

**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
“AGRICULTURE DEVELOPMENT FUND” AND
“FOREIGN FINANCING PROJECTS MANAGEMENT CENTER” SI
OF THE MINISTRY OF FINANCE OF THE REPUBLIC OF ARMENIA**

SPECIAL PURPOSE FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR’S REPORT

For the year ended 31 December 2018

**YEREVAN
March 2019**

CONTENT

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF CASH RECEIPTS AND PAYMENTS	5
STATEMENT OF USES OF FUNDS BY PROJECT ACTIVITY	6
NOTES TO THE PROJECT SPECIAL PURPOSE FINANCIAL STATEMENTS	7
ANNEX 1. RECONCILIATION BETWEEN THE AMOUNTS SUBMITTED BY THE PROJECT AND DISBURSED BY THE WORLD BANK	18

INDEPENDENT AUDITOR'S REPORT

To the Management of the Foreign Financing Projects Management Center (FFPMC) SI.

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 2018, 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 2018 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 FFPMC 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 Project's Implementing Organization

Without modifying our opinion, we draw your attention to Note 1.4 of the special purpose financial statements, disclosing that the implementing organization of the Project was changed after the reporting date.

Emphasis of Matter- Cash Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes that financial statements are prepared in accordance with cash basis framework, as a result, they may not be suitable for another purposes. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Special Purpose Financial Statements

The Management of FFPMC SI 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.

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 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.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

To comply with the terms of the Loan Agreements, the Project management shall insure that:

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.

In our opinion, the Project management has complied with the above requirements during the year ended 31 December 2018.

26 March 2019
"BDO Armenia" cjsc


Vahagn Sahakyan, FCCA
Managing Partner


Armine Voskanyan
Auditor



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 2018
In USD

Items	Actual		Planned		Variance		PAD
	Reporting year	Cumulative as at 31.12.2018	Reporting year	Cumulative as at 31.12.2018	Reporting year	Cumulative as at 31.12.2018	
Opening Cash Balance	1,291,847.82	-					
Sources of Funds							
IBRD Loan No. 8374-AM	2,916,893.94	9,385,261.62					
IDA Credit No. 5504-AM	(239,652.05)	4,316,022.44					
IDA Credit No. 5505-AM	(9,606.94)	2,400,582.15					
GoA fund	214,288.04	993,579.88					
Community fund	216,326.65	1,721,371.03					
Other beneficiary	234,012.48	1,878,020.35					
Bidding	-	3,259.35					
Total	3,332,262.12	20,698,096.82					
Exchange gain/(loss)	512.20	(4,318.34)					
Uses of Funds							
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).	853,606.02	3,883,282.97	1,211,366.24	4,241,043.19	(357,760.22)	(357,760.22)	9,150,000.00
2. Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	3,118,119.19	16,100,098.58	3,868,459.93	16,850,439.32	(750,340.74)	(750,340.74)	30,850,000.00
3. Front-end fee	-	57,500.00	-	57,500.00	-	-	57,500.00
Unallocated	-	-	-	-	-	-	2,612,500.00
Total	3,971,725.21	20,040,881.55	5,079,826.17	21,148,982.51	(1,108,100.96)	1,108,100.96	42,670,000.00
Closing cash and cash equivalents Balance (note 6)	652,896.93	652,896.93					

The accompanying notes form an integral part of these project special purpose financial statements.
26 March 2019

Edgar Avetyan
Executive Director

Armen Shahnazaryan
Financial manager



STATEMENT OF USES OF FUNDS BY PROJECT ACTIVITY

*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 2018
In USD*

Parts	Actual		Planned		Variance		PAD
	Reporting year	Cumulative as at 31.12.2018	Reporting year	Cumulative as at 31.12.2018	Reporting year	Cumulative as at 31.12.2018	
A. Community Pasture/Livestock Management System	2,301,897.23	13,359,908.20	3,104,524.83	14,162,535.80	(802,627.60)	(802,627.60)	27,870,000.00
A.1 Pasture/Livestock Management Planning & Support System	3,967.97	881,931.66	14,076.90	892,040.59	(10,108.93)	(10,108.93)	3,870,000.00
A.2 Community Grants	2,297,929.26	12,477,976.54	3,090,447.93	13,270,495.21	(792,518.67)	(792,518.67)	24,000,000.00
B. Value chain development	845,285.42	3,733,965.66	828,664.99	3,717,345.23	16,620.43	16,620.43	7,440,000.00
B.1 Sub-project investments	820,189.93	3,622,122.04	778,012.00	3,579,944.11	42,177.93	42,177.93	6,850,000.00
B.2 Support Services	25,095.49	111,843.62	50,652.99	137,401.12	(25,557.50)	(25,557.50)	590,000.00
C. Strengthening Public Sector Institution	345,761.35	1,921,318.76	613,443.81	2,189,001.22	(267,682.46)	(267,682.46)	2,450,000.00
C.1 Public Animal Health Services	138,518.18	624,808.70	439,749.03	926,039.55	(301,230.85)	(301,230.85)	1,940,000.00
C.2 Institutional development	207,243.17	1,296,510.06	173,694.78	1,262,961.67	33,548.39	33,548.39	510,000.00
D. Project Coordination and Management	478,781.21	968,188.93	533,192.54	1,022,600.26	(54,411.33)	(54,411.33)	2,240,000.00
D.1 Project Management	474,251.45	907,460.50	523,330.41	956,539.46	(49,078.96)	(49,078.96)	1,740,000.00
D.2 Monitoring and Evaluation	4,529.76	60,728.43	9,862.13	66,060.80	(5,332.37)	(5,332.37)	500,000.00
Front end fee	-	57,500.00	-	57,500.00	-	-	57,500.00
Unallocated	-	-	-	-	-	-	2,612,500.00
Total Expenditure	3,971,725.21	20,040,881.55	5,079,826.17	21,148,982.51	(1,108,100.96)	(1,108,100.96)	42,670,000.00

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 2018*

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 is 31 May 2020. 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.

Category	IBRD Loan 8374-AM	IDA Credit 5504-AM		IDA Credit 5505-AM		Government of the RA	Beneficiari es	Total
	USD	SDR	USD updated*	SDR	USD updated*			
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	930,000	1,282,050	450,000	628,240	2,460,785	-	9,171,075
2. Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	18,142,500	2,170,000	3,036,966	1,050,000	1,459,298	1,806,752	5,728,000	30,173,516
3. Front-end fee	57,500	-	-	-	-	-	-	57,500
Unallocated	-	700,000	975,870	960,000	1,338,336	-	-	2,314,206
Total	23,000,000	3,800,000	5,294,886	2,460,000	3,425,874	4,267,537	5,728,000	41,716,297

* Budget USD equivalent of SDR underlined loan is calculated based on cumulative funds received in USD plus USD equivalent of undisbursed funds (if any) in SDR as at reporting date. SDR/USD rate at 31.12.2018 is set 1 SDR=1.3941 USD (31.12.2017 is 1.4241).

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-N 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 credit 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. The related changes in the Credit Agreements was approved by the Decree of the President of the RoA. The Decree become effective on 12 October 2017

A Liquidation Committee was established by the Order dated 19 October 2017 of the Minister of Agriculture to implement liquidation process of the "Agricultural Projects Implementation Unit" State Institution.

Starting from November 2017; the fiduciary part of the Project is implemented by Foreign Financing Projects Management Center (FFPMC) SI.

The activities of FFPMC is suspended from 31 March 2018 in accordance with the Government of Decree No. 1427-N of December 13, 2018. From that date the Project will be implemented by the Ministry of Agriculture of the Republic of Armenia in accordance amendment to Decree N 243-A dated 9 March 2017 of the Government of the RoA.

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 presentation currency of the Project. Transactions in foreign currencies are translated to functional currency at exchange rates at the dates of the transactions. Settlement rate of foreign currency over presentation currency established by the Central Bank of the Republic of Armenia is taken as the exchange rate.

Project accounts are maintained and transactions are made in USD and Armenian Dram (AMD). Transactions denominated in local currency are translated into USD as follows:

- Contributions of the Republic of Armenia and beneficiaries expressed in AMD are presented in USD at the official exchange rate defined by the Central Bank of Armenia at the date of transfer.
- Payments to contractors and suppliers expressed in AMD are presented in USD at the exchange rates defined by the CBA at the date of payment.

The currency exchange rate defined by the CBA as at 31.12.2017 is: USD 1 = 484.10 AMD.
The currency exchange rate defined by the CBA as at 31.12.2018 is: USD 1 = 483.75 AMD.

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 2018

3.1. IDA Credit No. 5504-AM

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

3.2. IDA Credit No. 5505-AM

No SOE withdrawal application were 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, 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
12	29 March 2018	146,492.54	677,446.28	823,938.82
13	25 Apr 2018	40,795.35	334,202.71	374,998.06
14	13 July 2018	175,177.89	241,188.54	416,366.43
15	2 Nov 2018	281,019.20	763,665.36	1,044,684.56
16	28 Nov 2018	34,084.86	372,821.21	406,906.07
Total		677,569.84	2,389,324.10	3,066,893.94

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
	1 Meliq Adamyán str., Yerevan, 0010
Location	Republic of Armenia
	For the year ended
	31 December 2018
	<u>USD</u>
1. Opening balance as at 01.01.2018	<u>249,258.99</u>
Add:	
2. Cumulated opening discrepancy	-
3. IDA Fund advance/replenishment	-
Less:	
4. Refund to IDA from DA	(249,258.99)
5. Present outstanding amount advanced to DA	<u>-</u>
6. DA closing balance as at 31.12.2018	-
Add:	
7. Amount of eligible expenditures paid	-
Less:	
8. Interest earned (if credited into DA)	-
9. Total advance accounted for	<u>-</u>
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 Adamyany str., Yerevan, 0010 Republic of Armenia
	For the year ended 31 December 2018
	<u>USD</u>
1. Opening balance as at 01.01.2018	<u>501,158.67</u>
Add:	
2. Cumulated opening discrepancy	-
3. IBRD Fund advance/replenishment	2,916,893.94
Less:	
4. Refund to IBRD from DA	-
5. Present outstanding amount advanced to DA	<u>3,418,052.61</u>
6. SA closing balance as at 31.12.2018	162,343.28
Add:	
7. Amount of eligible expenditures paid	3,255,709.33
Less:	
8. Interest earned (if credited into DA)	-
9. Total advance accounted for	<u>3,418,052.61</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).

		31.12.2018 USD	01.01.2018 USD
ASSETS			
Cash and cash equivalents	6	652,896.93	1,291,847.82
Prepayments		380,558.12	109,037.33
Total assets		1,033,455.05	1,400,885.15
LIABILITIES			
Payables		46,054.57	66,754.13
Total liabilities		46,054.57	66,754.13
NET ASSETS			
Cumulative income			
IBRD Loan No. 8374-AM	8.1	9,385,261.62	6,468,367.68
IDA Credit No. 5504-AM	8.2	4,316,022.44	4,555,674.49
IDA Credit No. 5505-AM	8.3	2,400,582.15	2,410,189.09
GoA fund	8.4	993,579.88	779,291.84
Community fund	8.5	1,721,371.03	1,505,044.38
Other beneficiary	8.5	3,259.35	1,644,007.87
Bidding		1,878,020.35	3,259.35
		20,698,096.82	17,365,834.70
Cumulative expenses			
Project expenses		(19,670,524.89)	(16,035,144.01)
		(19,670,524.89)	(16,035,144.01)
Foreign exchange gain/(loss)		(40,171.45)	3,440.33
Total net assets		987,400.48	1,334,131.02

6. Cash and cash equivalents	Account held at	Underlying Currency	31.12.2018 USD	01.01.2018 USD
Designated Account IDA Credit 5504-AM, 5505-AM	Treasury	USD	-	249,258.99
Designated Account IBRD Loan 8374-AM	Treasury	USD	162,343.28	501,158.67
Government Co-financing account	Treasury	AMD	-	-
Community Co-financing account	Treasury	AMD	487,898.43	499,429.82
Bidding account	Treasury	AMD	2,655.22	2,655.22
Cash in transfer -Community co-financing		AMD	-	39,345.13
Total			652,896.93	1,291,847.83

7. Project expenditures

7.1. Project expenditures per funds

Expenditure	IBRD Loan 8374-AM	IDA Credit 5504-AM	IDA Credit 5505-AM	Government of the RA	Community fund	Other beneficiaries	Total
	USD	USD	USD	USD	USD		USD
Reporting year							
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).	639,324.96	-	-	214,281.06	-	-	853,606.02
2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	2,616,384.37	-	-	-	267,722.34	234,012.48	3,118,119.19
3.Front-end fee	-	-	-	-	-	-	-
Total	3,255,709.33	-	-	214,281.06	267,722.34	234,012.48	3,971,725.21
Cumulative as at 31.12.2018							
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).	1,007,635.50	1,354,829.19	549,914.17	970,431.40	-	472.71	3,883,282.97
2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	8,157,782.84	2,961,193.25	1,850,667.98	21,914.49	1,230,519.67	1,878,020.35	16,100,098.58
3.Front-end fee	57,500.00	-	-	-	-	-	57,500.00
Total	9,222,918.34	4,316,022.44	2,400,582.15	992,345.89	1,230,519.67	1,878,493.06	20,040,881.55

7.2. Expenditure budget execution

Category	Cumulative Expenditures as at 31 Dec 2018	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).	3,883,282.97	9,171,075.00	42%
2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	16,100,098.58	30,173,516.00	53%
3.Front-end fee	57,500.00	57,500.00	100%
Unallocated		2,314,206.00	-
Total	20,040,881.55	41,716,297.00	48%

8. Financing

8.1. IBRD Loan 8374-AM

	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Advances/ (advance recovery)	(150,000.00)	900,000.00
SOE and Summary Report	3,066,893.94	8,427,761.62
Front-end fee	-	57,500.00
Total	2,916,893.94	9,385,261.62
Total financing budget		23,000,000.00
Percentage of finance provided as at 31 Dec 2018		41%

8.2. IDA Credit 5504-AM

	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Advances/ (advance recovery)	(239,652.05)	-
SOE and Summary Report	-	4,316,022.44
Total	(239,652.05)	4,316,022.44
Total financing budget		5,294,886.00
Percentage of finance provided as at 31 Dec 2018		82%

8.3. IDA Credit 5505-AM

	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Advances/ (advance recovery)	(9,606.94)	-
SOE and Summary Report	-	2,400,582.15
Total	(9,606.94)	2,400,582.15
Total financing budget		3,425,874.00
Percentage of finance provided as at 31 Dec 2018		70%

8.4. Government of RoA

	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Financed	214,288.04	993,579.88
Total financing budget		4,267,537.00
Percentage of finance provided as at 31 Dec 2018		23%

8.5. Beneficiaries	Reporting year USD	Cumulative as at 31 Dec 2018 USD
Community funds	216,326.65	1,721,371.03
Other beneficiaries	<u>234,012.48</u>	<u>1,878,020.35</u>
	<u>450,339.13</u>	<u>3,599,391.38</u>
Total financing budget		<u>5,728,000.00</u>
Percentage of finance provided as at 31 Dec 2018		<u>63%</u>

9. Events after the reporting date

9.1. IBRD Loan 8374-AM

The SOE application #17 DA with total amount of USD 737,656.72, which completely relates to the reporting year, was submitted to WB on 21 January 2019 and approved on 25 January 2019.

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 2018

In USD

IBRD Loan No. 8374-AM

Category	Appl. N	Project	WB	Difference
Advance/(repayment)	12	(50,000.00)	(50,000.00)	-
	13	500,000.00	500,000.00	-
	15	(600,000.00)	(600,000.00)	-
		(150,000.00)	(150,000.00)	-
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).	12	146,492.54	146,492.54	-
	13	40,795.35	40,795.35	-
	14	175,177.89	175,177.89	-
	15	281,019.20	281,019.20	-
	16	34,084.86	34,084.86	-
		677,569.84	677,569.84	-
2.Community fund financing and targeted sub-project grants under Part I (b) and Part II (a) of the Project	12	677,446.28	677,446.28	-
	13	334,202.71	334,202.71	-
	14	241,188.54	241,188.54	-
	15	763,665.36	763,665.36	-
	16	372,821.21	372,821.21	-
		2,389,324.10	2,389,324.10	-
		2,916,893.94	2,916,893.94	-

IDA Credit No. 5504- AM

Category		Project	WB	Difference
Advance/(repayment)	Refund	(239,652.05)	(239,652.05)	-
		(239,652.05)	(239,652.05)	-

IDA Credit No. 5505-AM

Category		Project	WB	Difference
Advance/(repayment)	Refund	(9,606.94)	(9,606.94)	-
		(9,606.94)	(9,606.94)	-