

AUDITED PROJECT FINANCIAL STATEMENTS

Project N° : 1100001637

IFAD Grant No. 1000004454 / G-I-DSF-8112-
IFAD Grant-Additional Financing No. DSF 2000002122

Period covered: 21 December 2017 – 20 December 2018

Community Livestock and Agriculture Project (CLAP)

Prepared by: Alliot Gulf Limited - Chartered Accounts & Management Consultants
Received on 19 June 2019

The Audited project financial statements are documents owned by the Borrower/ Recipient. The views expressed herein do not necessarily represent those IFAD's Executive Board, Management or Staff. This document is made publicly available in accordance with the "Conceptual Framework on Financial Reporting and Auditing of IFAD-Financed Projects (2018)"

**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

FOR THE YEAR FROM 21 DECEMBER 2017 TO 20 DECEMBER 2018

Funded By:

International Fund for Agriculture Development (IFAD)

Alliott Gulf Limited
Chartered Accounts & Management Consultants

KABUL

House # 348, Lane # 2B, Street # 15, District # 10
Wazir Muhammad Akbar Khan Mena, Kabul-Afghanistan

Cell: +93 (0) 777 412 942

+93 (0) 799 412 942

Fax: +93 (0) 202 310 017

Web: www.alliottuae.com



ALLIOTT
GROUP

A Worldwide Alliance of Independent
Accounting, Law and Consulting Firms

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 Period Ended December 20, 2018

ael

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, 2018

CONTENTS	PAGE #
PROJECT DESCRIPTION	2-3
Statement of project management responsibilities	4-7
Special purpose audit report	8-11
Statement of receipts and payments (by category & component)	12
Statement of comparison of budget and actual amounts	13
SOE-Withdrawal Application Statement	14
Notes to the Financial Statements	15-21

af

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 2013. 28. 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.

asf

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

asf

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 with other programs, government and donor funded Programs/programs for synergies;
- 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.

asf

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.

asf

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.

af

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;
- Check and verify the entries recorded in the Project stock register; and
- Perform any other tasks that may be assigned by the Senior Finance Manager and/or Programme Director.

ael

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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
June 15, 2019

INDEPENDENT AUDITORS' REPORT

The Honorable Deputy Minister,
Ministry of Agriculture, Irrigation & Livestock (MAIL),
Islamic Republic of Afghanistan
Kabul, Afghanistan

Opinion

We have audited the financial statements of Community Livestock and Agriculture Project (CLAP) ("the Project") implemented by the Ministry of Agriculture, Irrigation and Livestock ("the Organization") and funded by the International Fund for Agriculture Development (IFAD) through 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 (together "the financial statements") for the year ended December 20, 2018. These financial statements have been prepared by the management in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS) and financial reporting requirements of donor (IFAD).

In our opinion:

- A. The accompanying financial statements present fairly, in all material respects, the cash receipt and payments, reconciliation of special account and expenditures of the Project, funded through IFAD Grant Contract No. I-DSF-8112-AF, for the year ended December 20, 2018 in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS) and financial reporting requirements of donor (IFAD).
- B. The Statement of Status of Funds by Category & Component 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.

Report on Other Matters

- a. Proper books of accounts have been maintained by the Project Management Unit (PMU).
- b. The project financial statements are in agreement with the books of accounts maintained by the Project Management Unit (PMU). The financial statements have been prepared under historical cost convention and in accordance with IPSAS "Financial Reporting under the Cash Basis of Accounting" and donor (IFAD) financial reporting requirements as described in Note 2.1.
- c. The PST/PMU maintained the books of accounts accurately and supported by proper documentation as required by the Government of Afghanistan Law.
- d. 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.

- e. 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 financial statements.
- 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 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 the Organization to comply with the IPSAS and financial reporting requirements of donor (IFAD). As a result, the financial statements may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless project management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

The Deputy Minister is responsible for overseeing the Organization's financial reporting process.

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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



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, 2018

	Note	2018 DECEMBER	2017 DECEMBER	Cumulative up to date
		USD	USD	
Balance B/F	4	287,820	268,258	-
SOURCES OF FUNDS				
IFAD				
Initial Advance Deposit to IPS		-	-	2,500,000
Replenishments to Special Account		2,104,140	4,406,579	8,785,081
Direct Payments to Service Providers	5	2,931,833	6,234,764	25,648,053
Government Contribution		38,062	57,991	214,353
Cofinanciers	6	-	-	-
IPs Gov Contribution		-	379,346	1,870,699
IPs Contribution	7	-	24,486	450,396
IPs Ben Contribution		-	771,924	1,045,293
Borrower/Recipient				
Borrower Contributions- Cash		-	-	-
Borrower Contributions- In Kind		-	-	-
Refund to Special account but not recorded by bank		-	7,803	7,803
Refund cash to special account		-	63,480	63,480
Total source to funds		5,074,034	11,946,373	40,585,157
USES OF FUNDS				
BY CATEGORY				
By Category - IFAD				
Initial Advance Deposit to IPS		-	2,500,000	6,190,399
I Civil Works, Community and Infrastructure		694,560	2,283,009	13,183,519
II Vehicles, Motorcycles, Equipment and Materials		328,921	486,036	2,281,755
III Technical Assistance, Training and Studies		1,629,210	1,844,219	5,019,035
IV Salaries and Allowances		1,898,069	2,795,192	8,008,028
V Incremental Operating Cost		99,591	491,421	1,314,868
VI Policy Support Fund		12,965	221,904	495,625
VII Special Financing Facility		-	-	-
		4,663,316	10,621,781	36,493,230
BY COMPONENT				
By Component - IFAD				
1. Community Development:				
1.1 Productive Infrastructures				
1.1.1 Irrigation Schemes ID/MAIL		542,243	2,206,676	4,066,915
1.1.2 Irrigation Associations ID/ MAIL		-	33,814	33,814
1.1.3 Productive Infrastructure (Irrigation Schemes) MRRD/CCAP		-	2,500,000	11,498,212
1.1.4 Community Development and Institutional Strengthening MRPD/CCAP		-	-	-
1.1.5 Gender Mainstreaming PST/CLAP		-	-	-
		542,243	4,740,490	15,598,941
2. Livestock and Agriculture Development				
2.1 Dairy Development		824,867	1,303,868	5,188,360
2.2 Poultry Development		652,081	1,071,936	2,548,999
2.3 Food, Forage, Vegetable		996,102	1,441,664	4,738,168
2.4 Kutchi Development		1,110,863	989,231	4,223,310
		3,583,914	4,806,700	16,698,837
3. Project Management				
Vehicle, Equipment and Material		15,392	23,828	394,635
Technical Assistance, Training & Studies		168,146	201,521	850,376
Salaries and Allowances		512,452	540,938	2,160,326
Incremental Operating Cost		48,777	86,401	294,488
Policy Support Fund		12,965	221,904	495,625
		757,733	1,074,591	4,195,451
Government Contribution				
GV.1 Office Space		22,356	26,518	119,054
GV.2 Electricity		8,692	13,065	32,757
GV.3 Water		1,081	10,200	15,462
GV.4 Security		5,932	8,208	29,320
GV.5 Internet		-	-	17,760
		38,062	57,991	214,353
IPs Gov Contribution				
Irrigation Schemes MAIL		-	216,798	417,270
MRRD/NSP		-	-	1,275,627
Dairy Development		-	-	-
Poultry Development		-	11,487	26,742
Food, Forage, Vegetable		-	151,061	151,061
		-	379,346	1,870,700
IPs Contribution				
Dairy Development		-	24,486	450,396
		-	24,486	450,396
IPs Ben Contribution				
Irrigation Schemes MAIL		-	445,424	560,483
MRRD/NSP		-	-	-
Dairy Development		-	7,941	16,941
Poultry Development		-	92,300	241,610
Food, Forage, Vegetable		-	226,259	226,259
		-	771,924	1,045,293
Total source to funds		4,921,951	11,855,528	40,073,971
Refund to Special account but not recorded by bank		-	7,803	7,803
Wrong transaction passed by DAB		1,569	-	1,569
Refund cash to special account		13,261	63,480	76,741
SURPLUS/DEFICIT	4	425,073	287,820	425,073

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Muhammad Tahir Ayub
 Deputy Minister, Admin and Finance - MAIL
 Islamic Republic of Afghanistan

asp

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, 2018

		2018 Budget	2018 Actual	Variance
	Note	USD		
FINANCING:				
IFAD				
Replenishments to Special Account		1,324,446	2,104,140	(779,694)
Direct Payments	5	9,605,470	2,931,833	6,673,638
Government Contribution	6	33,180	38,062	(4,882)
IPs Gov Contribution			-	-
IPs Contribution	7		-	-
Beneficiary Contribution			-	-
Refund to Special account but not recoreded by bank			-	-
Refund cash to special account			-	-
TOTAL FINANCING		10,963,097	5,074,034	5,889,062
PROJECT EXPENDITURES:				
CATEGORYWISE				
1. Community Development		3,548,371	542,243	3,006,128
2. Livestock and Agriculture Development		6,057,099	3,583,914	2,473,185
3. Project Management		1,612,266	757,733	854,534
Government Contribution		33,180	38,062	(4,882)
IPs Gov Contribution			-	-
IPs Contribution			-	-
Beneficiary Contribution			-	-
TOTAL PROJECT EXPENDITURES		11,250,916	4,921,951	6,328,966
Refund to Special account but not recoreded by bank			-	-
Wrong transaction passed by DAB			1,569	1,569
Refund cash to special account			13,261	13,261
SURPLUS/ (DEFICIT) FOR THE PERIOD	3	(287,820)	137,253	(425,073)

Prepared by:

Finance Unit
 SNAPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Mohammad Taher Ayub
 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 SPECIAL ACCOUNT RECONCILIATION
 FOR THE PERIOD ENDED DECEMBER 20, 2018

Particulars	Withdrawal Application #	Amount US Dollars
Special account opening balance as at Dec 21, 2017		287,820
Cash in hand as on Dec 20, 2018		-
Transfer to Imprest account as replenishment		
Initial Deposit		
Replenishment to imprest account		2,104,140
		<u>2,391,960</u>
Less:		
3. Programme Management and Coordination		
Civil Works, Community and Infrastructure		-
Vehicles, Motorcycles, Equipment and Materials		15,392
Technical Assistance, Training and Studies		168,146
Salaries and Allowances		512,452
Incremental Operating Cost		48,777
Policy Support Fund		12,965
		<u>757,733</u>
3. Irrigation Schemes MAIL		
Civil Works, Community and Infrastructure		312,060
Vehicles, Motorcycles, Equipment and Materials		402
Technical Assistance, Training and Studies		21,698
Salaries and Allowances		181,577
Incremental Operating Cost		26,506
Irrigation Association		-
Special Financing Facility		-
		<u>542,243</u>
3. Poultry Development		
Vehicles, Motorcycles, Equipment and Materials		-
Technical Assistance, Training and Studies		457,474
Salaries and Allowances		194,608
Incremental Operating Cost		-
		<u>652,081</u>
Refund to Special Account		13,261
Wrong transaction passed by DAB		1,569
Closing Balance of Imprest Account		<u>425,073</u>
Balance as per bank statement		<u>425,073</u>

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Mohammad Taher Ayub
 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-DSE-8112-AF
 WITHDRAWAL APPLICATION SUMMAR
 FOR THE PERIOD ENDED FROM DECEMBER 21, 2017 TILL DECEMBER 20, 2015

Withdrawal Application number	Date	Category 1 (Civil Works)	Category 2 (Goods & Equipment)	Category 3 (Technical Assistance)	Category 4 (Salaries Allowance)	Category 5 (Incremental Operating Costs)	Category 6 (Policy Support Fund)	Total	Designated Account Currency Equivalent	Value Date	Rejected by IFAD	Adjusted by IFAD	Withhold by IFAD	Net Reimbursed
In Local Currency AFN									In Designated Account Currency USD					
Section A: Payment method- Replenishment														
Approved Withdrawals														
WA No: 37 PCU	1-Mar-18	28,619,375	886,430	18,668,221	6,795,605	1,090,492	2,105,602	58,165,725	872,230	67		170,585	19,305	682,341
WA No: 41 PCU	7-Aug-18	2,130,982	526,830	17,695,267	24,247,991	776,057	318,803	45,695,930	647,197	71				647,197
WA No: 44 PCU	6-Dec-18	14,090,859	184,100	13,314,143	24,777,796	2,749,123	333,294	55,449,315	761,416	73				761,416
Subtotal (A)		44,841,216	1,597,360	49,677,631	55,821,392	4,615,672	2,757,699	159,310,970	1,519,426		-	170,585	19,305	2,090,954
Section B: Payment method- Reimbursement														
Approved Withdrawals														
								-	-					-
Pending submission														
Subtotal (B)		-	-	-	-	-	-	-	-	-	-	-	-	-
Section C: Payment method- Direct Payment														
Approved Withdrawals														
WA No: 33 DCA	21-Dec-17							-	220,573					220,573
WA No: 38 ICARDA	20-Jun-18	212,097	117,710	240,173	307,389	71,015		948,384	948,384			175,474	71,015	701,896
WA No: 39 DCA	5-Jul-18	6,063	28,478	120,400	172,817	21,563		349,321	349,321			65,552	21,563	262,206
WA No: 40 FAO	5-Jul-18	235,000	233,225	276,710	286,149	83,989		1,115,073	1,115,073			206,217	83,989	824,867
WA No: 42 DCA	3-Aug-18	1,051	5,432	123,122	58,767	26,073		214,445	214,445			37,674	26,073	150,698
WA No: 43 ICARDA	2-Oct-18			13,230	12,441	21,930		47,602	47,602					47,602
WA No: 45 DCA	14-Dec-18	13,863	2,739	149,546	58,099	14,687		238,934	238,934					238,934
WA No: 46 ICARDA	17-Dec-18			56,614	168,999	20,992		246,605	246,605					246,605
WA No: 47 DCA	17-Dec-18	5,268	2,512	154,178	66,873	9,621		238,452	238,452					238,452
Pending submission														
Subtotal (C)		473,342	390,896	1,133,973	1,131,535	269,869	-	3,398,815	3,619,389	-	-	484,917	202,640	2,931,833
TOTAL (A+B+C)-A		473,342	390,896	1,133,973	1,131,535	269,869	-	3,398,815	3,619,389		-	655,502	221,944	5,022,787

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Mohammad Taher Ayub
 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, 2018

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 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 statement is based on the transactions pertaining to the period from December 21, 2017 to December 20, 2018. 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).

The amounts disbursed to the service providers during the year are recognized, in full, in these financial statements as expenditures incurred during the year.

2.3 Reporting Currency

The currency used for reporting is US dollar. All the disbursements have been made or converted in 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\$ 2,931,833/- represents the disbursements made by IFAD on account of eligible value of periodic payments and reimbursements made during the period ended December 20, 2018. Reimbursements made to service providers represent amount paid to the service providers for the following:

- a. ICARDA/ Improved Food, Forage & Vegetable US\$ (1,110,863)
- b. DCA/ Kutchi Development US\$ (996,102)
- c. FAO/Development of Integrated Dairy Scheme US\$ (824,867.20)

agf

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, 2018

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 2018 USD	December 2017 USD
Cash at bank	4.1	419,012	287,820
Petty cash		6,061	-
		<u>425,073</u>	<u>287,820</u>

- 4.1 Funds transferred, if any, by IFAD to meet the Incremental Administrative Expenses are credited in the [REDACTED] maintained by the Ministry of Agriculture Irrigation and Livestock (MAIL)/Ministry of Finance (MOF) with Ad 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
2.4. Kutch Development (DCA)	WA 33	220,573	21-Dec-17
2.3. Improved Food, Forage & Vegetable (ICARDA)	WA 38	701,896	20-Jun-18
2.4. Kutch Development (DCA)	WA 39	262,206	5-Jul-18
2.1. Integrated Dairy Scheme (FAO)	WA 40	824,867	5-Jul-18
2.4. Kutch Development (DCA)	WA 42	150,698	3-Aug-18
2.3. Improved Food, Forage & Vegetable (ICARDA)	WA 43	47,602	2-Oct-18
2.4. Kutch Development (DCA)	WA 45	238,934	14-Dec-18
2.3. Improved Food, Forage & Vegetable (ICARDA)	WA 46	246,605	17-Dec-18
2.4. Kutch Development (DCA)	WA 47	238,452	17-Dec-18
		<u>2,931,833</u>	

6 GOVERNMENT COUNTERPART FUNDS

The Gogvernment 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	2018 December	2017 December	2018 December	2017 December	2018 December	2017 December
Opening Balance	26,506	25,715	333,953	307,404	249,827	191,170
Additions	2,865	791	-	26,549	12,929	58,657
Disposals	-	-	-	-	-	-
Closing Balance	<u>29,371</u>	<u>26,506</u>	<u>333,953</u>	<u>333,953</u>	<u>262,756</u>	<u>249,827</u>

asf

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, 2018

8.1 Non current assets (Detailed disclosure)

Description	Cost as at December 2017	Purchases during the Period	Cost as at December 2018
	-----USD-----		
Carpet	16,238		16,238
Curtain	3,042	530	3,571
Heater	898		898
Laptops	45,369	1,648	47,017
Cameras	6,493		6,493
UPS & Stabilizers	2,412		2,412
Projector	720		720
Printers	10,441	402	10,843
Scanner	4,462	-	4,462
Shredders	541	-	541
Photocopy Machine	8,543		8,543
Desktop Computer	3,164		3,164
USB Modem	50		50
Bulletproof door	2,539	-	2,539
Plastic carpet	21		21
Vacuum cleaner for office	422		422
Tanker for water	165		165
Flask 3 Litter & Tea Pot, Stell cupboard	438	-	438
Digital door lock	4,217	-	4,217
Fingerprint Attendance Machine	4,059		4,059
Nokia mobile phone	140		140
Smart Wi-Fi router for office	829	-	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	23,455	6,537	29,992
Refrigerator	322	-	322
AC for office	10,891	454	11,344
Motorola Radio	800		800
TV receiver	127		127
TV	212	292	504
Cooler	109		109
Ladder & Boring Tools	128		128
Dispenser	822	-	822
Microwave	85		85
Labeling Machine	34		34
IT Equipment for ID	7,296	-	7,296
Security Camera	-	3,066	3,066
Equipment for ID	29,986	-	29,986
Total Office & Other equipment's	249,827	12,929	262,756
Windows & Glass	695	-	695.0
Desk, Cabinet, Table, Chair and sofa	25,811	2,865	28,675.6
Total Furniture & Fixtures	26,506	2,865	29,371
Toyota Corolla	31,000	-	31,000.0
Accessories for Vehicle	5,001	-	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	333,953	-	333,953
Total fixed assets	610,286	15,794	626,080

ael

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, 2018

9 YEARLY PROCUREMENTS

Following are procurements for the period ended December 20, 2018, along with item wise method used for procurement.

Description of Asset	Method	Value in USD
Security Camera	RFQ	3,066
Laptops	RFQ	1,648
Curtain	RFQ	530
Linksys WRT 1900 ACS Dual Band Gigabit WIFI Router	RFQ	-
Internet firewall device	RFQ	-
Scanner	RFQ	-
Shredders	RFQ	-
Network Rack box for IT	RFQ	-
Lock for door	RFQ	-
HP MFP M177FW Color laser functions print ,copy scan fax	RFQ	402
Stell Cupboard	RFQ	-
Cisco Switch and net cablbe box	RFQ	-
IT Equipment	RFQ	6,537
Dispenser	RFQ	-
Bullet Proof Door	RFQ	-
IT Equipment for ID	RFQ	-
Equipment for ID	NCB	-
TV	RFQ	292
AC for office	RFQ	454
Total Office & Other equipments		12,929
Windows & Glass	RFQ	
Desk, Cabinet, Table, Chair and sofa	RFQ	2,865
Total Furniture & Fixtures		2,865
Toyota Corolla	NCB	
Accessories for Vehicle	RFQ	-
Tracktor & 3 Land Leveler	NCB	
Agriculture Equipments	NCB	-
Two Helix Pickup for ID	NCB	
Total Vehicles		-
Total assets procured during the year		15,794

afp

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, 2018

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			726,048	1,017,004	(726,048)	(1,017,004)		
	IPs initial advance			2,813,032	3,975,509	(2,813,032)	(3,975,509)		
I	122426 Civil Works, Community and Infrastructure	12,750,000	19,642,112	9,234,298	13,123,151	3,515,702	6,518,960	552,911	833,501
II	122427 Vehicles, Motorcycles, Equipment and Materials	2,640,000	4,067,073	1,318,127	1,864,283	1,321,873	2,202,789	185,005	279,703
III	122428 Technical Assistance, Training and Studies	7,600,000	11,708,239	3,653,838	5,145,171	3,946,162	6,563,068	628,310	920,866
IV	122429 Salaries and Allowances	6,620,000	10,198,492	5,987,620	8,423,107	632,380	1,775,385	881,995	1,303,472
V	122430 Incremental Operating Cost	1,430,000	2,202,998	2,006,779	2,815,859	(576,779)	(612,861)	221,095	328,230
VI	122431 Policy Support Fund	320,000	492,978	348,570	491,841	(28,570)	1,138	52,072	79,086
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	26,088,311	36,855,925	11,561,689	21,146,075	2,521,388	3,744,857

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.

281

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, 2018

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

	Amount in USD
Total fund disbursed till date (as per note 10)	36,855,925
Fund received	
Fund receive by budget categories	32,094,064
Amount Recovered by IFAD from IPs direct payment & special account	3,744,857
Total categories I,II,III,IV,V,VI &VII	35,838,921
Component III	
Fund withdrawn from Special account and claimed	-
Fund withdrawn from Special account but not yet claimed	543,494
With hold by IFAD regarding to over spend of operation	46,844
Bank charges	24
Wrong transaction passed by DAB	1,569
Cash and bank balance	425,073
Total	1,017,004
Total Fund received till date by Component	36,855,925

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Mohammad Taher Ayub
 Deputy Minister Admin and Finance/ MAIL
 Islamic Republic of Afghanistan

agl

**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: DSF-2000002122

FOR THE YEAR FROM 21 DECEMBER 2017 TO 20 DECEMBER 2018

Funded By:

International Fund for Agriculture Development (IFAD)

Alliott Gulf Limited
Chartered Accounts & Management Consultants

KABUL

House # 348, Lane # 2B, Street # 15, District # 10
Wazir Muhammad Akbar Khan Mena, Kabul-Afghanistan

Cell: +93 (0) 777 412 942

+93 (0) 799 412 942

Fax: +93 (0) 202 310 017

Web: www.alliottuae.com



ALLIOTT
GROUP

A Worldwide Alliance of Independent
Accounting, Law and Consulting Firms


Community Livestock And Agriculture Project (CLAP)
Ministry of Agriculture, Irrigation and Livestock (MAIL)

IFAD Grant Number : DSF-2000002122

Project Financial Statements
For The Period Ended December 20, 2018

af

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : DSF-2000002122
PROJECT FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 20, 2018

CONTENTS	PAGE #
PROJECT DESCRIPTION	2-3
Statement of project management responsibilities	4-7
Special purpose audit report	8-10
Statement of receipts and payments (by category)	11
Statement of receipts and payments (by component)	12
Statement of comparison of budget and actual amounts	13
Statement of Special Account Reconciliations	14
SOE-Withdrawal Application Statement	15
Notes to the Financial Statements	16-21 

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 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 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, Logar, Nangarhar, Balkh, Baghlan and Herat 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,

asf

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
IFAD GRANT NUMBER : DSF-2000002122
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). The project was given an additional financing of (SDR 17,700,000) it is equaling of USD 25,000,000.00 in April 2018.
- 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	6,300,000
II Vehicles, Motorcycles, Equipment and Materials	
III Technical Assistance, Training and Studies	4,700,000
IV Salaries and Allowances	2,800,000
V Incremental Operating Cost	1,400,000
VI Policy Support Fund	400,000
VII Special Financing Facility	-
Unallocated	2,100,000
Total	17,700,000

asl

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 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 with other programs, government and donor funded Programs/programs for synergies;
- 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.

asf

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 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.

ael

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 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.

asf

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
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;
- Check and verify the entries recorded in the Project stock register; and
- Perform any other tasks that may be assigned by the Senior Finance Manager and/or Programme Director.

asf

INDEPENDENT AUDITORS' REPORT

The Honorable Deputy Minister,
Ministry of Agriculture, Irrigation & Livestock (MAIL),
Islamic Republic of Afghanistan
Kabul, Afghanistan

Opinion

We have audited the financial statements of Community Livestock and Agriculture Project (CLAP) ("the Project") implemented by the Ministry of Agriculture, Irrigation and Livestock ("the Organization") and funded by the International Fund for Agriculture Development (IFAD) through Grant Contract No. DSF-2000002122, 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 (together "the financial statements") for the year ended December 20, 2018. These financial statements have been prepared by the management in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS) and financial reporting requirements of donor (IFAD).

In our opinion:

- A. The accompanying financial statements present fairly, in all material respects, the cash receipt and payments, reconciliation of special account and expenditures of the Project, funded through IFAD Grant Contract No. DSF-2000002122, for the year ended December 20, 2018 in accordance with Cash Basis International Public Sector Accounting Standards (IPSAS) and financial reporting requirements of donor (IFAD).
- B. The Statement of Status of Funds by Category of Expenditures (Page 11) presents fairly, in all material respects, the allocation of costs to their respective categories in accordance with Schedule 2 of the Financing Agreement.

Report on Other Matters

- a. Proper books of accounts have been maintained by the Project Management Unit (PMU).
- b. The project financial statements are in agreement with the books of accounts maintained by the Project Management Unit (PMU). The financial statements have been prepared under historical cost convention and in accordance with IPSAS "Financial Reporting under the Cash Basis of Accounting" and donor (IFAD) financial reporting requirements as described in Note 2.1.
- c. The PST/PMU maintained the books of accounts accurately and supported by proper documentation as required by the Government of Afghanistan Law.
- d. The direct payment was made for the purpose of objects of the project and was prepared in accordance with IFAD requirements.
- e. An adequate system of accounting and internal control is in place including internal audit mechanism for monitoring expenditures and other financial transactions.



- f. The disbursements made to the Service Providers are included in the financial statements.
- g. All funding received by the Service Providers from the Project was appropriately recorded in the Service Providers accounting records.
- h. The project records correspond with the Service Providers records.
- i. All requirements of the project grant agreement has been adhered to as required.
- j. The project has an effective system of financial supervision at all levels.
- k. 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 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 the Organization to comply with the IPSAS and financial reporting requirements of donor (IFAD). As a result, the financial statements may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless project management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

The Deputy Minister is responsible for overseeing the Organization's financial reporting process.



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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Organization 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
June 15, 2019



MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 STATEMENT OF RECEIPTS AND PAYMENTS (BY CATEGORY OF EXPENDITURES)
 FOR THE PERIOD ENDED DECEMBER 20, 2018

	Note	2018 DECEMBER	Cumulative up to date
Balance B/F	4	-	-
SOURCES OF FUNDS			
IFAD			
Initial Advance Deposit to IPS		-	-
Replenishments to Special Account		-	-
Direct Payments to Service Providers	5	1,000,000	1,000,000
Government Contribution		-	-
Cofinanciers	6	-	-
IPs Gov Contribution		-	-
IPs Contribution	7	-	-
IPs Ben Contribution		-	-
Borrower/Recipient			
Borrower Contributions- Cash		-	-
Borrower Contributions- In Kind		-	-
Refund cash to special account		-	-
Total source fo funds		1,000,000	1,000,000
USES OF FUNDS			
BY CATEGORY			
By Category - IFAD			
Initial Advance Deposit to IPS		-	-
I Civil Works, Community and Infrastructure		-	-
II Vehicles, Motorcycles, Equipment and Materials		-	-
III Technical Assistance, Training and Studies		-	-
IV Salaries and Allowances		-	-
V Incremental Operating Cost		-	-
VI Policy Support Fund		-	-
VII Special Financing Facility		-	-
BY COMPONENT			
By Component - IFAD			
1. Community Development:			
1.1 Productive Infrastructures		-	-
1.1.1 Irrigation Schemes ID/MAIL		-	-
1.1.2 Irrigation Associations ID/ MAIL		-	-
1.1.3 Productive Infrastructure (Irrigation Schemes) MRRD/CCAP		-	-
1.1.4 Community Development and Institutional Strengthening.MRRD/CCAP		-	-
1.1.5 Gender Mainstreaming PST/CLAP		-	-
2. Livestock and Agriculture Development			
2. 1 Dairy Development		-	-
2.2 Poultry Development		-	-
2.3 Food, Forage, Vegetable		-	-
2.4 Kutchi Development		-	-
		1,000,000	1,000,000
		1,000,000	1,000,000
3. Project Management			
Vehicle, Equipment and Material		-	-
Technical Assistance, Training & Studies		-	-
Salaries and Allowances		-	-
Incremental Operating Cost		-	-
Policy Support Fund		-	-
Government Contribution			
GV.1 Office Space		-	-
GV.2 Electricity		-	-
GV.3 Water		-	-
GV.4 Security		-	-
GV.5 Internet		-	-
IPs Gov Contribution			
Irrigation Schemes MAIL		-	-
MRRD/NSP		-	-
Dairy Development		-	-
Poultry Development		-	-
Food, Forage, Vegetable		-	-
IPs Contribution			
Dairy Development		-	-
IPs Ben Contribution			
Irrigation Schemes MAIL		-	-
MRRD/NSP		-	-
Dairy Development		-	-
Poultry Development		-	-
Food, Forage, Vegetable		-	-
Total source fo funds		1,000,000	1,000,000
SURPLUS/DEFICIT	4	-	-

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Mohammad Taher Ayub
 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 : DSF-2000002122
 STATEMENT OF RECEIPTS AND PAYMENTS (BY COMPONENT)
 FOR THE PERIOD ENDED DECEMBER 20, 2018

	Note	2018 DECEMBER	Cumulative up to date
Balance B/F	4	-	-
FINANCING DURING THE YEAR:			
IFAD			
Initial Deposit		-	-
Replenishments to Special Account		-	-
Direct Payments to Service Providers	5	1,000,000	1,000,000
Government Contribution	6	-	-
IPs Gov Contribution		-	-
IPs Contribution	7	-	-
IPs Ben Contribution		-	-
Refund to Special account but not recorded by bank		-	-
Refund cash to special account		-	-
		1,000,000	1,000,000
PROJECT EXPENDITURES:			
COMPONENTWISE			
1. Community Development:			
1.1 Productive Infrastructures			
1.1.1 Irrigation Schemes ID/MAIL		-	-
1.1.2 Irrigation Associations ID/ MAIL		-	-
1.1.3 Productive Infrastructure (Irrigation Schemes) MRRD/CCAP		-	-
1.1.4 Community Development and Institutional Strengthening.MRRD/CCAP		-	-
1.1.5 Gender Mainstreaming FST/CLAP		-	-
2. Livestock and Agriculture Development			
2.1 Dairy Development		-	-
2.2 Poultry Development		-	-
2.3 Food, Forage, Vegetable		-	-
2.4 Kutchi Development		1,000,000	1,000,000
		1,000,000	1,000,000
3. Project Management			
Vehicle, Equipment and Material		-	-
Technical Assistance, Training & Studies		-	-
Salaries and Allowances		-	-
Incremental Operating Cost		-	-
Policy Support Fund		-	-
Government Contribution			
GV.1 Office Space		-	-
GV.2 Electricity		-	-
GV.3 Water		-	-
GV.4 Security		-	-
GV.5 Internet		-	-
IPs Gov Contribution			
Irrigation Schemes MAIL		-	-
MRRD/NSP		-	-
Dairy Development		-	-
Poultry Development		-	-
Food, Forage, Vegetable		-	-
IPs Contribution			
Dairy Development		-	-
IPs Ben Contribution			
Irrigation Schemes MAIL		-	-
MRRD/NSP		-	-
Dairy Development		-	-
Poultry Development		-	-
Food, Forage, Vegetable		-	-
TOTAL EXPENDITURES		1,000,000	1,000,000
BALANCE C/F	3	-	-

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Mohammad Taher Ayub
 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 : DSF-2000002122
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 FOR THE PERIOD ENDED DECEMBER 20, 2018

		2018 Budget	2018 Actual	Variance
	Note	-----USD-----		
FINANCING:				
IFAD				
Replenishments to Special Account			-	-
Direct Payments	5	-	1,000,000	(1,000,000)
Government Contribution	6		-	-
IPs Gov Contribution			-	-
IPs Contribution	7		-	-
Beneficiary Contribution			-	-
Refund to Special account but not recoreded by bank			-	-
Refund cash to special account			-	-
TOTAL FINANCING		-	1,000,000	(1,000,000)
PROJECT EXPENDITURES:				
CATEGORYWISE				
1. Community Development			-	-
2. Livestock and Agriculture Development		-	1,000,000	(1,000,000)
3. Project Management			-	-
Government Contribution			-	-
IPs Gov Contribution			-	-
IPs Contribution			-	-
Beneficiary Contribution			-	-
TOTAL PROJECT EXPENDITURES		-	1,000,000	(1,000,000)
Refund cash to special account				-
SURPLUS/ (DEFICIT) FOR THE PERIOD	3	-	-	-

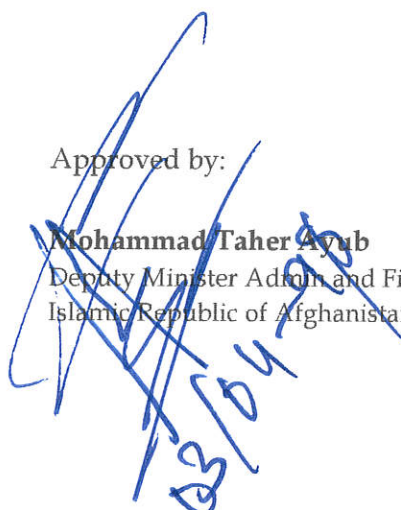
Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan



Approved by:

Mohammad Taher Ayub
 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 : DSF-2000002122
 STATEMENT OF SPECIAL ACCOUNT RECONCILIATION
 FOR THE PERIOD ENDED DECEMBER 20, 2018

Particulars	Withdrawal Application #	Amount US Dollars
Special account opening balance as at Dec 21, 2017		-
Cash in hand as on Dec 20, 2018		-
Transfer to Imprest account as replenishment		
Initial Deposit		-
Replenishment to imprest account		-
		-
Less:		
3. Programme Management and Coordination		
Civil Works, Community and Infrastructure		-
Vehicles, Motorcycles, Equipment and Materials		-
Technical Assistance, Training and Studies		-
Salaries and Allowances		-
Incremental Operating Cost		-
Policy Support Fund		-
		-
3. Irrigation Schemes MAIL		
Civil Works, Community and Infrastructure		-
Vehicles, Motorcycles, Equipment and Materials		-
Technical Assistance, Training and Studies		-
Salaries and Allowances		-
Incremental Operating Cost		-
Irrigation Association		-
Special Financing Facility		-
		-
3. Poultry Development		
Vehicles, Motorcycles, Equipment and Materials		-
Technical Assistance, Training and Studies		-
Salaries and Allowances		-
Incremental Operating Cost		-
		-
Refund to Special Account		-
Wrong transaction passed by DAB		-
Closing Balance of Imprest Account		-
<u>Balance as per bank statement</u>		-

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan

Approved by:

Mohammad Taher Ayub
 Deputy Minister Admin and Finance/ MAIL
 Islamic Republic of Afghanistan

asf

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)

COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT

IFAD GRANT NUMBER : DSF-2000002122

WITHDRAWAL APPLICATION SUMMARY

FOR THE PERIOD ENDED FROM DECEMBER 21, 2017 TILL DECEMBER 20, 2018

Withdrawal Application number	Date	Category 1 (Civil Works)	Category 2 (Goods & Equipment)	Category 3 (Technical Assistance)	Category 4 (Salaries Allowance)	Category 5 (Incremental Operating Costs)	Category 6 (Policy Support Fund)	Total	Designated Account Currency Equivalent	Value Date	Rejected by IFAD	Adjusted by IFAD	Withhold by IFAD	Net Reimbursed
		In Local Currency AFN								In Designated Account Currency USD				
Section A: Payment method- Replenishment														
Approved Withdrawals														
WA No:								-	-					-
WA No:								-	-					-
WA No:								-	-					-
Subtotal (A)		-	-	-	-	-	-	-	-		-	-	-	-
Section B: Payment method- Reimbursement														
Approved Withdrawals														
								-	-					-
Pending submission														
Subtotal (B)		-	-	-	-	-	-	-	-		-	-		-
Section C: Payment method- Direct Payment														
Approved Withdrawals														
WA No: 01 DCA	4-Sep-18							-	1,000,000					1,000,000
WA No:									-					-
WA No:									-					-
Pending submission														
Subtotal (C)		-	-	-	-	-	-	-	1,000,000	-	-	-	-	1,000,000
TOTAL (A+B+C)-A														

Prepared by:

Finance Unit
SNaPP2/MAIL
Islamic Republic of Afghanistan

Approved by:

Mohammad Taber Ayub
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 : DSF-2000002122
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2018

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, Logar, Nangarhar, Balkh, Baghlan and Herat 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 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 statement is based on the transactions pertaining to the period from December 21, 2017 to December 20, 2018. 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).

The amounts disbursed to the service providers during the year are recognized, in full, in these financial statements as expenditures incurred during the year.

2.3 Reporting Currency

The currency used for reporting is US dollar. All the disbursements have been made or converted in 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\$ 1,000,000/- represents the disbursements made by IFAD on account of eligible value of periodic payments and reimbursements made during the period ended December 20, 2018. Reimbursements made to service providers represent amount paid to the service providers for the following:

- a. DCA/ Kutchi Development US\$ (1,000,000),

asf

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2018

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 2018 USD
Cash at bank	4.1	-
Petty cash		-
		-

- 4.1 Funds transferred, if any, by IFAD to meet the Incremental Administrative Expenses are credited in the Impress current [REDACTED] 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
2.4. Kutch Development (DCA)	WA 01	1,000,000	4-Sep-18
2.3. Improved Food, Forage & Vegetable (ICARDA)			
		1,000,000	

6 GOVERNMENT COUNTERPART FUNDS

The Gogovernment 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	2018 December	2017 December	2018 December	2017 December	2018 December	2017 December
Opening Balance	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-

asf

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2018

8.1 Non current assets (Detailed disclosure)

Description	Purchases during the Period	Cost as at December 2018	USD
			-
			-
Total Office & Other equipment's	-	-	-
			-
			-
Total Furniture & Fixtures	-	-	-
			-
			-
			-
Total Vehicles	-	-	-
Total fixed assets	-	-	-

228

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2018

9 YEARLY PROCUREMENTS

Following are procurements for the period ended December 20, 2018, along with item wise method used for procurement.

Description of Asset	Method	Value in USD
----------------------	--------	--------------

Total Office & Other equipments

-

Total Furniture & Fixtures

-

-

-

Total Vehicles

-

asf

MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2018

10 ALLOCATION AND USE OF THE FUNDS

Category Code	Category Description	Allocated		Disbursed		Available Balance	
		Amount SDR	Equivalent USD	Amount SDR	Equivalent USD	Amount SDR	Equivalent USD
	Special Account					-	-
	IPs initial advance			716,851.02	1,000,000.00	(716,851.02)	(1,000,000.00)
I	122426 Civil Works, Community and Infrastructure	6,300,000	8,898,305			-	-
II	122427 Vehicles, Motorcycles, Equipment and Materials		-			-	-
III	122428 Technical Assistance, Training and Studies	4,700,000	6,638,418			-	-
IV	122429 Salaries and Allowances	2,800,000	3,954,802			-	-
V	122430 Incremental Operating Cost	1,400,000	1,977,401			-	-
VI	122431 Policy Support Fund	400,000	564,972			-	-
VII	122432 Special Financing Facility		-	-	-	-	-
	122433 Unallocated	2,100,000	2,966,102	-	-	-	-
Total		17,700,000	25,000,000	716,851	1,000,000	(716,851)	(1,000,000)

- 9.1 The allocated grant amounts in SDR have been adjusted in accordance with the revision in US\$ amounts and converted at US\$ 1.4124/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 17,700,000.

agl

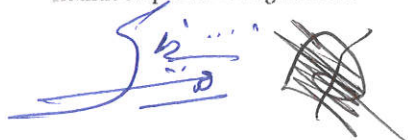
MINISTRY OF AGRICULTURE IRRIGATION AND LIVESTOCK (MAIL)
 COMMUNITY LIVESTOCK AND AGRICULTURE PROJECT
 IFAD GRANT NUMBER : DSF-2000002122
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 20, 2018

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

	Amount in USD
Total fund disbursed till date (as per note 10)	1,000,000
Fund received	
Fund receive by budget categories	1,000,000
Total categories I,II,III,IV,V,VI & VII	1,000,000
Component III	
Fund withdrawn from Special account and claimed	-
Fund withdrawn from Special account but not yet claimed	-
Cash and bank balance	-
Total	-
Total Fund received till date by Component	1,000,000

Prepared by:

Finance Unit
 SNaPP2/MAIL
 Islamic Republic of Afghanistan



Approved by:

Mohammad Taher Ayub
 Deputy Minister Admin and Finance (MAIL)
 Islamic Republic of Afghanistan

