THE SECOND REGIONAL ECONOMIC DEVELOPMENT PROJECT

THE PROJECT FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

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RSM Kyrgyzstan
720017
Bokonbaeva street 192
2 floor, room 3&4
Bishkek, Kyrgyz Republic
T +996 (312) 468881
info@rsm.kg
www.rsm.global

INDEPENDENT AUDITOR'S REPORT

To the Management of the Second Regional Economic Development Project under the Community Development and Investment Agency
Grant No. D976-KG and Credit No. 7049-KG

Opinion

We have audited the accompanying special purpose 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 for the year ended December 31, 2025, and notes to 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 of the Project for the year ended December 31, 2025, in accordance with the special purpose framework comprising the 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 Special Purpose Financial Statements section of this report. We are independent of the Project in accordance with the ethical requirements applicable to our audit of the financial statements in the Kyrgyz Republic and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use and Distribution

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 Grant agreements requirements. These circumstances do not lead to modification of the auditor's opinion.

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 Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose 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 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"), and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Special Purpose 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 special purpose 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on 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.

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 identified during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is Gulnaz Taiyrbekovna Borbugulova.

Saidov Firuz
Managing Partner
LLC "RSM Kyrgyzstan"

Qualified Auditor
in the Kyrgyz Republic
Qualification Certificate No. 0489
dated January 12, 2021

Borbugulova Gulnaz Taiyrbekovna
Director – Engagement Partner
LLC "RSM Kyrgyzstan"

Qualified Auditor
in the Kyrgyz Republic
Qualification Certificate No. 0350
dated November 6, 2015

Identification Registration Number No.
2101308
dated August 8, 2023,
registered with the
State Service for Regulation and Supervision
of the Financial Market under the
Ministry of Economy and Commerce
of the Kyrgyz Republic

June 29, 2026
Bishkek, Kyrgyz Republic

MANAGEMENT STATEMENT OF RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the description of the independent auditor's responsibilities, is made to distinguish between the auditor's and management's responsibilities with respect to the financial statements of the Second Regional Economic Development Project financed under Grant No. D976-KG, Credit No. 7049-KG (hereinafter referred to as the "Project").

The Project Management is responsible for the preparation of the financial statements of the project that present fairly, in all material respects, the statement of proceeds received and expenditures incurred and the statement of expenditures incurred for the parts of the project for the year ended December 31, 2025, in accordance with International Public Sector Accounting Standards "Financial Reporting under the Cash Basis of Accounting" issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants (hereinafter "IPSAS") and "Guidelines for the Annual Preparation of Financial Statements and the Audit of World Bank-Financed Activities" issued by the Financial Management Sector Council of the World Bank (hereinafter "World Bank Guidelines").

In preparing the Project's financial statements, the management is responsible for:

- selecting appropriate accounting policies and applying them consistently;
- making reasonable estimates and calculations;
- complying with the requirements of the IPSAS and World Bank Guidance Notes, including disclosure and explanation of any material deviations in the Project financial statements; and
- preparing the project's financial statements, based on the assumption that the Project will continue to be implemented in accordance with its approved implementation schedule.

Management of the Project is also responsible for:

- developing, implementing and maintaining an effective and reliable internal control system, and identification of risks in the internal control system;
- maintaining an accounting system that enables the preparation at any time of information about the financial position of the Project with reasonable accuracy and that ensures that the financial statements of the Project comply with the requirements of IPSAS and the World Bank Guidelines;
- maintaining accounting records in accordance with the legislation of the Kyrgyz Republic, as well as in accordance with the requirements of the Project operational management and the requirements of the World Bank;
- taking such measures as are reasonably practicable to ensure the safety of the Project assets; and
- identifying and preventing fraud, errors and other abuses.

The Project financial statements for the year ended December 31, 2025 were approved and authorized by the Project management on June 29, 2026.

On behalf of the Management:

Zhumadylov K.A. Executive Director of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T. Acting Financial Manager of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID

FOR THE YEAR ENDED DECEMBER 31, 2025
(in US dollars)

	Note:	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Opening balance	**4**	**1 773 139**	**1 867 314**	**-**
Funds received				
Grant No. D976-KG	5	7 720 918	1 216 801	10 437 715
Credit No. 7049-KG	5	742 294	600 000	8 998 849
Total funds received		**8 463 212**	**1 816 801**	**19 436 564**
Other income	6	31 755	34 505	92 264
Total receipts		**8 494 967**	**1 851 306**	**19 528 828**
Expenses				
(1) Goods, works, non-consulting services, consulting services; Training and operating expenses for Parts 1, 2.1, 2.2(a), 3(a) and 5 of the Project	7	7 439 242	1 422 616	9 389 856
(2) Goods, works, non-consulting services, consulting services; Training for targeted investment sub-projects in accordance with Part 2.2(b) of the Project		1 203 787	-	1 203 787
(3) Goods, works, non-consulting services, consulting services and Training under the Small Grant of Part 3 (b) of the Project		-	-	-
(4) Emergency Expenditures under Part 4 of the Project	7	97 268	498 559	7 381 351
Total expenses		**8 740 297**	**1 921 175**	**17 974 994**
Other expenses	8	34 483	24 306	60 508
Closing balance	**4**	**1 493 326**	**1 773 139**	**1 493 326**

On behalf of the Management:

Zhumadylov K.A. Executive Director of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T. Acting Financial Manager of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic

SUMMARY OF EXPENDITURES PAID BY PROJECT PARTS

FOR THE YEAR ENDED DECEMBER 31, 2025
(in US dollars)

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Part 1: Supporting Municipal Infrastructure, Basic Public Services and Capacity Building	6 799 259	827 409	7 728 960
Part 2: Strengthening Agriculture Competitiveness	1 464 347	233 696	1 760 739
Part 3: Promoting Local Economic Development through the Small Grants Program	-	-	-
Part 4: Contingent Emergency Response Component (CERC)	97 268	498 559	7 381 351
Part 5: Operational Support	379 423	361 511	1 103 944
Total	**8 740 297**	**1 921 175**	**17 974 994**

On behalf of the Management:

Zhumadylov K.A. Executive Director of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T. Acting Financial Manager of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic

NOTES TO THE FINANCIAL STATEMENTS OF THE PROJECT
FOR THE YEAR ENDED DECEMBER 31, 2025
(in US dollars)

1. GENERAL INFORMATION

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

The Credit and Grant were provided for the implementation of the "Second Regional Economic Development Project" (hereinafter referred to as 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 immediate response support in the event of an Eligible Crisis or Emergency.

Part 5: Operational Support

Project implementation, including the Project monitoring and evaluation system, communication strategy, application of environmental and social instruments, annual audits, training and funding of operating expenses.

Project management

The Project is implemented by the Agency for Development and Investment of Communities.

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

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of Financial Statements Preparation

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

Under the cash basis of accounting, 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 expenditure, is not publicly available and, accordingly, a comparison of budget and actual amounts is not presented.

These Project financial statements consist of:

- Statement of Funds Received and Expenditures Paid;
- Summary of Expenditures Paid by project parts;
- Notes to the Project financial statements, including summary of significant accounting policies and other explanatory notes.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The Project financial statements have been prepared on the cash basis of accounting. Under the cash basis of accounting, transactions and events are recognized only when cash (including cash equivalents) is received or paid. The Project financial statements prepared under the cash basis provide information about the sources of cash received during the reporting period, the purposes for which cash was used, and the cash balances at the reporting date. The measurement focus of the Project financial statements is cash balances and changes therein.

Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded in the functional currency using the official exchange rate of the servicing commercial bank prevailing on the date of the transaction.

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

All payments made in local currency are translated into US Dollars (US$) using the official exchange rate of the servicing commercial bank prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign and local currencies are translated into the functional currency using the official exchange rate of the servicing commercial bank at the reporting date

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with banks that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Taxes

Personal income tax and social security contributions relating to the remuneration of Project staff and consultants are calculated and paid in accordance with the requirements and rates established by the Tax Code of the Kyrgyz Republic and other applicable legislation of the Kyrgyz Republic.

Project Expenses

Expenditures are recognized when cash payments are made.

Sources of funding

Financing is provided by the International Development Association ("IDA") through initial advances and subsequent replenishments of the Designated Account.

Other income

Other income comprises interest earned on funds held in the Designated Account.

Other expenses

Other expenses represent amounts of interest income transferred to the Ministry of Finance of the Kyrgyz Republic, as well as bank charges and other banking service fees.

(Amounts in tables are presented in US dollars)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2025 and 2024 are as follows:

	Source of financing	Currency	December 31 2025	December 31 2024
Designated account	Grant No. D976-KG	US dollars	757 298	766 704
Designated account	Credit No. 7049-KG	US dollars	704 273	971 951
Interest account	Others	US dollars	31 749	34 444
Interest account	Others	Kyrgyz soms	6	40
Total			**1 493 326**	**1 773 139**

5. FUNDS RECEIVED

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

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Grant No. D976-KG			
Initial advance payment	-	-	1 000 000
Replenishment of designated account	7 720 918	1 216 801	9 437 715
Total Grant No. D976-KG	***7 720 918***	***1 216 801***	***10 437 715***
Credit No. 7049-KG			
Initial advance payment	-	-	1 000 000
Replenishment of designated account	742 294	600 000	7 998 849
Total Credit No. 7049-KG	***742 294***	***600 000***	***8 998 849***
Total	**8 463 212**	**1 816 801**	**19 436 564**

6. OTHER INCOME

Other income of the Project is presented as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Interest income	31 755	34 505	92 264
Total	**31 755**	**34 505**	**92 264**

(Amounts in tables are presented in US dollars)

7. EXPENSES

The breakdown of Project expenses by categories and funding sources is presented as follows:

	For the year ended December 31, 2025			For the year ended December 31, 2024			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 Expenses for Parts 1, 2.1, 2.2(a), 3(a) and 5 of the Project									
Works	5 941 120	-	5 941 120	544 557	-	544 557	6 485 677	-	6 485 677
Consulting services	358 785	-	358 785	434 446	-	434 446	958 219	-	958 219
Operating expenses	366 038	33	366 071	325 521	41	325 562	963 811	554	964 365
Goods	768 304	-	768 304	107 291	-	107 291	952 064	-	952 064
Training	4 962	-	4 962	10 760	-	10 760	29 531	-	29 531
Total (1)	**7 439 209**	**33**	**7 439 242**	**1 422 575**	**41**	**1 422 616**	**9 389 302**	**554**	**9 389 856**
(2) Goods, works, non-consulting and consulting services; Training for Targeted Investment Sub-projects under Part 2.2(b) of the Project									
Goods (2)	291 115	901 873	1 192 988	-	-	-	291 115	901 873	1 192 988
Consulting services (2)	-	10 799	10 799	-	-	-	-	10 799	10 799
Total (2)	**291 115**	**912 672**	**1 203 787**	**-**	**-**	**-**	**291 115**	**912 672**	**1 203 787**
(4) Emergency Expenditures under Part 4 of the Project									
Works	-	30 398	30 398	-	327 085	327 085	-	6 585 569	6 585 569
Goods	-	67 008	67 008	-	154 560	154 560	-	688 344	688 344
Consulting services	-	(138)	(138)	-	16 914	16 914	-	107 438	107 438
Total (4)	**-**	**97 268**	**97 268**	**-**	**498 559**	**498 559**	**-**	**7 381 351**	**7 381 351**
Total expenses	**7 730 324**	**1 009 973**	**8 740 297**	**1 422 575**	**498 600**	**1 921 175**	**9 680 417**	**8 294 577**	**17 974 994**

The negative amount represents a refund of previously paid consulting services.

(Amounts in tables are presented in US dollars)

8. OTHER EXPENSES

Other expenses are presented as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Transfer of accrued interest income to the Ministry of Finance of the Kyrgyz Republic	34 483	24 286	60 450
Bank services	-	20	58
Total	**34 483**	**24 306**	**60 508**

9. STATEMENT OF FINANCIAL POSITION

The financial position as of December 31, 2025 and 2024 is as follows:

	December 31 2025	December 31 2024
ASSETS AND EXPENDITURES		
Cash and cash equivalents	1 493 326	1 773 139
Cumulative expenses	17 974 994	9 234 697
Other expenses	60 508	26 025
TOTAL ASSETS AND EXPENDITURES	**19 528 828**	**11 033 861**
FINANCING		
Funds received	19 436 564	10 973 352
Other income	92 264	60 509
TOTAL FINANCING	**19 528 828**	**11 033 861**

10. WITHDRAWAL APPLICATIONS

Applications for the year ended December 31, 2025 are as follows:
Grant No. D976-KG

Application	Date	Initial advance payment	Replenishment of designated account	Total
DA-A 10	10.02.2025	-	598 136	598 136
DA-A 11	12.03.2025	-	450 232	450 232
DA-A 12	25.04.2025	-	418 052	418 052
DA-A 13	23.05.2025	-	492 893	492 893
DA-A 14	23.06.2025	-	498 783	498 783
DA-A 15	19.08.2025	-	773 756	773 756
DA-A 16	29.08.2025	-	254 407	254 407
DA-A 17	18.09.2025	-	747 573	747 573
DA-A 18	09.10.2025	-	546 335	546 335
DA-A 19	20.10.2025	-	325 887	325 887
DA-A 20	07.11.2025	-	838 769	838 769
DA-A 21	01.12.2025	-	471 162	471 162
DA-A 22	08.12.2025	-	345 392	345 392
DA-A 23	15.12.2025	-	340 565	340 565
DA-A 24	16.12.2025	-	389 517	389 517
DA-A 25	17.12.2025	-	229 459	229 459
Total		-	**7 720 918**	**7 720 918**

(Amounts in tables are presented in US dollars)

Credit No. 7049-KG

Application	Date	Initial advance payment	Replenishment of designated account	Total
DA-A 20	18.06.2025	-	205 752	205 752
DA-A 21	25.08.2025	-	230 173	230 173
DA-A 22	17.12.2025	-	306 369	306 369
Total		-	**742 294**	**742 294**

Applications for the year ended December 31, 2024 are as follows:

Grant No. D976-KG

Application	Date	Initial advance payment	Replenishment of designated account	Total
DA-A 6	23.04.2024	-	201 025	201 025
DA-A 7	26.08.2024	-	220 982	220 982
DA-A 8	26.11.2024	-	400 110	400 110
DA-A 9	24.12.2024	-	394 684	394 684
Total		-	**1 216 801**	**1 216 801**

Credit No. 7049-KG

Application	Date	Initial advance payment	Replenishment of designated account	Total
DA-A 17	12.03.2024	-	309 753	309 753
DA-A 19	17.12.2024	-	290 247	290 247
Total		-	**600 000**	**600 000**

Withdrawal Application No. DA-A 18 dated December 13, 2024, under Credit No. 7049-KG in the amount of USD 290,481.82 was cancelled and removed from the withdrawal applications register.

11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the year ended December 31, 2025 is as follows:

Source of financing	Grant No. D976-KG	Credit No. 7049-KG
Bank	OAO Eldik Bank	OAO Eldik Bank
Bank account	1299003250037256	1299003250037458
Currency	US dollars	US dollars
Balance as of December 31, 2023	**972 478**	**870 551**
Funds received	1 216 801	600 000
Total funds received	**1 216 801**	**600 000**
Transfer to a transit account	1 422 575	498 600
Balance as of December 31, 2024	**766 704**	**971 951**
Funds received	7 720 918	742 294
Total funds received	**7 720 918**	**742 294**
Transfer from a designated account	-	-
Transfer to a transit account	7 730 324	1 009 972
Balance as of December 31, 2025	**757 298**	**704 273**

Location of the servicing bank: Kyrgyz Republic, Bishkek, Moskovskaya St., 80/1.

(Amounts in tables are presented in US dollars)

12. UNDRAWN FUNDS

Undrawn funds as at December 31, 2025 are 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 for the year ended December 31, 2024.	924 297	453 437
Disbursed for the year ended December 31, 2025.	5 994 808	543 349
Undrawn amount of financing as at December 31, 2025	**9 842 654**	**11 173 293**

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. Contractual obligations in effect as of December 31, 2025, are as follows:

Supplier	Contract number	Contract amount (in soms)	Contract currency	Paid before December 31 2025 (in soms)	The remaining amount to be paid (in soms)
Consortium of Al Firdaus LLC and Santekhmontazh LLC	ARIS-IDA-RED2-CW-RFB-2024-10	23 423 108	Kyrgyz som	20 918 087	2 505 021
Consortium of BM Assist LLC and Pekhlivan LLC	ARIS-IDA-RED2-CW-RFB-2024-11	47 572 185	Kyrgyz som	44 217 270	3 354 915
Consortium OF AMIN LLC and Company Ramzan LLC	ARIS-IDA-RED2-CW-RFB-2024-6	207 824 199	Kyrgyz som	56 782 097	151 042 102
Consortium of Avtoenergosnab LLC , AMIN LLC and Ideal LLC	ARIS-IDA-RED2-CW-RFB-2024-7	69 703 316	Kyrgyz som	54 953 657	14 749 659
Consortium of Avangard and Co. LLC and MTTK Tibet-AZHU LLC	ARIS-IDA-RED2-CW-RFB-2024-8	97 621 171	Kyrgyz som	87 916 072	9 705 099
Tanu Inshaat Tijaret Limited Shirketi	ARIS-IDA-RED2-CW-RFB-2024-9	137 481 177	Kyrgyz som	120 814 018	16 667 159
Consortium of Chin-Alin LLC and Esir Company LLC	ARIS-IDA-RED2-CW-RFB-2025-1	181 053 539	Kyrgyz som	98 355 254	82 698 285
Atamerek LLC	ARIS-IDA-RED2-WL-RFQ-2025-1	9 956 349	Kyrgyz som	6 396 591	3 559 758
Baldy Ata LLC	ARIS-IDA-RED2-WL-RFQ-2025-2	4 307 572	Kyrgyz som	3 697 944	609 628

14. LEGAL CASES

During the reporting period, there were no lawsuits, arbitrations, or other claims related to the Project's activities. As of the reporting date, the Project was not a party to any legal proceedings.

(Amounts in tables are presented in US dollars)

15. EVENTS AFTER THE REPORTING DATE

During 2026, up to the date of issue of these Project financial statements, IDA provided funding to the Project as follows:

Source of financing	Application	Date	Replenishment of designated account	Total
Grant No. D976-KG	DA-A 26	13.02.2026	888 159	888 159
	DA-A 27	27.02.2026	335 928	335 928
	DA-A 28	07.04.2026	663 264	663 264
	DA-A 29	18.05.2026	685 892	685 892
	DA-A 30	03.06.2026	453 440	453 440
Total			**3 026 683**	**3 026 683**

Source of financing	Application	Date	Replenishment of designated account	Total
Credit No. 7049-KG	DA-A 23	04.03.2026	501 461	501 461
	DA-A 24	10.04.2026	440 245	440 245
	DA-A 25	18.05.2026	407 987	407 987
	DA-A 26	04.06.2026	456 218	456 218
Total			**1 805 911**	**1 805 911**

As of the date of issue of these Project financial statements, no other material events or transactions have occurred that require disclosure in the Project financial statements other than the events described above.

On behalf of the Management:

Zhumadylov K.A. Executive Director of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T. Acting Financial Manager of Agency for Development and Investment of Communities

June 29, 2026 Bishkek, Kyrgyz Republic