

*Report of Independent Accountants on Schedule of  
Project Expenditures*

**Republic of the Marshall Islands**

**Energy Security Project**

(Financed by the Asian Development Bank's Special Fund)

*Year ended September 30, 2022*



Republic of the Marshall Islands  
Energy Security Project  
(Financed by the Asian Development Bank's Special Fund)

Schedule of Project Expenditures

Year ended September 30, 2022

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## Report of Independent Accountants

Honorable Minister David Paul  
Ministry of Finance, Banking and Postal Services  
Republic of the Marshall Islands

We have examined the Republic of the Marshall Islands' (RepMar) compliance with appropriate use of Energy Security Project (the Project) grant proceeds as set forth in the terms, covenants, provisions and conditions of Articles III and IV of the grant agreement dated December 13, 2018 in the accompanying schedule (Schedule of Project Expenditures) during the year ended September 30, 2022. RepMar's management is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on RepMar's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether RepMar complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether RepMar complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of RepMar and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our examination engagement.

Our examination does not provide a legal determination on RepMar's compliance with specified requirements.

Our examination was limited to compliance with the specified sections of the respective grant agreement. Because of the nature and inherent limitations, controls may not prevent, or detect and correct, all errors or fraud that may be considered relevant.

In our opinion, the Republic of the Marshall Islands complied, in all material respects, with appropriate use of Energy Security Project grant proceeds as set forth in the terms, covenants, provisions and conditions of Articles III and IV of the grant agreement requirements during year ended September 30, 2022.

This report is intended solely for the information and use of the Ministry of Finance, Banking, and Postal Services and the Asian Development Bank for assessing RepMar's compliance with appropriate use of Energy Security Project grant proceeds as set forth in the terms, covenants, provisions and conditions of Articles III and IV of the grant agreement and is not intended to be and should not be used by anyone other than the specified parties.

*Ernst + Young LLP*

September 26, 2024

Republic of the Marshall Islands  
Energy Support Project  
(Financed by the Asian Development Bank's Special Fund)

Schedule of Project Expenditures

Year ended September 30, 2022

(See accompanying Report of Independent Accountants)

Project expenditures:

Investment costs:

Rehabilitation of fuel tanks	\$2,661,959
Consulting services	<u>15,200</u>

Total project expenditures	<u>\$2,677,159</u>
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