

# **AGRICULTURAL PRODUCTIVITY AND NUTRITION IMPROVEMENT PROJECT**

**GAFSP GRANT NUMBER TFOA0645**

**IMPLEMENTED BY PROJECT IMPLEMENTATION UNIT  
UNDER THE DEPARTMENT OF WATER RESOURCES AND LAND IMPROVEMENT  
OF THE MINISTRY OF AGRICULTURE, FOOD INDUSTRY AND MELIORATION  
OF THE KYRGYZ REPUBLIC**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**For the year ended 31 December 2018**

**BISHKEK  
March 2019**

# AGRICULTURAL PRODUCTIVITY AND NUTRITION IMPROVEMENT PROJECT

GAFSP GRANT NUMBER TFOA0645

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

The management of the Project Implementation Unit under the Department of Water Resources and Land Improvement of the Ministry of Agriculture, Food Industry and Melioration of the Kyrgyz Republic ("PIU DWR") is responsible for the preparation of the special purpose financial statements of "Agricultural Productivity and Nutrition Improvement Project" ("Project") financed by Grant Agreement: GAFSP Grant Number TFOA0645 dated 18 March 2016, that present fairly the Project's cash receipts and payments for the year ended 31 December 2018, in compliance 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 Standard Conditions for Grants Made by the World Bank Out of Various Funds ("WB Guidelines").

In preparing the special purpose financial statements, PIU DWR'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 2018.

PIU DWR'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 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 GAFSP GRANT NUMBER TFOA0645 dated 18 March 2016, and World Bank related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided; and
- Preventing and detecting fraud and other errors.

The special purpose financial statements for the year ended 31 December 2018 were authorized for issue on 25 March 2019 by the PIU DWR's Management.

On behalf of the PIU DWR's Management:

  
Kydykbek Beyshekeev  
Director



  
Saltanat Djumaeva  
Financial Manager



## INDEPENDENT AUDITOR'S REPORT

To the management of the Project Implementation Unit under the Department of Water Resources and Land Improvement of the Ministry of Agriculture, Food Industry and Melioration of the Kyrgyz Republic ("PIU DWR")

### **Opinion**

We have audited the special purpose financial statements of "Agricultural Productivity and Nutrition Improvement Project" ("Project") financed by Financing Agreement GAFSP Grant Number TFOA0645 dated 18 March 2016 ("Financing Agreement"), and implemented by PIU DWR which comprise the statement of cash receipts and payments, and the statement of expenditures per components for the year ended 31 December 2018, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respect, the cash flows for the year ended 31 December 2018 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 PIU DWR in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled out other ethical requirements in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter- Cash Basis of Accounting**

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

### **Responsibilities of the Management for the Financial Statements**

Management of the PIU DWR is responsible for the preparation and fair presentation 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 Standard Conditions for Grants Made by the World Bank Out of Various Funds ("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 PIU DWR 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 World Bank related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
2. supporting documents, records and accounts have been maintained to support claims for reimbursement of expenditures incurred. Expenditures included in the withdrawal applications and reimbursed against are eligible for financing under the Financing Agreement. Interim Unaudited Financial Statements ("IFs") issued by PIU DWR 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 provisions of the World Bank Procurement Guidelines.

In our opinion, the PIU DWR management has complied with the above requirements for the year ended 31 December 2018.

"BDO Armenia" CJSC  
25 March 2019

  
Gnel Khachatryan, FCCA  
Engagement Partner



**Agricultural Productivity and Nutrition Improvement Project**  
**GAFSP Grant Number TF0A0645-KG**

**Statement of cash receipts and payments**  
For the year ended 31 December 2018  
*(Amounts are shown in US dollars)*

	Note	Actual		Budget		Variance	
		Reporting year	Cumulative as at 31 Dec 2018	Reporting year	Cumulative as at 31 Dec 2018	Reporting year	Cumulative as at 31 Dec 2018
<b>TOTAL OPENING CASH</b>		<b>1,721,493</b>	-				
<b>Sources of Funds</b>	<b>8</b>						
GAFSP Grant Number TF0A0645		5,259,911	8,648,761				
<b>TOTAL FUNDS</b>		<b>5,259,911</b>	<b>8,648,761</b>				
<b>Other income</b>	<b>11</b>	<b>23,264</b>	<b>55,598</b>				
<b>Project Expenditures</b>	<b>7</b>						
1. Works, Goods, Training, Operating Costs, Consultants' services, Non-consultant services and Small Grants							
Goods		5,506,121	7,198,071	5,000,000	6,691,950	506,121	506,121
Works		445,660	509,722	454,460	518,522	(8,800)	(8,800)
Consultants' services (including training)		3,526,023	4,701,346	3,225,421	4,400,744	300,602	300,602
Operating costs		1,328,253	1,686,420	1,176,395	1,534,562	151,858	151,858
		206,185	300,583	143,724	238,122	62,461	62,461
<b>TOTAL PROJECT EXPENDITURES</b>		<b>5,506,121</b>	<b>7,198,071</b>	<b>5,000,000</b>	<b>6,691,950</b>	<b>506,121</b>	<b>506,121</b>

Other outflows 12 33,767 41,508

**TOTAL CLOSING CASH** 1,464,780 1,464,780



**Kydykbek Beyshekeev**  
**Director**

**Saltanat Djumaeva**  
**Financial Manager**

25 March 2019


The notes on pages 8-14 form an integral part of these special purpose financial statements.




**Agricultural Productivity and Nutrition Improvement Project**  
**GAFSP Grant Number TF0A0645-KG**

**Statement of expenditures per components**  
For the year ended 31 December 2018  
*(Amounts are shown in US dollars)*

Activity	Actual		Budget		Variance	
	Reporting year	Cumulative as at 31 Dec 2018	Reporting year	Cumulative as at 31 Dec 2018	Reporting year	Cumulative as at 31 Dec 2018
<b>Part 1. Rehabilitation and Modernization of Irrigation and Drainage Infrastructure</b>						
1.a. Rehabilitation and modernization of selected existing irrigation and drainage system	4,087,021	5,492,740	3,635,428	5,041,147	451,593	451,593
1.b. Maintenance equipment for WUAs	3,532,424	4,858,287	2,641,978	3,967,841	890,446	890,446
1.c. Off-farm irrigation infrastructure and water measurement structures	231,388	294,985	90,000	153,597	141,388	141,388
1.d. Limited rehabilitation works on critical off-farm structures	304,274	320,533	303,450	319,709	824	824
	18,935	18,935	600,000	600,000	(581,065)	(581,065)
<b>Part 2. Agricultural Advisory Services</b>						
2.a. Training and technical advisory services	442,469	446,605	305,655	309,791	136,814	136,814
2.b. Small Grants to participating WUAs	37,038	41,174	175,655	179,791	(138,617)	(138,617)
2.c. Technical advisory services and promoting knowledge dissemination	187,985	187,985	-	-	187,985	187,985
2.d. Demonstrations on on-farm water management	143,734	143,734	-	-	143,734	143,734
	73,712	73,712	130,000	130,000	(56,288)	(56,288)
<b>Part 3. Nutrition Improvements</b>						
3.a. Household nutrition education program	501,193	510,422	707,050	716,279	(205,857)	(205,857)
3.b. Provision of micronutrient supplements	-	-	72,000	72,000	(72,000)	(72,000)
3.c. Improvement of household nutrition and dietary	-	-	170,000	170,000	(170,000)	(170,000)
3.d. Improvement of national coordination for food and nutrition security	330,273	330,273	411,000	411,000	(80,727)	(80,727)
	170,920	180,149	54,050	63,279	116,870	116,870
<b>Part 4. Project Management</b>						
	475,438	748,304	351,867	624,733	123,571	123,571
<b>Total</b>	<b>5,506,121</b>	<b>7,198,071</b>	<b>5,000,000</b>	<b>6,691,950</b>	<b>506,121</b>	<b>506,121</b>



**Kydybek Beyshekeev**  
**Director**

**Saltanat Djumaeva**  
**Financial Manager**

25 March 2019

The notes on pages 8-14 form an integral part of these special purpose financial statements.

**Notes to the special purpose financial statements**

For the year ended 31 December 2018

*(Amounts are shown in US dollars)*

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**1. General information**

**1.1. The Project**

According to the Grant Agreement between the Kyrgyz Republic and the International Development Association (IDA) on 18 March 2016, GAFSP Grant Number TF0A0645, the IDA acting as Trustee of the Global Agriculture and Food Security Multi-Trust Fund under the Global Agriculture and Food Security Program, provided to the Kyrgyz Republic grant in the amount of 38,000,000 United States dollars (USD).

The Grant are provided for implementation of "Agricultural Productivity and Nutrition Improvement Project" (the Project).

The Grant Agreement became effective on 14 Sept 2016.

The Closing date of GAFSP Grant Number TF0A0645 is set 30 June 2022.

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

**1.2. The Project objectives**

The purpose of the Project is to increase agricultural productivity, and food and nutrition security of rural households in selected areas in Kyrgyz Republic.

The Project comprises of the following parts:

**Part 1: Rehabilitation and Modernization of Irrigation and Drainage Infrastructure**

Increasing agricultural productivity and ensuring access to adequate agriculture water resources: a) rehabilitation and modernization of selected existing irrigation and drainage systems; (b) provision of maintenance equipment to Water Users Associations (WUAs) and Federations of WUAs; (c) provision of off-farm irrigation infrastructure and water measurement structures; and (d) carrying out limited rehabilitation works on critical off-farm structures.

**Part 2: Agricultural Advisory Services**

Carrying out of activities to increase irrigated agricultural production and food and nutrition security, including: (a) provision of training and technical advisory services; (b) provision of Small Grants to Participating WUAs to implement the Agriculture Development Plans; (c) providing technical advisory services and promoting knowledge dissemination through: and (d) conducting demonstrations on on-farm water management and facilitating selected WUA members to attend said demonstration events.

**Part 3: Nutrition Improvements**

(a) Carrying out of a household nutrition education program for women, children and adolescent girls to improve household nutrition; (b) Provision of micronutrient supplements to targeted women and children to improve their nutritional health; (c) Carrying out of activities to improve household nutrition and dietary consumption; (d) Improving national coordination for food and nutrition security.

**Part 4: Project Management**

Strengthening the institutional capacity of the PIU to carry out Project management activities, including the administration, coordination and monitoring and evaluation of the Project.



**Agricultural Productivity and Nutrition Improvement Project**  
**GAFSP Grant Number TF0A0645-KG**

**Notes to the special purpose financial statements**

For the year ended 31 December 2018

(Amounts are shown in US dollars)

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**1.3. Budget**

The percentage of expenditures to be financed (inclusive of taxes) from GAFSP Grant Number TF0A0645 is set 100%.

The total budget of the project is as follows:

	<b>GAFSP GRANT NUMBER TF0A0645</b>	<b>Total</b>
<b>Category</b>	<b>USD</b>	<b>USD</b>
Works, Goods, Training, Operating Costs, Consultants' services, Non- consultant services and Small Grants	38,000,000	38,000,000
<b>Total</b>	<b>38,000,000</b>	<b>38,000,000</b>

**1.4. Project Implementation**

The Project is implemented by the Project Implementation Unit under Department of Water Resources and Land Improvement of the Ministry of Agriculture, Food Industry and Melioration of the Kyrgyz Republic (the PIU DWR).

The PIU DWR was established for the purpose of the Project implementation by the Decree #118 dated 1 June 2006 of the Government of the Kyrgyz Republic.

The address of the PIU DWR is 4a Toktonaliev str., Bishkek, 720055, Kyrgyz Republic.

**Notes to the special purpose financial statements**

For the year ended 31 December 2018

(Amounts are shown in US dollars)

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**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 the Standard Conditions for Grants Made by the World Bank Out of Various Funds (WB Guidelines).

The principal accounting policies applied in the preparation of these special purpose financial statements are set out below.

**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). Project expenditures, other incomes and expenditures made denominated in KGS are translated into USD at the exchange rate determined by the account holder bank, OJSC "Commercial Bank Kyrgyzstan" (CBKG), on the date of transaction.

Cash balances held in KGS at the reporting date are translated into USD at the exchange rate determined by the CBKG on that date.

The effect of exchange rate changes on cash held on foreign currency is reported as separate line item in the statement of cash receipts and payments.

The exchange rate defined by the CBKG as at 31 December 2017 is USD 1 = 68.8395 KGS.

The exchange rate defined by the CBKG as at 31 December 2018 is USD 1 = 69.8500 KGS.

**2.4. Taxes**

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

**2.5. Budget**

Annual budgets for funding and expenditures are based on approved budget of the project agreement.

Expenditure budget is created based on actual accumulated expenditures for the last period, if any, plus the updated procurement plans for the period.

Financing budget is created based on actual accumulated expenditures for the last period, if any, plus funding for the coming period budgeted expenditures.

**2.6. Petty cash**

Petty cash is cash held at authorized staff of the Project, to carry out cash expenditures for the Project purposes. The expenditures from the petty cash are recorded in the financial reports based on the expenditure reports submitted by the authorized staff.

**Agricultural Productivity and Nutrition Improvement Project**  
**GAFSP Grant Number TF0A0645-KG**

**Notes to the special purpose financial statements**

For the year ended 31 December 2018

(Amounts are shown in US dollars)

**3. Summary of Summary Reports and SOEs**

Withdrawal application No	Withdrawal application value date	Payment categories	Total
		Works, Goods, Training, Operating Costs, Consultants' services, Non-consultant services and Small Grants	
5	18.Jan.2018	303,100.08	303,100.08
6	16.Mar.2018	407,453.91	407,453.91
7	30.May.2018	711,853.34	711,853.34
8	28.Jun.2018	520,733.37	520,733.37
10	27.Aug.2018	998,957.67	998,957.67
11	13.Sep.2018	631,754.99	631,754.99
12	19.Nov.2018	742,178.45	742,178.45
13	03.Dec.2018	528,712.46	528,712.46
14	17.Dec.2018	415,166.82	415,166.82
<b>Total</b>		<b>5,259,911.09</b>	<b>5,259,911.09</b>

**4. Statement of Designated Account**

Designated account number	1030120800009855
Bank	OJSC "Commercial Bank Kyrgyzstan"
Bank location	54a, Togolok Moldo St., Bishkek, Kyrgyz Republic
Account currency	USD

	<b>GAFSP GRANT NUMBER TF0A0645</b>
1. Opening balance as at 01.01.2018	1,692,610
2. Add: opening discrepancy	4,290
3. IDA advance/replenishment	5,259,911
4. Less: Refund to IDA from DA	-
<b>5. Present outstanding amount advanced to DA</b>	<b>6,956,811</b>
6. DA closing balance as at 31.12.2018	1,439,925
7. Add: Amount of eligible expenditures paid	5,506,121
8. Less: interest earned (if credited to DA)	-
<b>9. Total advance accounted for</b>	<b>6,946,046</b>
10. Closing discrepancy (5)-(9) *	10,765

(\*) Discrepancy consists of petty cash (Note 6).



**Notes to the special purpose financial statements**

For the year ended 31 December 2018

(Amounts are shown in US dollars)

**5. Statement of Financial Position**

The Statement of Financial Position discloses assets, liabilities and net assets of the Projects 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 2018 USD	31 Dec 2017 USD
<b>ASSETS</b>			
Cash	6	1,464,780	1,721,493
Prepayments	9	552,871	79,478
<b>Total assets</b>		<b>2,017,651</b>	<b>1,800,971</b>
<b>LIABILITIES</b>			
Payables	10	184,801	61,284
<b>Total liabilities</b>		<b>184,801</b>	<b>61,284</b>
<b>NET ASSETS</b>			
Cumulative income			
GAFSP Grant Number TF0A0645	8	8,648,761	3,388,850
Other income	11	55,598	24,593
		<b>8,704,359</b>	<b>3,413,443</b>
Cumulative expenses			
Project expenses		6,830,001	1,673,756
Other outflows	12	41,508	-
		<b>6,871,509</b>	<b>1,673,756</b>
<b>Total net assets</b>		<b>1,832,850</b>	<b>1,739,687</b>

**6. Cash**

	Account held at	Underlying Currency	31 Dec 2018 USD	31 Dec 2017 USD
<b>GAFSP Grant Number TF0A0645</b>				
Designated Account	CBK*	USD	1,439,925	1,692,610
Petty cash		KGS	10,765	4,290
			<b>1,450,690</b>	<b>1,696,900</b>
<b>Other</b>				
Interest account	CBK	KGS	8,655	21,716
Tender account	CBK	KGS	5,335	2,877
Tender account	CBK	USD	100	-
			<b>14,090</b>	<b>24,593</b>
			<b>1,464,780</b>	<b>1,721,493</b>

(\*) OJSC "Commercial Bank Kyrgyzstan".

**Agricultural Productivity and Nutrition Improvement Project**  
**GAFSP Grant Number TFOA0645-KG**

**Notes to the special purpose financial statements**

For the year ended 31 December 2018

(Amounts are shown in US dollars)

**7. Project expenditure**

Project Activity	Cumulative Expenditures as at 31 Dec 2018	Total budget	Implementation
	USD	USD	%
1.Rehabilitation and Modernization of Irrigation and Drainage Infrastructure	5,492,740	28,000,000	20%
2.Agricultural Advisory Services	446,605	3,500,000	13%
3.Nutrition Improvements	510,422	4,600,000	11%
4.Project Management	748,304	1,900,000	39%
<b>Total</b>	<b>7,198,071</b>	<b>38,000,000</b>	<b>19%</b>

**8. Financing**

**8.1. GAFSP GRANT NUMBER TFOA0645**

	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Advances/ (advance recovery)	-	2,000,000
SOE and Summary Report	5,259,911	6,648,761
<b>Total</b>	<b>5,259,911</b>	<b>8,648,761</b>
 Total financing budget		<b>38,000,000</b>
Percentage of finance provided as at 31 Dec 2018		<b>23%</b>

**9. Prepayments**

Subcategory	31.12.2018	31.12.2017
	USD	USD
Works (a)	461,925	79,478
Consulting	90,946	-
<b>Total</b>	<b>552,871</b>	<b>79,478</b>

(a) Prepayments were provided in the amount of up to 20% of the corresponding construction contract price. Prepayments are secured by Bank Guarantees.

**10. Payables**

Subcategory	31.12.2018	31.12.2017
	USD	USD
Works (warranty amounts) (a)	18,843	61,284
Works (warranty amounts) (b)	165,958	-
<b>Total</b>	<b>184,801</b>	<b>61,284</b>

(a) As agreed with the WB, the GAFSP GRANT Number TFOA0645 funds could be used to cover liability on warranty amounts for year ended 31.12.2016 relating to construction works contracted and performed under the "Additional Financing for Second On-farm Irrigation Project" financed by IDA Credit Number 4982-KG which was closed on 31 December 2016.

**Agricultural Productivity and Nutrition Improvement Project**  
**GAFSP Grant Number TF0A0645-KG**

**Notes to the special purpose financial statements**

For the year ended 31 December 2018

(Amounts are shown in US dollars)

- (b) Liquidity damage guaranty is withheld in the amount of up to 5% of the corresponding construction invoice issued. From withheld amount 2.5% paid when the construction is completed and remaining 2.5% is paid after a year of completion date considering that no issues identified.

**11. Other income**

	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Interest accrued	20,707	50,163
Tender fees	2,557	5,435
<b>Total</b>	<b>23,264</b>	<b>55,598</b>

**12. Other outflow**

	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Transfer of interest to state budget (a)	29,132	32,592
Other expenditures (bank charges)	4,635	8,916
<b>Total</b>	<b>33,767</b>	<b>41,508</b>

- (a) From interest account 29,132 USD equivalent amount was transferred to state budget on 14 Aug 2018 in accordance with letter dated 8 Aug 2018 of the Ministry of Finance of Kyrgyz Republic.

**13. Event after reporting date**

**13.1. GAFSP GRANT NUMBER TF0A0645**

The application N 15 with total amount of 549,310.11 USD that consists expenditures relating to the reporting year was submitted to WB on 9 January 2019 and approved on 25 January 2019.

**14. Litigations**

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



**Agricultural Productivity and Nutrition Improvement Project**  
**GAFSP Grant Number TF0A0645-KG**

**ANNEX 1. RECONCILIATION BETWEEN THE AMOUNTS SUBMITTED BY THE PIU DWR AND  
DISBURSED BY THE WORLD BANK**  
For the year ended 31 December 2018  
*(Amounts are shown in US dollars)*

GAFSP Grant Number TF0A0645

Expenditure Category	Application N	PIU DWR	WB	Difference
		USD	USD	USD
Works, Goods, Training, Operating Costs, Consultants' services, Non-consultant services and Small Grants	5	303,100.08	303,100.08	-
	6	407,453.91	407,453.91	-
	7	711,853.34	711,853.34	-
	8	520,733.37	520,733.37	-
	9	998,957.67	-	(998,957.67)*
	10	998,957.67	998,957.67	-
	11	631,754.99	631,754.99	-
	12	742,178.45	742,178.45	-
	13	528,712.46	528,712.46	-
	14	415,166.82	415,166.82	-
		6,258,868.76	5,259,911.09	
Total		6,258,868.76	5,259,911.09	

(\*) The SOE application N 9 was not conformed due to IT technical issue related to installation of WB Client Connection new platform. The same expenditures were submitted again under SOE N 10 and conformed by WB.