of policies, which govern ethical business conduct.

Grant Thornton, Independent Auditors, have been engaged to audit these Project's financial statements in accordance with the International Standards on Auditing. Their report is included on pages 2 and 3.

Ljiljana Patlidzankovska
Lead Project Coordinator
28 June 2016



Independent Auditors' Report

Grant Thornton DOO
Sv. Kiril I Metodij 52b/1-20
1000 Skopje
Macedonia

T +389 2 3214 700
F +389 2 3214 710
www.grant-thornton.com.mk

To the Management of the Project

We have audited the accompanying financial statements of the Ministry of Finance of the Republic of Macedonia (MoF), "Municipal Services Improvement Project" (further referred to as "the Project"), financed under International Bank for Reconstruction and Development, Loan numbered 7699-MK, Loan numbered 8158-MK and EC IPA Grant No. TF 018812 comprising the Statement of Sources and Uses of Funds, Statement of Uses of Funds by Project Activity, Statement of Unit of Output by Project Activity, Statement of Breakdown of Loans and Grants, Statement of Withdrawals, Designated Account Statements and related disclosure Notes (further referred as to "Project's Financial Statements") as at and for the year ended 31 December 2015 and included on pages 4 to 51.

Management's responsibility for financial statements

These Project's financial statements are compiled for the purposes of reporting to the MoF and the International Bank of Reconstruction and Development (IBRD) management, and are the responsibility of the management of the Project. The Projects' management is responsible for developing and maintaining such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The Project's Management policy is to prepare the accompanying Project's financial statements on the cash receipts and disbursement basis in conformity with the related requirements of the World Bank's financial reporting guidelines and in compliance with the relevant provisions set out in the Loan Agreement numbered 7699-MK dated 29 June 2009, the Disbursement letter, dated 29 June 2009 and Loan Agreement numbered 8158-MK dated 7 June 2012, Disbursement letter, dated 7 June 2012 and EC IPA Grant No. TF 018812, Disbursement letter, dated 24 December 2014. On this basis, cash receipts are recognized when received rather than when earned and cash expenditures are recognized when paid rather than when incurred.

Auditor's responsibility

Our responsibility is to express an opinion on these Project's financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Project's preparation and fair presentation of the financial statements 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 Project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of "Municipal Services Improvement Project", financed under International Bank for Reconstruction and Development, Loan numbered 7699-MK, Loan numbered 8158-MK and EC IPA Grant No. TF 018812, present fairly, in all material respects, the Project's financial position as at 31 December 2015, and the movement on the Sources and Uses of Funds, Statement of Uses of Funds by Project Activity, Statement of Unit of Output by Project Activity, Statement of Breakdown of Loans and Grants, Statement of Withdrawals and Designated Account Statements as at and for the year ended 31 December 2015, in conformity with the related requirements of the World Bank's financial reporting guidelines and in compliance with the relevant provisions set out in the Loan Agreement numbered 7699-MK dated 29 June 2009, the Disbursement letter, dated 29 June 2009 and Loan Agreement numbered 8158-MK dated 7 June 2012 and EC IPA Grant No. TF 018812.

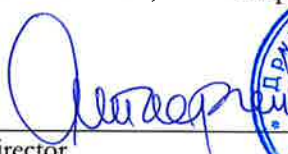
In addition:

- Adequate supporting documentation has been maintained to support claims to the World Bank for replenishment of expenditures incurred, and which expenditures are eligible for financing under the Loan Agreement numbered 7699-MK, Loan Agreement numbered 8158-MK and EC IPA Grant No. TF 018812,
- Adequate procurement procedures have been established and implemented, in compliance with the World Bank Procurement regulations and guidelines, and
- In regard to the provided Sub-loans funds to the municipalities, the applied procedures and supporting documents confirms that funds are utilized in efficient manner and for the purposes intended, in accordance with the separate on-lending agreements and provisions stipulated in the Loan Agreement numbered 7699-MK, Loan Agreement numbered 8158-MK and EC IPA Grant No. TF 018812.

Skopje,

29 June 2016

Grant Thornton, DOO Skopje


Director
Suzana Stavrik




Certified Auditor
Suzana Stavrik

Statement of Sources and Uses of Funds

	For the period from 01 January 2015 through 31 December 2015			For the period from 01 January 2014 through 31 December 2014			(Amounts in EUR) Cumulative up to 31 December	
	Actually disbursed	Budget	Variance	Actually disbursed	Budget	Variance	2015	2014
Sources of funds								
IBRD Original Loan 7699-MK	1,301,054	4,000,000	2,698,946	2,819,801	4,000,000	1,180,199	16,844,185	15,543,131
IBRD Additional Financing 8158-MK	3,092,670	6,000,000	2,907,330	4,104,130	6,000,000	1,895,870	9,389,799	6,297,130
World bank-MSIP EC IPA	472	-	(472)	-	-	-	472	-
MSIP EC NKF	116	-	(116)	-	-	-	116	-
Total sources of funds	4,394,312	10,000,000	5,605,688	6,923,931	10,000,000	3,076,069	26,234,572	21,840,261
Uses of funds								
Financed by IBRD								
Municipal Investment	4,275,167	7,440,415	3,165,248	5,808,249	5,888,307	80,058	23,237,780	18,962,614
Capacity Building and Institutional Reform	36,542	55,150	18,608	6,270	11,270	5,000	75,918	39,377
Performance-Based Investment Grants	135,227	250,342	115,115	249,539	252,772	3,233	464,678	329,451
Performance Management and Operating Cost	184,323	371,501	187,178	149,390	158,362	8,972	698,139	513,815
IPA Rural Investment Window	466	-	(466)	-	-	-	466	-
Subtotal - Financed by IBRD	4,631,725	8,117,408	3,485,683	6,213,448	6,310,711	97,263	24,476,981	19,845,257
Front-end fee	-	-	-	-	-	-	140,250	140,250
Total uses of funds	4,631,725	8,117,408	3,485,683	6,213,448	6,310,711	97,263	24,617,231	19,985,507
Balance	(237,413)	1,882,592	2,120,005	710,483	3,689,289	2,978,806	1,617,341	1,854,754
Reconciliation to the balance of unspent funds:								
Unspent funds, at beginning of the period	1,854,754	6,529,210	4,674,456	1,144,271	2,839,921	1,695,650	-	-
Unspent funds, at end of the period	1,617,341	8,411,802	6,794,461	1,854,754	6,529,210	4,674,456	1,617,341	1,854,754
Reconciling item*	(11,776)	-	-	-	-	-	-	-
Unspent funds- Cash balance, at end of the period	1,605,565	-	-	-	-	-	-	-

The Project's Financial Statements have been approved by the MoF on 28 June 2016 and signed on its behalf by:


 Ljubica Patlidzankovska,
 Lead Project Coordinator

*The reconciling item in amount of 11,776 EUR between unspent funds at the end of period and the balance at end of period of cash on all bank accounts and petty cash is due to the transferred principal (Canceled sub-loan for Shtip municipality) to the Ministry of Finance instead of keeping it on the MSIP account. Based on this an account receivable for refund of funds is recorded in the project books and in Q1 2016 the funds were returned on the MSIP OL account.

Statement of Uses of Funds by Project Activity

	For the period from 01 January 2015 through 31 December 2015			(Amounts in EUR) For the period from 01 January 2014 through 31 December 2014		
	Actually disbursed	Budget	Variance	Actually disbursed	Budget	Variance
Project's expenditures by activity:						
A. Municipal Investment						
Municipal Services Improvement Project - Original Loan						
A.1 Sub Loan MSIP 01 - Kocani (Pipe Replacement - 6 km)	-	-	-	-	-	-
A.1.i. Contract MSIP 01/1-NCB	-	-	-	-	-	-
A.1.ii. Contract MSIP 01/2-CQ	-	-	-	-	-	-
A.2 Sub Loan MSIP 02 - Bogdanci (Street Lighting)	-	-	-	-	-	-
A.2.i. Contract MSIP 02/1-NCB	-	-	-	-	-	-
A.2 .ii. Contract MSIP G NSB 004/11	-	-	-	-	-	-
A.3. Sub Loan MSIP 03 - Skopje (Vehicle and bins for solid waste)	-	-	-	-	-	-
A.3.i. Contract MSIP 03/1-ICB	-	-	-	-	-	-
A.3.ii. Contract MSIP 03/2-ICB	-	-	-	-	-	-
A.3.ii. Remaining loan funds (VAT)	-	-	-	-	-	-
A.4 Sub Loan MSIP 04 - Ilinden (Heating and Cooling of Municipality Building)	-	-	-	-	-	-
A.4.i. Contract MSIP NCB 003/10	-	-	-	-	-	-
A.4 Sub Loan MSIP 04-2 - ILINDEN (Heating and Cooling in House of Culture)	-	-	-	-	-	-
A.4 Sub Loan MSIP 04/2 - ILINDEN (Geothermal pumps House of Culture)	52,379	52,379	-	-	-	-
A.4.ii. Contract MSIP NCB	-	-	-	94,051	95,000	949
A.5. Sub Loan MSIP 05 - Kisela Voda (Drainage Systems)	-	-	-	-	-	-
A.5.i. Contract MSIP NCB 004/11	-	-	-	-	-	-
A.5 Sub Loan MSIP 05/2 - KISELA VODA (Water supply systems)	-	-	-	-	-	-
A.5.i. Contract MSIP W ICB 003/11-Lot1	-	-	-	-	-	-
A.5.i. Contract MSIP W ICB 003/11-Lot2	-	-	-	-	-	-
A.5.i. Contract MSIP W NCB 005/11	-	-	-	-	-	-
A.6 Sub Loan MSIP 06 STIP (Arrangement of the central city area)	-	-	-	-	-	-
A.6.i. Contract MSIP W NCB-008/11	-	-	-	-	-	-
A.6.ii. Contract MSIP W ICB	-	-	-	-	-	-
Returned sub-loan funds due to termination of the Sub-loan Agreement*	(141,410)	(140,000)	1,410	(24,383)	-	24,383
A.7 Sub Loan MSIP 07- PEHCEVO (Vehicles for solid waste)	-	-	-	-	-	-
A.7.i. Contract MSIP G NCB-004/11	-	-	-	-	-	-
A.8 Sub Loan MSIP 08-1 - VELES (Extension of water supply system)	-	-	-	-	-	-
A.8.i. Contract MSIP W NCB	-	-	-	136,061	136,061	-
A.8 Sub Loan MSIP 08-2 - VELES (Street lighting)	-	-	-	-	-	-
A.8.ii. Contract MSIP W NCB	-	-	-	323,213	323,213	-

							(Amounts in EUR)
Statement of Uses of Funds by Project Activity (continued)							
	Actually disbursed	For the period from 01 January 2015 through 31 December 2015		Actually disbursed	For the period from 01 January 2014 through 31 December 2014		
		Budget	Variance		Budget	Variance	
A.9 Sub Loan MSIP 09 - VEVCANI (Vehicles for solid waste and Backhoe)	-	-	-	-	-	-	-
A.9.i. Contract MSIP G NCB-005/11-Lot1	-	-	-	-	-	-	-
A.9.ii. Contract MSIP G NCB-005/11-Lot2	-	-	-	-	-	-	-
A.10. Contract MSIP G NCB-009/11	-	-	-	-	-	-	-
A.11 Sub Loan MSIP 11 - KICEVO (Vehicles for solid waste and Street reconstruction)	-	-	-	-	-	-	-
A.11.i Contract MSIP G ICB 004-11	-	-	-	-	-	-	-
A.11.ii Contract MSIP W NCB 012-12	-	-	-	-	-	-	-
A.12 Sub Loan MSIP 12 - NOVACI (Street lighting)	-	-	-	-	-	-	-
A.12.i Contract MSIP W NCB	-	-	-	-	-	-	-
A.13 Sub Loan MSIP 13 - DOLNENI (Rehabilitation of local roads)	-	-	-	-	-	-	-
A.13.i Contract MSIP W NCB	-	-	-	-	-	-	-
A.14 Sub Loan MSIP 14 - GJORCE PETROV(Streets reconstruction)	-	-	-	-	-	-	-
A.14.i Contract MSIP W ICB	-	-	-	258,944	258,944	-	-
A.15 Sub Loan MSIP 15 - GRADSKO (Vehicle and bins for solid waste)	-	-	-	-	-	-	-
A.15.i Contract MSIP G NSB	-	-	-	-	-	-	-
A.15.ii Contract MSIP G SH	-	-	-	-	-	-	-
A.16 Sub Loan MSIP 16 - VASILEVO (Construction of the water supply network)	-	-	-	-	-	-	-
A.16.i Contract MSIP W NCB	-	-	-	-	-	-	-
A.17 Sub Loan MSIP 17-BOSILOVO (Construction of bridge)	-	-	-	-	-	-	-
A.17.i Contract MSIP W NCB	-	-	-	-	-	-	-
A.18 Sub Loan MSIP 18 - MOGILA (Reconstruction of House of Culture)	-	-	-	-	-	-	-
A.18.i Contract MSIP W NCB	-	-	-	-	-	-	-
A.18 Sub Loan MSIP 18/2 - MOGILA (Construction vehicle - Backhoe)	-	-	-	-	-	-	-
A.18.ii Contract MSIP G NCB	-	-	-	34,161	34,161	-	-
A.19 Sub Loan MSIP 19 - GOSTIVAR (Street lighting and Supply of basic equipment for public hygiene)	-	-	-	-	-	-	-
A.19.i. Contract MSIP ICB	-	-	-	-	-	-	-
A.19.ii. Contract MSIP NCB	-	-	-	100,879	100,879	-	-
- Remaining loan funds	-	-	-	-	-	-	-
- VAT and Customs	-	-	-	-	-	-	-
A.20 Sub Loan MSIP 20 - PRILEP (Streets reconstruction)	-	-	-	-	-	-	-
A.20.i. Contract MSIP NCB	-	-	-	-	-	-	-
A.21 Sub Loan MSIP 21 - CAIR (School/Kindergarten Insulation Project)	-	-	-	-	-	-	-
A.21.i. Contract MSIP NCB	-	-	-	130,344	130,344	-	-
A.22 Sub Loan MSIP - GAZI BABA (Reconstruction of School)	302,868	1,238,052	935,184	-	-	-	-
A.22 Sub Loan MSIP - GAZI BABA (fance)	35,661	35,661	-	-	-	-	-
A.22.i. Contract MSIP NCB	-	-	-	816,810	820,000	3,190	-
A.23 Sub Loan MSIP 34- BUTEL (Construction of School-phase II)	976,610	1,193,010	216,400	-	-	-	-
A.23.i. Contract MSIP ICB	-	-	-	216,400	220,000	3,600	-
A.24 Sub Loan MSIP - KAVADARCI (Reconstruction of Schools)	-	60,000	60,000	-	-	-	-
City of Skopje Sub Loan MSIP 03-2 (Equipment for public greenery)	-	100,000	100,000	-	-	-	-
A.24.i. Contract MSIP NCB	-	-	-	-	-	-	-
Other Sub - Loan	-	-	-	-	-	-	-
Sub-total Component A - Original Loan	1,226,108	2,539,102	1,312,994	2,086,480	2,118,602	32,122	

(Amounts in EUR)

Statement of Uses of Funds by Project Activity (continued)

	Actually disbursed	For the period from 01 January 2015 through 31 December 2015		Actually disbursed	For the period from 01 January 2014 through 31 December 2014	
		Budget	Variance		Budget	Variance
Municipal Services Improvement Project - Additional Financing						
A.AF.01 Sub Loan MSIP 22 - BEROVO (Streets reconstruction)	-	-	-	-	-	-
A.AF.1.i Contract MSIP W NCB	-	-	-	35,007	35,007	-
A.AF.02 Sub Loan MSIP 23 - MAVROVO ROSTUSE (Streets reconstruction)	-	-	-	-	-	-
A.AF.02 Sub Loan MSIP 23 -2 MAVROVO ROSTUSE (Streets lighting)	99,160	99,160	-	-	-	-
A.AF.1.i Contract MSIP W NCB	-	-	-	199,227	199,227	-
A.AF.03 Sub Loan MSIP - VINICA (Vehicles for solid waste)	-	-	-	-	-	-
A.AF.03 Sub Loan MSIP 24-2 - VINICA (Construction of storm water system and construction of street)	156,919	156,919	-	554,708	600,000	45,292
A.AF.1.i Contract MSIP G NCB	-	-	-	-	-	-
A.AF.1.i I Contract MSIP W NCB	-	-	-	-	-	-
A.AF.04 Sub Loan MSIP - KRIVA PALANKA (Streets reconstruction)	-	-	-	-	-	-
A.AF.1.i Contract MSIP W NCB	-	-	-	90,778	90,778	-
A.AF.1.i Contract MSIP G NCB	-	-	-	147,641	147,641	-
A.AF.05 Sub Loan MSIP 27 - RANKOVCE (Streets reconstruction)	-	-	-	-	-	-
A.AF.1.i Contract MSIP W NCB	-	-	-	109,797	109,797	-
A.AF.06 Sub Loan MSIP 26 - BOSILOVO (Streets reconstruction)	-	-	-	-	-	-
A.AF.1.i Contract MSIP W NCB	-	-	-	-	-	-
A.AF.07 Sub Loan MSIP 29 - PRILEP (Streets reconstruction)	-	-	-	-	-	-
A.AF.1.i Contract MSIP W NCB	-	-	-	696,444	696,444	-
A.AF.08 Sub Loan MSIP 30 - PETROVEC (Reconstruction of School)	212,249	212,249	-	-	-	-
A.AF.1.i Contract MSIP W NCB	-	-	-	1,008,199	1,000,000	(8,199)
A.AF.09 Sub Loan MSIP 31 - CASKA (Street reconstruction and water reservoir)	-	-	-	-	-	-
A.AF.9.i Contract MSIP W NCB	-	-	-	531,266	531,266	-
A.AF.10 Sub Loan MSIP 32 - PROBISHTIP (Street reconstruction)	174,045	174,045	-	-	-	-
A.AF.10.i Contract MSIP W NCB	-	-	-	234,600	240,000	5,400
A.AF.11 Sub Loan MSIP 33 - PEHCEVO (Street reconstruction)	5,569	5,569	-	-	-	-
A.AF.11.i Contract MSIP W NCB	-	-	-	105,557	111,000	5,443
A.AF.12 Sub Loan MSIP 35 - KRUSEVO (Installation of water meters)	70,856	80,300	9,444	-	-	-
A.AF.12.i Contract MSIP W NCB	-	-	-	8,545	8,545	-
A.AF.13 Sub Loan MSIP 36 - DOJRAN (Purchasing of comunal vehicles)	130,586	130,586	-	-	-	-
A.AF.13.i Contract MSIP W NCB	-	-	-	-	-	-
A.AF.14 Sub Loan MSIP 37 -OHRID (street reconstruction)	349,434	1,000,000	650,566	-	-	-
A.AF.14 Sub Loan MSIP 37 -OHRID (Purchasing of comunal vehicles)	-	306,328	306,328	-	-	-
A.AF.14.i Contract MSIP G ICB	-	-	-	-	-	-
A.AF.14.ii Contract MSIP W ICB	-	-	-	-	-	-
A.AF.15 Sub Loan MSIP 38 - KARPOSH (Street and storm water reconst.)	151,536	150,000	(1,536)	-	-	-
A.AF.15.i Contract MSIP W ICB	-	-	-	-	-	-
A.AF.16 Sub Loan MSIP 39 - SHUTO ORIZARI (Water supply system)	302,046	350,000	47,954	-	-	-
A.AF.16.i Contract MSIP W ICB	-	-	-	-	-	-
A.AF.17 Sub Loan MSIP 40 - CITY OF SKOPJE(Water supply system Shuto Orizari)	102,646	400,000	297,354	-	-	-
A.AF.17.i Contract MSIP W ICB	-	-	-	-	-	-

Project's Financial Statements
 31 December 2015

(Amounts in EUR)

Statement of Uses of Funds by Project Activity (continued)

	For the period from 01 January 2015 through 31 December 2015			For the period from 01 January 2014 through 31 December 2014		
	Actually disbursed	Budget	Variance	Actually disbursed	Budget	Variance
A.AF.18 Sub Loan MSIP 41 - ZELINO (Street and storm water reconst.)	179,577	216,434	36,857	-	-	-
A.AF.18.i Contract MSIP W ICB	-	-	-	-	-	-
A.AF.19 Sub Loan MSIP 42 - ROSOMAN (Water reservoir)	69,723	69,723	-	-	-	-
A.AF.19.i Contract MSIP W ICB	-	-	-	-	-	-
A.AF.20 Sub Loan MSIP 43 - KOCANI (Street construction)	552,615	400,000	(152,615)	-	-	-
A.AF.20.i Contract MSIP W ICB	-	-	-	-	-	-
A.AF.21 Sub Loan MSIP 44 - GORCE PETROV (Street construction)	409,444	500,000	90,556	-	-	-
A.AF.21.i Contract MSIP W ICB	-	-	-	-	-	-
A.AF.22 Sub Loan MSIP 45 - NEGOTINO (Water pipe replacement)	-	-	-	-	-	-
A.AF.22.i Contract MSIP W ICB	-	-	-	-	-	-
DELCEVO - AF MSIP Subloan 46	-	-	-	-	-	-
Delcevo - Extension of kindergarten	-	150,000	150,000	-	-	-
Delcevo AF - Remaining Sub-loan	-	-	-	-	-	-
MAKEDONSKA KAMENICA - AF Subloan MSIP 47	-	-	-	-	-	-
MK.Kamenica - Reconstruction of cultural center	-	100,000	100,000	-	-	-
MK.Kamenica AF - Remaining sub-loan	-	-	-	-	-	-
SVETI NIKOLE - AF Subloan MSIP 48	-	-	-	-	-	-
Sv.Nikole - Reconstruction of streets	82,654	400,000	317,346	-	-	-
Sveti Nikole AF - Remaining Sub-loan	-	-	-	-	-	-
Other Sub-Loans	-	-	-	-	-	-
Sub-total Component A - Additional Financing	3,049,059	4,901,313	1,852,254	3,721,769	3,769,705	47,936
Sub-total Component A	4,275,167	7,440,415	3,165,248	5,808,249	5,888,307	80,058
B. Capacity Building and Institutional Reform						
Municipal Services Improvement Project- Original Loan						
B.1 TA to Municipalities and CSE's for Sub- project preparation	-	-	-	-	-	-
B.1.i: IBNET consultant	9,042	10,150	1,108	-	6,270	-
B.1.ii: TA for Preparation of PADs for the Municipalities	27,500	45,000	17,500	-	5,000	5,000
B.2.Strengthening Capacity of Mun. and CSE's to Improve Services	-	-	-	-	-	-
B.3.Development strategy for Fin. Intermediaries in Mun. Investments	-	-	-	-	-	-
B.4.Project Introduction and sub-project implementation workshop	-	-	-	-	-	-
B.5 TA for review of legal, regulatory framework for sovereign debt	-	-	-	-	-	-
B.5.ii.Contract MSIP PMU-CS-SSS-B5-1	-	-	-	-	-	-
B.5.i.Contract MSIP PMU-CS-SSS-B5-2	-	-	-	-	-	-
B.5.iii Workshop	-	-	-	-	-	-
Payments without contract	-	-	-	-	-	-
B.4. Follow-up workshop on feasibility study preparation	-	-	-	-	-	-
B.4. IBNET workshop	-	-	-	-	-	-
B.4. Procurement workshop	-	-	-	-	-	-
Sub-total Component B - Original Loan	36,542	55,150	18,608	6,270	11,270	5,000

(Amounts in EUR)

Statement of Uses of Funds by Project Activity (continued)

	For the period from 01 January 2015 through 31 December 2015			For the period from 01 January 2014 through 31 December 2014		
	Actually disbursed	Budget	Variance	Actually disbursed	Budget	Variance
Municipal Services Improvement Project - Additional Financing						
B.1.AF. Contract	-	-	-	-	-	-
B.2.AF. Contract	-	-	-	-	-	-
B.3.AF. Contract	-	-	-	-	-	-
B.4.AF. Contract	-	-	-	-	-	-
Sub-total Component B - Additional Financing	-	-	-	-	-	-
Sub-total Component B	36,542	55,150	18,608	6,270	11,270	5,000
C. Performance - Based Investment Grants						
Municipal Services Improvement Project - Original Loan						
C.01. KOCANI GA-01	-	-	-	-	-	-
C.02. CITY of SKOPJE GA-02	-	-	-	148,425	148,425	-
C.03. VEVCHANI GA-03	-	-	-	-	-	-
C.04. VASILEVO GA-04	-	-	-	38,343	38,343	-
C.05. MOGILA GA-05	-	-	-	36,162	36,162	-
C.06. KRUSHEVO GA-06	-	-	-	9,842	9,842	-
C.07. BOGDANCI GA-07	3,291	3,291	-	16,767	20,000	3,233
C.09 Bosilovo GA - 09	27,231	27,231	-	-	-	-
C.11 Dolneni GA - 11	26,682	26,682	-	-	-	-
C.16 Ilinden GA - 16	-	37,692	37,692	-	-	-
Contract 8	-	-	-	-	-	-
Contract 4	-	-	-	-	-	-
Sub- total Component C - Original Loan	57,204	94,896	37,692	249,539	252,772	3,233
Municipal Services Improvement Project - Additional Financing						
C.1.AF. Contract	-	-	-	-	-	-
C.2.AF. Contract	-	-	-	-	-	-
C.3.AF. Contract	-	-	-	-	-	-
C.4.AF. Contract	-	-	-	-	-	-
C.8 AF Berovo GA - 08	38,109	38,109	-	-	-	-
C.10 AF Bosilovo GA - 10	39,914	39,914	-	-	-	-
C.15 AF Prilep GA - 15	-	77,423	77,423	-	-	-
Sub- total Component C - Additional Financing	78,023	155,446	77,423	-	-	-
Sub-total Component C	135,227	250,342	115,115	249,539	252,772	3,233
D. Project Management and Operating Cost						
Municipal Services Improvement Project - Original Loan						
PMU staff						
MSIP PMU 01 - Project director	-	-	-	-	-	-
MSIP PMU 07 - Project director	1,300	-	(1,300)	14,430	15,730	1,300
MSIP PMU 02 - FM specialist	1,100	-	(1,100)	12,210	13,310	1,100
MSIP PMU 03 - Procurement specialist	-	-	-	-	-	-
MSIP PMU 08 - Procurement specialist	1,100	-	(1,100)	12,210	13,310	1,100
MSIP PMU 04 - Civil Engineer	1,150	-	(1,150)	12,765	13,915	1,150
MSIP PMU 05 - Office Manager	-	-	-	-	-	-
MSIP PMU 09 - Office Manager 2	700	-	(700)	7,770	8,470	700
MSIP PMU 11 - Civil engineer 2	1,000	-	(1,000)	11,100	12,100	1,000
MSIP PMU 12 - Administrative officer	700	-	(700)	7,770	8,470	700
MSIP PMU 13- Civil engineer 2	1,000	-	(1,000)	4,000	5,000	1,000
Part time personnel						
MSIP PMU 06 - Environment consultant	15,248	67,853	52,605	9,193	9,200	7
MSIP PMU 10 - Performance grant consultant	2,223	11,560	9,337	6,120	6,200	80

(Amounts in EUR)

Statement of Uses of Funds by Project Activity (continued)

		For the period from 01 January 2015 through 31 December 2015			For the period from 01 January 2014 through 31 December 2014	
	Actually disbursed	Budget	Variance	Actually disbursed	Budget	Variance
Project Financial Audit	5,722	24,300	18,578	5,740	5,740	-
Other costs						
MSIP PMU - Furniture				5,744	6,000	256
MSIP PMU 01 - SH - IT equipment	1,147	4,465	3,318	859	900	41
MSIP PMU 02 - SH - Vehicle				27,178	27,178	-
MSIP PMU SH 04 FM software	3,089	1,829	(1,260)	-	-	-
Training for the PMU staff	-	29,837	29,837	839	839	-
Payments without contract				11,462	12,000	538
Other costs	14,681	60,000	45,319	-	-	-
Sub-total Component D - Original Loan	50,160	199,844	149,684	149,390	158,362	8,972
Municipal Services Improvement Project - Additional Financing						
D.1.AF. Contract	-	-	-	-	-	-
D.2.AF.Contract	-	-	-	-	-	-
D.3.AF.Contract	-	-	-	-	-	-
AF Project Director	20,427	26,142	5,715	-	-	-
AF FM Specialist	17,292	18,800	1,508	-	-	-
AF Procurement specialist	17,292	18,000	708	-	-	-
AF Construction Engineer 1	18,073	19,000	927	-	-	-
AF Construction Engineer 2	15,718	35,015	19,297	-	-	-
AF Construction Engineer 3	15,718	20,000	4,282	-	-	-
AF Construction Engineer 4	2,144	7,200	5,056	-	-	-
AF Office Manager/Translator	11,000	11,000	-	-	-	-
AF Administrative/Operative Assistant	11,000	11,000	-	-	-	-
AF FM assistant	5,500	5,500	-	-	-	-
Sub-total Component D - Additional Financing	134,166	171,657	37,491	-	-	-
Sub-total Component D	184,323	371,501	187,178	149,390	158,362	8,972
Component E: IPA Rural Investment Window						
E.3.Operational costs						
IPA Operational costs (multiply contracts)	466	-	(4,656)	-	-	-
Sub-total Component E for MSIP IPA NKF:	466	-	(466)	-	-	-
E.1.Investment grants	-	-	-	-	-	-
KRATOVO IPA GRANT	-	-	-	-	-	-
BEROVO IPA GRANT	-	-	-	-	-	-
RESEN IPA GRANT	-	-	-	-	-	-
ILINDEN IPA GRANT	-	-	-	-	-	-
IPA investment grants - other municipalities	-	-	-	-	-	-
E.2.Technical assistance	-	-	-	-	-	-
Sub-total Component E for MSIP IPA:	-	-	-	-	-	-
Sub-total Component E	466	-	(466)	-	-	-
Front End Fee - Original Loan	-	-	-	-	-	-
Front End Fee - Additional Financing	-	-	-	-	-	-
Total Project Expenditures by activity	4,631,725	8,117,408	3,485,683	6,213,448	6,310,711	97,263

Statement of Unit of Output by Project Activity

Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid amount original currency	Contract amount local currency MKD	Paid amount local currency MKD	Cumulative for the period from 29 June 2009 through 31 December 2015	
									EUR	MKD
Component A: MUNICIPAL INVESTMENTS										
Municipal Services Improvement Project-Original Loan										
A.1 Sub Loan MSIP 01 - KOCANI (Pipe Replacement (6km))	577,034	577,034	577,034	ICB	35,335,224 MKD	35,335,224-MKD	35,335,224	35,335,224	-	-
A.1.i.ContractMSIP01/1-NCB	-	-	-	-	-	-	-	-	-	-
A.1.ii.ContractMSIP01/2-CQ	-	-	-	-	-	-	-	-	-	-
Kocani-Supervision of reconstruction (CS)	22,966	22,966	22,966	CQ	22,965.63 EUR	22,965.63-EUR	1,429,174	1,406,481	-	-
Remaining sub-loan funds	-	-	-	-	-	-	-	-	-	-
A.2 Sub Loan MSIP 02 - BOGDANCI (Street lighting)	87,341	87,341	87,341	NCB	5,345,017.5 MKD	5,345,017.5-MKD	5,345,018	5,345,018	-	-
Bogdanci-Street lighting (savings)	13,151	13,151	13,151	NCB	804,982.5 MKD	804,982.5-MKD	804,982	804,982	-	-
A.2.i. Contract MSIP 02/1-NCB	-	-	-	-	-	-	-	-	-	-
A.2. ii. Contract MSIP G NSB 004/11	-	-	-	-	-	-	-	-	-	-
A.3 Sub Loan MSIP 03-SKOPJE (Vehicles and bins for solid waste)	1,798,300	1,798,300	1,798,300	ICB	1,798,300 EUR	1,798,300-EUR	110,207,127	110,207,127	-	-
Skopje-Wastebins for public hygiene	748,800	748,800	748,800	NCB	748,800 EUR	748,800-EUR	45,838,024	45,838,024	-	-
A.3.i.Contract MSIP 03/ 1-ICB	-	-	-	-	-	-	-	-	-	-
A.3.ii.Contract MSIP 03/2-ICB	361,000	361,000	361,000	ICB	361,000 EUR	-	22,201,500	-	361,000	-
VAT	427,722	427,722	427,722	NA	427,721.83 EUR	427,721.83-EUR	26,187,300	26,187,300	-	-

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Statement of Unit of Output by Project Activity (continued)

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Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from 29 June 2009 through 31 December 2015			
Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR	MKD
A.8 Sub Loan MSIP 08-1 - VELES (Extension of water supply system)	685,549	685,549	685,549	NCB	41,999,428 MKD	41,999,427.5-MKD	41,999,428	41,999,428	-	-
A.8.i. Contract MSIP W NCB	-	-	-	-	-	-	-	-	-	-
- Remaining loan funds	-	-	-	-	-	-	-	-	-	-
Sub Loan MSIP 08-2 - VELES (Street lighting)	323,213	323,213	323,213	NCB	19,809,656 MKD	19,809,656-MKD	19,809,656	19,809,656	-	-
A.8.ii. Contract MSIP W NCB	-	-	-	-	-	-	-	-	-	-
- Remaining loan funds	-	-	-	-	-	-	-	-	-	-
A.9 Sub Loan MSIP 09 - VEVCANI (Vehicles for solid waste and Backhoe)	99,686	99,686	99,686	NCB	6,100,000 MKD	6,100,000-MKD	6,100,000	6,100,000	-	-
A.9.i. Contract MSIP W NCB- Lot 1 from the sub-loan	-	-	-	-	-	-	-	-	-	-
A.9.ii. Contract MSIP W NCB-Lot 2 from the sub-loan	-	-	-	-	-	-	-	-	-	-
A.10 Sub Loan MSIP10 - KRUSEVO (Vehicles for solid waste)	49,218	49,218	49,218	NCB	3,011,655 MKD	3,011,655-MKD	3,011,655	3,011,655	-	-
A.10. Contract MSIP W NCB 009-11	-	-	-	-	-	-	-	-	-	-
A.11 Sub Loan MSIP 11 - KICEVO (Vehicles for solid waste)	201,434	201,434	201,434	ICB	12,327,883 MKD	12,327,883-MKD	12,327,883	12,327,883	-	-
Kicevo-Street Reconstruction	448,947	448,947	448,947	NCB	27,536,274.5 MKD	27,536,274.5-MKD	27,536,275	27,536,274	-	-
Kicevo - Procurement of solid waste vehicle 2 cont	113,846	113,846	-	NCB	7,001,529 MKD	-	7,001,529	-	-	7,001,529
A.11.1 Contract MSIP G ICB 004-11	-	-	-	-	-	-	-	-	-	-
A.11.2 Contract MSIP W NCB 012-12	-	-	-	-	-	-	-	-	-	-
- Remaining loan funds	-	-	-	-	-	-	-	-	-	-
A.12 Sub Loan MSIP 12 - NOVACI (Street lighting)	-	-	-	-	-	-	-	-	-	-
A.12.i Contract MSIP W NCB	130,710	130,710	130,710	NCB	8,000,000 MKD	7,999,998.5-MKD	7,999,975	7,999,998	-	2
A.13 Sub Loan MSIP 13 - DOLNENI (Rehabilitation of local roads)	-	-	-	-	-	-	-	-	-	-
A.13.i Contract MSIP W NCB	266,778	266,778	266,778	NCB	16,345,302 MKD	16,345,302-MKD	16,345,302	16,345,302	-	-

IBRD Loan number 7699-MK, Loan number 8158-MK and EC IPA Grant No. TF 018812

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Statement of Unit of Output by Project Activity (continued)										Cumulative for the period from 29 June 2009 through 31 December 2015	
Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR	Contract currency MKD	Commitments in contract currency MKD
A.14 Sub Loan MSIP 14 - GJORCE PETROV (Streets reconstruction)	-	-	-	-	-	-	-	-	-	-	-
A.14.i Contract MSIP W ICB	1,291,416	1,291,416	1,291,416	ICB	79,136,435 MKD	79,136,435-MKD	79,136,435	79,136,435	-	-	-
- Remaining loan funds	-	-	-	-	-	-	-	-	-	-	-
A.15 Sub Loan MSIP 15 - GRADSKO (Vehicle and bins for solid waste)	-	-	-	-	-	-	-	-	-	-	-
A.15.i Contract MSIP G NCB	77,097	77,097	77,097	NCB	4,718,820 MKD	4,718,820-MKD	4,718,820	4,718,820	-	-	-
A.15.ii Contract MSIP G SH	22,401	22,401	22,401	SH	1,371,160 MKD	1,371,160-MKD	1,371,160	1,371,160	-	-	-
A.16 Sub Loan MSIP 16 - VASILEVO (Construction of the water supply network)	-	-	-	-	-	-	-	-	-	-	-
A.16.i Contract MSIP W NCB	383,578	383,578	383,578	NCB	23,493,724 MKD	23,493,724-MKD	23,493,724	23,493,724	-	-	-
A.17 Sub Loan MSIP 17-BOSILOVO (Construction of bridge)	-	-	-	-	-	-	-	-	-	-	-
A.17.i Contract MSIP W NCB	136,507	136,507	136,507	NCB	8,357,469 MKD	8,357,469-MKD	8,357,469	8,357,469	-	-	-
A.18 Sub Loan MSIP 18 - MOGILA (Reconstruction of House of Culture)	-	-	-	-	-	-	-	-	-	-	-
A.18.i Contract MSIP W NCB	-	-	-	-	-	-	-	-	-	-	-
A.18 Sub Loan MSIP 18/2 - MOGILA (Construction vehicle - Backhoe)	34,161	34,161	34,161	NCB	2,092,055 MKD	2,092,055-MKD	2,092,055	2,092,055	-	-	-
A.18.ii Contract MSIP G NCB	180,856	180,856	180,856	NCB	11,073,076 MKD	11,073,076-MKD	11,073,076	11,073,076	-	-	-
A.19 Sub Loan MSIP 19 - GOSTIVAR (Street lighting and Supply of basic equipment for public hygiene)	-	-	-	-	-	-	-	-	-	-	-
A.19.i. Contract MSIP ICB	458,000	458,000	458,000	ICB	458,000 EUR	458,000-EUR	28,028,835	28,028,835	-	-	-
A.19.ii. Contract MSIP NCB	341,973	341,973	341,973	NCB	20,963,883 MKD	20,963,883-MKD	20,963,883	20,963,883	-	-	-
- VAT	42,702	42,702	42,702	NA	2,619,251 MKD	2,619,251-MKD	2,619,251	2,619,251	-	-	-
A.20 Sub Loan MSIP 20 - PRILEP (Streets reconstruction)	-	-	-	-	-	-	-	-	-	-	-
A.20.i. Contract MSIP NCB	501,619	501,619	501,619	NCB	30,754,250.5 MKD	30,754,250.5-MK D	30,754,250	30,754,250	-	-	-
A.21 Sub Loan MSIP 21 - CAIR (School/Kindergarten Insulation Project)	-	-	-	-	-	-	-	-	-	-	-
A.21.i. Contract MSIP NCB	484,523	484,523	484,523	NCB	29,678,833 MKD	29,678,833-MKD	29,678,833	29,678,833	-	-	-
A.22 Sub Loan MSIP - GAZI BABA (Reconstruction of School)	1,238,052	1,238,052	1,238,052	ICB	75,880,974 MKD	75,880,974-MKD	75,880,974	75,880,974	-	-	-
Gazi Baba-fance	35,661	35,661	35,661	SH	2,188,900 MKD	2,188,900-MKD	2,188,900	2,188,900	-	-	-

Statement of Unit of Output by Project Activity (continued)

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Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from 29 June 2009 through 31 December 2015		
Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR MKD
A.A.F. 13 Sub Loan MSIP 36 - DOJRAN (Purchasing of communal vehicles)									
A.A.F. 13.i Contract MSIP G NCB	130,586	130,033	130,586	NCB	7,997,000 MKD	7,997,000-MKD	7,997,000	7,997,000	
A.A.F. 14 Sub Loan MSIP 37 -OHRID (Purchasing of communal vehicles and street reconstruction)									
A.A.F. 14.i Contract MSIP G ICB	1,423,457	1,423,457	349,434	ICB	87,542,666 MKD	21,416,612-MKD	87,542,666	21,416,612	66,126,054
A.A.F. 14.ii Contract MSIP W ICB	306,328	306,328		ICB	306,328 EUR		18,839,172		306,328
Ohrid AF - remaining sub-loan	336,129			NCB					
A.A.F. 15 Sub Loan MSIP 38 - KARPOSH (Street and storm water reconst.)									
A.A.F. 15.i Contract MSIP W NCB	575,583	575,583	151,536	NCB	35,598,352 MKD	9,297,277-MKD	35,398,352	9,297,277	26,301,075
Karposh AF - remaining sub loan	211,814			NCB					
A.A.F. 16 Sub Loan MSIP 39 - SHUTO ORIZARI (Water supply system)									
A.A.F. 16.i Contract MSIP W ICB	495,571	495,571	302,046	ICB	30,477,600 MKD	18,541,335-MKD	30,477,600	18,541,335	11,936,265
A.A.F. 17 Sub Loan MSIP 40 - CITY OF SKOPJE (Water supply system)									
A.A.F. 17.i Contract MSIP W ICB	1,725,224	1,725,224	102,646	ICB	106,101,286 MKD	6,288,069-MKD	106,101,286	6,288,069	99,813,217
A.A.F. 18 Sub Loan MSIP 41 - ZELINO (Street and storm water reconst.)									
A.A.F. 18.i Contract MSIP W ICB	216,434	216,434	179,577	NCB	13,245,782 MKD	11,019,077-MKD	13,245,782	11,019,077	2,226,705
	59,185			ICB					
A.A.F. 19 Sub Loan MSIP 42 - ROSOMAN (Water reservoir)									
A.A.F. 19.i Contract MSIP W ICB	69,723	69,547	69,723	NCB	4,277,115 MKD	4,277,115-MKD	4,277,115	4,277,115	
A.A.F. 20 Sub Loan MSIP 43 - KOCANI (Street construction)									
A.A.F. 20.i Contract MSIP W ICB	890,008	890,008	552,615	ICB	54,735,507 MKD	33,890,433-MKD	54,735,507	33,890,433	20,845,074
Kocani AF - Remaining Sub-loan	109,583			ICB					

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Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from 29 June 2009 through 31 December 2015			
Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR	MKD
A.AF.21 Sub Loan MSIP 44 - GORCE PETROV (Street construction)						9,204,767-EUR				35,930,460
A.AF.21.i Contract MSIP W ICB	843,025	843,025	409,444	ICB	51,845,969 MKD	15,915,509-MKD	51,845,969	25,120,276		
Gorce Petrov AF - Remaining Sub-loan	456,616			NCB						
A.AF.22 Sub Loan MSIP 45 - NEGOTINO (Water pipe replacement)										38,437,125
A.AF.22.i Contract MSIP W ICB	624,994	624,994		ICB	38,437,125 MKD		38,437,125			
Negotino - Remaining Sub-loan	287,523			NCB						
DELCEVO - AF MSIP Subloan 46										17,598,353
Delcevo - Extension of kindergarten										
Delcevo AF - Remaining Sub-loan	286,152	286,152		NCB	17,598,353 MKD		17,598,353			
MAKEDONSKA KAMENICA - AF Subloan MSIP	33,457			NCB						
47										
MK.Kamenica - Reconstruction of cultural center	689,960	689,960		ICB	42,432,411 MKD		42,432,411			42,432,411
MK.Kamenica AF - Remaining sub-loan	91,455			NCB						
SVETI NIKOLE - AF Subloan MSIP										
48										
Sv.Nikole - Reconstruction of streets	687,656	687,656	82,655	NCB	42,290,877 MKD	5,073,818-MKD	42,290,877	5,073,818		37,217,059
Sveti Nikole AF - Remaining Sub-loan	86,365			NCB						
BITOLA - AF Subloan MSIP 49										
Bitola - Construction of seven streets	2,484,684			ICB						
Bitola - Supervision of construction of streets	50,000			CQ						
CITY SKOPJE - AF Sub loan 50										
Skopje - Rehabilitation of Boris Trajkovski street	3,709,994	3,709,994		ICB	228,164,595 MKD		228,164,595			228,164,595
Skopje - Remaining Sub-loan	490,006			NCB						
RADOVISH-AF Sub Loan MSIP 51										
Radovis - Construction of street	439,875	439,875		NCB	27,052,293 MKD		27,052,293			27,052,293

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31 December 2015

Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from
Activities from the MSIP Plan	Procurement plan amount Euro	Contracted amount in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract original currency	Paid original local currency	29 June 2009 through 31 December 2015
					amount local currency MKD	contract currency EUR	Commitments in contract currency EUR
Radovis - Supervision of construction of street	251,267			CQ			
KRIVOGASHTANI - AF Sub Loan MSIP 52							
Krivogastani - Construction of streets	195,122			NCB			
SOPISTE - AF Sub Loan MSIP 54							
Sopishte AF - Construction of streets/roads	658,838			NCB			
KRATOVO - AF Sub Loan MSIP 55							
Kratovo AF - Construction of Green Market	514,471			NCB			
LIPKOVO - AF Sub Loan MSIP 56							
Lipkovo AF - Schools Energy Efficiency	480,601			NCB			
A. Other Sub Loans AF	5,562,362			NCB			
Sub-total Component A AF	31,773,000	19,512,135	8,717,097		1,198,648,279	534,419,665	
Total Component A	48,313,650	34,357,397	23,237,780		2,108,110,966	1,423,982,689	
Component B: CAPACITY BUILDING AND INSTITUTIONAL STRENGTHENING							
Municipal Services Improvement							
Project-Original Loan							
B.1 TA support to Municipalities and CSE's for Sub-project preparation (Multiply Contracts)							
B.1.i: IBNET consultant	59,550	59,550	24,912	SIC	59,550 EUR	24,911.98-EUR	34,638
B.1.ii:TA for Preparation of PADs for the Municipalities	70,000	70,000	27,500	SIC	70,000 EUR	27,500-EUR	42,500
B.1.iii: Contract	7,950						
Total B.1	137,500	129,550	52,412		7,967,325	3,215,094	
B.2 Strengthening Capacity of Municipalities and CSE's to Improve Performance in Services							

Project's Financial Statements
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Statement of Unit of Output by Project Activity (continued)

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"Municipal Services Improvement Project"

IBRD Loan number 7699-MK, Loan number 8158-MK and EC IPA Grant No. TF 018812

Project's Financial Statements

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Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from 29 June 2009 through 31 December 2015		
Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR MKD
B.5.ii.Contract MSIP PMU-CS-SSS-B5-1									
B.5.i.Contract MSIP PMU-CS-SSS-B5-2									
B.5.iii Workshop International expert for PDL review	12,215	12,215	12,214	SIC	15,800 USD	15,800-USD	747,610	747,610	
Int.expert - Sub-sovereign borrowing workshop	7,470	7,470	7,470	SSS	8,240 USD	8,240-USD	457,127	457,127	
Sub-sovereign borrowing policy workshop	198	198	198	Training	12,127 MKD	12,127-MKD	12,127	12,127	
Total B.5	19,883	19,883	19,882				1,216,864	1,216,864	
Sub-total Component B OL									
Municipal Services Improvement Project-Additional Financing									
B.1.AF. Contract	1,824,700			SIC					
B.2.AF. Contract									
B.3.AF. Contract									
B.4.AF. Contract									
Sub-total Component B AF	1,824,700								
Total Component B	2,080,750	153,057	75,918				9,406,217	4,653,986	

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Cumulative for the period from
 29 June 2009 through
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Statement of Unit of Output by Project Activity (continued)

Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR	MKD
Component C: PERFORMANCE GRANTS										
Municipal Services Improvement Project-Original Loan										
C.01 KOCANI GA-01	60,029	60,029	60,029	NCB	3,674,170 MKD	3,674,170-MKD	3,674,171	3,674,170		
C.02 CITY of SKOPJE GA-02	148,425	148,425	148,425	NCB	9,111,620 MKD	9,111,620-MKD	9,111,620	9,111,620		
C.03 VEVACANI GA-03	19,883	19,883	19,883	NCB	1,220,000 MKD	1,220,000-MKD	1,220,000	1,220,000		
C.03 VASILEVO GA-04	38,343	38,343	38,343	NCB	2,349,372 MKD	2,349,372-MKD	2,349,372	2,349,372		
C.05. MOGILA GA-05	36,162	36,162	36,162	NCB	2,214,615 MKD	2,214,615-MKD	2,214,615	2,214,615		
C.06. KRUSHEVO GA-06	9,842	9,842	9,842	NCB	602,331 MKD	602,330-MKD	602,331	602,330		1
C.07. BOGDANCI GA-07	16,767	16,767	16,767	NCB	1,028,610 MKD	1,028,610-MKD	1,028,610	1,028,610		
C.07. BOGDANCI GA-07 –project 2	3,291	3,291	3,291	DC	201,390 MKD	201,390-MKD	201,390	201,390		
C.08. BEROVO GA-08	38,109	38,109	38,109	SH	2,337,414 MKD	2,337,414-MKD	2,337,414	2,337,414		
C.09. BOSILOVO GA-09	27,231	27,301	27,231	SH	1,671,494 MKD	1,671,494-MKD	1,671,494	1,671,494		
C.10. BOSILOVO GA-10	39,914	39,914	39,914	SH	2,449,952 MKD	2,449,952-MKD	2,449,952	2,449,952		
C.11. DOLNENI GA-11	26,682	26,682	26,682	NCB	1,634,530 MKD	1,634,530-MKD	1,634,530	1,634,530		
C.12. GRADSKO GA-12	19,900									
C.14. PRILEP GA-14	50,162			SH						
C.15. PRILEP GA-15	77,423									
C.16. ILINDEN GA-16	37,692			NCB						
C.05 Other Contracts	805,591			NCB						
Sub-total component C OL	1,455,446	464,748	464,678				49,532,228	28,495,497		
Municipal Services Improvement Project-Additional Financing										
C.1.AF. Contract										
C.2.AF. Contract										
C.3.AF. Contract										
C.4.AF. Contract										
Other AF grant municipalities	2,746,554									
Sub-total component C AF	2,746,554									
Total Component C	4,202,000	464,748	464,678				49,532,228	28,495,497		

"Municipal Services Improvement Project"

IBRD Loan number 7699-MK, Loan number 8158-MK and EC IPA Grant No. TF 018812

Project's Financial Statements

31 December 2015

Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from 29 June 2009 through 31 December 2015		
Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR
Component D: PROJECT MANAGEMENT AND OPERATING COST									
Municipal Services Improvement Project-Original Loan									
D.1 Project Management Unit									
D.1/1 PMU staff									
D.1/1.i. -1 Project Director	18,000	18,000	18,000	ICS	18,000 EUR	17,999.99-EUR	1,098,446	1,102,334	
D.1/1.i. - 2 Project Director	66,000	66,000	66,000	ICS	66,000 EUR	66,000-EUR	4,043,185	4,043,186	
D.1/1.ii. - Financial Management Specialist	63,600	63,600	63,600	SSS	63,600 EUR	63,600-EUR	3,894,565	3,894,565	
D.1/1.iv. - 1 Procurement Manager	7,600	7,600	7,600	SSS	7,600 EUR	7,600-EUR	341,542	463,941	
D.1/1.iv. - 2 Procurement Manager	55,364	55,364	55,364	ICS	55,364 EUR	55,364-EUR	3,381,636	3,391,636	
D.1/1.vi. - Civil engineer	57,953	57,953	57,953	ICS	57,953 EUR	57,952.99-EUR	440,920	3,550,183	
D.1/1.vii. - 1 Office Manager	7,200	7,200	7,200	ICS	7,200 EUR	7,200-EUR	440,920	440,917	
D.1/1.vii. - 2 Office Manager	20,849	20,849	20,849	ICS	20,849 EUR	20,848.97-EUR	1,277,679	1,277,679	
D.1/1.viii. 2 Civil engineer	28,355	28,355	28,355	ICS	28,355 EUR	28,354.86-EUR	1,737,693	1,737,693	
D.1/1.ix. - Administrative officer	19,849	19,849	19,848	ICS	19,849 EUR	19,848.38-EUR	1,216,384	1,216,384	1
D.1/1.x.- 3 Civil engineer	5,000	5,000	5,000	ICS	5,000 EUR	5,000-EUR	306,410	306,410	
Total D.1/1	349,770	349,770	349,769				18,179,380	21,424,928	
D.1/2.: Part time specialists (environmental, social, CBA specialist, legal specialist, monitoring, supervision...)									
D.1/2.i - Independent Specialist for Monitoring of Performance Grants Compliance	31,365	31,365	9,783	ICS	31,365 EUR	7,783-EUR	1,928,950	599,766	23,582
D1/2.ii - Safeguards Specialist (environmental)	71,832	71,832	46,101	ICS	71,832 EUR	46,101.33-EUR	4,381,752	2,826,708	25,731
D.1/2.x- Other specialists	53,199			ICB					
Total D1/2	156,396	103,197	55,884				6,310,702	3,426,474	
Total D1	506,166	452,967	405,653				24,490,082	24,851,402	

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Statement of Unit of Output by Project Activity (continued)										Cumulative for the period from 29 June 2009 through 31 December 2015	
Activities from the MSIP Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR	MKD	
D.2 Project Financial Audit	41,300	41,300	22,959	LCS	2,539,950 MKD	1,406,529-MKD	2,539,950	1,406,529		1,133,421	
D.2 Project Financial Audit											
Total D2:	41,300	41,300	22,959				2,539,950	1,406,529			
D.3: Operating costs											
D.3.i: Furniture	5,744	5,744	5,744	DC	352,596 MKD	352,596-MKD	352,596	352,596			
D.3.ii: IT equipment	14,700	7,427	7,427	SH	412,893 MKD	412,893-MKD	412,893	454,732			
D.3.iii: Vehicle	56,940	41,930	41,930	NCB	2,571,982 MKD	2,571,982-MKD	2,571,982	2,571,982			
D.3.iv: Software	5,000	6,260	6,260	SH	383,040 MKD	383,040-MKD	383,040	383,040			
D.3.v: Training for PIU staff	30,000	30,000	14,837	Training	910,455 MKD	14,645.46-EUR ; 11,725-MKD	910,455	910,544			898,730
D.3.vi: Other operating costs (payments without contracts)											
- communications											
- advertising											
-translation											
-bank provision											
-petty cash											
-other operating costs	96,200	59,164	59,164	NA	3,610,871 MKD	3,610,871-MKD	3,610,871	3,622,848			
Total D.3	208,584	150,525	135,362				8,241,837	8,295,742			
Sub-total component D OL	756,050	644,792	563,974				35,271,869	34,553,673			
Municipal Services Improvement Project-Additional Financing											
D.1 AF Project Management Unit											
D.1/1 AF: PMU staff											
D.1/1 AF.i. - 2 Project Director (continuation)	64,995	64,995	20,427	ICS	64,995 EUR	20,428.8-EUR	3,997,193	1,252,344			44,566
D.1/1 AF.ii. - Financial Management Specialist (continuation)	55,020	55,020	17,292	ICS	55,020 EUR	17,292.01-EUR	3,383,730	1,060,145			37,728

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Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from 29 June 2009 through 31 December 2015		
Activities from the MSIP Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD	Commitments in contract currency EUR MKD
D.1/1 AF.iii. - Financial Management Assistant	35,000	13,200	5,500	SIC	13,200 EUR	12,133-EUR	811,800	337,241	1,067
D.1/1 AF.iv. - 2 Procurement Manager (continuation)	55,020	55,020	17,292	ICS	55,020 EUR	17,292-EUR	3,383,730	1,060,145	37,728
D.1/1 AF.v. - Procurement Assistant									
D.1/1 AF.vi. - Civil engineer (continuation)	57,552	57,552	18,073	ICS	5,7552 EUR	17,908.7-EUR	3,536,558	1,108,026	39,643
D.1/1 AF.vii. - 2 Office Manager (continuation)	37,551	37,551	11,000	ICS	3,7551 EUR	10,999.99-EUR	2,309,386	674,393	26,551
D.1/1 AF.viii. 2 Civil engineer (continuation)	50,015	50,015	15,719	ICS	4,9660 EUR	1,4272-EUR	3,097,879	963,704	35,388
D.1/1 AF.ix. - Administrative officer (continuation)	34,752	34,752	11,000	ICS	3,5000 EUR	1,1000-EUR	2,137,248	674,392	24,000
D.1/1 AF.x.- 3 Civil engineer (continuation)	50,015	50,015	15,719	ICS	5,0015 EUR	1,5719-EUR	3,075,923	963,704	34,296
D.1/1 AF.x.- 4 Civil engineer (continuation)	45,000	17,148	2,143	SIC	1,7148 EUR	2,143.5-EUR	1,054,602	131,428	15,004
Other local consultants	42,600								
Total D.1/1	527,520	435,268	134,165				26,788,049	8,225,522	
D.1/2 AF: Part time specialists									
D.1/2 AF.i. Contract									
D.1/2 AF.ii. Contract									
AF Other consultants	39,780			SIC					
Total D.1/2	39,780								
Total D.1									
D.2.AF. Project Financial Audit									
D.2.AF. Audit extension	10,000			SIC					
Total D.2	10,000								

Ministry of Finance of the Republic of Macedonia
 "Municipal Services Improvement Project"
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Statement of Unit of Output by Project Activity (continued)							Cumulative for the period from 29 June 2009 through 31 December 2015	
Activities from the MSIP Procurement Plan	Procurement plan amount Euro	Contracted in Euro equivalent	Paid amount in Euro equivalent	Procurement method	Contract amount original currency	Paid original currency	Contract amount local currency MKD	Paid amount local currency MKD
D.3.AF: Operating costs								
D.3.AF.i: Contract								
D.3.AF.ii: Contract								
D.3.AF.iii: Contract								
D.3.AF.iv: Training for PIU staff								
Operating costs	30,000			SH				
D.3.AF.v: Other operating costs (payments without contracts)	300,000			SIC				
Total D.3	330,000							
Sub-total component D AF	907,300	435,268	134,165				26,788,049	8,225,522
Total Component D	1,663,350	1,080,060	698,139				62,059,918	42,779,195
Component E: IPA Rural Investment								
Window								
E.1. Investment grants								
KRATOVO IPA GRANT	260,000			NCB				
BEROVO IPA GRANT	125,142			NCB				
RESEN IPA GRANT	260,000			NCB				
ILINDEN IPA GRANT	260,000			NCB				
IPA investment grants - other municipalities	16,734,858			ICB				
E.2. Technical assistance								
IPA Technical assistance (multiply contracts)	1,300,000			SIC				
E.3. Operational costs								
IPA Operational costs (multiply contracts)	614,500	465	465	S H	28,595 MKD	28,595-MKD	28,595	28,595
Sub-total Component E :	19,554,500	465	465				28,595	28,595
Front and Fee-Original Loan	47,250	47,250	47,250					
Front and Fee-Additional Financing	93,000	93,000	93,000					
Total Project	75,954,500	36,195,977	24,617,231				2,229,137,924	1,499,939,962

Statement of Breakdown of Loans and Grants

Municipality COMPONENT A Municipal Services Improvement Project-Original Loan KOCANI	Loan/grant No. / WB approved date	Cumulative for the period from 29 June 2009 through 31 December 2015				(Amounts in EUR)
		Loan/grant amount	Paid loan/grant amount	Remaining balance	Outstanding payments	Payment requests processed
A.1 Sub-Loan MSIP 01 - (Pipe Replacement (6km)	Sub-loan MSIP 01/ 14 December 2009	600,000				
A.1.i.Contract MSIP 01/ 1 – NCB		577,034	577,034			
A.1.ii.Contract MSIP 01/2 – CQ		22,966	22,966			
Remaining loan funds		-	600,000			
BOGDANCI						
A.2 Sub Loan MSIP 02 - BOGDANCI (Street lighting)	Sub-loan MSIP 02/ 13 April 2010	100,492				
A.2.i. Contract MSIP 02/1-NCB		87,341	87,341			
A.2. ii. Contract MSIP G NSB 004/11		13,151	13,151			
Remaining loan funds		-	100,492			
CITY OF SKOPJE						
A.3 Sub Loan MSIP 03-Skopje (Vehicles and bins for solid waste)	Sub-loan MSIP 03/ 7 July 2010	2,974,822				
A.3.i.Contract MSIP 03/ 1-ICB		1,798,300	1,798,300			
A.3.ii.Contract MSIP 03/2-ICB		748,800	748,800			
Loan funds (VAT)		427,722	427,722			
Remaining loan funds		-	2,974,822			

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Statement of Breakdown of Loans and Grants (continued)				Cumulative for the period from 29 June 2009 through 31 December 2015				(Amounts in EUR)
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/grant amount	Remaining balance	Outstanding payments	Payment requests processed		
ILINDEN								
A.4 Sub Loan MSIP 04 - ILINDEN (Heating and Cooling of Municipal Buildings)	Sub-loan MSIP 04/ 24 September 2010	230,486	230,486					
A.4.i. Contract MSIP NCB 003/10		230,486	230,486					
Remaining loan funds		-	230,486					
A.4 Sub Loan MSIP 04 - ILINDEN (Heating and Cooling of Municipal Buildings)	Sub-loan MSIP 04-2/ 11 November 2013	146,430						
Municipal co-financing		1,000						
A.4.ii. Contract MSIP NCB		147,430	147,430					
Remaining loan funds		-	147,430					
KISELA VODA								
A.5 Sub Loan MSIP 05- KISELA VODA (Drainage Systems)	Sub-loan MSIP 05/ 27 November 2010	910,378						
A.5.i. Contract MSIP W ICB 003/11-Lot1		680,744	680,744					
A.5.ii. Contract MSIP W ICB 003/11-Lot2		229,634	229,634					
Remaining loan funds		-	910,378					
A.5 Sub Loan MSIP 05/2 - KISELA VODA (Water supply systems)	Sub-loan MSIP 05-2/ 14 March 2011	638,379						
Municipal co-financing		43,448						
A.5.iii. Contract MSIP W NCB 005/11		681,827	681,827					
Remaining loan funds		-	681,827					
STIP								
A.6 Sub Loan MSIP 06 STIP (Arrangement of the central city area)	Sub-loan MSIP 06/ 5 April 2011	224,054						
A.6.i. Contract MSIP W NCB		278,445	278,445					
A.6.ii. Contract MSIP W ICB		271,679	271,679					
Returned sub-loan funds		(550,124)	(326,070)		(224,054)			
Remaining loan funds		-	224,054		(224,054)			
PEHCEVO								
A.7 Sub Loan MSIP 07- PEHCEVO (Vehicles for solid waste)	Sub-loan MSIP 07/ 6 April 2011	68,551						
Municipal co-financing		10,283						
A.7.i. Contract MSIP W NCB		78,834	78,834					
Remaining loan funds		-	78,834					

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Statement of Breakdown of Loans and Grants (continued)					(Amounts in EUR)		
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Cumulative for the period from 29 June 2009 through 31 December 2015				
			Paid loan/Grant amount	Remaining balance	Outstanding payments		
VELES						Payment requests processed	
A.8 Sub Loan MSIP 08-1 - VELES (Extension of water supply system)	Sub-loan MSIP 08/ 12 April 2011	685,549					
A.8.i. Contract MSIP W NCB		685,549	685,549				
Remaining loan funds		-	685,459				
A.8 Sub Loan MSIP 08-2 - VELES (Street lighting)	Sub-loan MSIP 08-2/ 26 October 2012	323,213					
A.8.ii. Contract MSIP W NCB		323,213	323,213				
Remaining loan funds		-	323,213				
VEVCANI							
A.9 Sub Loan MSIP 09 - VEVCANI (Vehicles for solid waste and Backhoe)	Sub-loan MSIP 09/ 14 April 2011	99,686					
Municipal co-financing		6,667					
A.9.i. Contract MSIP W NCB- Lot 1**		106,353	106,353				
A.9.ii. Contract MSIP W NCB-Lot 2**		-	-				
Remaining loan funds		-	106,353				
KRUSEVO							
A.10 Sub Loan MSIP10 - KRUSEVO (Vehicles for solid waste)	Sub-loan MSIP 10/ 31August 2011	49,218					
A.10. Contract MSIP W NCB 009-11		49,218	49,218				
Remaining loan funds		-	49,218				
KICEVO							
A.11 Sub Loan MSIP 11 - KICEVO (Vehicles for solid waste and Street reconstruction)	Sub-loan MSIP 11/ 1 September 2011	764,227					
A.11.1 Contract MSIP G ICB 004-11		201,434	201,434				
A.11.2 Contract MSIP W NCB 012-12		448,947	448,947				
Kicevo - Procurement of solid waste vehicle 2 cont		113,846	0	113,846			
Remaining loan funds		-	650,381	113,846			
NOVACI							
A.12 Sub Loan MSIP 12 - NOVACI (Street lighting)	Sub-loan MSIP 12/ 5 September 2011	130,710					
Municipal co-financing		4,707	130,710				
A.12.i Contract MSIP W NCB		135,417	4,707				
Remaining loan funds		-	135,417	135,417			

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Statement of Breakdown of Loans and Grants (continued)					(Amounts in EUR)			
					Cumulative for the period from 29 June 2009 through 31 December 2015			
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/Grant amount	Remaining balance	Outstanding payments	Payment requests processed		
DOLNENI								
A.13 Sub Loan MSIP 13 - DOLNENI (Rehabilitation of local roads)	Sub-loan MSIP 13/ 31 August 2011	266,778						
Municipal co-financing		18,955	18,955					
A.13.i Contract MSIP W NCB		285,733	285,733					
Remaining loan funds		-	285,733					
GJORCE PETROV								
A.14 Sub Loan MSIP 14 - Gjorce Petrov (Streets reconstruction)	Sub-loan MSIP 14/ 20 November 2011	1,291,416						
A.14.i Contract MSIP W ICB		1,291,416	1,291,416					
Remaining loan funds		-	1,291,416					
GRADSKO								
A.15 Sub Loan MSIP 15 - Gradsko (Vehicle and bins for solid waste)	Sub-loan MSIP 15/ 17 November 2011	99,498						
A.15.i Contract MSIP G NCB		77,097	77,097					
A.15.ii Contract MSIP G SH		22,401	22,401					
Remaining loan funds		-	99,498					
VASILEVO								
A.16 Sub Loan MSIP 16 - Vasilevo (Construction of the water supply network)	Sub-loan MSIP 16/ 27 December 2011	383,578						
A.16.i Contract MSIP W NCB		383,578	383,578					
Remaining loan funds		-	383,578					
BOSILOVO								
A.17 Sub Loan MSIP 17-Bosilovo (Construction of bridge)	Sub-loan MSIP 17/ 6 May 2012	136,507						
A.17.i Contract MSIP W NCB		136,507	136,507					
Remaining loan funds		-	136,507					
MOGILA								
A.18 Sub Loan MSIP 18 - Mogila (Reconstruction of House of Culture)	Sub-loan MSIP 18/ 25 May 2012	180,856						
A.18.i Contract MSIP W NCB		180,856	180,856					
Remaining loan funds		-	180,856					

Statement of Breakdown of Loans and Grants (continued)

Statement of Breakdown of Loans and Grants (continued)		Cumulative for the period from 29 June 2009 through 31 December 2015				(Amounts in EUR)
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/grant amount	Remaining balance	Outstanding payments	Payment requests processed
MOGILA						
A.AF.06 Sub Loan MSIP - BOSILOVO(Streets reconstruction)	Sub Loan MSIP 18/2 / January 31, 2014	34,161	34,161			
A.AF.6.i Contract MSIP W NCB		34,161	34,161			
Remaining loan funds		-	34,161			
GOSTIVAR						
A.19 Sub Loan MSIP 19 - GOSTIVAR (Street lighting and Supply of basic equipment for public hygiene)	Sub-loan MSIP 19/ 12 July 2012	842,675				
Municipal co-financing		45,318	45,318			
A.19.i. Contract MSIP ICB		458,000	458,000			
A.19.ii. Contract MSIP NCB		341,973	341,973			
VAT and Customs		88,020	88,020			
Remaining loan funds		-	842,675			
PRILEP						
A.20 Sub Loan MSIP 20 - PRILEP (Streets reconstruction)	Sub-loan MSIP 20/ 2 July 2012	501,619				
Municipal co-financing		90,223	90,223			
A.20.i. Contract MSIP NCB		591,842	591,842			
Remaining loan funds		-	591,842			
CAIR						
A.21 Sub Loan MSIP 21 - CAIR (School/Kindergarten Insulation Project)	Sub-loan MSIP 21/ 29 October 2012	484,523				
A.21.i. Contract MSIP NCB		484,523	484,523			
Remaining loan funds		-	484,523			
GAZI BABA						
A.22 Sub Loan MSIP - GAZI BABA (Reconstruction of School)	Sub-loan MSIP 28/ April 19, 2013	1,472,905				
A.22.i. Contract MSIP NCB		1,238,052	1,238,052			
Gazi Baba -Construction of school		35,661	35,661			
Gazi Baba -fence		7,122				
Gazi Baba -audio equipment		66,665				
Gazi Baba -furniture		125,405				
- Remaining loan funds		1,273,713				

73,787

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Statement of Breakdown of Loans and Grants (continued)

Statement of Breakdown of Loans and Grants (continued)		Cumulative for the period from 29 June 2009 through 31 December 2015				(Amounts in EUR)
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/Grant amount	Remaining balance	Outstanding payments	Payment requests processed
BUTEL						
A.34 Sub Loan MSIP-BUTEL	Sub-loan MSIP 34/ June 25, 2012	1,193,010				
Butel - School construction		1,193,010	1,193,010			
Remaining loan funds		-	1,193,010			
SKOPJE						
A.03-2 Sub Loan MSIP-Skopje	Sub-loan MSIP 35/ August 25, 2015	361,000		361,000		
Municipal co-financing		4,932		4,932		
Skopje - Equipment for public greenery		365,932	-	365,932		
Remaining loan funds		365,932	-	365,932	-	
KAVADARCI						
A.53 Sub Loan MSIP-Kavadarci	Sub-loan MSIP 53/ August 28, 2015	663,250	-	663,250		
Remaining loan funds		663,250	-	663,250		
Municipal Services Improvement Project-Additional Financing						
BEROVO						
A.AF.01 Sub Loan MSIP 22 - BEROVO (Streets reconstruction)	Sub-loan MSIP 22/ October 10, 2012	381,637				
A.AF.1.i Contract MSIP W NCB		381,637	381,637			
Remaining loan funds		-	381,637			
MAVROVO ROSTUSE						
A.AF.02 Sub Loan MSIP 23 - MAVROVO ROSTUSE (Streets reconstruction)	Sub-loan MSIP 23/ December 4, 2012	199,227				
A.AF.2.i Contract MSIP W NCB		199,227	199,227			
Remaining loan funds		-	199,227			
A.AF.02 Sub Loan MSIP 23-2 - MAVROVO ROSTUSE (Street lighting)						
A.AF.2.ii Contract MSIP W NCB	Sub-loan MSIP 23-2/ December 25, 2013	104,498				
Remaining loan funds		99,160	99,160	0		
		5,338	99,160	5,338		

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Statement of Breakdown of Loans and Grants (continued)				Cumulative for the period from 29 June 2009 through 31 December 2015				(Amounts in EUR)
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/grant amount	Remaining balance	Outstanding payments	Payment requests processed		
VINICA								
A.AF.03 Sub Loan MSIP 24-1 - VINICA (Vehicles for solid waste)	Sub-loan MSIP 24-1/ December 4, 2012	141,897	141,897					
A.AF.3.i Contract MSIP G NCB		141,897	141,897					
Remaining loan funds		-	141,897					
A.AF.03 Sub Loan MSIP 24-2 - VINICA (Construction of storm water system and construction of street)	Sub-loan MSIP 24-2/ July 12, 2013	711,627	711,627					
A.AF.3.ii Contract MSIP W NCB		711,627	711,627					
Remaining loan funds		-	711,627					
KRIVA PALANKA								
A.AF.04 Sub Loan MSIP - KRIVA PALANKA (Streets reconstruction)	Sub-loan MSIP 25 / November 11, 2012	841,117						
A.AF.4.i Contract MSIP W NCB		172,171	172,171					
A.AF.4.ii Contract MSIP W NCB		668,946	668,946					
Remaining loan funds		-	841,117					
RANKOVCE								
A.06 Sub Loan MSIP - Rankovce (Streets reconstruction)	Sub-loan MSIP 27/ December 26, 2012	277,963						
A.AF.6 Contract MSIP NCB		277,963	277,963					
Remaining loan funds		-	277,963					
BOSILOVO								
A.05 Sub Loan MSIP 26-BOSILOVO (Streets reconstruction)	Sub Loan MSIP /26 December 27, 2012	400,087						
A.5.ii Contract MSIP W NCB		400,087	400,087					
Remaining loan funds		-	400,087					
PRILEP								
A.AF.07 Sub Loan MSIP 29 - PRILEP (Streets reconstruction)	Sub-loan MSIP 29/ May 21, 2013	774,232						
A.AF.1.i Contract MSIP W NCB		774,232	774,232					
Remaining loan funds		-	774,232					

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Statement of Breakdown of Loans and Grants (continued)					Cumulative for the period from 29 June 2009 through 31 December 2015				(Amounts in EUR)
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/Grant amount	Remaining balance	Outstanding payments	Payment requests processed			
PETROVEC									
A.AF.08 Sub Loan MSIP 30 - PETROVEC (Reconstruction of School)	Sub-loan MSIP 30/ May 14, 2013	1,429,451	1,429,451						
A.AF.1.i Contract MSIP W NCB		1,429,451	1,429,451						
Remaining loan funds		-	1,429,451						
CASKA									
A.AF.09 Sub Loan MSIP 31 - CASKA (Street reconstruction and water reservoir)	Sub-loan MSIP 31/ October 24, 2013	531,266	531,266						
A.AF.9.i Contract MSIP W NCB		531,266	531,266						
Remaining loan funds		-	531,266						
PROBISHTIP									
A.AF.10 Sub Loan MSIP 32 - PROBISHTIP (Street reconstruction)	Sub-loan MSIP 32/ October 22, 2013	464,095	408,645						
A.AF.10.i Contract MSIP W NCB		408,645	408,645						
Remaining loan funds		55,450	408,645	55,450					
PEHCEVO									
A.AF.11 Sub Loan MSIP 33 - PEHCEVO (Street reconstruction)	Sub-loan MSIP 33/ December 10, 2013	111,125	111,125						
A.AF.11.i Contract MSIP W NCB		111,125	111,125						
Remaining loan funds		-	111,125						
KRUSEVO									
A.AF.12 Sub Loan MSIP 35 - KRUSEVO (Installation of water meters)	Sub-loan MSIP 35/ June 30, 2014	87,416	85,289						
A.AF.12.i Contract MSIP W NCB		85,289	79,401	5,888					
- Remaining loan funds		2,127	79,401	5,888					
DOJARAN									
A.AF.13 Sub Loan MSIP 36 - DOJARAN (Purchasing of communal vehicles)	Sub-loan MSIP 36/ August 19, 2014	130,586	5,996						
Municipal co-financing		5,996	136,582						
A.AF.13.i Contract MSIP G NCB		136,582	136,582						
- Remaining loan funds		-	136,582						

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Statement of Breakdown of Loans and Grants (continued)				Cumulative for the period from 29 June 2009 through 31 December 2015			(Amounts in EUR)
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/grant amount	Remaining balance	Outstanding payments	Payment requests processed	
OHRID							
A.AF.14 Sub Loan MSIP 37 -OHRID (Purchasing of communal vehicles and street reconstruction)	Sub-loan MSIP 37/ November 17, 2014	2,065,914					
A.AF.14.i Contract MSIP G ICB		1,423,457	349,434	1,074,023			
A.AF.14.ii Contract MSIP W ICB		306,328		306,328			
- Remaining loan funds		336,129	349,434	1,380,351			
KARPOSH							
A.AF.15 Sub Loan MSIP 38 - KARPOSH (Street and storm water reconst.)	Sub-loan MSIP 38/ December 10, 2014	787,397					
A.AF.15.i Contract MSIP W ICB		575,583	151,536	424,047			
- Remaining loan funds		211,814	151,536	424,047			
SHUTO ORIZARI							
A.AF.16 Sub Loan MSIP 39 - SHUTO ORIZARI (Water supply system)	Sub-loan MSIP 39/ November 24, 2014	495,571					
A.AF.16.i Contract MSIP W ICB		495,571	302,046	193,525			
- Remaining loan funds			302,046	193,525			
CITY OF SKOPJE							
A.AF.17 Sub Loan MSIP 40 - CITY OF SKOPJE (Water supply system)	Sub-loan MSIP 40/ November 24, 2014	1,725,224					
A.AF.17.i Contract MSIP W ICB		1,725,224	102,646	1,622,578			
- Remaining loan funds			102,646	1,622,578			
ZELINO							
A.AF.18 Sub Loan MSIP 41 - ZELINO (Street and storm water reconst.)	Sub-loan MSIP 42/ December 25, 2014	275,619					
A.AF.18.i Contract MSIP W ICB		216,434	179,577	36,857			
- Remaining loan funds		59,185	179,577	36,857			

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Statement of Breakdown of Loans and Grants (continued)		Cumulative for the period from 29 June 2009 through 31 December 2015				(Amounts in EUR)
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/Grant amount	Remaining balance	Outstanding payments	Payment requests processed
ROSOMAN						
A.AF.19 Sub Loan MSIP 42 - ROSOMAN (Water reservoir)	Sub-loan MSIP 42/ December 25, 2014	69,723				
Municipal co-financing		1,026				
A.AF.19.i Contract MSIP W ICB		70,749	70,749			
- Remaining loan funds			70,749			
KOCANI						
A.AF.20 Sub Loan MSIP 43 - KOCANI (Street construction)	Sub-loan MSIP 43/ December 24, 2014	999,591				
A.AF.20.i Contract MSIP W ICB		890,008	552,615	337,393		
- Remaining loan funds		109,583	552,615	337,393		
GORCE PETROV						
A.AF.21 Sub Loan MSIP 44 - GORCE PETROV (Street construction)	Sub-loan MSIP 44/ December 23, 2014	1,299,641				
A.AF.21.i Contract MSIP W ICB		843,025	409,444	433,581		
- Remaining loan funds		456,616	409,444	433,581		
NEGOTINO						
A.AF.22 Sub Loan MSIP 45 - NEGOTINO (Water pipe replacement)	Sub-loan MSIP 45/ December 25, 2014	912,517				
A.AF.22.i Contract MSIP W ICB		624,994	-	624,994		
- Remaining loan funds		287,523	-	624,994		
Delcevo						
A.AF Sub Loan MSIP 46 - Delcevo (Extension of kindergarten)	Sub-loan MSIP 46/March 10, 2015	319,609				
A.AF.i Contract MSIP W ICB		286,152	-	286,152		
- Remaining loan funds		33,457	-	286,152		
Makedonska Kamenica						
A.AF Sub Loan MSIP 47 – Makedonska Kamenica (Reconstruction of cultural center)	Sub-loan MSIP 47/April 20, 2015	781,415				
A.AF.i Contract MSIP W ICB		689,960	-	689,960		
- Remaining loan funds		91,455	-	689,960		

IBRD Loan number 7699-MK, Loan number 8158-MK and EC IPA Grant No. TF 018812

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Statement of Breakdown of Loans and Grants (continued)				(Amounts in EUR)			
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/Grant amount	Cumulative for the period from 29 June 2009 through 31 December 2015		Payment requests processed	
				Remaining balance	Outstanding payments		
Sveti Nikole							
A.AF Sub Loan MSIP 48 – Sveti Nikole(Reconstruction of streets)	Sub-loan MSIP 48/April 16, 2015	774,021					
A.AF.i Contract MSIP W ICB		687,656	82,654	605,002			
- Remaining loan funds		86,365	82,654	605,002			
Bitola							
A.AF Sub Loan MSIP 49 – Bitola(Construction of seven streets)	Sub-loan MSIP 49/May 20, 2015	2,534,684	-	-			
A.AF.i Contract MSIP W ICB			-	-			
- Remaining loan funds		2,534,684	-	-			
SKOPJE							
A.AF Sub Loan MSIP 50 – Skopje(Rehabilitation of Boris Trajkovski street)	Sub-loan MSIP 50/June 29, 2015	4,200,000					
A.AF.i Contract MSIP W ICB		843,025		843,025			
- Remaining loan funds		456,616		843,025			
Radovish							
A.AF Sub Loan MSIP 51 – Radovish(Rehabilitation of Boris Trajkovski street)	Sub-loan MSIP 51/August 31, 2015	691,142					
A.AF.i Contract MSIP W ICB		439,875		439,875			
- Remaining loan funds		251,267		439,875			
Krivogashtani							
A.AF Sub Loan MSIP 52 – Krivogashtani(Construction of streets)	Sub-loan MSIP 52/September 28, 2015	195,122					
A.AF.i Contract MSIP W ICB							
- Remaining loan funds		195,122					
Sopishte							
A.AF Sub Loan MSIP 54 – Sopishte(Construction of streets)	Sub-loan MSIP 54/ November 13, 2015	658,839					
A.AF.i Contract MSIP W ICB							
- Remaining loan funds		658,839					

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Statement of Breakdown of Loans and Grants (continued)				(Amounts in EUR)			
Municipality	Loan/grant No. / WB approved date	Loan/grant amount	Paid loan/Grant amount	Remaining balance	Outstanding payments	Cumulative for the period from 29 June 2009 through 31 December 2015	
						Payment requests processed	
Kratovo							
A.AF Sub Loan MSIP 55 – Kratovo(Construction of Green Market)	Sub-loan MSIP 55/ November 13, 2015	514,472					
A.AF.i Contract MSIP W ICB							
- Remaining loan funds		514,472					
Lipkovo							
	Sub-loan MSIP 54/ December 30, 2015						
A.AF Sub Loan MSIP 54 – Lipkovo(Schools Energy Efficiency)		480,601					
A.AF.i Contract MSIP W ICB							
- Remaining loan funds		480,601					
COMPONENT C:							
Municipal Services Improvement Project-Additional Financing							
KOCANI							
C.01 KOCANI GA-01	GA MSIP 01 / December 26,2012	60,029	60,029				
Remaining loan funds		60,029					
CITY OF SKOPJE							
Municipal co-financing	GA MSIP 02 / December 28,2012	148,425					
C.02 CITY of SKOPJE GA-02		2,282					
Remaining loan funds		150,707	150,707				
VEVCANI							
Municipal co-financing	GA MSIP 03 / December 26,2012	19,883					
C.03 VEVCANI GA-03		8,618					
Remaining loan funds		28,501	28,501				
VASILEVO							
Municipal co-financing	GA MSIP 04/ November 11,2013	38,343					
C.04 VASILEVO GA-04		21,127					
Remaining loan funds		59,470	59,470				
MOGILA							
C.05. MOGILA GA-05	GA MSIP 05/ January 11,2014	36,162					
Remaining loan funds		36,162	36,162				

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Statement of Breakdown of Loans and Grants (continued)				(Amounts in EUR)		
Municipality	Loan/grant No. / WB approved date	Cumulative for the period from 29 June 2009 through 31 December 2015			Outstanding payments	Payment requests processed
		Loan/grant amount	Paid loan/Grant amount	Remaining balance		
KRUSHEVO						
C.06. KRUSHEVO GA-06	GA MSIP 06/ November 11,2013	9,842	9,842	9,842		
Remaining loan funds			9,842			
BOGDANCI						
C.07. BOGDANCI GA-07	GA MSIP 04/ November 11,2013	20,058				
C.07. BOGDANCI GA-07 / 2		16,767	16,767			
Remaining loan funds		3,291	3,291			
			20,058			
Bosilovo						
C.09. BOSILOVO GA-09	GA MSIP 07 / March 12, 2015	27,231				
Remaining loan funds		27,231	27,231			
			27,231			
Dolneni						
C.11. Dolneni GA-11	GA MSIP 07 / March 12, 2015	26,682				
Municipal co-financing		9,771	9,771			
Remaining loan funds		36,453	36,453			
			36,453			
Gradsko						
C.12. Gradsko GA-12	GA MSIP 07 / June 17, 2015	19,900				
Remaining loan funds		19,900		19,000		
				19,000		
Prilep						
C.14. Prilep GA-14		50,007				
Remaining loan funds		50,007				
Berovo						
AF.08. Berovo GA-08	GA MSIP 07 / March 10, 2015	38,109				
Remaining loan funds		38,109	38,109			
			38,109			
Bosilovo						
AF.10. Bosilovo GA-10	GA MSIP 07 / March 12, 2015	39,914				
Remaining loan funds		39,914	39,914			
				39,914		

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Statement of Breakdown of Loans and Grants (continued)				(Amounts in EUR)		
Municipality	Loan/grant No. / WB approved date GA MSIP 15 / June 17, 2015	Cumulative for the period from 29 June 2009 through 31 December 2015		Outstanding payments	Payment requests processed	
		Loan/grant amount	Paid loan/grant amount			
Prilep		77,232				
AF.14. Prilep GA-14						
Remaining loan funds		77,232				
Component E: IPA RURAL INVESTMENT WINDOW						
Kratovo						
Kratovo IPA Grant	GA MSIP 01 / September 28, 2015	260,000				
Remaining loan funds		260,000		260,000		
Berovo						
Berovo IPA Grant	GA MSIP 02 / September 28, 2015	125,142				
Remaining loan funds		125,142		125,142		
Resen						
Resen IPA Grant	GA MSIP 02/ December 24, 2015	260,000				
Remaining loan funds		260,000		260,000		
Ilinden						
Ilinden IPA Grant	GA MSIP 02/ December 23, 2015	260,000				
Remaining loan funds		260,000		260,000		

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Statement of Withdrawals – Designated Account

Application # and date	(Amounts in EUR)		
	For the period from 01 January 2015 through 31 December 2015		
	Total Requested	Total Disbursed	Difference
Original Loan 7699-MK			
#1/ 07 July 2015	1,301,054	1,301,054	-
	1,301,054	1,301,054	-
Additional Financing 8158-MK			
#1/ 12 January 2015	1,109,470	1,109,470	-
#1/ 07 July 2015	1,983,200	1,983,200	-
	3,092,670	3,092,670	-
World bank-MSIP EC IPA			
1 / 06 October 2015	472	472	-
	472	472	-
MSIP EC NKF			
1 / 04 November 2015	116	116	-
	116	116	-

Application # and date	(Amounts in EUR)		
	For the period from 01 January 2014 through 31 December 2014		
	Total Requested	Total Disbursed	Difference
Original Loan 7699-MK			
#1/ 04 April 2014	1,548,024	1,548,024	-
#2/ 16 October 2014	1,271,777	1,271,777	-
	2,819,801	2,819,801	-
Additional Financing 8158-MK			
#1/ 03 February 2014	1,490,845	1,490,845	-
#2/ 12 June 2014	1,176,436	1,176,436	-
#3/ 22 September 2014	1,436,849	1,436,849	-
	4,104,130	4,104,130	-

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Statement of Designated Account – EUR

Account number	0701-978-001129.6
Depository Bank	National Bank of the Republic of Macedonia
Address	Blvd Kuzman Josifovski Pitu 1, 1000 Skopje, Republic of Macedonia
Loan Number	7699-MK
Currency	EUR

	(Amounts in EUR)	
	01 January 2015 through 31 December 2015	For the period from 01 January 2014 through 31 December 2014
At 01 January	1,302,913	829,129
Add: Inflows		
Replenishment during the period	1,301,054	2,819,801
Interest received	8,566	7,118
	1,309,620	2,826,919
Deduct: Outflows		
Transfer to treasury account (Mirror designated account) - MKD	(1,513,087)	(2,346,017)
Interest paid to Ministry of Finance	(8,566)	(7,118)
	(1,521,653)	(2,353,135)
At 31 December	1,090,880	1,302,913

Account number	0701 -978- 001360.4
Depository Bank	National Bank of the Republic of Macedonia
Address	Blvd Kuzman Josifovski Pitu 1, 1000 Skopje, Republic of Macedonia
Loan Number	8158-MK
Currency	EUR

	(Amounts in EUR)	
	01 January 2015 through 31 December 2015	For the period from 01 January 2014 through 31 December 2014
At 01 January	536,093	153,732
Add: Inflows		
Replenishment during the period	3,092,670	4,104,130
Interest received	10,583	5,258
	3,103,253	4,109,388
Deduct: Outflows		
Transfer to treasury account (Mirror designated account) - MKD	(3,261,247)	(3,721,769)
Interest paid to Ministry of Finance	(10,583)	(5,258)
	(3,271,830)	(3,727,027)
At 31 December	367,516	536,093

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Account number	00-701-000152
Depository Bank	National Bank of the Republic of Macedonia
Address	Blvd Kuzman Josifovski Pitu 1, 1000 Skopje, Republic of Macedonia
Loan Number	MSIP IPA EU GRANT
Currency	EUR

(Amounts in EUR)
 For the period from
 01 January 2015 through 31 December 2015 01 January 2014 through 31 December 2014

At 01 January	-	-
Add: Inflows		
Replenishment during the period	472	-
	472	-
Deduct: Outflows		
Transfer to treasury account (Mirror designated account) - MKD	351	-
	351	-
At 31 December	121	-

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Statement of Treasury Account (Mirror Designated Account) – MKD

Account number	090010016778666
Depository Bank	National Bank of the Republic of Macedonia Blvd Kuzman Josifovski Pitu 1, 1000 Skopje, Republic of Macedonia
Address	
Loan Number	7699-MK
Currency	Macedonian Denars ("MKD")

	(Amounts in EUR)	
	01 January 2015 through 31 December 2015	For the period from 01 January 2014 through 31 December 2014
At 01 January	15,269	161,045
Add: Inflows		
Transfer from designated account – EUR	1,513,087	2,346,017
Return of principal from the Municipality of Stip	1,256,653	-
Returned sub loan funds on treasury account*	141,410	24,383
	2,911,150	2,370,400
Deduct: Outflows		
Amount of eligible expenses paid during the period	(1,510,305)	(2,514,116)
Transfer of funds to Ministry of Finance for returned principal and interest from the Municipality of Stip	(1,268,429)	-
Transfer to Petty Cash in Denar account	(1,225)	(1,060)
Transfer to Petty Cash in Euro account	-	(1,000)
	(2,779,959)	(2,517,176)
At 31 December	146,460	15,269

* On November 19, 2013 based on the mutual agreement between the Ministry of Finance and the Municipality of Stip (as signatories of the Agreement), the Government of the Republic of Macedonia made a decision to terminate Sub-loan Agreement No. MSIP 06/ 5 April 2011, before the completion of the sub-project "Arrangement of the central city area in Stip". According to the Sub-loan Agreement conditions the Municipality of Stip is obliged to return the used amount received prior to the termination of this Sub-loan agreement. On 17 December 2013, the Municipality of Stip returned portion of the disbursed sub-loan funds to the MSIP project. During the second half of 2014, additional portion of the disbursed sub-loan in the amount of 24,383 EUR was returned to MSIP project in 5 equal instalments. During 2015, additional portion of the disbursed sub-loan in the amount of 141,410 EUR was returned to MSIP project in 12 equal instalments. These funds are deposited on the MSIP Treasury account and are used for financing of the Project's eligible expenditures.

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Statement of Treasury Account (Mirror Designated Account) – MKD (continued)

Account number	090010016778685
Depository Bank	National Bank of the Republic of Macedonia
	Blvd Kuzman Josifovski Pitu 1, 1000 Skopje, Republic of Macedonia
Address	
Loan Number	8158-MK
Currency	Macedonian Denars ("MKD")

(Amounts in EUR)
 For the period from
 01 January 2015 through 01 January 2014 through
 31 December 2015 31 December 2014

At 01 January	-	-
Add: Inflows		
Transfer from designated account – EUR	3,261,247	3,721,769
Interest received	29,621	-
	3,290,868	3,721,769
Deduct: Outflows		
Amount of eligible expenses paid during the period	(3,261,247)	(3,721,769)
Interest paid	(29,621)	-
	(3,290,868)	(3,721,769)
At 31 December	-	-

Account number	090010016778505
Depository Bank	National Bank of the Republic of Macedonia
	Blvd Kuzman Josifovski Pitu 1, 1000 Skopje, Republic of Macedonia
Address	
Loan Number	MSIP EU IPA GRANT
Currency	Macedonian Denars ("MKD")

(Amounts in EUR)
 For the period from
 01 January 2015 through 01 January 2014 through
 31 December 2015 31 December 2014

At 01 January	-	-
Add: Inflows		
Transfer from designated account – EUR	351	-
	351	-
Deduct: Outflows		
Amount of eligible expenses paid during the period	350	-
	350	-
At 31 December	1	-

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Statement of Treasury Account (Mirror Designated Account) – MKD (continued)

Account number	090010016778929
Depository Bank	National Bank of the Republic of Macedonia
Address	Blvd Kuzman Josifovski Pitu 1, 1000 Skopje, Republic of Macedonia
Loan Number	MSIP IPA NKF
Currency	Macedonian Denars ("MKD")

(Amounts in EUR)

01 January 2015 through	01 January 2014 through
31 December 2015	31 December 2014

At 01 January	-	-
Add: Inflows		
Transfer from Ministry of Finance of the Republic of Macedonia (Agency for financial support of agriculture and rural development)	116	-
	116	-
Deduct: Outflows		
Amount of eligible expenses paid during the period	(116)	-
	(116)	-
At 31 December	-	-

Project's Financial Statements
 31 December 2015

Statement of Petty Cash in Denar Account

Loan Number	7699-MK	
Currency	Macedonian Denars ("MKD")	
	(Amounts in EUR)	
	01 January 2015 through 31 December 2015	For the period from 01 January 2014 through 31 December 2014
At 01 January	96	146
Add: Inflows		
Transfer from Mirror Designated Account – MKD	1,225	1,060
	1,225	1,060
Deduct: Outflows		
Amount of eligible expenses paid during the period	(1,117)	(1,110)
	(1,117)	(1,110)
At 31 December	204	96

Project's Financial Statements
 31 December 2015

Statement of Petty Cash in Euro Account

Loan Number
 Currency

7699-MK
 EUR

	(Amounts in EUR)	
	01 January 2015 through 31 December 2015	For the period from 01 January 2014 through 31 December 2014
At 01 January	383	219
Add: Inflows		
Transfer from Mirror Designated Account – MKD	-	1,000
Returned advances for business trip	-	161
	-	1,161
Deduct: Outflows		
Amount of eligible expenses paid during the period	-	(836)
Advances for business trip	-	(161)
	-	(997)
At 31 December	383	383

Notes to the Projects' financial statements (continued)

Notes to Project's financial statements

1 General

On 29 June 2009, the Ministry of Finance of the Republic of Macedonia (MoF), entered into the Loan Agreement numbered 7699-MK with the International Bank for Reconstruction and Development ("IBRD") for financing the "Municipal Services Improvement Project" (further referred to as "the Project") in the amount of EUR 18,900,000. On 04 August 2009, IBRD accepted the evidence submitted in fulfilling the conditions precedent to the effectiveness of the Loan Agreement and consequently the Project and the Loan Agreement became effective on the aforementioned date. Reallocation of the loan proceeds was done on 20 December 2011. According to the amendment of the Loan Agreement signed on 7 June 2012, the Closing Date of the Project is 30 November 2017, which was subsequently extended with the Loan Amendment signed on 24 December 2014. The Closing Date of the project is March 2019. In response to high demand of municipalities and allocation of funds under Component A in December 2011, MoF formally requested IBRD to Provide additional financing. The loan was signed on 7 June 2012 and funds became effective on 10 July 2012 for additional financing in the amount of EUR 37,200,000. On 24 December 2014 the Ministry of Finance of the Republic of Macedonia (MoF), entered into the Grant Agreement EC IPA Grant No. TF018812 with the International Bank for Reconstruction and Development ("IBRD") for financing the "Municipal Services Improvement Project" acting as administrator of grant funds provided by the European Commission under the EC IPA Rural Investment Single Donor Trust Fund in an amount not to exceed EUR 14,647,500. The Grant is funded out of this trust fund for which the World Bank receives periodic contribution from the Donor.

The following table underlines the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for the Eligible Expenditures in each Category:

Category	Amount of the Loan allocated (expressed in Euro) Revised original values	Amount of the Loan allocated (expressed in Euro) Additional financing values	Total (expressed in Euro)	Percentage of the Expenditures to be financed
1. Sub-loans under Component A of the Project	16,540,650	31,473,000	48,013,650	100%
2. Goods, Works, Consultants' services and Training for the Project	256,050	1,824,700	2,080,750	100%
3. Grants under Component C of the Project	1,300,000	2,902,000	4,202,000	100%
4. Operating Costs	756,050	907,300	1,663,350	100%
5. Front-end Fee	47,250	93,000	140,250	0.25%
Total	18,900,000	37,200,000	56,100,000	

According to the provisions of the Loan Agreement, the Borrower is liable to repay the principal amount of the Loan in semi-annual installments in the amount of EUR 1,181,250 payable each 15th February and 15th August, commencing 15 August 2014 through 15 February 2022. The Borrower is liable to pay to IBRD a front-end fee equal to 1/4 of 1% (0.25%) of the Loan amount and interest for each interest period equal to LIBOR for the Loan Currency plus a Variable Spread.

Notes to the Projects' financial statements (continued)

2 Project Objectives, Activities and Institutional Arrangements

Project Objectives and Activities

The objective of the Project is to improve transparency, financial sustainability and delivery of targeted municipal services in the Participating Municipalities. The Project consists of four components:

Component A: Municipal Investments

Provision of Sub-loans to the Participating Municipalities to finance Sub-projects in the area of water and sanitation services, solid waste management and other revenue-generating or cost saving investments in communal services selected in accordance with the criteria and procedures set forth in the Project Operational Manual.

Component B: Capacity Building and Institutional Reform

1. Provision of consultants' services and Training to the Participating Municipalities to assist with Sub-projects preparation and implementation.
2. Provision of consultants' services and Training to the Participating Municipalities and their communal service enterprises to strengthen their capacity in service provision, communications and public outreach activities and in meeting the selection criteria for Performance-based Investment Grants under Component C of the Project.
3. Institutional strengthening of the Borrower's national agencies through study of policy issues and strategy development related to the financial sustainability of municipal services.

Component C: Performance-based Investment Grants

Provision of Performance-based Investment Grants to selected Participating Municipalities that meet the performance criteria set forth in the POM as an incentive and reward for improving the performance of municipal service delivery.

Component D: Project Management, Monitoring and Evaluation

Strengthening the capacity of PMU, Participating Municipalities and their communal service enterprises for Project management, monitoring and evaluation through the provision of goods, consultant services, including Project audit, Training, and financing of Operating Costs.

As of 24 December 2014, with the Amendments to both Loan Agreements, a new Component E has been added to Schedule.

Component E: IPA Rural Investment Window

1. Provision of investment Sub-Grants to EC IPA Participating Municipalities
2. Provision of technical assistance in the form of consulting services, including technical assistance, surveys, studies and trainings to EC IPA Participating Municipalities, for the preparation of technical documentation, relevant analysis and studies for potential sub- projects, assistance on procedural and accounting issues, facilitation of workshop on common constraints, lessons learnt and best practices, etc. The technical assistance is to insure all EC IPA Participating Municipalities are able to benefit from investment Sub- Grants.
3. Financing of operational expenditure of the PMU related to the implementation of the part titled component E.

Notes to the Projects' financial statements (continued)

Project Objectives, Activities and Institutional Arrangements (continued)

Institutional Arrangements

At all times during the implementation of the Project the Borrower shall maintain the Project Coordination Committee with a composition, resources and terms of reference satisfactory to the Bank.

Throughout the duration of the Project the Borrower shall maintain the Project Management Unit responsible for overall management, coordination, monitoring and evaluation of the Project with a composition, staff, resources and terms of reference satisfactory to the Bank.

The Borrower shall carry out the Project in accordance with the Project Operational Manual and shall not amend, suspend, abrogate, repeal or waive any provision of said Manual without the prior approval of the Bank.

3 Accounting policies

Following are the principle accounting policies adopted in preparation of these financial statements. These accounting policies are consistently applied to all financial periods presented.

Basis of preparation

The accompanying financial statements have been prepared for the purposes of reporting to IBRD, on the activities of the Project related to the loan received for the completion of the Project's objectives, in accordance with the respective provisions set out in the Loan Agreement numbered 7699-MK and Loan numbered 8158-MK signed between the IBRD and MoF. These financial statements are prepared on the cash receipts and disbursement basis and include all Project - related expenditures incurred, which are financed under the provisions set out in Loan Agreement numbered 7699-MK dated 29 June 2009, Disbursement letter dated 29 June 2009, Loan Agreement numbered 8158-MK dated 7 June 2012 and EC IPA Grant No. TF 018812, Disbursement letter, dated 24 December 2014.

These instructions closely follow the World Bank's Disbursement Guidelines for Projects.

The financial statements have been prepared for the period from 01 January 2015 through 31 December 2015.

Currency translation

All accounts are kept in Euro as this is the reporting currency of the Project. Transactions denominated in currencies other than Euro are translated using the Buying Foreign exchange rates of the National Bank of the Republic of Macedonia for international payment operations of the government bodies of Republic of Macedonia prevailing at the date of the transaction.



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