

ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITIES PROGRAM (EOP)  
INVESTMENT PROJECT FINANCING (IPF)  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 07 JULY 2020

ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITIES PROGRAM  
INVESTMENT PROJECT FINANCING (IPF)  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
ACRONYMS AND ABBREVIATION

---

IPF	Investment Project Financing
EIC	Ethiopian Investment Commission
ARRA	Administration for Refugee and Returnee Affairs
IDA	International Development Association
BOLSA	Bureau of Labor and Social Affairs (regional)
PCU	
ARRA	
EPP	Employment Promotion and Protection
PES	Public Employment Service
DFID	U.K. Department for International Development
ETB	Ethiopian Birr

ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITIES PROGRAM  
INVESTMENT PROJECT FINANCING (IPF)  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 07 JULY 2020  
TABLE OF CONTENTS

---

		Pages
PART 1	INTRODUCTION	
	1.1 Background	3
	1.2 Organizational objectives	3
	1.3 Audit objectives	3
	1.4 Audit scope	3
	1.5 Audit methodology	4
	1.6 Results of the audit	4
PART 2	STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	5
PART 3	INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	
	3.1 Independent auditors' report	6-7
	3.2 Statement of Receipt and Expenditure	8
	3.3 Statement of Financial Position	9
	3.4 Summary of Activity in the Designated Account	10
	3.5 Notes to the financial statements	11-12
PART 4	INDEPENDENT AUDITORS' REPORT ON COMPLIANCE	13
PART 5	INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL	14

ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITIES PROGRAM  
INVESTMENT PROJECT FINANCING (IPF)  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENED 07 JULY 2020

---

**1 INTRODUCTION**

**1.1 Background**

Investment Project Financing (IPF) is a 5 year project with a credit extension of USD 25.89 Million by International Development Association - IDA (World Bank) to the Federal Democratic Republic of Ethiopia with an objective of at enhancing the capacities of Ethiopian Investment Commission (EIC), Administration for Refugee and Returnee Affairs (ARRA) and regional Bureau of Labor and Social Affairs (BOLSA) for proper execution of the 'Program for Results' where capacity-building and institutional strengthening measures will be financed through the IPF.

The annual budget will be prepare in line with the below three components of the IPF

Component 1: Program implementation support to the EIC (US\$8 million)

Component 2: Operations Management capacity support to ARRA (US\$3 million)

Component 3: Employment Promotion and Protection (EPP) for refugees and support to Public Employment Services (PESs) for Ethiopians (US\$14 million)

**1.2 Organizational Objectives**

The project aims at enhancing the capacities of EIC, Administration for Refugee and Returnee Affairs and Regional Bureau of Labor and Social Affairs (BOLSA) for proper execution of the 'Program for Results' where capacity-building and institutional strengthening measures will be financed through the Investment Project Financing.

**1.3 Audit objectives**

The objective of the audit is to express an opinion on the Project financial statements of EOP-IPF for the year ended 07 July 2020. The audit includes but not limited to the following tasks:

- a) Give comments and observations on the accounting records, systems and controls that were examined during the course of audit;
- b) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
- c) Report on the degree of compliance of each of the financial covenants in the financing agreement and give comments, if any, on internal and external matters affecting such compliance
- d) Determine whether the management and financial systems, including internal controls, within the components are adequate for efficient and prudent management of funds;
- e) Comment on the use of funds vis a vis approved budgets in relation to the agreement between the organization and donors;
- f) Assess the compliance with administrative/legal/fiscal issues regarding local employees contracted under the organization; and
- g) Recommend possible improvements and/or actions in any area on financial management and especially areas where weaknesses were noted.

**1.4 Audit scope**

The audit scope required us to carry out sufficient audit steps and procedures to ensure that the audit objectives were met for the year ended 07 July 2020. Details of the steps and procedures are described in note 1.5.



## **1.5 Audit Methodology**

We conducted the audit in accordance with International Standards on Auditing and in compliance with the accounting policies and agreed terms between Ethiopian Investment Commission (EIC) and IDA (International Development Association - World Bank).

### **1.5.1 Internal controls**

We have evaluated significant internal controls to obtain sufficient understanding of the design of relevant controls, policies and procedures and whether they have been in operation during the period under review.

### **1.5.2 Compliance with terms agreement and applicable laws and regulations**

We have reviewed, assessed and reported on compliance with the terms and conditions of the agreements.

### **1.5.3 Representations by grantees**

We have obtained specific written representations from management.

### **1.5.4 Contractual obligations**

- a) Appraised relevant documents such as agreements with creditors;
- b) Verified compliance of organization's expenditures with relevant terms of agreements as well as all the applicable rules;
- c) Verified compliance of the recipient with the terms and conditions of the agreement with the creditors; and
- d) Verified timely submission of interim and audited financial reports for the creditor as stipulated in the agreement.

### **1.5.5 Receipts and disbursements**

Verified compliance with the disbursements and procurement procedures set up for the organization.

### **1.5.6 Implementation**

- a) Examined whether the expenditures are classified in accordance with the budget.
- b) Reviewed bank statements and other relevant books of accounts and assessed whether they show a complete view of the income received and expenditure incurred;
- c) Verified and confirmed that all commitments are genuine, with the relevant agreements disclosed within the financial records and are for the pursuance of agreed Project objectives; and
- d) Examined a representative sample of payments transactions including accuracy and completeness of records.

### **1.5.7 Other income sources**

Established whether other income generated by the project, such as sales of items, exchange gains, etc.; have been used in furtherance of the project's objectives.

## **1.6 Results of the audit**

### **1.6.1 Summary of results by audit objectives**

- i) Reach an opinion as to the validity of the financial statements.

In our opinion, the financial statements give a true and fair view of the sources and uses of funds in accordance with the funding agreement and accounting policies stated in note 3.5.

- ii) Report on the financial management and internal control findings

We reviewed the internal control structure and concluded that the system was adequate to meet the needs of the program. We have not observed reportable deficiency or material weaknesses on the internal control of the project.

2 STATEMENT OF MANagements' RESPONSIBILITIES

The Management of Economic Opportunities Program - Investment Project Financing is responsible for the preparation of the financial statements for each financial year which gives a true and fair view of the Project as at the end of the year and of the operating results for that year. The management of the project is required to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the project. Management is also responsible for safeguarding the assets of the project.

The management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the funding agreement between Ethiopian Investment Commission and International Development Association and the accounting policies stated in Note 3.5 of this report and for such internal controls as the management determines are necessary to enable the preparation of the project financial statements that are free from material misstatement, whether due to fraud or error.

The management accepts responsibility for the financial statement which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates. The management believes the project's financial statements give a true and fair view of the state of the financial affairs of the project for the year and of its financial position as at 07 July 2020. The management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of the project financial statements, as well as adequate systems of internal financial control.

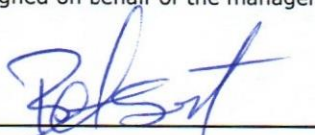
The management certifies that, to the best of their knowledge, the information furnished to the auditors for the audit was correct and is an accurate presentation of the project's financial transactions.

- i) Designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) Selecting suitable accounting policies and applying them consistently; and
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

Management acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Nothing has come to the attention of management to indicate that the Project will not remain a going concern for at least the next twelve months from the date of this statement.

Signed on behalf of the management by:



Betseit Sisay  
Program Director  
18 March 2021



Kedir Mussa  
Financial Management Specialist





Chartered Certified Accountants and Authorized Auditors

የተመሰከረላቸው የሂሳብ አዋቂዎችና የተፈቀደላቸው አዲተሮች

HST General Partnership  
Ethio-China Avenue; Wollo Sefer  
Mina Building 5<sup>th</sup> Floor  
P.O. Box 1608  
Addis Ababa  
Ethiopia

Tel.: +251 115 527666/67  
Fax.: +251 115 528384  
Email: [info@hst.et.com](mailto:info@hst.et.com)  
[www.hst-et.com](http://www.hst-et.com)

ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITIES PROGRAM  
INVESTMENT PROJECT FINANCING (IPF)  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR EDNED 07 JULY 2020

3.1 INDEPENDENT AUDITORS' REPORT

**Opinion**

We have audited the accompanying financial statements of Economic Opportunities Program - Investment Project Financing (IPF) financed by International Development Association (IDA) set out on pages 8 to 12, which comprises the Statement of Financial Position as at 07 July 2020, Statement of Receipts and Expenditure and the statement of Summary of Activity in the Designated Account for the year ended 07 July 2020 and the related notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the cash receipts and expenditure of the project for the year ended 7 July 2020 and the funds at 7 July 2020 and were utilized for the purpose defined in the funding agreement and in accordance with the accounting policies set out in note 3.5 to the financial statement and the financial reporting provisions of the donors.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Report on other requirements**

In all materials respects, we confirm that:

- i) External funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- ii) Goods and services financed have been procured in accordance with the relevant financing agreements and the financiers' procurement policies and procedures;
- iii) All necessary supporting documents, records, and accounts have been kept in respect of all Project ventures including expenditure reported using statements of expenditure (SOE) method of disbursement;
- iv) Designated Accounts have been maintained in accordance with the provisions of the relevant financing agreements and disbursement letter and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;
- v) The financial statements have been prepared in accordance with the organization's accounting policies and relevant World Bank guidelines;
- vi) National laws and regulations have been complied with, and that the financial and accounting procedures approved for the project; and
- vii) There is verifiable ownership by Project or beneficiaries in line with the financing agreement in respect of assets procured.



INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR EDNEB 07 JULY 2020

---

3.1 INDEPENDENT AUDITORS' REPORT (Continued)

**Management's responsibilities for the project financial statements**

Management is responsible for the preparation and fair presentation of the financial statements prepared in accordance with the funding agreement between Ethiopian Investment Commission and International Development Association and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The management of the Project is also responsible for overseeing the Project's financial reporting process.

**Auditors' responsibilities for the audit of the project financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, 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 to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.

We communicate with management 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 may identify during our audit.

The engagement partner on the audit resulting in this independent auditors' report is Solomon Gizaw.

**Solomon Gizaw**

Audit Partner

HST General Partnership, Chartered Certified Accountants and Authorized Auditors  
(Auditors of EIC-EOP-IPP)

Addis Ababa

18 March 2021





ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITIES PROGRAM (EOP)  
INVESTMENT PROJECT FINANCING (IPF)

3.2 STATEMENT OF RECEIPT AND EXPENDITURE

FOR THE YEAR ENDED 07 JULY 2020

		2020 ETB	2019 ETB
<b>RECEIPT</b>	Notes		
Fund receipts during the year	3.6	-	24,004,707
Other income	3.7	2,799,847	1,339,467
		2,799,847	25,344,174
Fund balance at 8 July 2019		20,431,695	-
<b>Total fund available</b>		<b>23,231,542</b>	<b>25,344,174</b>
 <b>EXPENDITURE</b>			
Total expenditure during the year	3.8	10,985,629	4,912,478
Excess of receipt over expenditure		12,245,914	20,431,696
<b>Fund balance at 7 July 2020</b>		<b>12,245,914</b>	<b>20,431,696</b>



ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITIES PROGRAM (EOP)  
INVESTMENT PROJECT FINANCING (IPF)

3.3 STATEMENT OF FINANCIAL POSITION

AS AT 07 JULY 2020

	Notes	2020 ETB	2019 ETB
ASSETS			
CURRENT ASSETS			
Cash and bank balances	3.9	12,471,416	20,687,266
		<u>12,471,416</u>	<u>20,687,266</u>
FUND BALANCE AND LIABILITIES			
Fund balance		12,245,914	20,431,696
CURRENT LIABILITIES			
Payables	3.10	<u>225,503</u>	<u>255,570</u>
Total Liabilities		<u>12,471,416</u>	<u>20,687,267</u>

The financial statements on pages 8 to 12 were approved by the Economic Opportunities Program-Investment Project Financing management on 24 February 2021 and signed on its behalf by:

  
Betselit Sisay  
Program Director

  
Kedir Mussa  
Financial Management Specialist





ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITY PROGRAM (EOP)  
INVESTMENT PROJECT FINANCING (IPF)

3.4 SUMMARY OF THE ACTIVITY IN THE DESIGNATED ACCOUNT  
FOR THE YEAR ENDED 07 JULY 2020

**USD Bank Account (a/c#0102011300002): National Bank of Ethiopia**

		2020 USD	2020 ETB
Opening Bank Balance		-	-
ADD: Receipts			
Fund received from IDA	3.5.1	-	-
Fund brought from previous period		680,590	20,431,695
Other income	3.5.7	-	2,799,847
Funds available for use		680,590	23,231,542
Less: Transfers and Expenditures/payments			
Expenditures/payments	3.5.3	400,000	10,985,629
<b>Closing Balance</b>		<b>280,590</b>	<b>12,245,914</b>



ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITY PROGRAM (EOP)  
INVESTMENT PROJECT FINANCING (IPF)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 07 JULY 2020

### 3.5 BASIS OF PREPARATION

The financial statements have been prepared on modified cash basis of accounting whereby receipts are recognized when cash is received and expenditures are recognized when incurred.

#### 3.5.1 Budget

The budget is developed on the same accounting basis (modified cash basis), same classification basis, and for the same period as for the financial statements. The budget was approved as required by the standard conditions of the credit agreement and work-plan .

#### 3.5.2 Funds Receipt

Fund receipt is recognized to the extent of credit extended by the Bank to the project's designated account. Funds received and direct payments during the year are as follows:

	Received (USD)	Confirmed (USD)
Cash transfer	-	-
	-	-

#### 3.5.3 Expenditure

Expenditure represents amounts disbursed and costs incurred denominated in ETB.

#### 3.5.4 Foreign currency transactions

Cash receipts and payments arising from transactions in a foreign currency are recoded in the financial statements using the actual rate of exchange applicable on date of transactions. Foreign currency denominated monetary assets and liabilities are translated to ETB using exchange rates applicable at year-end.

#### 3.5.5 Non-current assets

In accordance with lender's requirements, purchase of fixed assets is expensed on acquisition. EIC maintains an asset register that tracks all project fixed assets.

#### 3.5.6 Foreign currency transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ethiopian Birr ("ETB") which is the Project's functional currency.

Transactions and balances

Cash receipts and payments arising from transactions in a foreign currency are recorded in the financial statements using the actual rate of exchange. Foreign currency transactions are translated into the functional currency of the Project using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statements of receipts and payments.





ETHIOPIAN INVESTMENT COMMISSION  
ECONOMIC OPPORTUNITY PROGRAM (EOP)  
INVESTMENT PROJECT FINANCING (IPF)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 07 JULY 2020

	2020 ETB	2019 ETB
3.6 INCOME		
Deposits	20,431,695	24,004,707
	<u>20,431,695</u>	<u>24,004,707</u>
3.7 OTHER INCOME		
Miscellaneous	3,400	-
Gain on Foreign exchange fluctuation	2,796,447	1,339,467
	<u>2,799,847</u>	<u>1,339,467</u>
3.8 OPERATING EXPENSES		
Staff_PCU	5,423,015	3,548,115
Goods_PCU	-	1,128,219
Goods_ARRA	2,452,256	-
Services_PCU	2,707,549	-
Operations_PCU	402,808	236,144
	<u>10,985,629</u>	<u>4,912,478</u>
3.9 CASH AND CASH EQUIVALENT		
Cash at bank	12,471,416	20,686,824
Cash on hand	-	442
	<u>12,471,416</u>	<u>20,687,266</u>
3.10 TRADE AND OTHER PAYABLES		
Salary payable	3,953	3,953
Employment Tax Payable	143,250	115,000
Pension Payable	78,300	126,000
VAT Payable	-	9,369
Withholding Tax Payable	-	1,249
	<u>225,503</u>	<u>255,570</u>





Chartered Certified Accountants and Authorized Auditors

የተመሰከረላቸው የሂሳብ አዋቂዎችና የተፈቀደላቸው አዲተሮች

HST General Partnership  
Ethio-China Avenue; Wollo Sefer  
Mina Building 5<sup>th</sup> Floor  
P.O. Box 1608  
Addis Ababa  
Ethiopia

Tel.: +251 115 527666/67  
Fax.: +251 115 528384  
Email: [info@hst.et.com](mailto:info@hst.et.com)  
[www.hst-et.com](http://www.hst-et.com)

Ethiopian Investment Commission  
Economic Opportunities Program  
Investment Project Financing (IPF)  
Addis Ababa

Attention: Betseit Sisay  
Program Director

Dear Madam,

#### 4 INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

We have audited the accompanying financial statements of EOP-IPF financed by IDA set out on pages 8 to 12, which comprises the Statement of Financial Position as at 07 July 2020, Statement of Receipts and Expenditure and the Statement of Summary of Activity in the Designated Account for the year ended 07 July 2020 and the related notes to the financial statements, including summary of significant accounting policies.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement resulting from violations of agreement terms and laws and regulations that have a direct and material effect on the financial statements.

Compliance with the terms of agreement, laws and regulations, contracts and binding policies and procedures are the responsibility of the management of the Project. As part of our audit, we selected and tested transactions and records to determine the project's compliance with agreement terms, laws, regulations, contracts, binding policies and procedures. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of non-compliance are failure to follow requirements or violations of the terms agreement and laws and regulations that cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the financial statements.

Our consideration and evaluation of compliance requirements did not identify any instances of non-compliance with grant agreements, laws and regulations.

This report is intended for the information of EIC and IDA.

The engagement partner on the audit resulting in this independent auditor's report is Solomon Gizaw.

  
**Solomon Gizaw**  
Audit Partner  
HST General Partnership  
Chartered Certified Accountants and Authorized Auditors  
(Auditors of EOP-IPF)  
Addis Ababa  
18 March 2021





Chartered Certified Accountants and Authorized Auditors  
የተመሰከረላቸው የሂሳብ አዋቂዎችና የተፈቀደላቸው አዲተሮች

HST General Partnership  
Ethio-China Avenue; Wollo Sefer  
Mina Building 5<sup>th</sup> Floor  
P.O. Box 1608  
Addis Ababa  
Ethiopia

Tel.: +251 115 527666/67  
Fax.: +251 115 528384  
Email: [info@hst.et.com](mailto:info@hst.et.com)  
[www.hst-et.com](http://www.hst-et.com)

Ethiopian Investment Commission  
Economic Opportunities Program  
Investment Project Financing (IPF)  
Addis Ababa

Attention: Betseit Sisay

Program Director

Dear Madam,

## 5 INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

We have audited the accompanying financial statements of EOP-IPF financed by IDA set out on pages 8 to 12, which includes the Statement of Financial Position as at 07 July 2020, Statement of Receipts and Expenditure and the Statement of Summary of Activity in the Designated Account for the year ended 07 July 2020 and the related notes to the financial statements, including summary of significant accounting policies.

We conducted our audit in accordance with International Standards on Auditing. In planning and performing our audit, we considered the Project's internal control over financial reporting as a basis for designing our auditing procedures for expressing our opinion on the financial statements, but not for expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Project's financial statements will not be prevented, or detected and corrected on a timely basis.

Based on our audit, we did not identify any deficiencies to report on.

This report is intended for the information of EIC and IDA.

The engagement partner on the audit resulting in this independent auditor's report is Solomon Gizaw.



**Solomon Gizaw**  
Audit Partner  
HST General Partnership,  
Chartered Certified Accountants and Authorized Auditors  
(Auditors of EOP - IPF)  
Addis Ababa  
18 March 2021