

# **AUDITED PROJECT FINANCIAL STATEMENTS**

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Project N° : 1100001664

Loan No. 2000000433

Grant No. 2000000434

Period covered: 1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2018

## **Adaptation to Climate Changes in Mekong Delta Project (AMD) in Tra Vinh Province**

Prepared by: AASC Auditing Firm Company Limited

Received on 30<sup>th</sup> June, 2019

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**Programme:** Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province

**Implementing Organization:** The Project Coordination Unit Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province

**Loan No.:** Financing Agreement, Loan No.: 2000000433 and Grant No. 2000000434

## FINANCIAL STATEMENTS

THE FISCAL YEAR ENDED AS AT 31 DECEMBER 2018



**AUDITED BY:**  
**AASC AUDITING FIRM COMPANY LIMITED**



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## PROJECT INFORMATION AND PERFORMANCE

### • General information:

Adaptation to Climate Changes in the Mekong Delta Project in Tra Vinh Province, abbreviated as: Tra Vinh AMD Project (the "Project"), a part of Adaptation to Climate Changes in the Mekong Delta Project in Ben Tre Province and Tra Vinh Province, operates under the Financing Agreement for Loan No. 2000000433 and Grant No. 2000000434 which was signed as at 28 March 2014 between the Government of the Socialist Republic of Vietnam and International Fund for Agricultural Development (IFAD).

The project is implemented from 2014 to 2020 at 7 Districts, 30 Communes in Tra Vinh Province, including three components:

#### Component 1: Building Adaptive Capacity

The objective of this component aims to develop a comprehensive agriculture sector climate change adaptation management framework operating with participating communities, institutions and provinces. It consists of two provincial department-led sub-components:

- Climate change knowledge enhancement;
- Climate - informed market-oriented socio-economic planning.

#### Component 2: Investing in Sustainable Livelihoods

The objective provides the financing means and facilities to scale up the results of the community-based research in the Agriculture and Rural Development sector and climate-informed socio-economic and master plan development activities of Component 1. The focus is on financing household and community adaption needs and public good adaption investment, identified by commune and district authorities in their socio-economic development plan. It consists of two sub-components:

- Rural finance for resilient livelihoods;
- Investing in climate change adaptation.

#### Component 3: Project management

The objective aims to ensure that the Project is managed efficiently and to multiply the successful approach and intervention.

The Provincial Project Coordination Unit (PCU) was established under the Decision No.2482/QĐ – UBND dated 31 December 2013 issued by Tra Vinh Provincial People's Committee aims to assist the Provincial People's Committee on establishing the overall policy, coordinate, controlling and monitoring project activities.

The PCU's office is located at No.07 Le Thanh Ton, Ward 2, Tra Vinh City, Tra Vinh Province, Vietnam.

#### Designated Account

Account number for IFAD's Loan: [REDACTED]

Account number for Grant: [REDACTED]

Bank : Ho Chi Minh City Development Joint Stock Commercial Bank - Hoan Kiem Branch

Address : Hoan Kiem District, Hanoi, Vietnam



## Project operating Account

Account number for receiving IFAD's Loan

Account number for Grant

State treasury : Tra Vinh State Treasury

Address : Tra Vinh, Vietnam.

AASC Limited with head office located at No.01 Le Phung Hieu, Hoan Kiem District, Hanoi, Vietnam has taken the audit of the Project's Financial Statements for the fiscal year ended as at 31 December 2018.

- Members of Provincial Project Coordination Unit**

Mr. Huynh Nghia Tho

Director

Mr. Le Phuoc Dung

Vice Director

Ms. Trang Thi Thu Minh

Chief Accountant

- Project Funds:**

Total funds for project in Tra Vinh are USD 24.672 million, in which:

	USD
IFAD Loan	11,000,000
IFAD Grant	6,000,000
Counterpart fund of Vietnamese Government	3,788,000
Beneficiary's contribution	3,884,000

Loan effective date	: 28 March 2014
Project starting date	: 15 May 2014
Project completion date	: 31 March 2020
Loan closing date	: 30 September 2020

- Project's objectives:**

The project's overall objective is to sustainably improve livelihoods for the poor rural households in a changing environment.

The specific objective of the project is to strengthen the adaptive capacity of target communities in order to better contend with climate change.

Target population: The target group of the Project is rural poor and near-poor rural households without land or other productive assets, poor and near-poor households with land or resources for aquaculture, and Khmer ethnic households.

Project area: The project is implemented at 30 Communes of 7 Districts including: Tra Cu, Cau Ngang, Chau Thanh, Cau Ke, Tieu Can, Duyen Hai and Cang Long.

- Summarize the Project's operation:**

During the year, the Project continued to promote the implementation of training activities, construction, fund for climate change adaptation models of CCA funds, attract enterprises to Private Public Partnership fund and disburse the loans to savings and credit groups under the Women's Development Assistance Fund of Tra Vinh Province according to the approved budget plan.



**Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province**

Financing Agreement for Loan No. 2000000433 and  
Grant No. 2000000434

Financial Statements  
For the year ended as at 31 December 2018

**STATEMENT OF THE PROJECT COORDINATION UNIT**

The Project Coordination Unit of Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province (the Project Coordination Unit) presents this report and the Project's financial statements for the fiscal year ended as at 31 December 2018.

Members of the Project Coordination Unit during the year 2018 are as follows:

Mr. Huynh Nghia Tho	Director
Mr. Le Phuoc Dung	Vice Director
Ms. Trang Thi Thu Minh	Chief Accountant

**Responsibilities of the Project Coordination Unit:**

The Project Coordination Unit is responsible for preparing the financial statements including: Statement of Operating performance, Statement of Financial Position, Statement of Comparison of budget and actual amount, Statement of Designated Account, Statement of Withdrawals-IFAD Loan in accordance with the accounting policies stated in enclosed Notes to the Financial Statements. The Project Coordination Unit is required to select suitable accounting policies and then apply them consistently.

In preparing those financial statements, The Project Coordination Unit is required to:

- Establish and maintain the necessary internal control system to ensure the preparation and presentation of financial statements do not contain any material misstatement caused by fraud or errors;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare and present the financial statements on the basis of compliance with accounting standards and system and other related regulations.

The Project Coordination Unit is responsible for ensuring that proper accounting records are kept, which disclosed, with reasonable accuracy at any time, the financial position of the Project and to ensure that the accounting records comply with the registered accounting system. The Project Coordination Unit is also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project Coordination Unit confirms that the Financial Statements give a true and fair view of the financial position at 31 December 2018, its operation in the year 2018 in accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

**ON BEHALF OF THE PROJECT COORDINATION UNIT**



Huynh Nghia Tho

Project Director

Tra Vinh, 16 April 2019

No: 170519.008/BCTC.KT6

## INDEPENDENT AUDITOR'S REPORT

To: **The Project Coordination Unit**  
**Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province**

### *Auditor's opinion*

We have audited the accompanying Financial Statements for the Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province including: Statement of Operating performance, Statement of Finance position, Statement of Comparison of budget and actual amount, Statement of Designated Account, Statement of Withdrawals-IFAD Loan and Notes to the financial statements which includes summary of significant accounting policies.

In our opinion:

- The Financial Statements of the Project give a true and fair view, of the financial position of the Project as at 31 December 2018 and its performance for the fiscal year then ended, in accordance with accounting policies stated in enclosed Notes to the Financial Statements and requirements of Financing Agreement for Loan No. 2000000433 and ASAP Grant No. 2000000434 signed on 28 March 2014; and
- The accompanying Statement of Designated account gives true and fair view, of the closing balance of designated account as at 31 December 2018 as well as cash receipts and payment through the designated account of the Project for the year then ended in accordance with requirements of Financing Agreement for Loan No. 2000000433 and ASAP Grant No. 2000000434 signed on 28 March 2014; and
- Relating to Withdrawal Application Statement, Statement of expenditures and supporting documents have been properly recorded and maintained to support claims for replenishment submitted to the IFAD. Such expenditures are eligible under the Financing Agreement for Loan No. 2000000433 and ASAP Grant No. 2000000434 signed on 28 March 2014.

### *Basis of Opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of Project Coordination Unit in accordance with the Code of Ethics for Professional Accountants issued by International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Project Coordination Unit's Responsibility for the Financial Statements*

Project Coordination Unit is responsible for the preparation and fair presentation of the Financial Statements in accordance with the accounting policies described in Notes to the Financial Statements, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.



In preparing the Financial Statements, the Project Coordination Unit is responsible for assessing the Project's ability to continue as a going concern, disclosing matters relating to going concern and using the going concern basis of accounting unless the Project Coordination Unit either intends to cease operations or has no realistic alternative but to do so.

#### *Auditor's Responsibility*

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 express an opinion in the auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect an existing material misstatement. 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 these 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, misunderstand, or the override of internal control.
- Obtain an understanding of internal control relevant to the Project's preparation and fair presentation of the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related notes made by the Project Coordination Unit.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required draw readers attention in our auditors' report to the related Notes to Financial Statements, or if such notes are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements fairly present the transactions and events.

We communicate with Project Coordination Unit about the planned scope and timing of the audit and significant audit findings together with other matters including any significant deficiency in internal control that we identify during our audit.



**Đỗ Mạnh Cường**

Deputy General Director

Registered Auditor No: 0744-2018-002-1

Hanoi, 17 May 2019

**Nguyen Anh Ngoc**

Auditor

Registered Auditor No: 1437-2018-002-1



**ADAPTATION TO CLIMATE CHANGES IN THE MEKONG DELTA PROJECT  
IN TRA VINH PROVINCE**

**Financing Agreement for Loan No. 2000000433 and Grant No. 2000000434**

FIANACIAL STATEMENTS OF PROJECT COORDINATION UNIT  
FOR THE FISCAL YEAR ENDED AS AT 31 DECEMBER 2018

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## STATEMENT OF OPERATING PERFORMANCE

(By category)

Notes	2018	2017	Cumulative to 31/12/2018
	VND	VND	VND
<b>BEGINNING BALANCE</b>	<b>9,638,386,017</b>	<b>725,705,012</b>	
<b>FINANCING</b>			
IFAD Loan	5 62,234,707,832	57,228,039,957	210,305,805,096
ASAP Grant	6 28,601,929,345	18,161,206,329	75,330,993,816
Government Fund	7 17,922,048,832	13,912,117,542	65,980,499,945
Beneficiary's contribution	8 27,166,013,680	73,924,023,868	109,801,043,370
<b>TOTAL FINANCING</b>	<b>135,924,699,689</b>	<b>163,225,387,696</b>	<b>461,418,342,227</b>
<b>PROJECT EXPENDITURES</b>			
<b>IFAD LOAN</b>			
I Construction	17,510,852,068	17,325,954,184	61,029,108,146
II Equipment and material	-	337,029,818	3,674,302,727
III Consultancies	878,234,000	237,595,000	2,339,394,364
IV Training	3,816,982,414	4,135,667,158	13,904,435,636
V Credit, guarantee funds	-	5,902,000,000	33,887,384,000
VI-A Grant and aid A	11,198,369,875	14,714,534,988	41,681,296,852
VI-B Grant and aid B	5,243,389,668	2,738,976,000	8,758,825,668
VII Operating costs	2,572,300,670	2,293,698,770	10,650,203,302
VIII Salaries and allowances	2,613,384,920	2,791,682,256	11,587,795,769
	<b>43,833,513,615</b>	<b>50,477,138,174</b>	<b>187,512,746,464</b>
<b>ASAP GRANT</b>			
II Equipment and material	893,085,000	288,650,000	1,870,904,090
III Consultancies	5,024,595,180	3,334,899,453	14,648,690,452
IV Training	4,085,366,827	5,106,950,943	21,507,892,516
VI-A Grant and aid A	4,798,741,375	6,306,225,280	17,862,848,935
VII Operating costs	72,308,634	52,133,288	236,045,123
VIII Salaries and allowances	83,200,488	75,373,044	314,233,420
	<b>14,957,297,504</b>	<b>15,164,232,008</b>	<b>56,440,614,536</b>
<b>GOVERNMENT FUND</b>			
I Construction	13,009,350,559	9,926,426,688	44,611,848,014
II Equipment and material	89,308,500	59,673,182	566,081,883
III Consultancies	246,911,194	72,957,602	474,129,418
IV Training	227,828,358	178,615,908	794,457,538
VII Operating costs	275,257,670	189,534,783	1,306,988,054
VIII Salaries and allowances	4,073,392,551	4,320,104,478	18,226,220,875
	<b>17,922,048,832</b>	<b>14,747,312,641</b>	<b>65,979,725,782</b>
<b>BENEFICIARY'S CONTRIBUTION</b>			
I Construction	3,948,466,000	3,154,703,000	15,814,174,822
III Consultancies	-	647,732,100	647,732,100
IV Training	-	485,679,200	485,679,200
VI-A Grant and aid A	19,767,325,780	53,783,276,568	73,550,602,348
VI-B Grant and aid B	3,450,221,900	15,852,633,000	19,302,854,900
	<b>27,166,013,680</b>	<b>73,924,023,868</b>	<b>109,801,043,370</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>103,878,873,631</b>	<b>154,312,706,691</b>	<b>419,734,130,152</b>
<b>ENDING BALANCE</b>	<b>41,684,212,075</b>	<b>9,638,386,017</b>	<b>41,684,212,075</b>



Huỳnh Nghĩa Thọ  
Project Director

Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
Chief Accountant

## STATEMENT OF OPERATING PERFORMANCE

(By component)

	Notes	2018	2017	Cumulative to 31/12/2018
		VND	VND	VND
<b>BEGINNING BALANCE</b>		<b>9,638,386,017</b>	<b>725,705,012</b>	
<b>FINANCING</b>				
IFAD Loan	5	62,234,707,832	57,228,039,957	210,305,805,096
ASAP Grant	6	28,601,929,345	18,161,206,329	75,330,993,816
Government Fund	7	17,922,048,832	13,912,117,542	65,980,499,945
Beneficiary's contribution	8	27,166,013,680	73,924,023,868	109,801,043,370
<b>TOTAL FINANCING</b>		<b>135,924,699,689</b>	<b>163,225,387,696</b>	<b>461,418,342,227</b>
<b>PROJECT EXPENDITURES</b>				
<b>IFAD LOAN</b>				
2 Investing in Sustainable Livelihoods		37,306,128,056	44,576,196,879	159,254,153,303
2.1 - Improving rural livelihoods and finance		339,893,997	7,398,591,833	40,181,683,841
2.2 - Investing in climate change adaptation		36,966,234,059	37,177,605,046	119,072,469,462
3 Project coordination		6,527,385,559	5,900,941,295	28,258,593,161
		<b>43,833,513,615</b>	<b>50,477,138,174</b>	<b>187,512,746,464</b>
<b>ASAP GRANT</b>				
1 Building Adaptive Capacity		9,840,374,603	8,446,959,598	37,400,921,722
1.1 - Climate change knowledge enhancement		8,279,860,487	6,906,979,128	28,109,996,882
1.2 - Climate - informed planning		1,560,514,116	1,539,980,470	9,290,924,840
2 Investing in Sustainable Livelihoods		4,798,741,375	6,306,225,280	17,862,848,935
2.2 - Investing in climate change adaptation		4,798,741,375	6,306,225,280	17,862,848,935
3 Project coordination		318,181,526	411,047,130	1,176,843,879
		<b>14,957,297,504</b>	<b>15,164,232,008</b>	<b>56,440,614,536</b>
<b>GOVERNMENT FUND</b>				
1 Building Adaptive Capacity		561,227,615	265,060,577	1,392,163,629
1.1 - Climate change knowledge enhancement		432,854,826	147,706,588	723,440,253
1.2 - Climate - informed planning		128,372,789	117,353,989	668,723,376
2 Investing in Sustainable Livelihoods		13,082,511,514	10,560,537,807	46,062,774,700
2.1 - Improving rural livelihoods and finance		30,047,003	616,355,587	1,384,258,426
2.2 - Investing in climate change adaptation		13,052,464,511	9,944,182,220	44,678,516,274
3 Project coordination		4,278,309,703	3,921,714,257	18,524,787,453
		<b>17,922,048,832</b>	<b>14,747,312,641</b>	<b>65,979,725,782</b>
<b>BENEFICIARY'S CONTRIBUTION</b>				
1 Building Adaptive Capacity		-	1,133,411,300	1,133,411,300
1.1 - Climate change knowledge enhancement		-	1,133,411,300	1,133,411,300
2 Investing in Sustainable Livelihoods		27,166,013,680	72,790,612,568	108,667,632,070
2.2 - Investing in climate change adaptation		27,166,013,680	72,790,612,568	108,667,632,070
		<b>27,166,013,680</b>	<b>73,924,023,868</b>	<b>109,801,043,370</b>
<b>TOTAL PROJECT EXPENDITURES</b>		<b>103,878,873,631</b>	<b>154,312,706,691</b>	<b>419,734,130,152</b>
<b>ENDING BALANCE</b>		<b>41,684,212,075</b>	<b>9,638,386,017</b>	<b>41,684,212,075</b>



Huỳnh Nghĩa Thọ

Project Director

Tra Vinh, 16 April 2019

Trang Thi Thu Minh

Chief Accountant



Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province

Financing Agreement for Loan No. 2000000433 and

Grant No. 2000000434

Financial Statements

For the year ended as at 31 December 2018

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

Code	ASSETS	Note	31/12/2018 VND	31/12/2017 VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>43,066,741,405</b>	<b>21,008,561,613</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>39,171,867,003</b>	<b>13,298,200,974</b>
111	1. Cash on hand		153,687,551	-
112	2. Cash at bank, State Treasury		39,018,179,452	13,298,200,974
	<b>II. Short-term receivables</b>		<b>3,894,874,402</b>	<b>7,710,360,639</b>
122	1. Prepayments to suppliers	9	3,488,539,869	5,728,969,352
123	2. Short-term inter-project receivables	10	403,440,733	1,975,766,587
124	<i>In which: Capital in subsidiaries</i>		403,440,733	1,979,651,887
125	3. Other receivables	11	2,893,800	5,624,700
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>421,219,196,172</b>	<b>317,568,768,501</b>
<b>210</b>	<b>I. Fixed assets</b>	<b>12</b>	<b>1,485,066,020</b>	<b>1,713,511,980</b>
211	1. Tangible fixed assets		1,142,666,020	1,713,511,980
212	- Historical cost		5,464,656,275	5,464,656,275
213	- Accumulated depreciation		(4,321,990,255)	(3,751,144,295)
214	2. Intangible fixed assets		342,400,000	-
215	- Historical cost		428,000,000	-
216	- Accumulated depreciation		(85,600,000)	-
<b>220</b>	<b>II. Construction in progress</b>		<b>419,734,130,152</b>	<b>315,855,256,521</b>
<b>230</b>	<b>TOTAL ASSETS</b>		<b>464,285,937,577</b>	<b>338,577,330,114</b>
	<b>CAPITAL</b>			
<b>300</b>	<b>A. LIABILITIES</b>		<b>663,249,460</b>	<b>11,177,942,011</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>663,249,460</b>	<b>11,177,942,011</b>
312	1. Trade payables		-	995,876,511
317	2. Other short-term payables	13	663,249,460	10,182,065,500
<b>400</b>	<b>B. FUND</b>		<b>463,622,688,117</b>	<b>327,399,388,103</b>
412	1. Foreign exchange differences		719,279,870	192,233,585
414	2. Fund		461,418,342,227	325,493,642,538
	- IFAD Loan	5	210,305,805,096	148,071,097,264
	- ASAP Grant	6	75,330,993,816	46,729,064,471
	- Government fund	7	65,980,499,945	48,058,451,113
	- Beneficiary's contribution	8	109,801,043,370	82,635,029,690
415	3. Funds that form fixed assets		1,485,066,020	1,713,511,980
	<b>TOTAL CAPITAL</b>		<b>464,285,937,577</b>	<b>338,577,330,114</b>



Huynh Nghia Tho

Project Director

Tra Vinh, 16 April 2019

Trang Thi Thu Minh

Chief Accountant

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

(By category)

	Budget	Actual	Variance
	VND	VND	VND
<b>FINANCING</b>			
IFAD Loan	58,634,908,000	62,234,707,832	3,599,799,832
ASAP Grant	26,203,561,000	28,601,929,345	2,398,368,345
Government Fund	19,852,242,000	17,922,048,832	(1,930,193,168)
Beneficiary's contribution	21,949,000,000	27,166,013,680	5,217,013,680
<b>TOTAL FINANCING</b>	<b>126,639,711,000</b>	<b>135,924,699,689</b>	<b>9,284,988,689</b>
<b>PROJECT EXPENDITURES:</b>			
<b>Cat IFAD LOAN</b>			
I Construction	18,925,000,000	17,510,852,068	(1,414,147,932)
III Consultancies	1,081,818,000	878,234,000	(203,584,000)
IV Training, study	4,376,090,000	3,816,982,414	(559,107,586)
V Credit, guarantee funds	9,460,000,000	-	(9,460,000,000)
VI-A Grant and aid A	12,600,000,000	11,198,369,875	(1,401,630,125)
VI-B Grant and aid B	6,500,000,000	5,243,389,668	(1,256,610,332)
VII Operating costs	2,892,000,000	2,572,300,670	(319,699,330)
VIII Salaries and allowances	2,800,000,000	2,613,384,920	(186,615,080)
	<b>58,634,908,000</b>	<b>43,833,513,615</b>	<b>(14,801,394,385)</b>
<b>ASAP GRANT</b>			
II Equipment and material	6,951,000,000	893,085,000	(6,057,915,000)
III Consultancies	5,873,000,000	5,024,595,180	(848,404,820)
IV Consultancies	7,776,750,000	4,085,366,827	(3,691,383,173)
VI-A Grant and aid A	5,400,000,000	4,798,741,375	(601,258,625)
VII Operating costs	80,596,000	72,308,634	(8,287,366)
VIII Salaries and allowances	122,215,000	83,200,488	(39,014,512)
	<b>26,203,561,000</b>	<b>14,957,297,504</b>	<b>(11,246,263,496)</b>
<b>GOVERNMENT FUNDS</b>			
I Construction	13,500,000,000	13,009,350,559	(490,649,441)
II Equipment and material	96,000,000	89,308,500	(6,691,500)
III Consultancies	307,182,000	246,911,194	(60,270,806)
IV Consultancies	443,300,000	227,828,358	(215,471,642)
VII Operating costs	462,734,000	275,257,670	(187,476,330)
VIII Salaries and allowances	5,043,026,000	4,073,392,551	(969,633,449)
	<b>19,852,242,000</b>	<b>17,922,048,832</b>	<b>(1,930,193,168)</b>
<b>BENEFICIARY CONTRIBUTION</b>			
I Construction	3,949,000,000	3,948,466,000	(534,000)
VI-A Grant and aid A (*)	18,000,000,000	19,767,325,780	1,767,325,780
VI-B Grant and aid B (*)	-	3,450,221,900	3,450,221,900
	<b>21,949,000,000</b>	<b>27,166,013,680</b>	<b>5,217,013,680</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>126,639,711,000</b>	<b>103,878,873,631</b>	<b>(22,760,837,369)</b>
<b>Surplus/ Deficit in the year</b>	<b>-</b>	<b>32,045,826,058</b>	

(\*) Beneficiary's contribution to the pilot models not included in the budget plan.



Huỳnh Nghĩa Thọ

Project Director

Tra Vinh, 16 April 2019

Trang Thi Thu Minh

Chief Accountant



# Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province

Financing Agreement for Loan No. 2000000433 and

Grant No. 2000000434

Financial Statements

For the year ended as at 31 December 2018

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

(By component)

	Budget	Actual	Variance
	VND	VND	VND
<b>FINANCING</b>			
IFAD Loan	58,634,908,000	62,234,707,832	3,599,799,832
ASAP Grant	26,203,561,000	28,601,929,345	2,398,368,345
Government Fund	19,852,242,000	17,922,048,832	(1,930,193,168)
Beneficiary's contribution	21,949,000,000	27,166,013,680	5,217,013,680
<b>TOTAL FINANCING</b>	<b>126,639,711,000</b>	<b>135,924,699,689</b>	<b>9,284,988,689</b>
<b>PROJECT EXPENDITURES:</b>			
<b>Cat IFAD LOAN</b>			
2 Investing in Sustainable Livelihoods	51,445,408,000	37,306,128,056	(14,139,279,944)
2.1 - Improving rural livelihoods and finance	9,924,408,000	339,893,997	(9,584,514,003)
2.2 - Investing in climate change adaptation	41,521,000,000	36,966,234,059	(4,554,765,941)
3 Project coordination	7,189,500,000	6,527,385,559	(662,114,441)
	<b>58,634,908,000</b>	<b>43,833,513,615</b>	<b>(14,801,394,385)</b>
<b>ASAP GRANT</b>			
1 Building Adaptive Capacity	20,303,561,000	9,840,374,603	(10,463,186,397)
1.1 - Climate change knowledge enhancement	18,323,750,000	8,279,860,487	(10,043,889,513)
1.2 - Climate-informed planning	1,979,811,000	1,560,514,116	(419,296,884)
2 Investing in Sustainable Livelihoods	5,400,000,000	4,798,741,375	(601,258,625)
2.2 - Investing in climate change adaptation	5,400,000,000	4,798,741,375	(601,258,625)
3 Project coordination	500,000,000	318,181,526	(181,818,474)
	<b>26,203,561,000</b>	<b>14,957,297,504</b>	<b>(11,246,263,496)</b>
<b>GOVERNMENT FUND</b>			
1 Building Adaptive Capacity	785,060,000	561,227,615	(223,832,385)
1.1 - Climate change knowledge enhancement	523,800,000	432,854,826	(90,945,174)
1.2 - Climate-informed planning	261,260,000	128,372,789	(132,887,211)
2 Investing in Sustainable	13,582,682,000	13,082,511,514	(500,170,486)
2.1 - Improving rural livelihoods and finance	31,182,000	30,047,003	(1,134,997)
2.2 - Investing in climate change	13,551,500,000	13,052,464,511	(499,035,489)
3 Project coordination	5,484,500,000	4,278,309,703	(1,206,190,297)
	<b>19,852,242,000</b>	<b>17,922,048,832</b>	<b>(1,930,193,168)</b>
<b>BENEFICIARY'S CONTRIBUTION</b>			
2 Investing in Sustainable Livelihoods	21,949,000,000	27,166,013,680	5,217,013,680
2.2 - Investing in climate change adaptation	21,949,000,000	27,166,013,680	5,217,013,680
	<b>21,949,000,000</b>	<b>27,166,013,680</b>	<b>5,217,013,680</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>126,639,711,000</b>	<b>103,878,873,631</b>	<b>(22,760,837,369)</b>
<b>Surplus/Deficit in the year</b>	<b>-</b>	<b>32,045,826,058</b>	



Huynh Nghia Tho

Project Director

Tra Vinh, 16 April 2019

Trang Thi Thu Minh

Chief Accountant




## STATEMENT OF DESIGNATED ACCOUNT - IFAD LOAN

Account No: XXXXXXXXXX  
 Currency: USD  
 Account holder: Ministry of Finance  
 Bank: Ho Chi Minh City Development Joint Stock Commercial Bank  
 - Hoan Kiem Branch  
 Address: Hoan Kiem District, Hanoi, Vietnam

	USD	Converted to VND
Opening Balance	116.04	2,630,627
Add:		
IFAD Replenishments/ Disbursement:		
Date WA No		
16-01-18 17 L TV	743,395.90	
08-06-18 18 L TV	634,316.49	
25-09-18 19 L TV	451,570.20	
05-10-18 20 L TV	703,678.09	
12-12-18 21 L TV	172,658.72	
	<u>2,705,619.40</u>	
	2,705,619.40	62,234,707,832
Bank charges	40.00	909,000
	<u>2,705,659.40</u>	<u>62,235,616,832</u>
Deduct:		
Transfers to Operating Accounts:		
Date		
28-03-18	294,500.00	
23-07-18	1,083,202.00	
17-10-18	451,600.00	
27-11-18	703,600.00	
	<u>2,532,902.00</u>	
	(2,532,902.00)	(58,560,180,040)
Bank Charges	-	-
Exchange Rate Difference	-	322,223,983
	<u>(2,532,902.00)</u>	<u>(58,237,956,057)</u>
Closing Balance as at 31/12/2018	172,873.44	4,000,291,402



Huynh Nghia Tho  
 Project Director  
 Tra Vinh, 16 April 2019

  
 Trang Thi Thu Minh  
 Chief Accountant

**Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province**

Financing Agreement for Loan No. 2000000433 and

Grant No. 2000000434

Financial Statements

For the year ended as at 31 December 2018

**STATEMENT OF DESIGNATED ACCOUNT RECONCILIATION - IFAD LOAN**

**Account No:** [REDACTED]  
**Currency:** USD  
**Bank:** Ho Chi Minh City Development Joint Stock Commercial Bank  
 - Hoan Kiem Branch  
**Address:** Hoan Kiem District, Hanoi, Vietnam

	USD	Converted to VND
<b>1 Amount advanced to designated account</b>	<b>1,500,000.00</b>	<b>34,852,691,158</b>
<b>2 Less amount(s) recovered:</b>	-	-
<b>3 Outstanding Amount advanced to designated account</b>	<b>1,500,000.00</b>	<b>34,852,691,158</b>
<b>4 Represented by:</b>		
- Designated Account Balance as at 31/12/2018	172,873.44	4,000,291,402
- Operating account balance as at 31/12/2018	845,261.94	19,559,361,377
- Cash at State Treasury of Implementation Unit as at 31/12/2018	6,751.79	156,236,436
- Payables to Women's Union fund as at 31/12/2018	(29,756.09)	(663,249,460)
	<b>995,131.08</b>	<b>23,052,639,755</b>
<b>5 Add amount not yet prepared WA as at 31/12/2018</b>		
Activities financed by Loan	504,868.92	12,122,275,386
	<b>504,868.92</b>	<b>12,122,275,386</b>
<b>6 Adjustments:</b>		
Exchange rate differences	-	(322,223,983)
Bank Charges	-	-
	-	<b>(322,223,983)</b>
<b>7 Total amount advance to Designated Account</b>	<b>1,500,000.00</b>	<b>34,852,691,158</b>
(From Line (4) to Line (6))		
<b>Difference between the totals appearing on Line (3) and Line</b>	-	-



**Huynh Nghia Tho**  
 Project Director  
 Tra Vinh, 16 April 2019

**Trang Thi Thu Minh**  
 Chief Accountant

## STATEMENT OF DESIGNATED ACCOUNT - IFAD GRANT

Account No: XXXXXXXXXX  
 Currency: USD  
 Account holder: Ministry of Finance  
 Bank: Ho Chi Minh City Development Joint Stock Commercial Bank  
 - Hoan Kiem Branch  
 Address: Hoan Kiem District, Hanoi, Vietnam

	USD	Converted to VND
Opening Balance	74.66	1,692,542
Add		
IFAD Replenishments/ Disbursement:		
Date WA No		
16-01-18 14 G TV	167,235.07	
24-04-18 15 G TV	500,000.00	
13-06-18 16 G TV	280,389.46	
05-10-18 17 G TV	140,275.37	
12-12-18 18 G TV	162,666.36	
	<u>1,250,566.26</u>	
	1,250,566.26	28,601,929,345
Bank Charges	80.00	1,821,900
	<u>1,250,646.26</u>	<u>28,603,751,245</u>
Deduct:		
Transfers to Operating Accounts:		
Date		
28-03-18	167,300.00	
23-07-18	780,300.00	
27-11-18	140,300.00	
	<u>1,087,900.00</u>	
	(1,087,900.00)	(25,042,590,000)
Bank Charges	-	-
Exchange Rate Difference	-	204,822,302
	<u>(1,087,900.00)</u>	<u>(24,837,767,698)</u>
Closing Balance as at 31/12/2018	162,820.92	3,767,676,089



Huynh Nghia Tho  
 Project Director  
 Tra Vinh, 16 April 2019

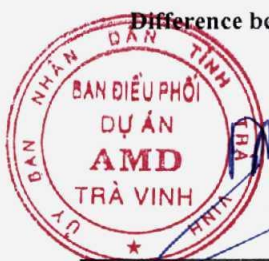
  
 Trang Thi Thu Minh  
 Chief Accountant



## STATEMENT OF DESIGNATED ACCOUNT RECONCILIATION - IFAD GRANT

Account No: XXXXXXXXXX  
 Currency: USD  
 Bank: Ho Chi Minh City Development Joint Stock Commercial Bank  
 - Hoan Kiem Branch  
 Address: Hoan Kiem District, Hanoi, Vietnam

	USD	Converted to VND
1 Amount advanced to designated account	1,000,000.00	22,874,227,051
2 Less amount(s) recovered:	-	-
3 Outstanding Amount advanced to designated account	1,000,000.00	22,874,227,051
4 Represented by:		
- Designated Account Balance as at 31/12/2018	162,820.92	3,767,676,089
- Operating account balance as at 31/12/2018	505,222.58	11,690,850,584
- Cash on hand of PCU as at 31/12/2018	6,641.64	153,687,551
- Cash on hand of Implementation Units as at 31/12/2018	319.38	7,390,442
- Cash at State Treasury of Implementation Units as at 31/12/2018	10,363.61	239,813,855
- Receivable from IFAD due to transfer less money than credited mount as at 31/12/2018	125.06	2,893,800
	685,493.19	15,862,312,321
5 Plus amount not yet claimed as at as at 31/12/2018		
WA not yet prepared:		
Activities financed by ASAP Grant	314,506.81	7,216,737,032
	314,506.81	7,216,737,032
6 Adjustments:		
Exchange rate differences	-	(204,822,302)
Bank Charges	-	-
	-	(204,822,302)
7 Total amount advanced to Designated Account (From Line (4) to Line (6))	1,000,000.00	22,874,227,051
Difference between totals appearing on Line (3) and Line (7)	-	-



Huynh Nghia Tho  
 Project Director  
 Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
 Chief Accountant

WITHDRAWAL APPLICATION STATEMENTS - IFAD LOAN (VND)

Disbursement method	Construction	Equipment and material	Consultancies	Training, study	Credit, guarantee funds	Grant and aid A	Grant and aid B	Operating costs	Salaries and allowances	Total	USD equivalent	Rejected by IFAD	Net Reimbursed
Cat No	I	II	III	IV	V	VI-A	VI-B	VII	VIII	VND	USD	USD	USD
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	USD	USD	USD
Beginning balance	32,429,644,709	3,581,870,909	1,391,635,364	8,362,433,123	27,985,384,000	21,699,467,109	3,438,892,000	7,205,801,558	7,957,775,499	147,150,405,171	6,606,832.65	-	6,606,832.65
WA No:													
17 L TV 18-12-17 Reimbursement	6,094,702,350	14,263,636	-	484,367,722	5,902,000,000	2,448,231,039	720,000,000	434,276,205	762,744,039	16,860,584,991	743,395.90	-	743,395.90
18 L TV 10-04-18 Reimbursement	4,992,742,802	78,168,182	69,525,000	1,240,652,377	-	6,335,228,829	995,554,000	422,859,471	253,891,311	14,388,621,972	634,316.49	-	634,316.49
19 L TV 20-08-18 Reimbursement	3,394,628,005	-	339,825,000	1,405,247,742	-	1,784,619,060	1,032,354,000	1,029,509,053	1,250,173,643	10,236,356,503	451,570.20	-	451,570.20
20 L TV 06-09-18 Reimbursement	9,612,416,172	-	318,575,000	446,486,073	-	3,870,248,553	873,832,000	512,966,487	450,425,100	16,084,949,385	703,678.09	-	703,678.09
21 L TV 13-11-18 Reimbursement	1,537,370,466	-	22,005,000	936,913,653	-	100,172,100	615,910,000	304,284,334	457,948,842	3,974,604,395	172,658.72	-	172,658.72
Total amount claimed and credited in this year	25,631,859,795	92,431,818	749,930,000	4,513,667,567	5,902,000,000	14,538,499,581	4,237,650,000	2,703,895,550	3,175,182,935	61,545,117,246	2,705,619.40	-	2,705,619.40
Total	25,631,859,795	92,431,818	749,930,000	4,513,667,567	5,902,000,000	14,538,499,581	4,237,650,000	2,703,895,550	3,175,182,935	61,545,117,246	2,705,619.40	-	2,705,619.40
Closing balance	58,061,504,504	3,674,302,727	2,141,565,364	12,876,100,690	33,887,384,000	36,237,966,690	7,676,542,000	9,909,697,108	11,132,958,434	208,695,522,417	9,312,452.05	-	9,312,452.05



Phạm Ngọc Thọ  
Project Director  
Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
Chief Accountant



WITHDRAWAL APPLICATION STATEMENTS - IFAD LOAN (USD)

Disbursement method	Construction	Equipment and material	Consultancies	Training, study	Credit, guarantee funds	Grant and aid A	Grant and aid B	Operating costs	Salaries and allowances	Total	SDR equivalent	Rejected by IFAD	Net Reimbursed
Cat No	I	II	III	IV	V	VI-A	VI-B	VII	VIII	USD	SDR	USD	USD
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	SDR	USD	USD
Beginning balance	1,438,741.56	165,816.63	62,669.54	377,309.71	1,252,537.16	965,686.37	152,810.76	328,093.57	363,167.35	6,606,832.65	4,767,668.98	-	6,606,832.65
17 L TV 18-12-17 Reimbursement	268,844.39	629.19	-	21,366.02	260,000.00	107,994.31	31,760.04	19,156.43	33,645.52	743,395.90	516,731.59	-	743,395.90
18 L TV 10-04-18 Reimbursement	220,127.42	3,445.81	3,064.80	54,690.43	-	279,269.51	43,886.00	18,640.49	11,192.03	634,316.49	446,934.66	-	634,316.49
19 L TV 20-08-18 Reimbursement	149,774.01	-	14,993.38	62,000.78	-	78,738.98	45,547.94	45,392.82	55,122.29	451,570.20	321,638.07	-	451,570.20
20 L TV 06-09-18 Reimbursement	422,508.10	-	13,839.05	19,395.57	-	168,125.48	37,959.69	22,283.51	19,566.69	703,678.09	505,813.83	-	703,678.09
21 L TV 13-11-18 Reimbursement	66,784.12	-	955.91	40,699.97	-	4,351.52	26,755.43	13,218.25	19,893.52	172,658.72	124,621.95	-	172,658.72
Total amount claimed and credited in this year	1,128,038.04	4,075.00	32,853.14	198,152.77	260,000.00	638,479.80	185,909.10	118,691.50	139,420.05	2,705,619.40	1,915,740.10	-	2,705,619.40
Total	1,128,038.04	4,075.00	32,853.14	198,152.77	260,000.00	638,479.80	185,909.10	118,691.50	139,420.05	2,705,619.40	1,915,740.10	-	2,705,619.40
Closing balance	2,566,779.60	169,891.63	95,522.68	575,462.48	1,512,537.16	1,604,166.17	338,719.86	446,785.07	502,587.40	9,312,452.05	6,683,409.08	-	9,312,452.05



Huynh Ngua Tho  
Project Director  
Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
Chief Accountant

WITHDRAWAL APPLICATION STATEMENTS - IFAD LOAN (SDR)

Disbursement method	Construction	Equipment and material	Consultancies	Training, study	Credit, guarantee funds	Grant and aid A	Grant and aid B	Operating costs	Salaries and allowances	Total	USD equivalent	Rejected by IFAD	Net Reimbursed
Cat No	I	II	III	IV	V	VI-A	VI-B	VII	VIII	SDR	USD	SDR	SDR
Beginning balance	1,049,378.06	118,186.25	45,365.37	271,003.01	911,016.14	700,583.36	110,413.63	235,198.75	259,775.75	4,767,668.98	6,606,832.65	-	4,767,668.98
17 L TV 18-12-17 Reimbursement	186,872.69	437.35	-	14,851.44	180,724.99	75,066.42	22,076.28	13,315.56	23,386.86	516,731.59	743,395.90	-	516,731.59
18 L TV 10-04-18 Reimbursement	155,100.14	2,427.89	2,159.44	38,534.47	-	196,771.21	30,921.75	13,133.95	7,885.81	446,934.66	634,316.49	-	446,934.66
19 L TV 20-08-18 Reimbursement	106,678.93	-	10,679.27	44,161.04	-	56,083.09	32,442.24	32,331.76	39,261.74	321,638.07	451,570.20	-	321,638.07
20 L TV 06-09-18 Reimbursement	303,704.84	-	9,947.71	13,941.81	-	120,850.99	27,285.97	16,017.70	14,064.81	505,813.83	703,678.09	-	505,813.83
21 L TV 13-11-18 Reimbursement	48,203.57	-	689.96	29,376.50	-	3,140.85	19,311.59	9,540.69	14,358.79	124,621.95	172,658.72	-	124,621.95
Total amount claimed and credited in this year	800,560.17	2,865.24	23,476.38	140,865.26	180,724.99	451,912.56	132,037.83	84,339.66	98,958.01	1,915,740.10	2,705,619.40	-	1,915,740.10
Total	800,560.17	2,865.24	23,476.38	140,865.26	180,724.99	451,912.56	132,037.83	84,339.66	98,958.01	1,915,740.10	2,705,619.40	-	1,915,740.10
Closing balance	1,849,938.23	121,051.49	68,841.75	411,868.27	1,091,741.13	1,152,495.92	242,451.46	319,538.41	358,733.76	6,683,409.08	9,312,452.05	-	6,683,409.08



Huynh Nghia Tho  
Project Director  
Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
Chief Accountant

WITHDRAWAL APPLICATION STATEMENTS - IFAD GRANT (VND)

Cat No	Disbursement method	Equipment and material	Consultancies	Training, study	Grant and aid A	Operating costs	Salaries and allowances	Total	USD equivalent	Rejected by IFAD	Net Reimbursed
		II VND	III VND	IV VND	VI-A VND	VII VND	VIII VND	VND	USD	USD	USD
Beginning balance		977,819,090	10,260,635,571	15,266,139,719	8,650,821,217	111,603,201	155,659,888	46,263,189,931	2,095,368.89	235.00	2,095,133.89
14 G TV 15-12-17	Reimbursement	-	1,455,998,880	732,532,476	1,602,687,684	-	-	3,791,219,040	167,235.07	-	167,235.07
15 G TV 29-03-18	Advance	-	-	-	-	-	-	11,370,000,000	500,000.00	-	500,000.00
16 G TV 12-04-18	Reimbursement	-	1,997,420,173	1,423,853,494	2,810,598,659	52,133,288	75,373,044	6,359,378,658	280,389.46	-	280,389.46
17 G TV 06-09-18	Reimbursement	41,085,000	604,766,500	982,525,884	1,561,885,053	-	-	3,190,262,437	140,275.37	-	140,275.37
18 G TV 05-11-18	Reimbursement	852,000,000	1,246,996,800	737,210,410	801,239,100	33,411,178	54,731,064	3,725,588,552	162,666.36	-	162,666.36
Total amount claimed and credited in this year		893,085,000	5,305,182,353	3,876,122,264	6,776,410,496	85,544,466	130,104,108	28,436,448,687	1,250,566.26	-	1,250,566.26
Total		893,085,000	5,305,182,353	3,876,122,264	6,776,410,496	85,544,466	130,104,108	28,436,448,687	1,250,566.26	-	1,250,566.26
Closing balance		1,870,904,090	15,565,817,924	19,142,261,983	15,427,231,713	197,147,667	285,763,996	74,699,638,618	3,345,935.15	235.00	3,345,700.15



Huỳnh Nghĩa Thọ  
Project Director  
Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
Chief Accountant



WITHDRAWAL APPLICATION STATEMENTS - IFAD GRANT (USD)

Cat No	Disbursement method	Equipment and material	Consultancies	Training, study	Grant and aid A	Operating costs	Salaries and allowances	Total	SDR equivalent	Rejected by IFAD	Net Reimbursed
		II	III	IV	VI-A	VII	VIII	USD	SDR	USD	USD
		USD	USD	USD	USD	USD	USD				
Beginning balance		44,892.12	462,193.40	689,214.59	386,827.35	5,086.87	7,154.56	2,095,368.89	1,509,083.03	235.00	2,095,133.89
14 G TV 15-12-17	Reimbursement	-	64,225.80	32,312.86	70,696.41	-	-	167,235.07	116,244.44	-	167,235.07
15 G TV 29-03-18	Advance	-	-	-	-	-	-	500,000.00	345,972.88	-	500,000.00
16 G TV 12-04-18	Reimbursement	-	88,063.24	62,780.14	123,924.10	2,298.65	3,323.33	280,389.46	197,433.73	-	280,389.46
17 G TV 06-09-18	Reimbursement	1,803.56	26,548.13	43,131.07	68,792.61	-	-	140,275.37	100,831.93	-	140,275.37
18 G TV 05-11-18	Reimbursement	37,401.23	54,605.19	32,024.78	34,806.22	1,451.40	2,377.54	162,666.36	117,409.64	-	162,666.36
Total amount claimed and credited in this year		39,204.79	233,442.36	170,248.85	298,219.34	3,750.05	5,700.87	1,250,566.26	877,892.62	-	1,250,566.26
Total		39,204.79	233,442.36	170,248.85	298,219.34	3,750.05	5,700.87	1,250,566.26	877,892.62	-	1,250,566.26
Closing balance		84,096.91	695,635.76	859,463.44	685,046.69	8,836.92	12,855.43	3,345,935.15	2,386,975.65	235.00	3,345,700.15



Huynh Nghia Tho  
Project Director  
Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
Chief Accountant

WITHDRAWAL APPLICATION STATEMENTS - IFAD GRANT (SDR)

Cat No	Disbursement method	Equipment and material	Consultancies	Training, study	Grant and aid A	Operating costs	Salaries and allowances	Total	USD equivalent	Rejected by IFAD	Net Reimbursed
		II	III	IV	VI-A	VII	VIII				
		SDR	SDR	SDR	SDR	SDR	SDR	SDR	USD	SDR	SDR
Beginning balance		32,280.06	335,073.30	499,957.18	282,344.38	3,680.99	5,169.13	1,509,083.03	2,095,368.89	128.76	1,508,954.27
14 G TV 15-12-17	Reimbursement	-	44,643.10	22,460.54	49,140.80	-	-	116,244.44	167,235.07	-	116,244.44
15 G TV 29-03-18	Advance	-	-	-	-	-	-	345,972.88	500,000.00	-	345,972.88
16 G TV 12-04-18	Reimbursement	-	62,008.94	44,206.08	87,260.05	1,618.57	2,340.09	197,433.73	280,389.46	-	197,433.73
17 G TV 06-09-18	Reimbursement	1,296.42	19,083.17	31,003.23	49,449.11	-	-	100,831.93	140,275.37	-	100,831.93
18 G TV 05-11-18	Reimbursement	26,995.53	39,413.04	23,114.91	25,122.50	1,047.59	1,716.07	117,409.64	162,666.36	-	117,409.64
Total amount claimed and credited in this year		28,291.95	165,148.25	120,784.76	210,972.46	2,666.16	4,056.16	877,892.62	1,250,566.26	-	877,892.62
Total		28,291.95	165,148.25	120,784.76	210,972.46	2,666.16	4,056.16	877,892.62	1,250,566.26	-	877,892.62
Closing balance		60,572.01	500,221.55	620,741.94	493,316.84	6,347.15	9,225.29	2,386,975.65	3,345,935.15	128.76	2,386,846.89



Huỳnh Nghĩa Thọ  
Project Director  
Tra Vinh, 16 April 2019

Trang Thi Thu Minh  
Chief Accountant

## NOTES TO THE FINANCIAL STATEMENTS

### 1 . OVERVIEW

Adaptation to Climate Changes in the Mekong Delta Project in Tra Vinh Province, abbreviated as: Tra Vinh AMD Project (the "Project"), a part of Adaptation to Climate Changes in the Mekong Delta Project in Ben Tre Province and Tra Vinh Province, operates under the Financing Agreement for Loan No. 2000000433 and Grant No. 2000000434 which was signed as at 28 March 2014 between the Government of the Socialist Republic of Vietnam and International Fund for Agricultural Development (IFAD).

The Project Coordination Unit (CPU) was established under the Decision No. 2482/QĐ-UBND dated 31 December 2013 issued by Tra Vinh Provincial People's Committee to conduct the Project's operations from 2014 to 2020 at 7 Districts, 30 Communes in Tra Vinh Province.

The Goal of the project is sustainably improve livelihoods for the poor rural households in a changing environment. The Objective of the project is to strengthen the adaptive capacity of target communities and institutions to better contend with climate change.

Total project's budget is USD 24.672 million and allocated based on the annual work plan and budget.

To ensure the autonomy of the unit as well as to facilitate the coordination and institutional development, and maintain sustainability of activities after the project ended, the Department of Planning and Investment, Department of Agriculture and Rural Development, Department of Natural Resources and Environment, the provincial Women's Union and Tra Vinh University participated in the implementation of the project activities.

### 2 . PRINCIPAL ACCOUNTING POLICIES

#### a . Accounting system, accounting period and accounting currency

The Project applies Public Sector Accounting according to the Circular No. 107/2017/TT- BTC dated 10th October, 2017.

Annual accounting period commences from 01 January and ends on 31 December.

The Project Coordinator Unit maintains its accounting records in VND.

#### b . Basis for preparation of Financial Statement

The Financial Statements are prepared in accordance with requirements of IFAD according to Programme Financing Agreement for Loan No. 2000000433 and Grant No. 2000000434 based on financial and accounting information, transaction incurred, recognized and presented under applicable Accounting system. Expenditures and fund recognized under applicable Accounting system are categorized and presented in conformity with sources of funds, categories of expenditure and operations stated in Financing Agreement.

The Financial Statements are prepared in VND based on historical cost principle, except Statement of Designated Account and Withdrawal Application Statement-IFAD Loan are prepared in US dollar. Statement of operating performance is prepared on the accrual basis to present received fund and incurred expenditure in the period and accumulated from the project's starting date.

#### c . Withdrawal Application Statement

Withdrawal Application Statement are prepared based on actual expenditures funded by IFAD. The expenditures incurred in VND are converted into foreign currency at actual exchange rate of fund transfer transaction from the Designated Account to Operating account.



**d . Foreign currency transactions**

Funds of IFAD transferred to Designated Account are converted into Vietnam dong at the exchange rate announced by Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch at the date of the transaction. Funds transferred from Designated Account to Operating Account of the Project at Tra Vinh State Treasury are converted into Vietnam dong at the bid rate of Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch at the date of funds transfer.

Funds transferred from Designated Account to Operating Account of Tra Vinh Women's Development Support Fund are converted into Vietnam dong at the bid rate of Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch at the date of funds transfer.

**e . Fund and Expenditures**

- Project's Fund:
  - Fund received from IFAD will be recognized when there is actual payment from fund transfer to Designated Account of Account holder - Ministry of Finance or according to Historic Transaction report of IFAD.
  - Counterpart fund of Vietnamese government are recorded when there is actual payment from the Vietnamese Government to the service providers of the Project or fund transfer to Operating Account of PCU and Implementation Units at Tra Vinh State Treasury for settlement of project's activities.
- Expenditures are recognized on accrual basis, in which:
  - Expenditures on construction, vehicles, equipments and material are recognized based on Acceptance Minute for completed work done, Minute of hand over and payment acceptance approved by related parties.
  - Expenditures on training and workshops are recognized based on eligible vouchers.
  - Other expenditures for project's activities are recognized when there is actual payment with legal and eligible vouchers which do not exceed the approved budget.

**f . Fixed Assets**

Fixed asset is recognized at historical cost, accumulated depreciation/ amortization. The accumulated depreciation/ amortization is determined in accordance with the Circular No. 162/2014/TT-BTC dated 06 November 2014 of the Ministry of Finance on issuing the regime for management and depreciation/ amortization of fixed assets in the state agencies, units and other public organizations that use the state budget. According to the applicable accounting policy, the expenditures for the project that formed PCU's fixed asset are recorded simultaneously in both of Project expenditure and Fixed asset; and Fund invested in fixed asset in order to monitor asset's depreciation/ amortization during the operation of project.

**g . Designated Account**

Designated Account is the account receiving IFAD loans and grants in USD which is opened at Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch for operations of the Project and controlled by Ministry of Finance. Designated Account is used to pay for expenditures with legal and eligible vouchers in accordance with the provisions of Financing Agreement for Loan No. 2000000433 and Grant No. 2000000434.



**Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province**

Financing Agreement for Loan No. 2000000433 and

Grant No. 2000000434

Financial Statements

For the year ended as at 31 December 2018

**3 . BUDGET PLAN**

Unit: 000 VND

Catelogry	IFAD Loan	ASAP Grant	Provincial budget	Beneficiary's contribution	Total
Construction	18,925,000	-	13,500,000	3,949,000	36,374,000
Equipment and material	-	6,951,000	96,000	-	7,047,000
Consultancies	1,081,818	5,873,000	307,182	-	7,262,000
Training, study	4,376,090	7,776,750	443,300	-	12,596,140
Credit, guarantee funds	9,460,000	-	-	-	9,460,000
Grant and aid A	12,600,000	5,400,000	-	18,000,000	36,000,000
Grant and aid B	6,500,000	-	-	-	6,500,000
Operating costs	2,892,000	80,596	462,734	-	3,435,330
Salaries and allowances	2,800,000	122,215	5,043,026	-	7,965,241
<b>Total</b>	<b>58,634,908</b>	<b>26,203,561</b>	<b>19,852,242</b>	<b>21,949,000</b>	<b>126,639,711</b>

The budget plan was approved under the Decision No. 568/UBND-KT dated 13 February 2018, and amended under the Decision No. 3211/UBND-KT dated 31 August 2018 of the Project Coordination Unit of Adaptation to climate change in the Mekong Delta Project in Tra Vinh Province.

**4 . CASH**

	31/12/2018 VND	31/12/2017 VND
Cash on hand	153,687,551	-
Cash at bank	39,018,179,452	13,298,200,974
	<b>39,171,867,003</b>	<b>13,298,200,974</b>

**4a . DETAILS**

	31/12/2018 VND	31/12/2017 VND
Cash on hand	153,687,551	-
+ Cash on hand of IFAD Grant at PCU	153,687,551	-
Designated Account and Interest of Designated Account	7,767,967,491	4,323,169
+ Designated Account of IFAD Loan	4,000,291,402	2,630,627
+ Designated Account of IFAD Grant	3,767,676,089	1,692,542
Operating Account	31,250,211,961	13,293,877,805
+ Operating Account of IFAD Loan (1)	19,559,361,377	12,715,479,561
+ Operating Account of IFAD Grant (2)	11,690,850,584	578,398,244
	<b>39,171,867,003</b>	<b>13,298,200,974</b>

(1) Changes of Operating Account - IFAD Loan during the year

	Year 2018	
	VND	VND
Beginning balance		12,715,479,561
Transferred from Designated Account		58,560,180,040
Less: project expenditures	62,118,073,288	
Net disbursement from Operating Account		(62,118,073,288)
Decrease in funds allocated to subordinates		882,959,024
Increasing payables by borrowing Funds		9,518,816,040
Ending balance		<b>19,559,361,377</b>

## 4 . CASH (Continued)

(2) Changes of Operating Account - IFAD Grant during the year

Year 2018	
VND	VND
<b>Beginning balance</b>	<b>578,398,244</b>
Transferred from Designated Account	25,042,590,000
Less: project expenditures	14,465,816,939
Net disbursement from Operating Account	(14,465,816,939)
Increase in cash on hand	(153,687,551)
Decrease in funds allocated to subordinates	689,366,830
<b>Ending balance</b>	<b>11,690,850,584</b>

## 5 . IFAD LOAN

Year 2018	
USD	VND
<b>Beginning balance</b>	<b>6,606,832.65</b>
Received during the year	2,705,619.40
WA number      Date	
17 L TV      16-01-18	743,395.90
18 L TV      08-06-18	634,316.49
19 L TV      25-09-18	451,570.20
20 L TV      05-10-18	703,678.09
21 L TV      12-12-18	172,658.72
<b>Ending balance</b>	<b>9,312,452.05</b>

## 6 . ASAP GRANT

Year 2018	
USD	VND
<b>Beginning balance</b>	<b>2,095,368.89</b>
Received amount during the year	1,250,566.26
WA number      Date	
14 G TV      16-01-18	167,235.07
15 G TV      24-04-18	500,000.00
16 G TV      13-06-18	280,389.46
17 G TV      05-10-18	140,275.37
18 G TV      12-12-18	162,666.36
<b>Ending balance</b>	<b>3,345,935.15</b>

## 7 . GOVERNMENT COUNTERPART FUND

Year 2018	Year 2017
VND	VND
<b>Beginning balance</b>	<b>48,058,451,113</b>
Received during the year	17,922,048,832
+ Disbursed to PCU	4,573,347,466
+ Disbursed to Implementation Units	13,348,701,366
<b>Ending balance</b>	<b>65,980,499,945</b>



**Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province**

Financing Agreement for Loan No. 2000000433 and

Grant No. 2000000434

Financial Statements

For the year ended as at 31 December 2018

**8 . BENEFICIARY'S CONTRIBUTION**

	31/12/2018 VND	31/12/2017 VND
Beneficiary's contribution	109,801,043,370	82,635,029,690
	<b>109,801,043,370</b>	<b>82,635,029,690</b>

Beneficiary's contribution is the value of contribution in the form of working days, land use rights, trees under the construction of concrete roads, bridges and markets in the project communes as well as in the form of money and materials for sponsorship activities of the Project (CCA).

**9 . PREPAYMENTS TO SUPPLIERS**

	31/12/2018 VND	31/12/2017 VND
Contractors provide direct service to PCU	3,488,539,869	5,728,969,352
+ IFAD Loan	223,290,000	1,639,010,000
+ ASAP Grant	3,265,249,869	4,089,959,352
	<b>3,488,539,869</b>	<b>5,728,969,352</b>

**10 . INTER-PROJECT RECEIVABLES**

	31/12/2018 VND	31/12/2017 VND
Cash on hand	7,390,442	-
+ ASAP Grant	7,390,442	-
Cash at State Treasury	396,050,291	1,975,766,587
+ IFAD Loan	156,236,436	1,039,195,460
+ ASAP Grant	239,813,855	936,571,127
	<b>403,440,733</b>	<b>1,975,766,587</b>

**11 . OTHER RECEIVABLES**

	31/12/2018 VND	31/12/2017 VND
Other receivables from IFAD Loan	425,200	425,200
Receivables from IFAD due to transfer less of ASAP Grant	2,468,600	5,199,500
	<b>2,893,800</b>	<b>5,624,700</b>

**12 . FIXED ASSETS**

See Annex 01 for more details.

**13 . OTHER SHORT-TERM PAYABLES**

	31/12/2018 VND	31/12/2017 VND
Payables to Women development support fund	663,249,460	10,182,065,500
	<b>663,249,460</b>	<b>10,182,065,500</b>

# Adaptation to climate changes in the Mekong Delta Project in Tra Vinh Province

Financing Agreement for Loan No. 2000000433 and

Financial Statements

Grant No. 2000000434

For the year ended as at 31 December 2018

## 14 . ALLOCATION AND USE OF THE LOAN

### 14a . IFAD LOAN

Category	Allocated <sup>(1)</sup>		Disbursed <sup>(2)</sup>		Available balance	
	SDR	USD	SDR	USD	SDR	USD
Advance to Designated			1,066,748.66	1,500,000.00		
I	1,760,000.00	2,670,000.00	1,849,938.23	2,566,779.60	(89,938.23)	103,220.40
II	260,000.00	394,000.00	121,051.49	169,891.63	138,948.51	224,108.37
III	430,000.00	652,000.00	68,841.75	95,522.68	361,158.25	556,477.32
IV	870,000.00	1,320,000.00	411,868.27	575,462.48	458,131.73	744,537.52
V	1,050,000.00	1,593,000.00	1,091,741.13	1,512,537.16	(41,741.13)	80,462.84
VI-A	1,300,000.00	1,974,000.00	1,152,495.92	1,604,166.17	147,504.08	369,833.83
VI-B	590,000.00	895,000.00	242,451.46	338,719.86	347,548.54	556,280.14
VII	350,000.00	531,000.00	319,538.41	446,785.07	30,461.59	84,214.93
VIII	640,000.00	971,000.00	358,733.76	502,587.40	281,266.24	468,412.60
	<b>7,250,000.00</b>	<b>11,000,000.00</b>	<b>6,683,409.08</b>	<b>9,312,452.05</b>	<b>566,590.92</b>	<b>1,687,547.95</b>

(1): SDR/USD Exchange rate is exchange rate under PIM

(2): SDR/USD Exchange rate is actual exchange rate in Historic Transaction

### 14b . GRANT FUND

Category	Allocated <sup>(1)</sup>		Disbursed <sup>(2)</sup>		Available balance	
	SDR	USD	SDR	USD	SDR	USD
Advance to Designated Account			696,550.87	1,000,000.00		
II	576,800.00	881,000.00	60,572.01	84,096.91	516,227.99	796,903.09
III	1,010,000.00	1,542,000.00	500,221.55	695,635.76	509,778.45	846,364.24
IV	1,610,000.00	2,458,000.00	620,741.94	859,463.44	989,258.06	1,598,536.56
VI-A	563,200.00	859,000.00	493,316.84	685,046.69	69,883.16	173,953.31
VII	140,000.00	214,000.00	6,347.15	8,836.92	133,652.85	205,163.08
VIII	30,000.00	46,000.00	9,225.29	12,855.43	20,774.71	33,144.57
Receivables from IFAD	-	-	(128.76)	(235.00)	128.76	235.00
	<b>3,930,000.00</b>	<b>6,000,000.00</b>	<b>2,386,846.89</b>	<b>3,345,700.15</b>	<b>1,543,024.35</b>	<b>2,654,064.85</b>

(1): SDR/USD Exchange rate is exchange rate under PIM

(2): SDR/USD Exchange rate is actual exchange rate in Historic Transaction

On January 16, 2018, the International Fund for Agricultural Development (IFAD) had a no-objection letter on approving the re-allocation of budget in the "unallocated" item to other budget items for loans and aids of the Project. Accordingly, the expenditure items allocated under the Agreement are adjusted in accordance with the no-objection letter of the International Fund for Agricultural Development (IFAD).

## 15 . COMPARATIVE FIGURES

The comparative figures are those taken from the Financial Statements for the fiscal year ended as at 31/12/2017, which were audited by AASC Limited.



Huỳnh Nghĩa Thọ

Project Director

Tra Vinh, 16 April 2019

Trang Thi Thu Minh

Chief Accountant

ANNEX 01: FIXED ASSETS

Items	Machinery, equipment	Transportation equipment	Management equipment	Sum of tangible fixed assets	Management software	Sum of intangible fixed	TOTAL
	VND	VND	VND	VND	VND	VND	VND
<b>Original cost</b>							
Opening balance	2,818,142,800	2,586,763,475	59,750,000	5,464,656,275	-	-	5,464,656,275
Increase	-	-	-	-	428,000,000	428,000,000	428,000,000
- Purchase in the year	-	-	-	-	428,000,000	428,000,000	428,000,000
Decrease	-	-	-	-	-	-	-
Closing balance	<u>2,818,142,800</u>	<u>2,586,763,475</u>	<u>59,750,000</u>	<u>5,464,656,275</u>	<u>428,000,000</u>	<u>428,000,000</u>	<u>5,892,656,275</u>
<b>Accumulated depreciation</b>							
Opening balance	1,807,396,020	1,887,248,275	56,500,000	3,751,144,295	-	-	3,751,144,295
Increase	511,704,310	58,329,150	812,500	570,845,960	85,600,000	85,600,000	656,445,960
- Depreciation in the year	511,704,310	58,329,150	812,500	570,845,960	85,600,000	85,600,000	656,445,960
Decrease	-	-	-	-	-	-	-
Closing balance	<u>2,319,100,330</u>	<u>1,945,577,425</u>	<u>57,312,500</u>	<u>4,321,990,255</u>	<u>85,600,000</u>	<u>85,600,000</u>	<u>4,407,590,255</u>
<b>Net book value</b>							
Opening	1,010,746,780	699,515,200	3,250,000	1,713,511,980	-	-	1,713,511,980
Closing	<u>499,042,470</u>	<u>641,186,050</u>	<u>2,437,500</u>	<u>1,142,666,020</u>	<u>342,400,000</u>	<u>342,400,000</u>	<u>1,485,066,020</u>



# **AUDITED PROJECT FINANCIAL STATEMENTS**

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Project N° : 1100001664

Loan No. 2000000433

Grant No. 2000000434

Period covered: 1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2018

## **Adaptation to Climate Changes in Mekong Delta Project (AMD) in Ben Tre Province**

Prepared by: AASC Auditing Firm Company Limited

Received on 30<sup>th</sup> 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)"

**Project:** Adaptation to Climate Changes in the Mekong Delta Project  
in Ben Tre Province

**Implementing Organization:** The Project Coordination Unit Adaptation to Climate  
Changes in the Mekong Delta Project in Ben Tre Province

**Financing Agreement:** Loan No. 2000000433 and Grand No. 2000000434

## FINANCIAL STATEMENTS

THE FISCAL YEAR ENDED AS AT 31 DECEMBER 2018



**AUDITED BY:**  
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Website: www.aasc.com.vn





## PROJECT INFORMATION AND PERFORMANCE

- General information:

Adaptation to Climate Changes in the Mekong Delta Project in Ben Tre Province, abbreviated as: Ben Tre AMD Project (the "Project"), a part of Adaptation to Climate Changes in the Mekong Delta Project (AMD) in Ben Tre Province and Tra Vinh Province, operates under the Financing Agreement, Loan No.2000000433 and Grant No.2000000434 signed and effective from 28 March 2014 between the Government of the Socialist Republic of Vietnam and International Fund for Agricultural Development (IFAD).

The project is implemented from 2014 to 2020 at 8 districts, 30 communes in Ben Tre province. The project consists three components:

Component 1: Building Adaptive Capacity

The objective of this component aims to develop a comprehensive agriculture sector climate change adaptation management framework operating with participating communities, institutions and provinces. It consists of two provincial department-led sub-components:

- Climate change knowledge enhancement;
- Climate- informed market-oriented socio-economic planning.

Component 2: Investing in Sustainable Livelihoods

The objective of this component aims to scale up the results of the community-based climate change adaptation research in the Agriculture and Rural Development sector of Component 1. The focus is on financing household and community adaption needs and public good adaption investment, identified by commune and district authorities in their socio-economic development plan. It consists of two sub-components:

- Rural finance for resilient livelihoods;
- Investing in climate change adaptation.

Component 3: Project coordination

The objective aims to ensure that the Project is managed efficiently and to scale up the successful approach and intervention.

The Provincial Project Coordination Unit (PCU) was established under the Decision No.821/QĐ – UBND dated 26 April 2014 issued by Ben Tre Provincial People's Committee aims to assist the Provincial People's Committee on establishment of the overall policy, combination of approaches, planning, coordinate, controlling and monitoring project activities.

The PCU's office is located at 28 Le Dai Hanh, Ward 3, Ben Tre city, Ben Tre Province.

Desinated Account

Account number for IFAD's loan : [REDACTED]

Account number for Grant : [REDACTED]

Bank : Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch

Address : Hoan Kiem District, Hanoi, Vietnam



## Programme Account

Account for receiving IFAD's Fund number: [REDACTED]

Account number for Grant: [REDACTED]

State treasury : Ben Tre State Treasury

Address : Ben Tre, Vietnam.

The office of Auditing Firm Company Limited (AASC) locates at No. 01, Le Phung Hieu Street, Hoan Kiem District, Hanoi, Vietnam has taken the audit of Project's Financial Statements for the fiscal year ended as at 31, December 2018.

- Members of Project Coordination Unit**

Mr. Nguyen Khac Han

Director

Mr. Le Minh Hoa

Vice Director

Mr. Nguyen Hoai Nam

Vice Director

(Appointed on 24 April 2018)

Mrs. Do Thi Kim Loan

Chief Accountant

- Project Funds:**

Total funds for project in Ben Tre are USD 24.660 million, in which:

	USD
IFAD Loan	11,000,000
IFAD Grant	6,000,000
Government fund	3,780,000
Beneficiary' contribution	3,880,000

Loan effective date : 28 March 2014

Programme starting date : 15 May 2014

Programme completion date : 31 March 2020

Loan closed date : 30 September 2020

- Project's objectives:**

The project's overall objective is to sustainably improve livelihoods for the poor rural households in the condition of climate change.

The specific objective of the project is the strengthened adaptive capacity of target communities and institutions to better contend with climate change and increase income through participation in adaptive economic activities.

- Summarize the Project's operation:**

During the year, the PCU invested in 10 rural infrastructure constructions, of which 10 were completed; and implemented 218 sub-projects under the Co-Financing for Adaptation Fund (CFAF); and disbursed 8 subprojects under the Public Private Partnership Fund. Additionally, training and vocational activities continue to be implemented according to the approved budget plan.

## STATEMENT OF PROJECT COORDINATION UNIT

The Provincial Project Coordination Unit of Adaptation to climate changes in the Mekong Delta Project in Ben Tre Province (the Project Coordination Unit) presents this report and Project's financial statements for the year ended as at 31 December 2018.

Members of Project Coordination Unit who held office during year 2018 are as follows:

Mr. Nguyen Khac Han	Director	
Mr. Le Minh Hoa	Vice Director	
Mr. Nguyen Hoai Nam	Vice Director	(Appointed on 24 April 2018)
Mrs. Do Thi Kim Loan	Chief Accountant	

### Responsibilities of the Project Coordination Unit:

The Project Coordination Unit is responsible for preparing the financial statements including: Statement of Operating performance, Statement of Financial Position, Statement of comparison of budget and actual amount, Statement of Designated Account, Withdrawal Application Statement in accordance with the accounting policies stated in enclosed Notes to the Financial Statements. The Project Coordination Unit is required to select suitable accounting policies and then apply them consistently.

In preparing those financial statements, The Project Coordination Unit is required to:

- Establish and maintain the internal control effectively to ensure the preparation and presentation of financial statements do not contain any material misstatement whether fraud or mistake.
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the basis of compliance with accounting standards and system and other related regulations.

The Project Coordination Unit is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Project and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Project Coordination Unit and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project Coordination Unit confirms that the financial statements for the fiscal year ended as at 31 December 2018 prepared by us, give a true and fair view of the financial position at 31 December 2018, its operation in the year 2018 of Project accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

ON BEHALF OF THE PROJECT COORDINATION UNIT



Nguyễn Khac Han

Project Director

Ben Tre, 06 June 2019



No.: 140619.003/BCTC.KT6

## INDEPENDENT AUDITOR'S REPORT

To: **The Project Coordination Unit**  
**Adaptation to climate changes in the Mekong Delta Project in Ben Tre Province**

### *Auditor's opinion*

We have audited the financial statements for the Adaptation to climate changes in the Mekong Delta Project in Ben Tre Province for the fiscal year ended as at 31 December 2018 including: Financial statements including Statement of Operating performance, Statement of Finance position, Statement of comparison of budget and actual amount, Statement of Designated Account, Designated account Reconciliations statement, Withdrawal Application Statement and Notes to the Account.

In our opinion:

- The Financial Statements of the Project give a true and fair view, of the financial position of the Project as at 31 December 2018 and its project performance for the year then ended, in accordance with accounting policies stated in enclosed Note to the Financial Statement and requirements of Financing Agreement, Loan No. 2000000433 and ASAP Grant No. 2000000434 signed on 28 March 2014; and
- The accompanying Statement of designated account gives true and fair view, of the balance of designated account as at 31 December 2018 as well as funds received and disbursements made from the designated account of the Project for the year then ended in accordance with requirements of Financing Agreement, Loan No. 2000000433 and ASAP Grant No. 2000000434 signed on 28 March 2014; and
- Relating to Withdrawal Application Statement, Statement of expenditures and supporting documents have been properly recorded and maintained to support claims for replenishment submitted to the IFAD. Such expenditures are eligible under the Financing Agreement for Loan No. 2000000433 and ASAP Grant No. 2000000434 signed on 28 March 2014.

### *Basis of Opinion*

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

### *Project Coordination Unit's Responsibility for the Financial Statements*

Project Coordination Unit is responsible for the preparation of the financial statements in accordance with the principal accounting policies described in Notes to the Financial Statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



### *Auditor's Responsibility*

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 these 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 Project's preparation and fair presentation of the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures 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 auditors' report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Project Coordination Unit 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.



**Do Manh Cuong**

Deputy General Director

Registered Auditor No: 0744-2013-002-1

Hanoi, 14 June 2019

A blue ink signature of Pham Minh Tuan.

**Pham Minh Tuan**

Auditor

Registered Auditor No: 3666-2016-002-1

**ADAPTATION TO CLIMATE CHANGES IN THE MEKONG DELTA PROJECT  
IN BEN TRE PROVINCE**

**Financing Agreement for Loan No.: 2000000433 and Grant No. 2000000434**

FIANACIAL STATEMENTS OF PROJECT COORDINATION UNIT  
FOR THE FISCAL YEAR ENDED AS AT 31 DECEMBER 2018

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## STATEMENT OF OPERATING PERFORMANCE

(By category)

	Notes	2018	2017	Cumulative to 31/12/2018
		VND	VND	VND
<b>Balance B/F</b>		<b>4,947,146,009</b>	<b>16,691,299,181</b>	
<b>FINANCING</b>				
IFAD Credit	5	57,164,075,865	48,413,075,502	182,421,994,057
ASAP Grant	6	26,839,165,027	12,754,402,811	62,860,388,464
Government Funds	7	12,137,061,519	23,366,856,992	56,639,669,753
Beneficiaries' contribution	8	48,061,684,476	33,655,172,781	102,970,110,038
<b>TOTAL FINANCING</b>		<b>144,201,986,887</b>	<b>118,189,508,086</b>	<b>404,892,162,312</b>
<b>PROJECT EXPENDITURES:</b>				
<b>IFAD CREDIT</b>				
I Work		13,367,137,306	25,523,384,859	54,743,980,858
II Equipment and material		670,051,364	1,033,762,727	5,025,637,636
III Consultancies		334,396,000	279,220,729	2,392,925,459
IV Training		2,830,980,428	2,943,384,882	11,218,202,392
V Credit, Guarantee funds		-	9,297,059,380	33,006,632,380
VI-A Grants and Subsidies - A		16,379,038,620	8,706,321,363	29,979,828,623
VI-B Grants and Subsidies - B		8,072,866,270	4,267,673,682	14,965,988,489
VII Operating costs		1,509,387,455	1,100,247,526	4,488,261,298
VIII Salaries and allowances		3,384,952,341	3,072,598,330	11,904,176,669
		<b>46,548,809,784</b>	<b>56,223,653,478</b>	<b>167,725,633,804</b>
<b>ASAP GRANT</b>				
II Equipment and material		1,313,010,000	-	1,552,182,637
III Consultancies		8,995,512,223	6,179,575,857	21,290,519,278
IV Training		9,524,886,980	3,044,676,518	20,392,595,765
VI-A Grants and Subsidies - A		7,016,187,980	3,719,526,775	15,512,404,444
		<b>26,849,597,183</b>	<b>12,943,779,150</b>	<b>58,747,702,124</b>
<b>GOVERNMENT FUNDS</b>				
I Work		3,196,819,025	21,856,912,280	36,350,358,891
II Equipment and material		10,363,636	103,376,273	435,043,527
III Consultancies		283,906,103	261,920,866	760,672,199
IV Training		229,003,758	229,722,825	951,536,431
VI-B Grants and Subsidies - B		-	-	363,636
VII Operating costs		199,110,678	50,288,259	434,958,514
VIII Salaries and allowances		5,068,825,212	4,608,835,346	17,814,770,107
		<b>8,988,028,412</b>	<b>27,111,055,849</b>	<b>56,747,703,305</b>
<b>BENEFICIARIES' CONTRIBUTION</b>				
I Work		4,935,478,046	11,131,830,035	19,815,366,890
VI-A Grants and Subsidies - A		27,863,506,430	13,975,108,714	53,352,262,644
VI-B Grants and Subsidies - B		15,262,700,000	8,548,234,032	29,802,480,504
		<b>48,061,684,476</b>	<b>33,655,172,781</b>	<b>102,970,110,038</b>
<b>TOTAL PROJECT EXPENDITURE</b>		<b>130,448,119,855</b>	<b>129,933,661,258</b>	<b>386,191,149,271</b>
<b>BALANCE C/F</b>		<b>18,701,013,041</b>	<b>4,947,146,009</b>	<b>18,701,013,041</b>



Nguyễn Khắc Hanh  
Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan  
Chief Accountant



## STATEMENT OF OPERATING PERFORMANCE

(By component)

Notes	2018	2017	Cumulative to 31/12/2018
	VND	VND	VND
<b>Balance B/F</b>	<b>4,947,146,009</b>	<b>16,691,299,181</b>	
<b>FINANCING</b>			
IFAD Credit	57,164,075,865	48,413,075,502	182,421,994,057
ASAP Grant	26,839,165,027	12,754,402,811	62,860,388,464
Government Funds	12,137,061,519	23,366,856,992	56,639,669,753
Beneficiaries' contribution	48,061,684,476	33,655,172,781	102,970,110,038
<b>TOTAL FINANCING</b>	<b>144,201,986,887</b>	<b>118,189,508,086</b>	<b>404,892,162,312</b>
<b>PROJECT EXPENDITURES:</b>			
<b>IFAD CREDIT</b>			
1 Building adaptive capacity	480,000	23,581,200	104,066,745
1.1 - Climate change knowledge enhancement	480,000	-	80,485,545
1.2 - Climate - informed planning	-	23,581,200	23,581,200
2 Investing in sustainable livelihoods	40,306,344,785	49,323,737,240	142,131,286,664
2.1 - Rural finance for resilient livelihoods	522,611,454	9,992,686,501	37,606,384,204
2.2 - Investing in climate change adaptation	39,783,733,331	39,331,050,739	104,524,902,460
3 Project coordination	6,241,984,999	6,876,335,038	25,490,280,395
	<b>46,548,809,784</b>	<b>56,223,653,478</b>	<b>167,725,633,804</b>
<b>ASAP GRANT</b>			
1 Building adaptive capacity	18,814,377,741	8,745,926,275	41,168,094,709
1.1 - Climate change knowledge enhancement	15,596,151,547	6,519,947,742	30,106,221,447
1.2 - Climate - informed planning	3,218,226,194	2,225,978,533	11,061,873,262
2 Investing in sustainable livelihoods	7,016,187,980	3,719,526,775	15,602,404,444
2.1 - Rural finance for resilient livelihoods	-	-	90,000,000
2.2 - Investing in climate change adaptation	7,016,187,980	3,719,526,775	15,512,404,444
3 Project coordination	1,019,031,462	478,326,100	1,977,202,971
	<b>26,849,597,183</b>	<b>12,943,779,150</b>	<b>58,747,702,124</b>
<b>GOVERNMENT FUNDS</b>			
1 Building adaptive capacity	353,017,201	300,217,709	1,119,761,518
1.1 - Climate change knowledge enhancement	300,168,237	255,289,996	800,351,428
1.2 - Climate - informed planning	52,848,964	44,927,713	319,410,090
2 Investing in sustainable livelihoods	3,221,431,722	21,848,606,059	36,603,631,353
2.1 - Rural finance for resilient livelihoods	11,615,546	21,732,525	205,342,967
2.2 - Investing in climate change adaptation	3,209,816,176	21,826,873,534	36,398,288,386
3 Project coordination	5,413,579,489	4,962,232,081	19,024,310,434
	<b>8,988,028,412</b>	<b>27,111,055,849</b>	<b>56,747,703,305</b>
<b>BENEFICIARIES' CONTRIBUTION</b>			
2 Investing in sustainable livelihoods	48,061,684,476	33,655,172,781	102,970,110,038
2.2 - Investing in climate change adaptation	48,061,684,476	33,655,172,781	102,970,110,038
	<b>48,061,684,476</b>	<b>33,655,172,781</b>	<b>102,970,110,038</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>130,448,119,855</b>	<b>129,933,661,258</b>	<b>386,191,149,271</b>
<b>BALANCE C/F</b>	<b>18,701,013,041</b>	<b>4,947,146,009</b>	<b>18,701,013,041</b>



Nguyễn Khắc Han

Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan

Chief Accountant

## Adaptation to climate changes in the Mekong Delta Project in Ben Tre Province

Financing Agreement for Loan No. 2000000433 and  
Grant No. 2000000434

Financial Statements

For the fiscal year ended as at 31 December 2018

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

Code	ASSETS	Note	31/12/2018	01/01/2018
			VND	VND
100	<b>A. CURRENT ASSETS</b>		<b>20,111,642,203</b>	<b>12,523,961,488</b>
110	<b>I. Cash</b>	4	<b>18,530,972,708</b>	<b>11,060,667,444</b>
111	1. Cash on hand		138,576,380	27,878,609
112	2. Cash at bank, treasury		18,392,396,328	11,032,788,835
120	<b>II. Short - term accounts receivable</b>		<b>506,962,395</b>	<b>1,154,524,353</b>
122	1. Advances to suppliers		-	755,177,400
123	2. Short - term inter-project receivables	9	497,868,055	273,284,491
124	<i>Capital in subsidiaries</i>		497,868,055	273,284,491
125	3. Other receivables	10	9,094,340	126,062,462
140	<b>IV. Other current assets</b>		<b>1,073,707,100</b>	<b>308,769,691</b>
141	1. Advance	11	1,073,707,100	308,769,691
200	<b>B. NON-CURRENT ASSETS</b>		<b>393,753,770,852</b>	<b>264,725,148,571</b>
210	<b>I. Fixed assets</b>	12	<b>7,562,621,581</b>	<b>8,982,119,155</b>
211	1. Tangible fixed assets		7,458,888,246	8,774,652,487
212	- Cost		15,541,104,622	17,533,685,110
213	- Accumulated depreciation (*)		(8,082,216,376)	(8,759,032,623)
214	2. Finance lease assets		103,733,335	207,466,668
215	- Cost		622,400,000	622,400,000
216	- Accumulated amortization (*)		(518,666,665)	(414,933,332)
220	<b>II. Construction in progress</b>		<b>386,191,149,271</b>	<b>255,743,029,416</b>
230	<b>TOTAL ASSETS</b>		<b>413,865,413,055</b>	<b>277,249,110,059</b>
300	<b>A. LIABILITIES</b>		<b>910,833,030</b>	<b>7,148,380,549</b>
310	<b>I. Current liabilities</b>		<b>910,833,030</b>	<b>7,148,380,549</b>
312	1. Trade payables	13	628,138,600	6,311,345,762
317	2. Other payables	14	282,694,430	837,034,787
400	<b>B. FUNDS</b>		<b>412,954,580,025</b>	<b>270,100,729,510</b>
412	1. Foreign exchange differences		462,127,658	443,953,401
413	2. Difference between income and expense awaiting resolution		37,668,474	(15,518,471)
414	3. Funds		404,892,162,312	260,690,175,425
	- IFAD Credit	5	182,421,994,057	125,257,918,192
	- ASAP Grant	6	62,860,388,464	36,021,223,437
	- Government Fund	7	56,639,669,753	44,502,608,234
	- Beneficiaries' contribution	8	102,970,110,038	54,908,425,562
415	4. Funds invested in fixed assets		7,562,621,581	8,982,119,155
430	<b>TOTAL CAPITAL</b>		<b>413,865,413,055</b>	<b>277,249,110,059</b>



Nguyễn Khắc Han  
Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan  
Chief Accountant



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

(By category)

	Budget	Actual	Variance
	VND	VND	VND
<b>FINANCING</b>			
IFAD Credit	54,363,324,000	57,164,075,865	2,800,751,865
ASAP Grant	48,110,139,000	26,839,165,027	(21,270,973,973)
Government Funds	24,579,839,000	12,137,061,519	(12,442,777,481)
Beneficiaries' contribution	36,550,000,000	48,061,684,476	11,511,684,476
<b>TOTAL FINANCING</b>	<b>163,603,302,000</b>	<b>144,201,986,887</b>	<b>(19,401,315,113)</b>
<b>PROJECT EXPENDITURES:</b>			
<b>IFAD CREDIT</b>			
I Work	14,177,000,000	13,367,137,306	(809,862,694)
II Equipment and material	1,818,000,000	670,051,364	(1,147,948,636)
III Consultancies	1,088,000,000	334,396,000	(753,604,000)
IV Training	4,568,746,000	2,830,980,428	(1,737,765,572)
VI-A Grants and Subsidies - A	16,387,854,000	16,379,038,620	(8,815,380)
VI-B Grants and Subsidies - B	10,599,500,000	8,072,866,270	(2,526,633,730)
VII Operating costs	1,886,450,000	1,509,387,455	(377,062,545)
VIII Salaries and allowances	3,837,774,000	3,384,952,341	(452,821,659)
	<b>54,363,324,000</b>	<b>46,548,809,784</b>	<b>(7,814,514,216)</b>
<b>ASAP GRANT</b>			
I Work	881,634,000	-	(881,634,000)
II Equipment and material	8,708,000,000	1,313,010,000	(7,394,990,000)
III Consultancies	14,662,280,000	8,995,512,223	(5,666,767,777)
IV Training	16,834,859,000	9,524,886,980	(7,309,972,020)
VI-A Grants and Subsidies - A	7,023,366,000	7,016,187,980	(7,178,020)
	<b>48,110,139,000</b>	<b>26,849,597,183</b>	<b>(21,260,541,817)</b>
<b>GOVERNMENT FUNDS</b>			
I Work	14,797,603,000	3,196,819,025	(11,600,783,975)
II Equipment and material	1,051,647,000	10,363,636	(1,041,283,364)
III Consultancies	1,389,220,000	283,906,103	(1,105,313,897)
IV Training	1,270,991,000	229,003,758	(1,041,987,242)
VII Operating costs	325,717,000	199,110,678	(126,606,322)
VIII Salaries and allowances	5,744,661,000	5,068,825,212	(675,835,788)
	<b>24,579,839,000</b>	<b>8,988,028,412</b>	<b>(15,591,810,588)</b>
<b>BENEFICIARY CONTRIBUTION</b>			
I Work	2,500,000,000	4,935,478,046	2,435,478,046
VI-A Grants and Subsidies - A	21,300,000,000	27,863,506,430	6,563,506,430
VI-B Grants and Subsidies - B	12,750,000,000	15,262,700,000	2,512,700,000
	<b>36,550,000,000</b>	<b>48,061,684,476</b>	<b>11,511,684,476</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>163,603,302,000</b>	<b>130,448,119,855</b>	<b>(33,155,182,145)</b>
<b>Surplus/ Deficit in the year</b>	<b>-</b>	<b>13,753,867,032</b>	



Nguyễn Khắc Han

Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan

Chief Accountant



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

(By component)

	Budget	Actual	Variance
	VND	VND	VND
<b>FINANCING</b>			
IFAD Credit	54,363,324,000	57,164,075,865	2,800,751,865
ASAP Grant	48,110,139,000	26,839,165,027	(21,270,973,973)
Government Funds	24,579,839,000	12,137,061,519	(12,442,777,481)
Beneficiaries' contribution	36,550,000,000	48,061,684,476	11,511,684,476
<b>TOTAL FINANCING</b>	<b>163,603,302,000</b>	<b>144,201,986,887</b>	<b>(19,401,315,113)</b>
<b>PROJECT EXPENDITURES:</b>			
<b>IFAD CREDIT</b>			
2 Investing in sustainable livelihoods	46,509,500,000	40,306,344,785	(6,203,155,215)
2.1 - Rural finance for resilient livelihoods	1,547,196,000	522,611,454	(1,024,584,546)
2.2 - Investing in climate change adaptation	44,962,304,000	39,783,733,331	(5,178,570,669)
3 Project coordination	7,853,824,000	6,241,984,999	(1,611,839,001)
	<b>54,363,324,000</b>	<b>46,548,809,784</b>	<b>(7,814,514,216)</b>
<b>ASAP GRANT</b>			
1 Building adaptive capacity	38,924,113,000	18,814,377,741	(20,109,735,259)
1.1 - Climate change knowledge enhancement	33,498,084,000	15,596,151,547	(17,901,932,453)
1.2 - Climate - informed planning	5,426,029,000	3,218,226,194	(2,207,802,806)
2 Investing in sustainable livelihoods	7,023,366,000	7,016,187,980	(7,178,020)
2.2 - Investing in climate change adaptation	7,023,366,000	7,016,187,980	(7,178,020)
3 Project coordination	2,162,660,000	1,019,031,462	(1,143,628,538)
	<b>48,110,139,000</b>	<b>26,849,597,183</b>	<b>(21,260,541,817)</b>
<b>GOVERNMENT FUNDS</b>			
1 Building adaptive capacity	3,096,421,000	353,017,201	(2,743,403,799)
1.1 - Climate change knowledge enhancement	2,739,800,000	300,168,237	(2,439,631,763)
1.2 - Climate - informed planning	356,621,000	52,848,964	(303,772,036)
2 Investing in sustainable livelihoods	15,088,300,000	3,221,431,722	(11,866,868,278)
2.1 - Rural finance for resilient livelihoods	118,450,000	11,615,546	(106,834,454)
2.2 - Investing in climate change adaptation	14,969,850,000	3,209,816,176	(11,760,033,824)
3 Project coordination	6,395,118,000	5,413,579,489	(981,538,511)
	<b>24,579,839,000</b>	<b>8,988,028,412</b>	<b>(15,591,810,588)</b>
<b>BENEFICIARY CONTRIBUTION</b>			
2 Investing in sustainable livelihoods	36,550,000,000	48,061,684,476	11,511,684,476
2.2 - Investing in climate change adaptation	36,550,000,000	48,061,684,476	11,511,684,476
	<b>36,550,000,000</b>	<b>48,061,684,476</b>	<b>11,511,684,476</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>163,603,302,000</b>	<b>130,448,119,855</b>	<b>(33,155,182,145)</b>
<b>Surplus/ Deficit in the year</b>	<b>-</b>	<b>13,753,867,032</b>	



Nguyễn Khắc Han

Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan

Chief Accountant

Adaptation to climate changes in the Mekong Delta Project in Ben Tre Province

Financing Agreement for Loan No. 2000000433 and

Grant No. 2000000434

Financial Statements

For the fiscal year ended as at 31 December 2018

STATEMENT OF DESIGNATED ACCOUNT - LOAN

Account No: XXXXXXXXXX  
 Currency: USD  
 Bank: Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch  
 Address: Hoan Kiem District, Hanoi, Vietnam  
 Account Holder: The Ministry of Finance

	USD	Local Currency Equivalent
Opening Balance	242.84	5,505,183
Add		
IFAD Replenishments/ Disbursement:		
Date WA No		
21/02/2018 13 L BT	383,204.33	
24/04/2018 14 L BT	419,152.12	
17/08/2018 17 L BT	1,000,000.00	
27/09/2018 15 L BT	369,111.27	
18/10/2018 16 L BT	303,625.00	
	<u>2,475,092.72</u>	
	2,475,092.72	57,164,075,865
Refund of Bank Charges	40.00	920,900
Total	<u>2,475,132.72</u>	<u>57,164,996,765</u>
Deduct:		
Transfers to Operating Accounts:		
Date		
23/03/2018	351,262.11	
23/03/2018	31,942.22	
15/05/2018	419,152.12	
28/08/2018	1,000,000.00	
27/11/2018	670,000.00	
	<u>2,472,356.45</u>	
	(2,472,356.45)	(57,112,153,999)
Bank Charges	-	-
Exchange Rate Difference	-	11,514,257
Closing Balance as at 31/12/2018	<u>3,019.11</u>	<u>69,862,205</u>



Nguyen Khac Han  
 Project Director  
 Ben Tre, 06 June 2019

Do Thi Kim Loan  
 Chief Accountant

## DESINATED ACCOUNT RECONCILIATION STATEMENT - LOAN

Account No: XXXXXXXXXX  
 Currency: USD  
 Bank: Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch  
 Address: Hoan Kiem District, Hanoi, Vietnam  
 Account Holder: The Ministry of Finance

	USD	Local Currency Equivalent
1 Initial Deposit	2,118,167.00	49,221,318,958
2 Less amount(s) recovered:	-	-
3 Outstanding Amount advanced	2,118,167.00	49,221,318,958
4 Represented by:		
- Designated Account Balance as at 31/12/2018	3,019.11	69,862,205
- Balance of the Operating account as at 31/12/2018	634,603.32	14,684,720,819
- Cash on hand of PCU at 31/12/2018	1,489.30	34,462,419
- Cash on hand of implementing units at 31/12/2018	613.66	14,200,000
- Cash at treasury of implementing units as at 31/12/2018	14,394.23	333,082,472
- Balance of advances of implementing units at 31/12/2018	8,559.31	198,062,509
- Balance of advances of PCU at 31/12/2018	4,212.53	97,477,962
- Receivable from IFAD as transfer less money than credited amount as at 31/12/2018	130.00	2,845,450
	667,021.46	15,434,713,836
5 Plus not yet prepared WA as at 31/12/2018		
Was not yet prepared		
Activities financed by Loan	1,451,185.54	33,799,040,278
	1,451,185.54	33,799,040,278
6 Adjust		
Plus Bank charges (if included in Designated Account )	(40.00)	(920,900)
Plus Exchange Rate Difference	-	(11,514,257)
	(40.00)	(12,435,157)
7 Total Designated Account Advance as at 31/12/2018	2,118,167.00	49,221,318,958
Difference between Line 3 and line 7	-	-



*Nguyễn Khắc Han*  
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 Nguyen Khắc Han

Project Director

Ben Tre, 06 June 2019

*Do Thi Kim Loan*  
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Do Thi Kim Loan

Chief Accountant



## STATEMENT OF DESIGNATED ACCOUNT - GRANT

For the fiscal year ended as at 31 December 2018

Account No: XXXXXXXXXX  
 Currency: USD  
 Bank: Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch  
 Address: Hoan Kiem District, Hanoi, Vietnam  
 Account Holder: The Ministry of Finance

		USD	Local Currency Equivalent
Opening Balance		6,081.66	137,871,232
Add:			
IFAD Replenishments/ Disbursement:			
Date	WA No		
24/04/2018	10 G BT	196,748.93	
17/08/2018	09 G BT	517,637.00	
05/10/2018	11 G BT	132,471.75	
14/12/2018	12 G BT	310,465.09	
		<u>1,157,322.77</u>	
		1,157,322.77	26,839,165,027
Refund of Bank Charges		40.00	917,900
Total		<u>1,157,362.77</u>	<u>26,840,082,927</u>
Deduct:			
Transfers to Operating Accounts:			
Date			
08/06/2018		130,000.00	
12/06/2018		60,060.30	
24/08/2018		350,000.00	
26/10/2018		170,000.00	
01/11/2018		140,140.70	
24/12/2018		310,000.00	
		<u>1,160,201.00</u>	
		(1,160,201.00)	(26,909,561,189)
Exchange Rate Difference		-	6,660,000
Closing Balance as at 31/12/2018		<u>3,243.43</u>	<u>75,052,970</u>



Nguyễn Khắc Han

Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan

Chief Accountant

## DESINATED ACCOUNT RECONCILIATION STATEMENT - GRANT

For the fiscal year ended as at 31 December 2018

Account No: XXXXXXXXXX  
 Currency: USD  
 Bank: Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch  
 Address: Hoan Kiem District, Hanoi, Vietnam  
 Account Holder: The Ministry of Finance

	Notes	USD	Local Currency Equivalent
1 Initial Deposit		1,000,000.00	23,406,360,408
2 Less amount(s) recovered		-	-
3 Outstanding Amount advanced		1,000,000.00	23,406,360,408
4 Represented by:			
- Designated Account Balance as at 31/12/2018		3,243.43	75,052,970
- Balance of the Operating account as at 31/12/2018		153,207.41	3,545,219,463
- Cash on hand of PCU at 31/12/2018		2,313.01	53,523,000
- Cash at treasury of implementing units as at 31/12/2018		5,079.14	117,531,199
- Balance of advances of implementing units at 31/12/2018		31,833.81	736,634,291
- Balance of advances of PCU at 31/12/2018		2,977.40	68,897,038
- Receivable from IFAD as transfer less money than credited amount as at 31/12/2018		282.42	6,248,890
		198,936.62	4,603,106,851
5 Plus not yet prepared WA as at 31/12/2018			
Was not yet prepared			
Activities financed by Grant		801,103.38	18,810,831,457
		801,103.38	18,810,831,457
6 Adjust:			
Plus Bank charges (if included in Designated Account )		(40.00)	(917,900)
Plus Exchange Rate Difference			(6,660,000)
7 Total Desinated Account Advance as at 31/12/2018		1,000,000.00	23,406,360,408
Difference between Line 3 and line 7		-	-



Nguyễn Khắc Han

Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan

Chief Accountant

WITHDRAWAL APPLICATION STATEMENT - LOAN (VND)

Payment method	Advance	Work	Equipment and material	Consultancies	Training	Credit, Guarantee funds	Grants and Subsidies - A	Grants and Subsidies - B	Operation Costs	Salaries and allowances	Total	In USD equivalent	Not yet disbursed from IFAD	Net Reimbursed
Cat No	VND	I VND	II VND	III VND	IV VND	V VND	VI-A VND	VI-B VND	VII VND	VIII VND	VND	USD	USD	USD
Beginning balance	24,700,230,420	33,100,959,130	3,339,023,545	2,066,540,848	6,233,647,758	32,030,625,000	10,330,549,518	3,516,148,537	2,416,374,054	7,324,066,819	125,058,165,629	5,598,162.91	130.00	5,598,032.91
WA No:														
13 L BT 24/04/2018 Reimbursement	-	3,162,987,916	-	27,158,183	1,023,066,437	976,007,380	1,715,616,875	995,273,182	221,986,300	570,893,871	8,692,990,144	383,204.33	-	383,204.33
14 L BT 05/04/2018 Reimbursement	-	4,607,245,329	935,080,909	5,793,000	262,589,682	-	1,576,976,000	1,252,943,000	272,286,435	593,572,765	9,506,487,120	419,152.12	-	419,152.12
15 L BT 05/07/2018 Reimbursement	-	1,184,553,708	98,681,818	111,775,455	1,491,264,998	-	1,264,755,500	2,661,469,500	421,365,147	1,144,782,013	8,378,648,139	369,111.27	-	369,111.27
16 L BT 26/09/2018 Reimbursement	-	3,868,509,890	-	-	239,777,037	-	2,061,802,500	228,678,000	118,265,641	392,448,130	6,909,481,198	303,625.00	-	303,625.00
17 L BT 01/08/2018 Advance	23,260,000,000	-	-	-	-	-	-	-	-	-	23,260,000,000	1,000,000.00	-	1,000,000.00
Total amount claimed and credited in this year	23,260,000,000	12,823,296,843	1,033,762,727	144,726,638	3,016,698,154	976,007,380	6,619,150,875	5,138,363,682	1,033,903,523	2,701,696,779	56,747,606,601	2,475,092.72	-	2,475,092.72
Total	23,260,000,000	12,823,296,843	1,033,762,727	144,726,638	3,016,698,154	976,007,380	6,619,150,875	5,138,363,682	1,033,903,523	2,701,696,779	56,747,606,601	2,475,092.72	-	2,475,092.72
Closing balance	47,960,230,420	45,924,255,973	4,372,786,272	2,211,267,486	9,250,345,912	33,006,632,380	16,949,700,393	8,654,512,219	3,450,277,577	10,025,763,598	181,805,772,230	8,073,255.63	130.00	8,073,125.63



Nguyễn Khắc Hân  
Project Director  
Ben Tre, 06 June 2019

Do Thi Kim Loan  
Chief Accountant



WITHDRAWAL APPLICATION STATEMENT - LOAN (USD)

Payment method	Advance	Work	Equipment and material	Consultancies	Training	Credit, Guarantee funds	Grants and Subsidies - A	Grants and Subsidies - B	Operation Costs	Salaries and allowances	Total	In SDR equivalent	Not yet disbursed from IFAD	Net Reimbursed
Cat No		I	II	III	IV	V	VI-A	VI-B	VII	VIII	USD	SDR	USD	USD
Beginning balance	1,118,167.00	1,474,597.16	152,568.98	95,067.56	279,884.75	1,426,975.65	456,675.55	156,268.66	108,566.79	329,390.81	5,598,162.91	4,021,970.74	130.00	5,598,032.91
WA No:														
13 L BT 24/04/2018 Reimbursement	-	139,430.81	-	1,197.19	45,098.81	43,024.35	75,627.81	43,873.62	9,785.60	25,166.14	383,204.33	264,326.24	-	383,204.33
14 L BT 05/04/2018 Reimbursement	-	203,136.17	41,229.32	255.42	11,578.03	-	69,531.57	55,244.40	12,005.57	26,171.64	419,152.12	290,030.53	-	419,152.12
15 L BT 05/07/2018 Reimbursement	-	52,229.00	4,351.05	4,928.37	65,752.42	-	55,765.23	117,196.67	18,513.41	50,375.12	369,111.27	263,265.41	-	369,111.27
16 L BT 26/09/2018 Reimbursement	-	169,969.68	-	-	10,535.02	-	90,598.13	10,058.40	5,201.92	17,261.85	303,625.00	217,941.36	-	303,625.00
17 L BT 01/08/2018 Advance	1,000,000.00	-	-	-	-	-	-	-	-	-	1,000,000.00	720,455.90	-	1,000,000.00
Total amount claimed and credited in this year	1,000,000.00	564,765.66	45,580.37	6,380.98	132,964.28	43,024.35	291,522.74	226,373.09	45,506.50	118,974.75	2,475,092.72	1,756,019.44	-	2,475,092.72
Total	1,000,000.00	564,765.66	45,580.37	6,380.98	132,964.28	43,024.35	291,522.74	226,373.09	45,506.50	118,974.75	2,475,092.72	1,756,019.44	-	2,475,092.72
Closing balance	2,118,167.00	2,039,362.82	198,149.35	101,448.54	412,849.03	1,470,000.00	748,198.29	382,641.75	154,073.29	448,365.56	8,073,255.63	5,777,990.18	130.00	8,073,125.63



Nguyễn Khắc Hân  
Project Director  
Ben Tre, 06 June 2019

Do Thi Kim Loan  
Chief Accountant

WITHDRAWAL APPLICATION STATEMENT - LOAN (SDR)

Payment method	Advance	Work	Equipment and material	Consultancies	Training	Credit, Guarantee funds	Grants and Subsidies - A	Grants and Subsidies - B	Operation Costs	Salaries and allowances	Total	In USD equivalent	Not yet disbursed from IFAD	Net Reimbursed
Cat No	SDR	SDR	SDR	SDR	SDR	SDR	SDR	SDR	SDR	SDR	SDR	USD	SDR	SDR
Beginning balance	793,258.73	1,063,824.53	109,574.81	68,069.24	201,825.91	1,027,673.97	329,739.56	113,062.40	78,074.09	236,867.50	4,021,970.74	5,598,162.91	91.54	4,021,879.20
WA No:														
13 L BT 24/04/2018 Reimbursement	-	96,176.42	-	825.80	31,108.21	29,677.29	52,166.46	30,263.09	6,749.90	17,359.07	264,326.24	383,204.33	-	264,326.24
14 L BT 05/04/2018 Reimbursement	-	140,559.21	28,528.45	176.74	8,011.37	-	48,112.07	38,226.13	8,307.20	18,109.36	290,030.53	419,152.12	-	290,030.53
15 L BT 05/07/2018 Reimbursement	-	37,251.88	3,103.35	3,515.12	46,897.34	-	39,774.07	83,589.50	13,204.53	35,929.62	263,265.41	369,111.27	-	263,265.41
16 L BT 26/09/2018 Reimbursement	-	122,003.86	-	-	7,562.01	-	65,031.14	7,219.90	3,733.93	12,390.52	217,941.36	303,625.00	-	217,941.36
17 L BT 01/08/2018 Advance	720,455.90	-	-	-	-	-	-	-	-	-	720,455.90	1,000,000.00	-	720,455.90
Total amount claimed and credited in this year	720,455.90	395,991.37	31,631.80	4,517.66	93,578.93	29,677.29	205,083.74	159,298.62	31,995.56	83,788.57	1,756,019.44	2,475,092.72	-	1,756,019.44
Total	720,455.90	395,991.37	31,631.80	4,517.66	93,578.93	29,677.29	205,083.74	159,298.62	31,995.56	83,788.57	1,756,019.44	2,475,092.72	-	1,756,019.44
Closing balance	1,513,714.63	1,459,815.90	141,206.61	72,586.90	295,404.84	1,057,351.26	534,823.30	272,361.02	110,069.65	320,656.07	5,777,990.18	8,073,255.63	91.54	5,777,898.64



Nguyễn Khắc Hanh  
 Project Director  
 Ben Tre, 06 June 2019

*[Signature]*  
 Do Thi Kim Loan  
 Chief Accountant

WITHDRAWAL APPLICATION STATEMENT - GRANT (VND)

	Payment method	Advance	Equipment and material	Consultancies	Training	Grants and Subsidies - A	Total	In USD equivalent	Not yet disbursed from IFAD	Net Reimbursed
Cat No		VND	II VND	III VND	IV VND	VI-A VND	VND	USD	USD	USD
Beginning balance		10,602,382,180	239,172,637	8,913,479,336	8,889,253,235	7,071,269,899	35,715,557,287	1,614,162.63	282.42	1,613,880.21
WA No:										
09 GBT	28/03/2018 Advance	12,040,236,620					12,040,236,620	517,637.00	-	517,637.00
10 GBT	05/04/2018 Reimbursement	-	-	2,140,911,293	978,961,475	1,340,425,375	4,460,298,143	196,748.93	-	196,748.93
11 GBT	09/07/2018 Reimbursement	-	-	1,331,572,525	1,398,766,057	272,796,000	3,003,134,582	132,471.75	-	132,471.75
12 GBT	08/11/2018 Reimbursement	-	-	2,000,716,474	2,399,903,974	2,400,818,300	7,048,519,839	310,465.09	-	310,465.09
Total amount claimed and credited in this year		12,040,236,620	-	5,473,200,292	4,777,631,506	4,014,039,675	26,552,189,184	1,157,322.77	-	1,157,322.77
Total		12,040,236,620	-	5,473,200,292	4,777,631,506	4,014,039,675	26,552,189,184	1,157,322.77	-	1,157,322.77
Closing balance		22,642,618,800	239,172,637	14,386,679,628	13,666,884,741	11,085,309,574	62,267,746,471	2,771,485.40	282.42	2,771,202.98



Nguyễn Khắc Han  
 Project Director  
 Ben Tre, 06 June 2019

Do Thi Kim Loan  
 Chief Accountant



WITHDRAWAL APPLICATION STATEMENT - GRANT (USD)

Payment method	Advance	Equipment and material	Consultancies	Training	Grants and Subsidies - A	Total	In SDR equivalent	Not yet disbursed from IFAD	Net Reimbursed
Cat No		II	III	IV	VI-A				
	USD	USD	USD	USD	USD	USD	SDR	USD	USD
Beginning balance	482,363.00	10,916.50	402,360.34	402,414.82	316,107.97	1,614,162.63	1,156,598.85	282.42	1613880.21
WA No:									
09 GBT 28/03/2018 Reimbursement	517,637.00					517,637.00	372,934.63	-	517,637.00
10 GBT 05/04/2018 Reimbursement	-	-	94,438.08	43,183.13	59,127.72	196,748.93	136,139.59	-	196,748.93
11 GBT 09/07/2018 Reimbursement	-	-	58,737.21	61,701.19	12,033.35	132,471.75	95,222.58	-	132,471.75
12 GBT 08/11/2018 Reimbursement	-	-	87,877.86	105,862.55	105,832.85	310,465.09	224,303.42	-	310,465.09
Total amount claimed and credited in this year	517,637.00	-	241,053.15	210,746.87	176,993.92	1,157,322.77	828,600.22	-	1,157,322.77
Total	517,637.00	-	241,053.15	210,746.87	176,993.92	1,157,322.77	828,600.22	-	1,157,322.77
Closing balance	1,000,000.00	10,916.50	643,413.49	613,161.69	493,101.89	2,771,485.40	1,985,199.07	282.42	2,771,202.98



Nguyễn Khắc Han  
 Project Director  
 Ben Tre, 06 June 2019

Do Thi Kim Loan  
 Chief Accountant

WITHDRAWAL APPLICATION STATEMENT - GRANT (SDR)

	Payment method	Advance	Equipment and material	Consultancies	Training	Grants and Subsidies - A	Total	In USD equivalent	Not yet disbursed from IFAD	Net Reimbursed
Cat No		SDR	II SDR	III SDR	IV SDR	VI-A SDR	SDR	USD	SDR	SDR
Beginning balance		339,927.61	7,974.64	289,900.64	291,068.67	227,727.29	1,156,598.85	1,614,162.63	199.57	1,156,399.28
WA No:										
09 G BT	28/03/2018 Reimbursement	372,934.63					372,934.63	517,637.00	-	372,934.63
10 G BT	05/04/2018 Reimbursement	-	-	65,346.03	29,880.38	40,913.18	136,139.59	196,748.93	-	136,139.59
11 G BT	09/07/2018 Reimbursement	-	-	42,221.14	44,351.69	8,649.75	95,222.58	132,471.75	-	95,222.58
12 G BT	08/11/2018 Reimbursement	-	-	63,489.60	76,483.10	76,461.64	224,303.42	310,465.09	-	224,303.42
Total amount claimed and credited in this year		372,934.63	-	171,056.77	150,715.17	126,024.57	828,600.22	1,157,322.77	-	828,600.22
Total		372,934.63	-	171,056.77	150,715.17	126,024.57	828,600.22	1,157,322.77	-	828,600.22
Closing balance		712,862.24	7,974.64	460,957.41	441,783.84	353,751.86	1,985,199.07	2,771,485.40	199.57	1,984,999.50



Nguyen Khac Han  
 Project Director  
 Ben Tre, 06 June 2019

Do Thi Kim Loan  
 Chief Accountant



## NOTES TO THE FINANCIAL STATEMENTS

### 1 . OVERVIEW

Adaptation to Climate Changes in the Mekong Delta Project in Ben Tre Province, abbreviated as: Ben Tre AMD Project (the "Project"), a part of Adaptation to Climate Changes in the Mekong Delta Project (AMD) in Ben Tre Province and Tra Vinh Province, operates under the Financing Agreement, Loan No.2000000433 and Grant No.2000000434 signed and effective from 28 March 2014 between the Government of the Socialist Republic of Vietnam and International Fund for Agricultural Development (IFAD).

The Project Coordination Unit was established pursuant to Decision 821/QĐ-UBND on 26 April 2014 of Ben Tre Provincial People's Committee, carries out the activities of project, carrying out the activities of project from 2014 to 2020 at 8 districts, 30 communes in Ben Tre province.

The Objective of the project is the strengthened adaptive capacity of target communities and institutions to better contend with climate change and increase income through participation in adaptive economic activities.

Total cost for project is VND 517.86 billion, equivalent to USD 24.666 million and allocated based on annual work plan and budget.

To ensure the autonomy of the unit as well as to facilitate the coordination and institutional development, and maintain sustainability of activities after the project ended, the Department of Planning and Investment, Department of Agriculture and Rural Development, Department of Natural Resources and Environment, the provincial Women's Union and Tra Vinh University participated in the implementation of the project activities.

### 2 . PRINCIPAL ACCOUNTING POLICIES

#### a . Accounting system, accounting period and accounting monetary unit

The Project applies Administrative Accounting system issued under the Circular No.107/2017/TT- BTC dated 10 October 2017 by Ministry of Finance.

Annual accounting period commences from 1 January and ends on 31 December.

The Project Coordinator Unit maintains its accounting records in (VND).

#### b . Basis of accounting

The Financial Statements are prepared in accordance with requirements of IFAD according to Financing Agreement, Loan No.2000000433 and Grant No.2000000434 dated 28 March 2014 based on financial and accounting information, transaction incurred, recognized and presented under applied Accounting system. Expenditures and fund recognized under applied Accounting system, which are categorized and presented in conformity with resources, expenditure item and operations stated in Financing Agreement.

The Financial Statements are prepared in VND based on historical cost concept, excluding Statement of Designated Account and Withdrawal Application Statement are prepared in US dollar. Statement of operating performance is prepared under applied accrual basis to present received fund and incurred expenditure in the period and accumulated from project starting date.



**c . Withdrawal Application Statement**

Withdrawal Application Statement are prepare based on actual payments funded by IFAD. The payments occurred in VND are converted into USD at actual exchange rate of transaction of transferring from Desinated Account to Operating account of IFAD.

**d . Foreign Currency**

IFAD Funds transferred to Designated Account are converted into Vietnamese dong at buying exchange rate announced by Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch at the date transaction made. Amount transferred from Designated Account to Operating Account of the Project at Ben Tre State Treasury are converted into Vietnamese dong at buying exchange rate of Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch at the date of transaction.

Funds transferred from Designated Account to Operating Account of Ben Tre Women's Development Support Fund are converted into Vietnam dong at the bid rate of Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch at the date of funds transfer.

**e . Income and expenses**

- Project Fund:
  - Fund received from International Fund for Agricultural Development (IFAD) will be recognized when incurring actual payments from the Fund directly to the service providers of the Project or transferring to Desinated Account by Ministry of Finance is the account holder.
  - Counterpart funds of the Government of Vietnam are recorded when payment are made directly from the Government of Vietnam to goods and services providers of the Project or are transferred to Operating Account of PCU and Implementation Unit at Ben Tre State Treasury for settlement of project's activities.
- Expenditures are recognized on accrual basis, in which:
  - Expenditures on purchasing equipment, materials and consultancy are recognized based on Minute of completion for the work done, Minute of hand over and payment acceptance approved by related parties.
  - Expenditures for training and workshops are recognized when receiving list of actual expenses and eligible vouchers.
  - Operating costs, salary and allowance costs are recognized based on actual expenses with legal and eligible vouchers and not exceeding approved budget.

**f . Fixed Assets**

Fixed asset is recognized at historical cost, accumulated depreciation. The accumulated depreciation/ amortization is determined in accordance with the Circular No.45/2018/TT-BTC dated 02 July 2018, replacing the Circular No.162/2014/TT-BTC dated 06 November 2014 of the Ministry of Finance on issuing the regime for managing and calculating depreciation of fixed assets of state agencies, public service providers and organizations funded by the state budget. According to the applicable accounting policies, the expenditures for the project that formed PCU's fixed asset are recorded simultaneously in Project expenditure, Fixed asset and Fund invested in fixed asset in order to monitor asset's depreciation/ amortization during the operation of project.

**g . Desinated Account and interest of Desinated Account.**

Designated Account is deposit account in USD which is opened at Ho Chi Minh City Development Joint Stock Commercial Bank- Hoan Kiem Branch for operations of the Project and controlled by Ministry of Finance. Designated Account is used to pay for expenditures with legal and eligible vouchers in accordance with the provisions of Financing Agreement for Loan No. 2000000433 and Grant No. 2000000434 signed om 28 March 2014.

## 3 . BUDGET PLAN

Unit: '000 VND

Catelogry	IFAD Loan	ASAP Grant	Central /Provincial budget	Beneficiaries	Total
Work	14,177,000	881,634	14,797,603	2,500,000	32,356,237
Equipment and material	1,818,000	8,708,000	1,051,647	-	11,577,647
Consultancies	1,088,000	14,662,280	1,389,220	-	17,139,500
Training	4,568,746	16,834,859	1,270,991	-	22,674,596
Credit, Guarantee funds	-	-	-	-	-
Grants and Subsidies - A	16,387,854	7,023,366	-	21,300,000	44,711,220
Grants and Subsidies - B	10,599,500	-	-	12,750,000	23,349,500
Operating costs	1,886,450	-	325,717	-	2,212,167
Salaries and allowances	3,837,774	-	5,744,661	-	9,582,435
<b>Total</b>	<b>54,363,324</b>	<b>48,110,139</b>	<b>24,579,839</b>	<b>36,550,000</b>	<b>163,603,302</b>

The budget plan approved under the Official Letter No.593/UBND-TCDDT dated 07 February 2018 was adjusted and the decisions to transfer funds in the budget plan.

## 4 . CASH BALANCE

	31/12/2018 VND	01/01/2018 VND
Cash on hand	138,576,380	27,878,609
Cash at bank	18,392,396,328	11,032,788,835
	<b>18,530,972,708</b>	<b>11,060,667,444</b>

## 4a . DETAILS

	31/12/2018 VND	01/01/2018 VND
Cash on hand	138,576,380	27,878,609
+ Cash on hand in PCU of IFAD Loan	34,462,419	8,927,200
+ Cash on hand in PCU of Government Fund	6,746,961	6,033,809
+ Cash on hand in PCU of ASAP Grant	53,523,000	12,917,600
+ Cash on hand in PCU collected from liquidation of assets	43,844,000	-
Designated Account and Interest of Designated Account	144,915,176	143,376,415
+ Designated Account of IFAD loan	69,348,524	5,003,042
+ Designated Account of ASAP Grant	75,052,971	137,776,776
+ Interest from Designated Account	513,681	596,597
Programme Account	18,247,481,152	10,889,412,420
+ Operating Account of IFAD Loan (1)	14,684,720,819	6,195,959,630
+ Operating Account of ASAP Grant (2)	3,545,219,463	4,692,191,065
+ Deposit Account of other fund	17,540,870	1,261,725
	<b>18,530,972,708</b>	<b>11,060,667,444</b>

## 4 CASH ( Continued )

## (1) Movements during the year of Operating Account - IFAD Loan

2018	
VND	VND
Beginning balance	6,195,959,630
Add: total transferred from Designated Account	57,112,153,999
Deduct: expenditures	48,538,176,785
Net disbursement from Operating Account	(48,538,176,785)
Increase in cash on hand	(25,535,219)
Decrease in internal receivables	(41,564,700)
Decrease in advances	(133,336,425)
Decrease in other receivables	115,220,319
Ending balance	<u>14,684,720,819</u>

## (2) Movements during the year of Operating Account - ASAP Grant

2018	
VND	VND
Beginning balance	4,692,191,065
Add: total transferred from Designated Account	26,909,561,189
Deduct: expenditures	27,288,671,408
Net disbursement from Operating Account	(27,288,671,408)
Increase in cash on hand	(43,844,000)
Decrease in internal receivables	(5,689,684)
Decrease in advances	(631,600,984)
Decrease in other receivables	(86,726,715)
Ending balance	<u>3,545,219,463</u>

## 5 IFAD LOAN FUNDS

2018		
	USD	Converted into VND
Beginning balance	5,598,162.91	125,257,918,192
Received amount during the year	2,475,092.72	57,164,075,865
Date		
21/02/2018	383,204.33	8,691,074,204
24/04/2018	419,152.12	9,531,519,208
17/08/2018	1,000,000.00	23,260,000,000
27/09/2018	369,111.27	8,603,983,703
18/10/2018	303,625.00	7,077,498,750
Ending balance	<u>8,073,255.63</u>	<u>182,421,994,057</u>



## 6 . ASAP GRANT FUND

	2018	
	USD	Converted into VND
<b>Beginning balance</b>	<b>1,614,162.63</b>	<b>36,021,223,437</b>
Received amount during the year	1,157,322.77	26,839,165,027
Date		
24/04/2018	196,748.93	4,474,070,668
17/08/2018	517,637.00	12,040,236,620
05/10/2018	132,471.75	3,087,916,492
14/12/2018	310,465.09	7,236,941,247
<b>Ending balance</b>	<b>2,771,485.40</b>	<b>62,860,388,464</b>

## 7 . GOVERNMENT FUNDS

	2018	2017
	VND	VND
<b>Beginning balance</b>	<b>44,502,608,234</b>	<b>21,135,751,242</b>
Received amount during the year	12,137,061,519	23,366,856,992
+ <i>Disbursed to PCU</i>	8,873,155,516	3,054,508,970
+ <i>Disbursed to DASUs</i>	3,263,906,003	20,312,348,022
<b>Ending balance</b>	<b>56,639,669,753</b>	<b>44,502,608,234</b>

## 8 . BENEFICIARIES' CONTRIBUTION

	2018	2017
	VND	VND
<b>Beginning balance</b>	<b>54,908,425,562</b>	<b>21,253,252,781</b>
Received during the year	48,061,684,476	33,655,172,781
<b>Ending balance</b>	<b>102,970,110,038</b>	<b>54,908,425,562</b>

Beneficiaries' contribution is the contribution in form of money, materials for Component: Investing in sustainable livelihoods.

## 9 . INTER-PROJECT RECEIVABLES

	31/12/2018	01/01/2018
	VND	VND
Cash on hand	14,200,000	-
+ <i>IFAD Loan</i>	14,200,000	-
Cash at Treasury	456,303,355	273,284,491
+ <i>IFAD Loan</i>	333,082,472	273,284,491
+ <i>ASAP Grant</i>	117,531,199	-
+ <i>Reciprocal capital</i>	5,689,684	-
Balance of advances of implementing units	27,364,700	-
+ <i>IFAD Loan</i>	27,364,700	-
	<b>497,868,055</b>	<b>273,284,491</b>

## 10 . OTHER RECEIVABLES

	31/12/2018 VND	01/01/2018 VND
Receivable from ASAP Grant on borrowings	-	115,220,319
Receivable from IFAD on transferring less than Loan amount	2,845,450	2,845,450
Receivable from IFAD on transferring less than Grant credited	6,248,890	6,402,461
Other receivables	-	1,594,232
	<b>9,094,340</b>	<b>126,062,462</b>

## 11 . ADVANCE

	31/12/2018 VND	01/01/2018 VND
IFAD Loan	268,175,771	134,839,346
ASAP Grant	805,531,329	173,930,345
	<b>1,073,707,100</b>	<b>308,769,691</b>

## 12 . FIXED ASSETS

See Annex 01 for more details.

## 13 . TRADE PAYABLES

	31/12/2018 VND	01/01/2018 VND
IFAD Loan	281,106,291	2,300,385,049
ASAP Grant	305,904,273	631,944,131
Government Fund	41,128,036	3,379,016,582
	<b>628,138,600</b>	<b>6,311,345,762</b>

## 14 . OTHER PAYABLES

	31/12/2018 VND	01/01/2018 VND
Payables to IFAD Loan on borrowings	201,947,034	115,220,319
Payables to Ben Tre fund of woman economic development	-	721,814,468
Other payables of Government Fund	80,747,396	-
	<b>282,694,430</b>	<b>837,034,787</b>

Adaptation to climate changes in the Mekong Delta Project in Ben Tre Province

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15 . ALLOCATION AND USE OF THE FUNDS OF THE LOAN

15a . IFAD LOAN

Category	Distributed (1)		Total net reimbursed (2)		Outstanding Loans to be distributed	
	SDR	USD	SDR	USD	SDR	USD
Advance			1,513,714.63	2,118,167.00		
I	1,729,000.00	2,679,000.00	1,459,815.90	2,039,362.82	269,184.10	639,637.18
II	260,000.00	403,000.00	141,206.61	198,149.35	118,793.39	204,850.65
III	430,000.00	666,000.00	72,586.90	101,448.54	357,413.10	564,551.46
IV	800,000.00	1,239,000.00	295,404.84	412,849.03	504,595.16	826,150.97
V	1,050,000.00	1,627,000.00	1,057,351.26	1,470,000.00	(7,351.26)	157,000.00
VI-A	1,111,000.00	1,721,000.00	534,823.30	748,198.29	576,176.70	972,801.71
VI-B	780,000.00	1,208,000.00	272,361.02	382,641.75	507,638.98	825,358.25
VII	380,000.00	589,000.00	110,069.65	154,073.29	269,930.35	434,926.71
VIII	560,000.00	868,000.00	320,656.07	448,365.56	239,343.93	419,634.44
Receivables from IFAD	-	-	(91.54)	(130.00)	91.54	130.00
	7,100,000.00	11,000,000.00	5,777,898.64	8,073,125.63	1,322,101.36	2,926,874.37

(1): Exchange rate SDR/USD follows exchange rate under PIM

(2): Exchange rate SDR/USD follows actual exchange rate at Historic Transaction Report

15b . ASAP GRANT

Category	Distributed (1)		Total net reimbursed (2)		Outstanding Loans to be distributed	
	SDR	USD	SDR	USD	SDR	USD
Advance			712,862.24	1,000,000.00		
II	652,000.00	1,006,000.00	7,974.64	10,916.50	644,025.36	995,083.50
III	1,010,000.00	1,558,000.00	460,957.41	643,413.49	549,042.59	914,586.51
IV	1,610,000.00	2,483,000.00	441,783.84	613,161.69	1,168,216.16	1,869,838.31
VI-A	478,000.00	737,000.00	353,751.86	493,101.89	124,248.14	243,898.11
VII	140,000.00	216,000.00	7,869.08	10,891.83	132,130.92	205,108.17
Receivables from	-	-	(199.57)	(282.42)	199.57	282.42
	3,890,000.00	6,000,000.00	1,984,999.50	2,771,202.98	1,905,000.50	3,228,797.02

(1): Exchange rate SDR/USD follows exchange rate under PIM

(2): Exchange rate SDR/USD follows actual exchange rate at Historic Transaction Report

On January 16, 2018, the International Fund for Agricultural Development (IFAD) issued a no objection letter on approving the reallocation of budget in the "unallocated" item to other budget items of the loan and aid of the Project. Accordingly, the expenditure items allocated under the Agreement are adjusted in accordance with the no objection letter of the International Fund for Agricultural Development (IFAD).



16 . COMPARATIVE FIGURES

The comparative figures are those taken from the financial statements for the fiscal year ended as at 31/12/2017, which were audited by AASC Limited.



Nguyễn Khắc Han

Project Director

Ben Tre, 06 June 2019

Do Thi Kim Loan

Chief Accountant

Adaptation to climate changes in the Mekong Delta Project in Ben Tre Province

Financing Agreement for Loan No. 2000000433 and

Grant No. 2000000434

Financial Statements

For the fiscal year ended as at 31 December 2018

**Annex 01: Fixed Assets**

Items	Buildings	Machinery, equipment	Transportation equipment	Management equipment	Sum of tangible fixed assets	Computer software	Sum of intangible fixed	TOTAL
	VND	VND	VND	VND	VND	VND	VND	VND
<b>Original cost</b>								
Opening balance	8,097,010,914	7,220,286,196	2,131,180,000	85,208,000	17,533,685,110	622,400,000	622,400,000	18,156,085,110
Increase	-	86,758,000	-	-	86,758,000	-	-	86,758,000
- <i>Purchase in the year</i>	-	86,758,000	-	-	86,758,000	-	-	86,758,000
Decrease	-	(1,707,648,488)	(311,240,000)	(60,450,000)	(2,079,338,488)	-	-	(2,079,338,488)
- <i>Others</i>	-	(1,707,648,488)	(311,240,000)	(60,450,000)	(2,079,338,488)	-	-	(2,079,338,488)
Closing balance	<b>8,097,010,914</b>	<b>5,599,395,708</b>	<b>1,819,940,000</b>	<b>24,758,000</b>	<b>15,541,104,622</b>	<b>622,400,000</b>	<b>622,400,000</b>	<b>16,163,504,622</b>
<b>Accumulated depreciation</b>								
Opening balance	2,134,520,626	4,947,241,068	1,611,225,429	66,045,500	8,759,032,623	414,933,332	414,933,332	9,173,965,955
Increase	325,527,037	855,689,418	159,990,143	1,250,000	1,342,456,598	103,733,333	103,733,333	1,446,189,931
- <i>Depreciation in the year</i>	325,527,037	855,689,418	159,990,143	1,250,000	1,342,456,598	103,733,333	103,733,333	1,446,189,931
Decrease	-	(1,686,970,345)	(282,265,000)	(50,037,500)	(2,019,272,845)	-	-	(2,019,272,845)
- <i>Others</i>	-	(1,686,970,345)	(282,265,000)	(50,037,500)	(2,019,272,845)	-	-	(2,019,272,845)
Closing balance	<b>2,460,047,663</b>	<b>4,115,960,141</b>	<b>1,488,950,572</b>	<b>17,258,000</b>	<b>8,082,216,376</b>	<b>518,666,665</b>	<b>518,666,665</b>	<b>8,600,883,041</b>
<b>Net book value</b>								
Opening balance	5,962,490,288	2,273,045,128	519,954,571	19,162,500	8,774,652,487	207,466,668	207,466,668	8,982,119,155
Closing balance	<b>5,636,963,251</b>	<b>1,483,435,567</b>	<b>330,989,428</b>	<b>7,500,000</b>	<b>7,458,888,246</b>	<b>103,733,335</b>	<b>103,733,335</b>	<b>7,562,621,581</b>