

**Regional Economic Development” Project  
Grant NO. D5700-KG, Credit NO. 6558-KG**

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

**“REGIONAL ECONOMIC DEVELOPMENT” PROJECT  
GRANT NO. D5700-KG, CREDIT NO. 6558-KG**

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**REGIONAL ECONOMIC DEVELOPMENT PROJECT  
GRANT NO. D5700-KG, LOAN NO. 6558-KG**

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

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The following statement, which should be read in conjunction with the independent auditor's responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditor in relation to the project financial statements of the "Regional Economic Development" Project, Grant No. D5700-KG and Credit No. 6558-KG (the "Project").

Management of the Project is responsible for the preparation of the project financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts of the Project for the years ended December 31, 2024 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

In preparing the project financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project financial statements; and
- preparing the project financial statements on the assumption that the Project will be implemented in accordance with the established period.

Management of the Project is also responsible for:

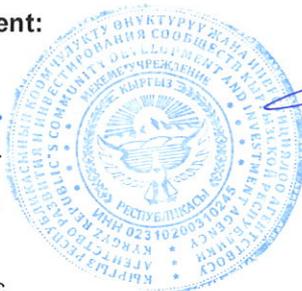
- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the project financial position, and which enable them to ensure that the financial statements of the project comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Kyrgyz Republic, and the requirements of the operational manual of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud, error and other irregularities.

The project financial statements for the year ended December 31, 2024 were approved and authorized for issue on June 23, 2025 by the management of the Project.

On behalf of the Management:

  
**Naspekov M.D.**  
**Executive Director of ARIS**

June 23, 2025  
Bishkek, the Kyrgyz Republic



  
**Stalbek uulu B.**  
**Financial Manager of ARIS**

June 23, 2025  
Bishkek, the Kyrgyz Republic

## INDEPENDENT AUDITOR'S REPORT

To the Management of the "Regional Economic Development" Project under the Community Development and Investment Agency:

### Report on the project financial statements

#### Opinion

We have audited the accompanying project financial statements of the "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, 2024, and a summary of significant accounting policies and other explanatory information (the "project financial statements").

In our opinion, the accompanying project financial statements present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts of the project for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the project financial statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the project financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the project financial statements, which describe the basis of accounting. These project financial statements were prepared for complying with the appropriate World Bank Guidelines and Grant agreements requirements. These circumstances do not lead to modification of the auditor's opinion.

#### Other matter

The project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result, the project financial statements may not be suitable for another purpose.

#### Responsibilities of management and those charged with governance for the project financial statements

Management is responsible for the preparation and fair presentation of these project financial statements in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of the project financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the audit of the project financial statements

Our objectives are to obtain reasonable assurance about whether these project financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these project financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the project financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
Kubat Alymkulov  
Certified accountant, FCCA

  
Umet Daletbaev



Individual auditor registration number 11152 dated November 16, 2023.

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

Audit Partner,  
Director of Baker Tilly Bishkek LLC

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

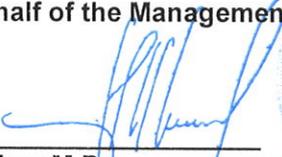
June 23, 2025  
Bishkek, the Kyrgyz Republic

**“REGIONAL ECONOMIC DEVELOPMENT” PROJECT  
GRANT No. D5700-KG, CREDIT No. 6558-KG**

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

	Notes	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative
<b>Opening balance</b>		<u>1,103,454</u>	<u>836,675</u>	<u>-</u>
<b>Funds received</b>				
Grant No. D5700-KG	5	10,659,251	5,630,089	18,089,346
Credit No. 6558-KG	5	-	-	-
Contributions	5	<u>1,382,014</u>	<u>-</u>	<u>1,382,014</u>
<b>Total funds received</b>		<u>12,041,265</u>	<u>5,630,089</u>	<u>19,471,360</u>
Other income	6	<u>14,520</u>	<u>15,078</u>	<u>64,446</u>
<b>Total receipts</b>		<u>12,055,785</u>	<u>5,645,167</u>	<u>19,535,806</u>
<b>Expenses</b>				
(1) Goods, works, non-consulting services, and consulting services; Training and Operating Costs for Parts 1, 2(a), 3, 4(a) and 5 of the Project	7	6,259,634	4,337,172	11,577,731
(2) Goods, works, non-consulting services, and consulting services; Training for the Targeted Investments Subprojects under Part 2(b) of the Project	7	3,856,495	1,023,259	4,879,754
(3) Small Grants under Part 4(b) of the Project	7	<u>2,728,299</u>	<u>-</u>	<u>2,728,299</u>
<b>Total expenses</b>		<u>12,844,428</u>	<u>5,360,431</u>	<u>19,185,784</u>
Other expenses	8	<u>15,960</u>	<u>17,957</u>	<u>51,171</u>
<b>Closing balance</b>	4	<u>298,851</u>	<u>1,103,454</u>	<u>298,851</u>

On behalf of the Management:

  
**Naspekov M.D.**  
Executive Director of ARIS

June 23, 2025  
Bishkek, the Kyrgyz Republic



  
**Stalbek uulu B.**  
Financial Manager of ARIS

June 23, 2025  
Bishkek, the Kyrgyz Republic

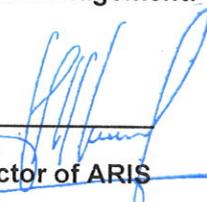
The notes on pages 7-22 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“REGIONAL ECONOMIC DEVELOPMENT” PROJECT  
GRANT No. D5700-KG, CREDIT No. 6558-KG**

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

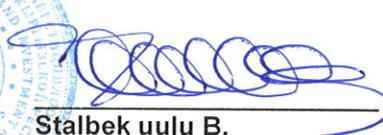
	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative
Part 1. Improving regional economic planning and regulatory functions	1,392,556	589,060	2,071,876
Part 2. Strengthening agri-food supply chains and small and medium-sized enterprises	3,989,146	1,111,318	5,190,885
Part 3. Catalyzing investments for tourism and urban development	4,166,027	3,034,842	7,300,842
Part 4. Supporting tourism and rural enterprise development through Small Grants	2,756,254	123,009	2,954,899
Part 5. Implementation Support, and Monitoring and Evaluation	540,445	502,202	1,667,282
	<u>12,844,428</u>	<u>5,360,431</u>	<u>19,185,784</u>

**On behalf of the Management:**

  
**Naspekov M.D.**  
**Executive Director of ARIS**

June 23, 2025  
Bishkek, the Kyrgyz Republic



  
**Stalbek uulu B.**  
**Financial Manager of ARIS**

June 23, 2025  
Bishkek, the Kyrgyz Republic

The notes on pages 7-22 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“REGIONAL ECONOMIC DEVELOPMENT” PROJECT  
GRANT No. D5700-KG, CREDIT No. 6558-KG**

**NOTES TO THE PROJECT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*(in US dollars)*

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**1. GENERAL INFORMATION**

According to the Financing agreement between the Kyrgyz Republic and International Development Association (the “IDA”) signed on July 12, 2020 the IDA provided Grant No. D25700-KG in the amount of 21,800,000 Special Drawing Rights and Credit No. 6558-KG in the amount of 21,800,000 Special Drawing Rights to the Kyrgyz Republic.

The Grant and the Credit were provided for implementation of the “Regional Economic Development” Project (the “Project”).

**Project purpose**

The objective of the Project is to support the Government of the Kyrgyz Republic to enhance regional economic development through targeted interventions in the selected sectors in the Osh region.

The Project comprises the following parts:

- Part 1. Improving regional economic planning and regulatory functions;
- Part 2. Strengthening agri-food supply chains and small and medium-sized enterprises;
- Part 3. Catalyzing investments for tourism and urban development;
- Part 4. Supporting tourism and rural development through Small Grants;
- Part 5. Implementation Support, Monitoring and Evaluation.

**Part 1. Improving regional economic planning and regulatory functions**

*1.1. Enhancing regional economic planning*

Strengthen capacity of local, regional and central governments to boost integrated development and facilitate enabling environment for private sector investments through:

- a) preparation of a regional economic development plan and relevant documents and instruments to: (i) Identify policies, priority actions and institutional requirements for effective integrated regional economic planning and development; and (ii) Include climate change adaptation and awareness issues into regional planning processes;
- b) preparation of sustainable management plans and other related documents for the key assets developed/enhanced under the project;
- c) capacity building activities for key staff of the relevant public institutions at the central and regional/local level through training programs and other knowledge sharing and capacity building activities to enable better regional development planning and coordination and policy making; and
- d) support improved use of technology for regional development purposes through establishing, inter alia, a digital platform for regional development initiatives prioritization and selection.

### *1.2. Improving basic agricultural services and regulatory functions*

Improve infrastructure and services underpinning agri-food marketing and trade in the Osh region through:

- a) (i) upgrading food safety and quality facilities under the mandate of relevant ministries, through provision of laboratory equipment and upgrading laboratory facilities infrastructure; (ii) improving examination capacity at border control points and expanding sampling capacity at district level for food safety; and (iii) upgrading laboratory facilities for seed certification and soil analysis functions; and
- b) capacity building for Osh Technological University and technical agricultural college to incorporate export agricultural market requirements and safety regulations and food technologies into training and education programs.

### **Part 2. Strengthening agri-food supply chains and small and medium-sized enterprises**

Support the development of partnerships between agri-business and small agricultural producers to finance targeted investments that improve quality and expand production and processing volumes through:

- 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) providing support for the implementation of 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 an agricultural value chain; and (iii) reduce risk and transaction costs for value chain participants through Inter alia: (A) rehabilitation of public infrastructure critical to functioning of the selected agricultural supply chains; (B) technical assistance and training for agriculture, food-related and business development sectors, including, Inter alia, agronomy, animal production or health, post-harvest processing and packaging, food safety standards, marketing, and improved access to finance; (C) establishment and development of necessary productive assets for agricultural production and/or post-harvest activities; and (D) adoption of innovative technologies.

### **Part 3. Catalyzing investments for tourism and urban development**

#### *3.1. Upgrading Osh and Uzgen urban city cores and Osh regional tourism circuits*

Upgrade selected public infrastructure, services and connectivity in participating cities and tourism development and provide municipal services to attract private investments through public-private cooperation mechanisms aimed at improving regional tourism potential.

#### *3.2. Tourism product development, marketing and promotion*

Improve institutional capacity and performance, including through skill development, of national and regional/local public entities in: (i) monitoring and evaluation, marketing and promotion of Kyrgyz Republic as tourism destination; (ii) development of comprehensive tourism strategy for Osh region; (iii) investment attraction, training and marketing; (iv) planning and implementation of events encouraging tourism development; (v) development of online platforms for tourism initiatives; (vi) development of sustainable site management plans for cultural and natural heritage preservation; and (vii) provide capacity building of tourism related organizations and private sector representatives in skilled workforce development.

#### **Part 4. Supporting tourism and rural development through Small Grants**

Support development of tourism industry and rural small and medium-sized enterprises (the "SME" and startups through:

- a) training and provision of technical assistance to tourism industry-related service providers and rural SMEs in developing business plans and industry related practices;
- b) providing Small Grants for: (i) launching and developing relevant business activities (start-up grants); and (ii) diversifying and expanding (scale up grants) tourism related services and rural enterprises; and
- c) developing and implementing a communication plan to ensure awareness of the Small Grants program, competitive application and selection process for Small Grants.

#### **Part 5. Implementation Support, Monitoring and Evaluation.**

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

##### *Project management*

The Management is implemented by the Community Development and Investment Agency (the "CDIA") under the Ministry of Finance of the Kyrgyz Republic

The Project duration period is from December 7, 2020 to November 17, 2028.

## **2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS**

### **Basis of preparation**

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

Under the cash basis system income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received or provided.

The Project's approved budget disclosed by categories of expenses is not publicly available and as such comparison of budget and actual amounts is not presented.

These project financial statements consist of:

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

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Cash basis of accounting**

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

## Foreign currency

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

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

All payments made in local currency are translated into US dollars at the official exchange rate defined by serving commercial bank at the date of transaction.

Monetary assets and liabilities expressed in foreign and national currencies are converted to functional currency at official exchange rate on a date settled by the commercial bank.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short term.

## Taxes

Calculation and payment of personal income tax and social security contributions from income of staff and consultants is made in accordance with the requirements and rates of the Tax Code of the Kyrgyz Republic and relevant legislation of the Kyrgyz Republic.

## Project expenses

The expenses are recorded in the period when they were actually paid.

## Sources of funds

The funds were provided by the IDA to the Project by initial deposit and replenishment of designated account.

## Other income

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

## Other expenses

Other expenses represent interest income transferred to the Ministry of finance of the Kyrgyz Republic and banking services.

## 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2024 and 2023 are presented as follows:

	Source of financing	Currency	December 31, 2024	December 31, 2023
Designated account	Grant No. D5700-KG	US dollar	285,576	1,088,739
Interest account	Other	US dollar	<u>13,275</u>	<u>14,715</u>
			<u>298,851</u>	<u>1,103,454</u>

**5. FUNDS RECEIVED**

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

	For the year ended December 31, 2024	For the year ended December 31, 2023	Total
<b>Grant No. D5700-KG</b>			
Initial deposit	-	200,000	1,200,000
Replenishment of designated account	10,659,251	5,430,089	16,889,346
	<u>10,659,251</u>	<u>5,630,089</u>	<u>18,089,346</u>
<b>Credit No. 6558-KG</b>			
	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Contributions</b>			
	1,382,014	-	1,382,014
	<u>1,382,014</u>	<u>-</u>	<u>1,382,014</u>
	<u>12,041,265</u>	<u>5,630,089</u>	<u>19,471,360</u>

**6. OTHER INCOME**

Other income of the Project comprises the following:

	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative
Interest income	14,520	15,078	64,446
	<u>14,520</u>	<u>15,078</u>	<u>64,446</u>

**7. PROJECT EXPENSES**

The project expenses by major categories are presented in the summary of funds received and expenditures paid. The Project expenses by parts are presented in the statement of expenditures paid by project parts. Breakdown of Project expenses by sources of financing, sub-categories and nature is presented as follows:

	Grant No. D5700-KG	For the year ended December 31, 2024		For the year ended December 31, 2023		Total	Grant No. D5700-KG	Credit No. 6558-KG	Total	Grant No. D5700-KG	Credit No. 6558-KG	Cumulative		
		Credit No. 6558-KG	LSGB Contributions	Grant No. D5700-KG	Credit No. 6558-KG							LSGB Contributions	Total	
(1) Goods, works, non-consulting services, and consulting services;														
Training and Operating costs for Parts 1, 2(a), 3, 4(a, c) and 5 of the Project														
Goods	1,337,633	-	-	1,337,633	256,259	-	256,259	-	256,259	1,621,407	-	-	-	1,621,407
Consulting services														
Local consultants	958,358	-	-	958,358	887,450	-	887,450	-	887,450	2,205,781	-	-	-	2,205,781
	958,358	-	-	958,358	887,450	-	887,450	-	887,450	2,205,781	-	-	-	2,205,781

	For the year ended December 31, 2024			For the year ended December 31, 2023			Cumulative				
	Grant No. D5700-KG	Credit No. 6558-KG	LSGB Contributions	Total	Grant No. D5700-KG	Credit No. 6558-KG	Total	Grant No. D5700-KG	Credit No. 6558-KG	LSGB Contributions	Total
<b>Training</b>											
Training expenses	12,599	-	-	12,599	96,945	-	96,945	142,272	-	-	142,272
	12,599	-	-	12,599	96,945	-	96,945	142,272	-	-	142,272
<b>Operating costs</b>											
Payroll and related taxes	282,034	-	-	282,034	277,749	-	277,749	871,773	-	-	871,773
Business trip expenses	27,413	-	-	27,413	13,846	-	13,846	58,781	-	-	58,781
Maintenance of motor vehicles and fuel	3,697	-	-	3,697	7,350	-	7,350	18,862	-	-	18,862
Office rent, repair and maintenance	10,009	-	-	10,009	3,803	-	3,803	36,710	-	-	36,710
Stationery	1,335	-	-	1,335	1,167	-	1,167	6,231	-	-	6,231
Communication expenses	1,275	-	-	1,275	1,343	-	1,343	5,309	-	-	5,309
Information services	2,378	-	-	2,378	2,056	-	2,056	8,025	-	-	8,025
Office equipment and its maintenance	899	-	-	899	19,732	-	19,732	24,860	-	-	24,860
Utilities	792	-	-	792	685	-	685	2,486	-	-	2,486
Other	936	-	-	936	4,026	-	4,026	5,993	-	-	5,993
	330,768	-	-	330,768	331,757	-	331,757	1,039,030	-	-	1,039,030

	For the year ended December 31, 2024		For the year ended December 31, 2023		Cumulative			
	Grant No. D5700-KG	Credit No. 6558-KG	LSGB Contributions	Total	Grant No. D5700-KG	Credit No. 6558-KG	LSGB Contributions	Total
Services and support for Agrobusiness Competitiveness Center	131,202	-	-	131,202	130,268	-	-	445,674
Administrative expenses of Agrobusiness Competitiveness Center	131,202	-	-	131,202	130,268	-	-	445,674
<b>Works</b>								
Construction work	3,489,074	-	-	3,489,074	2,634,493	-	-	6,123,567
	3,489,074	-	-	3,489,074	2,634,493	-	-	6,123,567
	6,259,634	-	-	6,259,634	4,337,172	-	-	11,577,731

	For the year ended December 31, 2024		For the year ended December 31, 2023		Cumulative			
	Grant No. D5700-KG	Credit No. 6558-KG	Grant No. D5700-KG	Credit No. 6558-KG	Grant No. D5700-KG	Credit No. 6558-KG	LSGB Contributions	Total
(2) Goods, works, non-consulting services, and consulting services; Training for the Targeted Investments Subprojects under Part 2(b) of the Project								
Goods	3,732,513	-	834,536	-	4,567,049	-	-	4,567,049
Consulting services	3,732,513	-	834,536	-	4,567,049	-	-	4,567,049
Local consultants	105,147	-	36,368	-	141,515	-	-	141,515
Training	105,147	-	36,368	-	141,515	-	-	141,515
Training expenses	969	-	-	-	969	-	-	969
	969	-	-	-	969	-	-	969

	For the year ended December 31, 2024			For the year ended December 31, 2023			Cumulative				
	Grant No. D5700-KG	Credit No. 6558-KG	LSGB Contributions	Total	Grant No. D5700-KG	Credit No. 6558-KG	Total	Grant No. D5700-KG	Credit No. 6558-KG	LSGB Contributions	Total
<b>Works</b>											
Construction work	17,866	-	-	17,866	152,355	-	152,355	170,221	-	-	170,221
	17,866	-	-	17,866	152,355	-	152,355	170,221	-	-	170,221
	3,856,495	-	-	3,856,495	1,023,259	-	1,023,259	4,879,754	-	-	4,879,754
<b>(3) Small Grants under Part 4(b) of the Project</b>											
Small Grants	1,346,285	-	1,382,014	2,728,299	-	-	-	1,346,285	-	1,382,014	2,728,299
	1,346,285	-	1,382,014	2,728,299	-	-	-	1,346,285	-	1,382,014	2,728,299
	11,462,414	-	1,382,014	12,844,428	5,360,431	-	5,360,431	17,803,770	-	1,382,014	19,185,784

## 8. OTHER EXPENSES

Other expenses of the Project comprises the following:

	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative
Expenses from the interest account to the Treasury of the Kyrgyz Republic	14,715	17,594	49,342
Bank services	1,245	363	1,829
	<u>15,960</u>	<u>17,957</u>	<u>51,171</u>

## 9. FINANCIAL POSITION

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

	December 31, 2024	December 31, 2023
<b>ASSETS AND EXPENDITURES</b>		
Cash and cash equivalents	298,851	1,103,454
Cumulative expenses	19,185,784	6,341,356
Other expenses	51,171	35,211
<b>TOTAL ASSETS AND EXPENDITURES</b>	<u>19,535,806</u>	<u>7,480,021</u>
<b>FINANCING</b>		
Funds received	19,471,360	7,430,095
Other income	64,446	49,926
<b>TOTAL FINANCING</b>	<u>19,535,806</u>	<u>7,480,021</u>

**10. WITHDRAWAL APPLICATIONS**

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

Sources of financing	Application	Date	Initial deposit	Replenishment of designated account	Total	
IDA Grant No. D5700-KG	DA-A 20	March 13, 2024	-	627,020	627,020	
	DA-A 21	April 9, 2024	-	499,995	499,995	
	DA-A 22	May 13, 2024	-	936,470	936,470	
	DA-A 23	May 23, 2024	-	406,916	406,916	
	DA-A 24	June 3, 2024	-	596,010	596,010	
	DA-A 25	June 11, 2024	-	441,321	441,321	
	DA-A 26	June 28, 2024	-	433,954	433,954	
	DA-A 27	July 19, 2024	-	876,854	876,854	
	DA-A 28	July 25, 2024	-	251,840	251,840	
	DA-A 29	August 15, 2024	-	534,579	534,579	
	DA-A 30	August 26, 2024	-	349,158	349,158	
	DA-A 31	August 28, 2024	-	374,435	374,435	
	DA-A 32	September 23, 2024	-	701,716	701,716	
	DA-A 33	October 22, 2024	-	681,969	681,969	
	DA-A 34	November 6, 2024	-	569,758	569,758	
	DA-A 35	November 27, 2024	-	673,217	673,217	
	DA-A 36	December 2, 2024	-	378,951	378,951	
	DA-A 37	December 11, 2024	-	360,481	360,481	
	DA-A 38	December 19, 2024	-	498,957	498,957	
	DA-A 39	December 23, 2024	-	465,650	465,650	
				-	10,659,251	10,659,251
	IDA Credit No. 6558-KG			-	-	-
				-	10,659,251	10,659,251
				-	-	-

Withdrawal applications for the year ended December 31, 2023 are presented as follows:

Sources of financing	Application	Date	Initial deposit	Replenishment of designated account	Total	
IDA Grant No. D5700-KG	DA-A 7	8 March 2023	-	300,836	300,836	
	DA-A 8	16 June 2023	-	286,117	286,117	
	DA-A 9	25 July 2023	-	505,680	505,680	
	DA-A 10	25 August 2023	-	290,181	290,181	
	DA-A 10	25 August 2023	200,000	-	200,000	
	DA-A 11	31 August 2023	-	424,690	424,690	
	DA-A 12	19 September 2023	-	369,003	369,003	
	DA-A 13	29 September 2023	-	257,076	257,076	
	DA-A 14	1 November 2023	-	633,654	633,654	
	DA-A 16	29 November 2023	-	341,350	341,350	
	DA-A 17	5 December 2023	-	619,140	619,140	
	DA-A 18	14 December 2023	-	622,683	622,683	
	DA-A 19	26 December 2023	-	779,679	779,679	
				<u>200,000</u>	<u>5,430,089</u>	<u>5,630,089</u>
	IDA Credit No. 6558-KG			-	-	-
				<u>200,000</u>	<u>5,430,089</u>	<u>5,630,089</u>

## 11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the years ended December 31, 2024 and 2023 is presented as follows:

Source of financing	Grant No. D5700-KG	Credit No. 6558-KG
Bank	OJSC "Eldik Bank"	
Bank account	1299003250032307	1299003250032408
Currency	US dollar	US dollar
Bank's location	80/1 Moskovskaya str., Bishkek, Kyrgyz Republic	
<b>Balance as at December 31, 2022</b>	819,081	-
Initial advance	200,000	
Funds received	5,430,089	-
<b>Total funds received</b>	5,630,089	-
Expenses paid	237,594	
Transfer to transit account	5,122,837	-
<b>Balance as at December 31, 2023</b>	1,088,739	-
Funds received	10,659,251	-
<b>Total funds received</b>	10,659,251	-
Expenses paid	869,264	
Transfer to transit account	10,593,150	-
<b>Balance as at December 31, 2024</b>	285,576	-

## 12. UNDRAWN FUNDS

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

	Grant No. D5700-KG <i>in XDR</i>	Credit No. 6558-KG <i>in XDR</i>
Approved amount of financing	21,800,000	21,800,000
Disbursed during the period from December 7, 2020 to December 31, 2024	13,567,845	-
Undrawn amount as at December 31, 2024	8,232,155	21,800,000
Funds received as at December 31, 2024	5,526,115	-
Received in 2024.	8,041,730	-
Funds received as at December 31, 2024.	13,567,845	-

### 13. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan.

Commitments as at December 31, 2024 are presented as follows:

Counterparty	Contract No.	Cost per Contract (in currency)	Contract Currency	Paid up to December 31, 2024 (in currency)	Remaining amount to be paid (in currency)
Kub Kurulush LLC	IDA-REDP-W-RFQ-2021-2	10,397,884	Kyrgyz som	10,137,887	259,997
Baldy Ata LLC	IDA-REDP-W-RFQ-2022-9	10,307,447	Kyrgyz som	9,903,511	403,936
Consortium of OJSC "USTA" and LLC "Baldy Ata"	IDA-REDP-W-DC-2024-2	14,239,599	Kyrgyz som	11,869,800	2,369,799
LLC "Amantur Stroy Service"	IDA-REDP-W-RFB-2022-11/1/ad1	96,246,763	Kyrgyz som	91,434,426	4,812,337
Consortium of LLC "Alikhan Stroy" and LLC "Riegel"	IDA-REDP-W-RFB-2023-2/ad2	90,405,688	Kyrgyz som	85,885,403	4,520,285
Consortium of OJSC "USTA" and LLC "Baldy Ata"	IDA-REDP-W-RFB-2023-3	20,819,772	Kyrgyz som	19,690,362	1,129,410
LLC "Yasin Kurulush"	IDA-REDP-W-RFB-2023-4/ad2	107,904,709	Kyrgyz som	69,113,421	38,791,288
LLC "ArkhStroy Engineering" Consortium of LLC "Artskvazhina" and OJSC "USTA"	IDA-REDP-W-RFB-2024-1	6,728,450	Kyrgyz som	6,306,801	421,649
Consortium of LLC "Oniks Stroy" and LLC "Monolit Stroy"	IDA-REDP-WORKS-RFB-2023-10	14,813,245	Kyrgyz som	13,978,160	835,085
Consortium of LLC "Oniks Stroy" and LLC "Monolit Stroy"	IDA-REDP-WORKS-RFB-2023-11/ad1	14,374,707	Kyrgyz som	13,387,964	986,743
LLC "SK Grand-Royal" Consortium of LLC "Osh Road" and LLC "Remstroy Most"	IDA-REDP-WORKS-RFB-2023-6/ad1	25,232,310	Kyrgyz som	23,970,694	1,261,616
Consortium of LLC "Osh Road" and LLC "Remstroy Most"	IDA-REDP-WORKS-RFB-2023-8-RT1	96,294,365	Kyrgyz som	51,560,971	44,733,394
Consortium of CJSC "Ak-Bata" and LLC "Iveria"	IDA-REDP-WORKS-RFB-2023-9/ad2	156,108,570	Kyrgyz som	83,615,257	72,493,313

### 14. LEGAL CASES

There were no any legal claims related to the Project.

**15. EVENTS AFTER THE REPORTING DATE**

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

Sources of financing	Application	Date	Replenishment of designated account	Total
<b>Grant D5700-KG</b>				
	DA-A 40	January 3, 2025	809,405	809,405
	DA-A 44	February 20, 2025	534,911	534,911
	DA-A 43	March 14, 2025	384,739	384,739
	DA-A 41	April 14, 2025	583,725	583,725
	DA-A 45	May 1, 2025	977,652	977,652
	DA-A 46	May 20, 2025	881,517	881,517
	DA-A 47	May 29, 2025	271,523	271,523
			<u>4,443,472</u>	<u>4,443,472</u>

Withdrawal application DA-A42 in the amount of 38,473,902 US dollars was deleted on March 12, 2025.

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

ОсОО «Бейкер Тилли Бишкек» оказывает услуги под именем Бейкер Тилли и является членом международной сети Baker Tilly International, каждая фирма-участница которой – самостоятельное и независимое юридическое лицо.

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