

**“Digital CASA – Kyrgyz Republic Project”
Grant No. D279-KG, Credit No. 6200-KG**

**The project financial statement
for the year ended December 31, 2023
and independent auditor’s report**

"DIGITAL CASA - KYRGYZ REPUBLIC PROJECT"
GRANT NO. D279-KG, CREDIT NO. 6200-KG

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**“DIGITAL CASA – KYRGYZ REPUBLIC PROJECT”
GRANT NO. D279-KG, CREDIT NO. 6200-KG**

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF
THE PROJECT FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023**

The following statement, which should be read in conjunction with the independent auditor’s responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditor in relation to the project financial statement of the “Digital CASA – Kyrgyz Republic Project”, Grant No. D279-KG and Credit No. 6200-KG (the “Project”).

Management of the Project is responsible for the preparation of the project financial statement that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts for the year ended December 31, 2023 in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”).

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

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project financial statement; and
- preparing the project financial statement 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 project financial statement 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.

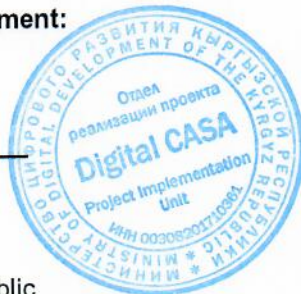
The project financial statement for the year ended December 31, 2023 was approved and authorized for issue on May 28, 2024 by the management of the Project.


On behalf of the Management:



Togolokov K.
PIU Director

May 28, 2024
Bishkek, the Kyrgyz Republic





Zhunushova R.
PIU Financial manager

May 28, 2024
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the Management of the Project "Digital CASA – Kyrgyz Republic Project" under the Ministry of Digital Development of the Kyrgyz Republic:

Report on the project financial statement

Opinion

We have audited the accompanying project financial statement of the Project "Digital CASA – Kyrgyz Republic 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, 2023, and a summary of significant accounting policies and other explanatory information (the "project financial statement").

In our opinion, the accompanying project financial statement present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts for the year ended December 31, 2023 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (the "ISAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the project financial statement section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the project financial statement, 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 statement, which describe the basis of accounting. The project financial statement was prepared for complying with the appropriate World Bank Guidelines and Financing agreement requirements.

Other matter

We draw attention to the fact that the World Bank rated overall implementation progress of the Project as moderate satisfactory in implementation status and results report as at December 26, 2023.

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

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

Management is responsible for the preparation and fair presentation of the project financial statement 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 statement that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the project financial statement

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

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 statement, 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 statement 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 statement, including the disclosures, and whether the project financial statement 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
Certificate of auditor of the Kyrgyz Republic
No. A 0069 dated October 19, 2009
Audit Partner
Director, 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

May 28, 2024
Bishkek, Kyrgyz Republic

**“DIGITAL CASA – KYRGYZ REPUBLIC PROJECT”
GRANT NO. D279-KG, CREDIT NO. 6200-KG**

**SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID
FOR THE YEAR ENDED DECEMBER 31, 2023
(in US dollars)**

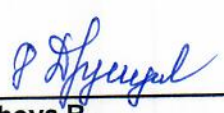
	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022	Cumulative
Opening balance	4	992,564	668,165	-
Funds received				
Grant No. D279-KG	5	8,656,293	2,205,672	12,392,673
Credit No. 6200-KG	5	-	-	-
Total funds received		8,656,293	2,205,672	12,392,673
Other income	6	18,178	14,445	83,376
Total receipts		8,674,471	2,220,117	12,476,049
Expenses				
I -Works, goods, consulting services, non-consulting services, training and operating costs excluding parts 1.1 (b) and (c); and 2.1 (b))	7	2,089,910	1,852,006	4,846,419
II -Works, goods, consulting services, non-consulting services, training parts 1.1. (b) and (c) of the project	7	6,571,871	-	6,571,871
III - Works, goods, consulting services, non-consulting services, training parts 2.1. (b) of the project	7	-	-	-
Total expenses		8,661,781	1,852,006	11,418,290
Other expenses	8	14,992	43,712	67,497
Closing balance	4	990,262	992,564	990,262

On behalf of the Management:


Togolokov K.
PIU Director

May 28, 2024
Bishkek, the Kyrgyz Republic




Zhunushova R.
PIU Financial manager

May 28, 2024
Bishkek, the Kyrgyz Republic

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

**“DIGITAL CASA – KYRGYZ REPUBLIC PROJECT”
GRANT NO. D279-KG, CREDIT NO. 6200-KG**

**SUMMARY OF EXPENDITURES PAID BY PROJECT PARTS
FOR THE YEAR ENDED DECEMBER 31, 2023**
(in US dollars)

	For the year ended December 31, 2023	For the year ended December 31, 2022	Cumulative
Part 1. Regional digital connectivity infrastructure	6,571,871	80,000	6,910,708
Part 2. Regional datacenters, digital platforms, and smart solutions	31,200	149,960	190,025
Part 3. Enabling environment for digital economy	1,581,267	1,402,605	2,999,049
Part 4. Project management	477,443	219,441	1,318,508
	<u>8,661,781</u>	<u>1,852,006</u>	<u>11,418,290</u>

On behalf of the Management:



Togolokov K.
PIU Director

May 28, 2024
Bishkek, the Kyrgyz Republic





Zhunushova R.
PIU Financial manager

May 28, 2024
Bishkek, the Kyrgyz Republic

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

**“DIGITAL CASA – KYRGYZ REPUBLIC PROJECT”
GRANT NO. D279-KG, CREDIT NO. 6200-KG**

**NOTES TO THE PROJECT FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(in US dollars)**

1. GENERAL INFORMATION

According to the Financing agreement between the Kyrgyz Republic and International Development Association (the “IDA”) signed on July 2, 2018, the IDA provided Grant No. D279-KG in the amount of 17,200,000 Special Drawing Rights and Credit No. 6200-KG in the amount of 17,200,000 Special Drawing Rights to the Kyrgyz Republic.

The Grant and the Credit were provided for implementation of the Project “Digital CASA – Kyrgyz Republic Project” (the “Project”).

Project purpose

The objectives of the Project are: to increase access to more affordable internet; to crowd-in private investment in the Information and Communication technology (the “ICT”) sector; and to improve the Kyrgyz Republic’s capacity to deliver digital government services, by contributing to the development of a regionally integrated digital infrastructure and enabling environment.

The Project comprises the following parts:

Part 1: Regional digital connectivity infrastructure;

Part 2: Regional datacenters, digital platforms and smart solutions;

Part 3: Enabling environment for digital economy;

Part 4: Project management.

Part 1: Regional digital connectivity infrastructure

1.1. Improving Regional Connectivity

Carrying out of a comprehensive program for the pre-purchase of bundles of communications services, including international and, where applicable, domestic connectivity, including:

a) Carrying out of a feasibility study on the backbone and services requirements for the expansion of the Kyrgyz portion of the regional backbone network, including the design of said backbone and services requirements;

b) Provision of the communications services for the expansion of the Kyrgyz portion of the regional backbone network, in selected areas, through: (i) support in the procurement process for the selection of operators; and (ii) provision of the pre-purchase of said communications services; and

c) Provision of third-party verification of the deployed infrastructure.

1.2. Increasing the Security, Capacity and Reach of “G-Net” Network

Provision of support to increase security, capacity, and geographic reach of the Kyrgyz Republic’s internal digital network G-Net, through:

a) Design of G-Net and development of the bidding documentation for the selection of a vendor to deploy the necessary hardware and software in target public sector institutions; and

b) Provision of specialized networking and cybersecurity equipment, cabling, and IT infrastructure to increase the security, capacity, reach of G-Net to connect public sector institutions across the country.

Part 2: Regional datacenters, digital platforms and smart solutions

2.1. Eurasia Cloud Regional Datacenter Network and G-Cloud

- a) Carrying out of a feasibility study for attracting private investment for the creation of a regional Eurasia Cloud Datacenter Network by exploring Private-Public partnership (the "PPP") options;
- b) Provision of hosting capacity and cloud services from a data services hosting platform service provider or the Eurasia Regional Datacenter Network, through: (i) provision of support in the procurement process for the selection of the service providers; and (ii) provision of the pre-purchase of the said hosting capacity and cloud services;
- c) Development of a design for establishing the mini G-Cloud;
- d) Upgrading of the Kyrgyz Republic's existing facilities, including the equipment and related services for the creation of the G-Cloud.

2.2. Digital Platforms, Shared Services, and Smart Solutions

- a) Development of a design for the integration of a shared digital public service delivery platform and preparing procurement documentation for its implementation;
- b) Provision of support for the procurement of digital platforms and shared services such as authentication and identity management, e-signature, unified notification and payment platforms, interoperability, cybersecurity, and application/data-sharing platforms;
- c) Digitization of paper records;
- d) Development of a selected number of quick-win smart solutions (data-driven services);
- e) Enhancement of the Government Website, State E-Services portal and Open Data portal;
- f) Development of a multi-channeled, interactive and responsive citizen engagement and beneficiary feedback platform.

Part 3: Enabling environment for digital economy

3.1 Legal, Regulatory and Institutional Foundations for Digital Economy

Carrying out of a program to strengthen and harmonize, at the regional and national levels, the legal and regulatory frameworks, and the institutional and human capacity to support the activities under Parts 1 and 2 of the Project, including:

- a) Conducting of a legal and regulatory framework gap analysis for the digital economy aimed at identifying potential barriers at the regional and national levels for implementation of the activities under Parts 1.1 and 2.1 above, and to guide the implementation of activities under Part 3.
- b) Development of the legal and regulatory framework, including provision of training, in the field of electronic communication, to promote competition in the telecom market, facilitate cross-border connectivity, facilitate the establishment of PPPs in the sector, and create a regionally harmonized enabling environment for open access and cross-sector infrastructure sharing;
- c) Provision of technical assistance and training with respect to, inter alia, digital economy policy, strategy and action planning, standards and legal and regulatory development in the area of digital economy (including digital government enterprise architecture and interoperability framework, ICT procurement for public sector institutions, datacenter infrastructure, shared platforms including electronic identification and authentication and other common services, and smart solutions, smart city, intellectual property rights, personal data protection, cross-border data transfer and hosting, and emerging technologies);
- d) Provision of technical assistance and training with respect to, inter alia, cybersecurity policy, strategy, and regulatory development for institutional strengthening and capacity building in the area of cybersecurity.

3.2 Regional Partnerships for Digital Economy Skills, Jobs and Innovations

Carrying out of the following activities:

- a) Establishment of a regional center of excellence for digital development, as part of a regional network of such centers;
- b) National and regional innovation challenge competitions, hackathons and pitching events, aimed at stimulating youth entrepreneurship;
- c) Designing of innovative job creation initiatives, though, inter alia, paper records digitalization programs, microwork programs, and other similar programs that are aimed at creating jobs for youth and women;
- d) Piloting of digital innovations using latest technologies (such as drones and blockchain) to develop practical and highly valued exportable skills and replicable use cases and smart solutions;
- e) Designing of academia-industry partnerships, including internship and practical training programs for young graduates and twinning arrangements with educational and research organizations;
- f) Development of the Digital Economy Competency Framework and the initial offering of courses and workshops and for training of trainers;
- g) Provision of leadership and technical training to enable public officials, ICT professionals, and other citizens, especially women, youth, and disadvantaged groups, to acquire digital economy competencies.

3.3 Digital Leadership and Strategic Communications

- a) Carrying out of outreach and communications activities;
- b) Development and implementation of a strategic communications program, including support for the organization of public information and awareness building campaigns, knowledge-sharing seminars, workshops, and conferences;
- c) Creation and management of strategic partnerships with local and foreign governmental agencies, donors, nongovernmental organizations, and other entities, to raise and manage additional funding and other resources.

Part 4: Project management

Carrying out of Project management activities, including support for the Project Implementation Unit, monitoring and evaluation, and audit; and provision of support for the Kyrgyz Republic's participation in regional coordination activities and related consultations at the regional level.

Project management

The Project is implemented by the Project Implementation Unit (the "PIU") under the Ministry of Digital Development of the Kyrgyz Republic

The original Project completion date was May 31, 2023, with a grace period until September 30, 2023. However, according to the letter received from the World Bank on May 19, 2023, an extension of the Project closing date has been approved until April 30, 2025, including a grace period until August 31, 2025.

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENT

Basis of preparation

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

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

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

The project financial statement consists of:

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The project financial statement is prepared on a cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid. The project financial statement 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 statement is balances of cash and changes therein.

Foreign currency

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

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

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

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

All exchange differences arising from the redemption or revaluation of monetary items are included in the summary of funds received and expenditures paid.

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.

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 Aiyl Bank OJSC on the outstanding balances of cash on designated account and income from selling of tender documents.

Other expenses

Other expenses comprise payments for bank services and transfer of accrued interest income to the Ministry of Finance of the Kyrgyz Republic.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2023 and 2022 are presented as follows:

	Source of financing	Currency	December 31, 2023	December 31, 2022
Designated account	Grant No. D279-KG	US dollar	974,383	979,871
Interest account	Other	US dollar	15,874	12,684
Interest account	Other	Kyrgyz som	5	9
			<u>990,262</u>	<u>992,564</u>

5. FUNDS RECEIVED

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

	For the year ended December 31, 2023	For the year ended December 31, 2022	Cumulative
Grant No. D279-KG			
Initial deposit	-	-	1,209,908
Replenishment of designated account	2,114,318	2,205,672	4,640,790
Direct payment	6,541,975	-	6,541,975
	<u>8,656,293</u>	<u>2,205,672</u>	<u>12,392,673</u>
Credit No. 6200-KG	-	-	-
	<u>8,656,293</u>	<u>2,205,672</u>	<u>12,392,673</u>

6. OTHER INCOME

Other income is presented as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	Cumulative
Interest income	18,178	14,445	82,194
Sale of tender documents	-	-	1,182
	<u>18,178</u>	<u>14,445</u>	<u>83,376</u>

	Grant No. D279-KG	Cumulative Credit No. 6200-KG	Total
Non-consultant's services	6,541,976	-	6,541,976
Consultant's services			
<i>Local consultants</i>	3,052,184	-	3,052,184
<i>International consultants</i>	544,815	-	544,815
Operating costs			
<i>Payroll and related taxes</i>	904,503	-	904,503
<i>Business trip expenses</i>	37,575	-	37,575
<i>Audit expenses</i>	32,717	-	32,717
<i>Other</i>	30,459	-	30,459
Training			
<i>International training</i>	102,446	-	102,446
<i>Local training</i>	26,262	-	26,262
Goods	145,353	-	145,353
	<u>11,418,290</u>	<u>-</u>	<u>11,418,290</u>

8. OTHER EXPENSES

Other expenses are presented as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022	Cumulative
Transfer of accrued interest income to the Ministry of Finance of the Kyrgyz Republic	12,693	40,778	61,085
Bank services	2,299	1,752	5,230
Other	-	1,182	1,182
	<u>14,992</u>	<u>43,712</u>	<u>67,497</u>

9. FINANCIAL POSITION

Financial position as at December 31, 2023 and 2022 is presented as follows:

	December 31, 2023	December 31, 2022
ASSETS AND EXPENSES		
Cash and cash equivalents	990,262	992,564
Cumulative expenses	11,418,290	2,756,509
Other expenses	67,497	52,505
TOTAL ASSETS AND EXPENSES	<u>12,476,049</u>	<u>3,801,578</u>
FINANCING		
Funds received	12,392,673	3,736,380
Other income	83,376	65,198
TOTAL FINANCING	<u>12,476,049</u>	<u>3,801,578</u>

10. WITHDRAWAL APPLICATIONS

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

Sources of financing	Application	Date	Replenishment of designated account	Direct payment	Total
IDA Grant No. D279-KG	13	February 24, 2023	475,837	-	475,837
	15	April 27, 2023	-	2,394,763	2,394,763
	16	May 30, 2023	541,819	-	541,819
	17	June 27, 2023	338,543	-	338,543
	18	July 12, 2023	329,224	-	329,224
	19	August 24, 2023	-	2,054,107	2,054,107
	20	December 13, 2023	-	2,093,105	2,093,105
	21	December 22, 2023	428,895	-	428,895
				<u>2,114,318</u>	<u>6,541,975</u>
IDA Credit No. 6200-KG			-	-	-
			<u>2,114,318</u>	<u>6,541,975</u>	<u>8,656,293</u>

Withdrawal applications for the year ended December 31, 2022 are presented as follows:

Sources of financing	Application	Date	Initial deposit	Replenishment of designated account	Total
IDA Grant No. D279-KG	7	July 12, 2022	-	330,752	330,752
	8	July 12, 2022	-	297,996	297,996
	10	August 30 2022	-	510,712	510,712
	11	October 19 2022	-	519,233	519,233
	12	December 27, 2022	-	546,979	546,979
				<u>-</u>	<u>2,205,672</u>
IDA Credit No. 6200-KG			-	-	-
			<u>-</u>	<u>2,205,672</u>	<u>2,205,672</u>

11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the years ended December 31, 2023 and 2022 is presented as follows:

Source of financing	Grant No. D279-KG	Credit No. 6200-KG	Total
Bank	Aiyi Bank OJSC		
Bank account	1350108037938271	1350108038410440	
Currency	US dollar	US dollar	
Bank's location	14 Logvinenko str., Bishkek, Kyrgyz Republic		
Balance as at December 31, 2021	<u>626,205</u>	<u>-</u>	<u>626,205</u>
Initial deposit	-	-	-
Replenishment	<u>2,205,672</u>	<u>-</u>	<u>2,205,672</u>
Total funds received	<u>2,205,672</u>	<u>-</u>	<u>2,205,672</u>
Expenses paid	220,308	-	220,308
Transfer to transit account	<u>1,631,698</u>	<u>-</u>	<u>1,631,698</u>
Balance as at December 31, 2022	<u>979,871</u>	<u>-</u>	<u>979,871</u>
Initial deposit	-	-	-
Replenishment	<u>2,114,318</u>	<u>-</u>	<u>2,114,318</u>
Total funds received	<u>2,114,318</u>	<u>-</u>	<u>2,114,318</u>
Expenses paid	1,743,837	-	1,743,837
Transfer to transit account	<u>375,969</u>	<u>-</u>	<u>375,969</u>
Balance as at December 31, 2023	<u>974,383</u>	<u>-</u>	<u>974,383</u>

12. UNDRAWN FUNDS

Undrawn funds as at December 31, 2023 are presented as follows:

	Grant No. D279-KG <i>in SDR</i>	Credit No. 6200-KG <i>in SDR</i>
Approved amount of financing	17,200,000	17,200,000
Disbursed during the period from February 20, 2019 to December 31, 2019	955,858	-
Disbursed during the year ended December 31, 2020	148,698	-
Disbursed during the year ended December 31, 2021	-	-
Disbursed during the year ended December 31, 2022	1,689,509	-
Disbursed during the year ended December 31, 2023	<u>6,476,857</u>	<u>-</u>
Undrawn amount of financing as at December 31, 2023	<u>7,929,078</u>	<u>17,200,000</u>

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, 2023 are presented as follows:

Counterparty	Contract No.	Cost per contract (in CCY)	Contract currency	Paid up to December 31, 2023 (in CCY)	Remaining amount to be paid (in CCY)
Kyrgyztelecom OJSC	IDA/DCASA/2020/G-1-1-1-2/1	23,947,625	US dollar	6,541,976	17,405,649
I Do Marketing LLC	CS-CQS-3-4-1	293,904	US dollar	44,086	249,818
Insol LLC	CS-CQS-1-1-2	249,130	US dollar	29,896	219,234
PF Civil Initiative of Internet Policy	№ CS-QCBS-3-1-1	2,908,178	US dollar	2,827,613	80,565
University in Central Asia	CS-CQS-3-2-2	150,000	US dollar	112,174	37,826
Glebov D., individual consultant	CS-IC-2-1-3-1	51,200	US dollar	31,200	20,000

14. LEGAL CASES

There were no any legal claims related to the Project.

15. EVENTS AFTER THE REPORTING DATE

During 2024 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	Direct payment	Total
Grant No. D279-KG	22	March 11, 2024	-	2,496,480	2,496,480
Grant No. D279-KG	23	March 23, 2024	208,066	-	208,066
Grant No. D279-KG	24	May 9, 2024	-	1,618,792	1,618,792
			<u>208,066</u>	<u>4,115,272</u>	<u>4,323,338</u>

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