

**"Sustainable rural water supply
and sanitation development
project" Grant No. D138-KG,
Credit No. 5907-KG, Grant No.
D204-KG, Credit No. 6088-KG**

**The project financial statements
for the year ended December 31, 2021
and independent auditor's report**

**“SUSTAINABLE RURAL WATER SUPPLY AND SANITATION DEVELOPMENT PROJECT”
GRANT NO. D138-KG, CREDIT NO. 5907-KG, GRANT NO. D204-KG, CREDIT NO. 6088-KG**

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**“SUSTAINABLE RURAL WATER SUPPLY AND SANITATION DEVELOPMENT PROJECT”
GRANT NO. D138-KG, CREDIT NO. 5907-KG, GRANT NO. D204-KG, CREDIT NO. 6088-KG**

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF
THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021**

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 “Sustainable rural water supply and sanitation development project” (the “Project”), financed in accordance with Financing Agreement Grant No. D138-KG and Credit No. 5907-KG dated October 26, 2016 and Financing Agreement Grant No. D204-KG, Credit No. 6088-KG dated November 13, 2017 .

Management of the Project 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 components of the Project for the year ended December 31, 2021 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 of the Project 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 Project financial position, and which enable them to ensure that the 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, error and other irregularities.

The project financial statements for the year ended December 31, 2021 were approved and authorized for issue on May 31, 2022 by the management of the Project.

On behalf of the Management:


Naspekov M.
Executive Director of ARIS

May 31, 2022
Bishkek, the Kyrgyz Republic




Zainalov U.
Financial Manager of ARIS

May 31, 2022
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Management of the Project "Sustainable rural water supply and sanitation development project" at Community Development and Investment Agency of the Kyrgyz Republic (the "ARIS"):

Report on the project financial statements

Opinion

We have audited the accompanying project financial statements of the "Sustainable rural water supply and sanitation development project" (the "Project") which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by components for the year ended December 31, 2021, 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 components of the project for the year ended December 31, 2021 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 (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 (IESBA Code) together with the ethical requirements that are relevant to our audit of the project 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 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 and Financing agreements requirements. These circumstances do not lead to modification of the auditor's opinion.

Other matter

The project financial statements of the Project for the year ended December 31, 2020 were audited by another auditor, who expressed an unmodified opinion on the project financial statements on April 19, 2021.

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 Aлымkulov

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



Umet Daletbaev

Certificate of auditor of the Kyrgyz Republic
No. AD0024 dated December 23, 2021
Audit Partner

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 31, 2022
Bishkek, the Kyrgyz Republic

**“SUSTAINABLE RURAL WATER SUPPLY AND SANITATION DEVELOPMENT PROJECT”
GRANT NO. D138-KG, CREDIT NO. 5907-KG, GRANT NO. D204-KG, CREDIT NO. 6088-KG**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID
FOR THE YEAR ENDED DECEMBER 31, 2021
(in US dollars)**

	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020	Cumulative
Opening balance	4	3,822,957	3,732,914	-
Funds received				
Grant No. D138-KG	5	641,947	1,142,842	8,888,685
Grant No. D204-KG	5	3,797,728	1,399,992	7,197,720
Credit No. 5907-KG	5	212,706	1,926,588	9,297,847
Credit No. 6088-KG	5	1,530,926	1,099,985	3,630,911
Co-financing by the Government of the Kyrgyz Republic	5	9,874	383,820	3,187,754
Total funds received		6,193,181	5,953,227	32,202,917
Other income	6	87,567	133,253	288,054
Total receipts		6,280,748	6,086,480	32,490,971
Expenses				
I -Works for the Project	7	4,297,866	4,319,200	21,657,036
II Goods, non-consulting services, consultation services training and operating costs for the Project	7	1,461,506	1,640,909	6,432,690
III Sub-grants under Component 2(g) of the Project	7	18,393	5,188	23,582
Total expenses		5,777,765	5,965,297	28,113,308
Other expenses	8	399	31,140	52,029
Forex gain / (loss)		35	-	(58)
Closing balance	4	4,325,576	3,822,957	4,325,576

On behalf of the Management

Naspekov M.
Executive Director of ARIS

May 31, 2022
Bishkek, the Kyrgyz Republic



Zainalov U.
Financial Manager of ARIS

May 31, 2022
Bishkek, the Kyrgyz Republic

The notes on pages 8-26 form an integral part of the project financial statements. The independent auditor's report is on pages 3-5.

**“SUSTAINABLE RURAL WATER SUPPLY AND SANITATION DEVELOPMENT PROJECT”
GRANT NO. D138-KG, CREDIT NO. 5907-KG, GRANT NO. D204-KG, CREDIT NO. 6088-KG**

**SUMMARY OF EXPENDITURES PAID BY PROJECT COMPONENTS
FOR THE PERIOD FOR THE YEAR ENDED DECEMBER 31, 2021
(in US dollars)**

	For the year ended December 31, 2021	For the year ended December 31, 2020	Cumulative
1. Water Supply Investments			
Works	4,219,252	4,216,424	21,165,395
Goods	-	-	128
Consultation services	473,442	496,459	2,195,727
	<u>4,692,694</u>	<u>4,712,883</u>	<u>23,361,250</u>
2. Sanitation Development			
Works	78,613	102,776	491,640
Goods	16,538	191,496	224,183
Consultation services	122,527	141,522	763,146
Trainings	27,506	11,037	88,838
Sub grants	18,393	5,188	23,581
	<u>263,577</u>	<u>452,019</u>	<u>1,591,388</u>
3. Institutional Strengthening			
3.a. At the national level	248,463	308,719	865,765
3.b. At the local level	226,539	183,967	911,872
3.c. Sectoral Training Development Program	86,112	-	86,112
	<u>561,114</u>	<u>492,686</u>	<u>1,863,749</u>
4. Project Management			
Consultation services	-	12,996	82,146
Operating costs	241,822	278,922	1,079,490
Audit	14,245	14,833	53,522
Goods (Equipment for ARIS)	4,313	958	81,763
	<u>260,380</u>	<u>307,709</u>	<u>1,296,921</u>
	<u>5,777,765</u>	<u>5,965,297</u>	<u>28,113,308</u>

On behalf of the Management:

Naspekov M.
Executive Director of ARIS

May 31, 2022
Bishkek, the Kyrgyz Republic



Zainalov U.
Financial Manager of ARIS

May 31, 2022
Bishkek, the Kyrgyz Republic

The notes on pages 8-26 form an integral part of the project financial statements. The independent auditor's report is on pages 3-5.

**“SUSTAINABLE RURAL WATER SUPPLY AND SANITATION DEVELOPMENT PROJECT”
GRANT NO. D138-KG, CREDIT NO. 5907-KG, GRANT NO. D204-KG, CREDIT NO. 6088-KG**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**
(in US dollars)

1. GENERAL INFORMATION

The Financing Agreement Credit No. 5907-KG and Grant No. D138-KG was concluded on 26 October 2016 between the Kyrgyz Republic and the International Development Association (IDA), according to which provided financing to the Kyrgyz Republic in the amount of 9,300,000 Special Drawing Rights (SDR) and 7,600,000 SDR, respectively.

The Financing Agreement became effective on February 3, 2017.

The Financing Agreement Credit No. 6088-KG and Grant No. D204-KG dated November 13, 2017 between the Kyrgyz Republic and the International Development Association (the - “IDA”), according to which provided financing to the Kyrgyz Republic in the amount of 14,500,000 Special Drawing Rights (the - “SDR”) and 11,900,000 SDR, respectively.

The Financing Agreement became effective on September 7, 2018

The financing was provided for the implementation of the Project “Sustainable rural water supply and sanitation Development Project” (the - “Project”).

The Closing date of both Credit No. 5907-KG and Grant No. D138-KG is set June 30, 2025 (as updated). The Grace Period for submitting withdrawal application for expenditures incurred before the Closing date is four months following the Closing date: October 31, 2025.

The Closing date of both Credit No. 6088-KG and Grant No. D204-KG is set June 30, 2025. The Grace Period for submitting withdrawal application for expenditures incurred before the Closing date is four months following the Closing date: October 31, 2025.

Project purpose

The objective of this project are: (i) to improve access and quality of water supply and sanitation services in the Participating Rural Communities; and (ii) to strengthen capacity of the Recipient's institutions in the water supply and sanitation sector.

The Project comprises the following components:

Component 1: Water supply investment:

This component will address the needs for rehabilitation of existing and/or construction of new water supply systems in the target areas. The component will finance goods, works and services and will include civil and electrical/mechanical installations for water supply production (boreholes, well-fields, intakes, etc., as well as disinfection, and pumping as required), and transmission and distribution (networks, storage, meters, etc.) to households in the project areas. This component will also finance the consulting services to prepare detailed engineering designs and bidding documentation, including the technical supervision over construction activities in order to ensure the quality of works.

Project-funded water systems will reflect careful consideration of a number of important design and implementation principles, including the goal of equitable access and quality of service within project areas; Individual accounting for each connection (and the introduction of consumption-based billing), consideration of all life cycle costs, including assessment of water source options, consideration of climate factors and sustainability, and requirements to support operator capacity. In addition, it is important to note that the population and local authorities will be involved in identifying priority investments in their respective areas through public consultations and meetings. Women beneficiaries and women's groups will be invited to Componenticipate to reflect women's voices in determining the investments that matter to them.

Communities will also be involved in monitoring the quality of construction work through community monitoring processes and the establishment of Village Water Committees. Under the Resettlement Policy Framework ("the RPF") procedures, costs associated with the implementation of resettlement activities will be financed under Component 1 through the Government's contribution to the project.

Component 2: Sanitation Development

This component will finance goods, works and services to provide strategic support for improved sanitation within the target rural communities and to enhance the Government's strategy for improved sanitation in rural areas. In addition, the Component includes technical advisory activities to maintain improved sanitary conditions at the household level. The component will also support the development and implementation of a communication strategy and Water, Sanitation and Hygiene (WASH) educational campaigns to promote improved health and hygiene practices, including specific information, education and communication (IEC) materials related to water quality and safety disinfection. The Sanitation and Hygiene Training Programs will be introduced through the school education system and in communities in order to support improvement of knowledge, attitudes and practices in this field within the Project area.

- (a) Rehabilitation of existing indoor sanitary facilities and construction of new sanitary facilities in schools, pre-schools, and other social institutions;
- (b) Development of standard designs;
- (c) Provision of strategic technical, policy and capacity support for improved sanitation.
- (d) Carrying out needs assessment for selected Sanitary Epidemiological Surveillance (the - "SES") units;
- (e) Development and implementation of communication strategy and water, sanitation and hygiene educational campaigns;
- (f) Preparation of national strategy for rural sanitation;
- (g) Provision of Results-based incentives to eligible beneficiaries as Sub-grants to upgrade their household sanitation facilities to a hygienic level.

Component 3: Institutional Strengthening;

The Component will finance goods and services to strengthen sector institutional capacity at the national and local levels. The specific activities will be carried out in order to assist the Government of the Kyrgyz Republic in making informed government decisions aimed at developing, modernizing and reforming the water supply and sanitation sector, including implementation of the Kyrgyz Republic Government Strategy in the water supply and sanitation sector. The Component also focuses on building capacity of local authorities and service operators, such as CDWUU in sustainable water supply and sanitation system management.

Component 4: Project management.

This component will finance the project management costs of ARIS related to salaries of administrative personnel and staff, including the charges to Social Fund of the KR, consultancies, and equipment costs, the M&E program, safeguards specialists, and financial management, including internal and external financial audits.

Project financing

The total cost of the main project is 28 million US dollars, to be financed through an IDA loan of 12.92 million US dollars, an IDA grant of 10.58 million US dollars and a Government of the Kyrgyz Republic contribution of 4.50 million US dollars.

The total cost of additional financing for the project is 43 million US dollars and will be funded by an IDA loan of 19.8 million US dollars, an IDA grant of 16.2 million US dollars and a contribution of 7.2 million US dollars from the Government of the Kyrgyz Republic.

In a letter dated May 15, 2020. The World Bank amended the Financial Agreements in terms of sources of financing. Thus, according to the amendments, the Government of the Kyrgyz Republic suspends financing of the main project and the project of additional financing.

Project implementation

The Project is implemented by Community Development and Investment Agency of the Kyrgyz Republic (the "ARIS").

The Community Development and Investment Agency of the Kyrgyz Republic (ARIS) was established by the Decree of the President of the Kyrgyz Republic on October 15, 2003 in order to deepen the measures taken to attract investment to overcome poverty, develop and support private entrepreneurship within the framework of the National Strategy for Poverty Reduction, strengthening the activities of local governments and strengthening local communities and community organizations.

Co-founders of ARIS are Administration of the President of the Kyrgyz Republic, association of Legal entities "Association of Local self-government bodies of villages and communities of the Kyrgyz Republic" and "Counterpart-Sheriktesh" public association. The work of ARIS is supervised by the Supervisory Board, which is the superior steering body of the ARIS.

The ARIS address is: 102 Bokonbayeva Street, Bishkek, the Kyrgyz Republic, 720040.

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.

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

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

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.

All exchange differences arising from the redemption or revaluation of monetary items are included in the summary of funds received and expenditures paid.

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

The calculation and payment of income tax on income of local employees and consultants, as well as insurance contributions to the Social fund of the Kyrgyz Republic, is made in accordance with the requirements and rates set forth in the Tax Code of the Kyrgyz Republic and relevant Kyrgyz Republic legislation.

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 initial deposit and replenishment of designated account.

Other income

Other income represents interest income accrued by the servicing commercial bank on cash balances of the designated account, the amounts of guarantees received against non-performance of suppliers and sale of tender documents.

Other expenses

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2021 and 2020 are presented as follows:

	Source of financing	Currency	December 31, 2021	December 31, 2020
Designated account	Grant No. D138-KG	US dollar	901,839	843,297
Designated account	Grant No. D204-KG	US dollar	1,713,295	1,270,484
Designated account	Credit No. 5907-KG	US dollar	855,855	988,981
Designated account	Credit No. 6088-KG	US dollar	699,166	651,977
Interest account	Other	US dollar	154,825	68,218
Interest account	Other	Kyrgyz som	596	-
			<u>4,325,576</u>	<u>3,822,957</u>

5. FUNDS RECEIVED

The funds received were provided by the following methods and sources of financing:

For the year ended December 31, 2021:

	Grant No. D138-KG	Grant No. D204-KG	Credit No. 5907-KG	Credit No. 6088-KG	Co-financing by the Government of the Kyrgyz Republic	Total
Initial deposit	-	-	-	-	-	-
Replenishment of designated account	641,947	3,797,728	212,706	1,530,926	9,874	6,193,181
	<u>641,947</u>	<u>3,797,728</u>	<u>212,706</u>	<u>1,530,926</u>	<u>9,874</u>	<u>6,193,181</u>

For the year ended December 31, 2020:

	Grant No. D138-KG	Grant No. D204-KG	Credit No. 5907-KG	Credit No. 6088-KG	Co-financing by the Government of the Kyrgyz Republic	Total
Initial deposit	-	-	-	-	-	-
Replenishment of designated account	1,142,842	1,399,992	1,926,588	1,099,985	383,820	5,953,227
	<u>1,142,842</u>	<u>1,399,992</u>	<u>1,926,588</u>	<u>1,099,985</u>	<u>383,820</u>	<u>5,953,227</u>

Cumulative:

	Grant No. D138-KG	Grant No. D204-KG	Credit No. 5907-KG	Credit No. 6088-KG	Co-financing by the Government of the Kyrgyz Republic	Total
Initial deposit	1,000,000	2,000,000	1,000,000	1,000,000	-	5,000,000
Replenishment of designated account	7,888,685	5,197,720	8,297,847	2,630,911	3,187,754	27,202,917
	<u>8,888,685</u>	<u>7,197,720</u>	<u>9,297,847</u>	<u>3,630,911</u>	<u>3,187,754</u>	<u>32,202,917</u>

6. OTHER INCOME

Other income of the Project comprises the following:

	For the year ended December 31, 2021	For the year ended December 31, 2020	Cumulative
Interest income	87,567	68,648	205,823
Implementation guarantee received	-	64,605	64,605
Tender fees	-	-	17,626
	<u>87,567</u>	<u>133,253</u>	<u>288,054</u>

7. PROJECT EXPENSES

Breakdown of Project expenses by categories and sources of financing is presented as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020	Cumulative	
I Works of the Project	4,297,866	4,319,200	21,657,036	
II Goods, non-consulting services, consultation services training and operating costs for the Project	1,461,506	1,640,909	6,432,690	
III Sub-grants under Component 2(g)	18,393	5,188	23,582	
	5,777,765	5,965,297	28,113,308	
	For the year ended December 31, 2021			
Grant No. D138-KG	Grant No. D204-KG	Credit No. 5907-KG	Credit No. 6088-KG	Other income
	-	2,458,423	345,831	1,483,738
				9,874
I Works of the Project				-
II Goods, non-consulting services, consultation services training and operating costs for the Project	583,405	878,101	-	-
III Sub-grants under Component 2(g) of the Project	-	18,393	-	-
	583,405	3,354,917	345,831	1,483,738
				9,874
				-
				5,777,765

	Grant No. D138-KG	Grant No. D204-KG	For the year ended December 31, 2020			Total
			Credit No. 5907-KG	Credit No. 6088-KG	Co-financing by the Government of the Kyrgyz Republic	
I Works of the Project	-	1,023,471	1,708,289	1,139,015	383,820	4,319,200
II Goods, non-consulting services, consultation services training and operating costs for the Project	1,004,734	636,175	-	-	-	1,640,909
III Sub-grants under Component 2(g) of the Project	-	5,188	-	-	-	5,188
	1,004,734	1,664,834	1,708,289	1,139,015	383,820	5,965,297
	Grant No. D138-KG	Grant No. D204-KG	Credit No. 5907-KG	Cumulative Credit No. 6088-KG	Co-financing by the Government of the Kyrgyz Republic	Total
I Works of the Project	3,366,439	3,664,500	8,441,992	2,931,746	3,187,754	21,657,036
II Goods, non-consulting services, consultation services training and operating costs for the Project	4,620,408	1,796,367	-	-	-	6,432,690
III Sub-grants under Component 2(g) of the Project	-	23,582	-	-	-	23,582
	7,986,847	5,484,449	8,441,992	2,931,746	3,187,754	28,113,308

8. OTHER EXPENSES

Other expenses of the Project comprise the following:

	For the year ended December 31, 2021	For the year ended December 31, 2020	Cumulative
Transfer of interest income to Ministry of Finance of the Kyrgyz Republic	-	30,814	50,130
Bank services	399	326	1,899
	<u>399</u>	<u>31,140</u>	<u>52,029</u>

9. FINANCIAL POSITION

Financial position as at December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
ASSETS AND EXPENDITURES		
Cash and cash equivalents	4,325,576	3,822,957
Cumulative expenses	28,113,308	22,335,543
Other expenses	52,029	51,630
Forex loss	58	93
TOTAL ASSETS AND EXPENDITURES	<u>32,490,971</u>	<u>26,210,223</u>
FINANCING		
Funds received	32,202,917	26,009,736
Other income	288,054	200,487
TOTAL FINANCING	<u>32,490,971</u>	<u>26,210,223</u>

10. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2021 comprise:

Grant No. D138-KG

Application	Date	Replenishment of designated account	Total
15	March 22, 2021	252,858	252,858
16	September 30, 2021	210,343	210,343
17	December 6, 2021	178,746	178,746
		<u>641,947</u>	<u>641,947</u>

Grant No. D204-KG

Application	Date	Replenishment of designated account	Total
5	January 22, 2021	800,045	800,045
6	March 31, 2021	210,485	210,485
7	May 17, 2021	453,902	453,902
8	June 16, 2021	312,544	312,544
9	June 29, 2021	404,466	404,466
10	August 26, 2021	297,141	297,141
11	October 27, 2021	375,064	375,064
12	October 29, 2021	437,943	437,943
13	December 3, 2021	506,138	506,138
		<u>3,797,728</u>	<u>3,797,728</u>

Credit No. 5907-KG

Application	Date	Replenishment of designated account	Total
18	August 26, 2021	<u>212,706</u>	<u>212,706</u>
		<u>212,706</u>	<u>212,706</u>

Credit No. 6088-KG

Application	Date	Replenishment of designated account	Total
5	January 14, 2021	357,148	357,148
6	May 17, 2021	284,321	284,321
7	June 16, 2021	291,353	291,353
8	August 26, 2021	348,115	348,115
9	September 28, 2021	<u>249,989</u>	<u>249,989</u>
		<u>1,530,926</u>	<u>1,530,926</u>

11. STATEMENT OF DESIGNATED ACCOUNTS

Statement of designated account for the years ended December 31, 2021 and 2020 comprises:

Source of financing	Credit No. 5907-KG	Grant No. D138-KG	Credit No. 6088-KG	Grant No. D204-KG	Total
Bank account number	1299003250022102	1299003250022001	1299003250022910	1299003250022809	
Bank	OJSC "RSK Bank"				
Bank location	Moskovskaya str. 80/1, Bishkek, the Kyrgyz Republic				
Account currency	US Dollar	US Dollar	US Dollar	US Dollar	
Opening balance as at January 1, 2020	770,681	705,188	691,008	1,535,313	3,702,190
Replenishment	1,926,588	1,142,842	1,099,985	1,399,992	5,569,407
Total funds received	1,926,588	1,142,842	1,099,985	1,399,992	5,569,407
Expenses paid	-	7,500	-	5,862	13,362
Transfer to transit account	1,708,288	997,233	1,139,016	1,658,959	5,503,496
Closing balance as at December 31, 2020	988,981	843,297	651,977	1,270,484	3,754,739
Replenishment	212,706	641,947	1,530,926	3,797,728	6,182,977
Total funds received	212,706	641,947	1,530,926	3,797,728	6,182,977
Expenses paid	-	11,800	-	5,850	17,650
Transfer to transit account	345,832	571,605	1,483,737	3,349,067	5,749,911
Closing balance as at December 31, 2021	855,855	901,839	699,166	1,713,295	4,170,155

12. UNDRAWN FUNDS

Undrawn funds as at December 31, 2021 are presented as follows:

	Grant No. D138- KG <i>in SDR</i>	Grant No. D204- KG <i>in SDR</i>	Credit No. 5907- KG <i>in SDR</i>	Credit No. 6088- KG <i>in SDR</i>
Approved financing amount	7,600,000	11,900,000	9,300,000	14,500,000
Disbursed from October 26, 2016 to December 31, 2020	5,881,744	2,444,359	6,517,233	1,775,684
Disbursed from October 26, 2016 to December 31, 2021	<u>6,335,846</u>	<u>5,108,998</u>	<u>6,666,911</u>	<u>2,596,944</u>
Undrawn amount as at December 31, 2021	<u>1,264,154</u>	<u>6,791,002</u>	<u>2,633,089</u>	<u>11,903,056</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.

Commitments as at December 31, 2021 are presented as follows:

Counterparty	Component	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2021 (in currency)	Remaining amount to be paid (in currency)
CJSC Kainar	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-23	468,661	Kyrgyz soms	426,512	42,149
CJSC Kainar Consortium of OJSC USTA and LLC Ak-Tilek Kurulush	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-31	668,277	Kyrgyz soms	361,589	306,688
Consortium of LLC MS BUILDING (MS Building) and LLC Pobeda	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-22	475,102	Kyrgyz soms	461,475	13,626
Consortium of OsOO Aziyastroympleks and CJSC HydroStroy	Water supply Investments	IDA-SRWSSDP-AF-CW-2021-14	975,683	Kyrgyz soms	98,037	877,646
Consortium of Engineering Protection LLC and HydroTechStroy LLC	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-21	182,173	Kyrgyz soms	158,590	23,583
Consortium of LLC FMU-1 and LLC EtalonVinSpetsStroy	Water supply Investments	IDA-SRWSSDP-AF-CW-19-18/2	325,903	Kyrgyz soms	306,719	19,184
Consortium of LLC FMU-1 and LLC EtalonVinSpetsStroy	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-29	502,315	Kyrgyz soms	278,380	223,935
Consortium of LLC FMU-1 and LLC EtalonVinSpetsStroy	Water supply Investments	IDA-SRWSSDP-AF-CW-2021-7	468,212	Kyrgyz soms	44,167	424,045
JSC Zhungalsuukurulush	Water supply Investments	IDA-SRWSSDP-AF-CW-18-17	426,987	Kyrgyz soms	412,126	14,860
JSC Zhungalsuukurulush	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-30	348,265	Kyrgyz soms	328,502	19,763
JSC Zhungalsuukurulush	Water supply Investments	IDA-SRWSSDP-AF-CW-2021-5	288,578	Kyrgyz soms	253,084	35,494
JSC Zhungalsuukurulush	Water supply Investments	IDA-SRWSSDP-AF-CW-2021-1	712,999	Kyrgyz soms	364,452	348,547
OJSC Yug-Stroy servis	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-20	272,905	Kyrgyz soms	261,143	11,762
LLC MS BUILDING	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-24	202,603	Kyrgyz soms	186,868	15,735

Counterparty	Component	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2021 (in currency)	Remaining amount to be paid (in currency)
LLC Aziyastroympleks	Water supply Investments	IDA-SRWSSDP-AF-CW-2021-15	267,779	Kyrgyz soms	147,194	120,585
LLC Alga Build	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-26	237,557	Kyrgyz soms	217,149	20,408
LLC Alga Build	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-25	306,429	Kyrgyz soms	271,378	35,052
LLC HydroTechStroy	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-27-RT-1	204,756	Kyrgyz soms	121,438	83,318
LLC HydroTechStroy	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-28-RT-1	375,139	Kyrgyz soms	214,755	160,384
LLC Impulse Osh	Water supply Investments	IDA-SRWSSDP-AF-CW-18-18	425,736	Kyrgyz soms	405,375	20,361
LLC Engineering Protection	Water supply Investments	IDA-SRWSSDP-AF-CW-19-18/1	593,791	Kyrgyz soms	558,043	35,747
LLC Engineering Protection	Water supply Investments	IDA-SRWSSDP-AF-CW-2021-5	491,594	Kyrgyz soms	243,487	248,107
LLC FMU-1	Water supply Investments	IDA-SRWSSDP-AF-CW-2020-19	214,964	Kyrgyz soms	204,800	10,164
LLC EKARAS-5	Water supply Investments	IDA-SRWSSDP-AF-CW-2018-15	438,754	Kyrgyz soms	435,744	3,011
Abdyrayimov R.A.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2020-10	15,902	Kyrgyz soms	11,793	4,109
Aimanbaev S.E.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2020-11-1	5,302	Kyrgyz soms	2,823	2,479
Akylbekov S. A.	Water supply Investments	IDA-SRWSSDP-IC-2019-33	6,528	Kyrgyz soms	3,026	3,502
Alisherov K.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2020-11	13,189	Kyrgyz soms	7,048	6,141
Jumaev Zh. M.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2021-5	7,535	Kyrgyz soms	3,427	4,109
Ibraev K.Zh.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2021-5-1	6,164	Kyrgyz soms	2,056	4,109
Ishbaev K.K.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2020-12	12,340	Kyrgyz soms	8,231	4,109
Consortium of LLC Enkon and LLC Limit	Water supply Investments	IDA-AF-SRWSSDP-QCBS-2019-2	122,356	Kyrgyz soms	93,148	29,208
Mambetov E.A.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2021-15	8,907	Kyrgyz soms	4,799	4,109

Counterparty	Component	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2021 (in currency)	Remaining amount to be paid (in currency)
Musaev A. Y.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2020-28	7,258	Kyrgyz soms	4,519	2,739
JSC Kyrgyzgiprostroy	Water supply Investments	IDA-SRWSSDP-AF-CQS-2019-3	119,624	Kyrgyz soms	110,086	9,539
Olzhobaev A.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2020-27	7,259	Kyrgyz soms	4,520	2,739
LLC Musai	Water supply Investments	IDA-SRWSSDP-AF-QCBS-DDE-2020-1	95,240	Kyrgyz soms	89,375	5,864
LLC Enkon	Water supply Investments	IDA-SRWSSDP-CS-SSS-2020-4	26,715	Kyrgyz soms	19,777	6,937
LLC Enkon	Water supply Investments	IDA-SRWSSDP-AF-QCBS-DDE-2020-2	144,186	Kyrgyz soms	107,907	36,279
LLC Enkon	Water supply Investments	IDA-SRWSSDP-AF-DDE--QCBS-2020-3	150,262	Kyrgyz soms	67,082	83,180
Sarmanbetov G.N.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2021-23	4,801	Kyrgyz soms	2,062	2,739
Turgunaliyev M. A.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2021-22	10,965	Kyrgyz soms	6,856	4,109
Umurzakov S. D.	Water supply Investments	IDA-SRWSSDP-AF-IC-TS-2021-1	8,223	Kyrgyz soms	3,430	4,793
BF LLC Sniper	Sanitation Development	IDA-SRWSSDP-SW-2020-9/1	12,651	Kyrgyz soms	10,445	2,207
BF LLC Sniper	Sanitation Development	IDA-SRWSSDP-SW-2020-9/2	19,286	Kyrgyz soms	15,750	3,536
BF LLC Sniper	Sanitation Development	IDA-SRWSSDP-SW-2020-9/3	13,135	Kyrgyz soms	11,299	1,836
LLC Discount	Sanitation Development	IDA-SRWSSDP-SW-2020-2	1,677	Kyrgyz soms	1,636	41
LLC Ayan Kurulush	Sanitation Development	IDA-SRWSSDP-SW-2020-11/3	39,291	Kyrgyz soms	26,027	13,264
LLC Ayan Kurulush	Sanitation Development	IDA-SRWSSDP-SW-2020-11/5	44,083	Kyrgyz soms	31,501	12,582
LLC VIP-S	Sanitation Development	IDA-SRWSSDP-SW-2020-10/1	18,841	Kyrgyz soms	18,315	526
LLC PSO Adis Stroy	Sanitation Development	IDA-SRWSSDP-SW-2020-4	2,205	Kyrgyz soms	1,778	427
LLC PSO Adis Stroy	Sanitation Development	IDA-SRWSSDP-SW-2020-1	2,470	Kyrgyz soms	2,308	162
LLC PSO Adis Stroy	Sanitation Development	IDA-SRWSSDP-SW-2020-5	2,767	Kyrgyz soms	2,632	135
LLC PSO Adis Stroy	Sanitation Development	IDA-SRWSSDP-SW-2020-8	1,990	Kyrgyz soms	1,847	143

Counterparty	Component	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2021 (in currency)	Remaining amount to be paid (in currency)
Faber Service LLC	Sanitation Development	IDA-SRWSSDP-SW-2020-11/2	19,750	Kyrgyz soms	15,119	4,631
Faber Service LLC	Sanitation Development	IDA-SRWSSDP-SW-2020-11/1	12,447	Kyrgyz soms	7,740	4,707
Faber Service LLC	Sanitation Development	IDA-SRWSSDP-SW-2020-11/4	1,950	Kyrgyz soms	1,395	555
Faber Service LLC	Sanitation Development	IDA-SRWSSDP-SW-2020-11/6	14,154	Kyrgyz soms	11,277	2,877
Abdyldaeva A.B.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-15	4,169	Kyrgyz soms	3,225	945
Batyr kyzy Nargiza	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2020-14	4,253	Kyrgyz soms	2,836	1,417
Borombaeva S. T.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2020-15	6,621	Kyrgyz soms	3,787	2,834
Zhusupova S. O.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-22	4,259	Kyrgyz soms	3,786	472
Kanpolot kyzy B.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2020-27	4,253	Kyrgyz soms	2,836	1,417
Keldibekov S. K.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-23-1	4,258	Kyrgyz soms	3,786	472
Kozueva D.M.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-7	4,251	Kyrgyz soms	1,890	2,361
Mambetov B. M.	Sanitation Development	IDA-SRWSSDP-IC-2019-18-AF	20,650	Kyrgyz soms	17,202	3,449
Meldosova E. M.	Sanitation Development	IDA-SRWSSDP-AF-IC-2020-6	26,388	Kyrgyz soms	17,770	8,618
Musuraliev A.S.	Sanitation Development	IDA-SRWSSDP-DC-2020-1	7,055	Kyrgyz soms	6,452	604
Noruzbayeva Zh.K.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-5-1	4,169	Kyrgyz soms	3,224	945
Nurbek uulu A.	Sanitation Development	IDA-SRWSSDP-AF-IC-2021-20	6,998	Kyrgyz soms	3,705	3,293
Saryeva G.A.	Sanitation Development	IDA-SRWSSDP-IC-COMP2-2020-3	4,800	Kyrgyz soms	2,354	2,447
Toktosheva E. A.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-1	6,620	Kyrgyz soms	3,786	2,834
Umetalieva I.Zh.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-14	4,169	Kyrgyz soms	3,224	945

Counterparty	Component	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2021 (in currency)	Remaining amount to be paid (in currency)
PE Beishenova B. T.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2021-5	4,258	Kyrgyz soms	3,786	472
PE Usonbaev N.T.	Sanitation Development	IDA-SRWSSDP-AF-IC-2021-21	3,596	Kyrgyz soms	2,289	1,307
Shekenova B.A.	Sanitation Development	IDA-SRWSSDP-AF-IC-FSS-2020-28	4,254	Kyrgyz soms	2,837	1,417
Sheraliev T. D.	Sanitation Development	IDA-SRWSSDP-DC-2020-2	6,396	Kyrgyz soms	2,642	3,755
Alymbaev Mirlan	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-8	2,446	Kyrgyz soms	1,825	621
LLC Promotank	Institutional Strengthening	IDA-SRWSSDP-CQS-COMP3-2020-3	191,249	Kyrgyz soms	86,112	105,137
LLC ECOaudit	Institutional Strengthening	IDA-SRWSSDP-CQS-COMP3-2020-1	35,385	Kyrgyz soms	17,709	17,676
OF Central Asia Prospects	Institutional Strengthening	IDA-SRWSSDP-CQS-COMP3-2020-2	60,928	Kyrgyz soms	24,384	36,544
Raimberdiev D.E.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-9	8,694	Kyrgyz soms	6,872	1,822
Institution Institute NURIE Keremet	Institutional Strengthening	IDA-SRWSSDP-SSS-COMP3-2020-1	45,331	Kyrgyz soms	26,025	19,306
Adzhiev M.S.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-11	12,102	Kyrgyz soms	8,493	3,609
Alinbekov M.A.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-28	5,197	Kyrgyz soms	2,364	2,834
Almazbekova N.A.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-7	12,070	Kyrgyz soms	8,670	3,400
Askerbek uulu J.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-27	5,671	Kyrgyz soms	2,837	2,834
Zheenaliev E.B.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-6	12,102	Kyrgyz soms	8,702	3,400
Ilebaev M. K.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2021-5	6,844	Kyrgyz soms	4,011	2,834
Imankulov B.I.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-14-1	5,671	Kyrgyz soms	2,838	2,834
IP Amantaev B.K.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-10	10,971	Kyrgyz soms	8,137	2,834
IP Imanaliev K.K.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2021-7	4,723	Kyrgyz soms	1,701	3,022

Counterparty	Component	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2021 (in currency)	Remaining amount to be paid (in currency)
IP Imanbekov T.U.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2021-15	6,967	Kyrgyz soms	3,709	3,259
IP Ismailov R. M.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2021-14	7,271	Kyrgyz soms	3,870	3,400
Isakov Zh. Y.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2021-1	6,619	Kyrgyz soms	3,786	2,834
Israilov Zh.Zh.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-12	6,619	Kyrgyz soms	3,785	2,834
Karakeev A.K.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-14	6,619	Kyrgyz soms	3,786	2,834
Kartanbaev E. A.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-8-RT1	6,844	Kyrgyz soms	4,011	2,834
Kydynov M. A.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2021-23	6,847	Kyrgyz soms	4,013	2,834
PE Uzbekov A.K.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-2	14,036	Kyrgyz soms	11,203	2,834
PE Ergeshov Sh.T.	Institutional Strengthening	IDA-SRWSSDP-AF-IC-FIDS-2020-13	6,058	Kyrgyz soms	3,225	2,834
Consortium of Kocks Consult GmbH and LLC K.S. Solutions	Water supply Investments	IDA-SRWSSDP-QCBS-FS-2020-1	297,976	EUR	27,158	270,818
Ryskulov A. R.	Water supply Investments	IDA-SRWSSDP-IC-2020-4	7,343	Kyrgyz soms	7,039	303
Turdugulova Zh.N.	Sanitation Development	IDA-SRWSSDP-IC-2019-41	17,349	Kyrgyz soms	14,508	2,841
Usubalieva Zh. M.	Institutional Strengthening	IDA-SRWSSDP-IC-TRNG-2020-8	1,110	Kyrgyz soms	662	449
Asanakunov B. D.	Institutional Strengthening	IDA-SRWSSDP-IC-2020-12	1,486	Kyrgyz soms	740	746
Bekkeldiev N. M.	Institutional Strengthening	IDA-SRWSSDP-IC-2020-7	15,999	Kyrgyz soms	14,276	1,724
Isaliev Zh. A.	Institutional Strengthening	IDA-SRWSSDP-IC-TRNG-2020-12	12,640	Kyrgyz soms	11,887	753
Rysbaeva A. K.	Institutional Strengthening	IDA-SRWSSDP-IC-FIDS-2020-1	2,088	Kyrgyz soms	331	1,757
Tailakova G. B.	Institutional Strengthening	IDA-SRWSSDP-IC-TRNG-2020-11	2,907	Kyrgyz soms	628	2,280
Tokushev Z.M.	Institutional Strengthening	IDA-SRWSSDP-IC-2020-3	15,579	Kyrgyz soms	15,070	509
Chynaliev Ch. T.	Institutional Strengthening	IDA-SRWSSDP-IC-FIDS-2020-2	11,130	Kyrgyz soms	10,692	438
Ergeshov S.A.	Institutional Strengthening	IDA-SRWSSDP-IC-2019-31-2	1,771	Kyrgyz soms	432	1,339

Counterparty	Component	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2021 (in currency)	Remaining amount to be paid (in currency)
Esenov M.A.	Institutional Strengthening	IDA-SRWSSDP-IC-TRNG-2020-10	2,753	Kyrgyz soms	1,873	880
Yusupov B.I.	Institutional Strengthening	IDA-SRWSSDP-SIASAR-SSS-2020-1/2	1,771	Kyrgyz soms	279	1,492
Dzheldenov K.A.	Institutional Strengthening	IDA-SRWSSDP-IC-TRNG-2020-13	2,552	Kyrgyz soms	2,472	79
Karaush E.	Institutional Strengthening	IDA-SRWSSDP-IC-MWUJ-2021	5,699	Kyrgyz soms	5,528	172

14. LEGAL CASES

On March 1, 2019, a contract for rehabilitation of the water supply system in the Darkan village of Jeti-Oguz district of Issyk-Kul region (the - "Client") and Mega Trust, LLC (the - "Contractor") was signed between the Darkhan ayil okmotu of Jeti-Oguz district of Issyk-Kul region. Darkhan. The deadline for completion of the work was February 29, 2020. ARIS administered the Contract and paid for the work under the Contract using IDA-funded Project funds.

The Contract conditions were not fully fulfilled by the Contractor, thus there was a material breach of the Contract conditions. According to the Agreement, Keremet Bank OJSC acted as a guarantor for the Contractor, which fulfilled its obligation and on March 12, 2020 transferred a guarantee in favor of ARIS in the amount of 64,605 US dollars (4,700,000 soms) (Note 6).

On February 9, 2021, the Client and ARIS filed a lawsuit against the Contractor in the Jeti-Oguz District Court Issyk-Kul Region to recover the amount of compensation for damages in the amount of 4,674,784 soms. Subsequently this claim, was increased by a petition to the Jeti-Oguz District Court dated March 17, 2021, and the amount of the final claim was 4,975,688 soms.

This claim is currently pending at the Jeti-Oguz District Court. The Project's management believes that this claim will be satisfied by the court in favour of the Project.

15. EVENTS AFTER THE REPORTING DATE

During 2022 until the date of issue of these project financial statements, the IDA provided financing to the Project as follows:

Financing source	Application	Date	Replenishment of designated account	
			in SDR	in US dollars
Grant No. D204-KG	14	February 2, 2022	218,955	306,693
Credit No. 6088-KG	10	February 2, 2022	294,460	412,454
			<u>513,415</u>	<u>719,147</u>

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