

**EMPLOYMENT SUPPORT PROJECT OF  
THE REPUBLIC OF AZERBAIJAN  
LOAN NUMBER 9044 AZ**

**Special-Purpose Financial Statements and  
Independent Auditors' Report**  
For the Year ended December 31, 2024

## INDEPENDENT AUDITORS' REPORT

To the Management of the Employment Support Project of the Republic of Azerbaijan:

### *Opinion*

We have audited the Special-Purpose Financial Statements of the Employment Support Project of the Republic of Azerbaijan (the "Project"), which comprise the Special-Purpose Balance Sheet as at December 31, 2024, and the Statement of Cash Receipts and Payments, the Statement of Project Activities, the Statement of Designated and Project Accounts and the Statement of Expenditure and Summary Sheet Withdrawal Schedule ("SOE and SSWS") for the year then ended and notes to the Special-Purpose Financial Statements, including a basis of accounting (collectively referred to as the "Special-Purpose Financial Statements") through loan agreement number 9044 AZ (the "Loan Agreement") financed under the International Bank for Reconstruction and Development (the "IBRD").

In our opinion, the accompanying Special-Purpose Financial Statements present fairly, in all material respects, the financial position of the Project as at December 31, 2024, the cash receipts and disbursements on behalf of the Project and transactions passed through the Project's special accounts for the year then ended in accordance with IPSAS "Financial Reporting under the Cash Basis of Accounting" and relevant provisions of the Loan Agreement as described in Note 2 to the Special-Purpose Financial Statements.

In addition, with respect to the SOE and SSWS, all payments reported are eligible for financing under the Loan Agreement and adequate documentation has been maintained to support the claims for withdrawal, in all material respects.

### *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 "Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements" section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter*

#### *Basis of Accounting and Restriction on Distribution and Use*

We draw attention to Note 2 to the Special-Purpose Financial Statements, which describes the basis of accounting. The Special-Purpose Financial Statements are prepared to assist the Project's Implementation Unit in complying with the financial reporting provisions of the Loan Agreement referred to above. As a result, the Special-Purpose Financial Statements may not be suitable for any other purpose. Our report is intended solely for the Project Management Team, the Government of the Republic of Azerbaijan and the IBRD and should not be distributed to or used by parties other than the Project's Implementation Unit and the IBRD. Our opinion is not modified in respect of this matter.

#### *Responsibilities of Management for the Special-Purpose Financial Statements*

Management is responsible for the preparation and fair presentation of the Special-Purpose Financial Statements in accordance with IPSAS and relevant provisions of the Loan Agreements as described in Note 2 to the Special-Purpose Financial Statements, and for such internal control as management determines is necessary to enable the preparation of Special-Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the Special-Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

*Baker Tilly Azerbaijan*

June 4, 2025

Baku, the Republic of Azerbaijan