

**“Additional Financing for the Central Asia  
Hydrometeorology Modernization Project”  
Grant No. D3520-KG, Credit No. 62940-KG**

**The project financial statements  
for the year ended December 31, 2020**

**and independent auditor’s report**

**“ADDITIONAL FINANCING FOR THE CENTRAL ASIA HYDROMETEOROLOGY  
MODERNIZATION PROJECT”  
GRANT NO. D3520-KG, CREDIT NO. 62940-KG**

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**“ADDITIONAL FINANCING FOR THE CENTRAL ASIA HYDROMETEOROLOGY MODERNIZATION PROJECT”**

**GRANT NO. D3520-KG, CREDIT NO. 62940-KG**

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES  
FOR THE PREPARATION AND APPROVAL OF THE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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The following statement, which should be read in conjunction with the independent auditors’ responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the project financial statements of the Project “Additional Financing for the Central Asia Hydrometeorology Modernization Project” Grant No. D3520-KG, Credit No. 62940-KG (the “Project”).

Management is responsible for the preparation of the project financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project components of the Project for the year ended December 31, 2020 in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”).

In preparing the project financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project financial statements; and
- preparing the project financial statements on the assumption that the Project will be implemented in accordance with the established period.

Management is also responsible for:

- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to ensure that the project financial statements of the Project comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Kyrgyz Republic, and the requirements of the operational manual of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud and other irregularities.

The project financial statements for the year ended December 31, 2020 were approved and authorized for issue on May 11, 2021 by the management of the Project.

**On behalf of the Management:**

  
\_\_\_\_\_  
**Toktorbaeva Zh.**  
**Director**

May 11, 2021  
Bishkek, the Kyrgyz Republic



  
\_\_\_\_\_  
**Kachybekova A.**  
**Financial manager**

May 11, 2021  
Bishkek, the Kyrgyz Republic

## **INDEPENDENT AUDITOR'S REPORT**

To the Management of the Project "Additional Financing for the Central Asia Hydrometeorology Modernization Project" under the Ministry of emergency situations of the Kyrgyz Republic

### **Report on the project financial statements**

#### **Opinion**

We have audited the accompanying project financial statements of the Project "Additional Financing for the Central Asia Hydrometeorology Modernization Project" (the "Project") which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project components for the year ended December 31, 2020, and a summary of significant accounting policies and other explanatory information (the "project financial statements").

In our opinion, the accompanying project financial statements present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project components of the Project for the year ended December 31, 2020 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (the "ISAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the project 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 (the "IESBA Code") together 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 and 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**

Without further qualifying our opinion, we draw attention to Note 2 to the project financial statements, which describe the basis of accounting. These project financial statements were prepared for complying with the appropriate World Bank Guidelines, as well as the requirements of the Financing agreement.

#### **Other matter**

The project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result, the project financial statements may not be suitable for another purpose.

#### **Responsibilities of management and those charged with governance for the project financial statements**

Management is responsible for the preparation and fair presentation of these project financial statements in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of the project financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the audit of the project financial statements

Our objectives are to obtain reasonable assurance about whether these project 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 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 project 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 project 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;
- 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 project 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.
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Kubat Alymkulov

Certified accountant, FCCA  
Certificate of auditor of the Kyrgyz Republic  
No. A 0069  
dated October 19, 2009  
Audit Partner, Baker Tilly Bishkek LLC



Yulia Abdumanapova

Certificate of auditor of the Kyrgyz Republic  
No. A 0068  
dated October 19, 2009  
Director, Baker Tilly Bishkek LLC

Baker Tilly Bishkek LLC,  
License Series A No. 0049 dated July 1, 2011  
issued by the State committee on review and  
regulation of the financial market of the Kyrgyz Republic

May 10, 2021  
Bishkek, the Kyrgyz Republic

**“ADDITIONAL FINANCING FOR THE CENTRAL ASIA HYDROMETEOROLOGY MODERNIZATION PROJECT”**

**GRANT NO. D3520-KG, CREDIT NO. 62940-KG**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID FOR THE YEAR ENDED DECEMBER 31, 2020**

*(in US dollars)*

	Notes	For the year ended December 31, 2020	For the year ended December 31, 2019	Cumulative
<b>Opening balance</b>	4	356,715	-	-
<b>Funds received</b>				
Grant No. D3520-KG	5	531,915	220,251	752,166
Credit No. 62940-KG	5	531,915	220,209	752,124
<b>Total funds received</b>		1,063,830	440,460	1,504,290
Other income	6	6,926	5,147	12,073
<b>Total receipts</b>		1,070,756	445,607	1,516,363
<b>Expenses</b>				
Goods	7	955,478	18,197	973,675
Consulting services	7	53,994	2,064	56,058
Training	7	9,812	27,688	37,500
Operating costs	7	68,468	39,304	107,772
<b>Total expenses</b>		1,087,752	87,253	1,175,005
Other expenses	8	8,124	1,639	9,763
<b>Closing balance</b>	4	331,595	356,715	331,595

**On behalf of the Management:**

  
**Toktorbaeva Zh.**  
 Director



May 11, 2021  
 Bishkek, the Kyrgyz Republic



**Kachybekova A.**  
 Financial manager

May 11, 2021  
 Bishkek, the Kyrgyz Republic

The notes on pages 7-17 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“ADDITIONAL FINANCING FOR THE CENTRAL ASIA HYDROMETEOROLOGY MODERNIZATION PROJECT”  
GRANT NO. D3520-KG, CREDIT NO. 62940-KG**

**SUMMARY OF EXPENDITURES PAID BY PROJECT COMPONENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(in US dollars)**

	For the year ended December 31, 2020	For the year ended December 31, 2019	Cumulative
B 1. Strengthen the institutional capacity of Kyrgyzhydromet	9,813	29,752	39,565
B 2. Improving hydrometeorological observations networks	782,416	-	782,416
B 3. Enhance the service delivery system of Kyrgyzhydromet	211,079	-	211,079
B 4. Support implementation of Part B	84,444	57,501	141,945
	<u>1,087,752</u>	<u>87,253</u>	<u>1,175,005</u>

On behalf of the Management:

  
Toktorbaeva Zh.  
Director

May 11, 2021  
Bishkek, the Kyrgyz Republic



  
Kachybekova A.  
Financial manager

May 11, 2021  
Bishkek, the Kyrgyz Republic

The notes on pages 7-17 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“ADDITIONAL FINANCING FOR THE CENTRAL ASIA HYDROMETEOROLOGY MODERNIZATION PROJECT”**

**GRANT NO. D3520-KG, CREDIT NO. 62940-KG**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

*(in US dollars)*

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**1. GENERAL INFORMATION**

On November 21, 2018 the Financing Agreement was signed to provide additional financing for the Project “Central Asia Hydrometeorology Modernization Project” (the “Project”) and to amend the original Financing Agreement for Grant No. 4934-KG and Credit No. H678-KG signed on August 23, 2011, between the Kyrgyz Republic and the International Development Association (the “IDA”, “World Bank”).

According to this Financing Agreement, the IDA provided the Kyrgyz Republic Grant No. D3520-KG in the amount of 1,800,000 Special Drawing Rights (the “SDR”) and Credit No. 62940-KG in the amount of 1,800,000 SDR for implementation of Part B of the Project in the Kyrgyz Republic.

The Financing Agreement became effective on May 15, 2019. The initial duration of the Project was set until March 31, 2021. According to the IDA letter dated December 24, 2019 the Project was extended until March 31, 2022.

**Project purpose**

The objective of the Project is to improve the accuracy and timeliness of the hydrometeorology services in Central Asia, with particular focus on Kyrgyz Republic and Republic of Tajikistan.

The Project comprises the following parts:

- Part A: Strengthening Regional Coordination and Information Sharing and Services;
- Part B: Strengthening of Hydromet Services in Kyrgyz Republic;
- Part C: Strengthening of Hydromet Services in Republic of Tajikistan.

Part B of the Project consists of the following parts:

Provision of goods (including related installation services), consulting services and training to:

1. Strengthen the institutional capacity of Kyrgyzhydromet, including improvement of its human resources and its financial sustainability model through: (i) technical support and training of Kyrgyzhydromet staff; (ii) development and testing of an appropriate business model for the delivery of commercial weather, climate and hydrological services in the Kyrgyz Republic; (iii) revising the scientific methodological basis of the Kyrgyzhydromet operations to World Meteorological Organization standards; and (iv) preparation of a feasibility study for country-wide modernization of hydrometeorological services, including integration and strengthening of existing systems for monitoring and forecasting at Kyrgyzhydromet and other relevant public bodies of the Kyrgyz Republic, pursuant to criteria set forth the Project Operations Manual;
2. Improve the hydrometeorological observation networks to provide more timely extreme and hazardous weather warnings and a more efficient national water resources management system through: (i) equipment restoration and improvement for hydrological, agrometeorological and snow-avalanche observation; (ii) establishment, refurbishment and/or technical enhancement of national centers for meteorological data collection; (iii) development of forecasting systems; (iv) creation of an automatic monitoring system on high risk high-mountain lakes selected in accordance to criteria set forth in the Project Operations Manual; (v) creation of a mobile expeditionary subdivision for monitoring high risk breakthrough lakes, glaciers and mudflow hazard sites;
3. Enhance the service delivery system of Kyrgyzhydromet through: (i) improvement of hydrometeorological services provided by Kyrgyzhydromet including expanded user access to informational products; and (ii) specialized training to staff involved in service delivery;
4. Support implementation of Part B of the Project.



### *Project management*

The Management is implemented by the Project Implementation Unit (the "PIU") under the Ministry of Emergency Situations of the Kyrgyz Republic.

Duration period of the Financing Agreement for Grant No. D3520-KG and Credit No. 62940-KG is from May 15, 2019 to March 31, 2022.

## **2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS**

### **Basis of preparation**

These project financial statements have been prepared in accordance with the International Public Sector Accounting Standard (the "IPSAS") "Financial Reporting under the Cash Basis of Accounting" issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the following principal accounting policies, which have been consistently followed in all material respects and comply with the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Under the cash basis system income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received or provided.

The Project's approved budget disclosed by categories of expenses is not publicly available and as such comparison of budget and actual amounts is not presented in these project financial statements.

These project financial statements consist of:

- Summary of funds received and expenditures paid;
- Summary of expenditures paid by project components;
- Notes to the project financial statements, including short description of main statements of accounting policy and other descriptive notes.

The reporting currency of these project financial statements is US dollars (the "USD").

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Cash basis of accounting**

Project financial statements are prepared on a cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the Project. Project financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the project financial statements is balances of cash and changes therein.

### **Foreign currency operations**

Funds received are translated into US dollars at official exchange rate of Special Drawing Rights (the "SDR") at the date of funds receipt.

Operations in foreign currency initially are counted in functional currency by the currency exchange rate settled by commercial bank on a date of operation.

All payments made in local currency are translated into US dollars at the official exchange rate defined by serving commercial bank at the date of transaction.

Monetary assets and liabilities expressed in foreign currency are converted to functional currency at official exchange rate on a date settled by the serving commercial bank.

All foreign exchange differences resulted from maturity or recalculation are included in the summary of funds received and expenditures paid.

The exchange rate difference may arise due to possible fluctuations in the SDR to the U.S. dollar exchange rate. Maintaining volatility monitoring will allow assessing risks in budgeting.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short-term.

### **Taxes**

Calculation and payment of personal income tax and social security contributions from income of staff and consultants is made in accordance with the requirements and rates of the Tax Code of the Kyrgyz Republic and relevant legislation of the Kyrgyz Republic.

### **Expenses**

The expenses are recorded in the period when they were actually paid.

### **Sources of funds**

The funds were provided by the IDA to the Project by advance payments/initial deposit, replenishment of designated account or through direct payment to the end supplier of goods and/or services.

### **Other income**

Other income represents interest income accrued by the serving bank on the outstanding balances of cash on designated accounts and receipts from sale of tender documents.

### **Other expenses**

Other expenses comprise payments for bank services, tender advertisement expenses and return of accrued interest income to Ministry of Finance of the Kyrgyz Republic.

## **4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at December 31, 2020 and 2019 comprise:

	<b>Sources of financing</b>	<b>Currency</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Designated account	Grant No. D3520-KG	US dollar	164,643	176,603
Designated account	Credit No. 62940-KG	US dollar	164,643	176,603
Interest account	Other	US dollar	1,388	2,850
Tender account	Other	US dollar	921	659
			<u>331,595</u>	<u>356,715</u>

## **5. FUNDS RECEIVED**

The funds received are presented by the following methods and sources of financing:

	For the year ended December 31, 2020	For the year ended December 31, 2019	Cumulative
<b>Grant No. D3520-KG</b>			
Initial deposit	-	200,000	200,000
Replenishment	317,961	20,251	338,212
Direct payments	213,954	-	213,954
	<u>531,915</u>	<u>220,251</u>	<u>752,166</u>
<b>Credit No. 62940-KG</b>			
Initial deposit	-	200,000	200,000
Replenishment	317,961	20,209	338,170
Direct payments	213,954	-	213,954
	<u>531,915</u>	<u>220,209</u>	<u>752,124</u>
	<u>1,063,830</u>	<u>440,460</u>	<u>1,504,290</u>

## 6. OTHER INCOME

Other income is presented as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019	Cumulative
Interest income	6,064	3,247	9,311
Sale of tender documents	862	1,900	2,762
	<u>6,926</u>	<u>5,147</u>	<u>12,073</u>

## 7. EXPENSES

Project expenses by components are presented in the summary of expenditures paid by project components. The Project expenses on major categories are presented in the summary of funds received and expenditures paid. Breakdown of the Project expenses by nature and sources of financing is presented as follows:

	For the year ended December 31, 2020		For the year ended December 31, 2019		Cumulative	
	Grant No. D3520-KG	Credit No. 62940-KG	Grant No. D3520-KG	Credit No. 62940-KG	Grant No. D3520-KG	Credit No. 62940-KG
<b>Goods</b>						
Restoration of observation points of the hydrological network and installation of equipment for hydrological purposes	181,832	181,832	-	-	181,832	181,832
Implementation of two mobile hydrological laboratories for monitoring regime of rivers without hydroposts	124,773	124,773	-	-	124,773	124,773
Creation of monitoring system for server equipment and a high-speed local area network	83,582	83,582	-	-	83,582	83,582
Equipping the hydrological, road, urban and glacial observation network with automatic meteorological stations	68,049	68,049	-	-	68,049	68,049
Creation of mobile expeditionary unit for monitoring outburst-hazardous lakes and glaciers	16,555	16,555	-	-	16,555	16,555
Office and computer equipment for PIU	2,948	2,948	5,003	5,002	7,951	7,950
Software for PIU (1C accounting system)	-	-	3,200	3,200	3,200	3,200
Office furniture for PIU	-	-	896	896	896	896
	<b>477,739</b>	<b>477,739</b>	<b>9,099</b>	<b>9,098</b>	<b>486,838</b>	<b>486,837</b>
<b>Consulting services</b>						
Improving the Kyrgyzhydromet service delivery system	21,957	21,957	-	-	21,957	21,957
Audit fee	5,040	5,040	-	-	5,040	5,040
Consultant on preparation of estimates for the modernization of manual gauging stations	-	-	1,032	1,032	1,032	1,032
	<b>26,997</b>	<b>26,997</b>	<b>1,032</b>	<b>1,032</b>	<b>28,029</b>	<b>28,029</b>
<b>Training</b>						
Air tickets, transfer, hotel services	2,800	2,800	5,400	5,400	8,200	8,200
Per diems	1,521	1,521	2,662	2,662	4,183	4,183
Education centers services	585	585	578	578	1,163	1,163
Trainers' fee	-	-	4,885	4,885	4,885	4,885
Coffee break for participants	-	-	175	175	175	175
Stationery for participants	-	-	144	144	144	144
	<b>4,906</b>	<b>4,906</b>	<b>13,844</b>	<b>13,844</b>	<b>18,750</b>	<b>18,750</b>

	For the year ended December 31, 2020		For the year ended December 31, 2019		Cumulative	
	Grant No. D3520-KG	Credit No. 62940-KG	Grant No. D3520-KG	Credit No. 62940-KG	Grant No. D3520-KG	Credit No. 62940-KG
<b>Operating costs</b>						
Payroll and related taxes	28,261	28,261	19,161	19,161	47,422	47,422
Business trip	3,219	3,219	14	14	3,233	3,233
Stationery	262	262	76	76	338	338
Communication expenses	196	196	49	49	245	245
Bank fees	115	115	94	52	209	167
Transportation expenses, including technical maintenance	290	290	183	163	473	473
Advertisement expenses	-	-	48	48	48	48
Other	1,891	1,891	48	48	1,939	1,939
	<u>34,234</u>	<u>34,234</u>	<u>19,673</u>	<u>19,631</u>	<u>53,907</u>	<u>53,865</u>
	<u>543,876</u>	<u>543,876</u>	<u>43,648</u>	<u>43,605</u>	<u>587,524</u>	<u>587,481</u>

## 8. OTHER EXPENSES

Other expenses are presented as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019	Cumulative
Transfer of accrued interest income to the Ministry of finance of the Kyrgyz Republic	6,013	-	6,013
Bank fees	1,556	397	1,953
Tenders advertisement	555	1,242	1,797
	<u>8,124</u>	<u>1,639</u>	<u>9,763</u>

## 9. FINANCIAL POSITION

Financial position as at December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
<b>ASSETS AND EXPENDITURES</b>		
Cash and cash equivalents	331,595	356,715
Cumulative expenses	1,175,005	87,253
Other expenses	<u>9,763</u>	<u>1,639</u>
<b>TOTAL ASSETS AND EXPENDITURES</b>	<u>1,516,363</u>	<u>445,607</u>
<b>FINANCING</b>		
Funds received	1,504,290	440,460
Other income	<u>12,073</u>	<u>5,147</u>
<b>TOTAL FINANCING</b>	<u>1,516,363</u>	<u>445,607</u>

**10. WITHDRAWAL APPLICATIONS**

Withdrawal applications for the year ended December 31, 2020 are presented as follows:

Sources of financing	Application	Date	Initial deposit	Direct payment	Replenishment	Total	
<b>Grant No. D3520-KG</b>	3 AFCAHMP GRANT	March 20, 2020	-	-	37,700	37,700	
	4/2 AFCAHMP GRANT	October 22, 2020	-	-	136,259	136,259	
	5A FCAHMP GRANT	November 12, 2020	-	65,917	-	65,917	
	7 AFCAHMP GRANT	December 11, 2020	-	148,037	-	148,037	
	6 AFCAHMP GRANT	December 22, 2020	-	-	128,739	128,739	
	8 AFCAHMP GRANT	December 22, 2020	-	-	15,263	15,263	
					<u>213,954</u>	<u>317,961</u>	<u>531,915</u>
<b>Credit No. 62940-KG</b>	3AFCAHMP CREDIT	March 20, 2020	-	-	37,700	37,700	
	4/2 AFCAHMP CREDIT	October 23, 2020	-	-	136,259	136,259	
	5 AFCAHMP CREDIT	November 12, 2020	-	65,917	-	65,917	
	7 AFCAHMP CREDIT	December 11, 2020	-	148,037	-	148,037	
	6 AFCAHMP CREDIT	December 22, 2020	-	-	128,739	128,739	
	8 AFCAHMP CREDIT	December 22, 2020	-	-	15,263	15,263	
					<u>213,954</u>	<u>317,961</u>	<u>531,915</u>
					<u>427,908</u>	<u>635,922</u>	<u>1,063,830</u>

Withdrawal applications for the year ended December 31, 2019 are presented as follows

Sources of financing	Application	Date	Initial deposit	Direct payment	Replenishment	Total
<b>Grant</b> No. D3520-KG	1 AFCAHMP GRANT	July 18, 2019	200,000	-	-	200,000
	2 AFCAHMP GRANT	December 23, 2019	-	-	20,251	20,251
			<u>200,000</u>	<u>-</u>	<u>20,251</u>	<u>220,251</u>
<b>Credit</b> No. 62940-KG	1 AFCAHMP CREDIT	July 23, 2019	200,000	-	-	200,000
	2 AFCAHMP CREDIT	December 23, 2019	-	-	20,209	20,209
			<u>200,000</u>	<u>-</u>	<u>20,209</u>	<u>220,209</u>
			<u>400,000</u>	<u>-</u>	<u>40,460</u>	<u>440,460</u>



## 11. STATEMENT OF DESIGNATED ACCOUNTS

Statement of designated accounts for the year ended December 31, 2020 and 2019 is presented as follows:

<i>Source of financing</i>	<b>Grant No. D3520-KG</b>	<b>Credit No. 62940-KG</b>
<i>Bank</i>	OJSC Aiyl Bank	OJSC Aiyl Bank
<i>Currency</i>	US Dollar	US Dollar
<i>Bank account</i>	1350108031539507	1350108038817638
<i>Bank's location</i>	114/2 Kievskaya str., Kyrgyz Republic, Bishkek	
<b>Balance as at January 1, 2019</b>	-	-
Initial deposit	200,000	200,000
Replenishment	20,251	20,209
<b>Total funds received</b>	<b>220,251</b>	<b>220,209</b>
Transfer to transit account	39,286	39,286
Expenses paid	4,269	4,270
Bank fees	93	50
<b>Balance as at December 31, 2019</b>	<b>176,603</b>	<b>176,603</b>
Replenishment	317,961	317,961
<b>Total funds received</b>	<b>494,564</b>	<b>494,564</b>
Transfer to transit account	192,413	192,413
Expenses paid	137,393	137,393
Bank fees	115	115
<b>Balance as at December 31, 2020</b>	<b>164,643</b>	<b>164,643</b>

## 12. UNDRAWN FUNDS

As at December 31, 2020 undrawn funds are presented as follows:

	<b>Grant No. D3520-KG</b>	<b>Credit No. 62940-KG</b>
	<i>in SDR</i>	<i>in SDR</i>
Approved amount of financing	1,800,000	1,800,000
Disbursed in 2019	159,489	159,620
Disbursed in 2020	373,509	373,445
<b>Undrawn amount of financing as at December 31, 2020</b>	<b>1,267,002</b>	<b>1,266,935</b>
	<b>Grant No. D3520-KG</b>	<b>Credit No. 62940-KG</b>
Funds received as at January 1, 2020	159,489	159,620
Disbursed in 2020	373,509	373,445
<b>Funds received as at December 31, 2020</b>	<b>532,998</b>	<b>533,065</b>

### 13. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan.

As at December 31, 2020 the Project had following commitments:

Counterparty	Contract No.	Contract currency	Cost per contract	Paid up to December 31, 2020 (in CCY)	Remaining amount to be paid (in CCY)
Information technology development center, LLC Consortium Empire, leading partner AT Empire LLC and partner Geoconsult LTD	06-10/11-19	Kyrgyz som	180,000	135,000	45,000
LLC	KG-G/RFB-01-2	US dollar	675,889	363,663	312,226
CAE S.p.A.	KG-G/RFB-03	Euro	1,116,250	111,625	1,004,625

### 14. LEGAL CASES

There were no any legal claims related to the Project.

### 15. EVENTS AFTER THE REPORTING DATE

During 2021 until the date of issue of these project financial statements, the IDA has replenished the designated account of the Project as follows:

Date	Sources of financing	Application	Credit No. 62940-KG	Grant No. D3520-KG
March 31, 2021	Replenishment	9 AFCAHMP GRANT	40,247	-
March 31, 2021	Replenishment	9 AFCAHMP CREDIT	-	40,247
			<u>40,247</u>	<u>40,247</u>

As at the date of issue of the project financial statements no other significant events or transactions occurred which should be disclosed in the project financial statements, except for the events or transactions described above.