

**“Enhancing resilience in Kyrgyzstan Project”
Advance No. IDA V106-KG, Grant No. D318-KG,
Credit No. 6238-KG**

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

and independent auditor’s report

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**“ENHANCING RESILIENCE IN KYRGYZSTAN PROJECT”
ADVANCE NO. IDA V106-KG, GRANT NO. D318-KG, CREDIT NO. 6238-KG**

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

The following statement, which should be read in conjunction with the independent auditor’s responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditor in relation to the project financial statements of the Project “Enhancing resilience in Kyrgyzstan Project”, Advance No. IDA V106-KG, Grant No. D318-KG, Credit No. 6238-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 assuming that the Project will be implemented in accordance with the established deadlines.

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 10, 2021 by the management of the Project.

On behalf of the Management:


Toktorbaeva Zh.
Director

May 10, 2021
Bishkek, the Kyrgyz Republic




Kachybekova A.
Financial manager

May 10, 2021
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Management of the Project "Enhancing resilience in Kyrgyzstan 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 "Enhancing resilience in Kyrgyzstan 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 Letter of Agreement on the provision of an Advance for the preparation of the Project and 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

**“ENHANCING RESILIENCE IN KYRGYZSTAN PROJECT”
ADVANCE NO. IDA V106-KG, GRANT NO. D318-KG, CREDIT NO. 6238-KG**

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

(in US dollars)

	Note	For the year ended December 31, 2020	For the year ended December 31, 2019	Cumulative
Opening balance	4	765,970	430,665	-
Funds received				
Credit No. 6238-KG	5	4,519,439	1,089,458	5,608,897
Grant No. D318-KG	5	4,519,458	1,084,850	6,566,095
Total funds received		9,038,897	2,174,308	12,174,992
Other income	6	29,817	11,457	46,519
Total receipts		9,068,714	2,185,765	12,221,511
Expenses				
Goods	7	1,322,309	1,139,424	2,895,120
Consultants' services	7	885,980	542,474	1,436,961
Trainings	7	17	10,347	10,364
Operating costs	7	149,580	150,084	393,823
Eligible emergency expenditures for Part E of the Project - Goods	7	5,827,041	-	5,827,041
Eligible emergency expenditures for Part E of the Project - Consultant's services	7	2,030	-	2,030
Total expenses		8,186,957	1,842,329	10,565,339
Other expenses	8	23,272	8,131	31,717
UNICEF's commitment	9	205,057	-	205,057
Closing balance	4	1,419,398	765,970	1,419,398

On behalf of the Management:


Toktorbaeva Zh.
Director

May 10, 2021
Bishkek, the Kyrgyz Republic


Kachybekova A.
Financial manager

May 10, 2021
Bishkek, the Kyrgyz Republic

The notes on pages 7-19 form an integral part of the project financial statements.
The independent auditor's report is on pages 3-4.

**“ENHANCING RESILIENCE IN KYRGYZSTAN PROJECT”
ADVANCE NO. IDA V106-KG, GRANT NO. D318-KG, CREDIT NO. 6238-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
Part A: Strengthening Disaster Preparedness and Response Systems	1,276,028	1,034,583	2,713,346
Part B: Improving Safety and Functionality of School Infrastructure	39,229	16,286	55,515
Part C: Enhancing Financial Protection	893,031	629,106	1,522,137
Part D: Project Management, and Monitoring and Evaluation	149,598	162,354	445,270
Part E: Contingent Emergency Response	5,829,071	-	5,829,071
	<u>8,186,957</u>	<u>1,842,329</u>	<u>10,565,339</u>

On behalf of the Management:


Toktorbaeva Zh.
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May 10, 2021
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**“ENHANCING RESILIENCE IN KYRGYZSTAN PROJECT”
ADVANCE NO. IDA V106-KG, GRANT NO. D318-KG, CREDIT NO. 6238-KG**

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

(in US dollars)

1. GENERAL INFORMATION

According to the Agreement between the Kyrgyz Republic and International Development Association dated November 10, 2017, the IDA provided an Advance No. IDA V106-KG in the amount of 3,600,000 US dollars.

The Advance was provided for the preparation of proposed Project “Enhancing resilience in Kyrgyzstan Project”.

On September 10, 2018, the Financing Agreement of the Project “Enhancing resilience in Kyrgyzstan Project” (the “Project”) was signed between the Kyrgyz Republic and International Development Association (the “IDA”, “World Bank”). According to this agreement, the IDA provided Grant No. D318-KG in the amount of 6,900,000 Special Drawing Rights (the “SDR”) and Credit No. 6238-KG in the amount of 6,900,000 SDR to the Kyrgyz Republic.

The Financing Agreement of the Project became effective on February 26, 2019.

Project purpose

The objective of the Project is to support the Recipient to strengthen its capacity to respond to disasters, provide safer and improved learning environment for children, and reduce adverse financial impacts of natural hazards on the Recipient’s budget and population.

The Project comprises the following parts:

- Part A: Strengthening Disaster Preparedness and Response Systems;
- Part B: Improving Safety and Functionality of School Infrastructure;
- Part C: Enhancing Financial Protection;
- Part D: Project Management, and Monitoring and Evaluation;
- Part E: Contingent Emergency Response.

Part A. Strengthening Disaster Preparedness and Response Systems

1. Increasing the coverage of emergency warning and notification to the population, enhancing the capacity to receive, analyze and respond to emergency calls, and increasing the integration and redundancy of the communications among national, regional and district level crisis management systems including: (i) improvements in the “112” emergency call and dispatch system for selected cities and oblasts, through purchase, installation, and operationalization of ICT equipment and software; (ii) improvements in the public emergency warning and notification system in selected cities and oblasts, as well as TV and radio interception systems for selected oblasts, through purchase, installation, and operationalization of ICT equipment and software, warning devices; and (iii) strengthening of crisis management centers through purchase, installation, and operationalization of ICT equipment and software.
2. Strengthening the monitoring and assessment of landslides and other mass movement hazards through: (i) increasing the capacity to conduct operational surveys of and monitor landslides and other mass movement hazards through purchasing and operationalizing relevant equipment and software; (ii) strengthening the capacity to analyze and assess hazards through consultant services and training; and (iii) upgrading a web-based platform to compile hazard and disaster information and to share this information with relevant ministries and governmental agencies, as well as the population.
3. Strengthening search and rescue through purchasing, installation and operationalization of equipment and gears.
4. Improving disaster awareness of the public by introducing e-learning system and training outreach on disaster risk management (the “DRM”).

Part B. Improving Safety and Functionality of School Infrastructure

Provide support to improve the safety against earthquakes and functionality of selected school infrastructure through:

1. Carrying out works to improve safety and functionality of selected school infrastructure, including: (i) feasibility studies and detailed design of interventions including on-site inspection of facilities; and (ii) building works and construction supervision.
2. Building capacity of the education sector by providing support to the implementation of State Program on Safer Schools through the preparation of a long-term national intervention and investment plan, including: (i) developing an intervention strategy to improve the safety and functionality of school infrastructure countrywide; (ii) developing an investment strategy to finance the implementation of the plan; and (iii) providing prioritization criteria to maximize the benefits of the investment with clear short to long term goals.
3. Providing support for (i) the design of a web-based school infrastructure module, and (ii) its integration in the management information system.

Part C. Enhancing Financial Protection

1. (i) Review the State Insurance Organization (the "SIO") business processes; and (ii) provide support to customize web-based insurance production system.
2. Optimization of SIO core business processes through: (a) development of a risk model for earthquake; (b) development of internal pricing terms for core risks; (c) development of an outward reinsurance function, inclusive of accumulation control; and (d) development of rapid claims assessment capabilities and improved technical soundness of the current claims assessment procedure.
3. (i) Providing support to the SIO to develop and incorporate the essential risk management functions into insurance operations, including setting up the underwriting policies, risk appetite, investment guidelines, reinsurance guidelines and anti-money laundering and anti-fraud policies.
(ii) Providing support to the SIO and the SSFMRS with developing the regulatory compliance and data reporting standards.
4. Procurement of equipment for selected regional SIO offices.

Part D. Project Management, and Monitoring and Evaluation

1. Provide support to: (i) carry out Project management activities, including, coordination and supervision of Project implementation, Project audits, financing of Incremental Operating Costs and Training; and (ii) organize meetings related to the Project activities.
2. Provide support to carry out the Project monitoring and evaluation activities.

Part E. Contingent Emergency Response

Provision of support upon occurrence of an Eligible Crisis or Emergency.

Project management

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

Duration period of the Letter of Agreement on the provision of an Advance No. IDA V106-KG is from November 10, 2017 to February 26, 2019.

Duration period of the financing agreement Grant No. D318-KG and Credit No. 6238-KG is from February 26, 2019 to January 31, 2024.

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 dollar (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 accounted in functional currency using 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 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, as well as funds from sale of tender documents and collateral guarantees.

Other expenses

Other expenses represent interest income transferred to the Ministry of Finance of the Kyrgyz Republic, banking services and tender advertisement expenses.

4. CASH AND CASH EQUIVALENTS

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

	Sources of financing	Currency	December 31, 2020	December 31, 2019
Designated account	Credit No. 6238-KG	US dollar	703,049	379,616
Designated account	Grant No. D318-KG	US dollar	701,549	378,098
Tender account	Other	US dollar	9,452	144
Interest account	Other	US dollar	4,314	7,507
Tender account	Other	Euro	1,034	-
Tender account	Other	Som	-	598
Interest account	Other	Som	-	7
			<u>1,419,398</u>	<u>765,970</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
Credit No. 6238-KG			
Replenishment	3,013,681	589,458	3,603,139
Direct payments	666,120	-	666,120
Advance	500,000	500,000	1,000,000
Special commitments	<u>339,638</u>	<u>-</u>	<u>339,638</u>
	<u>4,519,439</u>	<u>1,089,458</u>	<u>5,608,897</u>

	For the year ended December 31, 2020	For the year ended December 31, 2019	Cumulative
Grant No. D318-KG			
Replenishment	3,013,700	589,458	3,827,101
Direct payments	666,120	-	903,964
Advance	500,000	495,392	1,495,392
Special commitments	339,638	-	339,638
	<u>4,519,458</u>	<u>1,084,850</u>	<u>6,566,095</u>
	<u>9,038,897</u>	<u>2,174,308</u>	<u>12,174,992</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	18,900	10,309	34,454
Sale of tender documents	9,880	1,148	11,028
Collateral guarantees	1,037	-	1,037
	<u>29,817</u>	<u>11,457</u>	<u>46,519</u>

7. EXPENSES

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. D318-KG	Credit No. 6238-KG	Grant No. D318-KG	Credit No. 6238-KG	Grant No. D318-KG	Credit No. 6238-KG
Goods						
Notification System Oksion	518,235	518,235	64,653	64,653	582,888	582,888
Server equipment for State Insurance Company	67,999	67,999	-	-	67,999	67,999
Specialized vehicle	26,853	26,852	-	-	26,853	26,852
Unmanned Aerial Vehicle and Geodetic Equipment	23,410	23,410	-	-	23,410	23,410
Housing database for State Insurance Company	9,959	9,959	-	-	9,959	9,959
Air breathers	9,828	9,828	-	-	9,828	9,828
Computer equipment for Unified emergency dispatch service "112"	4,871	4,871	-	-	4,871	4,871
Software for call center "112"	-	-	359,530	-	516,437	-
Emergency monitoring system ArcGIS	-	-	88,153	88,153	88,153	88,153
Equipment for call center "112"	-	-	67,681	65,831	198,158	65,831
Equipment for rescue team	-	-	37,205	8,121	152,556	8,121
Computer equipment for State Insurance Company	-	-	33,991	33,991	33,991	33,991
Walkie talkie system	-	-	32,828	32,828	32,828	32,828
Software for development of call center "112"	-	-	30,423	30,423	30,423	30,423
Video wall controlling system Spectrum	-	-	24,586	24,586	24,586	24,586
Office furniture for State Insurance Company	-	-	23,457	23,457	23,457	23,457
Computer equipment for PIU	-	-	1,982	1,982	21,016	1,982
Software for PIU (1C accounting system)	-	-	-	-	7,900	-
Office furniture for PIU	-	-	455	455	4,173	455
	661,155	661,154	764,944	374,480	1,859,486	1,035,634

	For the year ended December 31, 2020		For the year ended December 31, 2019		Cumulative	
	Grant No. D318-KG	Credit No. 6238-KG	Grant No. D318-KG	Credit No. 6238-KG	Grant No. D318-KG	Credit No. 6238-KG
Consultant's services						
Review and optimization of insurance cases, developing Web platform	363,078	363,078	254,844	254,844	617,922	617,922
Forming a platform for data exchange	53,988	53,988	-	-	53,988	53,988
Development of special technical specifications	7,186	7,186	-	-	7,186	7,186
Construction engineer	6,794	6,794	5,126	5,126	11,920	11,920
Environmental and social safety specialist	5,634	5,634	3,017	3,017	8,651	8,651
Consultant for business processes and information technologies	5,479	5,479	7,002	4,916	17,029	10,395
IT Consultant	830	832	2,291	2,291	3,121	3,123
Consultant on environment protection and preparation of resettlement policy framework	-	-	-	-	3,959	-
	442,989	442,991	272,280	270,194	723,776	713,185
Trainings						
Capacity building training for PIU	9	8	-	-	9	8
Software for call center "112" trainings	-	-	5,452	-	5,452	-
ArcGIS system trainings	-	-	2,448	2,447	2,448	2,447
	9	8	7,900	2,447	7,909	2,455
Operating costs						
Payroll and related taxes	63,376	63,376	71,369	51,246	214,284	114,622
Audit expenses	5,488	5,488	5,488	5,488	10,976	10,976
Translation services	689	689	2,707	1,453	13,723	2,142
Transportation expenses (including technical maintenance)	689	689	1,373	804	2,062	1,493
Stationaries	475	475	519	519	3,015	994
Customs Broker services	458	458	795	135	1,253	593
Communication expenses	352	352	704	556	1,675	908
Bank fees	287	287	125	125	578	412
Postal services	115	115	329	125	785	240
Air tickets	-	-	1,478	1,478	1,478	1,478
Business trip	-	-	1,764	246	1,889	246
Advertisement expenses	-	-	517	367	1,257	367
Other	2,861	2,861	195	179	3,337	3,040
	74,790	74,790	87,363	62,721	256,312	137,511

	For the year ended December 31, 2020		For the year ended December 31, 2019		Cumulative	
	Grant No. D318-KG	Credit No. 6238-KG	Grant No. D318-KG	Credit No. 6238-KG	Grant No. D318-KG	Credit No. 6238- KG
Eligible emergency expenditures for Part E of the Project - Goods						
Medical equipment	1,126,235	1,126,235	-	-	1,126,235	1,126,235
Medicines	969,689	969,688	-	-	969,689	969,688
Personal protective equipment	431,776	431,776	-	-	431,776	431,776
Equipped ambulances	278,980	278,980	-	-	278,980	278,980
Laboratory reagents	104,728	104,728	-	-	104,728	104,728
Other household goods	2,113	2,113	-	-	2,113	2,113
	<u>2,913,521</u>	<u>2,913,520</u>	<u>-</u>	<u>-</u>	<u>2,913,521</u>	<u>2,913,520</u>
Eligible emergency expenditures for Part E of the Project - Consultant's services						
Medical Waste Management Specialist	1,015	1,015	-	-	1,015	1,015
	<u>1,015</u>	<u>1,015</u>	<u>-</u>	<u>-</u>	<u>1,015</u>	<u>1,015</u>
	<u>4,093,479</u>	<u>4,093,478</u>	<u>1,132,487</u>	<u>709,842</u>	<u>5,762,019</u>	<u>4,803,320</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	15,013	5,000	20,013
Bank fees	7,088	2,726	10,128
Advertisement	1,171	405	1,576
	<u>23,272</u>	<u>8,131</u>	<u>31,717</u>

9. FINANCIAL POSITION

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

	December 31, 2020	December 31, 2019
ASSETS AND EXPENDITURES		
Cash and cash equivalents	1,419,398	765,970
Cumulative expenses	10,565,339	2,378,382
UNICEF's commitment	205,057	-
Other expenses	31,717	8,445
TOTAL ASSETS AND EXPENDITURES	<u>12,221,511</u>	<u>3,152,797</u>
FINANCING		
Funds received	12,174,992	3,136,095
Other income	46,519	16,702
TOTAL FINANCING	<u>12,221,511</u>	<u>3,152,797</u>

Pursuant to contract dated June 25, 2020 between the Government of the Kyrgyz Republic (the "Government") and the United Nations Children's Fund (the "UNICEF"), the Government has allocated funds in the amount of 679,275 US dollars to purchase goods as part of the "Enhancing resilience in Kyrgyzstan Project" under Part E. "Contingent Emergency Response of the Project". In 2020 Project made expenditures in amount of 474,218 US dollars. The Project received the refund in 2021.

10. WITHDRAWAL APPLICATIONS

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

Grant No. D318-KG

Application	Date	Advance	Replenishment	Special commitment	Direct payments	Total
ERIK GRANT 6	March 20, 2020	-	188,839	-	-	188,839
ERIK GRANT 7	April 1, 2020	-	344,296	-	-	344,296
ERIK GRANT 11/1	June 16, 2020	-	339,075	-	-	339,075
ERIK GRANT 12/1	June 17, 2020	-	-	-	240,000	240,000
ERIK GRANT 13	July 8, 2020	-	-	339,638	-	339,638
ERIK GRANT 8	July 1, 2020	500,000	-	-	-	500,000
ERIK GRANT 15	July 30, 2020	-	360,982	-	-	360,982
ERIK GRANT 14	August 4, 2020	-	-	-	426,120	426,120
ERIK GRANT 18	September 18, 2020	-	484,750	-	-	484,750
ERIK GRANT 19	October 30, 2020	-	447,424	-	-	447,424
ERIK GRANT 20	November 5, 2020	-	50,138	-	-	50,138
ERIK GRANT 22	November 30, 2020	-	217,848	-	-	217,848
ERIK GRANT 24	December 18, 2020	-	-	-	-	-
ERIK GRANT 25	December 18, 2020	-	-	-	-	-
ERIK GRANT 21	December 21, 2020	-	43,548	-	-	43,548
ERIK GRANT 26	December 28, 2020	-	245,400	-	-	245,400
ERIK GRANT 27	December 28, 2020	-	291,400	-	-	291,400
ERIK GRANT 28	December 31, 2020	-	-	-	-	-
		<u>500,000</u>	<u>3,013,700</u>	<u>339,638</u>	<u>666,120</u>	<u>4,519,458</u>

Credit No. 6238-KG

Application	Date	Advance	Replenishment	Special commitment	Direct payments	Total
ERIK CREDIT 7	March 20, 2020	-	188,839	-	-	188,839
ERIK CREDIT 8	April 1, 2020	-	344,296	-	-	344,296
ERIK CREDIT 12/1	June 16, 2020	-	339,075	-	-	339,075
ERIK CREDIT 13/1	June 17, 2020	-	-	-	240,000	240,000
ERIK CREDIT 9	July 1, 2020	500,000	-	-	-	500,000
ERIK CREDIT 14	July 8, 2020	-	-	339,638	-	339,638
ERIK CREDIT 16	July 30, 2020	-	360,981	-	-	360,981
ERIK CREDIT 15	August 4, 2020	-	-	-	426,120	426,120
ERIK CREDIT 19	September 18, 2020	-	484,750	-	-	484,750
ERIK CREDIT 20	October 30, 2020	-	447,424	-	-	447,424
ERIK CREDIT 21	November 5, 2020	-	50,138	-	-	50,138
ERIK CREDIT 23	November 30, 2020	-	217,848	-	-	217,848
ERIK CREDIT 25	December 18, 2020	-	-	-	-	-
ERIK CREDIT 26	December 18, 2020	-	-	-	-	-
ERIK CREDIT 22	December 21, 2020	-	42,030	-	-	42,030
ERIK CREDIT 27	December 28, 2020	-	246,900	-	-	246,900
ERIK CREDIT 28	December 28, 2020	-	291,400	-	-	291,400
ERIK CREDIT 29	December 31, 2020	-	-	-	-	-
		<u>500,000</u>	<u>3,013,681</u>	<u>339,638</u>	<u>666,120</u>	<u>4,519,439</u>

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

Grant No. D318-KG

Application	Date	Advance	Replenishment	Total
ERIK Grant D3180 2	March 26, 2019	407,335	-	407,335
ERIK PPA V106 2*	April 16, 2019	37,722	-	37,722
ERIK PPA V106 9*	April 16, 2019	36,543	-	36,543
ERIK PPA V106 10*	April 16, 2019	13,792	-	13,792
ERIK Grant D3180 3	June 28, 2019	-	94,882	94,882
ERIK Grant D3180 4	September 12, 2019	-	246,280	246,280
ERIK Grant D3180 5	December 12, 2019	-	248,296	248,296
		<u>495,392</u>	<u>589,458</u>	<u>1,084,850</u>

Credit No. 6238-KG

Application	Date	Advance	Replenishment	Total
ERIK Credit 62380 1	March 26, 2019	250,000	-	250,000
ERIK Credit 62380 2	June 27, 2019	-	94,857	94,857
ERIK Credit 62380 3	September 24, 2019	-	246,280	246,280
ERIK Credit 62380 4	November 18, 2019	250,000	-	250,000
ERIK Credit 62380 6	December 12, 2019	-	248,321	248,321
		<u>500,000</u>	<u>589,458</u>	<u>1,089,458</u>
		<u>995,392</u>	<u>1,178,916</u>	<u>2,174,308</u>

11. STATEMENT OF DESIGNATED ACCOUNTS

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

Source of financing	Grant No. D318-KG	Credit No. 6238-KG
Bank	OJSC "Ayil Bank"	OJSC "Ayil Bank"
Currency	US Dollar	US Dollar
Bank account	1350108035620880	1350108037626962
Bank's location	114/2 Kievskaya Str., Bishkek, the Kyrgyz Republic	
Balance as at January 1, 2019	-	-
Advance	495,392	500,000
Replenishment	589,458	589,458
Transfer from the account of Advance No. V106-KG	3,089	-
Total funds received	<u>1,087,939</u>	<u>1,089,458</u>
Expenses paid	478,458	478,459
Transfers to transit account	231,258	231,258
Bank fees	125	125
Balance as at December 31, 2019	<u>378,098</u>	<u>379,616</u>

Source of financing	Grant No. D318-KG	Credit No. 6238-KG
Bank	OJSC "Ayil Bank"	OJSC "Ayil Bank"
Currency	US Dollar	US Dollar
Bank account	1350108035620880	1350108037626962
Bank's location	114/2 Kievskaya Str., Bishkek, the Kyrgyz Republic	
Balance as at December 31, 2019	<u>378,098</u>	<u>379,616</u>
Advance	500,000	500,000
Replenishment	<u>3,013,700</u>	<u>3,013,681</u>
Total funds received	<u>3,513,700</u>	<u>3,513,681</u>
Expenses paid	1,695,886	1,695,886
Transfer to transit accounts	1,494,077	1,494,077
Bank fees	<u>286</u>	<u>285</u>
Balance as at December 31, 2020	<u>701,549</u>	<u>703,049</u>

12. UNDRAWN FUNDS

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

	Grant No. D318-KG <i>in SDR</i>	Credit No. 6238-KG <i>in SDR</i>
Approved amount of financing	6,900,000	6,900,000
Disbursed during the period from April 28, 2017 to December 31, 2020	<u>4,707,066</u>	<u>4,018,314</u>
Undrawn amount of financing as at December 31, 2020	<u>2,192,934</u>	<u>2,881,686</u>
	Grant No. D318-KG	Credit No. 6238-KG
Funds received as at January 1, 2020	1,478,087	789,350
Disbursed in 2020	<u>3,228,979</u>	<u>3,228,964</u>
Funds received as at December 31, 2020	<u>4,707,066</u>	<u>4,018,314</u>

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 (in CCY)	Paid up to December 31, 2020 (in CCY)	Remaining amount to be paid (in CCY)
Farma Garant LLC	№KG/ERIK-CERC/G/RFQ/2020-06B	Som	7,844,590	2,353,377	5,491,213
Sheraliev T. D.	KG-CS-IC/04A	Som	3,069,050	1,760,540	1,308,510
Abdylasova N. K.	KG-CS-IC/05-2	Som	2,165,047	1,288,107	876,940
Yarmukhamedov R.F.	KG-CS/IC-07B	Som	796,280	140,190	656,090
State Institution Cadastre under the State Agency for Land Resources under the Government of the Kyrgyz Republic	KG-G/DC-02/2	Som	2,270,480	1,663,200	607,280
LTS Beratung GmbH	KG-CS/QCBS-02	US dollar	1,333,333	1,112,260	221,073
Konsortium Medicinskiy Center-Kokomeren i Virazh LLC	KG/ERIK-CERC/G/RFQ/2020-09	US dollar	764,900	557,960	206,940
INCOM LLC	1 KG-G/RFB-03	US dollar	1,241,130	1,036,856	204,274
Baker Tilly Bishkek LLC	KG-CS/LCS-01/A	US dollar	76,832	21,952	54,880
Soft Line LLC	KG-CS/CQS-03	US dollar	134,790	107,976	26,814

14. LEGAL CASES

There were no any legal claims related to the Project.

15. EVENTS AFTER THE REPORTING DATE

During 2020 until the date of issue of these project financial statements, the IDA has replenished the designated account of the Project as follows:

Date	Method of financing	Application	Grant No. D318-KG	Credit No. 6238-KG
January 28, 2021	Replenishment	ERIK GRANT 29	226,573	-
January 28, 2021	Replenishment	ERIK GRANT 30	20,394	-
January 28, 2021	Replenishment	ERIK CREDIT 30	-	226,573
January 28, 2021	Replenishment	ERIK CREDIT 31	-	18,894
February 19, 2021	Refund	Ran:RN000000357958	(102,529)	-
February 19, 2021	Refund	Ran:RN000000336691	(6,620)	-
February 19, 2021	Refund	Ran:RN000000376107	-	(102,529)
February 19, 2021	Refund	Ran:RN000000357957	-	(6,620)
March 31, 2021	Replenishment	ERIK GRANT 32	424,113	-
March 31, 2021	Replenishment	ERIK CREDIT 33	-	424,113
March 31, 2021	Replenishment	ERIK CREDIT 32	-	71,802
April 9, 2021	Replenishment	ERIK GRANT 31	71,803	-
			<u>633,734</u>	<u>632,233</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 described above.