

**“Second Regional Economic
Development Project”
Grant No. D976-KG, Credit No. 7049-KG**

**The project financial statements
for the year ended as at December 31, 2024
and independent auditor's report**

"SECOND REGIONAL ECONOMIC DEVELOPMENT PROJECT"
GRANT NO. D976-KG, CREDIT NO. 7049-KG,

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"SECOND REGIONAL ECONOMIC DEVELOPMENT PROJECT"
GRANT NO. D976-KG, CREDIT NO. 7049-KG

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF
THE PROJECT FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2024**

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 statement of the "Second Regional Economic Development Project", Grant No. D976-KG, Credit No. 7049-KG (the "Project").

Management of the Project is responsible for the preparation of the project financial statement that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts as at December 31, 2024 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 statement, management is responsible for:

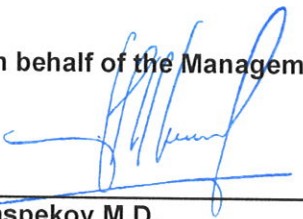
- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project financial statement; and
- 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 Project financial position, and which enable them to ensure that the project financial statement comply with IPSAS and WB Guidelines;
- keeping accounting in 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 as at December 31, 2024 were approved and authorized for issue on June 20, 2025 by the management of the Project.

On behalf of the Management:


Naspekov M.D.
Executive Director of the ARIS

June 20, 2025
Bishkek, the Kyrgyz Republic




Stalbek uulu B.
Financial Manager of the ARIS

June 20, 2025
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Management of the "Second Regional Economic Development Project":

Report on the project financial statements

Opinion

We have audited the accompanying project financial statements of the "Second Regional Economic Development Project" (the "Project") which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project parts as at December 31, 2024, 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 parts as at December 31, 2024 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 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. The project financial statements were prepared for complying with the appropriate World Bank Guidelines, as well as the requirements of the Financing and Grant agreements. These circumstances do not lead to modification of the auditor's opinion.

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 statement 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 the 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 the 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 the 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 (United Kingdom)

Individual auditor registration number 11152 dated November 16, 2023.

Registered in the Unified state register of auditors, audit organizations, and professional audit associations.

Audit Partner,

Director, Baker Tilly Bishkek LLC



Umet Daletbaev

Individual auditor registration number 18167 dated December 26, 2023.

Registered in the Unified state register of auditors, audit organizations, and professional audit associations.

Audit Partner

Baker Tilly Bishkek LLC is registered in the "Register of audit organizations admitted for audit of public Interest entities and large entrepreneurship entities" of the Unified state register of auditors, audit organizations, professional audit associations. Individual registration number 2101510 dated August 9, 2023

June 20, 2025

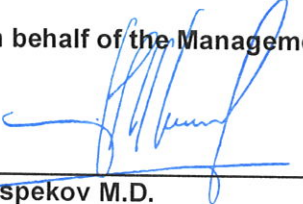
Bishkek, the Kyrgyz Republic

"SECOND REGIONAL ECONOMIC DEVELOPMENT PROJECT"
GRANT NO. D976-KG, CREDIT NO. 7049-KG

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID
FOR THE YEAR ENDED DECEMBER 31, 2024
(in US dollars)

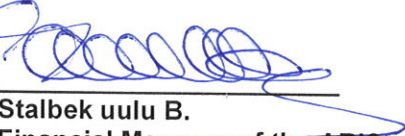
	Notes	For the year ended December 31, 2024	For the period from October 1, 2022 to December 31, 2023	Cumulative
Opening balance	5	1,867,314	-	-
Funds received				
Grant No. D976-KG	6	1,216,801	1,499,996	2,716,797
Credit No. 7049-KG	6	600,000	7,656,555	8,256,555
Total funds received		1,816,801	9,156,551	10,973,352
Other income	7	34,505	26,004	60,509
Total receipts		1,851,306	9,182,555	11,033,861
Expenses				
(1) Goods, works, non-consulting services, consulting services; training and operating costs for Parts 1, 2.1, 2.2(a), 3(a) and 5 of the Project	8	1,422,616	527,998	1,950,614
(2) Goods, works, non-consulting services, consulting services; training for the Targeted Investments Subprojects under Part 2.2(b) of the Project	8	-	-	-
(3) Goods, works, non-consulting services, consulting services and Training for the Small Grants under Part 3(b) of the Project	8	-	-	-
(4) Emergency Expenditures under Part 4 of the Project	8	498,559	6,785,524	7,284,083
Total expenses		1,921,175	7,313,522	9,234,697
Other expenses	9	24,306	1,719	26,025
Closing balance	5	1,773,139	1,867,314	1,773,139

On behalf of the Management:


Naspekov M.D.
Executive Director of the ARIS

June 20, 2025
Bishkek, the Kyrgyz Republic




Stalbek uulu B.
Financial Manager of the ARIS

June 20, 2025
Bishkek, the Kyrgyz Republic

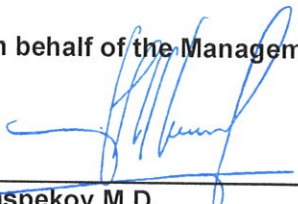
The notes on pages 7-16 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

"SECOND REGIONAL ECONOMIC DEVELOPMENT PROJECT"
GRANT NO. D976-KG, CREDIT NO. 7049-KG

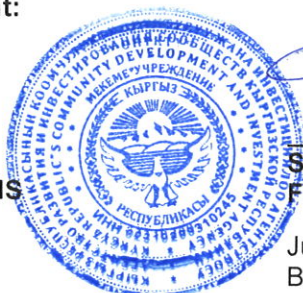
SUMMARY OF EXPENDITURES PAID BY PROJECT PARTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in US dollars)

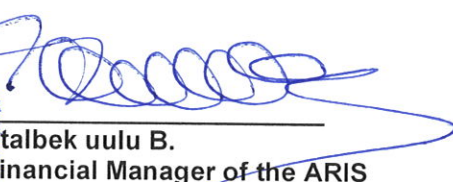
	For the year ended December 31, 2024	For the period from October 1, 2022 to December 31, 2023	Cumulative
Part 1: Supporting Municipal Infrastructure, Basic Public Services, and Capacity Building	827,409	102,292	929,701
Part 2: Strengthening Agriculture Competitiveness	233,696	62,696	296,392
Part 3: Promoting Local Economic Development through the Small Grants Program	-	-	-
Part 4: Contingent Emergency Response Component (CERC)	498,559	6,785,524	7,284,083
Part 5: Operational Support	361,511	363,010	724,521
	<u>1,921,175</u>	<u>7,313,522</u>	<u>9,234,697</u>

On behalf of the Management:


Naspekov M.D.
Executive Director of the ARIS

June 20, 2025
Bishkek, the Kyrgyz Republic




Stalbek uulu B.
Financial Manager of the ARIS

June 20, 2025
Bishkek, the Kyrgyz Republic

The notes on pages 7-16 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“SECOND REGIONAL ECONOMIC DEVELOPMENT PROJECT”
GRANT NO. D976-KG, CREDIT NO. 7049-KG**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in US dollars)**

1. GENERAL INFORMATION

According to the Financing Agreement between the Kyrgyz Republic and International Development Association (the “IDA”) dated April 22, 2022, the IDA provided a Grant No. D976-KG in the amount of 17,900,000 Special Drawing Rights (the “SDR”) and a Credit No. 7049-KG in the amount of 17,900,000 SDR to the Kyrgyz Republic.

Credit and Grant were provided to implement the “Second Regional Economic Development Project” (the “Project”).

Project purpose

The objectives of the Project are to improve access to basic municipal services, strengthen competitiveness of selected agriculture value chains, and increase SME activities in the Batken region.

The Project comprises the following parts:

Part 1: Supporting Municipal Infrastructure, Basic Public Services, and Capacity Building;

Part 2: Strengthening Agriculture Competitiveness;

Part 3: Promoting Local Economic Development through the Small Grants Program;

Part 4: Contingent Emergency Response Component (CERC);

Part 5: Operational Support.

Part 1: Supporting Municipal Infrastructure, Basic Public Services, and Capacity Building

a. Improving municipal infrastructure and associated municipal services, including, inter alia:

(i) sewerage, water supply and drainage systems,

(ii) municipal and regional roads and street lighting;

(iii) schools and kindergartens; and

(iv) other municipal assets of high interest to the community, in selected locations,

b. Training and other capacity building for local, regional and relevant central public bodies on the issues of territorial and investment planning and development, seismic resiliency, energy efficiency and other matters, as might be relevant for the implementation of Part 1(a) above.

Part 2: Strengthening Agriculture Competitiveness

2.1 Improving basic agricultural services.

Improving infrastructure and services for agri-food marketing and trade, food safety, sanitary and phytosanitary control in selected region, including, inter alia:

(a) providing technical assistance and training to develop, select and monitor selected Productive Partnerships in agriculture and food related business development, including, inter alia, business planning, management of producer organizations or cooperatives, developing alliances within a partnership framework and market analysis; and

(b) implementing Targeted Investments Subprojects to selected Productive Partnerships Beneficiaries aiming to:

- (i) improve access to markets and increase quality and consistency in the supply of relevant outputs.
- (ii) stimulate cooperation within the supply chain; and
- (iii) reduce risk and transaction costs for value chain participants through, inter alia: (A) investments to public services and agriculture related infrastructure critical to functioning of the selected value chains, including technical assistance and training for producers and other entities/individuals involved in quality assurance, pest and disease control, and food safety; and (B) investments for processors and producers that introduce innovative technologies, new crop or livestock varieties.

Part 3: Promoting Local Economic Development through the Small Grants Program

Supporting local economic development through SME development, including, inter alia:

- (a) training and provision of technical assistance to the selected participants in starting and scaling up a business activity; and
- b) providing Small Grants for:
 - (i) launching and developing relevant business activities (start-up grants); and
 - (ii) diversifying product offering and expanding (scale-up grants) the provision of services.

Part 4: Contingent Emergency Response Component (CERC)

Provision of support upon occurrence of an Eligible Crisis or Emergency

Part 5: Operational Support

Project implementation, including the Project's monitoring and evaluation system, communication strategy, application of environmental and social instruments, annual audits, Training and financing of Operating Costs.

Project implementation

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

The Project duration period is from October 1, 2022 to December 31, 2027.

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of preparation

The project financial statements has 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.

The project financial statements consist of:

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

The reporting currency of the project financial statements is US dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The 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. The 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 the 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 the serving commercial bank at the date of transaction.

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 from income of staff and consultants, as well as social security contributions to the Social Fund of the Kyrgyz Republic 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 to the Project by the International Development Association, Grant No. D976-KG, Credit No. 7049-KG by initial deposit and replenishment of designated account.

Other income

Other income represents interest income accrued by the serving commercial bank on the outstanding balances of cash on designated account.

Other expenses

Other expenses represent interest income transferred to the Ministry of Finance of the Kyrgyz Republic and payments for bank services on interest accounts.

4. RECLASSIFICATION

In the project financial statements for the year ended 2023, classification changes were made to ensure proper presentation of the note on expenses for 2024 for an individual consultant providing services for the development of a feasibility study for investments in infrastructure and services related to the safety and quality of agricultural and food products to strengthen the capacity of sanitary and phytosanitary control in the Batken region.

The impact of the change on the notes to the project financial statements for the year ended December 31, 2023 is as follows:

	Initially reported in the financial statement note as at December 31, 2023	Reclassification amount	After reclassification as at December 31, 2023
SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID			
(1) Goods, works, non-consulting services, consulting services; training and operating costs for Parts 1, 2.1, 2.2(a), 3(a) and 5 of the Project	527,190	808	527,998
(2) Goods, works, non-consulting services, consulting services; training for the Targeted Investments Subprojects under Part 2.2(b) of the Project	808	(808)	-
EXPENSES			
(1) Goods, works, non-consulting services, consulting services; training and operating costs for Parts 1, 2.1, 2.2(a), 3(a) and 5 of the Project			
Consulting services	164,180	808	164,988
(2) Goods, works, non-consulting services, consulting services; training for the Targeted Investments Subprojects under Part 2.2(b) of the Project			
Consulting services	808	(808)	-

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2024 are presented as follows:

	Source of financing	Currency	December 31, 2024	For the period from October 1, 2022 to December 31, 2023
Designated account	Grant No. D976-KG	US dollar	766,704	972,476
Designated account	Credit No. 7049-KG	US dollar	971,951	870,551
Transit account	Grant No. D976-KG	Kyrgyz soms	-	2
Interest accounts	Other	US dollar	34,444	24,285
Interest accounts	Other	Kyrgyz soms	40	-
			<u>1,773,139</u>	<u>1,867,314</u>

6. FUNDS RECEIVED

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

	December 31, 2024	For the period from October 1, 2022 to December 31, 2023	Cumulative
Grant No. D976-KG			
Initial deposit	-	1,000,000	1,000,000
Replenishment of designated account	1,216,801	499,996	1,716,797
	<u>1,216,801</u>	<u>1,499,996</u>	<u>2,716,797</u>
Credit No. 7049-KG			
Initial deposit	-	1,000,000	1,000,000
Replenishment of designated account	600,000	6,656,555	7,256,555
	<u>600,000</u>	<u>7,656,555</u>	<u>8,256,555</u>
	<u>1,816,801</u>	<u>9,156,551</u>	<u>10,973,352</u>

7. OTHER INCOME

Other income is presented as follows:

	For the year ended December 31, 2024	For the period from October 1, 2022 to December 31, 2023	Cumulative
Interest income	34,505	26,004	60,509
	<u>34,505</u>	<u>26,004</u>	<u>60,509</u>

8. EXPENSES

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

	For the year ended December 31, 2024			For the period from October 1, 2022 to December 31, 2023			Cumulative		
	Grant No. D976-KG	Credit No. 7049-KG	Total	Grant No. D976-KG	Credit No. 7049-KG	Total	Grant No. D976-KG	Credit No. 7049-KG	Total
(1) Goods, works, non-consulting services, and consulting services; Training and Operating Costs for Parts 1, 2.1, 2.2(a), 3(a) and 5 of the Project									
Works	544,557	-	544,557	-	-	-	544,557	-	544,557
Consulting services	434,446	-	434,446	164,988	-	164,988	599,434	-	599,434
Operating costs	325,521	41	325,562	272,252	480	272,732	597,773	521	598,294
Goods	107,291	-	107,291	76,469	-	76,469	183,760	-	183,760
Training	10,760	-	10,760	13,809	-	13,809	24,569	-	24,569
	<u>1,422,575</u>	<u>41</u>	<u>1,422,616</u>	<u>527,518</u>	<u>480</u>	<u>527,998</u>	<u>1,950,093</u>	<u>521</u>	<u>1,950,614</u>
(4) Emergency Expenditures under Part 4 of the Project									
Works	-	327,085	327,085	-	6,228,086	6,228,086	-	6,555,171	6,555,171
Goods	-	154,560	154,560	-	466,776	466,776	-	621,336	621,336
Consulting Services	-	16,914	16,914	-	90,662	90,662	-	107,576	107,576
	<u>-</u>	<u>498,559</u>	<u>498,559</u>	<u>-</u>	<u>6,785,524</u>	<u>6,785,524</u>	<u>-</u>	<u>7,284,083</u>	<u>7,284,083</u>
	<u>1,422,575</u>	<u>498,600</u>	<u>1,921,175</u>	<u>527,518</u>	<u>6,786,004</u>	<u>7,313,522</u>	<u>1,950,093</u>	<u>7,284,604</u>	<u>9,234,697</u>

9. OTHER EXPENSES

Other expenses are presented as follows:

	December 31, 2024	For the period from October 1, 2022 to December 31, 2023	Cumulative
Transfer of accrued interest income to the Ministry of finance of the Kyrgyz Republic	24,286	1,681	25,967
Bank services	20	38	58
	<u>24,306</u>	<u>1,719</u>	<u>26,025</u>

10. FINANCIAL POSITION

Financial position as at December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
ASSETS AND EXPENSES		
Cash and cash equivalents	1,773,139	1,867,314
Cumulative expenses	9,234,697	7,313,522
Other expenses	<u>26,025</u>	<u>1,719</u>
TOTAL ASSETS AND EXPENSES	<u>11,033,861</u>	<u>9,182,555</u>
FINANCING		
Funds received	10,973,352	9,156,551
Other income	<u>60,509</u>	<u>26,004</u>
TOTAL FINANCING	<u>11,033,861</u>	<u>9,182,555</u>

11. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2024 are presented as follows:

Grant No. D976-KG Application	Date	Initial deposit	Replenishment of designated account	Total
6	April 23, 2024	-	201,025	201,025
7	August 26, 2024	-	220,982	220,982
8	November 26, 2024	-	400,110	400,110
9	December 24, 2024	-	<u>394,684</u>	<u>394,684</u>
		<u>-</u>	<u>1,216,801</u>	<u>1,216,801</u>

Credit No. 7049-KG
Application

	Date	Initial deposit	Replenishment of designated account	Total
17	March 12, 2024	-	309,753	309,753
19	December 17, 2024	-	290,247	290,247
		-	600,000	600,000

The application No. 18 dated December 13, 2024 for the Credit No. 976-KG in the amount of 290,481.82 US dollars has been deleted.

12. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account as at December 31, 2024 is presented as follows:

Source of financing	Grant No. D976-KG	Credit No. 7049-KG	Total
Bank	Eldik Bank OJSC		
Bank account	1299003250037256	1299003250037458	
Currency	US dollar	US dollar	
Bank's location	80/1 Moskovskaya str., Bishkek, the Kyrgyz Republic		
Balance as at October 1, 2022	-	-	-
Initial deposit	1,000,000	1,000,000	2,000,000
Replenishment	499,996	6,656,555	7,156,551
Transfer from designated account	138,713	-	138,713
Total funds received	1,638,709	7,656,555	9,295,264
Expenses paid	90	480	570
Transfer from designated account	-	138,713	138,713
Transfer to transit account	666,141	6,646,811	7,312,952
Balance as at December 31, 2023	972,478	870,551	1,843,029
Initial deposit	-	-	-
Replenishment	1,216,801	600,000	1,816,801
Transfer from designated account	-	-	-
Total funds received	1,216,801	600,000	1,816,801
Expenses paid	-	-	-
Transfer from designated account	-	-	-
Transfer to transit account	1,422,575	498,600	1,921,175
Balance as at December 31, 2024	766,704	971,951	1,738,655

13. UNDRAWN FUNDS

Undrawn funds as at December 31, 2024 are presented as follows:

	Grant No. D976-KG in SDR	Credit No. 7049-KG in SDR
Approved amount of financing	17,900,000	17,900,000
Disbursed during the period from October 1, 2022 to December 31, 2023	1,138,241	5,729,921
Disbursed during the year ended December 31, 2024	924,297	453,437
Undrawn amount of financing as at December 31, 2024	15,837,462	11,716,642

14. 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, 2024 are presented as follows:

Counterparty	Contract No.	Cost per Contract (in som)	Contract currency	Paid up to December 31, 2024 (in som)	Remaining amount to be paid (in som)
Consortium Avangard and CO LLC and MTTK Tibet-AZHU LLC	ARIS-IDA-RED2-CW-RFB-2024-8	97,621,172	KGS	8,240,000	89,381,172
Consortium Avtoenergostab LLC, AMIN LLC and Ideal LLC	ARIS-IDA-RED2-CW-RFB-2024-7	69,703,317	KGS	7,000,000	62,703,317
Consortium BM Assist LLC and Pehlivan LLC	ARIS-IDA-RED2-CW-RFB-2024-11	47,572,185	KGS	12,161,589	35,410,596
Consortium Company Al Firdaus LLC and SanTechMontage LLC	ARIS-IDA-RED2-CW-RFB-2024-10	23,423,109	KGS	19,452,449	3,970,660
Consortium Alikhan Stroy LLC and Rigel LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-5-1-RT	51,297,006	KGS	48,007,471	3,289,535
Consortium Beyshembay-Kurulush LLC and Ilek Stroy Group LLC and SanTechMontage LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-2-2-RT	115,304,159	KGS	112,211,368	3,092,791
Consortium Aravan Rem Stroy LLC, Ideal LLC and MTTK Tibet-AZHU LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-5	29,835,446	KGS	26,785,291	3,050,155
Consortium Company Al Firdaus LLC and SanTechMontage LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-1-2-RT	78,090,800	KGS	75,193,549	2,897,251
Chin Alin LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-4-1-RT	77,381,082	KGS	74,553,965	2,827,117
Consortium Ular-Trans LLC and SanTechMontage LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-2/1	81,066,831	KGS	79,744,996	1,321,835
Sapat-Nur LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-4-1-RT-Lot#2	34,216,979	KGS	33,032,051	1,184,928
LLC Uniservice-AST	ARIS-IDA-RED2-CERC-CW-RFB-2023-1/1	16,327,850	KGS	15,142,935	1,184,915
Consortium Milan Stroy LLC and AMIN LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-4-1-RT-lot#3	10,677,154	KGS	9,917,055	760,099
Ilek Stroy group LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-3- LOT 3	4,789,359	KGS	4,119,929	669,430

Counterparty	Contract No.	Cost per Contract (in som)	Contract currency	Paid up to December 31, 2024 (in som)	Remaining amount to be paid (in som)
Ilek Stroy Group LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-3-LOT 2	7,357,535	KGS	6,690,742	666,793
Consortium LLC AMIN and Company Ramzan LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-4-2-RT	84,234,911	KGS	83,923,586	311,325
Capital Building LLC	ARIS-IDA-RED2-CERC-CW-RFB-2023-3	3,279,695	KGS	3,279,679	16

15. LEGAL CASES

There were no any legal claims related to the Project.

16. EVENTS AFTER THE REPORTING DATE

During 2025 until the date of issue of these project financial statements, the IDA provided financing to the Project as follows:

Sources of financing	Application	Date	Replenishment of designated account	Total
Grant No. D976-KG	10	February 13, 2025	598,136	598,136
	11	March 14, 2025	450,232	450,232
	12	April 30, 2025	418,052	418,052
	13	May 29, 2025	492,893	492,893
			<u>1,959,313</u>	<u>1,959,313</u>

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