"Tax Administration and Statistical System Modernization Project" Grant No. IDA D566-KG, Credit No. IDA 6546-KG

The project financial statements for the year ended December 31, 2024

and independent auditor's report



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

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 "Tax Administration and Statistical System Modernization Project", Grant No. IDA D566-KG and Credit No. IDA 6546-KG (the "Project").

Management of the Project is responsible for the preparation of the project financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public 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 project financial statements comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Kyrgyz Republic, and the requirements of the operational manual of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud, error and other irregularities.

The project financial statements for the year ended December 31, 2024 were approved and authorized for issue on June 25, 2025 by the management of the Project.

On behalf of the Management:

Alymkulova E.

Head of the Office of National 1018122 Statistical Committee of the

Kyrgyz Republic

June 25, 2025

Bishkek, the Kyrgyz Republic

Abdyllaev B.

Project Manager of NSC PMU

Dzholdoshova N.

Financial Manager of NSC PMU

June 25, 2025

Bishkek, the Kyrgyz Republic

June 25, 2025

Bishkek, the Kyrgyz Republic

Almanbetov A.

Deputy Chairman of State Tax Service under the Ministry of Finance of the

Kyrgyz Republic EPC

June 25, 2025 ** sishkek, the Kyrgyz Republic

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Chingishev E.

Financial Manager of STS PMU

June 25, 2025

Bishkek, the Kyrgyz Republic



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INDEPENDENT AUDITOR'S REPORT

To the Management of the Project "Tax Administration and Statistical System Modernization Project" under the National Statistical Committee of the Kyrgyz Republic and State Tax Service under the Ministry of Finance of the Kyrgyz Republic:

Report on the project financial statements

Opinion

We have audited the accompanying project financial statements of the Project "Tax Administration and Statistical System Modernization Project" (the "Project") which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project parts for the year ended December 31, 2024, and a summary of significant accounting policies and other explanatory information (the "project financial statement").

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 for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (the "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 (the "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. The project financial statements were prepared for complying with the appropriate World Bank Guidelines and Financing and Grant agreements requirements. These circumstances do not lead to modification of the auditor's opinion.

Other matter

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

According to the World Bank's implementation status and results report dated May 8, 2025, the overall risk rating of the project was assessed as "substantial", progress towards achievement of the Project Development Objective was assessed as "moderately unsatisfactory", and overall implementation progress was assessed as "moderately satisfactory".

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

Management is responsible for the preparation and fair presentation of the 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 the project financial statements 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 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

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Certified accountant, FCCA

Individual auditor registration number No. 11152 dated November 16, 2023

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

Audit Partner,

Director, Baker Tilly Bishkek LLC

ndividual auditor registration number No. 18167 dated December 26, 2023

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

Audit Partner

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 No. 2101510 dated August 9, 2023.

June 25, 2025 Bishkek, the Kyrgyz Republic

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID FOR THE YEAR ENDED DECEMBER 31, 2024

(in US dollars)

	Notes	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative
Opening balance	4	739,840	354,997	
Funds received				
Grant No. IDA D566-KG NSC STS Credit No. IDA 6546-KG	5 5 5 5	2,383,222 1,995,473 387,749	6,159,697 3,442,551 2,717,146	11,589,767 6,323,125 5,266,642
Total funds received		2,383,222	6,159,697	11,589,767
Other income NSC STS	6 6 6	12,881 8,774 4,107	12,773 8,561 4,212	37,785 20,958 16,827
Total receipts		2,396,103	6,172,470	11,627,552
Expenses				
Goods NSC STS Works NSC STS Non-consulting services NSC STS Consulting services NSC STS Training NSC STS	7 7 7 7 7 7	714,308 698,049 16,259 - - - 1,386,215 1,132,440 253,775 119,984 119,984	2,986,140 791,053 2,195,087 - - - - 2,348,862 2,027,566 321,296 164,998 127,971	5,226,547 1,516,205 3,710,342 - - - 4,391,166 3,598,870 792,296 407,726 337,789
Incremental operating costs NSC STS	7 7 7 7	250,622 123,037 127,585	37,027 280,567 148,037 132,530	69,937 924,313 456,945 467,368
Total NSC Total STS	-	2,073,510 397,619	3,094,627 2,685,940	5,909,809 5,039,943
Total expenses	_	2,471,129	5,780,567	10,949,752

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2024

(in US dollars)

Other expenses	8	12,500	7,060	25,486
NSC	8	8,327	3,037	12,590
STS	8	4,173	4,023	12,896
Closing balance	4	652,314	739,840	652,314

On behalf of the Management:

Alymkulova E.

Head of the Office of National 46

Statistical Committee of the diagram

Kyrgyz Republic

June 25, 2025

Bishkek, the Kyrgyz Republic

Abdyllaev B.

Project Manager of NSC PMU

June 25, 2025

Bishkek, the Kyrgyz Republic

Dzholdoshova N.

Financial Manager of NSC PMU

June 25, 2025

Bishkek, the Kyrgyz Republic

Almanbetov A.

Deputy Chairman of State Tax Service under the Ministry of

Finance of the Kyrgyz Republic

Jane 25, 2025

Bishkek the Kyrgyz Republic

00305200

Chingishev E.

Financial Manager of STS PMU

June 25, 2025

Bishkek, the Kyrgyz Republic

The notes on pages 9-21 form an integral part of the project financial statements. The independent auditor's report is on pages 3-5.

SUMMARY OF EXPENDITURES PAID BY PROJECT PARTS FOR THE YEAR ENDED DECEMBER 31, 2024

(in US dollars)

	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulativd
Part 1. STS Institutional Development 1.1.Taxpayer Services 1.2.Strategic Management and Staff Management including Internal Control and Integrity Part 2. STS Operational Development 2.1.Modernization of the STS Operational Functions 2.2.IT System Modernization Part 3. NSC Institutional Development 3.1.Modernization of the national statistical system 3.2.Development of human capacity Part 4. NSC Data Development 4.1.Data collection and dissemination 4.2.Enhancement of the statistical and IT infrastructure Part 5. Project Management i.Project Management (STS) ii.Project Management (NSC)	13,154 13,154 249,461 220,048 29,413 1,097,637 1,079,448 18,189 845,155 30,916 814,239 265,722 135,004 130,718	682,157 319,095 363,062 1,828,290 146,699 1,681,591 1,990,382 1,902,076 88,306 904,487 38,609 865,878 375,251 175,493 199,758	932,741 338,023 594,718 3,529,586 366,747 3,162,839 3,555,172 3,423,668 131,504 1,779,289 73,697 1,705,592 1,152,964 577,616 575,348
Total NSC Total STS Total	2,073,510 397,619	3,094,627 2,685,940	5,909,809 5,039,943
	2,471,129	5,780,567	10,949,752

On behalf of the Management

Alymkulova E.

Head of the Office of National

Statistical Committee of the Kyrgyz Republic

June 25, 2025

Bishkek, the Kyrgyz Republic

Abdyllaev B. Project Manager of NSC PMU

Dzholdoshova N.

Financial Manager of NSC PMU

June 25, 2025

Bishkek, the Kyrgyz Republic

June 25, 2025

Bishkek, the Kyrgyz Republic

Almanbetov A.

Deputy Chairman of State Tax

Service under the Ministry of Finance of the Kyrgyz Republic

June 25, 2025

003052005

Bishkek the Kyrgyz Republic

Chingishev E.

Financial Manager of STS PMU

June 25, 2025

Bishkek, the Kyrgyz Republic

The notes on pages 9-21 form an integral part of the project financial statements. The independent auditor's report is on pages 3-5. CHYBANKACH T

NOTES TO THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024 (in US dollars)

GENERAL INFORMATION

According to the Financing agreement between the Kyrgyz Republic and the International Development Association (the "IDA") dated April 28, 2020, the IDA provided Grant No. IDA D566-KG in the amount of 12,700,000 Special Drawing Rights (the "SDR") and a Credit No. IDA 6546-KG in the amount of 12,700,000 SDR to the Kyrgyz Republic.

The Grant and the Credit were provided for implementation of the Project "Tax Administration and Statistical Modernization Project" (the "Project").

Project purpose

The objective of the Project is to create conditions and support the Government of the Kyrgyz Republic to improve the efficiency of tax collection and the national statistical system.

The Project supports institutional reforms and capacity building in tax administration and the statistical system. The areas supported by the Project in terms of tax administration include the establishment of a taxpayer-friendly tax administration system providing high quality online services. Project assistance in statistical area is focused on the enactment of the new Law "On Official Statistics", the progress of the national statistics system towards digitalization, greater use of administrative data based on the interoperability of various departmental systems, improving the training of statisticians; and updating the basic IT infrastructure of hardware and software.

The Project comprises the following parts:

Part 1. State Tax Service under the Ministry of Finance of the Kyrgyz Republic (the "STS") Institutional Development:

Part 2. STS Operational Development;

Part 3. National Statistical Committee of the Kyrgyz Republic (the "NSC") Institutional Development;

Part 4. NSC Data Development;

Part 5. Project Management.

Part 1. STS Institutional Development

- 1.1. Provide support to improve taxpayer services through the following: (i) the modernization of taxpayer services to increase the taxpayers' awareness of revenue laws and procedures, taxpayers' rights and obligations, including inter alia the provision of comprehensive services for taxpayers and the upgrade of the contact (call) center; and (ii) strengthening internal and external STS communications.
- 1.2. Provide support to enhance strategic management and staff management of the STS through the following: (i) strengthening the management process for the STS covering all organizational levels and the monitoring system for assessing the STS' performance; (ii) improving human resource management and capacity building; (iii) improving the internal Control and integrity function; and (iv) developing and implementing a change management strategy.

Part 2. STS Operational Development

- 2.1 Provision of support for: (i) carrying out of business process reengineering to enable institutional, legal and procedural improvements of tax administration; and (ii) implementation of a tax compliance management system, including the development of methodologies and strengthening of the tax administration capacity in functional areas, including, inter alia, taxpayers' registration, tax return and payment processing, enforcement and compliance, tax audit, risk analysis, appeals process, and business analytics.
- 2.2 Provision of support for: (i) improving the STS tax administration IT system; (ii) upgrade of and development of requirements for the IT infrastructure to support the upgraded STS tax administration IT system; (iii) development of the STS staff capacity to ensure operation of the enhanced STS tax administration IT system; and (iv) development of protocols and agreements enabling sharing of information between the STS and other government bodies and third parties through the existing information exchange system.

Part 3. NSC Institutional Development

- 3.1 Modernization of the national statistical system through: (i) reviewing and drafting the statistical system's legal and regulatory framework to provide support for the implementation of the Law on Official Statistics; (ii) modification of the institutional structure of the NSC's headquarters and regional units; and (iii) enhancement of NSC business processes and the national statistical system by introducing the generic statistical business process model.
- 3.2 Provision of support for development of human capacity through: (i) developing curricula and university program courses in official statistics for universities; (ii) improving the human resources management system of NSC; and (iii) development of capacity in the Institute of Statistical Research and Capacity Building of NSC to apply international statistics standards and methodologies in all areas of statistics.

Part 4. NSC Data Development

- 4.1 Provision of support for data collection and dissemination through: (i) carrying out analyses and changes in the data collection process with a view to reducing the number of forms and indicators collected; (ii) improving the statistical databases and calculation methodologies in main areas of statistics; (iii) improving the data dissemination in an open and user-friendly format, as well as, capacity building in the NSC to analyze data and present it to users with metadata, basic manipulation tools, and explanations.
- 4.2 Provision of support for: (i) enhancement of the statistical infrastructure of NSC's headquarters and regional and local offices; (ii) enhancement of the statistical infrastructure to conduct population, agricultural and economic censuses; (iii) digitalization of the Rural Household Register (RHR); (iv) improving the capacity of municipal civil servants responsible for collecting statistics at the local (cities and villages) level; and (v) enhancement of technological capacity and IT infrastructure to support data collection, processing, dissemination and secure network management through provision of software, equipment and technical assistance.

Part 5. Project Management

Support for Project management, implementation, and monitoring, evaluation, and reporting, including in the areas of financial management, Project audits, and financing of Operating Costs, procurement, disbursement, and social and environmental protection for (i) STS PMU and (ii) NSC PMU.

Project Management

The Project is implemented by the Project Management Unit of the National Statistical Committee of the Kyrgyz Republic (the "NSC PMU") and by the Project Management Unit of the State Tax Service under the Ministry of Finance of the Kyrgyz Republic (the "STS PMU").

The Project duration is from December 9, 2020 to March 31, 2027.

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of preparation

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

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

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

The project financial statements consists 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 the project financial statements is US dollars (the "USD").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The project financial statements were 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 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 set by the commercial bank on a date of operation.

Funds received are converted 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 converted into US dollars at the official exchange rate defined by the serving commercial bank at the date of transaction.

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

Cash and cash equivalents

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

Taxes

Calculation and payment of personal income tax and social security contributions from income of staff and consultants for the Social Fund of the Kyrgyz Republic 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, direct payments and replenishment of designated account.

Other income

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

Other expenses

Other expenses comprise payments for bank services and return 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, 2024 and 2023 are presented as follows:

Source of financing	Account holder	Currency	December 31, 2024	December 31, 2023
Special Account Special Account Interest	NSC	US dollar	413,293	491,353
	STS	US dollar	226,700	236,570
	NSC	US dollar	8,367	7,915
	STS	US dollar	3,908	3,974
	STS	Kyrgyz som	23	23
	NSC	Kyrgyz som	23	-
	NSC	Kyrgyz som		5

5. FUNDS RECEIVED

6.

NSC

STS

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

	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative		
Grant No. IDA D566-KG					
Advance / Initial deposit					
NSC	-	320,000	750,000		
STS	-	320,000	500,000		
Replenishment of designated account	1 252 222		250,000		
NSC	1,353,823	2,793,311	5,168,729		
STS	1,186,122 167,701	1,571,296	3,125,290		
Direct payments	1,029,399	1,222,015	2,043,439		
NSC	809,351	3,046,386 1,551,255	5,671,038		
STS	220,048	1,495,131	2,697,835		
	220,040	1,400,101	2,973,203		
	2,383,222	6,159,697	11,589,767		
Credit No. IDA 6546-KG	*				
0.0dil 110. 15A 0540-AG		<u> </u>			
	2,383,222	6,159,697	11,589,767		
OTHER INCOME					
Other income is presented as follows:					
	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative		

8,774

4,107

12,881

8,561

4,212

12,773

20,958

16,827

37,785

7. EXPENSES

Breakdowns of the Project expenses by sources of financing, categories and nature are presented as follows:

	For the year ended December 31, 2024		For the yea	or the year ended December 31, 2023			Cumulative		
	Grant No. IDA D566-KG	Credit No. IDA 6546-KG	Total	Grant No. IDA D566-KG	Credit No. IDA 6546-KG	Total	Grant No. IDA D566-KG	Credit No. IDA 6546-KG	Total
Goods	714,308	-	714,308	2,986,140	_	2,986,140	E 220 E47		
NSC	698,049	-	698,049	791,053	-		5,226,547	-	5,226,547
Office and computer equipment	691,961	_	691,961	715,400	-	791,053	1,516,205	-	1,516,205
VAT and customs fees	6,088	_	6,088	75,653	-	715,400	1,420,945	-	1,420,945
1C accounting software	-	_	0,000	73,033	-	75,653	81,741	-	81,741
Office furniture	_		_	-	-	-	7,480	-	7,480
STS	16,259		16 250	2 405 007	* -		6,039	-	6,039
Software and components for server	10,200	-	16,259	2,195,087	-	2,195,087	3,710,342	-	3,710,342
equipment	16,259	2	16,259	788,473		700 470	0.40 4		
ICT equipment	-	_	10,200	934,790		788,473	843,156	-	843,156
Office and computer equipment	_	_		304,938	-	934,790	2,192,813	-	2,192,813
VAT and customs fees	_	_	-		-	304,938	343,183	=0	343,183
1C accounting software	_	_	-	166,886	2,500	166,886	322,274	-7	322,274
Office furniture	=		-	-	-	1-	7,475	-	7,475
Consulting services	1,386,215	-	1 206 215	2 240 200	-	-	1,441	-	1,441
NSC	1,132,440	-	1,386,215	2,348,862	- ,	2,348,862	4,391,166	-	4,391,166
International consulting services	1,103,521	-	1,132,440	2,027,566		2,027,566	3,598,870		3,598,870
Local IT Coordinator	18,349	-	1,103,521	2,009,880	- 2	2,009,880	3,533,064		3,533,064
Audit	7,420	.=3	18,349	3,820	-	3,820	24,027	-	24,027
Local Lawyer	3,150	-	7,420	5,936	-	5,936	17,808	-	17,808
Online course development specialist	3,150	-	3,150	6,394	-	6,394	20,035	_	20,035
STS	- 050 775	_		1,536	1=	1,536	3,936	-	3,936
International consulting services	253,775	-	253,775	321,296	-	321,296	792,296		792,296
Local Technical Coordinator	220,047	-	220,047	146,698	-	146,698	366,745	_	366,745
	13,154	-	13,154	13,012	-	13,012	26,166	-	26,166
Expert-Coordinator on contract management Audit	13,154	-	13,154	10,856	-	10,856	24,010	_	24,010
	7,420	-	7,420	5,936	-	5,936	17,808	_	17,808
Local consulting services	=	-	-	144,794	-	144,794	351,793	-	351,793
Local Technical Administrator	-	-	-	-	-	-	5,774	-	5,774

	For the year ended December 31, 2024		For the year	For the year ended December 31, 2023			Cumulative		
	Grant No. IDA D566-KG	Credit No. IDA 6546-KG	Total	Grant No. IDA D566-KG	Credit No. IDA 6546-KG	Total	Grant No. IDA D566-KG	Credit No. IDA 6546-KG	Total
Training	119,984	_	119,984	164,998		404.000			
NSC	119,984		119,984	127,971	-	164,998	407,726		407,726
Local trainings	88,768	_	88,768		-	127,971	337,789	-	337,789
International trainings	31,216		31,216	33,871	-	33,871	175,742		175,742
STS		-	31,210	94,100	_	94,100	162,047	-	162,047
International trainings	-	-	=	37,027	-	37,027	69,937	-	69,937
Local trainings	_	-	-	37,027		37,027	69,801		69,801
Incremental operating costs	250,622	-	-	-	-	-	136		136
NSC		-	250,622	280,567	-	280,567	924,313	-	924,313
Payroll and Social Fund contributions	123,037	-	123,037	148,037	-	148,037	456,945	-	456,945
Stationery	112,040	-	112,040	121,279	-	121,279	407,112	-	407,112
Translation services	2,417	-	2,417	1,040	-	1,040	6,256	_	6,256
Tender related costs	2,243	-	2,243	8,263	.=	8,263	14,318	_	14,318
Internet / telecommunication services	1,539	=	1,539	632	-	632	3,448	_	3,448
Promo materials	1,218	=	1,218	1,309	-	1,309	2,527	_	2,527
Replication services	-	-	-	10,155	-	10,155	10,155	_	10,155
	-	· ·	-	4,891	-	4,891	4,891	_	4,891
Advertisement / express mail services Coffee breaks	-	-	-	-	-	-	1,555	_	1,555
Other	-	-	-	-		-	1,446	_	1,446
STS	3,580	=	3,580	468	-	468	5,237		5,237
	127,585	-	127,585	132,530	-	132,530	467,368	_	467,368
Payroll and Social Fund contributions	124,602	-	124,602	127,509	_	127,509	442,051	-	
Translation services	1,025	-	1,025	835	-	835	10,838	-	442,051
Internet / telecommunication services	1,022	-	1,022	1,597	-	1,597	5,117	-	10,838
Advertisement / express mail services	139	_	139	522	_	522	3,031	-	5,117
Stationery	44	-	44	596	_	596	***************************************	-	3,031
Other	753	_	753	1,471		1,471	2,042	-	2,042
	-					1,471	4,289	<u> </u>	4,289
	2,471,129		2,471,129	5,780,567		5,780,567	10,949,752	-	10,949,752

8. OTHER EXPENSES

Other expenses are presented as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023	Cumulative
Transfer of accrued interest income to the Ministry of Finance of the Kyrgyz Republic NSC STS	11,920	5,998	22,942
	7,920	2,397	11,341
	4,000	3,601	11,601
Bank services NSC STS	580	1,062	2,544
	407	640	1,249
	173	422	1,295
	12,500	7,060	25,486

9. FINANCIAL POSITION

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

	December 31, 2024	December 31, 2023
ASSETS AND EXPENDITURES		
Cash and cash equivalents	CEO 044	
NSC	652,314	739,840
STS	421,683	499,273
Cumulative expenses	230,631	240,567
NSC	10,949,752	8,478,623
STS	5,909,809	3,836,299
Other expenses	5,039,943	4,642,324
NSC	25,486	12,986
STS	12,590	4,263
	12,896	8,723
TOTAL ASSETS AND EXPENDITURES	11,627,552	9,231,449
FINANCING		
Funds received	44 500 707	200000
NSC	11,589,767	9,206,545
STS	6,323,125	4,327,652
Other income	5,266,642	4,878,893
NSC	37,785	24,904
STS	20,958	12,184
	16,827	12,720
TOTAL FINANCING	11,627,552	9,231,449

10. WITHDRAWAL APPLICATIONS

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

Sources of financing	Account holder	Date	Initial deposit	Direct payment	Replenishment of designated	Total
Grant No. IDA D566-KG					account	
C 25	NSC	January 26, 2024			466.622	466 600
C 26	NSC	February 1, 2024		₹.		466,622
C 27	NSC		-		248,736	248,736
C 28		February 14, 2024		809,351	-	809,351
	NSC	February 22, 2024	-	-	220,416	220,416
G-D5660-21	STS	April 10, 2024	-	220,048		220,048
29	NSC	May 10, 2024	_	-	106,987	106,987
G-D5660-22	STS	June 14, 2024	-	-	80,493	80,493
C 30	NSC	October 1, 2024	-	-	143,361	143,361
G-D5660-23	STS	December 2, 2024	-	-	87,208	87,208
					07,200	07,200
				1,029,399	1,353,823	2,383,222

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

Sources of financing	Account holder	Date	Initial deposit	Direct payment	Replenishment of designated	Total
Grant No. IDA D566-KG					account	
C9	NSC	January 13, 2023	320,000	_		220 000
G-D5660-10	STS	February 21, 2023		_	206,745	320,000
C 11	NSC	March 17, 2023	-		258,588	206,745
13	NSC	April 5, 2023	_	_	212,839	258,588
14	NSC	April 7, 2023	-	741,904	212,039	212,839
G-D5660-11-A	STS	May 1, 2023	_	141,504	93,596	741,904
G-D5660-13	STS	May 25, 2023	_	-		93,596
G-D5660-14	STS	June 5, 2023	-	934,790	130,316	130,316
G-D5660-15	NSC	June 7, 2023		-	105,009	934,790 105,009
G-D5660-12	STS	June 16, 2023	_	204,340	100,009	204,340
G-D5660-15/1	STS	June 26, 2023	_	209,302		209,302
C16	NSC	June 27, 2023	_		388,693	
C18	NSC	July 25, 2023	-	-	127,876	388,693 127,876
C19	NSC	August 18, 2023	-	809,351	127,070	809,351
G-D5660-16	STS	August 22, 2023		-	124,468	124,468
C 21	NSC	September 6, 2023	-		234,357	234,357
G-D5660-17	STS	September 8, 2023	-		230,736	234,357
G-D5660-18	STS	November 1, 2023	-	-	191,906	191,906
G-D5660-19A	STS	November 6, 2023	-	146,699	131,300	146,699
C 22	NSC	November 14, 2023	-	-	84,832	84,832
G-D5660-20	STS	December 6, 2023	_	_	244,248	244,248
C 23	NSC	December 15, 2023	-		96,846	96,846
C 24	NSC	December 20, 2023	-	_	62,256	62,256
					02,200	02,230
			320,000	3,046,386	2,793,311	6,159,697

11. STATEMENT OF DESIGNATED ACCOUNT

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

National Statistical Committee of the Kyrgyz Republic

Source of financing Bank Bank account Currency Bank's location	Grant No. IDA D566-KG OJSC Aiyl Bank 1350138033699626 US dollar 114/2 Kievskaya st Repu	Credit No. IDA 6546-KG OJSC Aiyl Bank 1350138039138595 US dollar r., Bishkek, Kyrgyz ublic	Total
Balance as at January 1, 2023	143,429		143,429
Initial deposit Replenishment	320,000 1,571,296	<u> </u>	320,000 1,571,296
Total funds received	1,891,296		1,891,296
Expenses paid Transfer to transit account	30,779 1,512,593	-	30,779 1,512,593
Balance as at December 31, 2023	491,353	-	491,353
Replenishment	1,186,122	_	1,186,122
Total funds received	1,186,122	-	1,186,122
Expenses paid Transfer to transit account	130 1,264,052	-	130 1,264,052
Balance as at December 31, 2024	413,293	-	413,293

State Tax Service under the Ministry of Finance of the Kyrgyz Republic

Source of financing Bank Bank account Currency Bank's location	Grant No. IDA D566-KG OJSC Aiyl Bank 1350108037011418 US dollar 14 Logvinenko str Rep	Credit No. IDA 6546-KG OJSC Aiyl Bank 1350108039970221 US dollar ., Bishkek, Kyrgyz ublic	Total
Balance as at January 1, 2023	205,364		205,364
Replenishment	1,222,015		1,222,015
Total funds received	1,222,015		1,222,015
Expenses paid Transfer to transit account	18,820 1,171,989	-	18,820 1,171,989
Balance as at December 31, 2023	236,570	-	236,570
Replenishment	167,701	_	167,701
Total funds received	167,701		167,701
Expenses paid Transfer to transit account	40 177,531	-	40 177,531
Balance as at December 31, 2024	226,700	-	226,700

12. UNDRAWN FUNDS

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

	Grant No. IDA D566-KG in SDR	Credit No. IDA 6546-KG in SDR
Approved amount of financing Disbursed during the period from December 9, 2020 to December 31, 2024	12,700,000 8,696,750	12,700,000
Undrawn amount of financing as at December 31, 2024	4,003,250	12,700,000
	Grant No. IDA D566-KG in SDR	Credit No. IDA 6546-KG in SDR
Funds received as at January 1, 2024	IDA D566-KG	IDA 6546-KG
Funds received as at January 1, 2024 Disbursed during the year ended December 31, 2024	IDA D566-KG in SDR	IDA 6546-KG

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 of NSC as at December 31, 2024 are presented as follows:

Counterparty	Contract No.	Cost per Contract (in CCY)	Contract CCY	Paid up to December 31, 2024 (in CCY)	Remaining amount to be paid (in CCY)
GOPA Worlwide Consultants GmbH (Germany) SoftLine International LLC Baker Tilly Bishkek LLC Mamytbekov E.K. Abdyraimov A.Zh. Zholdoshbekov K.Zh. Talkanbaeva R.A. Dzhumaeva S.M. Umetalieva G.S. Iskenderov K.D. Sagynaliev U.A. Kachkynbai kyzy J. Dzhumagulova D.T. Choldonbaev A.B.	GmbHTASSMP/CS/QCBS/C3 -C4/1 CTASSMP/CS/QCBS/C3-C4/1 TASSMP/CS/LCS/C5/1 TASSMP/CS/IC/C3-C4/3-1/1 TASSMP/CS/IC/C3-C4/3-8-2 TASSMP/CS/IC/C3-C4/3-8-1 KG-NSC-IOC-C5-1/1 KG-NSC-IOC-C5-3/1 KG-NSC-IOS-C5-4 KG-NSC-IOC-C5-5/1 KG-NSC-IOC-C5-6/1 KG-NSC-IOC-C5-6/1 KG-NSC-IOC-C5-7 KG-NSC-IOC-C5-6	8,393,268 234,341 29,680 950,000 1,045,000 1,045,000 1,872,000 1,440,000 1,254,000 1,368,000 1,140,000 1,080,000 570,000	US dollars US dollars US dollars US dollars Kyrgyz soms	3,357,307 175,756 17,808 835,406 668,325 668,325 1,665,889 360,000 1,042,000 985,176 380,000 90,000 159,205	5,035,961 58,585 11,872 114,594 376,675 376,675 206,111 1,080,000 212,000 1,320,000 382,824 760,000 990,000 410,795

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

	problem de followe.				
Counterparty	Contract No.	Cost per Contract (in CCY)	Contract CCY	Paid up to December 31, 2024 (in CCY)	Remaining amount to be paid (in CCY)
Ernst and Young Kazakhstan LLC Baker Tilly Bishkek LLC Green Light LLC Bialiev I.E. Bogachieva Z.T. Abdykaimov O.A. Chingishev E.A. Uzakova E.U Aldasheva A.B. Mukarapov J.K. Umetaliev A.S. Syidalieva N.J.	STS-CS/QCBS-001 * TASSMP/CS/LCS/C5/1 STS-GS/RFQ-008/L3 STS-CS/IC-005 STS-CS/IC-004/1 KG-STS-C5-IOS-INDV-01 KG-STS-C5-IOC-03/1 KG-STS-C5-IOC-04 KG-STS-C5-IOC-06 KG-STS-C5-IOC-08 KG-STS-C5-IOC-05/1	1,466,985 29,680 1,450,000 3,120,750 2,280,000 6,802,939 5,907,300 5,383,826 5,351,891 4,712,000 3,922,364 1,800,000	US dollars US dollars Kyrgyz soms	220,048 17,808 1,380,400 2,455,750 1,425,000 5,799,440 5,072,845 4,351,364 4,554,136 3,907,935 3,871,138 1,075,934	1,246,937 11,872 69,600 665,000 855,000 1,003,499 834,455 1,032,462 797,755 804,065 51,226 724,066

^{*} The contract with the counterparty was terminated on April 29, 2025.

14. LEGAL CASES

As at the reporting date, there were no any legal claims related to the Project.

15. EVENTS AFTER THE REPORTING DATE

During 2025 until the date of issue of the project financial statements IDA has replenished the Project's designated accounts as follows:

Sources of financing	Account holder	Date	Replenishment of designated account	, Total
Grant No. IDA D566-KG C 31 G-D5660-24	NSC STS	February 10, 2025 April 18, 2025	93,056 59,389	93,056 59,389
			152,445	152,445

According to the letter from the World Bank dated March 18, 2025, the amount of 6,350,000 SDR was cancelled from the financing proceeds of Credit No. IDA 6546-KG.

In 2024, an audit was conducted by the State Committee for National Security of the Kyrgyz Republic (the "SCNS") in relation to STS PMU. On December 22, 2024, the SCNS sent a resolution to the STS for taking measures to eliminate the causes and conditions that contributed to the commission of the crime.

In 2025, in a response letter to the resolution, the Management of the STS informed that henceforth, market monitoring will be carried out for all purchases within the framework of the Project, including monitoring prices for the purchase of goods and the preparation of estimated costs for consulting services.

The letter also noted that the procedures specified in the Law of the Kyrgyz Republic "On Public Procurement" dated April 14, 2022, will be applied for the purchase of goods, the estimated cost of which is less than the threshold value of 1,500,000 US dollars (according to the World Bank Guidelines "Thresholds for procurement approaches and methods by country" dated February 16, 2024).

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



Baker Tilly Bishkek LLC trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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