

Climate Adaptation and Mitigation Program for the Aral Sea Basin Project Financed as Part of Financing Agreement, Grant No. D094-7C, dated 1 July 2016 Made between the Executive Committee of the International Fund for Saving the Aral Sea and the International Development Association

Financial Statements for the Year Ended 31 December 2020 and

Independent Auditor's Report

Climate Adaptation and Mitigation Program for Aral Sea Basin Project (CAMP4ASB) Financed as Part of Financing Agreement, Grant No. D094-7C, dated 1 July 2016

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Representation of the management’s responsibilities for the preparation and approval of the financial statements for the year ended 31 December 2020

The following statement, which should be read in conjunction with the Independent Auditor’s Report, is made to delineate the responsibilities of the management and the auditor with respect to the special purpose financial statements of the Regional Environmental Centre for Central Asia (‘CAREC’).

Management of CAREC is responsible for preparation of the financial statements by Regional Components of ‘Climate Adaptation and Mitigation Program for the Aral Sea Basin’ Project (CAMP4ASB) (the ‘Project’) financed under the Financing Agreement (Grant No. D094-7C) made between the Executive Committee of International Fund for Saving the Aral Sea and the International Development Association dated 1 June 2016 (the ‘Agreement’), and in accordance with the Operating Agreement for Implementation of Regional Components of the Project made between the Executive Committee of the International Fund for Saving the Aral Sea and the Regional Environmental Centre for Central Asia ‘CAREC’ dated 25 July 2016, that fairly presents cash receipts and disbursements under the Project, expenditure by components for 2020, financial position of the Project as at 31 December 2020 in accordance with International Public Sector Accounting Standards (IPSAS) ‘Financial Reporting under the Cash Basis of Accounting’ issued by the International Federation of Accountants (IFAC) and the World Bank requirements for financial statements preparation.

In preparing the financial statements, CAREC management is responsible for:

- Selecting and applying appropriate accounting policies
- Relevant, reliable, comparable and understandable disclosure including accounting policies
- Provision of additional required disclosures for the year ended 31 December 2020.

CAREC management is also responsible for:

- Designing, implementing and maintaining reliable internal controls within the course of the Project implementation
- Record keeping that allows for the disclosure of the Project’s transactions and ensuring the financial statements comply with the International Public Sector Accounting Standard (IPSAS) ‘Financial Reporting under the Cash Basis of Accounting’ issued by the International Federation of Accountants (IFAC) and the Grant No. D094-7C between the Executive Committee of the International Fund for Saving the Aral Sea and the International Development Association
- Taking all reasonable efforts to ensure the safety of the Project’s assets, and confirming that the funds received under the Financing Agreement, Grant D094-7C the Executive Committee of the International Fund for Saving the Aral Sea and the International Development Association signed on 1 June 2016 were spent with due diligence to cost-effectiveness and economic efficiency and only for the intended purposes
- Fraud and abuse detection and prevention.

The accompanying financial statements for the year ended 31 December 2020 were approved by CAREC management on 22 June 2021:

CAREC Executive Director

Zafar Makhmudov

22 June 2021

Almaty, Republic of Kazakhstan



INDEPENDENT AUDITOR’S REPORT

To Management of ‘Climate Adaptation and Mitigation Program for the Aral Sea Basin’ Project (CAMP4ASB) financed under the Financing Agreement, Grant No. D094-7C

Opinion

We conducted our audit of the accompanying financial statements of the ‘Climate Adaptation and Mitigation Program for the Aral Sea Basin’ Project (CAMP4ASB) financed under the Financing Agreement (Grant No. D094-7C dated 1 June 2016) made between the Executive Committee of International Fund for Saving the Aral Sea and the International Development Association dated 1 June 2016 (the ‘Project’) and implemented by the Regional Environmental Centre for Central Asia ‘CAREC’ (‘CAREC’) dated 25 July 2016 comprising statement of cash receipts and disbursements for the year ended 31 December 2020, the statement of expenditure by components for the year ended 31 December 2020 and notes including the summary of significant accounting policies (the ‘financial statements’).

In our opinion:

1. The accompanying financial statements present fairly, in all material respects, cash receipts and disbursements of the Project for the year ended 31 December 2020, in accordance with International Public Sector Accounting Standard (IPSAS) ‘Financial Reporting under the Cash Basis of Accounting’ issued by the International Federation of Accountants and requirements for the preparation of the financial statements under the Financing Agreement (Grant No. 7C) made between the Executive Committee of the International Fund for Saving the Aral Sea and the International Development Association, the Operating Agreement on Implementation of Regional Components of the Project made between the Executive Committee of the International Fund for Saving the Aral Sea and the Regional Environmental Centre for Central Asia ‘CAREC’ dated 25 July 2016 and the Project Operational Manual (for Regional Components of the Project) dated 2 August 2016
2. All external funds under the Financing Agreement were spent with due diligence to cost-effectiveness and economic efficiency and only for the intended purposes
3. All the necessary supporting records and allocated account are being maintained in respect of all Project activities, including expenses under the Statements of Expenditure (SOE). SOEs for the period correspond with the records.
4. The allocated account is being maintained in accordance with the Financing Agreement, Operating Agreement and the World Bank related guidelines.
5. Goods, works and services have been procured in accordance with the Financing Agreement and special provisions of the World Bank Procurement Guidelines.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 CAREC in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and ethical requirements that are relevant to our audit of the financial statements in Kazakhstan, 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.

Special Considerations - Basis of Accounting

We draw attention to Note 2 of these financial statements describing the accounting principles. The financial statements have been prepared to assist CAREC in meeting the requirements of the Executive Committee of the International Fund for Saving the Aral Sea and the International Development Association. As a consequence, these financial statements may not be suitable for the other purpose. We do not express a modified opinion on this matter.

Responsibilities of Management Those Charged with Governance for the Financial Statements

Project management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standard (IPSAS) 'Financial Reporting under the Cash Basis of Accounting' issued by the International Public Sector Accounting Standards Board (IPSASB) of the IFAC, and in accordance with the Grant Agreement No. D094-7C dated 1 June 2016 made between the International Fund for Saving the Aral Sea and the International Development Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. Project management is responsible for selecting the applicable concept and determining its acceptability for the preparation of the financial statements of the Project, taking into account the specific circumstances.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 it does not 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 presentation of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion

The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of the internal control system that is relevant for 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
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance in CAREC 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.



Talgat Omarov
Auditor Qualifying Certificate No. 0000237
issued by the Qualification Commission for
Certification of Auditors of the RK dated 29 April 1996

BDO Kazakhstan LLP

State License for Audit No. 15003448

issued by the Committee for Financial Control of the Ministry of Finance
of the Republic of Kazakhstan on 19 February 2015



Talgat Omarov
BDO Kazakhstan LLP Director

Almaty
22 June 2021

Climate Adaptation and Mitigation Program for the Aral Sea Basin Project (CAMP4ASB)
 Financed as Part of Financing Agreement, Grant No. D094-7C

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2020
 (US dollars)

	Note	Disbursed		Budget		Deviation	
		As of 31.12.2020	Cumulative as of 31.12.2020	As of 31.12.2020	Cumulative as of 31.12.2020	As of 31.12.2020	Cumulative as of 31.12.2020
Project cash as of 1 January		36,539					
Receipts							
Grant No. D094-7C	4	4,235,901	9,715,695				
Total receipts under the Project		4,235,901	9,715,695				
Project expenditures							
Component 1: Regional services in the area of climate knowledge							
Contract work, goods, non-advisory and advisory services, incremental production costs and training under the Project	6	(3,583,366)	(7,284,573)	(3,684,370)	(7,385,577)	101,004	101,004
		(3,583,366)	(7,284,573)	(3,684,370)	(7,385,577)	101,004	101,004
Component 3: Subcomponent 3.1: Regional level coordination							
Goods, non-advisory and advisory services, incremental production costs and training under the Project	6	(288,291)	(2,032,747)	(295,100)	(2,039,556)	6,809	6,809
		(288,291)	(2,032,747)	(295,100)	(2,039,556)	6,809	6,809
Total expenditures and payments under the Project		(3,871,657)	(9,317,320)	(3,979,470)	(9,425,133)	107,813	107,813
Foreign exchange gain, net		3,100	5,508	-	-	3,100	5,508
Total expenditures and payments		(3,868,557)	(9,311,812)	(3,979,470)	(9,425,133)	110,913	113,321
Project cash as of 31 December	5	403,883	403,883				

Approved by Project management, 22 June 2021

Zafar Makhmudov
 CAREC Executive Director



Irina Bekmirzayeva
 Project Manager

Okil Shirinov
 CAREC Financial Administrative Manager

Notes on pages 11 to 18 are an integral part of these financial statements.

Climate Adaptation and Mitigation Program for the Aral Sea Basin Project (CAMP4ASB)
 Financed as Part of Financing Agreement, Grant No. D094-7C

STATEMENT OF EXPENDITURE BY COMPONENTS
 FOR THE YEAR ENDED 31 DECEMBER 2020
 (US dollars)

Components	Disbursed		Budget		Deviation	
	As of 31.12.2020	Cumulative as of 31.12.2020	As of 31.12.2020	Cumulative as of 31.12.2020	As of 31.12.2020	Cumulative as of 31.12.2020
Component 1: Regional services in the area of climate knowledge						
1.1 Establishing a regional information platform for Central Asia	635,892	1,147,183	639,000	1,150,291	(3,108)	(3,108)
1.2 Climate control system updates for participating countries	1,332,033	1,945,326	1,331,670	1,944,963	363	363
1.3 Developing methodologies, approaches and support tools for climate-related decision making	489,094	753,939	491,600	756,445	(2,506)	(2,506)
1.4 Developing knowledge bases of products that are provided through web portals, mobile applications, publications	440,024	686,375	505,200	751,551	(65,176)	(65,176)
1.5 Capacity building through regional training, e-learning, hands-on activities and study tours	281,620	888,232	282,400	889,012	(780)	(780)
1.6 Development of a climate investment assessment mechanism and investments experience for climate improvement implemented under Subcomponent 2.1	114,466	386,164	114,500	386,198	(34)	(34)
1.7 Design and implementation of a communications and public engagement strategy, including through climate change knowledge forums and networks, to support knowledge dissemination, public outreach and associations setting up	290,237	1,477,354	320,000	1,507,117	(29,763)	(29,763)
	3,583,366	7,284,573	3,684,370	7,385,577	(101,004)	(101,004)

Notes on pages 11 to 18 are an integral part of these financial statements.

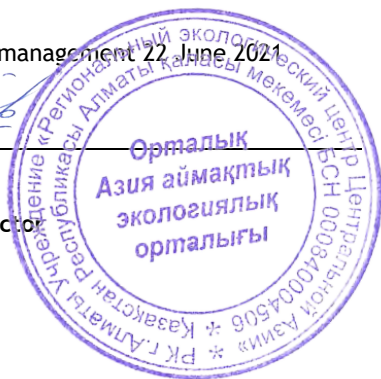
Climate Adaptation and Mitigation Program for the Aral Sea Basin Project (CAMP4ASB)
 Financed as Part of Financing Agreement, Grant No. D094-7C

STATEMENT OF EXPENDITURE BY COMPONENTS
 FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)
 (US dollars)

	Disbursed		Budget		Deviation	
	As of 31.12.2020	Cumulative as of 31.12.2020	As of 31.12.2020	Cumulative as of 31.12.2020	As of 31.12.2020	Cumulative as of 31.12.2020
Component 3: Subcomponent 3.1: Regional level coordination	288,291	2,032,747	295,100	2,039,556	(6,809)	(6,809)
	288,291	2,032,747	295,100	2,039,556	(6,809)	(6,809)
TOTAL	3,871,657	9,317,320	3,979,470	9,425,133	(107,813)	(107,813)

Approved by Project management 22 June 2021

Zafar Makhmudov
 CAREC Executive Director



Irina Bekmirzayeva
 Project Manager

Okil Shirinov
 CAREC Financial Administrative Manager

Notes on pages 11 to 18 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
(US dollars)

1. PROJECT BACKGROUND

1.1. CAMP4ASB Project

Financing Agreement, Grant No. D094-7C (the ‘Agreement’) made between the Executive Committee of the International Fund for Saving the Aral Sea (the ‘Recipient’) and the International Development Association acting as a donor (the ‘Association’) was signed on 1 July 2016 (the ‘Project Date’). Under the Agreement, the International Development Association provides 10,700 (ten million seven hundred thousand) of Special Drawing Rights (SDRs) or 15,000,000 (fifteen million) US dollars equivalent (the ‘Grant’) for the implementation of ‘Climate Adaptation and Mitigation Program for the Aral Sea Basin’ (CAMP4ASB) (the ‘Project’). Initially, the Agreement provided for the financing of expenditure without VAT.

In line with the World Bank letter dated 13 February 2019, the Agreement had been amended. The amendment states that the Project is 100%-financed including VAT.

The Recipient, through the Operating Agreement made with the Regional Environmental Centre of Central Asia ‘CAREC’, commits the Regional Coordination Unit (RCU), established under CAREC to be responsible for the day-to-day management and implementation of Component 1 and Subcomponent 3.1 of the Project, in full compliance with the Operating Agreement and the Project Operational Manual.

Cash under the Grant are withdrawn in US dollars, and payments are made in US dollars and Kazakhstan tenge.

Project completion date is 31 May 2024.

The Regional Environmental Centre for Central Asia (CAREC) is a legal entity operating under the laws of the Republic of Kazakhstan and is an independent, non-profit and non-political entity with a global reach intended for promoting cooperation in solving environmental issues of Central Asia at the national and regional levels.

Under the Charter, CAREC Founders are:

- Republic of Kazakhstan
- Republic of Kyrgyzstan
- Republic of Tajikistan
- Turkmenistan
- Republic of Uzbekistan
- Commission of the European Communities
- United Nations Development Project (UNDP).

1.2. Project Objectives

The Project is intended to enhance regionally coordinated access to improved climate change knowledge services for key stakeholders (e.g. decision-makers, communities and civil society) in the participating Central Asian countries, as well as to increase investment and capacity-building that, combined, will address the climate change issues common to these countries.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)
(US dollars)

PROJECT BACKGROUND (CONTINUED)

The Project's components are:

Component 1: Regional services in the area of climate knowledge

To develop a unified regional analytical platform for low-emissions climate sustainable development in Central Asia through:

- (a) Establishment of the regional information platform for Central Asia by technical assistance, goods (including software and equipment), advisory services, training and minor civil works
- (b) Upgrading of climate-related monitoring systems for Participating Countries
- (c) Development of methodologies, approaches and tools to support climate-related decision making support
- (d) Development of knowledge bases on the products, such as specialized analytical work available via, inter alia, web portals, mobile apps, publications
- (e) Capacity building through regional training, e-learning events, internships and study tours
- (f) Setting up a Climate Investment Assessment Mechanism implemented under Subcomponent 2.1 below including through the establishment of a pool of experts to evaluate the Sub-projects accomplished under Subcomponent 2.1
- (g) Design and implementation of a communications and public engagement strategy, including through climate change knowledge forums and networks, to support knowledge dissemination, public outreach and associations setting up.

Component 2: Regional fund of climate investment

Subcomponent 2.1: Investment financing

Improvement of performance and addressing climate change problems by assisting with investment in agriculture, land resource management and other activities through the opening and operating credit facilities for financing the PFIs through subsidiary loans, sub-loans to sub-borrowers for sub-projects implementation for scaling up suitable practices and technologies to improve climate resilience, risk reduction and mitigation and economic and social benefits.

Subcomponent 2.2: Capacity building and community support

- (a) Support awareness raising, participatory planning and implementation of climate investment plans at the community level through community-level participatory appraisals and community action plans, identification and design of appropriate investment plans, and building of the technical and organizational capacities of communities to implement their investments
- (b) Support Facilitating Organizations to provide technical advisory services to potential beneficiaries under Subcomponent 2.1
- (c) Provide capacity building of the PFIs through technical assistance in the assessment of climate investment proposals.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)**
(US dollars)

PROJECT BACKGROUND (CONTINUED)

Component 3: Regional and national level coordination

Subcomponent 3.1: Regional level coordination

CAREC being the Regional Coordination Unit (RCU) will implement the Project's Component 1 on the regional level, including procurement, disbursements, financial management, Project monitoring and assessment of project implementation, as well as incremental operating costs.

Sub-component 3.2: National level coordination

Project management support to the National Coordination Units in Component 2 implementation, including procurement, disbursements, financial management, Project monitoring and assessment of project implementation, as well as incremental operating costs.

CAREC is responsible for Component 1 and Subcomponent 3.2 implementation by coordinating and supporting the Project at a regional level.

Component 2 and Subcomponent 3.2 are implemented by the Participating Countries (in particular, Tajikistan and Uzbekistan) engaged in local climate investments and capacity building.

1.3. Project implementation

The Executive Committee of the International Fund for Saving the Aral Sea (the 'Recipient') is responsible for implementing Component 1 and Subcomponent 3.1 of the Project under the requirements, criteria, organizational arrangements and operational procedures set forth by the Project Operational Manual and the Environmental Management Framework (EMF).

The Recipient insures Project implementation through an Operating Agreement with CAREC (the 'Operating Agreement') on terms and conditions compliant with the International Development Association, which shall include, inter alia, the pertinent obligations outlined in the Agreement as applicable to CAREC, including:

- (i) CAREC shall report to the Recipient during operational management and Project's Component 1 implementation
- (ii) CAREC shall establish a Regional Coordination Group (the 'RCU') for the Project lifetime responsible for Project's Component 1 daily management and implementation including coordination with each National Coordination Unit at the larger project activities level and in full compliance with the Project Operational Manual, Operating Agreement and Anti-Corruption Guide
- (iii) CAREC shall ensure that the Chief Accountant is generally responsible for financial management and disbursement supported by financial management expert
- (iv) CAREC shall: (a) sign the accounting software installation contract for the software appropriate for the Association and intended for accounting, budgeting and reporting; and (b) train the accounting staff on how to use effectively the new software
- (v) CAREC undertakes that RCU shall be located and shall operate in Almaty, the Republic of Kazakhstan, during the Project lifetime, all under the Project Operational Manual and the Operating Agreement.

1.4. Expenditure

The Financing Agreement provides for the following categories of expenditures: contract works, goods, non-advisory and advisory services, incremental operating cost and training under the Project.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)**
(US dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Financial statements preparation and presentation

The financial statements have been prepared in accordance with International Public Sector Accounting Standard (IPSAS) 'Financial Reporting under the Cash Basis of Accounting' issued by the International Federation of Accountants and requirements for the preparation of the financial statements under the Financing Agreement (Grant No. D094-7C) made between the Executive Committee of the International Fund for Saving the Aral Sea and the International Development Association, the Operating Agreement on Implementation of the Regional Components of the Project made between the Executive Committee of the International Fund for Saving the Aral Sea and the Regional Environmental Centre for Central Asia 'CAREC' dated 25 July 2016 and the Project Operational Manual (for Regional Components of the Project) dated 2 August 2016.

The accounting policies described below have been consistently applied in all the reporting periods presented in these financial statements.

2.2. Grant cash flows

Financial statements of the Project consists of the statement of receipts and disbursements for the year ended 31 December 2020, and statements of expenditure by components for the year ended 31 December 2020 (statement of cash flows) by direct method disclosing major cash receipts and disbursements.

2.3. Presentation currency

These financial statements are presented in US dollars ('USD').

Foreign currency transactions are translated into the presentation currency at the exchange rates prevailing at the transaction dates. Goods and services are purchased from suppliers and contractors in Kazakhstan tenge.

These amounts are afterwards translated into currency of presentation of the financial statements - US dollars - at the exchange rate established by Citibank Kazakhstan JSC at the source documentation issue date.

Project staff salary costs and national experts and consultants' remuneration are accrued in US dollars and paid in Kazakhstan tenge at the rate of the National Bank of the Republic of Kazakhstan as of the payment date.

2.4. Taxes

In line with section 1.1 of the Auditor's Report CAREC is an independent, non-commercial and non-political entity with a global reach incorporated as a legal entity. In line with the Charter, CAREC's mission is to assist in solving environmental problems in Central Asia through the promotion of cooperation at a local, national and regional level among NGOs, government authorities, businesses, local governments and all other stakeholders to develop a free exchange of information, offer assistance to all environmental NGOs and other stakeholders and increase public participation in the decision-making process.

Based on the Agreement 'On the Regional Environmental Centre for Central Asia Operation' ratified by the Law of the Republic of Kazakhstan No. 69-11 dated 5 July 2000, paragraph 4, article 7 'the Centre operating in line with this Agreement and the Charter shall be exempt from all taxes, fees and other governmental charges established by the legislation of the Republic of Kazakhstan, customs duties and restrictions on import and export in respect of items imported and exported by the Centre for official use and in respect of Centre publications'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)**

(US dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAREC is not a VAT-payer. VAT is not recorded in a separate line (has no dedicated account).

Therefore, all Project expenditures presented in financial statements include VAT.

2.5. Budget

Initial CAMP4ASB Project budget drawn up and approved by the World Bank on 7 September 2016 equalled 15,000,000 US dollars of which 12,468,908 US dollars were allocated for Component 1 and 2,531,092 US dollars for Component 3, Subcomponent 3.1. The whole budget was distributed for the Agreement lifetime (five years).

Every subsequent year planned but unspent expenditures of the past period are carried forward. Therefore, the Project budget is reviewed annually and approved by the World Bank. The revised Project budget was approved by the World Bank in March 2021 (Attachment 2).

3. CONSOLIDATED STATEMENTS OF EXPENDITURE (SOE)

Applicati on No.	Receipt date	Received amount	Expenditure approval date	SOE-based data	Notes
14	14.01.2020	571,331	23.12.2019	571,331	
15	26.03.2020	338,602	18.03.2020	338,602	
16	01.04.2020	508,768	30.03.2020	508,768	
17	05.05.2020	608,976	30.04.2020	608,976	
18	28.07.2020	497,708	23.07.2020	497,708	
19	21.09.2020	593,370	18.09.2020	593,370	
20	18.11.2020	544,874	17.11.2020	544,874	
21	20.12.2020	572,272	15.12.2020	572,272	
		4,235,901		4,235,901	

4. CASH

According to the Operating Agreement, CAREC opened an allocated account in Citibank Kazakhstan JSC for Project implementation receipts:

- No. KZ7083201D0500032151 (US dollars)

Project cash balances as of 31 December and cash flows of the allocated account for the years ended 31 December 2020 and 2019 are as follows:

	2020	2019
Balance as of 1 January	36,539	200,058
RECEIPTS		
Replenishment - Grant No. D094-7C	4,235,901	2,673,501
	4,235,901	2,673,501
EXPENDITURE		
Amount paid	(3,863,187)	(2,304,130)
Prepayments made	(8,470)	(534,212)
Foreign exchange gain, net	3,100	1,322
	(3,868,557)	(2,837,020)
Balance as at 31 December	403,883	36,539
Including denominated in:		
<i>US dollar</i>	<i>403,883</i>	<i>36,539</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)

(US dollars)

5. STATEMENT OF FINANCIAL POSITION

Statement of financial position discloses assets, liabilities and net assets of the Project as of 31 December 2020 and 2019. This statement has been prepared on an accrual basis.

Items	31.12.2020	31.12.2019
ASSETS		
Cash	403,883	36,539
Prepayments made	-	534,212
Total assets	403,883	570,751
LIABILITIES		
Accounts payable*	(99,287)	(1,860)
Total liabilities	(99,287)	(1,860)
NET ASSETS	304,596	568,891
Income (cumulative total)		
Grant No. D094-7C	9,715,695	5,479,794
Total income	9,715,695	5,479,794
Expenses (cumulative total)		
Component 1. Regional services in the area of climate knowledge	(7,383,860)	(3,168,855)
Subcomponent 3.1: Regional level coordination	(2,032,747)	(1,744,456)
Total expenses	(9,416,607)	(4,913,311)
Foreign exchange gain, net	5,508	2,408
NET ASSETS	304,596	568,891

(*) Accounts payable are reports expenses incurred in December 2020 for works and services performed under Component 1 for 94,459 US dollars and Component 3 for 4,828 US dollars.

6. PROJECT EXPENDITURES

a. Expenditures under the Project funded by the Grant for 2020 and 2019

- 2020

Expenditure	The year ended 31/12/2020	Cumulative as of 31 December 2020
Contract work, goods, non-advisory and advisory services, incremental production costs and training under the Project within Component 1 implementation	3,583,366	7,284,573
Goods, non-advisory and advisory services, incremental production costs and training under the Project within Sub-component 3.1 implementation	288,291	2,032,747
TOTAL	3,871,657	9,317,320

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)

(US dollars)

6. PROJECT EXPENDITURES (CONTINUED)

• 2019

Expenditure	The year ended 31/12/2019	Cumulative as of 31 December 2019
Contract work, goods, non-advisory and advisory services, incremental production costs and training under the Project within Component 1 implementation	2,328,855	3,701,207
Goods, non-advisory and advisory services, incremental production costs and training under the Project within Sub-component 3.1 implementation	509,487	1,744,456
TOTAL	2,838,342	5,445,663

b. Project budget for 2020 and 2019 was performed as follows:

• 2020

Expenditure	Cumulative as of 31 December 2020	Budget for expenditure	Budget performance
Contract work, goods, non-advisory and advisory services, incremental production costs and training under the Project within Component 1 implementation	3,684,370	7,385,577	50%
Goods, non-advisory and advisory services, incremental production costs and training under the Project within Sub-component 3.1 implementation	295,100	2,039,556	14%
TOTAL	3,979,470	9,425,133	42%

• 2019

Expenditure	Cumulative as of 31 December 2019	Budget for expenditure	Budget performance
Contract work, goods, non-advisory and advisory services, incremental production costs and training under the Project within Component 1 implementation	3,701,207	4,578,845	81%
Goods, non-advisory and advisory services, incremental production costs and training under the Project within Sub-component 3.1 implementation	1,744,456	1,799,986	97%
TOTAL	5,445,663	6,378,831	85%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2020 (CONTINUED)**

(US dollars)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets of the Project are as follows:

Item	Balance as of 31.12.2019	Receipts	Disposal	Balance as of 31.12.2020
Office facilities	25,354	-	-	25,354
Office furniture	1,058	-	-	1,058
1C Accounting	1,234	1,149	-	2,383
Total	27,646	1,149	-	28,795

8. EVENTS AFTER THE REPORTING PERIOD

Between the reporting date and the date of approval of these financial statements for the issue, there were no other events that could affect these financial statements.

9. LITIGATIONS

There are no pending litigations brought by CAREC against the third parties or entities or by the third parties or entities against CAREC during the Project implementation and as of the date of approval of the financial statements.

10. FINANCIAL STATEMENTS ISSUE DATE

These financial statements have been authorised for issue on 22 June 2021 by the CAREC Executive Director.

Zafar Makhmudov

CAREC Executive Director



22 June 2021

ATTACHMENT 1

(US dollars)

Reconciliation between the amounts confirmed by CAREC and those disbursed by the World Bank for 2020

Expenditure	Withdrawal application	Data CAREC	World Bank data	Deviations
	14	571,331	571,331	-
	15	338,602	338,602	-
Construction works, goods, non-advisory and advisory services, incremental production costs and training under the Project	16	508,768	508,768	-
	17	608,976	608,976	-
	18	497,708	497,708	-
	19	593,370	593,370	-
	20	544,874	544,874	-
	21	572,272	572,272	-
TOTAL		4,235,901	4,235,901	-

Climate Adaptation and Mitigation Program for the Aral Sea Basin Project (CAMP4ASB) Financed as Part of Financing Agreement,
Grant No. D094-7C

ATTACHMENT 2

(US dollars)

CAMP4ASB Project Budget approved by the World Bank on 22 March 2021

Components, sub-components		2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	
Component 1: Regional services in the area of climate knowledge	Sub-component 1.1 Creating an information platform for Central Asia	647	119,629	4,089	386,926	639,000	860,977	166,115	112,524	39,181	2,329,088	
	Sub-component 1.2 Focused development of climate observations systems	8	3,284	36,198	573,804	1,331,670	2,321,103	16,770	12,578	5,240	4,300,655	
	Subcomponent 1.3 Development of methodologies, approaches and tools to facilitate decision making	8,702	156,559	55,509	44,075	491,600	248,500	-	-	-	1,004,945	
	Subcomponent 1.4 Information products development	10,539	23,227	66,648	145,937	505,200	590,195	-	-	-	1,341,746	
	Subcomponent 1.5 Capacity building	-	19,773	152,686	434,153	282,400	292,210	-	-	-	1,181,222	
	Subcomponent 1.6 Implementing a climate investment assessment mechanism	-	26,846	60,776	184,076	114,500	-	-	-	-	-	386,198
	Subcomponent 1.7 Educational outreach	473	256,762	369,998	559,884	320,000	297,337	45,800	45,800	29,000	1,925,054	
Total, Component 1		20,369	606,080	745,904	2,328,855	3,684,370	4,610,322	228,685	170,902	73,421	12,468,908	
including Administrative expenses		-	-	-	-	-	-	-	-	-	-	
Component 3: Regional and national level coordination	Sub-component 3.1 Regional level coordination	130,091	629,703	475,175	509,487	295,100	182,920	131,322	118,767	58,527	2,531,092	
Total for the Project		150,460	1,235,783	1,221,079	2,838,342	3,979,470	4,793,242	360,007	289,669	131,948	15,000,000	