MOORE

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INDEPENDENT AUDITOR'S REPORT

To: Management of MOLDOVA WATER SECURITY AND SANITATION PROJECT (MWSSP)
and to: P.I. National Office for Regional and Local Development (NORLD)

Opinion

1. We have audited the Financial Statements of the "Moldova Water Security and Sanitation Project" (hereinafter "MWSSP"), prepared in accordance with the International Public Sector Accounting Standards (IPSAS), implemented by the principal recipient, Republic of Moldova, and managed by P.I. National Office for Regional and Local Development (hereinafter "NORLD"), for the period 1 January 2025 – 31 December 2025, which comprise the Statement of financial position, Summary of Sources and Uses of Funds, Statement of Designated Accounts and additional disclosures in explanatory notes to the Financial Statements.

2. In our opinion, the accompanying Financial Statements present fairly, in all material respects, financial position of the project as of 31 December 2025, in accordance with the IPSAS and the terms of the Financing Agreement no. 70270-MD and Grant Agreement no. TF0B7739-MD.

Basis for opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs), including ISA 700 (Revised) "Forming an Opinion and Reporting on Financial Statements". Our responsibilities under these standards are described in detail in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent from the NORLD in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), edition 2023 and the professional ethical requirements relevant to the audit of individual financial statements in the Republic of Moldova, including Law on Audit of Financial Statements No 271 of 15.12.2017 ("Law No 271/2017"), and we have fully performed our other professional ethical responsibilities in accordance with those requirements and the IESBA Code, edition 2023. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

4. We are independent from the NORLD in accordance with the IESBA Code, edition 2023 and the relevant ethical requirements for the audit of the individual financial statements of the Republic of Moldova, including Law No. 271/2017 and the Audit Firm's policies, and we have fully complied with our other ethical responsibilities in accordance with these requirements and the IESBA Code, edition 2023.

Responsibilities of Management and those charged with governance for the Financial Statements

5. Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing NORLD's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate NORLD or to cease operations, or has no realistic alternative but to do so.

7. Those charged with governance are responsible for overseeing NORLD's financial reporting process.

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Auditor's responsibilities for the audit of the Financial Statements

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

9. As a part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NORLD's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NORLD's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NORLD to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information to express an opinion on the financial statements.

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

    The engagement partner responsible for the audit for which this independent auditor's report has been prepared is **Ruslan Dumbravă.**

For and on behalf of **Moore Stephens KSC SRL**
Registered in the public register of audit entities under individual no. 1902001

Digitally signed by Dumbravă Ruslan
Date: 2026.06.23 20:49:48 EEST
Reason: MoldSign Signature
Location: Moldova
MOLDOVA EUROPEANĂ

Ruslan Dumbravă
Auditor qualification certificate Series AG no. 000020 dated May 12, 2014
Registered in the public register of auditors under individual no. 1405102

23 June 2026
Chișinău, Republic of Moldova

Digitally signed by Dumbravă Ruslan
Date: 2026.06.23 20:50:37 EEST
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MOLDOVA EUROPEANĂ

MOLDOVA WATER SECURITY AND SANITATION PROJECT

FINANCIAL STATEMENTS

IDA Credit 70270-MD and GRANT No. TF0B7739-MD

FOR THE PERIOD
01 JANUARY 2025 - 31 DECEMBER 2025

CONTENTS: **PAGE:**

(all amounts are expressed in EUR, unless otherwise mentioned)

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024	31 December 2025
ASSETS			
Cash and cash equivalents			
Designated account 32611978228/595410I16343AA	5	389,200	411,012
Designated account 32610978243/132221I16343AA		200,000	164,662
Designated account in MDL – 227201/ 191340I16343AB/191440I16342AB		258,922	593,758
Money obtained from the sales of tender documents		602	2,175
Total cash and cash equivalents		**848,724**	**1,171,607**
Undisbursed balance			
Undisbursed balance IDA 70270-MD	3	42,327,513	40,349,029
Undisbursed balance TF B7739-MD	3	1,350,000	1,159,174
Total undisbursed balance		**43,677,513**	**41,508,203**
Cumulative project expenses			
Spent IDA 70270-MD	4, 5	1,383,219	3,339,898
Spent TF B7739-MD		-	226,164
Exchange rate differences		69	61
Total cumulative project expenses		**1,383,288**	**3,566,123**
TOTAL ASSETS		**45,909,524**	**46,245,933**
FUNDS AND LIABILITIES			
Funding			
Financing agreement IDA 70270-MD		44,100,000	44,100,000
Financing agreement TF B7739-MD		1,550,000	1,550,000
Other sources		259,524	595,933
Total funds		**45,909,524**	**46,245,933**
TOTAL FUNDS AND LIABILITIES		**45,909,524**	**46,245,933**

The financial statements attached were signed and approved on behalf of the Project's management on 23 June 2026 by:

Digitally signed by Secrieru Eugeniu
Date: 2026.06.23 17:07:30 EEST
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Location: Moldova
MOLDOVA EUROPEANĂ

Eugeniu Secrieru,
Director ONDRL

Eugenia Veverița,
Financial Manager Specialist

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MOLDOVA EUROPEANĂ

Vadim Ciubotaru
Project Manager

Digitally signed by Ciubotaru Vadim
Date: 2026.06.23 18:01:00 EEST
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Location: Moldova
MOLDOVA EUROPEANĂ

(all amounts are expressed in EUR, unless otherwise mentioned)

SUMMARY OF SOURCES AND USES OF FUNDS

	Notes	31 December 2024	31 December 2025	Cumulative to date
Opening cash balances				
Designated account 32611978228/595410I16343AA	5.1	213,197	389,200	-
Designated account 32610978243/132221I16343AA		-	200,000	-
Designated account 32610978243/145150I16343AB			100	
Designated accounts in MDL - 227201/595410I16343AB		-	258,922	-
Other accounts		-	502	-
Total opening cash balances		**213,197**	**848,724**	**-**
Add: Sources of funds				
IDA Credit 70270-MD	3	1,060,440	1,978,483	3,750,971
Grant TF B7739-MD	3	200,000	190,156	390,156
LPA Contribution	3	258,922	339,259	598,181
BIDs in EUR		100	570	670
BIDs in MDL		502	1,692	2,194
Total Sources of Funds		**1,519,964**	**2,510,160**	**4,742,171**
Less: Uses of Funds				
IDA Credit 70270-MD				
Goods, non-consulting services, consultants' services (including Project audits), Training and Operational Costs of the Project	4, 5	884,440	1,956,679	3,339,898
Total	5	**884,443**	**1,956,679**	**3,339,898**
Grant TF B7739-MD				
Goods, non-consulting services, consultants' services (including Project audits), Training and Operational Costs of the Project		-	226,164	226,164
Total		**-**	**226,164**	**226,164**
TOTAL USES OF FUNDS	5	**884,443**	**2,182,851**	**3,556,062**
Exchange rate difference (+gains; - losses)				
Designated account 32611978228/595410I16343AA		3	8	(61)
Designated accounts in MDL – 227201/595410I16343AB			(4,423)	(4,423)
Other accounts			(19)	(19)
Closing cash balances				
Designated account 32611978228/595410I16343AA	4	389,200	411,012	411,012
Designated account 32610978243/132221I16343AA		200,000	163,992	163,992
Designated account 32610978243/145150I16343AB		100	670	670
Designated accounts in MDL – 227201/595410I16343AB		258,922	593,758	593,758
Other accounts		502	2,175	2,175
TOTAL CLOSING CASH BALANCES		**848,724**	**1,171,607**	**1,171,607**

The financial statements attached were signed and approved on behalf of the Project's management on 23 June 2026 by:

Digitally signed by Secrieru Eugeniu
Date: 2026.06.23 17:08:04 EEST
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Eugeniu Secrieru,
Director ONDRL

Eugenia Veverița,
Financial Manager Specialist

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MOLDOVA EUROPEANĂ

Vadim Ciubotaru
Project Manager

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MOLDOVA EUROPEANĂ

(all amounts are expressed in EUR, unless otherwise mentioned)

STATEMENT OF DESIGNATED ACCOUNTS

For the period:	01 January 2025 - 31 December 2025
Account No. :	**32611978228 (IDA 70270, EUR)**
Account No. :	**32610978243 (TF B7739, EUR)**
Account No. :	**227201 (LPA Contribution MDL)**
Depository Bank:	National Bank of Moldova
SWIFT code:	NBMDMD2X

Source IDA 70270-MD
TF B7739-MD
Other sources (LPA Contribution)

	Notes	31 December 2025
Opening balance – 01 January 2025		**848,724**
Designated Account IDA 70270		*389,200*
Designated Account TF B7739		*200,000*
Designated Account LPA Contribution MDL		*258,922*
Designated Account EUR BIDs		*100*
Designated Account MDL BIDs		*502*
Total disbursed during the period	3	**2,510,160**
Designated Account IDA 70270		*1,978,483*
Designated Account TF B7739		*190,156*
Designated Account LPA Contribution MDL		*339,259*
BIDs EUR Revenue		*570*
BIDs MDL Revenue		*1,692*
Amount of eligible expenditures paid		**2,182,843**
Designated Account IDA 70270		*1,956,679*
Designated Account TF B7739		*226,164*
Designated Account LPA Contribution MDL		-
Foreign exchange rate differences		**(4,434)**
Designated Account IDA 70270		*8*
Designated Account TF B7739		-
Designated Account MDL BIDs		*(19)*
Designated Account LPA Contribution MDL		*(4,423)*
Closing balance - 31 December 2025		**1,171,607**
Designated Account IDA 70270		*411,012*
Designated Account TF B7739		*163,992*
Designated Account MDL LPA Contribution		*593,758*
Designated Account EUR BIDs		*670*
Designated Account MDL BIDs		*2,175*

The financial statements attached were signed and approved on behalf of the Project's management on 23 June 2026 by:

Digitally signed by Secrieru Eugeniu
Date: 2026.06.23 17:08:36 EEST
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MOLDOVA EUROPEANĂ

Eugeniu Secrieru,
Director ONDRL

Vadim Ciubotaru
Project Manager

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Eugenia Veverița,
Financial Manager Specialist

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MOLDOVA EUROPEANĂ

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

1. GENERAL INFORMATION

Project description

The Moldova Water Security and Sanitation Project (hereinafter "Project") operates on the basis of: (i) financing agreement 7027-MD between the Republic of Moldova and the International Development Association ("IDA") in the amount of EUR 44,100,000 , signed on April 21, 2022 and to the Grant agreement TF0B7739-MD between the Republic of Moldova and the World Bank in the amount of EUR 1,550,000, signed on April 19, 2022.
The development objective of the project is to: increase access to safely managed water supply and sanitation services in rural areas and selected cities and strengthen national and local institutional capacity for the provision of water supply and sanitation services;

In the event of an eligible crisis or emergency, project funds will be used to promptly and effectively respond to it at the request of the Government of the Republic of Moldova.

The project components are: (1) increasing access to safely managed water supply and sanitation services in selected rural areas and cities; (2) strengthening the institutional capacity at the national and local level for the provision of water supply and sanitation services; (3) project management and coordination; and (4) the emergency response component.

They comprise the following parts:

Part 1: Increasing access to safely managed water supply and sanitation services in selected rural areas and cities.

1. Support the expansion of access and quality of water supply and sanitation systems through, among others:
    a. Investments in water supply, including the expansion and rehabilitation of regional water supply systems for water production and distribution, as well as the connection of services for LPAs (Local Public Authorities of the first level) in selected districts (including the preparation of relevant technical studies and documents management; technical supervision and citizen involvement activities).

    b. Investments in wastewater, including the expansion and rehabilitation of wastewater systems in selected cities, including the construction and rehabilitation of sewage networks and the construction of new wastewater treatment plants (including the preparation of relevant technical studies and management documents; technical supervision; and citizen involvement activities); and
    c. The implementation of a pilot project in selected rural or peri-urban villages to improve household sanitation on site, according to a request-based approach, through among others: (i) the provision of technical assistance, (ii) the implementation of information campaigns and (iii) carrying out civil works.

2. Improving water, sanitation and hygiene (WASH) facilities - in selected medical and general education institutions, including, among others: (a) building water supply connections to centralized networks or to existing sources; connections to sewage systems; provision of built-in plumbing and handwashing facilities; (b) strengthening the capacity of relevant personnel to ensure the operation and proper maintenance of sanitary facilities; and (c) implementing a Communication Program on the importance of personal hygiene.

Part 2: Strengthening institutional capacity at national and local level for the provision of water supply and sanitation services

1. Strengthening the institutional capacity at the national level in the field of AAS. The aim is to strengthen the critical functions of facilitating and implementing the reform of the AAS sector, planning and monitoring investments and modernizing the sector, as well as strengthening the capacities of the specialists of the subdivision responsible for policies in the field of water supply and sanitation established within the Ministry of Infrastructure and of Regional Development (MIRD)
    a. Preparation and implementation of a National Water Supply and Sanitation Sector Development Plan (PNDSAAS), including its investment program and financing strategy; and strengthening the capacity of the policy division on water supply and sanitation within the MIDR designated to lead the preparation and implementation of the mentioned plan, which is referred to in Section I.A.3 of Annex 2;

    b. Providing technical assistance to Local Public Authorities and Water Supply and Sewerage Operators to support the aggregation process into licensed regional operators, in accordance with the National Water Supply and Sewerage Sector Development Plan.

    c. Preparation of policies, amendments, legislation, regulations and identified norms or codes of practice regarding water supply and sanitation; and providing capacity building to relevant entities;

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

1. **GENERAL INFORMATION (CONTINUED)**

   d. Development and implementation of a Management Information System ("MIS") for monitoring and evaluating the performance of Water Supply and Sewerage Operators; and,

   e. Implementation of a professional development program for technical skills in water supply and sanitation management.

2. Improving the performance of WSS service providers. Development and implementation of a Performance Improvement Plan of the selected Water Supply and Sewerage Operators, - to support the implementation of a continuous and priority multi-year Performance Improvement Plan (PIP) of the selected WSS service operators involved in subcomponent 1.

Part 3: Project Management and Coordination

Within this component are included the activities of providing support for MIDR in carrying out fiduciary management activities of the project, including, among others: (a) financial management (including audits), organization of purchases, preparation of documentation according to the environmental and social requirements of the Project ; (b) capacity building for the partners involved in the implementation of the project; (c) ensuring the monitoring and evaluation of the Project; (d) implementation of communication requirements and citizen consultation; and (e) ensuring the current activity of the implementation unit that is subordinate to the National Office for Local and Regional Development.

Part 4: Contingent Emergency Response Component

A zero-sum provisional component is included, which will allow the rapid reallocation of credit/loan proceeds from other components during an emergency, under simplified procurement and payment procedures. This component allows the Government to request the World Bank to re-categorize and reallocate funding from other project components to cover emergency response and recovery costs.

Project management

World Bank

Task Team leader - Stjepan Gabric
The World Bank, office in the Republic of Moldova
E-mail: sgabric@worldbank.org

The fiduciary unit of the Project:
National Office for Regional and Local Development (NORLD)In September 2025, the Executive Director Mihail Croitoru left the office. Starting with October 15th,2025, the interim director was Serghei Cojocari. New Director of NORLD Eugeniu Secrieru was appointed on May 05, 2026.
Email: eugeniu.secrieru@ondrl.gov.md

The Project Coordination Group (PCG) is responsible for overseeing the implementation of the project and coordinating working relationships with various government institutions

The structure of the Coordination Group was approved by the Minister of Infrastructure and Regional Development Order no.218 dated December 14th, 2022. For 2025 it was as follows:

1. Secretary of State of the Ministry of Infrastructure and Regional Development, president of GCP;
2. State Secretary of the Ministry of the Environment, member;
3. State Secretary of the Ministry of Education and Research, member;
4. State Secretary of the Ministry of Health, member;
5. Secretary General of the Ministry of Internal Affairs, member;
6. State Secretary of the Ministry of Agriculture and Food Industry, member;
7. Head of the Development Funds Section of the Public Investments Directorate of the Ministry of Finance, member.

The composition of the project implementation unit for the period 01 January 2025 – 31 December 2025 was as follows:
- Vadim Ciubotaru, Project Manager. (Dorin Andros resigned on May 31st, 2025)
- Ana Timus, Monitoring and Evaluation specialist
- Veaceslav Hamițchii, chief engineer

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

2. GENERAL INFORMATION (CONTINUED)

- Anatol Burciu, water supply and sanitation engineer
- Vadim Ciubotaru, water supply and sanitation engineer
- Cornel Busuioc, Environmental Expert (by end of December 31, 2025)
- Natalia Vlădicescu, Expert in the social field
- Igor Zaporojan, Procurement Expert
- Svetlana Corcodel, Procurement Expert
- Eugenia Veverita, specialist in financial management
- Constantin Iusco, office assistant (by end of October, 2025)
- Diana Gradinaru, communication specialist

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Financial Statements have been prepared in accordance with consistently applied accounting standards acceptable to the National Office for Regional and Local Development (NORLD).

NORLD applies the cash basis of accounting under the International Public Sector Accounting Standards (IPSAS). NORLD accounting system (books and records) provides the basis for the preparation of the financial statements of the Project and is established to record all transactions in respect of the Project and the NORLD.

These financial statements consist of:
- Statement of financial position,
- Summary of sources and uses of funds,
- Statement of designated accounts,
- Significant accounting policies and other explanatory notes.

Cash accounting method was used in the preparation of these financial statements as the recording of cash receipts and payments is the main interest. Under the cash-based system income (or expenditure) is recognized when cash is received (or paid), regardless of when the goods or services are received.

The amounts are expressed in EUR and financial statements are prepared for the year ended 31 December 2025.

Functional and presentation currency/Exchange rates

For local payments in national currency (Moldovan Lei), the PIU will convert the equivalent amount of the Designated Account currency. The times between the conversion and actual payment should not be too large to avoid the accumulation of the exchange rate differences.
The funds balances from LPA contributions and MDL BIDs selling are included in Financial Statements at the exchange rate of the reporting date.
Exchange rate differences are not covered by project financing, if occur.
Transactions denominated in currencies other than EUR are translated at the exchange rate established by the National Bank of Moldova when they occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at last day of the reporting period. Foreign currency non-monetary assets and liabilities are translated at historical rates.

Designated account

The designated account is opened by the State Treasury at the National Bank of Moldova and is the account through which the replenishments are draw. All payments for eligible expenses are made from this Designated account and if the payment is local currency it is made through transitory account.

Upon effectiveness, two Designated Accounts (DA) specifically for this Project are opened in the National Bank of Moldova. The ceiling for the Designated Accounts is set at EUR 4 million for the IDA Credit and EUR 200 thousand for TF Grant; however, in the early stages of Project implementation, the level of the advance required in the DA is determined by the projected expenditures and the advances disbursed may be of lower value to observe prudent disbursement management. The authorized signatories for withdrawal applications are coordinated with the line ministry and Ministry of Finance and are issued to the World Bank for endorsement.

Applications for withdrawal, together with supporting documents, and applications for special commitments, together with a copy of the commercial bank letter of credit, are sent in the respective forms WB via Client Connection. The accounts (IBANs) planned to be used under the project like IBAN accounts in national currency and operating accounts for LPAs contributions are opened in the Treasury in accordance with budget classification requirements. The collected funds and their spending for project activities, including LPAs contributions, will be done based on general rules foreseen in the methodological norms regarding the accounting and financial reporting in the public institutions approved by the Minister of Finance Order no. 216/ 2015.

Disbursement Arrangements

The PIU financial management specialist is responsible for disbursement procedures.

Proceeds of the IDA credit/TF Grant flow under the following disbursement methods:

(i) Advances: from IDA/TF Grant to the corresponding Designated Account which is replenished based on SOEs and the necessary supporting documentation;
(ii) Direct payment to the contractors is proceed based on the withdrawal applications prepared by the PIU;
(iii) Special Commitments
(iv) reimbursement, when the PIU make project related payments from other sources and it is compensated with the same amount.

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The minimum application size for direct payments or reimbursement under IDA Credit is EUR 200,000 and under TF Grant – EUR 25,000. Withdrawal applications for the replenishments of the DA are sent to IDA on a regular basis. The expenditures incurred from the DA are reported quarterly.

The Credit Closing date is January 31, 2027 or any other date subsequently agreed. The disbursement percentage for the credit proceeds set at 100 percent (inclusive of Taxes, except for VAT and custom duties) of Eligible Expenditures, consisting of goods, works, consultants' services, and training.

Disbursement Deadline Date is 4 months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by IDA. This date is provided for making payments for the goods and services delivered and accepted by the project Closing Date. No new expenditures may be incurred during this period, except for the final audit.

Filling of Supporting Documentation

Project expenditures made from the DA are reported to the IDA in SOE format. In addition, the SOE are accompanied by original or copy of reconciled bank statements and receipts and invoices for payments against prior review contracts. To monitor disbursement information the PIU/NORLD and Ministry of Finance are using secure WB web-based portal "Client Connection" at http://clientconnection.worldbank.org. It is used for electronic submission of the withdrawal applications and authorized signatory letter, monitoring the status of the withdrawal applications and funding execution, and retrieving related policy, financial and procurement information and for reconciliation of the disbursement data while preparing the financial reports.

World Bank Direct Payments.

Direct Payment requests are prepared by the PIU by filling the respective form of the withdrawal application in the ClientConnection platform. The World Bank makes direct payment to the suppliers as instructed.

Project Management

The control activities under the project are as follows:

- *authorization procedures*: all payment requests are authorized by the persons indicated in the contracts and component's coordinators, if any;
- *each payment is authorized by* – the PIU Director and Chief Accountant;
- *segregation of duties*: the main segregations are performed between Project Manager, Procurement staff, and Financial Management staff:
  - **Project procurement staff** is responsible for procurement arrangements, including monitoring the delivery of goods and services;
  - **Financial Management staff** – is responsible for devising the project budgets in line with the procurement plans, preparation of payment documents and r verification in terms of expenditure eligibility, proper recording of transactions in the accounting system and maintaining records, preparation of financial reporting;
  - **Project Manager and coordinators for specific components** – should authorize and approve all payment requests, monitor activity of the procurement and FM staff, monitor contracts implementation, etc.

(all amounts are expressed in EUR, unless otherwise mentioned)

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

3. WITHDRAWAL SCHEDULE

Source: IDA Credit 70270-MD and GRANT No. TF0B7739-MD
Project: P173076 - Moldova Water Security and Sanitation Project

							Credit IDA70270	Grant TFB7739	
						APPROVED	44,100,000.00	1,550,000.00	
WA	**Type of request**	**Covered period**	**Disbursed amount, EUR**	**Documented amount, EUR**	**Paid Date**	**MDL Equivalent, historical value**	**Undisbursed amount, EUR**	**Undisbursed amount, EUR**	**Date**
1	Advance to designated account, Credit		150,000	-	14-Oct-2022	2,833,590	**43,950,000**	**1,550,000**	**31.12.2022**
2	SOE nr.1, Credit	14.10.2022 - 31.12.2022	71,355	71,355	28-Apr-2023	1,419,770	43,878,645		
3	Advance to designated account, Credit		350,000	-	16-Jun-2023	6,781,950	43,528,645		
4	SOE nr.2, Credit	01.01.2023 - 31.03.2023	55,201	55,201	20-Jun-2023	1,080,892	43,473,443		
5	SOE nr.3, Credit	01.04.2023 - 30.06.2023	85,491	85,491	26-Sep-2023	1,655,286	**43,387,953**		
6	SOE nr.4, Credit	01.07.2023 - 31.12.2023	286,732	286,732	02-Apr-2024	5,480,213	43,101,222		
7	SOE nr.5, Credit	01.01.2024 - 30.03.2024	160,710	160,710	30-May-2024	3,086,121	42,940,512		
8	Advance to designated account, Credit		500,000	-	21-Jun-2024	9,585,100	42,440,512		
9	SOE nr.6, Credit	01.04.2024 - 31.05.2024	112,998	112,998	27-Jun-24	2,165,196	42,327,513		
10	SOE nr.7, Credit	01.06.2024 - 30.06.2024	-	52,836	27-Jan-2025	1,013,397.79	42,327,513		
11	SOE nr.8, Credit	01.07.2024 - 31.12.2024	557,895	557,895	20-Mar-2025	10,922,533.69	41,679,617		
12	SOE nr.9, Credit	01.01.2025 - 31.05.2025	824,777	824,777	25-Jun-2025	16,265,680.17	40,944,840		
13	SOE nr.10, Credit	01.06.2025 - 30.09.2025	595,810	595,810	03-Dec-2025	11,743,900.22	40,349,029		**31.12.2025**
1	Advance to designated account, GRANT		200,000	-	27-Jun-2024	3,832,260		**1,350,000**	**31.12.2024**
2	SOE nr.1, GRANT	24.06.2024 - 31.05.2025	190,156	190,156	25-Jun-2025	3,733,152		**1,159,844**	**31.12.2025**
		TOTAL	**3,750,971**	**2,803,807**			**40,349,029**	**1,159,844**	

(all amounts are expressed in EUR, unless otherwise mentioned)

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

4. EXPENDITURE BY PROJECT ACTIVITY

Project Components/Activities Moldova Water Security and Sanitation Project	31 December 2024	31 December 2025	Cumulative to date
1. Increasing access to safely managed WSS services in selected rural areas and towns	**422,723**	**1,459,324**	**1,909,769**
1.1 Expanding access and quality of WSS services	**325,354**	**670,928**	**1,011,500**
1.1.1. Riscani sub-project	25,128	273,663	298,791
1.1.1.1. Review and Update of Detailed Design Technical Documents for Riscani Sub-project	*5,272*	*229,657*	*234,929*
1.1.1.2. ESIA and ESM Plan for Riscani	*19,856*	*44,006*	*63,862*
1.1.2. Cahul rayon & ATU Gagauzia sub-project	145,444	37,560	197,896
1.1.2.1. Detailed Engineering Design	*145,444*	*37,560*	*197,896*
1.1.3. Soroca sub-project	64,870	46,950	111,820
1.1.3.1. ToPoGeo, Soroca	*12,500*	-	*12,500*
1.1.3.2. Employer's Requirements, Soroca	*52,370*	-	*52,370*
1.1.3.3. Biodiversity Assessment Study, Soroca	-	*19,800*	*19,800*
1.1.3.4. Cost evaluation and estimation, Soroca	-	*27,150*	*27,150*
1.1.4. On-site sanitation	14,316	44,199	58,841
1.1.4.1. Rural sanitation engineer	*7,872*	*14,383*	*22,581*
1.1.4.2. Development of a technical market study regarding on-site sanitation systems (septic tanks)	*6,444*	-	*6,444*
1.1.4.3. Design for on-site sanitation systems (septic tanks)	-	*29,816*	*29,816*
1.1.5. Legal specialist for support to delegation contracts	15,706	28,996	44,702
1.1.6. Comrat sub-project	59,890	239,560	299,450
1.1.6.1. Feasibility Study Comrat	*59,890*	*239,560*	*299,450*
1.2: Improving resilient WASH facilities in public social institutions	**97,161**	**786,311**	**894,793**
1.2.1.WASH facility rehabilitation and/or new construction in schools	58,413	530,719	589,132
1.2.2. WASH facility rehabilitation and new construction HCF	15,600	172,058	187,658
1.2.2.1. WASH facility design in HCF	*15,600*	*33,600*	*49,200*
1.2.2.2. WASH facility rehabilitation in HCF	-	*138,458*	*138,458*
1.2.3.Detailed design and author supervision.	-	36,550	36,550
1.2.4.WASH engineer/coordination/institution screening/monitoring	21,199	16,315	48,835
1.2.5. Development of handwashing/ hygiene education materials and capacity development.	-	-	-
1.2.6. Technical supervision of WASH in schools	1,949	20,097	22,046
1.2.7. Technical supervision of WASH in HCF	-	10,572	10,572
1.3. Publication of advertisements	**208**	**1,024**	**2,213**
1.4. Promotion materials	**-**	**1,061**	**1,263**
2: Strengthening institutional capacity at national and local levels for WSS service delivery	**34,427**	**321,845**	**384,156**
2.1. Building national institutional capacity for WSS	21,098	260,357	306,717
2.2. Improving performance of WSS service providers	-	49,020	49,020
2.2.1. Baseline Assessment PIP for selected WSS operators	-	*49,020*	*49,020*
2.3. Publication of advertisements	390	51	1,118
2.4. Promotional materials, VIDEO spots	-	-	1,946
2.5. Professional development program	12,939	12,417	25,355

(all amounts are expressed in EUR, unless otherwise mentioned)

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT
4. EXPENDITURE BY PROJECT ACTIVITY (CONTINUED)

Project Components/Activities Moldova Water Security and Sanitation Project	31 December 2024	31 December 2025	Cumulative to date
3: Project management and coordination	**427,290**	**401,674**	**1,272,137**
3.1. Financial audits	6,400	6,400	12,800
3.2. Office/IT equipment for PIU, RDA, MIRD	-	1,535	39,966
3.3. RDA incremental operating costs	-	-	-
3.4. Environmental and Social specialists for RDA	-	-	-
3.5. RDA WSS technical consultants to support implementation	-	-	-
3.6. M&E surveys	27,065	-	27,065
3.7. Training for PIU and RDA staff	-	1,053	2,643
3.8. PIU incremental operating costs	36,384	37,321	101,899
3.9. PIU staff salary	355,724	353,374	1,072,069
3.10. Publication of advertisements	-	228	1,455
3.11. Business travels	1,717	1,763	14,240
Total expenses	**884,440**	**2,182,843**	**3,566,063**
Exchange rate differences	3	8	(61)
Overall Total	**884,443**	**2,182,851**	**3,566,002**

(all amounts are expressed in EUR, unless otherwise mentioned)

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

5. SUMMARY OF SUMMARY REPORTS USED AS THE BASIS FOR THE SUBMISSION OF QUARTERLY WITHDRAWAL APPLICATIONS
5.1. PART I BY SOURCES

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	31 December 2025	Cumulative to date
Opening Cash Balance(s)						
Designated Accounts (MWSSP)						
Designated Account EUR IDA 70270	389,200	124,069	895,571	351,279	389,200	-
Designated Account EUR TF B7739	200,000	200,000	200,000	200,000	200,000	-
Designated Account MDL IDA 70270	-		12	12	-	-
Designated Account MDL (LPA Contribution)	258,922	472,573	577,318	581,015	258,922	-
Designated Account EUR (BIDs)	100	100	100	450	100	
Other accounts MDL (BIDs)	502	1,021	1,168	1,538	502	-
Total opening cash balance	**848,724**	**797,763**	**1,674,170**	**1,134,294**	**848,724**	**-**
Add: Sources of Funds for MWSSP						
Designated accounts:	-	1,572,829	-	595,810	2,168,639	4,141,127
Source: IDA Credit 70270-MD	-	*1,382,673*	-	*595,810*	*1,978,483*	*3,750,971*
Source: TF0B7739	-	*190,156*	-	-	*190,156*	*390,156*
Direct payments	-	-	-	-	-	-
LPA Contribution	215,455	102,941	3,697	17,165	339,259	598,181
BIDs in EUR			350	220	570	670
BIDs in MDL	623	44	369	650	1,692	2,193
Total sources	**216,078**	**1,675,814**	**4,415**	**613,845**	**2,510,160**	**4,742,171**
Less: Uses of Funds (by expenditure category for each financier in accordance with Financing Agreement and by each implementing agency)						
Goods, works, non-consulting services, consultants' services (including Project audits), Training and Operational costs of the Project, from which:	265,132	801,320	544,292	572,099	2,182,843	3,566,062
IDA 70270	*265,132*	*611,164*	*544,292*	*536,091*	*1,956,679*	3,339,898
TF B7739	-	*190,156*	-	*36,008*	*226,164*	*226,164*
LPA Contribution	-	-	-	-	-	-
BIDs	-	-	-	-	-	-
Total uses	**265,132**	**801,320**	**544,292**	**572,099**	**2,182,843**	**3,566,062**

(all amounts are expressed in EUR, unless otherwise mentioned)

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT
5.1. PART I BY SOURCES (CONTINUED)

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	31 December 2025	Cumulative to date
Exchange rate differences (+gain, -loss)						
Designated accounts	2	5	-	14	8	
LPA Contribution	*(1,804)*	*1,908*	-	*(4,423)*	(4,423)	(4,423)
BIDs in MDL	*(104)*	*104*	-	*(12)*	(19)	(19)
Closing Cash Balance						
Designated Accounts (MWSSP)						
Designated Account EUR IDA 70270	*124,069*	*895,571*	*351,279*	411,012	411,012	411,012
Designated Account EUR TF B7739	*200,000*	*200,000*	*200,000*	163,992	163,992	163,992
Designated Account MDL IDA 70270	-	*12*	*12*	-	-	-
Designated Account MDL (LPA Contribution)	*472,573*	*577,318*	*581,015*	593,758	593,758	593,758
Designated Account EUR (BIDs)	*100*	*100*	*450*	670	670	670
Other accounts MDL (BIDs)	*1,021*	*1,169*	*1,538*	2,175	2,175	2,175
Total closing cash balance	**797,763**	***1,674,170***	***1,134,294***	**1,171,607**	**1,171,607**	**1,171,607**

(all amounts are expressed in EUR, unless otherwise mentioned)

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

5. SUMMARY OF SUMMARY REPORTS USED AS THE BASIS FOR THE SUBMISSION OF QUARTERLY WITHDRAWAL APPLICATIONS (CONTINUED)

5.2. PART II BY PROJECT'S ACTIVITIES

Project Components/Activities Moldova Water Security and Sanitation Project	Q1 2025	Q2 2025	Q3 2025	Q4 2025	31 December 2025	Cumulative to date
1. Increasing access to safely managed WSS services in selected rural areas and towns	**149,376**	**463,581**	**439,957**	**406,410**	**1,459,325**	**1,909,770**
1.1 Expanding access and quality of WSS services	**62,926**	**259,564**	**250,725**	**98,041**	**670,928**	**1,011,501**
1.1.1. Riscani sub-project	-	69,280	144,534	59,850	273,663	298,791
1.1.1.1. Review and Update of Detailed Design Technical Documents for Riscani Sub-project	-	*25,274*	*144,534*	*59,850*	*229,657*	*234,929*
1.1.1.2. ESIA and ESM Plan for Riscani	-	*44,006*	-	-	*44,006*	*63,862*
1.1.2. Cahul rayon & Vulcanesti sub-project	37,560	-	-	-	37,560	197,896
1.1.2.1. Detailed Engineering Design	*37,560*	-	-	-	*37,560*	*197,896*
1.1.3. Soroca sub-project	12,870	28,430	5,650	-	46,950	111,820
1.1.3.1. ToPoGeo, Soroca	-	-	-	-	-	*12,500*
1.1.3.2. Employer's Requirements, Soroca	-	-	-	-	-	*52,370*
1.1.3.3. Biodiversity Assessment Study, Soroca	*12,870*	*6,930*	-	-	*19,800*	*19,800*
1.1.3.4. Cost evaluation and estimation, Soroca	-	*21,500*	*5,650*	-	*27,150*	*27,150*
1.1.4. On-site sanitation	5,247	4,880	3,458	30,942	44,199	58,841
1.1.4.1. Rural sanitation engineer	*5,247*	*4,880*	*3,458*	*1,125*	*14,383*	*22,581*
1.1.4.2. Development of a technical market study regarding on-site sanitation systems (septic tanks)	-	-	-	-	-	*6,444*
1.1.4.3. Design for on-site sanitation systems (septic tanks)	-	-	-	*29,817*	*29,817*	*29,817*
1.1.5. Legal specialist for support to delegation contracts	7,249	7,249	7,249	7,249	28,996	44,702
1.1.6. Comrat sub-project	-	149,725	89,835	-	239,560	299,450
1.1.6.1. Feasibility Study Comrat	-	*149,725*	*89,835*	-	*239,560*	*299,450*
1.2: Improving resilient WASH facilities in public social institutions	**86,322**	**202,855**	**189,053**	**307,754**	**786,311**	**894,793**
1.2.1.WASH facility rehabilitation and/or new construction in schools	42,939	156,505	118,130	213,146	530,719	589,132
1.2.2. WASH facility rehabilitation and new construction HCF	-	33,600	59,511	78,947	172,058	187,658
1.2.2.1. WASH facility design in HCF	-	*33,600*	-	-	*33,600*	*49,200*
1.2.2.2. WASH facility rehabilitation in HCF	-	-	*59,511*	*78,947*	*138,458*	*138,458*
1.2.3.Detailed design and author supervision.	36,550	-	-	-	36,550	36,550
1.2.4.WASH engineer/coordination/institution screening/monitoring	5,243	5,524	3,916	1,305	16,315	48,835
1.2.5. Development of handwashing/ hygiene education materials and capacity development.	-	-	-	-	-	-

(all amounts are expressed in EUR, unless otherwise mentioned)

1.2.6. Technical supervision of WASH in schools	1,590	7,226	2,944	8,336	20,097	22,046
1.2.7. Technical supervision of WASH in HCF	-	-	4,552	6,020	10,572	10,572

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

5.2. PART II BY PROJECT'S ACTIVITIES (CONTINUED)

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	31 December 2025	Cumulative to date
1.3. Publication of advertisements	**128**	**692**	**178**	**25**	**1,024**	**2,213**
1.4. Promotion materials	-	**471**	-	**590**	**1,061**	**1,263**
2: Strengthening institutional capacity at national and local levels for WSS service delivery	**10,754**	**235,989**	**5,447**	**69,655**	**321,844**	**384,156**
2.1. Building national institutional capacity for WSS	10,729	223,572	-	26,057	260,357	306,717
2.2. Improving performance of WSS service providers	-	-	5,447	43,573	49,020	49,020
2.2.1. Baseline Assessment PIP for selected WSS operators	-	-	*5,447*	*43,573*	*49,020*	*49,020*
2.3. Publication of advertisements	26	-	-	25	51	1,118
2.4. Promotional materials, VIDEO spots	-	-	-	-	-	1,946
2.5. Professional development program	-	12,417	-	-	12,417	25,355
3: Project management and coordination	**105,002**	**101,750**	**98,888**	**96,034**	**401,674**	**1,272,136**
3.1. Financial audits	-	3,200	3,200	-	6,400	12,800
3.2. Office/IT equipment for PIU, RDA, MIRD	-	-	1,535	-	1,535	39,966
3.3. RDA incremental operating costs	-	-	-	-	-	-
3.4. Environmental and Social specialists for RDA	-	-	-	-	-	-
3.5. RDA WSS technical consultants to support implementation	-	-	-	-	-	-
3.6. M&E surveys	-	-	-	-	-	27,065
3.7. Training for PIU and RDA staff	-	1,053	-	-	1,053	2,643
3.8. PIU incremental operating costs	7,799	8,515	10,590	10,417	37,321	101,899
3.9. PIU staff salary	97,203	87,219	83,563	85,390	353,374	1,072,069
3.10. Publication of advertisements	-	-	-	228	228	1,455
3.11. Business travels	-	1,763	-	-	1,763	14,240
	265,132	**801,320**	**544,292**	**572,099**	**2,182,243**	**3,566,062**
Exchange rate differences	**2**	**5**	-	**14**	**8**	**(61)**
Total MWSSP	**265,134**	**801,325**	**544,292**	**572,113**	**2,182,251**	**3,566,001**

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT

6. SUBSEQUENT EVENTS

Up to the date of signing the financial statements, no events have occurred that would significantly affect the financial statements or require adjustments. All relevant events have been considered and properly reflected in these financial statements.