

**SECOND COMMUNITY AGRICULTURAL RESOURCE MANAGEMENT
AND COMPETITIVENESS PROJECT**

**IBRD Loan No. 8374-AM
IDA Credit No. 5504-AM
IDA Credit No. 5505-AM**

**IMPLEMENTED BY
MINISTRY OF ECONOMY OF THE REPUBLIC OF ARMENIA**

SPECIAL PURPOSE FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2021

**YEREVAN
June 2022**

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STATEMENT OF MANAGEMENT RESPONSIBILITY

FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The management of the project is responsible for the preparation of the special purpose financial statements for the year ended 31 December 2021 of "Second Community Agricultural Resource Management and Competitiveness Project" ("Project") financed by the IBRD Loan No. 8374-AM, IDA Credit No. 5504-AM and IDA Credit No. 5505-AM, in compliance with the International Public Sector Accounting Standard "Financial Reporting under the Cash Basis of Accounting" (IPSAS-Cash Basis) issued by the International Public Sector Accounting Standards Board (IPSASB) and the Financial Management Manual for World Bank Financed Investment Operations (WB Guidelines).

In preparing the special purpose financial statements, project management is responsible for:


- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional required disclosures for the year ended 31 Dec 2021.

Project management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Project;
- Maintaining adequate accounting records that are sufficient to show and explain the Project's transactions, and which enable them to ensure that the special purpose financial statements of the Project comply with *IPSAS - Cash Basis* and the *WB Guidelines*;
- Taking such steps that are reasonably available to them to safeguard the assets of the Project and to affirm that funds received have been used in accordance with the Loan Agreement, and World Bank related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided; and
- Preventing and detecting fraud and other errors.

The special purpose financial statements for the year ended 31 Dec 2021 were signed on 28 June 2022 by the Projects management.


Davit Mejlumyan
Project Manager


Hrant Ter-Vardanyan
Financial manager

INDEPENDENT AUDITOR'S REPORT

To the Ministry of Economy of the Republic of Armenia

Opinion

We have audited the accompanying special purpose financial statements of the “Second Community Agricultural Resource Management and Competitiveness Project” (“Project”) financed by the IBRD Loan No. 8374-AM, IDA Credit No. 5504-AM and IDA Credit No. 5505-AM, which comprise the statement of cash receipts and payments, the statement of uses of funds by Project activity for the year ended 31 December 2021, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the special purpose financial statements present fairly in all material respects the cash receipts and payments of the Project for the year ended 31 December 2021 in accordance with International Public Sector Accounting Standard: *Financial Reporting Under the Cash Basis of Accounting*, (IPSAS-Cash Basis).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Project and The Ministry of Economy of RA in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled out other ethical requirements in accordance with IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Change of the Implementing Organization

Without modifying our opinion, we draw your attention to Note 1.4 of the financial statements, describing the change of the implementing organization of the Project.

Emphasis of Matter- Cash Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes those financial statements are prepared in accordance with cash basis framework, as a result, they may not be suitable for another purposes.

Management's Responsibility for the Special Purpose Financial Statements

The Project Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with IPSAS-Cash Basis issued by the International Public Sector Accounting Standards Board (IPSASB) within the International Federation of Accountants (IFAC), and Financial Management Manual for World Bank Financed Investment Operations (WB Guidelines), and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

1. Funds have been used in accordance with the conditions of the Loan Agreement No. 8374-AM concluded between the International Bank for Reconstruction and Development (IBRD) and the Republic of Armenia, Financing Agreement No. 5504-AM and 5505-AM between the International Development Association (IDA) and the Republic of Armenia both dated 6 August 2014 ("Financing Agreements"), and World Bank related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
2. Supporting documents, records and accounts have been maintained to support claims for reimbursement of expenditures incurred. Expenditures included in the withdrawal applications and reimbursed against are eligible for financing under the Financing Agreements;
3. The Designated accounts used have been maintained in accordance with the provision of the Financing Agreements, and World Bank related guidelines;
4. Works, Goods and Services financed have been procured in accordance with the Financing Agreements and World Bank related guidelines.
5. Sub-Projects grants complied with eligibility criteria, procedures and requirements set forth in the Project Operational Manual and Sub-Project grants agreements.

Gnel Khachatryan, FCCA
Engagement Partner

STATEMENT OF CASH RECEIPTS AND PAYMENTS

Second Community Agricultural Resource Management and Competitiveness Project
IBRD Loan No.8374-AM, IDA Credit No. 5504- AM, IDA Credit No. 5505- AM
For the year ended 31 December 2021
In USD

	Actual Year ended 31 Dec 2021	Cumulative to Date	Planned Year ended 31 Dec 2021	Cumulative to Date	Variance Year ended 31 Dec 2021	Cumulative to Date	PAD Life of project
Opening Working Capital							
Designated Account (IDA 5505-AM, IDA 5504-AM)	-						
Designated Account (IBRD 8374-AM)	125,921						
Government Co-financing Account	-						
Community Account	310,063						
Total	435,983						
Sources of Funds							
IDA Financing 5505-AM	-	2,400,582					
IDA Financing 5504-AM	-	4,316,022					
Loan IBRD 8374-AM	4,828,121	18,202,882					
Government of Armenia	200,930	1,423,112					
Community Account	278,295	2,335,831					
BID *	-	604					
Other beneficiaries	1,695,556	4,907,537					
Total	7,002,903	33,586,571					
Foreign Exchange Difference	37,354	5,823					
Uses of Funds							
CATEGORY 1							
Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs under the Project (except for activities under Part 1 (b) and Part II (a) of the Project	834,183	5,628,429	1,200,749	5,994,995	(366,566)	(366,566)	9,150,000
CATEGORY 2							
Community Fund financing and Targeted Sub-Project Grants under Part 1 (b) and Part II (a) of the Project	5,632,021	26,896,430	5,630,053	26,894,461	(8,771)	(8,771)	30,850,000
CATEGORY 3 Unallocated							
Front-end Fee	-	-	-	-	-	-	2,612,500
Total	6,466,204	32,582,359	6,830,802	32,946,956	(375,338)	(375,338)	57,500
Closing Working Capital							42,670,000
Designated Account (IDA 5505-AM, IDA 5504-AM)	-						
Designated Account (IBRD 8374-AM)	721,917	721,917					
Government Co-financing Account	-						
Community Account	288,118	288,118					
Cash in transfer	-						
Total	1,010,035	1,010,035					

The accompanying notes form an integral part of these project special purpose financial statements.
30 June 2022

Davit Mejlumyan
Project Manager


Hrant Ter-Vardanyan
Financial manager

Second Community Agricultural Resource Management and Competitiveness Project
 IBRD Loan No.8374-AM, IDA Credit No. 5504- AM, IDA Credit No. 5505- AM
 For the year ended 31 December 2021
 In USD

Project Activities	Actual		Planned		Variance		PAD
	Year ended 31 Dec 2021	Cumulative to Date	Year ended 31 Dec 2021	Cumulative to Date *	Year ended 31 Dec 2021	Cumulative to Date	Life of Project
Component 1. Community Pasture/Livestock Management System	2,754,397	19,222,260	2,925,985	19,393,849	(171,588)	(171,588)	27,870,000
1 (a) Pasture/Livestock Management Planning Support System	219,786	1,260,278	277,825	1,318,317	(58,039)	(58,039)	3,870,000
1 (b) Community Funds	2,534,611	17,961,982	2,648,160	18,075,531	(113,549)	(113,549)	24,000,000
Component 2. Value Chain Development	3,135,850	9,153,468	3,034,015	9,062,374	91,094	91,094	7,440,000
2 (a) Sub-project Investments	3,097,410	8,923,707	2,981,893	8,818,930	104,777	104,777	6,850,000
2 (b) Support services	38,439	229,761	52,122	243,444	(13,683)	(13,683)	590,000
Component 3. Strengthening Public Sector Institutions	323,439	2,481,460	620,659	2,767,940	(297,220)	(297,220)	2,450,000
3 (a) Public Animal Health Services	323,439	1,141,160	620,659	1,427,640	(297,220)	(297,220)	1,940,000
3 (b) Institutional Development	-	1,340,300	-	1,340,300	-	-	510,000
Component 4. Project Coordination and Management	252,519	1,667,670	250,143	1,665,294	2,377	2,377	2,240,000
4 (a) Project Management	174,765	1,500,669	176,165	1,502,069	(1,400)	(1,400)	1,740,000
4 (b) Monitoring & Evaluation	77,754	167,002	73,978	163,225	3,777	3,777	500,000
Unallocated	-	-	-	-	-	-	2,612,500
Front-end Fee	-	57,500	-	57,500	-	-	57,500
Total Project Expenditure	6,466,204	32,582,359	6,830,802	32,946,956	(375,338)	(375,338)	42,670,000

The accompanying notes form an integral part of these project special purpose financial statements.
 30 June 2022


 Davit Mejlumyan
 Project Manager


 Hrant Ter-Vardanyan
 Financial manager

NOTES TO THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS

*Second Community Agricultural Resource Management and Competitiveness Project
IBRD Loan No.8374-AM, IDA Credit No. 5504- AM, IDA Credit No. 5505- AM
For the year ended 31 December 2021*

1. General Information

1.1. The Project

On 6 August 2014 the Loan agreement was signed between the Republic of Armenia and International Bank for Reconstruction and Development (IBRD), according to which IBRD provided to the Republic of Armenia Loan No. 8374-AM at the amount of 23,000,000 United States dollars (USD).

On 6 August 2014, the Financing agreement was signed between the Republic of Armenia and International Development Association (IDA), according to which IDA provided to the Republic of Armenia credit No. 5504-AM at the amount of 3,800,000 Special Drawing Rights (SDR) and credit No. 5505-AM at the amount of 2,460,000 Special Drawing Rights (SDR).

Loan and Credits were provided for implementation of Second Community Agricultural Resource Management and Competitiveness Project (the Project).

Both Loan Agreement and Financing agreement became effective on 23 January 2015.

The closing date of the Project was initially presented to be 31 May 2020. On the 26th of March 2020 some changes in the Loan/Financing Agreements were made, by which the closing date of the Project was set 30 April 2022.

In accordance to the letter of extension dated March 17, 2022 requesting the IBRD to extend the Closing Date of the loan provided, IBRD agreed to request and has therefore established October 31, 2022, as the later date for the purposes of Section IV.B.2 of Schedule 2 to the Loan Agreement.

Further disbursements from the Loan will be made for Withdrawal Applications received by the IBRD by close of business on February 28, 2023, in respect of eligible expenditures incurred by the Closing Date. The Grace Period for submitting withdrawal applications for the expenditures incurred before the Closing date is four months following the Closing date.

1.2. The Project's objectives

The objectives of the Project are to: (i) improve productivity and sustainability of pasture and livestock systems in targeted communities; and (ii) increase the marketed production from selected livestock and high value agri-food value chains.

The Project consists of the following components.

- Community pasture/livestock management system,
- Value chain development,
- Strengthening public sector institutions,
- Project coordination and management.

1.3. Project Budget

The Project is financed from the following sources:

- International Bank for Reconstruction and Development (IBRD),
- International Development Association (IDA),
- The Government of the Republic of Armenia (GoA),
- Beneficiaries.

SDR table

Category	IBRD Loan 8374-AM		IDA Credit			IDA Credit			Government of the RA	Beneficiaries	Total
			5504-AM			5505-AM					
	USD	USD updated	SDR origin	SDR updated	USD updated	SDR origin	SDR updated	USD updated	USD	USD	USD
1.Goods, works, non-consulting services, consultant’s services, training and incremental operating costs under the Project (except for activities under Part I (b) and Part II (a) of the Project).	4,800,000	3,530,000	930,000	928,704	1,280,243	450,000	447,317	624,500	1,594,866		7,029,609
2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	18,142,500	17,042,500	2,170,000	2,169,971	3,035,779	1,050,000	1,280,872	1,776,082	1,806,752	7,676,354	31,337,467
3.Front- end fee	57,500	57,500									57,500
Unallocated			700,000			960,000					-
Total	23,000,000	20,630,000	1,630,000	3,098,675	4,316,022	1,410,000	1,728,189	2,400,582	3,401,618	7,676,354	38,424,576

1.4. Project implementation

Till 13 October 2017, the Project was implemented by “Agricultural Projects Implementation Unit” State Institution (the APIU) under the Ministry of Agriculture of the Republic of Armenia (RoA) that was established in accordance with the Republic of Armenia Government decree #765 dated 22 December 1999.

In accordance with the Government of the RoA Decree N 243-A dated 9 Mar 2017, the Minister of Finance of the RoA and Minister of Agriculture of the RoA get order to make changes in the Project Loan/Financing agreements in order to pass the implementation of the Project to Agriculture Development Fund, while to pass fiduciary responsibility of the Project to the “Foreign Financing Projects Management Center” of the Ministry of Finance of the RoA (FFPMC). The related changes in the Loan/Financing Agreements were approved by the Decree of the President of the RoA. The Decree become effective on 12 October 2017.

From November 2017 until 29 March 2019, the fiduciary part of the Project was implemented by the FFPMC. Started from 29 March 2019 until 1 June 2019, by the Decree N 283-A dated 21 March 2019, the project implementation and fiduciary part of the Project was transferred to the Ministry of Agriculture of the Republic of Armenia.

After 1 June 2019; by the law of RA on making changes and amendments in the law of RA on “Government Structure and Activities” (HO-253-N dated 23 March 2018), The Ministry of Agriculture of RA and the Ministry of Economic Development and Investment of RA have been reorganized through the merger, creating the Ministry of Economy of RA. Currently, the program is implemented by the Ministry of Economy of RA, coordinated by the Agriculture Projects Implementation Department of the Ministry of Economy of RA.

2. Summary of significant accounting policies

2.1. Preparation and presentation of financial statements

The special purpose financial statements are prepared in accordance with the International Public Sector Accounting Standard (IPSAS): *Financial Reporting Under the Cash Basis of Accounting*, (IPSAS-Cash Basis) issued by the International Public Sector Accounting Standards Board (IPSASB) within the International Federation of Accountants (IFAC), and presented in accordance with Financial Management Manual for World Bank Financed Investment Operations: RM 3 - Financial Reporting and Auditing (March 2010).

The special purpose project financial statements consist of:

- Statement of cash receipts and payments,
- Statement of uses of funds by project activity,
- Summary of significant accounting policies and other explanatory notes.

The principal accounting policies applied in the preparation of these special purpose financial statements are set out below. These policies have been consistently applied to all the periods presented.

2.2 Cash basis of accounting

The special purpose financial statements are prepared and presented using the cash basis of accounting.

Cash basis means a basis of accounting under which transactions and other events are recognized only when cash or its equivalent is received or paid.

Financial statements prepared under the cash basis provide information about the sources of cash raised during the period, the purpose for which cash was used and the cash balances at the reporting date.

2.3. Presentation currency

The presentation currency of these special purpose financial statements is United States Dollar (USD).

2.4. Foreign currency transactions

Foreign currency is a currency other than the reporting currency of the Project.

Project accounts are maintained in USD and Armenian Drams (AMD).

Transactions in foreign currencies are translated to presentation currency at exchange rates at the dates of these transactions. The exchange rate:

- 1) Before March 1, 2021 is settlement average rate of foreign currency over functional currency as of the transaction date established by the Central Bank of the Republic of Armenia (the CBA).
- 2) Since March 1, 2021:
 - For the inflows is used the foreign exchange purchase rate as of the transaction date set by the Central Bank of the RA.
 - For outflows is used the foreign exchange selling rate as of the transaction date set by the Central Bank of the RA.

2.5 Budgeting

Annual budgets for funding and expenditures are based on approved budget of the project agreement. Expenditure budget is created based on actual accumulated expenditures for the last period plus the updated procurement plans for the period

2.5. Taxes

All applicable taxes are paid in accordance to common tax regulations of the Republic of Armenia.

3. Summary of Summary reports and SOEs

For the year ended 31 December 2021

3.1. IDA Credit No. 5504-AM

No SOE withdrawal application was submitted related to IDA Credit No. 5504-AM during the reporting period.

3.2. IDA Credit No. 5505-AM

No SOE withdrawal application was submitted related to IDA Credit No. 5505-AM during the reporting period.

3.3. IBRD Loan No. 8374-AM

Application number	Value date	1.Goods, works, non- consulting services, consultant's services, training, and incremental operating costs under the Project (except for activities under Part I (b) and Part II (a) of the Project).	2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	Total
		USD	USD	USD
27 ADDA	19-Feb-2021	140,215	1,233,863	1,374,079
28 ADDA	07-Jul-2021	47,750	188,779	236,529
29 ADDA	27-Jul-2021	34,257	690,430	724,687
30 ADDA	23-Sep-2021	21,735	420,521	442,256
31 ADDA	30-Sep-2021	73,953	554,619	628,572
32 ADDA	09-Nov-2021	84,301	233,712	318,013
33 ADDA	24-Nov-2021	33,236	499,803	533,039
34 ADDA	06-Dec-2021	40,685	262,576	303,261
35 ADDA	20-Dec-2021	28,042	239,643	267,685
Total		504,174	4,323,946	4,828,121

4. Statement of designated account

4.1. IDA Credit No. 5504-AM and IDA Credit No. 5505-AM

<u>Designated Account</u>	<u>IDA Credit No. 5504-AM and IDA Credit No. 5505-AM</u>
Currency	USD
Account number	900000903873
Bank	Central Treasury
Location	1 Meliq Adamyan str., Yerevan, 0010 Republic of Armenia
	For the year ended 31 December 2021
	<u>USD</u>
1. Opening balance as at 01.01.2021	-
Add:	
2. Cumulated opening discrepancy	-
3. IDA Fund advance/replenishment	-
Less:	
4. Refund to IDA from DA	-
5. Present outstanding amount advanced to DA	-
6. DA closing balance as at 31.12.2021	-
Add:	
7. Amount of eligible expenditures paid	-
Less:	
8. Interest earned (if credited into DA)	-
9. Total advance accounted for	-
10. Discrepancy (5)-(9)	-

4.2. IBRD Loan 8374-AM

Designated Account	IBRD Loan No. 8374-AM
Currency	USD
Account number	900000903881
Bank	Central Treasury
Location	1 Meliq Adamyan str., Yerevan, 0010 Republic of Armenia
	For the year ended 31 December 2021
	<u>USD</u>
1. Opening balance as at 01.01.2021	<u>125,921</u>
Add:	
2. Cumulated opening discrepancy	-
3. IBRD Fund advance/replenishment	4,828,121
Less:	
4. Refund to IBRD from DA	-
5. Present outstanding amount advanced to DA	<u>4,954,042</u>
6. SA closing balance as at 31.12.2021	721,917
Add:	
7. Amount of eligible expenditures paid	4,232,125
Less:	
8. Interest earned (if credited into DA)	-
9. Total advance accounted for	<u>4,954,042</u>
10. Discrepancy (5)-(9)	-

5. Statement of financial position

The Statements of Financial Position discloses assets, liabilities and net assets of the Project as at reporting date. It is prepared in accrual basis that is transactions are recognized when they occur (and not only when cash is received or paid).

	Note	31 Dec 2021 USD	31 Dec 2020 USD
ASSETS			
Cash and cash equivalents	6	721,917	435,983
Prepayments	7	47,897	123,425
Total assets		769,814	559,408
LIABILITIES			
Payables	8	175,437	79,948
Total liabilities		175,437	79,948
NET ASSETS			
Cumulative income	9		
IBRD Loan No. 8374-AM		18,202,882	13,374,761
IDA Credit No. 5504-AM		4,316,022	4,316,022
IDA Credit No. 5505-AM		2,400,582	2,400,582
GoA fund		1,423,112	1,222,182
Community fund		2,335,831	2,057,536
Other beneficiary		4,907,537	3,211,981
Bidding		604	604
		33,586,571	26,583,669
Cumulative expenses			
Project expenses	10	(32,998,017)	(26,046,803)
		(32,998,017)	(26,046,803)
Foreign exchange gain/(loss)		5,823	(57,406)
Total net assets		594,377	479,460

6. Cash and cash equivalents

	Account held at	Underlying Currency	31.12.2021 USD	31.12.2020 USD
Designated Account IDA Credit 5504-AM, 5505-AM	Treasury	USD	-	-
Designated Account IBRD Loan 8374-AM	Treasury	USD	721,917	125,921
Government Co-financing account	Treasury	AMD	-	-
Community Co-financing account	Treasury	AMD	288,118	310,063
Bidding account	Treasury	AMD	-	-
Total			1,010,035	435,984

7. Prepayments and receivables

	31.12.2021 USD	31.12.2020 USD
Prepayments*	47,897	123,425
Total	47,897	123,425

(*) Prepayments are paid to contractors up to 20% of the construction contract amount based on bank guarantee provided.

8. Payables

	31.12.2021 USD	31.12.2020 USD
On Works (Retentions)*	175,437	79,948
Total	175,437	79,948

(*) Retentions of 5% are held from the completed service invoices as guaranty for the quality of the work. 2.5% are paid after signing the final act, and the remaining 2.5% are kept for up to one year as guaranty for the quality of performed work, or paid on the basis of a one-year bank guaranty

9. Financing

9.1. IBRD Loan 8374-AM

	Reporting year USD	Cumulative as at 31 Dec 2021 USD
Advances/ (advance recovery)		1,500,000
SOE and Summary Report	4,828,121	16,702,882
Front-end fee		57,500
Total	4,828,121	18,260,382
Total financing budget		20,630,000
Percentage of finance provided as at 31 Dec 2020		89%

a. IDA Credit 5504-AM

	Reporting year USD	Cumulative as at 31 Dec 2021 USD
Advances/ (advance recovery)	-	-
SOE and Summary Report	-	4,316,022
Total	-	4,316,022
Total financing budget		4,316,022
Percentage of finance provided as at 31 Dec 2020		100%

b. IDA Credit 5505-AM

	Year ended 31 December 2021 USD	Cumulative as at 31 Dec 2021 USD
Advances/ (advance recovery)	-	-
SOE and Summary Report	-	2,400,582
Total	-	2,400,582
Total financing budget		2,400,582
Percentage of finance provided as at 31 Dec 2020		100%

a. Government of RoA

	Year ended 31 December 2021 USD	Cumulative as at 31 Dec 2021 USD
Financed	200,930	1,423,112
Total financing budget	200,930	3,401,618
Percentage of finance provided as at 31 Dec 2020		42%

a. Beneficiaries

	Year ended 31 December 2021 USD	Cumulative as at 31 Dec 2020 USD
Community funds	278,295	2,335,831
Other beneficiaries	1,695,556	4,907,537
	1,973,851.00	7,243,368
Total financing budget		7,676,354
Percentage of finance provided as at 31 Dec 2020		94%

10. Project expenditures

10.1. Project expenditures per funds

Expenditure	IBRD Loan 8374-AM	IDA Credit 5504-AM	IDA Credit 5505-AM	Government of the RA	Community	Other beneficiaries	Total
	USD	USD	USD	USD	USD		USD
Year ended 31 December 2021							
1. Goods, works, non- consulting services, consultant's services, training and incremental operating costs under the Project (except for activities under Part I (b) and Part II (a) of the Project).	626,315	-	-	207,868			834,183
2. Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	3,605,809	-	-		330,656	1,695,556	5,632,021
3. Front-end fee							-
Total	4,232,125	-	-	207,868	330,656	1,695,556	6,466,204
Cumulative as at 31.12.2021							
1. Goods, works, non- consulting services, consultant's services, training and incremental operating costs under the Project (except for activities under Part I (b) and Part II (a) of the Project).	2,319,119	1,354,829	549,914	1,404,094	-	473	5,628,429
2. Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	15,104,346	2,961,193	1,850,668	21,914	2,050,771	4,907,537	26,896,430
3. Front-end fee	57,500						57,500
Total	17,480,965	4,316,022	2,400,582	1,426,008	2,050,771	4,908,010	32,582,359

10.2 Expenditure budget execution

Category	Cumulative Expenditures as at 31 Dec 2020	Total budget	Execution
	USD	USD	%
1.Goods, works, non- consulting services, consultant's services, training and incremental operating costs under the Project (except for activities under Part I (b) and Part II (a) of the Project).	5,628,429	7,029,609	
2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	26,896,430	31,337,467	
3.Front-end fee	57,500	57,500	
Unallocated		-	
Total	32,582,359	38,424,576	

ANNEX 1. RECONCILIATION BETWEEN THE AMOUNTS SUBMITTED BY THE PROJECT AND DISBURSED BY THE WORLD BANK

*Second Community Agricultural Resource Management and Competitiveness Project
IBRD Loan No.8374-AM, IDA Credit No. 5504- AM, IDA Credit No. 5505- AM
For the year ended 31 December 2021
In USD*

IBRD Loan No. 8374-AM

Category	Appl. N	Project	WB	Difference
1.Goods, works, non- consulting services, consultant's services, training and incremental operating costs under the Project (except for activities under Part I (b) and Part II (a) of the Project).	27	140,215	140,215	0
	28	47,750	47,750	0
	29	34,257	34,257	0
	30	21,735	21,735	0
	31	73,953	73,953	0
	32	84,301	84,301	0
	33	33,236	33,236	0
	34	40,685	40,685	0
	35	28,042	28,042	0
	Total	504,174	504,174	0
2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	27	1,233,863	1,233,863	0
	28	188,779	188,779	0
	29	690,430	690,430	0
	30	420,521	420,521	0
	31	554,619	554,619	0
	32	233,712	233,712	0
	33	499,803	499,803	0
	34	262,576	262,576	0
	35	239,643	239,643	0
	Total	4,323,946	4,323,946	0
Grand total		4,828,121	4,828,121	0

IDA Credit No. 5504- AM

No withdrawal applications were submitted related to IDA Credit No. 5504-AM during the reporting period.

IDA Credit No. 5505-AM

No withdrawal applications were submitted related to IDA Credit No. 5505-AM during the reporting period.