

AUDITED PROJECT FINANCIAL STATEMENTS

Project N° : 1637

Loan/Grant: Grant No: I-DSF-8112-AF

Add Grant No. 2000002122

Period covered: 21st December 2016 – 20 December 2017

Community Livestock and Agriculture Project

Prepared by: Alliot Gulf Limited

Received on 21st June 2018

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Ministry of Agriculture, Irrigation and Livestock (MAIL)
Kabul, Afghanistan



**Auditors' Report,
Financial Statements along with
Notes to the Financial Statements**

Community Livestock and Agriculture Project (CLAP)

IFAD Grant Number: I-DSF-8112-AF

**Funded By:
International Fund for Agriculture Development (IFAD)**

For the year ended from 21 December 2016 to 20 December 2017

Alliott Gulf Limited
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Community Livestock And Agriculture Project (CLAP)
Ministry of Agriculture, Irrigation and Livestock (MAIL)
IFAD Grant Number : I-DSF-8112-AF
Project Financial Statements
For The Year Ended December 20, 2017

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
PROJECT FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 20, 2017

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MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
PROJECT INFORMATION AND PERFORMANCE

1. II. PROJECT DESCRIPTION

The Community Livestock and Agriculture Project (CLAP) is a development Programme of the Government of Afghanistan funded by International Fund for Agriculture Development (IFAD) which was set up in April 28, 2013. The overall goal of the project is to contribute to reduce poverty in rural Afghanistan. More specifically, the project objective is to improve food security of 169,500 rural households in selected districts in the provinces of Kabul, Parwan, and Logar by increasing agriculture and livestock productivity. This will be achieved by enhancing productive assets, skills, services, technologies, and income opportunities of the targeted beneficiaries (i.e. by introducing appropriate livestock and agriculture technology options, strengthening local capacity, and strengthening some weak areas of value-chain, including linkages with markets). The project also aims at reducing gender disparities by increasing the social and economic status of women engaged in these activities.

Components:

The proposed project is organized around three mutually reinforcing components: (1) Community Development, including Productive Infrastructure and Institutional Strengthening; (2) Livestock and Agriculture Development; and (3) Project Management, Policy Support and Young Professional Program

1 Community Development, including Productive Infrastructures and Institutional Strengthening:

This component aims at strengthening the capacity of local communities and local institutions, by supporting the construction of small-scale infrastructures aimed at enhancing agriculture productivity (thus resulting in positive socio-economic benefits), and by supporting local institutions (community organizations and local government agencies) to address issues of ownership and sustainability. This component includes three sub-components: (1.1) Productive Infrastructures, (1.2) Institutional Strengthening, and (1.3) Gender Mainstreaming and Capacity Building.

2 Component 2 - Livestock and Agriculture Development:

44. This component aims at reducing poverty through enhancing food security with a strong emphasis on women-headed households and the vulnerable and marginalized within the rural communities by introducing appropriate livestock and agricultural practices and packages, and, to a limited extent, supporting value-chain development and linkages to market. These activities will be linked to the productive infrastructure and community development/institutional strengthening activities (ref. Component 1) to the maximum possible extent, to ensure a holistic and integrated approach. This component includes four sub-components: (2.1) Dairy Development, (2.2) Poultry Development, (2.3.) Improved Food, Fodder, and Vegetable Crops, and (2.4) Livestock Development among the Kutchi.

3 Component 3 - Project Management, Policy Support, and Young Professional Program:

This component aims at supporting the project coordination and technical support responsibilities of the Project Support Team(ref. Organization Framework). In addition, based on the successful experience of the RMLSP, the Young Professionals Program will be continued under this component. Finally, a special fund to support policy development and a special financing facility to support any activity that requires additional support and/or expanding any promising/well performing activity will be established under this component

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
PROJECT INFORMATION AND PERFORMANCE

- a. The project is funded by Thirty Seven million Six Hundred and Fifty Thousand Special Drawing Rights (SDR 37,650,000) grant provided under Finance Agreement number I-DSF-8112-AF dated 8th April 2013, between the Government of the Islamic Republic of Afghanistan (GOA) and the International Fund for Agriculture Development (IFAD).
- b. Implementation of grassroots-level activities are managed by selected Service Providers (e.g. MRRD, FAO, ICARDA and DCA), while overall coordination is entrusted to the Programme Coordination Unit hosted within the Ministry of Agriculture, Irrigation and Livestock.
- c. The program is also established as per the grant agreement a program steering committee composed of Ministry of Finance, MAIL, Ministry of Rural Rehabilitation and Development, and selected Services providers nominated on need basis. The Objectives of the committee are:
 - Oversee overall CLAP programme implementation;
 - Provide policy direction and guidance;
 - Facilitate coordination with other development programmes;
 - Review overall implementation progress and approve the programme Annual Work Plan and Budget;
 - Serve as a platform for policy formulation, change and advocacy.
 - PSC members may also communicate programme related messages to their line departments in the provinces.

This forum will be convened by the NSP Provincial Management Unit and chaired by the representative for DAIL, and will have a membership comprising technical and field staff of the SPs and the Project through field coordination officer. At this level, the focus will be much more on operational level coordination for integrated planning and implementation of the project components/subcomponents, information sharing and linkage development between existing interventions and new developments on the ground

2. PROJECT COSTS:

Following is the breakup of grant by component and category of expenditures as per Financing Agreement and Design Completion/Appraisal Report:

| CATEGORY | Amount in SDR |
|---|----------------------|
| I Civil Works, Community and Infrastructure | 12,750,000 |
| II Vehicles, Motorcycles, Equipment and Materials | 2,640,000 |
| III Technical Assistance, Training and Studies | 7,600,000 |
| IV Salaries and Allowances | 6,620,000 |
| V Incremental Operating Cost | 1,430,000 |
| VI Policy Support Fund | 320,000 |
| VII Special Financing Facility | 2,270,000 |
| Unallocated | 4,020,000 |
| Total | 37,650,000 |

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

Program Director (NPD)

Introduction: The Program Director will be appointed for the entire duration of the Program. S/He will report to the General Directorate of Programs and provide leadership for coordination and result-oriented implementation of IFAD financed Programs/program. S/He will lead the Program Support Team and will coordinate and supervise all Program activities and service providers. S/He is also expected to be familiar with governmental functioning and processes and is willing to travel to Program areas.

Duties and Responsibilities:

- Be responsible for overall supervision and co-ordination of IFAD Country Programs and provide coordination
- Liaison within MAIL related directorates, departments and units as well as between MAIL, MRRD, PMUs, related Ministries and Service Providers (SPs) with a view to resolving bottlenecks, resolve difficulties and secure additional resources from on-going programs.
- Support and facilitate cross-learning in areas such as Gender, Knowledge Management and M&E between CLAP and RMLSP; ensure compliance with IFAD guidelines and standards in this regard; and ensure documentation and widespread dissemination of best practices and learnings.
- Serve as the Secretariat of the PSC at the national level and ensure that similar bodies at the Provincial and District levels are set up and function effectively.
- Ensure that policy and governance related issues relevant to the Program are tabled at the meetings of these bodies, as well as issues for shaping an enabling framework at the national and sub-national levels.
- Undertake periodic monitoring and reviews of IFAD Programs and of the PMUs so as to ensure that Program goals and outcomes are on track to being achieved.
- Draft the contract for SPs, get it approved by IFAD, launch and administer a tender for the selection of SPs when they have not already been pre-selected, facilitate negotiations and execution of contracts between the MAIL and respective SPs, and ensure oversight of service delivery.
- Serve as liaison between IFAD, MAIL and SPs.
- Oversee the implementation of an M&E system in line with IFAD's RIMS system.
- Recruit and supervise the necessary Program staff and support the PMU likewise; arrange for the recruitment and supervision of national and international consultants and consulting SPs (engaged for special studies and surveys) in accordance with the conditions of the IFAD financing agreement, the related Terms of Reference and the requirements of the AWPBs.
- Facilitate and finalise the AWPBs and get the same approved by MAIL and IFAD.
- Identify all staff training needs at the outset especially in areas such as management of performance based contracts, gender targeting and pro-poor approach, and ensure that the staff are sensitized to these key aspects of the Program. A Training Calendar shall be prepared by the PST in collaboration with the PMU.
- Be responsible for ensuring that the staff of the PST/PMU is sensitised to gender issues, that the monitoring of quotas specified for women is done and that the identification and resolution of gender issues is consistently undertaken in Program meetings and reported through timely gender assessments.
- Oversee and ensure the completion of the procurement process and the full compliance with the IFAD and government procurement guidelines.
- Provide support to all supervision, monitoring, evaluation teams from IFAD, third party agencies or anyone else contracted to undertake these functions for the Program.

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

Program Manager (PM)

Introduction: The PM will head the Program Management Unit (PMU). S/he will be responsible for ensuring the Program is managed efficiently and achieves its operational objectives and deliverables. The PM will report to the NPD. The PM's tasks and qualifications will be as follows:

Duties and Responsibilities:

- Day-to-day Program operations and management, ensuring timely recruitment of all staff, procurement of all equipment and establishment of the office of the PMU.
- Ensure close and effective collaboration at the provincial and district levels with MAIL functionaries and related service providers/ agencies so that Program objectives and deliverables are timely and efficiently realised at the target group level.
- Ensure the adequate and timely preparation and submission of all Annual Work Plans & Budgets, withdrawal applications, disbursements; the preparation of all supporting documents, financial reports, travel claims, procurement and audit reports, together with timely preparation of quarterly and annual progress reports for submission to the Government and IFAD.
- Undertake regular monitoring and supervision visits to Program areas and facilitate cross learning and sharing of experiences between Program functionaries; ensure best practices are documented and disseminated within and beyond the Program; insist that IFAD's policies and standards (transparency and accountability, gender sensitivity, inclusiveness, targeting) are complied with across all levels of the Program; sanctioned plans are executed as envisaged; personnel and SPs are adequately resourced and equipped for the task; and arrange/conduct impact assessment surveys periodically.
- In collaboration with the PST staff ensure that the staff of the PMU as well as Program staff are sensitised to gender issues; that targeting and activities specified for women are regularly monitored; that gender issues are identified and resolved during Program meetings, and that periodic gender assessments are done and reflected in reports to the PMU and PST.
- Provide technical support and backstopping to communities/ common interest groups and service providers as needed, and ensure the implementation of the participatory and multi-faceted interventions of the program are in line with the Program strategy.
- Organise training and learning events for Program staff so as to upgrade their competencies and capabilities in accordance with the approved Training Calendar.
- Provide support to all supervision, monitoring, evaluation teams from IFAD, third party agencies or anyone else contracted to undertake these functions for the Program.
- Supervise and undertake contract management, monitor compliance of Service Providers with the terms of their contracts, and keep the PST informed accordingly.
- Any other Program specific tasks assigned by the PST, PSC or the PCC.

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

Senior Finance Manager

Duty Station: Based in Kabul, with regular visits to the project sites as required for monitoring, reporting and coordination.

Job Description

The senior Finance Manager is responsible for the management of project accounts in accordance with the requirements of IFAD. She/he will report directly to the Project Director and will work in close collaboration with his or her counterparts at PSU, MAIL and MoF.

Operating within a computerized environment, the Senior Finance Manager will perform the following duties:

- Manage the computerized accounting system and ensure daily backup
- Report on a monthly, quarterly and annual basis, identifying areas of divergence from projected cash flows;
- Implement robust internal financial control systems and policies to minimize the risks of fraud or errors in the financial statements and misuse of donors' funds;
- Reviewing and signing monthly bank reconciliation statements;
- Approval of the monthly payroll;
- Review petty cash reconciliation and cash count sheet
- Ensure timely and accurate preparation of Statement of Expenditures;
- Prepare accounts for external auditors and follow up on any audit queries/management letters;
- Ensure compliance with operating procedures as defined in the project documents including donor guidelines, for examples, procurement, disbursements and audit;
- Coordinate and consolidate the budgetary information required for the preparation of Annual Work Plans and Budgets;
- Review of withdrawal applications and ensure that withdrawal applications are as per provisions of the grant agreement.
- Keep accurate and up-to-date records and documents in respect of all resources received by the project and any expenditure incurred with the funds made available;
- Prepare quarterly consolidated statements of project accounts.
- Ensure that all expenditures are in conformity with provisions of the project's work plans and budgets; and
- Undertake any other duties within her/his area of competence as assigned by the Programme Director.

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

Finance Manager

The principal role of the Finance Manager is to work closely with the Senior Finance Manager to ensure that all project accounts are correctly maintained and operated in accordance with the rules and regulations of the Government of the Islamic Republic of Afghanistan, and that they are in line with the procedures of IFAD. S/He will report directly to the Senior Finance Manager. The Finance Manager will be assisted by the Finance Officers of the PST.

Duties and Responsibilities:

- Review of allotment request, cash advance request , payment vouchers before forwarding to various unit for processing;
- Directly supervise the Finance Officers of the PST.
- Review of monthly bank reconciliation statements;
- Review of the monthly payroll;
- Regular review of bank balances to ensure level is appropriate;
- Prepare the summary sheets of re-imbursement and liquidation.
- Prepare on a timely basis withdrawal applications as per provisions of the grant agreement.
- Ensure the posting of the petty cash transactions into the computerised Accounting System;
- Conduct surprised petty cash counts and monthly cash counts
- Assist PSU/PMU in preparing finance and accounts related summaries for the project progress reports.
- Work closely with the Senior Finance manager in preparing AWP&B.
- Prepare separate account of expenditures of all implementing agencies involved in the project with regard to their activities undertaken within the project
- Review of supplier invoices for the supply of goods and services; and
- Check and verify the entries recorded in the Project stock register
- Perform any other tasks that may be assigned by the Senior Finance Manager and/or Programme Director

INDEPENDENT AUDITORS' REPORT

Honorable Deputy Minister,
Acting Deputy Minister for Administration and Finance
Ministry of Agriculture, Irrigation & Livestock
Islamic Republic of Afghanistan
Kabul, Afghanistan

Opinion

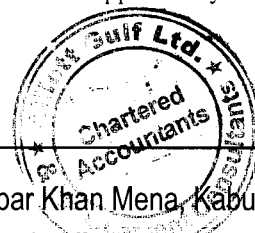
We have audited the Financial Statements of the **Community Livestock and Agriculture Project (CLAP)** funded through IFAD Grant Contract No: I-DSF-8112-AF, which comprises the statement of receipts & payments, statement of special account reconciliation, statement of expenditure and a summary of significant accounting policies and other explanatory information for the period from December 21, 2016 to December 20, 2017. These Financial Statements have been prepared by the management in accordance with International Public Sector Accounting Standards and financial reporting requirements of donor (International Fund for Agriculture Development – IFAD).

In our opinion:

- A. The Financial Statements present fairly, in all material respects, the cash receipt and payments, reconciliation of special account and expenditures of the **Community Livestock and Agriculture Project (CLAP)**, funded through IFAD Grant Contract No. I-DSF-8112-AF, for the year ended December 20, 2017 in accordance with International Public Sector Accounting Standards and financial reporting requirements of donor (International Fund for Agriculture Development – IFAD).
- B. The Statement of Status of Funds by Category of Expenditures (Page 12) presents fairly, in all material respects, the allocation of costs to their respective categories in accordance with Schedule 2 of the Financing Agreement.

As stated above the responsibility for establishing and maintaining an internal control environment is that of the management, however, as required by the terms of reference we reviewed the control environment and after due verification, we state that:

- Proper books of accounts have been maintained by the Project Management Unit (PMU).
- The project Financial Statements are in agreement with the books of accounts maintained by the Project Management Unit (PMU). As described in Note 2, the project statement has been prepared on the cash receipts and disbursement basis of accounting.
- The PST/PMU maintained the books of accounts accurately and supported by proper documentation as required by the Government of Afghanistan Law.
- The expenditure incurred as stated in the statement of expenditure was for the purpose of objects of the project and was prepared in accordance with IFAD requirements.
- The expenses claimed through SOEs are properly approved, classified and are supported by adequate documentation.



- f. An adequate system of accounting and internal control is in place including internal audit mechanism for monitoring expenditures and other financial transactions.
- g. The disbursements made to the Service Providers and expenditures reported by the Service Providers are included in the PFS.
- h. All funding received by the Service Providers from the Project was appropriately recorded in the Service Providers accounting records.
- i. The project records correspond with the Service Providers records.
- j. The special account was maintained and operated in accordance with the IFAD Disbursement Handbook.
- k. All requirements of the project grant agreement has been adhered to as required.
- l. All procurements by the PST/PMU are in accordance with the Schedule IV of PLA, IFAD procurement guidelines and the Government of Afghanistan Procurement Law.
- m. All Physical assets are properly recorded in the books of accounts and are being used for the purpose of the object of the project.
- n. The project has an effective system of financial supervision at all levels.
- o. All advances extended by the project are reasonable and are considered good.

Basis for Opinion

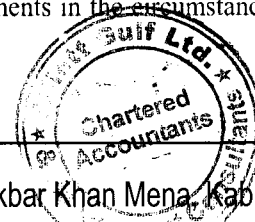
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *Auditors Responsibilities for the audit of the Financial Statements* section of the report. We are independent of the Organization and Project in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.1 to the Financial Statements, which describe the basis of accounting. The Financial Statements are prepared to assist Ministry of Agriculture, Irrigation and Livestock to comply with the International Public Sector Accounting Standards and financial reporting requirements of donor (International Fund for Agriculture Development – IFAD). As a result, the Financial Statements may not be suitable for another purpose. Our report is intended solely for Ministry of Agriculture, Irrigation and Livestock and donor (International Fund for Agriculture Development – IFAD) and should not be distributed to or used by other parties.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of the Financial Statements in accordance with the basis of preparation described in Note 2.1 to the Financial Statements; this includes determining that the said basis of preparation is an acceptable basis for the preparation of the Financial Statements in the circumstances, and



for such internal control as management determines is necessary to enable the preparation of the Financial Statements that is free from material misstatement, whether due to fraud or error.

Auditors' 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 is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 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 CLAP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosure made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

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

Alliott Gulf

**ALLIOTT GULF LIMITED
CHARTERED ACCOUNTANTS &
MANAGEMENT CONSULTANTS**

Kabul, Afghanistan

May 05, 2018



MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
STATEMENT OF RECEIPTS AND PAYMENTS (BY CATEGORY OF EXPENDITURES)
FOR THE PERIOD ENDED DECEMBER 20, 2017

| | Note | 2017 DECEMBER | 2016 DECEMBER | 2015 DECEMBER | 2014 DECEMBER | 2013 DECEMBER | Cumulative up to date |
|--|------|-------------------|-------------------|------------------|------------------|------------------|--------------------------|
| USD | | | | | | | |
| Balance B/F | 4 | 268,258 | 1,937,547 | 530,881 | 1,308,468 | - | - |
| FINANCING DURING THE YEAR: | | | | | | | |
| IFAD | | | | | | | |
| Initial Deposit | | | | 1,100,000 | | 1,400,000 | 2,500,000 |
| Replenishments to Special Account | | 4,406,579 | 1,405,293 | 869,069 | - | - | 6,680,941 |
| Direct Payments to Service Providers | 5 | 6,234,764 | 7,256,225 | 2,808,575 | 6,416,656 | - | 22,716,220 |
| Government Contribution | 6 | 57,991 | 29,820 | 33,180 | 33,180 | 22,120 | 176,291 |
| IPs Gov Contribution | | 379,346 | 1,491,353 | - | - | - | 1,870,699 |
| IPs Contribution | 7 | 24,486 | 425,910 | - | - | - | 450,396 |
| IPs Ben Contribution | | 771,924 | 273,369 | - | - | - | 1,045,293 |
| | | 11,875,090 | 10,881,971 | 4,810,824 | 6,449,836 | 1,422,120 | 35,439,840 |
| PROJECT EXPENDITURES: | | | | | | | |
| CATEGORY WISE | | | | | | | |
| Initial Advance Deposit to IPS | | 2,500,000 | | 861,170 | 2,608,656 | | 5,969,826 |
| I Civil Works, Community and Infrastructure | | 2,283,009 | 6,286,067 | 111,884 | 3,808,000 | - | 12,488,960 |
| II Vehicles, Motorcycles, Equipment and Materials | | 486,036 | 951,254 | 244,648 | 257,298 | 13,599 | 1,952,835 |
| III Technical Assistance, Training and Studies | | 1,844,219 | 1,049,840 | 320,545 | 171,446 | 3,774 | 3,389,824 |
| IV Salaries and Allowances | | 2,795,192 | 1,485,962 | 1,489,567 | 278,039 | 61,199 | 6,109,960 |
| V Incremental Operating Cost | | 491,421 | 384,159 | 288,371 | 38,366 | 12,960 | 1,215,277 |
| VI Policy Support Fund | | 221,904 | 173,526 | 54,793 | 32,437 | - | 482,660 |
| VII Special Financing Facility | | | | | | - | - |
| Government Contribution | | 57,991 | 29,820 | 33,180 | 33,180 | 22,120 | 176,291 |
| IPs Gov Contribution | | 379,346 | 1,491,353 | - | - | - | 1,870,699 |
| IPs Contribution | | 24,486 | 425,910 | - | - | - | 450,396 |
| IPs Ben Contribution | | 771,924 | 273,369 | - | - | - | 1,045,293 |
| TOTAL PROJECT EXPENDITURES | | 11,855,528 | 12,551,260 | 3,404,158 | 7,227,423 | 113,652 | 35,152,021 |
| Cash withdraw from Special A/C but not utilized | | 71,283 | | | | | 71,283 |
| Refund cash to Special A/C | | 63,480 | | | | | 63,480 |
| BALANCE C/F | | 280,017 | 268,258 | 1,937,547 | 530,881 | 1,308,468 | 280,017 |
| Refund to Special A/C but not yet recorded by bank | | 7,803 | | | | | 7,803 |
| BALANCE C/F | 4 | 287,820 | 268,258 | 1,937,547 | 530,881 | 1,308,468 | 287,820 |

Prepared by:

Mr. Saleem Mirani
Head of Finance
CLAP/MAIL
Islamic Republic of Afghanistan

Approved By:

Mohammad Waheed Etabar
Acting Deputy Minister Admin and Finance
MAIL
Islamic Republic of Afghanistan

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : I-DSF-8112-AF
 STATEMENT OF RECEIPTS AND PAYMENTS (BY COMPONENT)
 FOR THE PERIOD ENDED DECEMBER 20, 2017

| | Note | 2017 DECEMBER | 2016 DECEMBER | 2015 DECEMBER | 2014 DECEMBER | 2013 DECEMBER | Cumulative up to date |
|---|------|------------------|------------------|------------------|------------------|------------------|--------------------------|
| USD | | | | | | | |
| Balance B/F | 4 | 268,258 | 1,937,547 | 530,881 | 1,308,468 | - | - |
| FINANCING DURING THE YEAR: | | | | | | | |
| IFAD | | | | | | | |
| Initial Deposit | | | | 1,100,000 | | 1,400,000 | 2,500,000 |
| Replenishments to Special Account | | 4,406,579 | 1,405,293 | 869,069 | - | - | 6,680,941 |
| Direct Payments to Service Providers | 5 | 6,234,764 | 7,256,225 | 2,808,575 | 6,416,656 | - | 22,716,220 |
| Government Contribution | 6 | 57,991 | 29,820 | 33,180 | 33,180 | 22,120 | 176,291 |
| IPs Gov Contribution | | 379,346 | 1,491,353 | | | | 1,870,699 |
| IPs Contribution | 7 | 24,486 | 425,910 | | | | 450,396 |
| IPs Ben Contribution | | 771,924 | 273,369 | | | | 1,045,293 |
| | | 11,875,090 | 10,881,971 | 4,810,824 | 6,449,836 | 1,422,120 | 35,439,840 |
| PROJECT EXPENDITURES: | | | | | | | |
| COMPONENT WISE | | | | | | | |
| 1. Community Development: | | | | | | | |
| 1.1 Productive Infrastructures | | | | | | | |
| 1.1.1 Irrigation Schemes ID/MAIL | | 2,206,676 | 1,314,610 | 3,386 | - | - | 3,524,671 |
| 1.1.2 Irrigation Associations ID/ MAIL | | 33,814 | - | - | - | - | 33,814 |
| 1.1.3 Productive Infrastructure (Irrigation Schemes) MRRD/CCAP | | 2,500,000 | 5,190,212 | - | 3,808,000 | - | 11,498,212 |
| 1.1.4 Community Development and Institutional Strengthening MRRD/CCAP | | - | - | - | - | - | - |
| 1.1.5 Gender Mainstreaming PST/CLAP | | - | - | - | - | - | - |
| | | 4,740,490 | 6,504,822 | 3,386 | 3,808,000 | - | 15,056,698 |
| 2. Livestock and Agriculture Development | | | | | | | |
| 2.1 Dairy Development | | 1,303,868 | 640,922 | 918,703 | 1,500,000 | - | 4,363,494 |
| 2.2 Poultry Development | | 1,071,936 | 824,982 | - | - | - | 1,896,917 |
| 2.3 Food, Forage, Vegetable | | 1,441,664 | 879,116 | 312,630 | 1,108,656 | - | 3,742,067 |
| 2.4 Kutchi Development | | 989,231 | 545,974 | 1,577,241 | - | - | 3,112,447 |
| | | 4,806,700 | 2,890,994 | 2,808,575 | 2,608,656 | - | 13,114,924 |
| 3. Project Management | | | | | | | |
| Vehicle, Equipment and Material | | 23,828 | 47,637 | 36,881 | 257,298 | 13,599 | 379,243 |
| Technical Assistance, Training & Studies | | 201,521 | 185,352 | 120,137 | 171,446 | 3,774 | 682,230 |
| Salaries and Allowances | | 540,938 | 456,887 | 310,812 | 278,039 | 61,199 | 1,647,875 |
| Incremental Operating Cost | | 86,401 | 71,590 | 36,394 | 38,366 | 12,960 | 245,711 |
| Policy Support Fund | | 221,904 | 173,526 | 54,793 | 32,437 | - | 482,660 |
| | | 1,074,591 | 934,991 | 559,018 | 777,587 | 91,532 | 3,437,719 |
| Government Contribution | | | | | | | |
| GV.1 Office Space | | 26,518 | 19,140 | 19,140 | 19,140 | 12,760 | 96,698 |
| GV.2 Electricity | | 13,065 | 3,000 | 3,000 | 3,000 | 2,000 | 24,065 |
| GV.3 Water | | 10,200 | 1,140 | 1,140 | 1,140 | 760 | 14,380 |
| GV.4 Security | | 8,208 | 4,140 | 4,140 | 4,140 | 2,760 | 23,388 |
| GV.5 Internet | | - | 2,400 | 5,760 | 5,760 | 3,840 | 17,760 |
| | | 57,991 | 29,820 | 33,180 | 33,180 | 22,120 | 176,291 |
| IPs Gov Contribution | | | | | | | |
| Irrigation Schemes MAIL | | 216,798 | 200,472 | | | | 417,270 |
| MRRD/NSP | | - | 1,275,627 | | | | 1,275,627 |
| Dairy Development | | | | | | | - |
| Poultry Development | | 11,487 | 13,255 | | | | 26,741 |
| Food, Forage, Vegetable | | 131,061 | | | | | 151,061 |
| | | 379,346 | 1,491,353 | - | - | - | 1,870,699 |
| IPs Contribution | | | | | | | |
| Dairy Development | | 24,486 | 425,910 | | | | 450,396 |
| IPs Ben Contribution | | | | | | | |
| Irrigation Schemes MAIL | | 445,424 | 115,059 | | | | 560,483 |
| MRRD/NSP | | | | | | | - |
| Dairy Development | | 7,941 | 9,000 | | | | 16,941 |
| Poultry Development | | 92,300 | 149,310 | | | | 241,610 |
| Food, Forage, Vegetable | | 226,259 | | | | | 226,259 |
| | | 771,924 | 273,369 | - | - | - | 1,045,293 |
| TOTAL EXPENDITURES | | 11,855,528 | 12,551,260 | 3,404,158 | 7,227,423 | 113,652 | 35,152,021 |
| Cash withdraw from Special A/C but not utilized | | 71,283 | | | | | 71,283 |
| Refund cash to special account | | 63,480 | | | | | 63,480 |
| BALANCE C/F | | 280,017 | 268,258 | 1,937,547 | 530,881 | 1,308,468 | 280,017 |
| Refund to Special A/C but not yet recorded by bank | | 7,803 | | | | | 7,803 |
| BALANCE C/F | 4 | 287,820 | 268,258 | 1,937,547 | 530,881 | 1,308,468 | 287,820 |

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Approved By:

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MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : I-DSF-8112-AF
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 FOR THE PERIOD ENDED DECEMBER 20, 2017

| | | 2017 Budget | 2017 Actual | Variance |
|--|------|---------------|-------------|-------------|
| | Note | -----USD----- | | |
| FINANCING: | | | | |
| IFAD | | | | |
| Replenishments to Special Account | | 1,110,021 | 4,406,579 | (3,296,557) |
| Direct Payments | 5 | 21,167,261 | 6,234,764 | 14,932,497 |
| Government Contribution | 6 | 33,180 | 57,991 | (24,811) |
| IPs Gov Contribution | | | 379,346 | (379,346) |
| IPs Contribution | 7 | | 24,486 | (24,486) |
| Beneficiary Contribution | | | 771,924 | (771,924) |
| Refund cash to special account | | | 71,283 | (71,283) |
| TOTAL FINANCING | | 22,310,463 | 11,946,373 | 10,364,090 |
| PROJECT EXPENDITURES: | | | | |
| CATEGORY WISE | | | | |
| 1. Community Development | | 12,797,528 | 4,740,490 | 8,057,038 |
| 2. Livestock and Agriculture Development | | 8,369,733 | 4,806,700 | 3,563,034 |
| 3. Project Management | | 1,378,279 | 1,074,591 | 303,688 |
| Government Contribution | | 33,180 | 57,991 | (24,811) |
| IPs Gov Contribution | | | 379,346 | (379,346) |
| IPs Contribution | | | 24,486 | (24,486) |
| Beneficiary Contribution | | | 771,924 | (771,924) |
| TOTAL PROJECT EXPENDITURES | | 22,578,721 | 11,855,528 | 10,723,193 |
| Refund cash to Special A/C | | | 63,480 | 63,480 |
| Refund to Special A/C but not yet recorded by bank | | | 7,803 | 7,803 |
| SURPLUS/ (DEFICIT) FOR THE PERIOD | 3 | (268,258) | 19,562 | (287,820) |

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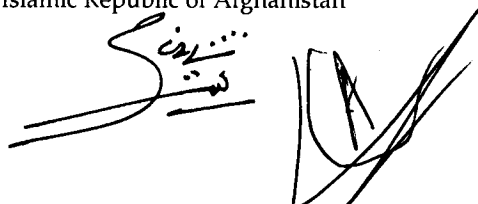
Mohammad Waheed Etabar
 Acting Deputy Minister Admin & Finance
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 Islamic Republic of Afghanistan

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
STATEMENT OF SPECIAL ACCOUNT RECONCILIATION
FOR THE PERIOD ENDED DECEMBER 20, 2017

| Particulars | Withdrawal Application # | Amount US Dollars |
|---|-----------------------------|----------------------|
| Special account opening balance as at Dec 21, 2016 | | 268,258 |
| Cash in hand as on Dec 20, 2017 | | - |
| Transfer to Imprest account as replenishment | | |
| Initial Deposit | | |
| Replenishment to Imprest account | | 4,477,861 |
| | | <u>4,746,119</u> |
| Less: | | |
| 3. Programme Management and Coordination | | |
| Civil Works, Community and Infrastructure | | - |
| Vehicles, Motorcycles, Equipment and Materials | | 23,828 |
| Technical Assistance, Training and Studies | | 201,521 |
| Salaries and Allowances | | 540,938 |
| Incremental Operating Cost | | 86,401 |
| Policy Support Fund | | 221,904 |
| Special Financing Facility | | - |
| | | <u>1,074,591</u> |
| 3. Irrigation Schemes MAIL | | |
| Civil Works, Community and Infrastructure | | 1,950,134 |
| Vehicles, Motorcycles, Equipment and Materials | | 62,169 |
| Technical Assistance, Training and Studies | | 5,629 |
| Salaries and Allowances | | 178,098 |
| Incremental Operating Cost | | 10,644 |
| Irrigation Association | | 33,814 |
| Special Financing Facility | | |
| | | <u>2,240,490</u> |
| 3. Poultry Development | | |
| Poultry Development Expenses | | 1,071,936 |
| Refund cash to Special | | 63,480 |
| Refund to Special A/C but not yet recorded by bank | | 7,803 |
| | | <u>1,143,218</u> |
| Closing Balance of Imprest Account | | <u>287,820</u> |
| Balance as per bank statement | | <u>287,820</u> |

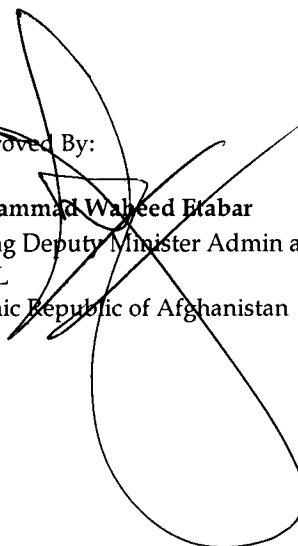
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MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : I-DSF-8112-AF
 SOEs-WITHDRAWAL APPLICATION STATEMENT
 FOR THE PERIOD ENDED FROM DECEMBER 21, 2016 TILL DECEMBER 20, 2017

by Category of Expenditures in Local Currency

| | Community Development | Livestock & Agriculture Development | Project Management | Total | In USD Equivalent | Rejected from IFAD | Adjusted from IFAD | Net Reimbursed |
|----------------------------|--------------------------|---|---------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|
| Cat No | 1 | 2 | 3 | | | | | |
| WA No: | | | | | | | | |
| ICARDA-WA 20 | - | 200,290.72 | - | 200,290.72 | 200,290.72 | - | 40,058.14 | 160,232.58 |
| PCU-WA 21 | | - | 2,021,020.47 | 2,021,020.47 | 2,021,020.47 | - | 404,204.09 | 1,616,816.38 |
| MRRD-WA 05 | 2,500,000.00 | - | | 2,500,000.00 | 2,500,000.00 | - | - | 2,500,000.00 |
| FAO-WA 22 | | 1,117,218.00 | | 1,117,218.00 | 1,117,218.00 | - | 223,443.60 | 893,774.40 |
| DCA-WA 23 | | 337,627.00 | | 337,627.00 | 337,627.00 | - | 67,525.40 | 270,101.60 |
| DCA-WA 24 | | 195,940.00 | - | 195,940.00 | 195,940.00 | - | 39,188.00 | 156,752.00 |
| PCU-WA 25 | - | | 955,862.28 | 955,862.28 | 955,862.28 | - | 191,172.46 | 764,689.82 |
| DCA-WA 26 | - | 204,933.00 | | 204,933.00 | 204,933.00 | - | 40,986.60 | 163,946.40 |
| ICARDA-WA 27 | | 1,332,024.24 | | 1,332,024.24 | 1,332,024.24 | - | 266,404.84 | 1,065,619.40 |
| PCU-WA 28 | | | 218,847.92 | 218,847.92 | 218,847.92 | | 43,769.59 | 175,078.33 |
| PCU-WA 29 | | | 963,779.33 | 963,779.33 | 963,779.33 | - | 211,634.77 | 752,144.56 |
| ICARDA-WA 30 | | 296,814.70 | | 296,814.70 | 296,814.70 | | 53,953.11 | 215,812.42 |
| FAO-WA 31 | | 546,885.27 | | 546,885.27 | 546,885.27 | | 102,523.45 | 410,093.82 |
| DCA-WA 32 | | 528,252.00 | | 528,252.00 | 528,252.00 | | 99,607.85 | 398,431.39 |
| PCU-WA 34 | | | 532,933.73 | 532,933.73 | 532,933.73 | | 106,586.75 | 426,346.98 |
| PCU-WA 35 | | | 484,111.28 | 484,111.28 | 484,111.28 | | 96,822.25 | 387,289.03 |
| PCU-WA 36 | | | 359,351.91 | 359,351.91 | 359,351.91 | | 71,097.22 | 284,388.84 |
| Total | 2,500,000.00 | 4,759,984.93 | 5,535,906.92 | 12,795,891.85 | 12,795,891.85 | - | 2,058,978.11 | 10,641,517.95 |
| WA Pending for Submission: | | | | | | | | |
| WA No: | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| TOTAL | 2,500,000.00 | 4,759,984.93 | 5,535,906.92 | 12,795,891.85 | 12,795,891.85 | - | | 10,641,517.95 |

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MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : I-DSF-8112-AF
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2017

1 NATURE AND STATUS OF THE PROGRAMME

The Community Livestock and Agriculture Project (CLAP) is a development Programme of the Government of Afghanistan funded by International Fund for Agriculture Development (IFAD) which was set up in April 28, 2013. The overall goal of the project is to contribute to reduce poverty in rural Afghanistan. More specifically, the project objective is to improve food security of 169,500 rural households in selected districts in the provinces of Kabul, Parwan, and Logar by increasing agriculture and livestock productivity. This will be achieved by enhancing productive assets, skills, services, technologies, and income opportunities of the targeted beneficiaries (i.e. by introducing appropriate livestock and agriculture technology options, strengthening local capacity, and strengthening some weak areas of value-chain, including linkages with markets). The project also aims at reducing gender disparities by increasing the social and economic status of women engaged in these activities.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The project financial statement has been prepared under historical cost convention and in accordance with the International Public Sector Accounting Standards (IPSAS) and donor (International Fund for Agriculture Development-IFAD) financial reporting requirements.

2.2 Receipts and Payments

The project financial statement is based on the transactions pertaining to the period from December 21, 2016 to December 20, 2017. The payments recognized in the project statements are based on the following:

- a. Value dates of the releases made by IFAD in respect of payment under direct payment procedure of IFAD; and
- b. Releases made out of the Imprest account maintained with Da Afghanistan Bank (DAB).

2.3 Reporting Currency

The currency used for reporting is US dollar. All the disbursements have been made or converted into US Dollar at the exchange rates prevailing on the date of transaction.

2.4 Bank Charges

Bank charges, if any, levied by Da Afghanistan Bank have been reflected as part of the respective category of the project expenses.

2.5 Cash and Cash Equivalents

Cash and cash equivalents represent the balance remaining in the Imprest account with Da Afghanistan Bank (DAB) and cash on hand.

2.6 Capital Expenditure

Capital items purchased during the year are charged to donors as expense. However, a memorandum record is being maintained for the management purposes.

2.7 Advance Payments to Service Providers

2.7.1 Payments to Service Provider

In respect of service providers, US\$ 6,234,763.60/- represents the disbursements made by IFAD on account of eligible value of periodic payments and reimbursements made during the period ended December 20, 2017. Reimbursements made to service providers represent amount paid to the service providers for the following:

- a. ICARDA/ Improved Food, Forage & Vegetable US\$ (1,441,664.39)
- b. MRRD/ Drainage & Sanitation Schemes MRRD/ NSP US\$ (2,500,000.00)
- c. DCA/ Kutchi Development US\$ (989,230.99)
- d. FAO/ Development of Integrated Dairy Scheme US\$ (1,303,868.22)

Note: The sum of US\$ 2,058,978.11 is deducted from the above mention direct payment which is agreed by IFAD from the 01 January 2016.

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : I-DSF-8112-AF
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2017

3 BUDGET

The budget is developed on the same accounting basis (cash basis) and in the same classifications .

4 CASH AND BANK BALANCES

| | Note | December 2017 USD | December 2016 USD |
|--------------|------|-------------------------|-------------------------|
| Cash at bank | 4.1 | 287,820 | 268,258 |
| Petty cash | | - | - |
| | | <u>287,820</u> | <u>268,258</u> |

- 4.1 Funds transferred, if any, by IFAD to meet the Incremental Administrative Expenses are credited in the Impress current A/c No: 27484 IFAD Special Account maintained by the Ministry of Agriculture Irrigation and Livestock (MAIL)/Ministry of Finance (MOF) with Da Afghanistan Bank.

5 DIRECT PAYMENTS TO SERVICE PROVIDERS

These payments were made directly by IFAD from the Grant account to the specified service provider in accordance with the terms and conditions of the financing Agreement.

| Expenditure Category | Withdrawal Application # | Amount Released USD | Value Date |
|--|-----------------------------|---------------------------|---------------|
| 2.3. Improved Food, Forage & Vegetable (ICARDA) | WA 20 | 160,233 | 18-Jan-17 |
| 1.2. Ministry of Rural Rehabilitation and Development (MRRD) | WA 05 | 2,500,000 | 20-Mar-17 |
| 2.4. Kutch Development (DCA) | WA 23 | 270,102 | 8-May-17 |
| 2.1. Integrated Dairy Scheme (FAO) | WA 22 | 893,774 | 9-May-17 |
| 2.4. Kutch Development (DCA) | WA 24 | 156,752 | 8-Aug-17 |
| 2.4. Kutch Development (DCA) | WA 26 | 163,946 | 28-Sep-17 |
| 2.3. Improved Food, Forage & Vegetable (ICARDA) | WA 27 | 1,065,619 | 5-Oct-17 |
| 2.3. Improved Food, Forage & Vegetable (ICARDA) | WA 30 | 215,812 | 29-Nov-17 |
| 2.1. Integrated Dairy Scheme (FAO) | WA 31 | 410,094 | 1-Dec-17 |
| 2.4. Kutch Development (DCA) | WA 32 | 398,431 | 21-Nov-17 |
| | | <u>6,234,764</u> | |

6 GOVERNMENT COUNTERPART FUNDS

The Government through its line ministry is providing the following in-kind contributions to the IFAD funded programs namely:

1. Office Space
2. Electricity
3. Water
4. Security
5. Internet

The estimated cost of these in-kind contributions from two other donor funded programs under MAIL which are not within the MAIL premises. The in-kind contribution is estimated cost is updated since CLAP MTR.

7 IPS GOVERNMENT COUNTERPART FUNDS

The IPS government contribution through its agreed financial agreements are providing the following in-kind contributions to the IFAD funded programs namely:

- IPs Gov Contribution
- IPs Contribution
- IPs Ben Contribution

8 NON-CURRENT ASSETS (for disclosure purposes only)

| "Amount in USD" | | | | | | |
|----------------------|------------------|------------------|------------------|------------------|----------------------------|------------------|
| Furniture & Fixtures | | | Vehicles | | Office & other equipment's | |
| Year | 2017 December | 2016 December | 2017 December | 2016 December | 2017 December | 2016 December |
| Opening Balance | 25,715 | 14,909 | 307,404 | 159,493 | 191,170 | 133,376 |
| Additions | 791 | 10,806 | 26,549 | 147,911 | 58,657 | 57,794 |
| Disposals | - | - | - | - | - | - |
| Closing Balance | <u>26,506</u> | <u>25,715</u> | <u>333,953</u> | <u>307,404</u> | <u>249,827</u> | <u>191,170</u> |

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 20, 2017

8.1 Non current assets (Detailed disclosure)

| Description | Cost as at December 2016 | Purchases during the Period | Cost as at December 2017 |
|---|--------------------------------|-----------------------------------|--------------------------------|
| | USD | | |
| Carpet | 16,238 | | 16,238 |
| Curtain | 3,042 | | 3,042 |
| Heater | 555 | 342 | 898 |
| Laptops | 43,814 | 1,555 | 45,369 |
| Cameras | 6,493 | | 6,493 |
| UPS & Stabilizers | 2,412 | | 2,412 |
| Projector | - | 720 | 720 |
| Printers | 10,061 | 381 | 10,441 |
| Scanner | 3,767 | 695 | 4,462 |
| Shredders | 483 | 58 | 541 |
| Photocopy Machine | 8,543 | | 8,543 |
| Desktop Computer | 3,164 | | 3,164 |
| USB Modem | 50 | | 50 |
| Bulletproof door | 1,875 | 664 | 2,539 |
| Plastic carpet | 21 | | 21 |
| Vacuum cleaner for office | 422 | | 422 |
| Tanker for water | 165 | | 165 |
| Flask 3 Litter & Tea Pot, Steel cupboard | 331 | 106 | 438 |
| Digital door lock | 3,491 | 726 | 4,217 |
| Fingerprint Attendance Machine | 4,059 | | 4,059 |
| Nokia mobile phone | 140 | | 140 |
| Smart Wi-Fi router for office | 600 | 229 | 829 |
| Two security doors | 5,926 | | 5,926 |
| Security room for MAIL | 8,210 | | 8,210 |
| External Hard drive | 875 | | 875 |
| Battery for Dell Laptop | 42 | | 42 |
| Security room for MAIL | 3,212 | | 3,212 |
| Generator for CLAP | 37,646 | | 37,646 |
| Additional accessories for Generator | 4,228 | | 4,228 |
| Safe for office | 138 | | 138 |
| Coffee Maker | 78 | | 78 |
| IT Equipment's | 15,492 | 7,963 | 23,455 |
| Refrigerator | 225 | 97 | 322 |
| AC for office | 3,158 | 7,732 | 10,891 |
| Motorola Radio | 800 | | 800 |
| TV receiver | 127 | | 127 |
| TV | 212 | | 212 |
| Cooler | 109 | | 109 |
| Ladder & Boring Tools | 128 | | 128 |
| Dispenser | 716 | 106 | 822 |
| Microwave | 85 | | 85 |
| Labeling Machine | 34 | | 34 |
| IT Equipment for ID | - | 7,296 | 7,296 |
| Equipment for ID | - | 29,986 | 29,986 |
| Total Office & Other equipment's | 191,169 | 58,657 | 249,828 |
| Windows & Glass | 695 | - | 695.0 |
| Desk, Cabinet, Table, Chair and sofa | 25,020 | 791 | 25,810.7 |
| Total Furniture & Fixtures | 25,715 | 791 | 26,506 |
| Toyota Corolla | 31,000 | - | 31,000.0 |
| Accessories for Vehicle | 3,341 | 1,660 | 5,001.5 |
| Tractor & 3 Land Leveler | 65,643 | - | 65,643.0 |
| Agriculture Equipments | | 24,888 | 24,888.1 |
| Three Helix Pickup | 207,420 | - | 207,420 |
| Total Vehicles | 307,404 | 26,549 | 333,953 |
| Total fixed assets | 524,289 | 85,997 | 610,286 |

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 20, 2017

9 YEARLY PROCUREMENTS

Following are procurements for the period ended December 20, 2017, along with item wise method used for procurement.

| Description of Asset | Method | Value in USD |
|--|--------|------------------|
| Heater | RFQ | 342 |
| Laptops | RFQ | 1,555 |
| Projector | RFQ | 720 |
| Linksys WRT 1900 ACS Dual Band Gigabit WI-FI Router | RFQ | 229 |
| Internet firewall device | RFQ | 6,735 |
| Scanner | RFQ | 695 |
| Shredders | RFQ | 58 |
| Network Rack box for IT | RFQ | 384 |
| Lock for door | RFQ | 726 |
| HP MFP M177FW Color laser functions print ,copy scan fax | RFQ | 381 |
| Steel Cupboard | RFQ | 106 |
| Cisco Switch and net cable box | RFQ | 590 |
| IT tools kit | RFQ | 254 |
| Dispenser | RFQ | 106 |
| Bullet Proof Door | RFQ | 664 |
| IT Equipment for ID | RFQ | 7,296 |
| Equipment for ID | NCB | 29,986 |
| Refrigerator | RFQ | 97 |
| AC for office | RFQ | 7,732 |
| Total Office & Other equipments | | 58,657 |
| Windows & Glass | RFQ | |
| Desk, Cabinet, Table, Chair and sofa | RFQ | 791 |
| Total Furniture & Fixtures | | 791 |
| Accessories for Vehicle | RFQ | 1,660 |
| Agriculture Equipments | NCB | 24,888 |
| Total Vehicles | | 26,549 |
| Total Procurements of Assets | | 85,996.79 |

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : I-DSF-8112-AF
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 20, 2017

10 ALLOCATION AND USE OF THE FUNDS

| Category Code | Category Description | Allocated | | Disbursed | | Available Balance | | Adjusted by IFAD | |
|---------------|---|-------------------|-------------------|-------------------|----------------------|-------------------|----------------------|---------------------|---------------------|
| | | Amount SDR | Equivalent USD | Amount SDR | Equivalent USD | Amount SDR | Equivalent USD | Adjustment SDR | Adjustment USD |
| | Special Account | | | 842,780.96 | 1,187,588.98 | (842,780.96) | (1,187,588.98) | | |
| | IPs initial advance | | | 2,979,507.60 | 4,239,852.00 | (2,979,507.60) | (4,239,852.00) | | |
| I | 122426 Civil Works, Community and Infrastructure | 12,750,000 | 19,642,112 | 8,456,715.06 | 12,013,323 | 4,293,285 | 7,628,789 | 436,837 | 659,898 |
| II | 122427 Vehicles, Motorcycles, Equipment and Materials | 2,640,000 | 4,067,073 | 1,028,991.89 | 1,451,110 | 1,611,008 | 2,615,963 | 132,712 | 200,147 |
| III | 122428 Technical Assistance, Training and Studies | 7,600,000 | 11,708,239 | 2,335,332.57 | 3,284,317 | 5,264,667 | 8,423,922 | 485,665 | 709,301 |
| IV | 122429 Salaries and Allowances | 6,620,000 | 10,198,492 | 4,624,849.92 | 6,505,343 | 1,995,150 | 3,693,150 | 758,183 | 1,118,784 |
| V | 122430 Incremental Operating Cost | 1,430,000 | 2,202,998 | 1,922,808.06 | 2,699,397 | (492,808) | (496,399) | 221,095 | 328,230 |
| VI | 122431 Policy Support Fund | 320,000 | 492,978 | 320,935.76 | 452,209 | (936) | 40,770 | 47,905 | 72,996 |
| VII | 122432 Special Financing Facility | 2,270,000 | 3,497,066 | - | - | 2,270,000 | 3,497,066 | | |
| | 122433 Unallocated | 4,020,000 | 6,193,042 | - | - | 4,020,000 | 6,193,042 | | |
| Total | | 37,650,000 | 58,002,000 | 22,511,922 | 31,833,138.23 | 15,138,078 | 26,168,861.77 | 2,082,397.68 | 3,089,355.63 |

9.1 The allocated grant amounts in SDR have been adjusted in accordance with the revision in US\$ amounts and converted at US\$ 1.5406/SDR (Average rate). Any additional amounts resulting from the said adjustment have been adjusted out of the Unallocated grant amount and special finance facility such that the total grant amount in SDR does not exceed SDR 37,650,000.

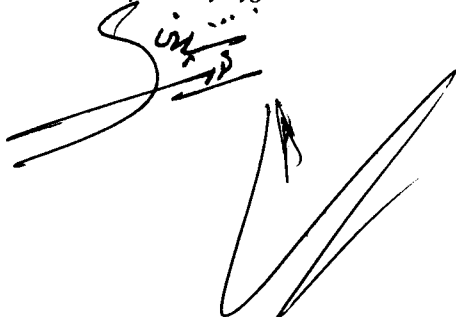
MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : I-DSF-8112-AF
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2017

11 RECONCILIATION OF FUNDS DISBURSED BY IFAD AND FUNDS RECEIVED BY THE PROGRAMME

| | Amount in USD |
|--|---------------|
| Total fund disbursed to date (as per note 10) | 31,833,138 |
| Fund received | |
| Fund receive by budget categories | 27,556,194 |
| Amount Recovered by IFAD from IPs direct payment & special account | 3,089,356 |
| Total categories I,II,III,IV,V,VI & VII | 30,645,549 |
| Component III | |
| Fund withdrawn from Special account and claimed | - |
| Fund withdrawn from Special account but not yet claimed | 872,230 |
| With hold by IFAD regarding to over spend of operation | 27,464 |
| Bank charges | 75 |
| Cash and bank balance | 287,820 |
| Total | 1,187,589 |
| Total Fund received to date by Component | 31,833,138 |

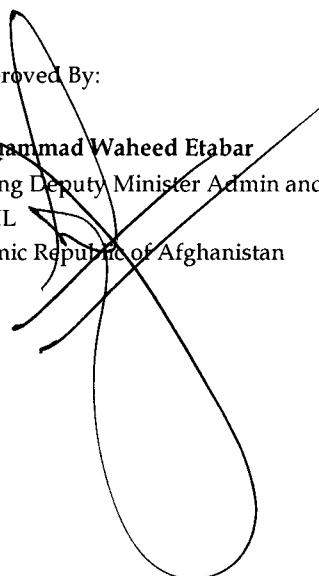
Prepared by:

Mr. Saleem Mirani
 Head of Finance
 CLAP/MAIL
 Islamic Republic of Afghanistan



Approved By:

Mohammad Waheed Etabar
 Acting Deputy Minister Admin and Finance
 MAIL
 Islamic Republic of Afghanistan



MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : I-DSF-8112-AF
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2017

12 SUMMARY OF CATEGORIES CORRECTIONS BY SERVICE PROVIDERS (DCA & ICARDA)

| Category Code | | Category Description | Summary | | Over/Under |
|---------------|--------|--|-----------------|-----------------|-----------------|
| | | | Incorrect | Correct | |
| I | 122426 | Civil Works, Community and Infrastructure | \$ 346,740.90 | \$ 277,776.10 | \$ 68,964.80 |
| II | 122427 | Vehicles, Motorcycles, Equipment and Materials | \$ 272,335.16 | \$ 951,834.43 | \$ (679,499.27) |
| III | 122428 | Technical Assistance, Training and Studies | \$ 987,279.77 | \$ 1,311,217.49 | \$ (323,937.72) |
| IV | 122429 | Salaries and Allowances | \$ 2,360,587.44 | \$ 2,686,290.74 | \$ (325,703.30) |
| V | 122430 | Incremental Operating Cost | \$ 1,802,401.64 | \$ 542,226.18 | \$ 1,260,175.46 |
| VI | 122431 | Policy Support Fund | | | |
| VII | 122432 | Special Financing Facility | | | |
| UN | 122433 | Unallocated | | | |
| Total | | | \$ 5,769,344.91 | \$ 5,769,344.95 | |

12.1 SUMMARY OF CATEGORIES CORRECTIONS BY DCA

| Category Code | | Category Description | Summary | | Over/Under |
|---------------|--------|--|-----------------|-----------------|-----------------|
| | | | Incorrect | Correct | |
| I | 122426 | Civil Works, Community and Infrastructure | \$ 160,560.58 | \$ 91,595.78 | \$ 68,964.80 |
| II | 122427 | Vehicles, Motorcycles, Equipment and Materials | \$ 163,702.93 | \$ 301,431.28 | \$ (137,728.35) |
| III | 122428 | Technical Assistance, Training and Studies | \$ 602,280.02 | \$ 686,475.53 | \$ (84,195.51) |
| IV | 122429 | Salaries and Allowances | \$ 1,242,530.17 | \$ 1,350,023.25 | \$ (107,493.08) |
| V | 122430 | Incremental Operating Cost | \$ 496,216.28 | \$ 235,764.15 | \$ 260,452.13 |
| Total | | | \$ 2,665,289.98 | \$ 2,665,290.00 | |

12.2 SUMMARY OF CATEGORIES CORRECTIONS BY ICARDA

| Category Code | | Category Description | Summary | | Over/Under |
|---------------|--------|--|-----------------|-----------------|-----------------|
| | | | Incorrect | Correct | |
| I | 122426 | Civil Works, Community and Infrastructure | \$ 186,180.32 | \$ 186,180.32 | \$ 0.00 |
| II | 122427 | Vehicles, Motorcycles, Equipment and Materials | \$ 108,632.23 | \$ 650,403.15 | \$ (541,770.92) |
| III | 122428 | Technical Assistance, Training and Studies | \$ 384,999.75 | \$ 624,741.96 | \$ (239,742.21) |
| IV | 122429 | Salaries and Allowances | \$ 1,118,057.27 | \$ 1,336,267.49 | \$ (218,210.22) |
| V | 122430 | Incremental Operating Cost | \$ 1,306,185.36 | \$ 306,462.03 | \$ 999,723.33 |
| Total | | | \$ 3,104,054.93 | \$ 3,104,054.94 | |

12.1.1 DCA Detail, Categories Corrections Withdrawal Application (WA) wise

| Category Code | | Category Description | Incorrect | Correct | Incorrect | Correct | Incorrect | Correct | Incorrect | Correct | Incorrect |
|---------------|--------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | DCA WA 04 | DCA WA 04 | DCA WA 10 | DCA WA 10 | DCA WA 13 | DCA WA 13 | DCA WA 16 | DCA WA 16 | DCA WA 18 |
| I | 122426 | Civil Works, Community and Infrastructure | \$ 900.00 | \$ 979.00 | \$ 30,294.00 | \$ 9,023.00 | \$ 28,948.00 | \$ 19,790.00 | \$ 4,457.00 | \$ 199.00 | \$ 17,628.97 |
| II | 122427 | Vehicles, Motorcycles, Equipment and Materials | \$ 51,103.95 | \$ 68,108.00 | \$ 23,200.00 | \$ 18,524.00 | \$ 3,768.00 | \$ 53,206.00 | \$ 3,904.00 | \$ 8,742.00 | \$ 11,139.16 |
| III | 122428 | Technical Assistance, Training and Studies | \$ 39,198.45 | \$ 44,967.00 | \$ 65,500.00 | \$ 108,924.00 | \$ 73,875.00 | \$ 47,625.00 | \$ 51,057.00 | \$ 57,677.00 | \$ 29,298.19 |
| IV | 122429 | Salaries and Allowances | \$ 127,921.87 | \$ 192,687.00 | \$ 175,720.00 | \$ 196,495.01 | \$ 124,356.00 | \$ 133,261.00 | \$ 100,107.00 | \$ 107,650.00 | \$ 117,627.60 |
| V | 122430 | Incremental Operating Cost | \$ 139,188.89 | \$ 51,572.00 | \$ 63,044.00 | \$ 24,791.99 | \$ 49,603.00 | \$ 26,668.00 | \$ 28,318.00 | \$ 13,575.00 | \$ 38,379.79 |
| VI | 122431 | Policy Support Fund | | | | | | | | | |
| VII | 122432 | Special Financing Facility | | | | | | | | | |
| UN | 122433 | Unallocated | | | | | | | | | |
| | | Total | \$ 358,313.16 | \$ 358,313.00 | \$ 357,758.00 | \$ 357,758.00 | \$ 280,550.00 | \$ 280,550.00 | \$ 187,843.00 | \$ 187,843.00 | \$ 214,073.71 |

| Category Code | | Category Description | Correct | Incorrect | Correct | Incorrect | Correct | Incorrect | Correct | Incorrect | Correct |
|---------------|--------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | DCA WA 18 | DCA WA 23 | DCA WA 23 | DCA WA 24 | DCA WA 24 | DCA WA 26 | DCA WA 26 | DCA WA 32 | DCA WA 32 |
| I | 122426 | Civil Works, Community and Infrastructure | \$ 6,428.05 | \$ 27,816.20 | \$ 12,049.45 | \$ 7,967.41 | \$ 536.00 | \$ 488.00 | \$ 530.00 | \$ 42,061.00 | \$ 42,061.29 |
| II | 122427 | Vehicles, Motorcycles, Equipment and Materials | \$ 19,440.71 | \$ 12,580.34 | \$ 40,059.36 | \$ 5,553.48 | \$ 16,350.00 | \$ - | \$ 9,437.00 | \$ 52,454.00 | \$ 67,564.21 |
| III | 122428 | Technical Assistance, Training and Studies | \$ 52,468.18 | \$ 81,989.28 | \$ 84,154.77 | \$ 25,888.10 | \$ 30,281.00 | \$ 36,787.00 | \$ 47,253.00 | \$ 198,687.00 | \$ 213,125.59 |
| IV | 122429 | Salaries and Allowances | \$ 118,361.11 | \$ 162,017.38 | \$ 173,869.98 | \$ 119,013.32 | \$ 128,510.00 | \$ 121,216.00 | \$ 123,901.00 | \$ 194,551.00 | \$ 175,288.15 |
| V | 122430 | Incremental Operating Cost | \$ 17,375.95 | \$ 53,224.16 | \$ 27,493.44 | \$ 37,517.44 | \$ 20,263.00 | \$ 46,442.00 | \$ 23,812.00 | \$ 40,499.00 | \$ 30,212.76 |
| VI | 122431 | Policy Support Fund | | | | | | | | | |
| VII | 122432 | Special Financing Facility | | | | | | | | | |
| UN | 122433 | Unallocated | | | | | | | | | |
| | | Total | \$ 214,074.00 | \$ 337,627.36 | \$ 337,627.00 | \$ 195,939.75 | \$ 195,940.00 | \$ 204,933.00 | \$ 204,933.00 | \$ 528,252.00 | \$ 528,252.00 |

12.2.1 ICARDA Detail, Categories Corrections Withdrawal Application (WA) wise

| Category Code | | Category Description | Incorrect | Correct | Incorrect | Correct | Incorrect | Correct | Incorrect | Correct | Incorrect |
|---------------|--------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| | | | ICARDA WA 08 | ICARDA WA 08 | ICARDA WA 12 | ICARDA WA 12 | ICARDA WA 15 | ICARDA WA 15 | ICARDA WA 20 | ICARDA WA 20 | ICARDA WA 27 |
| I | 122426 | Civil Works, Community and Infrastructure | | | | | | | | | \$ 186,180.32 |
| II | 122427 | Vehicles, Motorcycles, Equipment and Materials | | | | \$ 447,526.69 | | \$ 54,503.97 | | \$ 35,336.55 | \$ 108,632.23 |
| III | 122428 | Technical Assistance, Training and Studies | \$ 85,630.61 | \$ 12,081.20 | \$ 42,190.48 | \$ 22,596.80 | \$ 52,433.76 | \$ 151,023.07 | \$ 57,025.85 | \$ 46,608.71 | \$ 142,931.00 |
| IV | 122429 | Salaries and Allowances | \$ 193,469.82 | \$ 279,100.43 | \$ 16,312.32 | \$ 51,688.53 | \$ 82,186.63 | \$ 134,620.39 | \$ 41,610.17 | \$ 86,379.81 | \$ 589,586.16 |
| V | 122430 | Incremental Operating Cost | \$ 33,529.93 | \$ 21,448.73 | \$ 487,899.03 | \$ 24,589.80 | \$ 281,272.72 | \$ 75,745.68 | \$ 101,654.69 | \$ 31,965.64 | \$ 304,694.52 |
| VI | 122431 | Policy Support Fund | | | | | | | | | |
| VII | 122432 | Special Financing Facility | | | | | | | | | |
| UN | 122433 | Unallocated | | | | | | | | | |
| | Total | | \$ 312,630.36 | \$ 312,630.36 | \$ 546,401.83 | \$ 546,401.83 | \$ 415,893.11 | \$ 415,893.11 | \$ 200,290.71 | \$ 200,290.72 | \$ 1,332,024.23 |

| Category Code | Category Description | Correct | Incorrect | Correct |
|---------------|----------------------|--|----------------------|----------------------|
| | | ICARDA WA 27 | ICARDA WA 30 | ICARDA WA 30 |
| I | 122426 | Civil Works, Community and Infrastructure | \$ 186,180.32 | |
| II | 122427 | Vehicles, Motorcycles, Equipment and Materials | \$ 113,035.93 | |
| III | 122428 | Technical Assistance, Training and Studies | \$ 317,558.82 | \$ 4,788.05 |
| IV | 122429 | Salaries and Allowances | \$ 589,586.16 | \$ 194,892.17 |
| V | 122430 | Incremental Operating Cost | \$ 125,663.00 | \$ 97,134.48 |
| VI | 122431 | Policy Support Fund | | |
| VII | 122432 | Special Financing Facility | | |
| UN | 122433 | Unallocated | | |
| | Total | \$ 1,332,024.24 | \$ 296,814.70 | \$ 296,814.70 |