

**“Central Asia South Asia Electricity
Transmission and Trade
(CASA-1000) project”
IDA Credit No. 5438-KG,
IDA Grant No. H942-KG,
EIB Credit FI No. 84.762,
IDB Loan No. 2-KYR-0051**

**The project financial statements
for the year ended December 31, 2023**

and independent auditor’s report

**“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000)
PROJECT”**

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**“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
IDA CREDIT No. 5438-KG, IDA GRANT No. H942-KG,
EIB CREDIT FI No. 84.762, IDB LOAN No. 2-KYR-0051**

**STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR
THE PREPARATION AND APPROVAL OF THE PROJECT FINANCIAL STATEMENTS
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 statements of the “Central Asia South Asia Electricity Transmission and Trade (CASA-1000) project” (the “Project”), financing in accordance with the Financing agreement between the Kyrgyz Republic and International Development Association Credit No. 5438-KG, Grant No. H942-KG, the Financing agreement between the Kyrgyz Republic and European Investment Bank Credit EIB FI No. 84.762, and the Loan agreement between the Kyrgyz Republic and Islamic Development Bank Credit No. 2-KYR-0051.

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 parts of the Project 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 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, 2023 were approved and authorized for issue on June 21, 2024 by the management of the Project.

On behalf of the Management:


Ilgiz Sydygaliev
Deputy General Director
for capital construction and investments of
National Electric Grid of Kyrgyzstan OJSC

June 21, 2024
Bishkek, the Kyrgyz Republic


Gulzada Diusheeva
Financial Specialist of the “Central Asia South
Asia Electricity Transmission and Trade
(CASA-1000) project”

June 21, 2024
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the management of the Project "Central Asia South Asia Electricity Transmission and Trade (CASA-1000) project" under National Electric Grid of Kyrgyzstan OJSC as Project executive agency:

Report on the project financial statements

Opinion

We have audited the accompanying project financial statements of the "Central Asia South Asia Electricity Transmission and Trade (CASA-1000) 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 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, 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 (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 Financing and Loan 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
Certificate of auditor of the Kyrgyz Republic
No. A 0069 dated October 19, 2009
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 21, 2024
Bishkek, the Kyrgyz Republic

“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
IDA CREDIT No. 5438-KG, IDA GRANT No. H942-KG, EIB CREDIT FI No. 84.762, IDB LOAN No. 2-KYR-0051

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	Actual For the year ended December 31, 2022	Cumulative	For the year ended December 31, 2023	Budget For the year ended December 31, 2022	Cumulative	For the year ended December 31, 2023	Variance For the year ended December 31, 2022	Cumulative
Opening balance	4	2	27,965,012	-	-	-	-	-	-	-
Funds received										
<i>IDA Credit No. 5438-KG</i>										
Direct payments	5	10,890,539	14,460,531	34,063,143	-	-	-	-	-	-
<i>IDA Grant No. H942-KG</i>										
Direct payments	5	-	-	6,077,138	-	-	-	-	-	-
<i>EIB Credit FI No. 84.762</i>										
Tranches	5	21,820,000	-	77,380,000	-	-	-	-	-	-
<i>IDB Loan No. 2-KYR-0051</i>										
Direct payments	5	-	14,108,559	45,950,199	-	-	-	-	-	-
Total funds received		32,710,539	28,569,090	163,470,480	-	-	-	-	-	-
Expenses										
<i>IDA Credit No. 5438-KG</i>										
Local transportation, insurance and other incidental services	6	3,458,618	4,226,909	10,706,529	3,458,618	4,226,909	10,706,528	-	-	(1)
Installation including commissioning training	6	7,431,921	10,233,622	23,356,614	7,431,921	10,233,622	23,355,960	-	-	(654)
<i>IDA Grant No. H942-KG</i>										
Local transportation, insurance and other incidental services	6	-	-	1,810,595	-	-	1,810,595	-	-	-
Installation including commissioning training	6	-	-	4,266,542	-	-	4,267,197	-	-	655

“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
IDA CREDIT No. 5438-KG, IDA GRANT No. H942-KG, EIB CREDIT FI No. 84.762, IDB LOAN No. 2-KYR-0051

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

	Notes	For the year ended December 31, 2023	Actual For the year ended December 31, 2022	Cumulative	For the year ended December 31, 2023	Budget For the year ended December 31, 2022	Cumulative	For the year ended December 31, 2023	Variance For the year ended December 31, 2022	Cumulative
Expenses										
<i>EIB Credit FI No. 84.762</i>										
Plant and Equipment to be supplied from abroad	6	16,097,242	27,965,010	71,657,241	16,097,242	27,962,160	71,657,241	-	(2,850)	-
Provisional Sum	6	-	-	-	-	-	-	-	-	-
Administration charges for utilizing provisional Sum	6	-	-	-	-	-	-	-	-	-
Installation including commissioning training	6	4,642,139	-	4,642,139	4,642,139	-	4,642,139	-	-	-
Local transportation, insurance and other incidental services	6	1,080,253	-	1,080,253	1,080,253	-	1,080,253	-	-	-
<i>IDB Loan No. 2-KYR-0051</i>										
Plant and Equipment to be supplied from abroad	6	-	9,785,576	34,950,053	-	9,785,576	34,950,053	-	-	-
Local transportation, insurance and other incidental services	6	-	680,069	3,151,100	-	680,069	3,151,100	-	-	-
Installation including commissioning training	6	-	3,642,914	7,394,058	-	3,642,914	7,394,058	-	-	-
Type test charges	6	-	-	454,988	-	-	454,988	-	-	-
Total expenses		32,710,173	56,534,100	163,470,112	32,710,173	56,531,250	163,470,112	-	(2,850)	-
Closing balance	4	368	2	368	-	-	-	-	-	-

On behalf of the Management:


Ilgiz Sydygaliyev
Deputy General Director
for capital construction and investments of
National Electric Grid of Kyrgyzstan OJSC

June 21, 2024
 Bishkek, the Kyrgyz Republic


Gulzada Diusheeva
Financial Specialist of the “Central Asia South Asia
Electricity Transmission and Trade
(CASA-1000) project”

June 21, 2024
 Bishkek, the Kyrgyz Republic

The notes on pages 8-15 form an integral part of the project financial statements. The independent auditor’s report is on pages 3-4.

“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
IDA CREDIT No. 5438-KG, IDA GRANT No. H942-KG, EIB CREDIT FI No. 84.762, IDB LOAN No. 2-KYR-0051

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


	For the year ended December 31, 2023	Actual For the year ended December 31, 2022	Cumulative	For the year ended December 31, 2023	Budget For the year ended December 31, 2022	Cumulative	For the year ended December 31, 2023	Variance For the year ended December 31, 2022	Cumulative
Part A. Construction of High Voltage Transmission Infrastructure									
3. High-voltage AC transmission interconnection between Kyrgyzstan and Tajikistan	32,710,173	56,534,100	163,470,112	32,710,173	56,531,250	163,470,112	-	(2,850)	-
Total expenditures	<u>32,710,173</u>	<u>56,534,100</u>	<u>163,470,112</u>	<u>32,710,173</u>	<u>56,531,250</u>	<u>163,470,112</u>	<u>-</u>	<u>(2,850)</u>	<u>-</u>

On behalf of the Management:



Ligiz Sydygaliev
 Deputy General Director
 for capital construction and investments of
 National Electric Grid of Kyrgyzstan OJSC

June 21, 2024
 Bishkek, the Kyrgyz Republic


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**“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
IDA CREDIT No. 5438-KG, IDA GRANT No. H942-KG,
EIB CREDIT FI No. 84.762, IDB LOAN No. 2-KYR-0051**

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

1. GENERAL INFORMATION

The implementation of the Project “Central Asia South Asia Electricity Transmission and Trade (CASA-1000) project” (the “Project”) is carried out according to the following concluded Agreements on the provision of financing:

Financing Agreement of Project dated April 24, 2015 between the Kyrgyz Republic and the International Development Association (the “IDA”) on the provision of Grant No. H942-KG in the amount of 4,400,000 Special Drawing Rights (the “SDR”) and on the provision of Credit No. 5438-KG on the amount of 25,000,000 SDR. According to the letter from the World Bank dated January 16, 2019 the Project received the notification from the IDA on extending the Closing date of the Grant and the Credit. According to the letter from the World Bank dated March 31, 2023 the Project received a notification from the IDA on extending the Closing date of the Grant and the Credit until March 31, 2025.

Financing Agreement FI No. 84.762 dated September 23, 2015 between the Kyrgyz Republic and the European Investment Bank (the “EIB”) in the amount of 70,000,000 Euro (the “EUR”). According to the letter from the EIB dated June 20, 2021 the Project received a notification on extending the Closing date of the Project until December 31, 2021. According to the letter from the EIB dated March 18, 2022 the Project received a notification on extending the Closing date of the Credit until December 2, 2024.

On January 4, 2016 the loan agreement No. 2-KYR-0051 was signed between the Kyrgyz Republic and the Islamic Development Bank (the “IDB”) in the amount 33,300,000 Islamic Dinars (the “ID”). The Loan was valid until December 31, 2022.

Project purpose

The objective of the Project is to create the conditions for sustainable electricity trade between the Central Asian countries of Tajikistan and Kyrgyzstan and the South Asian countries of Afghanistan and Pakistan.

The Project consists of the following parts, of which that portion of Part A.3 within the territory of the Recipient may be financed pursuant to this Agreement:

Part A “Construction of High Voltage Transmission Infrastructure”

- 1. High Voltage DC Transmission Line.** Construction of about 750 km of 500 kV high voltage DC overhead transmission line to interconnect the electricity network of Tajikistan, from the Sangtuda converter station, to the Pakistan network, at the Peshawar converter station, and the Afghanistan network at the Kabul converter station.
- 2. High Voltage DC Converter Stations.** Engineering design, construction, and commissioning of three high voltage DC converter stations:
 - I. Sangtuda converter station (1,300 MW) in Tajikistan;
 - II. Kabul converter station (300 MW) in Afghanistan; and
 - III. Peshawar converter station (1,300 MW) in Pakistan, including specialized AC and DC equipment.
- 3. High Voltage AC Transmission Interconnection between Kyrgyzstan and Tajikistan.** Construction of about 484 km of 500 kV high voltage AC overhead transmission line to interconnect the electricity network of Kyrgyzstan, from Datka substation, to the Tajikistan network at the Khujand substation, along with associated substation equipment.

4. **Tajikistan Grid Reinforcement.** Reinforcements, including construction of 500 kV line from Regar substation to Sangtuda converter station and other parts of the network necessary to ensure transfer of Tajikistan and Kyrgyz export power to Sangtuda.

Part B “Technical Assistance and Project Implementation Support”

1. **High Voltage DC and High Voltage AC Owner's Engineers.** Provision of consultancy services of two owner's engineers for the high voltage DC and high voltage AC portions of the Project, including for third-party monitoring and supervision during construction.
2. **Environment and Social Management Support.** Strengthening of the Project Implementing Entities capacity to develop and supervise environmental and social safeguards documents, including country-specific Environmental and Social Impact Assessments and Resettlement Action Plans.
3. **Audits and Financial and Revenue Management.** Carrying out of annual audits of the Project accounts in the four Participating Countries and of entity audits of the Project Implementing Entities where such audits are not financed from other sources, and supporting transparent financial management of revenues generated by the Project, including the implementation of a financial management improvement program.
4. **Project Management Support.** Provision of:
 - I. Project management support to Project Implementing Entities, including procurement and contract management, financial management, monitoring and evaluation of Project performance and results as well as Incremental Operating Costs;
 - II. training and capacity building focusing on High Voltage DC operations and maintenance, power dispatch; and
 - III. commercial and legal advisory services on the commercial transactions.
5. **Coordination.** Strengthening of the Inter-Governmental Council through financing of technical, commercial and legal services and Incremental Operating Costs.
6. **Project Communications.** Carrying out of communications campaign and information-sharing activities directed at relevant stakeholders, particularly communities, within the Project area.
7. **Capacity building.** Building capacity of personnel of the Project Implementing Entities and relevant government officials in order to develop a regional electricity market.

Part C “Community Support Program”

Carrying out the Community Support Program for the benefit of the communities living in the area of the Project.

Project implementation

Project management is carried out based on the General Agreement of the Intergovernmental Council, the Agreement on the purchase of electricity, Credit agreements with donor organizations, Debt obligations with the Ministry of Finance of the Kyrgyz Republic, the Secretariat of the Project, and in accordance with Decrees and Orders of the Government of the Kyrgyz Republic. The Project is implemented by National Electric Grid of Kyrgyzstan OJSC (the “NEGK”).

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.

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.

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.

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 due from banks, which can be converted to the corresponding amount of cash in the short term.

Taxes

The calculation and payment of income tax on income of local employees and consultants, as well as insurance contributions to the Social fund of the Kyrgyz Republic, is made in accordance with the requirements and rates set forth in 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 and IDB to the Project by direct payments and by EIB by tranches of loans.

Budget

The project budget is formed on the basis of signed Financing and Loan Agreements with IDA, EIB and IDB and Obligations with Ministry of Finance of the Kyrgyz Republic. Project financing and use of funds is carried out according to these Agreements. Financing and uses of funds of IDA is monitored in real time through the World Bank's secure website "Client Connection" and the electronic procurement planning and monitoring system "STEP". Financing and uses of funds of IDB is monitored in real time through the secure website of the Islamic Development Bank. Financing of the European Investment Bank is carried out in tranches.

The project budget presented in the summary of funds received and expenditures paid and in the summary of expenditures paid by project parts was based on the budget included in the interim financial reports, which was submitted to the World Bank.

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	EIB Credit FI No.84.762	US dollar	368	2
			<u>368</u>	<u>2</u>

5. FUNDS RECEIVED

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

	For the year ended December 31, 2023				Total
	IDA Credit No. 5438-KG	IDA Grant No. H942-KG	EIB Credit FI No.84.762	IDB Loan No. 2-KYR-0051	
Direct payments	10,890,539	-	-	-	10,890,539
Tranche	-	-	21,820,000	-	21,820,000
	<u>10,890,539</u>	<u>-</u>	<u>21,820,000</u>	<u>-</u>	<u>32,710,539</u>
	For the year ended December 31, 2022				Total
	IDA Credit No. 5438-KG	IDA Grant No. H942-KG	EIB Credit FI No.84.762	IDB Loan No. 2-KYR-0051	
Direct payments	14,460,531	-	-	14,108,559	28,569,090
	<u>14,460,531</u>	<u>-</u>	<u>-</u>	<u>14,108,559</u>	<u>28,569,090</u>
	Cumulative				Total
	IDA Credit No. 5438-KG	IDA Grant No. H942-KG	EIB Credit FI No.84.762	IDB Loan No. 2-KYR-0051	
Direct payments	34,063,143	6,077,138	-	45,950,199	86,090,480
Tranches	-	-	77,380,000	-	77,380,000
	<u>34,063,143</u>	<u>6,077,138</u>	<u>77,380,000</u>	<u>45,950,199</u>	<u>163,470,480</u>

6. PROJECT EXPENSES

Breakdown of Project expenses by categories and sources of financing is presented as follows:

	For the year ended December 31, 2023				Total
	IDA Credit No. 5438-KG	IDA Grant No. H942-KG	EIB Credit FI No.84.762	IDB Loan No. 2- KYR-0051	
Goods	-	-	16,097,242	-	16,097,242
Works	10,890,539	-	5,722,392	-	16,612,931
	<u>10,890,539</u>	<u>-</u>	<u>21,819,634</u>	<u>-</u>	<u>32,710,173</u>
	For the year ended December 31, 2022				Total
	IDA Credit No. 5438-KG	IDA Grant No. H942-KG	EIB Credit FI No.84.762	IDB Loan No. 2- KYR-0051	
Goods	-	-	27,965,010	9,785,576	37,750,586
Works	14,460,531	-	-	4,322,983	18,783,514
	<u>14,460,531</u>	<u>-</u>	<u>27,965,010</u>	<u>14,108,559</u>	<u>56,534,100</u>
	Cumulative			IDB Loan No. 2- KYR-0051	Total
	IDA Credit No. 5438-KG	IDA Grant No. H942-KG	EIB Credit FI No.84.762		
Goods	-	-	71,657,241	34,950,053	106,607,294
Works	34,063,143	6,077,137	5,722,392	11,000,146	56,862,818
	<u>34,063,143</u>	<u>6,077,137</u>	<u>77,379,633</u>	<u>45,950,199</u>	<u>163,470,112</u>

7. FINANCIAL POSITION

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

	December 31, 2023	December 31, 2022
ASSETS AND EXPENSES		
Cash and cash equivalents	368	2
Cumulative expenses	163,470,112	130,759,939
TOTAL ASSETS AND EXPENSES	<u>163,470,480</u>	<u>130,759,941</u>
FINANCING		
Funds received	163,470,480	130,759,941
TOTAL FINANCING	<u>163,470,480</u>	<u>130,759,941</u>

8. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2023 comprise:

IDA Credit No. 5438-KG

Application	Date	Direct payment	Total
50	January 17, 2023	13,183	13,183
51	January 25, 2023	282,939	282,939
52	February 17, 2023	4,386,907	4,386,907
53	March 6, 2023	1,091,290	1,091,290
54	March 24, 2023	151,274	151,274
55	March 24, 2023	2,880,057	2,880,057
56	April 12, 2023	62,356	62,356
57	April 26, 2023	183,250	183,250
58	May 17, 2023	1,770,474	1,770,474
59	May 25, 2023	3,712	3,712
60	June 2, 2023	13,989	13,989
61	September 15, 2023	6,559	6,559
62	September 15, 2023	8,280	8,280
63	September 15, 2023	12,834	12,834
64	October 18, 2023	137	137
65	October 31, 2023	16,234	16,234
66	December 5, 2023	5,548	5,548
67	December 12, 2023	1,516	1,516
		<u>10,890,539</u>	<u>10,890,539</u>

EIB Credit FI No.84.762

Application	Date	Tranche	Total
3	April 12, 2023	<u>21,820,000</u>	<u>21,820,000</u>
		<u>21,820,000</u>	<u>21,820,000</u>

9. STATEMENT OF DESIGNATED ACCOUNTS

Statement of designated account for the years ended December 31, 2023 and 2022 comprises:

Source of Financing	EIB Credit FI No.84.762		Total
	1299004220003510	1299004220003813	
Bank account number	RSK Bank OJSC		
Bank	80/1 Moskovskaya str., Bishkek, the Kyrgyz Republic, 720010		
Bank location			
Account currency	US Dollar	EUR	
Opening balance as at January 1, 2022	27,965,012	-	27,965,012
Total funds received	-	-	-
Expenses paid	27,965,010	-	27,965,010
Closing balance as at December 31, 2022	2	-	2
Replenishment	21,820,000	-	21,820,000
Total funds received	21,820,000	-	21,820,000
Expenses paid	21,819,634	-	21,819,634
Closing balance as at December 31, 2023	368	-	368

10. UNDRAWN FUNDS

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

	IDA Credit No. 5438-KG <i>in SDR</i>	IDA Grant No. H942-KG <i>in SDR</i>	EIB Credit FI No.84.762 <i>in EUR</i>	IDB Loan No. 2- KYR-0051 <i>in ID</i>
Approved financing amount	25,000,000	4,400,000	70,000,000	33,300,601
Disbursed from January 29, 2018 to December 31, 2023	24,995,540	4,399,851	70,000,000	33,300,601
Undrawn amount as at December 31, 2023	4,460	149	-	-
	IDA Credit No. 5438-KG <i>in SDR</i>	IDA Grant No. H942-KG <i>in SDR</i>	EIB Credit FI No.84.762 <i>in EUR</i>	IDB Loan No. 2- KYR-0051 <i>in ID</i>
Fund received as at December 31, 2022	16,843,521	4,399,851	50,000,000	33,300,601
Disbursed during the year ended December 31, 2023	8,152,019	-	20,000,000	-
Fund received as at December 31, 2023	24,995,540	4,399,851	70,000,000	33,300,601

11. 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	Part	Contract No.	Cost per Contract (in CCY)	Contract currency	Paid up to December 31, 2023 (in CCY)	Remaining amount to be paid (in CCY)
Mitas Energy and Metal Construction Inc.	Part A. Construction of High Voltage Transmission Infrastructure	CASA1000/TL /TW05/KYZ 23-15/0158	58,483,784	US dollar	45,950,199	12,533,585
Mitas Energy and Metal Construction Inc.	Part A. Construction of High Voltage Transmission Infrastructure	CASA1000/TL /TW06/KYZ 23-15/0035	140,152,995	US dollar	117,519,912	22,633,083

12. LEGAL CASES

There were no any legal claims related to the Project.

13. EVENTS AFTER THE REPORTING DATE

During 2024 until the date of issue of these project financial statements, IDA, EIB and IDB have not provided financing to the Project.

As at the date of issue of the project financial statements no significant events or transactions occurred which should be disclosed in the project financial statements.



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