

# **THIRD VILLAGE INVESTMENT PROJECT**

**IDA CREDIT NUMBER 5601-KG  
IDA GRANT NUMBER D041-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**

# THIRD VILLAGE INVESTMENT PROJECT

IDA CREDIT NUMBER 5601-KG

IDA GRANT NUMBER D041-KG

## TABLE OF CONTENTS

---

	Page
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND PRESENTATION OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS	3
INDEPENDENT AUDITOR'S REPORT	4-5
SPECIAL PURPOSE FINANCIAL STATEMENTS For the year ended 31 December 2020:	
Statement of cash receipts and payments	6
Statement of expenditures per components	7
Notes to the special purpose financial statements	8-15
ANNEX 1. RECONCILIATION BETWEEN THE AMOUNTS SUBMITTED BY THE ARIS AND DISBURSED BY THE WORLD BANK	16

## 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 for the year ended 31 December 2020 of "Third Village Investment Project" ("the Project") financed by Financing Agreement IDA Credit Number 5601-KG and IDA Grant Number D041-KG dated 12 June 2015, 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:

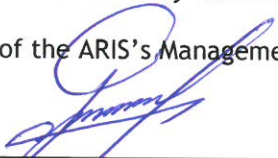
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional required disclosures for the year ended 31 December 2020.

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 5601-KG and IDA Grant Number D041-KG dated 12 June 2015, 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 25 March 2021 by the ARIS's Management.

On behalf of the ARIS's Management:

  
Bekzhan Supanaliev  
Executive Director



## INDEPENDENT AUDITOR'S REPORT

*To the management of the Community Development and Investment Agency*

### **Opinion**

We have audited the special purpose financial statements of "Third Village Investment Project" ("Project") financed by Financing Agreement IDA Credit Number 5601-KG and IDA Grant Number D041-KG dated 12 June 2015 ("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 all 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 (IFSSs) 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  
25 March 2021

Gnel Khachatryan, FCCA  
Engagement Partner



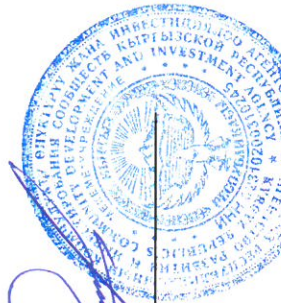
Third Village Investment Project  
IDA Credit Number 5601-KG  
IDA Grant Number D041-KG

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
<b>TOTAL OPENING CASH</b>		<b>734,791</b>					
<b>Sources of Funds</b>	8						
IDA Credit Number 5601-KG		1,499,933	1,499,933				
IDA Grant Number D041-KG		184,200	5,414,809				
Community contributions		232,104	768,192				
<b>TOTAL FUNDS</b>		<b>1,916,237</b>	<b>7,682,934</b>				
<b>Other income/(outflow)</b>	9	<b>(1,059)</b>	<b>25,853</b>				
<b>Project Expenditures</b>	7						
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project		2,175,515	7,232,793	1,903,863	6,961,141	271,652	271,652
<b>TOTAL PROJECT EXPENDITURES</b>		<b>2,175,515</b>	<b>7,232,793</b>	<b>1,903,863</b>	<b>6,961,141</b>	<b>271,652</b>	<b>271,652</b>
<b>Other expenditures (bank charges)</b>		<b>55</b>	<b>1,595</b>				
<b>TOTAL CLOSING CASH</b>	6	<b>474,399</b>	<b>474,399</b>				



Bekzhan Supanaliyev  
Executive Director

25 March 2021

Ulanbek Zaynalov  
Financial Manager

The notes on pages 8-16 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
<b>Part 1. Capacity Building</b>						
1.1. Consultants' services	451,231	1,446,461	399,000	1,394,230	52,231	52,231
1.2. Training	333,757	1,046,420	282,000	994,663	51,757	51,757
1.3. Goods	110,465	386,096	110,000	385,631	465	465
	7,009	13,945	7,000	13,936	9	9
<b>Part 2. Village Investments</b>						
2.1. Sub-Grants for implementing Sub-projects	1,526,637	4,846,294	1,172,595	4,492,252	354,042	354,042
From IDA funds	725,443	3,115,740	484,275	2,874,572	241,168	241,168
From Community funds	568,680	2,591,652	327,425	2,350,397	241,255	241,255
2.2. Small grants for implementing Micro-projects	156,763	524,088	156,850	524,175	(87)	(87)
From IDA funds	576,296	1,311,263	495,820	1,230,787	80,476	80,476
From Community funds	500,955	1,067,158	419,235	985,438	81,720	81,720
2.3. Resettlement Compensation	75,341	244,105	76,585	245,349	(1,244)	(1,244)
2.4. Consultants' services	224,898	419,291	192,500	386,893	32,398	32,398
<b>Part 3. Project management</b>						
3.1. Operating costs	197,647	940,038	332,268	1,074,659	(134,621)	(134,621)
3.2. Audit	192,086	881,554	326,768	1,016,236	(134,682)	(134,682)
3.3. Goods	5,561	16,861	5,500	16,800	61	61
3.4. Training	-	37,866	-	37,866	-	-
	-	3,757	-	3,757	-	-
<b>TOTAL</b>	<b>2,175,515</b>	<b>7,232,793</b>	<b>1,903,863</b>	<b>6,961,141</b>	<b>271,652</b>	<b>271,652</b>



Bekzhan Supanaliyev  
Executive Director

Ulanbek Zaynalov  
Financial Manager

25 March 2021

The notes on pages 8-16 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 5601-KG and IDA Grant D041-KG was concluded on 12 June 2015 between the Kyrgyz Republic and the International Development Association (IDA), according to which IDA provided financing to the Kyrgyz Republic in the amount of 4,700,000 Special Drawing Rights (SDR) and 3,900,000 SDR, respectively.

The Financing Agreement became effective on 26 February 2016.

The financing was provided for the implementation of "Third Village Investment Project" (the Project).

The payment currency of both IDA Credit Number 5601-KG and IDA Grant D041-KG is United States dollars (USD).

The Closing date of both IDA Credit Number 5601-KG and IDA Grant D041-KG is set 30 November 2021 (as extended by WB letter dated 10 March 2020).

The Grace Period for submitting withdrawal application for expenditures incurred before the Closing date is four months following the Closing date: 31 March 2022.

#### 1.2. The Project objectives

The objective of this project is a) build local capacity for participatory development; and (b) improve access to quality community infrastructure services in targeted Project areas.

The Project consists of the following parts:

##### Part 1: Capacity Building

Carrying out capacity building activities for local communities and local government institutional in participatory local governance and development planning, including: (a) mobilizing communities, conducting communities' needs and resources assessment and development Local Investment Plans; and (b) carrying out peer-to-peer learning and social cohesion activities in various communities, all through provision of goods, consultants' services, and Training.

##### Part 2: Village Investments

- (a) Provision of: (i) Sub-Grants for implementing Sub-projects; and (ii) Small Grants for implementing Micro-projects, to eligible *Ayil Okmotus*.
  - Each Sub-grant shall finance a Sub-project included in Local Investment Plan and costing \$20,000 or more;
  - Each Small grant shall finance a Micro-project or aggregated Micro-projects included in Local Investment Plan and costing less than \$20,000.
- (b) If applicable, financing of Resettlement Compensation with financing proceeds as set forth in the table in Section IV of Schedule 2 to this Agreement.

##### Part 3: Project Management

Carrying out of Project management activities including Project audits, provision of Training to the Project Implementing Entity's staff on Project management, monitoring and evaluation, and the financing of Operating Costs.



## Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

### 1.3. The Project outcomes

During reporting year:

- ✓ 810 social mobilization activities were taken with 46K total participants, from which 61% were women.
- ✓ 130 trainings were conducted on capacity building with 4.7K total participants, from which 55% were women.
- ✓ Realization of 11 sub-projects and 22 micro-projects were commenced.

As of 31 Dec 2020, the following grants were provided in four regions: Isikul, Naryn, Chui, Talas:

- 44 sub-grants;
- 84 micro-grants.

### 1.4. The Project Budget

The Project is financed by:

- IDA Credit Number 5601-KG
- IDA Grant D041-KG,
- Community contributions (in-cash) -not-less than 3.75% of the sub-grants and small grants provided to the beneficiary community;
- Other income (including mainly tender fees and interest accrued on bank accounts).

Category	IDA Credit Number 5601-KG		IDA Grant Number D041-KG		Community contributions	Total	IDA Grant/Credit Expenditure Financing (inclusive of taxes)
	SDR	USD equivalent (a)	SDR	USD equivalent (a)	USD equivalent	USD equivalent	%
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	4,700,000	6,509,030	3,900,000	5,415,358	296,739	12,221,127	
Total	4,700,000	6,509,030	3,900,000	5,415,358	296,739	12,221,127	100%

(a) The budget USD equivalents for IDA Credit Number 5601-KG and IDA Grant D041-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).

### 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-for-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

## Notes to the special purpose financial statements

For the year ended 31 December 2020

(Amounts are shown in US dollars)

---

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.

### 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 5601-KG

Withdrawal application No	Withdrawal application value date	Disbursement categories	Total
		(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	
4	09-Nov-2020	499,932.93	499,932.93
<b>Total</b>		<b>499,932.93</b>	<b>499,932.93</b>

#### 3.2. IDA Grant Number D041-KG

Withdrawal application No	Withdrawal application value date	Disbursement categories	Total
		(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	
12	21-May-2020	637,088.95	637,088.95
14	16-Dec-2020	462,855.02	462,855.02
<b>Total</b>		<b>1,099,943.97</b>	<b>1,099,943.97</b>

### 4. Statement of Designated Accounts

Financing Agreement	IDA Credit Number 5601-KG	IDA Grant Number D041-KG
Bank account number	1299003250021593	1299003250021391
Bank	OJSC "RCK Bank"	
Bank location	Moskovskaya str. 80/1, Bishkek, Kyrgyz Republic	
Account currency	USD	USD

	IDA Credit Number 5601-KG	IDA Grant Number D041-KG	Total
For the year ended 31 Dec 2020			
	USD	USD	USD
1. Opening balance	-	728,927	728,927
2. Add: opening discrepancy	-	-	-
3. IDA advance/replenishment	1,499,933	184,200	1,684,133
4. Less: Refund to IDA from DA	-	-	-
<b>5. Present outstanding amount advanced to DA</b>	<b>1,499,933</b>	<b>913,127</b>	<b>2,413,060</b>
6. DA closing balance	468,914	747	469,661
7. Add: Amount of eligible expenditures paid	1,031,019	912,380	1,943,399
8. Less: interest earned (if credited to DA)	-	-	-
<b>9. Total advance accounted for</b>	<b>1,499,933</b>	<b>913,127</b>	<b>2,413,060</b>
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
<b>ASSETS</b>			
Cash	6	474,399	734,791
Prepayments		-	-
<b>Total assets</b>		<b>474,399</b>	<b>734,791</b>
<b>LIABILITIES</b>			
Payables (a)		51,618	10,622
<b>Total liabilities</b>		<b>51,618</b>	<b>10,622</b>
<b>NET ASSETS</b>			
<b>Cumulative income</b>			
IDA Credit Number 5601-KG		1,499,933	-
IDA Grant D041-KG		5,414,809	5,230,609
Community contribution		768,192	536,088
Other income		25,853	26,913
		<b>7,708,787</b>	<b>5,793,610</b>
<b>Cumulative expenses</b>			
Project expenses		7,284,411	5,067,900
Other expenditures (bank charges)		1,595	1,541
		<b>7,286,006</b>	<b>5,069,441</b>
<b>Total net assets</b>		<b>422,781</b>	<b>724,169</b>

(a) As at 31 Dec 2020 payable consists of warranty amounts of 5% withhold from contractors' invoices for construction works related to Sub-projects (USD 34,204), and 2.5% for micro-projects (USD 17,414).

### 6. Cash

	Underlying Currency	31 Dec 2020 USD	31 Dec 2019 USD
<b>IDA Credit Number 5601-KG</b>			
Designated Account	USD	468,914	-
		<b>468,914</b>	<b>-</b>
<b>IDA Grant D041-KG</b>			
Designated Account	USD	747	728,927
		<b>747</b>	<b>728,927</b>
<b>Other</b>			
Interest account	USD	4,728	5,862
Interest account	KGS	10	2
		<b>4,738</b>	<b>5,864</b>
		<b>474,399</b>	<b>734,791</b>

(\*) 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 5601-KG	IDA Grant D041-KG	Community contribution	Other income	Total
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	1,031,032	912,379	232,104	-	2,175,515
<b>Total</b>	<b>1,031,032</b>	<b>912,379</b>	<b>232,104</b>	<b>-</b>	<b>2,175,515</b>

USD

Category	Cumulative as at 31 Dec 2020				
	IDA Credit Number 5601-KG	IDA Grant D041-KG	Community contribution	Other income	Total
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	1,031,032	5,414,061	768,192	19,508	7,232,793
<b>Total</b>	<b>1,031,032</b>	<b>5,414,061</b>	<b>768,192</b>	<b>19,508</b>	<b>7,232,793</b>

#### 7.2. Project expenditure budget execution

Sub-Category	Cumulative Expenditures as at 31 Dec 2020	Total budget	Implementation
	USD	USD	%
<i>Goods</i>	51,811	243,963	21%
<i>Works</i>	-	-	-
<i>Consulting Services</i>	1,482,572	2,490,527	60%
<i>Non-consulting Services</i>	-	-	-
<i>Training</i>	389,852	903,407	43%
<i>Sub-Grants</i>	3,115,740	6,011,795	52%
<i>Small Grants</i>	1,311,263	1,511,988	87%
<i>Operating costs</i>	881,555	1,059,447	83%
<i>Resettlement Compensation</i>	-	-	-
<b>Total</b>	<b>7,232,793</b>	<b>12,221,127</b>	<b>59%</b>

## 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 5601-KG

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
Advance/ (advance recovery)	1,000,000	1,000,000
SOE and Summary Report	499,933	499,933
<b>Total</b>	<b>1,499,933</b>	<b>1,499,933</b>
Total financing budget		<b>6,509,030</b>
Percentage of finance provided as at 31 Dec 2020		<b>23%</b>

#### 8.2. IDA Grant Number D041-KG

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
Advance/ (advance recovery)	(915,744)	5,671
SOE and Summary Report	1,099,944	5,409,137
<b>Total</b>	<b>184,200</b>	<b>5,414,809</b>
Total financing budget		<b>5,415,358</b>
Percentage of finance provided as at 31 Dec 2020		<b>100%</b>

#### 8.3. Community Contribution

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
In-cash	232,104	768,192
<b>Total</b>	<b>232,104</b>	<b>768,192</b>
Total financing budget		<b>296,738</b>
Percentage of finance provided as at 31 Dec 2020		<b>259%</b>

Community contributions (in-cash) -not-less than 3.75% of the sub-grants and small grants provided to the beneficiary community.

### 9. Other income

	Reporting year USD	Cumulative as at 31 Dec 2020 USD
Interest accrued	4,803	44,482
Tender fees	-	8,465
<b>Total</b>	<b>4,803</b>	<b>52,947</b>
Transfer to state budget*	(5,862)	(27,094)
	<b>(1,059)</b>	<b>25,853</b>

(\*) The amount was transferred from the interest-bearing account 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:

	<b>1 January 2020</b>	<b>Additions</b>	<b>Deductions</b>	<b>31 December 2020</b>
Furniture	689	124	-	813
Computer appliances	37,866	-	-	37,866
	<b>38,555</b>	<b>124</b>	<b>-</b>	<b>38,679</b>

**11. 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 5601-KG**

Expenditure Category	Appl.	ARIS	WB	Difference
Advance/ (advance recovery)	13	500,000.00	500,000.00	-
	3	500,000.00	500,000.00	-
		<b>1,000,000.00</b>	<b>1,000,000.00</b>	
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	4	499,932.93	499,932.93	-
		<b>499,932.93</b>	<b>499,932.93</b>	
<b>Total</b>		<b>1,499,932.93</b>	<b>1,499,932.93</b>	

**IDA Grant Number D041-KG**

Expenditure Category	Appl.	ARIS	WB	Difference
Advance/ (advance recovery)	12	(452,888.95)	(452,888.95)	-
	14	(462,855.02)	(462,855.02)	-
		<b>(915,743.97)</b>	<b>(915,743.97)</b>	
(1) Goods, works, non-consulting services, consultants' services including under Sub-Grants and Small Grants, Training, Operating Costs under the Project, and Resettlement Compensation under Part 2(b) of the Project	12	637,088.95	637,088.95	-
	14	462,855.02	462,855.02	-
		<b>1,099,943.97</b>	<b>1,099,943.97</b>	
<b>Total</b>		<b>184,200.00</b>	<b>184,200.00</b>	