

URBAN DEVELOPMENT PROJECT

**IDA CREDIT NUMBER 5762-KG
IDA GRANT NUMBER D101-KG**

**IMPLEMENTED BY
COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY**

SPECIAL PURPOSE FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2020

**BISHKEK
March 2021**

URBAN DEVELOPMENT PROJECT

IDA CREDIT NUMBER 5762-KG

IDA GRANT NUMBER D101-KG

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND PRESENTATION OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

The management of the Community Development and Investment Agency (hereinafter: ARIS) is responsible for the preparation of the special purpose financial statements of "Urban Development Project" ("Project") financed by Financing Agreement IDA Credit Number 5762-KG and IDA Grant Number D101-KG dated 25 April 2016 that present fairly the Project's cash receipts and payments, and expenditures per components for the year ended 31 December 2020, in accordance with the International Public Sector Accounting Standard: *Financial Reporting under the Cash Basis of Accounting*, ("IPSAS-Cash Basis") issued by the International Public Sector Accounting Standards Board ("IPSASB") within the International Federation of Accountants ("IFAC") and the Financial Management Manual for World Bank Financed Investment Operations (WB Guidelines).

In preparing the special purpose financial statements, ARIS's management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional required disclosures for the year ended 31 December 2020.

ARIS's Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Project;
- Maintaining adequate accounting records that are sufficient to show and explain the Project's transactions, and which enable them to ensure that the special purpose financial statements of the Project comply with *IPSAS - Cash Basis* and the *WB Guidelines*;
- Taking such steps that are reasonably available to them to safeguard the assets of the Project and to affirm that funds received have been used in accordance with the Financing Agreement IDA Credit Number 5762-KG and IDA Grant Number D101-KG dated 25 April 2016, and World Bank related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided; and
- Preventing and detecting fraud and other errors.

The special purpose financial statements for the year ended 31 December 2020 were authorized for issue on 26 March 2021 by the ARIS's Management.

On behalf of the ARIS's Management:


Bekzhan Supanaliev
Executive Director




Ulanbek Zaynalov
Financial Manager

INDEPENDENT AUDITOR'S REPORT

To the management of the Community Development and Investment Agency

Opinion

We have audited the special purpose financial statements of "Urban Development Project" ("Project") financed by Financing Agreement IDA Credit Number 5762-KG and IDA Grant Number D101-KG dated 25 April 2016 ("Financing Agreement"), and implemented by Community Development and Investment Agency ("ARIS"), which comprise the statement of cash receipts and payments and the statement of expenditures per components for the year ended 31 December 2020, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements for the year ended 31 December 2020 are prepared, in all material respects, in accordance with International Public Sector Accounting Standard: *Financial Reporting Under the Cash Basis of Accounting, (IPSAS-Cash Basis)*.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Project and of the ARIS in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled out other ethical requirements in accordance with 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- Cash Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes that financial statements are prepared in accordance with cash basis framework, as a result, they may not be suitable for another purposes. Our opinion is not modified in respect of this matter.

Responsibilities of the Management for the Financial Statements

Management of the ARIS is responsible for the preparation of the special purpose financial statements in accordance with IPSAS-Cash Basis issued by the International Public Sector Accounting Standards Board (IPSASB) of the IFAC and Financial Management Manual for World Bank Financed Investment Operations ("WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 high level of assurance, but is not a guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements arise from fraud and 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

Report on Other Legal Requirements

To comply with the terms of the Financing Agreement, the ARIS management shall insure that:

1. funds have been used in accordance with the conditions of the Financing Agreement concluded between the International Development Association (IDA) and the Kyrgyz Republic, and WB Guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
2. supporting documents, records and accounts have been maintained to support claims for reimbursement of expenditures incurred. Expenditures included in the withdrawal applications and reimbursed against are eligible for financing under the Financing Agreement; Interim Unaudited Financial Statements (IFs) issued by ARIS during the Reporting year are in agreement with the underlying books of account;
3. The Designated account used has been maintained in accordance with the provision of the Financing Agreement, and World Bank related guidelines;
4. Goods and Services financed have been procured in accordance with the Financing Agreement and World Bank related guidelines.

In our opinion, the ARIS management has complied with the above requirements for the year ended 31 December 2020.

“BDO Armenia” CJSC
26 March 2021


Gnel Khachatryan, FCCA
Engagement Partner

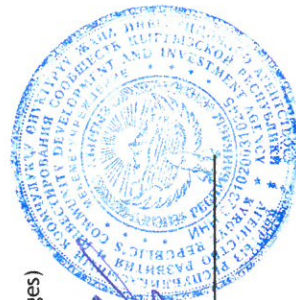


Statement of cash receipts and payments

For the year ended 31 December 2020

(Amounts are shown in US dollars)

	Note	Actual		Budget		Variance	
		Reporting year	Cumulative as at 31 Dec 2020	Reporting year	Cumulative as at 31 Dec 2020	Reporting year	Cumulative as at 31 Dec 2020
TOTAL OPENING CASH		510,450	-				
Sources of Funds							
IDA Credit Number 5762-KG	8	2,372,412	4,092,313				
IDA Grant Number D101-KG		161,000	5,541,410				
Government cofinancing		118,549	1,597,620				
TOTAL FUNDS		2,651,961	11,231,343				
Other income	9	7,660	23,239				
Project Expenditures	7						
(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project		1,288,472	6,446,146	2,149,514	7,307,188	861,042	861,042
(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project		1,103,542	3,456,024	1,470,918	3,823,400	367,376	367,376
(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project		165,128	740,185	192,973	768,030	27,845	27,845
TOTAL PROJECT EXPENDITURES		2,557,142	10,642,355	3,813,405	11,898,619	1,256,263	1,256,263
Other expenditures (bank charges)		301	1,740				
Foreign exchange gain		-	2,141				
TOTAL CLOSING CASH	6	612,628	612,628				



Bekzhan Supanaliev
Executive Director

Ulanbek Zaynalov
Financial Manager

26 March 2021

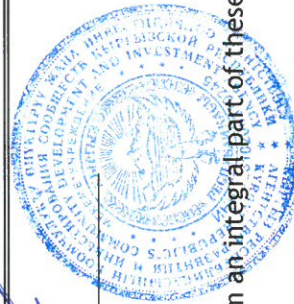
The notes on pages 8-18 form an integral part of these special purpose financial statements.

Statement of expenditures per components

For the year ended 31 December 2020

(Amounts are shown in US dollars)

Components	Actual		Budget		Variance	
	Reporting year	Cumulative as at 31 Dec 2020	Reporting year	Cumulative as at 31 Dec 2020	Reporting year	Cumulative as at 31 Dec 2020
Part 1. Urban Development						
1.a. Municipal services	2,247,120	9,517,238	3,441,000	10,711,118	1,193,880	1,193,880
1.b. Safe and energy-efficient social infrastructure pilot	1,143,578	6,061,214	1,970,082	6,887,718	826,504	826,504
	1,103,542	3,456,024	1,470,918	3,823,400	367,376	367,376
Part 2. Institutional Strengthening						
Trainings	144,894	384,932	179,432	419,470	34,538	34,538
Consultants' services	-	31,475	-	31,475	-	-
	144,894	353,457	179,432	387,995	34,538	34,538
Part 3. Implementation Support						
Consultants' services	165,128	740,185	192,973	768,030	27,845	27,845
Operating costs	-	48,592	-	48,592	-	-
Audit	159,539	674,893	187,384	702,738	27,845	27,845
	5,589	16,700	5,589	16,700	-	-
TOTAL	2,557,142	10,642,355	3,813,405	11,898,618	1,256,263	1,256,263



[Signature]

Bekzhan Supanaliev
Executive Director

[Signature]

Ulanbek Zaynalov
Financial Manager

26 March 2021

The notes on pages 8-18 form an integral part of these special purpose financial statements.

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

1. General information

1.1. The Project

The Financing Agreement IDA Credit Number 5762-KG and IDA Grant D101-KG was concluded on 25 April 2016 between the Kyrgyz Republic and the International Development Association (IDA), according to which IDA provided financing to the Kyrgyz Republic in the amount of 4,900,000 Special Drawing Rights (SDR) and 4,000,000 SDR, respectively.

The Financing Agreement became effective on 29 December 2016.

The financing was provided for the implementation of «Urban Development Project» (the Project). The payment currency of both IDA Credit Number 5762-KG and IDA Grant D101-KG is United States dollars (USD).

The Closing date of both IDA Credit Number 5762-KG and IDA Grant D101-KG is set 30 September 2021. The Grace Period for submitting withdrawal application for expenditures incurred before the Closing date is four months following the Closing date: 30 January 2022.

1.2. The Project objectives

The objective of this project is improve the quality of municipal services and pilot energy efficiency and seismic resilience retrofits of urban infrastructure in Participating Towns.

The Project consists of the following parts:

Part 1: Urban Development

Carrying out the following investments/activities in the Participating towns:

- (a) upgrade and/ or expand the municipal infrastructure to improve water supply, solid waste management and street lighting; and
- (b) carry out pilot activities to improve energy sufficiency and seismic resistance in selected public buildings.

Part 2: Institutional strengthening

Support the urban policy reform agenda: (a) at the national level through the development of urban policy objectives and priorities based on the road-map for improving urban and spatial development; and (b) at the local level through: (i) development of Performance Improvement Plans for Eligible Utilities operating within Participating Towns; (ii) providing targeted assistance and Training to local institutions to strengthen their capacity to provide quality and sufficient services and support Participating Towns to build dialogue with local stakeholders on local needs in connection with the Project; (iii) supplying and installing financial management and planning systems; and (iv) developing Energy Saving Action Plans in Participating Towns.

Part 3: Implementation support

Carrying out Project management activities, including provision of technical assistance to assist in Project implementation, financial management, procurement, accounting, auditing, monitoring and evaluation, and financing of Incremental Operating Costs.

1.3. The Project outcomes

The major outcomes of the project as at reporting date include:

- Rehabilitation works of the water system at town Kerben with 2 lots.
- The rehabilitation works of the water system in Suluykta town with 5 lots.
- 6 garbage-tracks are acquired for towns Kerben, Sulutku, Balykchy and Toktogul.

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

- Pilot works to increase seismicity and energy efficiency of 4 schools and 2 kindergartens in the cities of Balykchy and Toktogul.
- Construction and installation works on laying main water pipelines and rebuilding the distribution network in Kuluk-Dobo, Ak-Dobo and Kerben with 5 lots.
- Construction works for improving street lightning in Balykchy and Toktogul.
- Various measures are being taken to increase the capacity of participating cities in the provision of municipal services and development of urban planning policies.
- Social mobilization specialists work in individual cities to inform the public about the activities carried out within the framework of the project and to make individual connections with the installation of water-measures.

1.4. The Project Budget

The Project is financed by: IDA Credit Number 5762-KG and IDA Grant D101-KG.

Category	IDA Credit Number 5762-KG (c)		IDA Grant Number D101-KG		Government cofinancing (b)	Total	IDA Grant/Credit Expenditure Financing (inclusive of taxes)
	SDR	USD equivalent (a)	SDR	USD equivalent (a)	USD equivalent	USD equivalent	%
(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	3,560,000	4,872,363	2,760,000	3,847,657	-	8,720,020	100%
(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	1,340,000	1,833,979	580,000	798,099	1,597,620	4,229,698	100% (previously 37%) (b)
(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project	-	-	660,000	908,180	-	908,180	100%
Total	4,900,000	6,706,342	4,000,000	5,553,936	1,597,620	13,857,898	

- (a) The budget USD equivalents for IDA Credit Number 5762-KG and IDA Grant D101-KG, with underlying currency of SDR, is calculated based on cumulative funds received in USD plus, if any, USD equivalent of undisbursed funds in SDR as at reporting date. SDR/USD rate as at 31.12.2020 is set at 1.44027 (31.12.2019: 1.38283).
- (b) Government financing updated based on percentage share (63%) of the Category 2, however the share was changed to 100% per IDA letter dated 22 May 2020.
- (c) The budget reallocation was updated per IDA letter dated 22 May 2020.

1.5. Project Implementation

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

The ARIS was established on 15 October 2003 according to the Kyrgyz President's Decree for operating control over the Projects financed by the World Bank. ARIS is an independent legal entity, and it is registered in the legal organizational form envisaged by the legislation of the Kyrgyz Republic for non-profit 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 ARIS.

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

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

2. Summary of significant accounting policies

2.1. Preparation and presentation of financial statements

The special purpose financial statements are prepared in accordance with the International Public Sector Accounting Standard: *Financial Reporting Under the Cash Basis of Accounting* (IPSAS-Cash Basis), issued by the International Public Sector Accounting Standards Board (IPSASB) within the International Federation of Accountants (IFAC), and presented in accordance with Financial Management Manual for World Bank Financed Investment Operations (March 2010): RM 3 - Financial Reporting and Auditing.

The principal accounting policies applied in the preparation of these special purpose financial statements are set out below. These policies have been consistently applied to all the periods presented.

2.2 Cash basis of accounting

Project financing is recognised as a source of project funds when the cash is received. Project expenditures are recognised as a use of project funds when the payments are made.

2.3 Reporting currency

The reporting currency of these special purpose financial statements is United States dollars (USD). The cofinancing received and expenditures made in local currency, Kyrgyz Som (KGS), are translated into USD based at the exchange rate prevailing at the date of the transaction as issued by the OJSC "RCK Bank" ("RCK").

The exchange rate defined by the RCK is as follows:

31 December 2019:	USD 1 = 69.30 KGS.
31 December 2020:	USD 1 = 82.80 KGS.

2.4. Taxes

The taxes are paid in accordance with the tax regulation of the Kyrgyz Republic.

2.5. Budget

Expenditure budget is created based on actual accumulated expenditures for the last period plus the updated procurement plans for the Reporting year.

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

3. Summary of Summary Reports and SOEs

3.1. IDA Credit Number 5762-KG

Withdrawal application No	Withdrawal application value date	Disbursement categories			Total
		(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project	
7	23-Jan-2020	295,909.71	92,431.99	-	388,341.70
8	23-Mar-2020	234,024.68	-	-	234,024.68
9	17-Apr-2020	107,724.42	27,747.51	-	135,471.93
10	26-May-2020	128,483.12	-	-	128,483.12
11	03-Aug-2020	19,344.37	113,392.02	-	132,736.39
12	15-Sep-2020	51,648.97	160,905.73	-	212,554.70
13	28-Sep-2020	160,321.31	114,753.86	-	275,075.17
14	09-Nov-2020	293,964.47	95,372.20	-	389,336.67
16	10-Dec-2020	27,562.99	116,527.98	-	144,090.97
17	17-Dec-2020	140,750.58	86,296.99	-	227,047.57
18	28-Dec-2020	105,249.16	-	-	105,249.16
Total		1,564,983.78	807,428.28	-	2,372,412.06

3.2. IDA Grant Number D101-KG

Withdrawal application No	Withdrawal application value date	Disbursement categories			Total
		(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project	
18	26-May-2020	13,215.69	118,735.18	46,736.14	178,687.01
19	03-Aug-2020	-	-	57,988.20	57,988.20
20	29-Oct-2020	-	-	36,717.98	36,717.98
Total		13,215.69	118,735.18	141,442.32	273,393.19

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

4. Statement of Designated Accounts

Financing Agreement	IDA Credit Number 5762-KG	IDA Grant Number D101-KG
Bank account number	1299003250023718	1299003250023617
Bank	OJSC "RCK Bank"	
Bank location	Moskovskaya Str 80/1, Bishkek, Kyrgyz Republic	
Account currency	USD	USD

	IDA Credit Number 5762-KG	IDA Grant Number D101-KG	Total
	USD	USD	USD
For the year ended 31 Dec 2020			
1. Opening balance as at 01.01.2020	111,658	393,331	504,989
2. Add: opening discrepancy	-	-	-
3. IDA advance/replenishment	2,372,412	161,000	2,533,412
4. Less: Refund to IDA from DA	-	-	-
5. Present outstanding amount advanced to DA	2,484,070	554,331	3,038,401
6. DA closing balance as at 31.12.2020	314,166	285,642	599,808
7. Add: Amount of eligible expenditures paid	2,169,904	268,689	2,438,593
8. Less: interest earned (if credited to DA)	-	-	-
9. Total advance accounted for	2,484,070	554,331	3,038,401
10. Closing discrepancy (5)-(9)	-	-	-

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

5. Statement of Financial Position

The Statement of Financial Position discloses assets, liabilities and net assets of the Project as at reporting date. It is prepared in accrual basis that is transactions are recognized when they occur (and not only when cash is received or paid).

	Note	31 Dec 2020 USD	31 Dec 2019 USD
ASSETS			
Cash	6	612,628	510,450
Prepayments (a)		-	51,002
Total assets		612,628	561,452
LIABILITIES			
Payables (b)		366,948	345,228
Total liabilities		366,948	345,228
NET ASSETS			
Cumulative income	8		
IDA Credit Number 5762-KG		4,092,313	1,719,901
IDA Grant D101-KG		5,541,410	5,380,410
Government cofinancing		1,597,620	1,479,072
Other income		23,239	15,579
		11,254,582	8,594,962
Cumulative expenses			
Project expenses		11,009,303	8,379,440
Other expenditures (bank charges)		1,740	1,439
		11,011,043	8,380,879
Foreign exchange gain		2,141	2,141
Total net assets		245,680	216,224

(a) Prepayments consist of advances for construction works up to 20% of the contract amount, based on bank guaranties.

(b) Payable consists of warranty amounts of 5% withhold from contractors' invoices for construction works.

6. Cash

	Underlying Currency	31 Dec 2020 USD	31 Dec 2019 USD
IDA Credit Number 5762-KG			
Designated Account	USD	314,166	111,658
		314,166	111,658
IDA Grant D101-KG			
Designated Account	USD	285,642	393,331
		285,642	393,331
Other			
Interest account	USD	12,740	5,383
Interest account	KGS	80	78
		12,820	5,461
		612,628	510,450

(*) All accounts were held at OJSC "RCK Bank" (Bishkek, Kyrgyz Republic).

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

7. Project Expenditures

7.1. Project expenditure financing per funds

USD

Category	Year ended 31 Dec 2020				
	IDA Credit Number 5762-KG	IDA Grant D101-KG	Government cofinancing	Other income	Total
(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	1,288,472	-	-	-	1,288,472
(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	881,432	103,561	118,549	-	1,103,542
(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project	-	165,128	-	-	165,128
Total	2,169,904	268,689	118,549	-	2,557,142

USD

Category	Cumulative as at 31 Dec 2020				
	IDA Credit Number 5762-KG	IDA Grant D101-KG	Government cofinancing	Other income	Total
(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	2,598,489	3,847,657	-	-	6,446,146
(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	1,179,657	676,606	1,599,761	-	3,456,024
(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project	-	731,506	-	8,679	740,185
Total	3,778,146	5,255,769	1,599,761	8,679	10,642,355

7.2. Project expenditure budget execution

Category	Cumulative Expenditures as at 31 Dec 2020	Total budget	Implementation
	USD	USD	%
(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	6,446,146	8,720,020	74%
(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	3,456,024	4,229,698	82%
(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project	740,185	908,180	82%
Total	10,642,355	13,857,898	77%

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

8. Financing

8.1. IDA Credit Number 5762-KG

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
Advance/ (advance recovery)	-	500,000
SOE and Summary Report	2,372,412	3,592,313
Financing	2,372,412	4,092,313
Total financing budget		6,706,342
Percentage of finance provided as at 31 Dec 2020		61%

8.2. IDA Grant Number D101-KG

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
Advance/ (advance recovery)	(112,393)	387,607
SOE and Summary Report	273,393	5,153,803
Total	161,000	5,541,410
Total financing budget		5,553,936
Percentage of finance provided as at 31 Dec 2020		99%

8.3. Government cofinancing

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
In-cash	118,549	1,597,620
Total	118,549	1,597,620
Total financing budget		1,597,620
Percentage of finance provided as at 31 Dec 2020		100%

9. Other income

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
Interest accrued	13,043	57,653
Fees for tender documents	-	7,469
	13,043	65,122
Transfer to state budget*	(5,383)	(41,883)
	7,660	23,239

(*) The interest accrued is transferred to the state budget.

Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

10. Schedule of Fixed assets

The schedule of fixed assets procured and received by ARIS for the Project implementation is follows:

	1 January 2020	Additions	Deductions	31 December 2020
Furniture	454	-	-	454
	<u>454</u>	<u>-</u>	<u>-</u>	<u>454</u>

11. Event after reporting date

11.1. IDA Credit Number 5762-KG

The application N 19 in the total amount of 214,319 USD consisting of expenditures relating to the reporting year in the amount of 185,834 was submitted to WB on 29 January 2021 and was approved on 29 January 2021.

11.2. IDA Grant Number D101-KG

The application N 21 in the total amount of 102,247 USD consisting of expenditures relating to the reporting year in the amount of 101,965 was submitted to WB on 22 January 2021 and was approved on 28 January 2021.

12. Litigations

There are no pending litigations related to the Project as at reporting date and as at approval date of these financial statements.

ANNEX 1. RECONCILIATION BETWEEN THE AMOUNTS SUBMITTED BY THE ARIS AND DISBURSED BY THE WORLD BANK

For the year ended 31 December 2020

(Amounts are shown in US dollars)

IDA Credit Number 5762-KG

Expenditure Category	Appl.	ARIS	WB	Difference
(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	7	295,909.71	295,909.71	-
	8	234,024.68	234,024.68	-
	9	107,724.42	107,724.42	-
	10	128,483.12	128,483.12	-
	11	19,344.37	19,344.37	-
	12	51,648.97	51,648.97	-
	13	160,321.31	160,321.31	-
	14	293,964.47	293,964.47	-
	16	27,562.99	27,562.99	-
	17	140,750.58	140,750.58	-
	18	105,249.16	105,249.16	-
		1,564,983.78	1,564,983.78	
(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	7	92,431.99	92,431.99	-
	9	27,747.51	27,747.51	-
	11	113,392.02	113,392.02	-
	12	160,905.73	160,905.73	-
	13	114,753.86	114,753.86	-
	14	95,372.20	95,372.20	-
	16	116,527.98	116,527.98	-
	17	86,296.99	86,296.99	-
		807,428.28	807,428.28	
Total		2,372,412.06	2,372,412.06	

ANNEX 1. RECONCILIATION BETWEEN THE AMOUNTS SUBMITTED BY THE ARIS AND DISBURSED BY THE WORLD BANK

For the year ended 31 December 2020

(Amounts are shown in US dollars)

IDA Grant Number D101-KG

Expenditure Category	Appl.	ARIS	WB	Difference
Advance/ (advance recovery)	18	(17,687.01)	(17,687.01)	-
	19	(57,988.20)	(57,988.20)	-
	20	(36,717.98)	(36,717.98)	-
		(112,393.19)	(112,393.19)	
(1) Goods, works, consultants' services, non-consulting services and Training under Parts 1(a) and 2 of the Project	18	13,215.69	13,215.69	-
		13,215.69	13,215.69	
(2) Goods, works, consultants' services, non-consulting services and Training under Part 1(b) of the Project	18	118,735.18	118,735.18	-
		118,735.18	118,735.18	
(3) Goods, consultants' services and incremental operating costs under Part 3 of the Project	18	46,736.14	46,736.14	-
	19	57,988.20	57,988.20	-
	20	36,717.98	36,717.98	-
		141,442.32	141,442.32	
Total		161,000.00	161,000.00	