

**AGRICULTURAL PRODUCTIVITY AND NUTRITION IMPROVEMENT PROJECT**

**GAFSP GRANT NUMBER TFOA0645**

**IMPLEMENTED BY PROJECT IMPLEMENTATION UNIT  
UNDER THE STATE AGENCY OF WATER RESOURCES  
UNDER THE GOVERNMENT OF THE KYRGYZ REPUBLIC**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**For the year ended 31 December 2019**

**BISHKEK  
May 2020**

# 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 State Agency of Water Resources under the Government of the Kyrgyz Republic ("PIU SAWR") 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 TF0A0645 dated 18 March 2016, that present fairly the Project's cash receipts and payments for the year ended 31 December 2019, 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 SAWR'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 2019.

PIU SAWR'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 TF0A0645 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 2019 were authorized for issue on 27 May 2020 by the PIU SAWR's Management.

On behalf of the PIU SAWR's Management

Kydykbek Beyshekeev  
Director



Saltanat Djumaeva  
Financial Manager

## INDEPENDENT AUDITOR'S REPORT

To the management of the Project Implementation Unit under the State Agency of Water Resources under the Government of the Kyrgyz Republic ("PIU SAWR")

### *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 SAWR which comprise the statement of cash receipts and payments, and the statement of expenditures per components for the year ended 31 December 2019, 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 2019 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 SAWR 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.

### *Emphasis of Matter - Subsequent events*

Without qualifying our opinion, we draw attention to Note 13.1 to the financial statements, which describes possible effect of the impact of COVID-19 after the reporting date.

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

Management of the PIU SAWR 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.

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 SAWR 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 ("IFSs") issued by PIU SAWR 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 SAWR management has complied with the above requirements for the year ended 31 December 2019.

"BDO Armenia" CJSC  
27 May 2020

  
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 2019**  
*(Amounts are shown in US dollars)*

	Note	Actual		Budget		Variance	
		Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019
<b>TOTAL OPENING CASH</b>		<b>1,464,780</b>	<b>-</b>				
<b>Sources of Funds</b>	<b>8</b>						
GAFSP Grant Number TF0A0645		6,979,880	15,628,641				
<b>TOTAL FUNDS</b>		<b>6,979,880</b>	<b>15,628,641</b>				
<b>Other income</b>	<b>11</b>	<b>21,202</b>	<b>76,799</b>				
<b>Project Expenditures</b>	<b>7</b>						
1. Works, Goods, Training, Operating Costs, Consultants' services, Non-consultant services and Small Grants							
Goods		7,709,768	14,907,839	6,500,000	13,698,071	1,209,768	1,209,768
Works		1,679,924	2,189,646	1,392,170	1,901,892	287,754	287,754
Consultants' services (including training)		3,967,260	8,668,607	2,464,930	7,166,277	1,502,330	1,502,330
Operating costs		1,810,818	3,497,238	2,423,100	4,109,520	(612,282)	(612,282)
		251,766	552,348	219,800	520,382	31,966	31,966
<b>TOTAL PROJECT EXPENDITURES</b>		<b>7,709,767</b>	<b>14,907,839</b>	<b>6,500,000</b>	<b>13,698,071</b>	<b>1,209,768</b>	<b>1,209,768</b>

<b>Other outflows</b>	<b>12</b>	<b>16,889</b>	<b>58,397</b>				
<b>TOTAL CLOSING CASH</b>	<b>6</b>	<b>739,204</b>	<b>739,204</b>				



**Kydykbek Beyshekeev**  
**Director**

*[Signature]*

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

**27 May 2020**

The notes on pages 8-15 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 2019**  
*(Amounts are shown in US dollars)*

Activity	Actual		Budget		Variance	
	Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019	Reporting year	Cumulative as at 31 Dec 2019
<b>Part 1. Rehabilitation and Modernization of Irrigation and Drainage Infrastructure</b>	5,693,665	11,186,406	3,691,617	9,184,358	2,002,048	2,002,048
1.a. Rehabilitation and modernization of selected existing irrigation and drainage system	3,871,446	8,729,734	2,669,614	7,527,902	1,201,832	1,201,832
1.b. Maintenance equipment for WUAs	1,245,835	1,540,820	702,400	997,385	543,435	543,435
1.c. Off-farm irrigation infrastructure and water measurement structures	576,384	896,917	319,603	640,136	256,781	256,781
1.d. Limited rehabilitation works on critical off-farm structures	-	18,935	-	18,935	-	-
<b>Part 2. Agricultural Advisory Services</b>	507,936	954,541	951,913	1,398,518	(443,977)	(443,977)
2.a. Training and technical advisory services	39,135	80,309	48,337	89,511	(9,202)	(9,202)
2.b. Small Grants to participating WUAs	284,143	472,127	636,914	824,898	(352,771)	(352,771)
2.c. Technical advisory services and promoting knowledge dissemination	161,269	305,003	176,691	320,425	(15,422)	(15,422)
2.d. Demonstrations on on-farm water management	23,389	97,102	89,971	163,684	(66,582)	(66,582)
<b>Part 3. Nutrition Improvements</b>	1,068,944	1,579,366	1,337,937	1,848,359	(268,993)	(268,993)
3.a. Household nutrition education program	577	577	108,000	108,000	(107,423)	(107,423)
3.b. Provision of micronutrient supplements	106,337	106,337	300,000	300,000	(193,663)	(193,663)
3.c. Improvement of household nutrition and dietary	849,110	1,179,383	769,644	1,099,917	79,466	79,466
3.d. Improvement of national coordination for food and nutrition security	112,920	293,069	160,293	340,442	(47,373)	(47,373)
<b>Part 4. Project Management</b>	439,223	1,187,526	518,533	1,266,836	(79,310)	(79,310)
<b>Total</b>	<b>7,709,768</b>	<b>14,907,839</b>	<b>6,500,000</b>	<b>13,698,071</b>	<b>1,209,768</b>	<b>1,209,768</b>

*[Signature]*  
**Kydykbek Beysheev**  
**Director**

*[Signature]*  
**Saltanat Djumaeva**  
**Financial Manager**

27 May 2020

The notes on pages 8-15 form an integral part of these special purpose financial statements.

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

**Notes to the special purpose financial statements**

For the year ended 31 December 2019

(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 TFOA0645, 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 TFOA0645 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.



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

**Notes to the special purpose financial statements**  
For the year ended 31 December 2019  
(Amounts are shown in US dollars)

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**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.

**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 was 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). According to Decree N 383 dated 30 July 2019 of the Government of Kyrgyz Republic the DWR was renamed to State Agency of Water Resources under the Government of the Kyrgyz Republic ("SAWR").

The PIU SAWR 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 SAWR is 4a Toktonaliev str., Bishkek, 720055, Kyrgyz Republic.

Notes to the special purpose financial statements  
For the year ended 31 December 2019  
(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 2018 is USD 1 = 69.85 KGS.  
The exchange rate defined by the CBKG as at 31 December 2019 is USD 1 = 69.30 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 TFOA0645-KG**

**Notes to the special purpose financial statements**  
For the year ended 31 December 2019  
*(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	
15	25.01.2019	549,310.11	549,310.11
16	19.03.2019	443,744.32	443,744.32
17	24.04.2019	498,502.31	498,502.31
18	20.05.2019	666,767.68	666,767.68
19	11.06.2019	649,126.92	649,126.92
20	25.06.2019	527,207.34	527,207.34
21	19.07.2019	1,275,567.16	1,275,567.16
22	03.09.2019	449,483.42	449,483.42
23	16.09.2019	480,124.15	480,124.15
24	15.10.2019	950,918.93	950,918.93
25	13.11.2019	489,127.53	489,127.53
<b>Total</b>		<b>6,979,879.87</b>	<b>6,979,879.87</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 TFOA0645</b>
1. Opening balance as at 01.01.2019	1,439,925
2. Add: opening discrepancy	10,765
3. IDA advance/replenishment	6,979,880
4. Less: Refund to IDA from DA	-
5. Present outstanding amount advanced to DA	<b>8,430,570</b>
6. DA closing balance as at 31.12.2019	710,327
7. Add: Amount of eligible expenditures paid	7,709,767
8. Less: interest earned (if credited to DA)	-
9. Total advance accounted for	<b>8,420,094</b>
10. Closing discrepancy (5)-(9) *	10,476

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

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

**Notes to the special purpose financial statements**

For the year ended 31 December 2019

(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 2019 USD	31 Dec 2018 USD
<b>ASSETS</b>			
Cash	6	739,204	1,464,780
Prepayments	9	705,987	552,871
<b>Total assets</b>		<b>1,445,191</b>	<b>2,017,651</b>
<b>LIABILITIES</b>			
Payables	10	307,345	184,801
<b>Total liabilities</b>		<b>307,345</b>	<b>184,801</b>
<b>NET ASSETS</b>			
Cumulative income			
GAFSP Grant Number TF0A0645	8	15,628,641	8,648,761
Other income	11	76,799	55,598
		<b>15,705,440</b>	<b>8,704,359</b>
Cumulative expenses			
Project expenses		14,509,197	6,830,001
Other outflows	12	58,397	41,508
		<b>14,567,594</b>	<b>6,871,509</b>
<b>Total net assets</b>		<b>1,137,846</b>	<b>1,832,850</b>

**6. Cash**

	Account held at	Underlying Currency	31 Dec 2019 USD	31 Dec 2018 USD
<b>GAFSP Grant Number TF0A0645</b>				
Designated Account	CBK*	USD	710,327	1,439,925
Petty cash		KGS	10,476	10,765
			<b>720,803</b>	<b>1,450,690</b>
<b>Other</b>				
Interest account	CBK	KGS	10,540	8,655
Tender account	CBK	KGS	7,761	5,335
Tender account	CBK	USD	100	100
			<b>18,401</b>	<b>14,090</b>
			<b>739,204</b>	<b>1,464,780</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 2019  
(Amounts are shown in US dollars)

**7. Project expenditure**

Project Activity	Cumulative Expenditures as at 31 Dec 2019	Total budget	Implementation
	USD	USD	%
1.Rehabilitation and Modernization of Irrigation and Drainage Infrastructure	11,186,406	28,000,000	40%
2.Agricultural Advisory Services	954,541	3,500,000	27%
3.Nutrition Improvements	1,579,366	4,600,000	34%
4.Project Management	1,187,526	1,900,000	63%
<b>Total</b>	<b>14,907,839</b>	<b>38,000,000</b>	<b>39%</b>

**8. Financing**

**8.1. GAFSP GRANT NUMBER TFOA0645**

	Reporting year USD	Cumulative as at 31 Dec 2019 USD
Advances/ (advance recovery)	-	2,000,000
SOE and Summary Report	6,979,880	13,628,641
<b>Total</b>	<b>6,979,880</b>	<b>15,628,641</b>
 Total financing budget		<b>38,000,000</b>
Percentage of finance provided as at 31 Dec 2019		<b>41%</b>

**9. Prepayments**

Subcategory	31.12.2019 USD	31.12.2018 USD
Works (a)	662,465	461,925
Consulting	43,522	90,946
<b>Total</b>	<b>705,987</b>	<b>552,871</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	31.12.2019 USD	31.12.2018 USD
Works (warranty amounts) (a)	306,882	165,958
Other	463	18,843
<b>Total</b>	<b>307,345</b>	<b>184,801</b>

(a) 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.

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

**Notes to the special purpose financial statements**  
**For the year ended 31 December 2019**  
*(Amounts are shown in US dollars)*

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**11. Other income**

	Reporting year USD	Cumulative as at 31 Dec 2019 USD
Interest accrued	18,774	68,936
Tender fees	2,428	7,863
<b>Total</b>	<b>21,202</b>	<b>76,799</b>

**12. Other outflow**

	Reporting year USD	Cumulative as at 31 Dec 2019 USD
Transfer of interest to state budget (a)	12,031	44,623
Other expenditures (bank charges)	4,858	13,774
<b>Total</b>	<b>16,889</b>	<b>58,397</b>

(a) From interest account 12,031 USD equivalent amount was transferred to state budget on 1 Aug 2019 in accordance with letter dated 28 June 2019 of the Ministry of Finance of Kyrgyz Republic.

**13. Event after reporting date**

**13.1. Outbreak of COVID-19**

Considering breakout of new coronavirus (COVID-19) in the world, as well as the Kyrgyz Republic, the Government of Kyrgyz Republic declared State of Emergency from March 25 to May 21, 2020 throughout country. The Project management believes that the situation may have a negative impact on the Project, in particular it may lead to:

- Delays in the works,
- Difficulties to coordinate project activities, and
- Other negative outcomes due to limitations imposed to access the office and work sites.

Given the unpredictability of events, Project management does not consider it possible to estimate the financial impact of the above event on the reports.

**13.2. GAFSP GRANT NUMBER TFOA0645**

The application N 26 with total amount of 761,685 USD that consists expenditures relating to the reporting year was submitted to WB on 26 December 2019 and approved on 22 January 2020.

The application N 27 with total amount of 517,513 USD that consists expenditures relating to the reporting year was submitted to WB on 10 January 2020 and approved on 22 January 2020.

**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 SAWR AND  
DISBURSED BY THE WORLD BANK**  
For the year ended 31 December 2019  
*(Amounts are shown in US dollars)*

GAFSP Grant Number TF0A0645

Expenditure Category	Application N	PIU SAWR	WB	Difference
		USD	USD	USD
Works, Goods, Training, Operating Costs, Consultants' services, Non-consultant services and Small Grants	15	549,310.11	549,310.11	-
	16	443,744.32	443,744.32	-
	17	498,502.31	498,502.31	-
	18	666,767.68	666,767.68	-
	19	649,126.92	649,126.92	-
	20	527,207.34	527,207.34	-
	21	1,275,567.16	1,275,567.16	-
	22	449,483.42	449,483.42	-
	23	480,124.15	480,124.15	-
	24	950,918.93	950,918.93	-
	25	489,127.53	489,127.53	-
		6,979,879.87	6,979,879.87	
<b>Total</b>		<b>6,979,879.87</b>	<b>6,979,879.87</b>	