

Project's Financial Statements and Independent Auditor's Report

Ministry of Education and Science of the Republic of North
Macedonia

"Primary Education Improvement Project"-
International Bank for Reconstruction and
Development Loan number 9182-MK

For the period from 1 January 2025 through
31 December 2025



Contents

	Page
Management Responsibility	1
Independent Auditor’s Report	2
Statement of Sources and Uses of Funds	4
Statement of Uses of Funds by Project Activity-MoES	5
Statement of Breakdown of Loans and Grants-MoES	9
Statement of Withdrawals – Designated Accounts	13
Statement of Designated Account – EUR (Ministry of Education and Science)	14
Statement of Treasury Account (Mirror Designated Account) – MKD (MoES)	15
Statement of Petty Cash in MKD (Ministry of Education and Science)	16
Statement of Petty Cash in EUR (Ministry of Education and Science)	17
Notes to the Project’s financial statements	18

Management Responsibility

The accompanying financial statements comprising the Statement of Sources and Uses of Funds, Statement of Uses of Funds by Project Activity-MoES, Statement of Breakdown of Loans and Grants, Statement of Withdrawals, Designated Accounts' Statements and related disclosure Notes (further referred as to "Project's Financial Statements"), of the Ministry of Education and Science of the Republic of North Macedonia ("the Ministry" or "MoES"), "Primary Education Improvement Project" (further referred to as "the Project"), financed under International Bank for Reconstruction and Development Loan ("IBRD") numbered 9182-MK as at and for the period from 1 January 2025 to 31 December 2025 included on pages 4 to 20, 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 Ministry and the IBRD, in conformity with the accounting policies described on Note 3, 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 9182-MK dated 20 April 2021.

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 DOO Skopje, Independent Auditor, have been engaged to audit these Project's financial statements in accordance with the auditing standards accepted in the Republic of North Macedonia¹. Their report is included on pages 2 and 3.



Dr. Vesna Janevska

Minister of Education and
Science

Igor Krstevski

Project Director

Aleksandra Davitkovska

Financial Manager

¹ International Standards on Auditing ("ISA") translated and published in the Official Gazette of the Republic of North Macedonia No. 273 of 2024, effective from 1 January 2025.

Independent Auditor's Report

Grant Thornton DOO

Sv. Kiril I Metodij 52b-1/20
1000 Skopje
North Macedonia

T +389 (0)2 3214 700

F +389 (0)2 3214 710

E Contact@mk.gt.com

VAT No. 4030003475973

To the Minister and the Management of the Project

Opinion

We have audited the financial statements of the Ministry of Education and Science of the Republic of North Macedonia ("the Ministry" or "MoES"), "Primary Education Improvement Project" (further referred to as "the Project"), financed under International Bank for Reconstruction and Development, Loan numbered 9182-MK dated 20 April 2021, comprising the Statement of Sources and Uses of Funds, Statement of Uses of Funds by Project Activity, Statement of Breakdown of Loans and Grants, Statement of Withdrawals, Designated Accounts' Statements and related disclosure Notes (further referred to as "Project's Financial Statements") as at and for the period from 1 January 2025 to 31 December 2025, and notes to the financial statements (further referred to as "the Project's Financial Statements") including a summary of significant accounting policies.

In our opinion, the accompanying Project's financial statements of the Ministry of Education and Science of the Republic of North Macedonia ("the Ministry" or "MoES"), "Primary Education Improvement Project" (further referred to as "the Project"), financed under International Bank for Reconstruction and Development, Loan numbered 9182-MK dated 20 April 2021, as at and for the period ended 31 December 2025 are prepared, in all material respects, in conformity with the accounting policies described in Note 3, 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 9182-MK dated 20 April 2021.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing¹. Our responsibilities under these standards are further described in the Auditor's Responsibility for the Audit of the Project's financial statements section of this report. We are independent of the Project in accordance with the ethical requirements relevant to our audit of the financial statements in the Republic of North Macedonia, and we have fulfilled all 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 3 to the Project's financial statements, which describes the basis of accounting. The Project's financial statements are prepared to assist the Project in complying with the financial reporting provisions of the Agreement referred to above. As a result, Project's financial statements may not be suitable for another purpose. Our report is intended solely for the Project Management, the Ministry of Education and Science of the Republic of North Macedonia and the International Bank for Reconstruction and Development and should not be distributed to or used by parties other than the Ministry and the IBRD. Our opinion is not modified in respect of this matter.

Responsibility of management and those charged with governance for the financial statements

Project's management is responsible for the preparation of the Project's financial statements in accordance with 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 9182-MK dated 20 April 2021 and for such internal control as management determines is necessary to enable the preparation of Project's financial statements that are free from material misstatement, whether due to fraud or error.

¹ International Standards on Auditing ("ISA") translated and published in the Official Gazette of the Republic of North Macedonia No. 273 of 2024, effective from 1 January 2025.

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

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

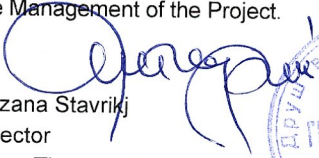
Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project's 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 it is not a guarantee that an audit conducted in accordance with the International Standards on Auditing 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 based on these Project's financial statements.

As part of the audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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. To the Management of the Project.


Suzana Stavrikj
Director
Grant Thornton DOO, Skopje




Biljana Mitrevska
Certified Auditor

Skopje, 8 June 2026

Statement of Sources and Uses of Funds

	(Amounts in EUR)					
	Actual		Planned		Variance	
	Current period	Cumulative to date	Current period	Cumulative to date	Current period	Cumulative to date
Sources of funds						
World bank DA (Designated Account-Ministry of Education and Science)	2,822,389	20,882,656	2,822,389	20,882,656	-	-
Interests Earned	-	-	-	-	-	-
Total sources of funds	2,822,389	20,882,656	2,822,389	20,882,656	-	-
Foreign exchange difference						
Foreign Exchange gains	453	837	-	-	453	837
Foreign Exchange losses	(248)	(737)	-	-	(248)	(737)
Foreign exchange differences, net	(205)	(100)	-	-	(205)	(100)
Uses of funds						
Financed by WB						
Component 1: Improving learning at the school level	2,056,173	14,197,391	2,056,173	14,197,568	-	(177)
Component 2: Reform of the monitoring and evaluation of the National Progress in Learning	432,005	1,959,124	432,005	1,959,556	-	(432)
Component 3: Enhancing Teacher, Multi-Professional Support Teams, and School Leader Competencies	105,158	2,272,839	105,159	2,272,791	(1)	48
Component 4: Sector Management, Project Management and M&E	392,514	1,786,028	392,515	1,786,301	(1)	(273)
Subtotal - Financed by WB	2,985,850	20,215,382	2,985,852	20,216,216	(2)	(834)
Front-end fee	-	53,750	-	53,750	-	-
Total uses of funds	2,985,850	20,269,132	2,985,852	20,269,966	(2)	(834)
Net increase/ (decrease) in cash flow	(163,256)	613,624				
Bank balances at beginning of the period	776,880	-				
Bank balances at end of the period	613,624	613,624				

The Project's Financial Statements have been approved by the Project's management on 5 June 2026 and signed on its behalf by:

Dr. Vesna Janevska

Minister of Education and Science

Igor Krstevski

Project Director

Aleksandra Davitkovska

Financial Manager

Statement of Uses of Funds by Project Activity - MoES

	(Amounts in EUR)					
	For the period from 01 January 2025 to 31 December 2025					
	Actual		Planned		Variance	
Current period	Cumulative to Date	Current period	Cumulative to Date	Current period	Cumulative to Date	
Component 1: School Grants and School Improvement Plans						
Sub component 1.1 School Grants and School Improvement Plans						
Contract 1: TA for revision of school improvement framework, functional analysis and design and rollout of school grant program						
84,958	333,339	84,958	333,338	-	1	
-	10,003	-	10,000	-	3	
-	1,925	-	1,925	-	-	
22,308	29,708	22,308	29,708	-	-	
170,363	276,636	170,363	276,636	-	-	
School Grants						
24,908	110,515	24,909	110,573	(1)	(58)	
-	13,049	-	13,032	-	17	
Contract 3: Individual consultant for designing programming options for implementation of learning recovery and tutorial programs in North Macedonia						
-	23,100	-	23,100	-	-	
Contract 4: School Improvement Plants Grant Administrator						
-	8,748	-	8,748	-	-	
Sub component 1.2 Improving the Learning Environment						
Contract 1: Preparation of designs for upgrade of the physical learning environment						
10,873	387,041	10,872	387,040	1	1	
24,880	110,225	24,879	110,269	1	(44)	
17,822	82,435	17,821	82,379	1	56	
-	64,943	-	64,981	-	(38)	
18,309	57,232	18,309	57,231	-	1	
Contract 6: Procurement of network infrastructure for primary schools						
-	285,359	-	285,358	-	1	
Contract 7: Procurement of ICT equipment of primary schools						
-	1,038,139	-	1,038,140	-	(1)	
Contract 8: Procurement of school furniture for primary schools						
-	1,237,474	-	1,237,512	-	(38)	
Contract 9: Procurement of science laboratories equipment and resources for primary schools						
-	1,606,186	-	1,606,190	-	(4)	
Contract 10: Printing of learning materials						
-	108,280	-	108,280	-	-	
Contract 11: Procurement of Interactive Boards for Primary Schools						
-	43,100	-	43,100	-	-	
Contract 12: Design and Development of Interactive Digital Educational Materials for Languages and History Curricula						
-	192,182	-	192,190	-	(8)	
Contract 13: Development of Interactive Materials for Mathematics and Natural sciences						
-	222,008	-	222,050	-	(42)	
Contract 14: Digital Learning Coordinator						
-	6,600	-	6,600	-	-	
Contract 15: Curriculum and Instructional Specialist in Mathematics for Primary Education						
-	7,704	-	7,698	-	6	
Contract 16: Curriculum and Instructional Specialist in Society for Primary Education						
-	5,973	-	5,969	-	4	
Contract 17: Curriculum and Institutional Specialist in Natural Science for Primary Education						
-	6,727	-	6,721	-	6	

Ministry of Education and Science of the Republic of North Macedonia
 "Primary Education Improvement Project"
 IBRD Loan number 9182-MK

Project's Financial Statements

For the period from 01 January 2025 to 31 December 2025

Statement of Uses of Funds by Project Activity – MoES (continued)

(Amounts in EUR)

	For the period from 01 January 2025 to 31 December 2025					
	Actual		Planned		Variance	
	Current period	Cumulative to Date	Current period	Cumulative to Date	Current period	Cumulative to Date
Contract 18: Preparation, printing and distribution of learning materials for primary education	-	552,868	-	552,868	-	-
Contract 19: Architect	18,238	53,290	18,238	53,289	-	1
Contract 20: Architect	16,275	32,073	16,275	32,073	-	-
Contract 21: Minor renovations in primary schools	645,262	2,518,856	645,263	2,518,857	(1)	(1)
Contract 22: Procurement of IT and network infrastructure for primary schools	-	1,283,733	-	1,283,733	-	-
Contract 23: Procurement of school equipment, teaching and learning materials	-	92,833	-	92,833	-	-
Contract 24: Stability assessment of primary education building	-	21,212	-	21,212	-	-
Contract 25: Supervision of school network infrastructure upgrades	-	12,525	-	12,525	-	-
Contract 26: Improvement of network infrastructure for primary schools	698,230	2,040,295	698,230	2,040,294	-	1
Contract 27: Architect	5,761	5,761	5,761	5,761	-	-
Contract 28: Feasibility study for transitioning to a single-shift operation of primary schools in North Macedonia	202,493	210,163	202,494	210,164	(1)	(1)
Contract 29: Project engineer	8,855	8,855	8,855	8,855	-	-
Contract 30; Preparation of designs for extension of five primary school buildings	52,739	52,739	52,739	52,739	-	-
Contract 31: Review of designs for extension of five primary school buildings	5,470	5,470	5,470	5,470	-	-
Sub component 1.3 Promoting accountability through information sharing	-	-	-	-	-	-
Contract 1: Procurement of office equipment	-	4,766	-	4,800	-	(34)
Contract 2: Procurement of hardware for MoES	-	105,719	-	105,719	-	-
Contract 3: Individual consultant for system support and management of MoES hardware and software infrastructure	-	8,064	-	8,070	-	(6)
Contract 4: Procurement of teaching and visual means for social sciences	-	891,109	-	891,109	-	-
Contract 5: Communicational and promotional campaign to raise public awareness of the importance of knowledge and role of the teacher in society	28,429	28,429	28,429	28,429	-	-
Sub-total Component 1	2,056,173	14,197,391	2,056,173	14,197,568	-	(177)

Component 2: Reform of the Monitoring and Evaluation of the National Progress in Learning

Sub component 2.1 Development of a National Assessment Program

Contract 1: Technical assistance and strengthening the NEC and MoES capacities for development and implementation of NAP and training for data analysis and reporting following international standards

	364,242	1,528,556	364,242	1,528,556	-	-
Contract 2: Administrative Assistant for NEC	-	14,670	-	15,166	-	(496)
Contract 3: Coordinator for National Assessment	24,937	110,577	24,938	110,518	(1)	59
Contract 4: Operating costs for NEC - Membership in international organizations 2022 PISA	-	48,000	-	48,000	-	-
Operating costs for NEC training costs	-	829	-	829	-	-
Subcomponent 2.2 Maximizing the use of NAP results at the Ministerial and School Level						
Contract 1: Procurement of laptop computers for NEC	-	87,444	-	87,439	-	5
Contract 2: IT specialist for NEC	22,190	87,966	22,190	87,968	-	(2)
Contract 3: IT assistant for NEC	20,636	81,082	20,635	81,080	1	2
Sub-total Component 2	432,005	1,959,124	432,005	1,959,556	-	(432)

Statement of Uses of Finds by Project Activity – MoES (continued)

(Amounts in EUR)

	For the period from 01 January 2025 to 31 December 2025					
	Actual		Planned		Variance	
	Current period	Cumulative to Date	Current period	Cumulative to Date	Current period	Cumulative to Date
Component 3: Enhancing Teacher, Multi-Professional Support Teams, and School Leader Competencies						
Sub component 3.1 Implementing Teacher, Multi-Professional Support Teams, and School Leader standards						
Contract 1: Coordinator for professional development	-	56,440	-	56,436	-	4
Contract 2: Career development specialist	-	43,107	-	43,065	-	42
Contract 3: Consultant services for realization of trainings for teaching practices (TEACH)	-	33,256	-	33,256	-	-
Contract 4; Menstrual health and hygiene management capacity building for primary schools	-	103,930	-	103,930	-	-
Contract 5; Improving hospital based-education and process of school reintegration for primary students	47,955	47,955	47,956	47,956	(1)	(1)
Contract 6: Research on digital competences of the teachers in primary education	45,036	45,036	45,036	45,036	-	-
Sub component						
3.2 Modernizing In-service Professional Development						
Contract 1: TA for Modernizing INSET	-	-	-	-	-	-
Contract 2: Consultant for improvement of the design of the INSET provision and implementation of professional development program for teachers	-	3,000	-	3,000	-	-
Contract 3: Operating cost for BDE related to modernizing INSET	-	-	-	-	-	-
Contract 4: Training of teachers and MPST	-	1,876,019	-	1,876,020	-	(1)
Contact 5: Procurement of software for BDE	-	-	-	-	-	-
Contract 6: IT Specialist for the Bureau of Development of Education	-	10,244	-	10,244	-	-
Sub component 3.3. Introducing changes to Pre-service and new Teacher Selection						
Contract 1: Administrative Officer for teacher pre-service training for the needs of the BDE	12,167	53,852	12,167	53,848	-	4
Sub-total Component 3	105,158	2,272,839	105,159	2,272,791	(1)	48
Component 4: Sector Management, Project Management and M&E						
Sub component 4.1 Improving evidence based sector management						
Contract 1: Improving cost efficiency in primary and secondary education	-	503,268	-	503,268	-	-
Sub component 4.2 Project management, Monitoring and Evaluation						
Contract 1: Project Director	29,388	131,280	29,388	131,324	-	(44)
Contract 2: Procurement Specialist	24,913	110,368	24,914	110,338	(1)	30
Contract 3: Financial Specialist	24,409	108,907	24,409	108,956	-	(49)
Contract 4: Coordinator for processing and analyzing data	-	13,943	-	13,940	-	3
Contract 5: Monitoring and Evaluation Specialist	24,845	110,704	24,845	110,724	-	(20)
Contract 6: IT Consultant	-	36,465	-	36,491	-	(26)
Contract 7: IT Specialist	24,836	110,328	24,836	110,306	-	22
Contract 8: Social Specialist	-	12,757	-	12,733	-	24
Contract 9: Citizen Engagement Consultant	-	14,670	-	14,655	-	15
Contract 10: FM Software maintenance	12,709	52,006	12,710	51,999	1	7
Contract 11: Project Audit	5,010	20,016	5,010	20,016	-	-
Contract 12: Legal Adviser	-	4,663	-	4,663	-	-

Ministry of Education and Science of the Republic of North Macedonia
 "Primary Education Improvement Project"
 IBRD Loan number 9182-MK

Project's Financial Statements
 For the period from 01 January 2025 to 31 December 2025

Statement of Uses of Finds by Project Activity – MoES (continued)

	(Amounts in EUR)					
	For the period from 01 January 2025 to 31 December 2025					
	Actual		Planned		Variance	
	Current period	Cumulative to Date	Current period	Cumulative to Date	Current period	Cumulative to Date
Contract 13: Expert in measuring the teaching practices (TEACH)	26,686	72,503	26,686	72,503	-	-
Contract 14: Data collection for measuring the teaching practices in primary education	42,127	84,220	42,127	84,220	-	-
Contract 15: Hardware and office equipment for PMU	8,168	12,253	8,168	12,253	-	-
Contract 16: Stakeholder engagement and social aspect coordinator	-	27,899	-	27,898	-	1
Contract 17: Financial Management Assistant	15,300	38,817	15,299	38,816	1	1
Contract 18: Impact Evaluation of the School Grants Program	16,160	46,720	16,160	46,720	-	-
Contract 19: Legal Adviser	22,190	34,175	22,190	34,175	-	-
Contract 20: Supervision of the system for centralized management of cyber security	-	3,432	-	3,432	-	-
Contract 21: Data collection for conducting a tracer study for employment outcomes of higher education graduates	33,645	33,645	33,645	33,645	-	-
Contract 22: Research and analysis of the primary teachers' perspectives on the quality of the education system	40,255	40,255	40,255	40,255	-	-
Training for the PMU	-	6,337	-	6,338	-	(1)
Training study visit to Rome, Italy National Fair of Small and Medium Publishing	-	4,514	-	4,514	-	-
Training costs for official travel for ECA teachers conference Vienna	-	1,014	-	1,014	-	-
Training costs for official travel to Budva	1,486	1,486	1,486	1,486	-	-
Training costs for official travel to Vienna	3,119	3,119	3,119	3,119	-	-
Training costs for official travel to Istanbul	410	410	410	410	-	-
Training costs for official travel to Madrid	2,190	2,190	2,190	2,190	-	-
Payment without contracts						
Operating costs for the PMU	31,790	130,677	31,790	130,684	-	(7)
Operating costs: Bank provision	915	4,491	915	4,490	-	1
Operating costs: Petty Cash	1,963	8,496	1,963	8,726	-	(230)
Sub-total Component 4	392,514	1,786,028	392,515	1,786,301	(1)	(273)
Front end fee	-	53,750	-	53,750	-	-
Total	2,985,850	20,269,132	2,985,852	20,269,966	(2)	(834)

Statement of Breakdown of Loans and Grants

							(Amounts in EUR)
							Cumulative for the period from 3 May 2021 through 31 December 2025
							Payment requests processed (number of transactions)
	Grant No.	Grant amount	Paid Grant amount	Remaining balance	Outstanding payments		
Component 1 School Grants and School Improvement Plans							
Transfers (Grants) School Grants and School Improvement Plans							
Grant 1: OOU Kocho Racin Kumanovo	28-12686/1	9,806	9,781	25	-		2
Remaining funds		-	-	-	-		-
Grant 2: OOU Goce Delchev Shtip	28-12686/10	9,804	9,243	561	-		2
Remaining funds		-	-	-	-		-
Grant 3: OOU Ismail Kemali Skopje	28-12686/7	9,803	9,706	97	-		2
Remaining funds		-	-	-	-		-
Grant 4: OOU Goce Delchev Centar Skopje	28-12686/3	9,802	9,779	23	-		2
Remaining funds		-	-	-	-		-
Grant 5: OOU Marshal Tito Strumica	28-12686/6	9,803	9,711	92	-		2
Remaining funds		-	-	-	-		-
Grant 6: OOU Nikola Karev Krushevo	28-12686/5	9,806	9,800	6	-		2
Remaining funds		-	-	-	-		-

Ministry of Education and Science of the Republic of North Macedonia
 "Primary Education Improvement Project"
 IBRD Loan number 9182-MK

Project's Financial Statements
 For the period from 01 January 2025 to 31 December 2025

Statement of breakdown of Loans and Grants-MoES (continued)

	Grant No.	Grant amount	Paid Grant amount	Remaining balance	Outstanding payments	(Amounts in EUR)
						Cumulative for the period from 3 May 2024 through 31 December 2024 Payment requests processed (number of transactions)
Grant 7: OOU Kliment Ohridski Prilep	28-12686/9	9,508	9,427	81	-	2
Remaining funds		-	-	-	-	-
Grant 8: OOU Mustafa Kemal Ataturk Gostivar	28-12686/11	9,804	9,745	59	-	2
Remaining funds		-	-	-	-	-
Grant 9: OOU Faik Konica Kichevo	28-12686/8	9,730	9,511	219	-	2
Remaining funds		-	-	-	-	-
Grant 10: OOU Braka Miladinovci Struga	28-12686/2	9,803	9,765	38	-	2
Remaining funds		-	-	-	-	-
Grant 11: OOU Tosho Velkov Pepeto Kavadarci	28-12686/4	9,806	9,806	-	-	2
Remaining funds		-	-	-	-	-
Sub-total pilot phase			106,273			
Transfers (Grants) School Grants and School Improvement Plans						
Phase 2						
Grant 1: OOU Sv.Kiril i Metodij Centar Skopje	28-1295/10	9,788	9,656	132	-	2
Remaining funds						
Grant 2: OOU Goce Delchev Aerodrom Skopje	28-1295/6	9,784	7,825	1,959	-	1
Remaining funds						
Grant 3: OOU Goce Delchev s.Ljubanci Skopje	28-1295/4	6,366	6,047	319	-	2
Remaining funds						
Grant 4: OOU Johan Hajnrh Pestaloci Skopje	28-1299/5	9,788	9,752	36	-	2
Remaining funds						

Ministry of Education and Science of the Republic of North Macedonia
 "Primary Education Improvement Project"
 IBRD Loan number 9182-MK

Project's Financial Statements
 For the period from 01 January 2025 to 31 December 2025

Statement of breakdown of Loans and Grants-MoES (continued)

	Grant No.	Grant amount	(Amounts in EUR)			
			Paid Grant amount	Remaining balance	Outstanding payments	Cumulative for the period from 3 May 2024 through 31 December 2024 Payment requests processed (number of transactions)
Grant 5: OOU Krste Misirkov Kumanovo Remaining funds	28-1295/9	9,788	9,501	287	-	2
Grant 6: OOU Mite Bogoevski Resen Remaining funds	28-1295/12	9,522	9,522	-	-	2
Grant 7: OOU Gligor Prlichev Ohrid Remaining funds	28-1295/1	9,732	9,469	263	-	2
Grant 8: OOU Hristijan Todorovski Karposh s.Dragomance Staro Nagorichane Remaining funds	28-1295/18	8,187	8,193	(6)	-	2
Grant 9: OOU Hristijan Todorovski Karposh Rankovce Remaining funds	28-1295/17	9,182	9,175	7	-	2
Grant 10: OOU Zivko Brajkovski Skopje Remaining funds	28-1295/15	9,693	9,702	(9)	-	2
Grant 11: OOU Hristijan Karposh s.Mlado Nagorichane Remaining funds	28-1295/19	9,779	9,730	49	-	2
Grant 12: OOU Aco Shopov Butel Remaining funds	28-1295/2	9,769	9,755	14	-	2
Grant 13: OOU Goce Delchev Sv.Nikole Remaining funds	28-1295/7	4,695	4,456	239	-	2
Grant 14: OOU Peco Daskalot Dolneni Remaining funds	28-1295/11	4,747	4,561	186	-	2
Grant 15: OOU Goce Delchev Ilinden Remaining funds	28-1295/13	9,788	8,945	843	-	2

Ministry of Education and Science of the Republic of North Macedonia
 "Primary Education Improvement Project"
 IBRD Loan number 9182-MK

Project's Financial Statements
 For the period from 01 January 2025 to 31 December 2025

Statement of breakdown of Loans and Grants-MoES (continued)

(Amounts in EUR)
 Cumulative for the period from 3 May 2024 through 31 December 2024

Grant 16: OOU Draga Stojanovska s.Rakotinci Sopsishte	28-1295/8	5,854	5,464	390	-	2
Remaining funds						
Grant 17: OOU D-r Trifun Panovski Bitola	28-1295/3	9,767	9,780	(13)	-	2
Remaining funds						
Grant 18: OOU Toli Zordumis Kumanovo	28-1295/16	9,788	9,800	(12)	-	2
Remaining funds						
Grant 19: OOU Strasho Pindgur Negotino	28-1295/20	9,469	9,252	217	-	2
Remaining funds						
Grant 20: OOU Ljuben Lape Aerodrom	28-1295/14	9,788	9,778	10	-	2
Remaining funds						
Total School Grants and School Improvement Plans (phase 2)			170,363			
Total School Grants and School Improvement Plans			276,636			

Statement of Withdrawals – Designated Accounts

Application # and date	(Amounts in EUR)		
	For the period from 1 January 2025 to 31 December 2025		
	Total Requested	Total Received	Difference
Original Loan 9182-MK			
#24 Application / 20.01.2025 ¹	723,905	723,805	100
#25 Application / 18.03.2025 ²	522,168	522,068	100
#26 Application / 15.05.2025 ³	961,515	961,415	100
#27 Application / 19.09.2025 ⁴	614,801	614,701	100
	2,822,389	2,821,989	400
#28 Application / 25.12.2025 ⁵	369,421	-	369,421
	3,191,810	2,821,989	369,821

Application # and date	(Amounts in EUR)		
	For the period from 1 January 2024 to 31 December 2024		
	Total Requested	Total Received	Difference
Original Loan 9182-MK			
#15 Application / 28.12.2023 ⁶	487,546	487,546	-
#16 Application / 16.01.2024	247,918	247,918	-
#17 Application / 29.01.2024	732,822	732,822	-
#18 Application / 09.02.2024	627,163	627,163	-
#19 Application / 07.03.2024 ⁷	1,072,307	1,072,207	100
#20 Application / 16.05.2024 ⁸	695,463	695,363	100
#21 Application / 01.08.2024 ⁹	715,328	715,228	100
#22 Application / 12.09.2024 ¹⁰	1,267,192	1,267,092	100
#23 Application / 18.11.2024 ¹¹	554,509	554,409	100
	6,400,248	6,399,748	500

¹ Referring to the application no.24 the total amount requested is 723,905 euro. The total amount received is 723,805 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

² Referring to the application no.25 the total amount requested is 522,168 euro. The total amount received is 522,068 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

³ Referring to the application no.26 the total amount requested is 961,515 euro. The total amount received is 961,415 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

⁴ Referring to the application no.27 the total amount requested is 614,801 euro. The total amount received is 614,701 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

⁵ Referring to the application no.28 the application was submitted on 25.12.2025. The application was approved on 28.01.2026.

⁶ Referring to the application no.15 the application was submitted on 28.12.2023. The application was approved on 19.01.2024

⁷ Referring to the application no.19 the total amount requested is 1,072,307 euro. The total amount received is 1,072,207 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

⁸ Referring to the application no.20 the total amount requested is 695,463 euro. The total amount received is 695,363 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

⁹ Referring to the application no.21 the total amount requested is 715,328 euro. The total amount received is 715,228 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

¹⁰ Referring to the application no.22 the total amount requested is 1,267,192 euro. The total amount received is 1,267,092 euro. The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

¹¹ Referring to the application no.23 the total amount requested is 554,509 euro. The total amount received is 554,409 euro.

The difference of 100 euro is intermediary bank charges charged by the intermediary bank during the transfer of funds.

Statement of Designated Account – EUR (Ministry of Education and Science)

Account number	MK 07 100701000184373
Depository Bank	National Bank of the Republic of North Macedonia
Address	Complex of Banks, 1000 Skopje, Republic of North Macedonia
Loan Number	9182-MK
Currency	EUR

(Amounts in EUR)
For the period from 1 January 2025 to
31 December 2025

At 1 January 2025 **775,362**

Add: Inflows

Replenishment during the period 2,822,389

2,882,389

Deduct: Outflows

Transfer to treasury account (Mirror designated account) - MKD (2,982,325)
Transfer to treasury account (Mirror designated account) – MKD
for transfer to petty cash – EUR (2,339)
Intermediate Bank fee (400)

(2,985,064)

At 31 December 2025 **612,687**

(Amounts in EUR)
For the period from 1 January 2024 to
31 December 2024

At 1 January 2024 **764,656**

Add: Inflows

Replenishment during the period 6,400,248

6,400,248

Deduct: Outflows

Transfer to treasury account (Mirror designated account) - MKD (6,387,916)
Transfer to treasury account (Mirror designated account) – MKD
for transfer to petty cash – EUR (1,126)
Intermediate Bank fee (500)

(6,389,542)

At 31 December 2024 **775,362**

Statement of Treasury Account (Mirror Designated Account) – MKD (Ministry of Education and Science)

Account number	160010032978670
Depository Bank	National Bank of the Republic of North Macedonia
Address	Complex of Banks, 1000 Skopje, Republic of North Macedonia
Loan Number	9182-MK
Currency	Macedonian Denars ("MKD")

(Amounts in EUR)
 For the period from 1 January 2025 to 31 December 2025

At 1 January 2025	1,236
Add: Inflows	
Transfer from designated account – EUR	2,982,325
Transfer from designated account – EUR for transfer to petty cash – EUR	2,339
	2,984,664
Deduct: Outflows	
Amount of eligible expenses paid during the period	(2,979,780)
Transfer to Petty Cash in MKD	(2,797)
Transfer to Petty Cash in EUR	(2,339)
Foreign exchange losses	(205)
	(2,985,121)
At 31 December 2025	779

(Amounts in EUR)
 For the period from 1 January 2024 to 31 December 2024

At 1 January 2024	683
Add: Inflows	
Transfer from designated account – EUR	6,387,916
Transfer from designated account – EUR for transfer to petty cash – EUR	1,126
	6,389,542
Deduct: Outflows	
Amount of eligible expenses paid during the period	(6,383,83)
Transfer to Petty Cash in MKD	(3,425)
Transfer to Petty Cash in EUR	(1,315)
Foreign exchange losses	(306)
	(6,388,989)
At 31 December 2024	1,236

Statement of Petty Cash in MKD (Ministry of Education and Science)

Loan Number 9182-MK
 Currency Macedonian Denars ("MKD")

(Amounts in EUR)
 For the period from 1 January 2025 to 31 December 2025

At 1 January 2025	87
Add: Inflows	
Transfer from Mirror Designated Account – MKD	2,797
	2,797
Deduct: Outflows	
Amount of eligible expenses paid during the period	(2,773)
	(2,773)
At 31 December 2025	111

(Amounts in EUR)
 For the period from 1 January 2024 to 31 December 2024

At 1 January 2024	48
Add: Inflows	
Transfer from Mirror Designated Account – MKD	3,425
	3,425
Deduct: Outflows	
Amount of eligible expenses paid during the period	(3,386)
	(3,386)
At 31 December 2024	87

Statement of Petty Cash in EUR (Ministry of Education and Science)

Loan Number 9182-MK
 Currency EUR

(Amounts in EUR)
 For the period from 1 January 2025 to 31 December 2025

At 1 January 2025	195
Add: Inflows	
Transfer from Mirror Designated Account – EUR	2,339
Returned not spent funds	96
	2,435
Deduct: Outflows	
Amount of eligible expenses paid during the period	(2,487)
Funds given, not spent	(96)
	(2,583)
At 31 December 2025	47

(Amounts in EUR)
 For the period from 1 January 2024 to 31 December 2024

At 1 January 2024	7
Add: Inflows	
Transfer from Mirror Designated Account – EUR	1,126
Returned not spent funds	189
	1,315
Deduct: Outflows	
Amount of eligible expenses paid during the period	(938)
Funds given, not spent	(189)
	(1,127)
At 31 December 2024	195

Notes to the Project’s financial statements

1 General

On 20 April 2021, the Ministry of Education and Science of the Republic of North Macedonia (“the Ministry” or “the Borrower”), entered into the Loan Agreement numbered 9182-MK with the International Bank for Reconstruction and Development (“IBRD”) for financing the “Primary Education Improvement Project” (further referred to as “the Project”) in the amount of EUR 21,500,000.

The objective of the Project is to improve conditions for learning in primary education.

The Borrower has established the Project Management Unit (“PMU”), responsible for the day-to-day activities and for procurement, financial management, disbursement and monitoring and reporting for the entire Project.

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	Percentage of the Expenditures to be financed (inclusive of taxes)
1. Grants	941,600	100%
2. Goods, works, non-consulting services, consulting services, Training and Operating Costs for the Project	20,504,650	100%
3. Front and Fee	53,750	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
4. Interest Rate Cap or Interest Rate Collar premium	-	Amount due pursuant to Section 4.05 (c) of the General Conditions
Total	21,500,000	

According to the provisions of the Loan Agreement, the Borrower is liable to repay the principal amount of the Loan in semi-annual installments, payable each on each March 15 and September 15. Beginning 15 March 2024 through 15 September 2031, 6.25% of the total principal amount of the Loan payable on each Principal Payment Date.

The initial closing date of the Project is 27 February 2026. However, request for additional financing of the Primary Education Improvement Project, as well as an extension of the Project Closing Date until 25th February 2027 has been submitted on 03 December 2024 to the World Bank, for the purpose of continuing supporting investments in education that will contribute to improving the quality of primary and secondary education in North Macedonia. Accordingly, the extended closing date of the Project is 25 February 2027. The closing date for additional financing of the Primary Education Improvement is 30 January 2028.

Notes to the Project's financial statements (continued)

2 Project Objectives, Activities and Institutional Arrangements

Project Objectives and Activities

1. The proposed Project Development Objective is to improve conditions for learning in primary education.
2. The proposed project will be organized around three main elements that need to be aligned to complement each other.
 - The core element (Component 1) focuses on school-level interventions, which are closest to students and most likely to affect learning while also mitigating and recovering learning losses generated by COVID-19. Component 1 will directly contribute to PDO indicator 1 on classrooms with improved learning environments. Two enabling elements are system-level reforms, which would create the necessary enabling conditions so that teachers are empowered with data on learning and up-to-date training.
 - Component 2 would develop a comprehensive National Assessment Program (NAP) to inform both school improvement planning (contributing to PDO indicator 2) and professional development programs serving to link the school and system levels.
 - Component 3 would put into practice professional competences for educators, thereby contributing to PDO indicator 3 on improved quality of teaching practices. Together, these elements will provide adequate information, tools, training, and support to create effective and improved conditions for learning (as in the PDO) that build on the schools' preexisting level of autonomy and ultimately increase student achievement.
 - Component 4 would strengthen evidence-based sector management, project management, and monitoring and evaluation (M&E), in light of the recent COVID-19 pandemic and its consequences on the sector. The legal framework for implementation of the abovementioned reform interventions was recently adopted and there is an adequate institutional setup to embed and further enhance them.

Institutional Arrangements

The PMU shall be maintained by the MoES throughout the entire duration of the project. The PMU shall be responsible for day-to-day project implementation, overall project coordination, monitoring activities, safeguards, fiduciary functions (procurement, disbursement and accounting), official communication with the WB and reporting. The PMU staff is retained for the lifetime of the Project, subject to satisfactory performance. The establishment of the PMU is supported by Loan funds and PMU staff shall work under respective TORs acceptable to the Bank and be remunerated on the basis of negotiated consultancy rates in order to avoid fluctuation of skilled staff. The PMU is built on the foundation of the SDISP PMU.

3 Accounting policies

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

Basis of preparation

The accompanying Project's 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 9182-MK signed between the IBRD and Ministry of Education and Science of the Republic of North Macedonia. 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 9182-MK dated 20 April 2021. These instructions closely follow the World Bank's Disbursement Guidelines for Projects.

The Project's financial statements have been prepared for the period from 1 January 2025 through 31 December 2025.

Notes to the Project’s financial statements (continued)
Accounting policies (continued)

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 North Macedonia for international payment operations of the government bodies of Republic of North Macedonia prevailing at the date of the transaction. Cash balances at the year-end are translated into EURO (“EUR”) using the buying foreign exchange rates of the National Bank of the Republic of North Macedonia at the balance sheet date.



Grant Thornton

© 2026 Grant Thornton DOO. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.