

AUDITED PROJECT FINANCIAL STATEMENTS

Project Nº : 1423

IFAD Loan 754-MZ

IFAD Loan No. 2000001454

EU Grant No. 2000000057-MZ

Period covered 01/01/2018 – 31/12/2018

Rural Markets Promotion Programme (PROMER)

Prepared by: Ernst & Young Limitada

Received on 26/06/2019

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Programa de Promoção de Mercados Rurais

MITADER/DNDR

IFAD

Maputo, June 26, 2018
Ref. 522/DNPDR/PROMER/2018

TO
Record Management Team
IFAD - International Fund for Agricultural Development
VIA PAOLO DI DONO, 44
00184 ROME, ITALY
Fax: 390654593310
ITALY

Subject: PROJECT AUDIT REPORT

Dear Vivien,

Please, enclosed find the report from Ernst & Young Limitada concerning to Audit of the project accounts (Financial Statement & Management letter) for the year ended to 31st December, 2018 and refer to MDG/EU GRANT N°. 2000000057, for your consideration.

Best regards,


Vitoria da Silva Pereira Zucula
Financial Manager



Financial Statements

MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT

Rural Markets Promotion Programme - PROMER

MDG/EU Grant No. 2000000057

For the year ended 31 December 2018



Building a better
working world

MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT
RURAL MARKETS PROMOTION PROGRAMME - PROMER
MDG/EU GRANT No.2000000057
FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2018

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INDEPENDENT AUDITOR'S REPORT

To the Project Manager

MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT

Rural Markets Promotion Programme - PROMER

MDG/EU GRANT No.2000000057

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **PROMER - Rural Markets Promotion Programme (MDG/EU GRANT No.2000000057)**, which comprise the Statement of Funds Received and Expenditures for the year ended 31 December 2018 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of **PROMER - Rural Markets Promotion Programme (MDG/EU GRANT No.2000000057)** are prepared, in all material respects, in accordance with the basis of accounting disclosed on Note 2 of the Financial Statements and with the Donor's requirements.

We further report as follows:

- with respect to Yearly and Cumulative Statements of Sources and Application of Funds, particularly for expenditure (SOEs), adequate supporting documentation has been maintained to support claims to the MDG/EU for reimbursements of expenditures incurred and such expenditure are eligible for financing under the MDG/EU Loan Agreement;
- the Special Account has been used in accordance with the provisions of Financing and Loan Agreement, and withdrawals from the Special Account have been used for the purpose authorized in the Loan Financing Agreement; and
- the trial balance and list of transactions accurately describes the financial position of the programme at the year ended 31 December 2018.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of **PROMER** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mozambique, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with basis of accounting disclosed in Note 2 of the Financial Statements and with the Donor's requirements, 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, management is responsible for assessing Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Management is also responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PROMER'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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

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

The engagement partner on the audit resulting in this independent auditor's report is Eduardo Caldas.

ERNST & YOUNG, LDA.

Certified Auditors Firm

Represented by:



Eduardo Jorge Creio da Costa Caldas (Certified Auditor nº 33)

Maputo, 4 June 2019

MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT

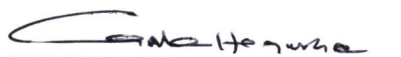
RURAL MARKETS PROMOTION PROGRAMME – PROMER - MDG/EU GRANT No.2000000057

STATEMENT OF FUNDS RECEIVED AND EXPENDITURES FOR THE YEAR ENDED 31 DECEMBER 2018

(Amounts expressed in EURO)

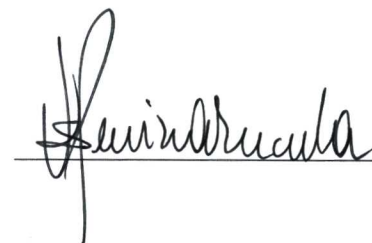
	Notes	2018
OPENING BALANCE		
Bank, cash and debtors balance	10	899.374
		<u>899.374</u>
RECEIPTS		
Replenishments to Special Account	4	1.122.730
Government fund (VAT)	5	9.153
TOTAL RECEIPTS		<u>1.131.883</u>
TOTAL RECEIPTS AND OPENING BALANCE		<u><u>2.031.257</u></u>
PAYMENTS		
Civil works	6	692.223
Services provider contract	7	368.499
Salaries and allowances	8	328.335
Other operating costs	9	50.094
Government fund	5	9.153
TOTAL PAYMENTS		<u>1.448.304</u>
CLOSING BALANCE	10	<u><u>582.953</u></u>

The Project Coordinator





The Project Financial Manager



MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT

RURAL MARKETS PROMOTION PROGRAMME – PROMER - MDG/EU GRANT No.2000000057

YEARLY AND CUMULATIVE STATEMENT OF SOURCES AND APPLICATION OF FUNDS BY COMPONENTS

(Amounts expressed in EURO)

	Notes	2018	2013 up 2017	Cumulative to date
OPENING BALANCE				
Bank and cash balance	10	899.374		
		<u>899.374</u>		
RECEIPTS				
Initial deposit		-	1.600.000	1.600.000
Replenishments to Special Account	4	1.122.730	5.467.850	6.590.580
Government fund (VAT)	5	9.153	32.352	41.505
Interest received		-	275	275
TOTAL RECEIPTS		<u>1.131.883</u>	<u>7.100.477</u>	<u>8.232.360</u>
TOTAL RECEIPTS AND OPENING BALANCE		<u>2.031.257</u>	<u>7.100.477</u>	<u>8.232.360</u>
PAYMENTS				
Development of more dynamic market intermediaries		263.152	1.266.225	1.529.377
Improving the market environment		750.693	2.731.836	3.482.529
Policy and institutional support and management		311.352	1.262.641	1.573.993
Implementation support		67.076	390.447	457.523
Nutrition promotion		46.878	517.602	564.480
Government fund (VAT)	5	9.153	32.352	41.505
TOTAL PAYMENTS		<u>1.448.304</u>	<u>6.201.103</u>	<u>7.649.407</u>
CLOSING BALANCE	10	<u>582.953</u>	<u>899.374</u>	<u>582.953</u>

The Project Coordinator





The Project Financial Manager



MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT

RURAL MARKETS PROMOTION PROGRAMME – PROMER - MDG/EU GRANT No.2000000057

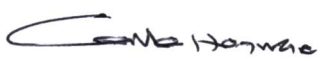
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL INCOME AND EXPENDITURE FOR THE YEAR ENDED 31

DECEMBER 2018

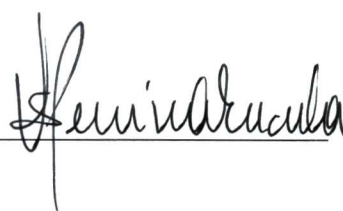
(Amounts expressed in EURO)

	Notes	Actual	Budget	Variance
OPENING BALANCE				
Bank, cash and debtors balance	10	899.374	-	(899.374)
		899.374		(899.374)
RECEIPTS				
Replenishments to Special Account	4	1.122.730	1.138.330	15.600
Government fund (VAT)	5	9.153	-	(9.153)
TOTAL RECEIPTS		1.131.883	1.138.330	6.447
TOTAL RECEIPTS AND OPENING BALANCE		2.031.257	1.138.330	(892.927)
PAYMENTS				
Civil works	6	692.223	200.000	(492.223)
Vehicles and equipment		-	3.450	3.450
Services provider contract	7	368.499	500.000	131.501
Salaries and allowances	8	328.335	345.300	16.965
Other operating costs	9	50.094	89.580	39.486
Government fund	5	9.153	-	(9.153)
TOTAL PAYMENTS		1.448.304	1.138.330	(309.974)
CLOSING BALANCE	10	582.953	-	(582.953)

The Project Coordinator



The Project Financial Manager





MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT

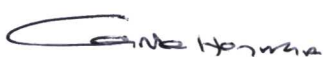
RURAL MARKETS PROMOTION PROGRAMME – PROMER - MDG/EU GRANT No.2000000057

STATEMENT OF SPECIAL ACCOUNT ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

(Amounts expressed in EURO)

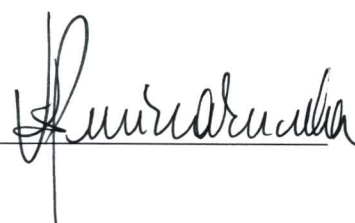
		Notes	EUR	EUR
OPENING BALANCE				
Bank and cash balance				624.655
IFAD Replenishments				
13 April 2018	Withdraw application No.11	4	497.096	
12 July 2018	Withdraw application No.12	4	313.680	
21 September 2018	Withdraw application No.13	4	311.954	
Bank interest			(275)	
Total of Replenishment			1.122.455	1.122.455
Total of Replenishment and opening Balance				1.747.110
Transfers to operating accounts				
31/Dec/15	Advances Roads fund	10	(52.621)	
2018	Advance to GOM on VAT	10	(11.922)	
2018	Exchange rate gain from VAT		(112)	
2018	Direct transfers made from special account for operations		(1.169.125)	
			(1.233.780)	
Government refund			-	
				(1.233.780)
CLOSING BALANCE				513.330

The Project Coordinator





The Project Financial Manager



MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT


RURAL MARKETS PROMOTION PROGRAMME – PROMER - MDG/EU GRANT No.2000000057

RECONCILIATION OF SPECIAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

(Amounts expressed in EURO)

Account number No. [REDACTED]	2018
1 Total advanced by IFAD	1.600.000
2 Less: Total amount recovered by IFAD	851.299
3 Equals present outstanding amount advanced to the Special account (Number 1 Less Number 2))	748.701
4 Balance of Special Account per attached Bank statement as of 31 December 2017	513.330
5 Plus balance of the project account(s) as of 31 December 2017	4.961
Plus balance of sub-accounts(Alto Molocue) as of 31 December 2017	108
Cash on hand (Alto Molocue and Maputo)	183
Plus funds advances for Roads fund 25 April 2014	52.621
Plus funds advances for DIC/MDG/EU 31 December 2017	-
	57.873
TOTAL OF BANK BALANCES AND CASH IN HAND BALANCE (4+5)	571.203
6 Plus total amount claimed in this W. application No. 14 not yet reimbursed	165.962
7 Plus total amount withdrawn from the Special Account/ PA and not yet claimed (=3-4-5-8-11)	-
Reason: Eligible amount for which disbursement application have not yet been prepared	-
8 Plus: Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement	-
Withdraw application No. 8-15-Dec-2014 - Not yet received	-
Sub total of the previous application not yet credited	-
9 Minus: Interest earned	(275)
10 TOTAL ADVANCE ACCOUNTED FOR (No.4 through No.9)	736.890
11 Difference between the totals appearing on lines 3 and 10	11.811
12 Explanation of any difference between the totals appearing on lines 3 and 10	
Non eligible amount to be refunded to project account (VAT)	11.922
Non eligible amount to (earned of exchange rate from VAT recovered by the Government	(111)
	11.811
Explained difference appearing on lines 3 and 10 - (11-12)	-

The Project Coordinator





The Project Financial Manager



MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT

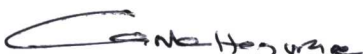
RURAL MARKETS PROMOTION PROGRAMME – PROMER - MDG/EU GRANT No.2000000057

ALLOCATION AND USE OF FUNDS BY CATEGORY FOR THE YEAR ENDED 31 DECEMBER 2018

(Amounts expressed in EURO)

Category Code	Category Descriptions	Allocated MDG/EU EUR	Disbursement EUR	Available Balance EUR
122851	Civil works	3.410.000	2.987.912	422.088
122852	Vehicles, equipment and materials	60.000	80.519	(20.519)
122853	Service providers contracts	1.820.000	2.557.513	(737.513)
122854	Salaries and allowances	890.000	1.363.884	(473.884)
122856	Other operating costs	410.000	452.068	(42.068)
122857	Credit lines and Credit Guarantee funds	920.000	-	920.000
270001	Authorised allocation -Special account	-	748.683	(748.683)
290001	Unallocated	830.000	-	830.000
	TOTAL	8.340.000	8.190.579	149.421

The Project Coordinator





The Project Financial Manager



MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT


RURAL MARKETS PROMOTION PROGRAMME – PROMER - MDG/EU GRANT No.2000000057

SOE'S WITHDRAW APPLICATION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

(Amounts expressed in EURO)

Description	Civil works	Vehicles, equipment and materials	Service providers contracts	Salaries and allowances	Other operating costs	Total
Category sequential order	I	II	IV	VII	VIII	
Category No.	<u>122851</u>	<u>122852</u>	<u>122853</u>		<u>122856</u>	
Withdraw application No. 11	214.018	-	260.487	-	22.591	497.096
Withdraw application No. 12	96.799	-	69.484	48.794	98.603	313.680
Withdraw application No. 13	190.846	-	73.252	39.381	8.475	311.954
TOTAL OF WITHDRAW APPLICATIONS BY CATEGORY	501.663	-	403.223	88.175	129.669	1.122.730

The Project Coordinator





The Project Financial Manager



1. Introductory note

The programme financial agreement is dated by 17 September 2008 between the Republic of Mozambique (the borrower) and the International Fund for Agricultural Development (Fund). The borrower has requested a loan and grant together.

The Commission of the European Communities, representing the European Community (the Donor) has entered into a Contribution Agreement with the fund (the EC Contribution Agreement), with reference number FED/2013/313-281, pursuant to which the fund will receive a Contribution in order to provide additional financial to the programme to implement.

The fund adheres to the principles and guidelines as set out in the financial and administrative framework agreement (FAFA), entered into between the European Community and the United Nations of 29 April 2003, and to which the acceded on 27 September 2014.

The fund agrees to extend a loan to the borrower in the principal amount of nineteen million one thousand Special Drawing rights (SDR 19.100.000) and a Grant in the amount of eight million three hundred and forty thousand Euro (EUR 8.340.000) for purpose of financial the programme.

Programme description

Programme area

The area for programme intervention shall include fifteen districts in four diferent provinces along the Nacala corridor, namely: Ancuabe, Balama, Chiure, Montempuez and Namuno districts in Cabo Delgado province, Malena and Ribaue districts in Nampula province, Cuamba, Mandimba, Marrupa, Maua, Macanheas and Metarica districts in Niassa province, and Alto Molocue and Gurue districts of Zambezia province. Activities whitin each district will concentrate in focal areas to be selected during implementation.

Target group

The primary target group will be semi-subsistence smallholder farmers and other poor smallholders with the potencial and interest to produce for the market. A secondary target group will be small and medium rural traders, not because of their poverty status but because they play a critical role in linking smallholders to markets. The programme shall support directly around 25.700 farmers in some 755 Farmer´s associations and 375 small scale traders.

Goal

The programme´s development goal is to improve livelihoods of poor rural households, and central to achieving this goal is to enable smallholders to increase their agricultural income by marketing their susplases more profitably.

Purposes

The purposes of the programme are:

- (i) Improving smallholder access to and participation in agricultural markets and value chains;
- (ii) Establishing more efficient market intermediaries, and more effective partnerships, stimulating increases in agricultural production and value addition; and
- (iii) Setting-up a more conducive environment for agricultural market operations.

Components

The programme shall consist of four components namely:

- Development more dynamic market intermediaries;
- Enterprises-led value chain initiative;
- Improving the market environment;
- Policy and institutional support and Management;
- Nutrition education; and
- Support to SPCU (DIC).

Development more dynamic market intermediaries

This component shall be comprised of two subcomponents:

- (a) Support for input and output traders; and
- (b) Support for farmer's organizations. It shall assist market intermediaries.

Enterprises-led value chain initiative

This component shall assist smallholders and agribusinesses to establish profitable partnerships that produce mutually beneficial arrangements. It shall respond to and capitalize on arising opportunities for selected value-chains that shall have an active agribusiness as main drive.

Improving the market environment

This component shall be comprised of three subcomponents:

- 1) Market infrastructure;
- 2) Facilitating access to finance; and
- 3) Improving market transparency. It shall assist smallholders, intermediaries, agribusinesses, and other rural market participants to improve their hard and soft operating capacity.

4) Policy and institutional support and Management

This component shall be comprised of three subcomponents:

- Knowledge management and coordination;
- Policy/institutional support; and
- Programme management. It shall assist in building the capacity of Government and in particular the DNPDR to take leadership in overseeing the promotion of rural markets in Mozambique.

Nutrition education

Facilitate the sustainable reduction of malnutrition.

Support to the IFAD-SPCU

This component will provide support to the directorate of investment and cooperation (DIC) of the Ministry for planning and development (MPD) to establish and operation the IFAD sub-programme coordination unit (IFAD-SPCU). Support will include a vehicle, office equipment, staff salaries and allowances, and operating costs.

2. Accounting policies

a) Basis of accounting

The financial statements are prepared on a cash basis. On this basis, receipts are recognized when the receipts occur and expenses when the respective payment is made.

Foreign Currency Transactions

The transfers are originally made by the donor in Euro to the special account maintained by PROMER in Euro. Transfer from special account to local account are converted using the actual historic exchange rate ruling at the date of conversion from special account to local account. For reporting purposes all transactions denominated in other currencies than Euro are converted to Euro applying First in First Out (FIFO) method according to the transfers received.

b) Account and Withdrawals

The fund agrees shall open a Loan account and a Grant account in the name of the borrower and credit the principal amount of the Loan and Grant thereto.

The borrower may request withdrawals from Loan account and Grant account from time to time between the effective date and financing closing date in various currencies in respect of eligible expenditure in accordance with the allocation and withdrawal of Loan and Grant proceeds.

Special account

The borrowers shall open and thereafter maintain in commercial bank acceptable to the fund an MDG Grant Account denominated in EUR for the purpose of receiving Grant proceeds to finance the Programme. The MDG Grant Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Borrower and accepted by the fund.

After MDG Grant Account has been duly opened, the Borrower may request withdrawals from the Grant Account. The amount so requested shall not exceed EUR 1.6 million, based on projections for half-yearly expenditures. Replenishment and use of Grant proceeds from the Grant Account shall be on the basis of AWPBs. The Borrower shall make payments out of or use the proceeds of MDG Grant Account exclusively for eligible expenditures.

c) Equipment

Purchases of equipment and materials are recorded as current expenditure of the project on the date of payment. However, the management maintains a detailed inventory of all non-consumable equipment.

3. Reallocation of prior period expenditure

During the year 2018, the Project management has identified the need for adjusting the financial statements for the year ended 31 December 2017, to correctly disclose the total expenditure incurred throughout the DIC unit, which in 2014 and 2015 are accounted for under "Implementation support", but in 2016 and 2017 was inadvertently accounted for as "Policy and institutional support and management", in the total amount of Euro 274.250, being essentially, Euro 155.087 for 2016 and Euro 119.156 for 2017. The cumulative statement of sources and application of funds by component for the period from 2013 up to 2017 has been restated in the following accounts as presented below:

(a) Policy and institutional support and management

	Cumulative up 2017
Total expenditure reported from 2013 up 2015	629.535
Total expenditure reported in 2016	471.476
Reclassification occurred in 2018 for consulting and monitoring services	(155.087)
<i>Cumulative reported from 2013 up 2016 restated</i>	<u>945.924</u>
Total expenditure reported in 2017	435.880
Reclassification occurred in 2018 for consulting and monitoring services	(119.156)
Other	(7)
<i>Cumulative reported from 2013 up 2017 restated</i>	<u><u>1.262.641</u></u>

(b) Implementation support

	Cumulative up 2017
Total expenditure reported from 2013 up 2015	116.197
Reclassification occurred in 2018 for consulting and monitoring services	155.087
<i>Cumulative reported from 2013 up 2016 restated</i>	<i>271.284</i>
Reclassification occurred in 2018 for consulting and monitoring services	119.156
Other	7
<i>Cumulative reported from 2013 up 2017 restated</i>	<i>390.447</i>

4. Replenishments to Special Account

Replenishments to the Special account correspond the amounts transfers made to the special account by European Union and are analysed as follows:

	2018
Withdrawal applications	
Withdrawal application No. 11 - 13 April 2018	497.096
Withdrawal application No. 12 - 12 July 2018	313.680
Withdrawal application No. 13 - 21 September 2018	311.954
	1.122.730

The replenishment by categories composed as follows:

Category number	Category description	WA amount
Replenishments		
122851	Civil works	501.663
122852	Vehicles, equipment and materials	-
122853	Service providers contracts	403.223
122854	Salaries and allowances	88.175
122856	Other operating costs	129.669
		1.122.730

5. Government Fund

The Government fund analysed as follows:

	2018
VAT claimed 2014 - 2017	32.352
VAT recovered 2014 - 2017	(12.260)
	20.092
VAT claimed 2018	9.153
VAT recovered 2017	(17.323)
	(8.170)
VAT not yet recovered	11.922

6. Civil works

The "Civil works" refers essentially, to the expenses incurred on the road rehabilitation of sundries roads, in Nampula and Zambeze provinces during the period from January to December 2018.

7. Services provider contract

This category includes mainly expenses incurred with the service provider, as follows:

	2018
Service provider contracts - Gapi	252.394
Service provider contracts - UATAF	10.338
Service provider contracts - Olipa	33.772
Service provider contracts - Oikos	25.118
Service provider contracts - MD - Educação e Nutricional	46.877
	368.499

8. Salaries and allowances

Refers to payments of staff remunerations, allowances, remunerations taxes, health care and social security contribution from January to December 2018 and is made up as follows:

	2018
Salaries (PMU and DIC)	224.445
IRPS (PMU and DIC)	61.185
Social security (PMU and DIC)	25.778
Medical AID	4.813
Health insurance	5.950
Perdiems (PMU and DIC)	6.164
	328.335

The average number of employees is as follows:

	2018
Maputo management office	3
Pemba delegation office	1
Alto Molocue delegation office	3
	7

9. Other operating costs

The other operating costs are made up as follows:

	2018
Bank charges	2.663
Communications	4.987
Visibility DIC	11.006
House rent	12.428
Fuel	6.027
Vehicle maintenance	2.866
Sundry operating costs	10.117
	50.094

10. Closing balance

The closing balance refers the excess of receipts over payments and analysed as follows:

	31-Dec-2018	31-Dec-2017
Debtors	64.371	268.458
Cash and bank	518.582	630.916
	582.953	899.374

Debtors comprise the following:

	31-Dec-2018	31-Dec-2017
Advances Roads fund	52.621	216.763
Advances to DIC	-	31.749
Closing balance difference	(60)	-
Advance to GOM on VAT	11.922	20.093
Exchange rate gain from VAT	(112)	(147)
	64.371	268.458

Cash and Bank made up as follows:

	31-Dec-2018	31-Dec-2017
Cash		
Petty cash MZM - Maputo	17	162
Petty cash MZM - Alto Molocue	166	1.545
	183	1.707
Bank current deposit		
	513.330	624.655
	4.961	4.378
	108	176
	518.399	629.209
	518.582	630.916

(Amounts expressed in EURO)

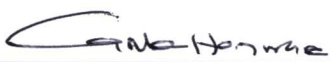
11. Taxation

According to Tax legislation, there exists a possibility of the fiscal authorities reviewing the tax position of the Project for a period of up to ten years, which may result in eventual adjustments due to a different interpretation and/or non-compliance with the applicable legislation, namely: personal income tax, withholding tax and VAT – Value added tax. However, Management believes that eventual adjustments on the tax returns, as a result of those revisions, will not have a significant impact on the Financial Statements.

12. Subsequent events

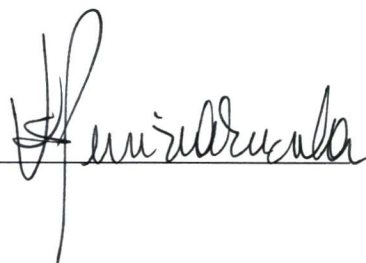
After the reporting period, until the date on which the financial statements were authorised for issuance, there have been no favourable or unfavourable events for PROMOTION PROGRAMME (MDG/EU GRANT N°2000000057), financed by MDG/EU - European Union that affect these financial statements or require disclosure therein.

The Project Coordinator





The Project Financial Manager





Programa de Promoção de Mercados Rurais

MITADER/DNDR

IFAD

Maputo, June 27, 2018
Ref. 523/DNPDR/PROMER/2018

TO
Record Management Team
IFAD - International Fund for Agricultural Development
VIA PAOLO DI DONO, 44
00184 ROME, ITALY
Fax: 390654593310
ITALY

Subject: PROJECT AUDIT REPORT

Dear Vivien,

Please, enclosed find the report from KPM concerning to Audit of the project accounts (Financial Statement & Management letter) for the year ended to 31st December, 2018 and refer IFAD Loan - 754-MZ and IFAD Loan and Grant N°. 2000001455 and 2000001454, for your consideration.

Best regards,


Vitoria da Silva Pereira Zucula
Financial Manager





Financial Audit Report

AUDIT

Ministério da Terra, Ambiente e Desenvolvimento Rural
Programa de Promoção de Mercados Rurais - PROMER
IFAD Loan No. 754-MZ

For the year ended 31 December 2018

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1 Introduction

1.1 The entity

The Rural Markets Promotion Programme (PROMER) is a market linkage programme, implemented through the National Directorate of Rural Development (DNDR) of the Ministry of Land, Environment and Rural Development (MITADER).

1.2 Goal

The Programme's development goal is to improve livelihoods of poor rural households; and central to achieving this goal is to enable smallholders to increase their agricultural Income by marketing their surpluses more profitably.

1.3 The specific objectives of the Project are:

- Improving access and participation of small farmers in agricultural markets and value chains;
- Stimulate increased agricultural production and the added value of marketed products;
- Improving the knowledge of market intermediaries and the effectiveness of partnerships; and
- Create an environment conducive to agricultural market operations.

1.4 Target Group

The primary target group will be semi-subsistence smallholder farmers and other poor smallholders with the potential and interest to produce for the market. A secondary target group will be small and medium rural traders, not because of their poverty status but because they play a critical role in linking smallholders to markets. The Programme shall support directly around 25 700 farmers in some 755 farmers' associations and 375 small scale traders.

1.5 Components

The Programme consist of six components:

- Developing More Dynamic Market Intermediaries;
- Enterprise-led Value Chain Initiative;
- Improving the Market Environment;
- Nutrition education;
- Policy & Institutional Support and Management; and
- Support to the IFAD-SPCU

Developing More Dynamic Market Intermediaries

This component included 2 subcomponents:

- Support for Input and Output Traders;
- Support for Farmers' Organizations.

Enterprise-led Value Chain Initiative

This Component assists smallholders and agribusinesses to establish profitable partnerships that produce mutually beneficial arrangements. It shall respond to and capitalize on arising opportunities for selected value-chains that shall have an active agribusiness as main driver.

Improving the Market Environment

This Component assists smallholders, market intermediaries, agribusinesses, and other rural market participants to improve their hard and soft operating capacity. It is comprised of three subcomponents:

- Improving roads and market infrastructure;
- Facilitating access to finance; and
- Improving market transparency.

Nutrition education

The activities consist of demonstration gardens and kitchens; women peer-to-peer groups; and nutrition classes in primary schools.

Policy and institutional support and Management

This Component assists in building the capacity of Government, and in particular the DNPDR to take leadership in overseeing the promotion of rural markets In Mozambique. It is comprised of three subcomponents:

- Knowledge Management and Coordination;
- Policy/Institutional Support; and
- Programme Management.

Support to the IFAD-SPCU

This component provided support to the National Directorate of Treasure of the Ministry of Economy and Finance to establish and operate the IFAD Sub-programme Coordination Unit (IFAD-SPCU) of the Eu programme MG 1-C. Support included purchase of vehicle and office equipment, staff salaries and allowances, and operating costs.

1.6 Project phasing and funding

The Programme was approved by the IFAD Executive Board in September 2008 and entered into force in June 2009, through the Financing Agreement IFAD Loan 754 – MZ. PROMER was originally designed as a 7-year Programme (2009-16) in partnership with the GoM and the Alliance for the Green Revolution in Africa (AGRA) for a total cost of USD 40.6 million and 4 components, namely: a) Development of more dynamic market intermediaries; b) Enterprise led value chain initiative; c) Improve the Market Environment; and d) Policy/Institutional support and management. However, PROMER's association with AGRA ended in 2012 because AGRA failed to comply with its commitments.

In June 2013, an amendment to the IFAD Financing Agreement was undertaken to include EUR 8.34 million (USD 11.3 million) as additional funds from an EU grant, under the MDG 1c Programme (MDG 1c stands for Millennium Development Goals, Target 1c, which is to “Halve, between 1990 and 2015, the proportion of people who suffer from hunger”. This initiative involves IFAD, FAO and WFP activities in Mozambique.). With AGRA’s withdrawal and EU’s coming on board, PROMER’s new total budget became USD 48.34 million. The Programme’s duration was extended by 2 years up to with completion date schedule for 30 June 2018 and Programme closure for December 2018.

Under the MDG 1-C programme, PROMER two additional components were introduced

- Nutritional Education (component 5); and
- Institutional Support to the IFAD Sub-Programme Coordination Unit (SPCU) of National Directorate of Treasury, Ministry of Economy and Finance (component 6);
- The subcomponent of support to rural traders (subcomponent 1.1.) that was initially planned to be supported by AGRA was implemented;
- A new activity, support to the development of Community based financial services, under the subcomponent 32. (Access to finance) was introduced;
- Two activities were expanded:
 - Road rehabilitation, under subcomponent 3.2;
 - Support to the development of Farmers Organizations, under subcomponent 1.2.

In December 2017, following a recommendation of the Mid Term Review carried out in 2014, IFAD and the GoM signed an Amendment the Financing Agreement, with the reference **IFAD Loan 200000 1455 and Grant 200000 1454** for additional funding and extension of the completion to June 2019 and of the closing date to December 2019. The total amount of additional financing includes a loan of SDR 8,940,000 and a grant of SDR 8,940,000.

In February 2019, the Government of Mozambique requested an Amendment to the financing agreement for a no cost 30 month extension of the project, as well as budget reallocation. The request was approved by IFAD on May 23, 2019.

Currently, PROMER is managing the following Accounts/ Sources of Funding:

Project accounts	Total Contribution	
	SDR / EUR	USD equivalent
IFAD Loan 754-MZ	19,100	31,1 million
EU Grant	8,340,000 (EUR)	11,3 million
IFAD Loan 200000 1455	8,940,000	12,5 million
IFAD Grant 200000 1454	8,940,000	12,5 million
TOTAL		67.4 million

The budget presented above excludes the GoM contribution and the Beneficiaries contribution.

2 Other information

2.1 Introduction

KPMG was contracted by the National Directorate for Rural Development – DNDR of the Ministry of Land, Environment and Rural Development - MITADER to conduct a financial Audit to the IFAD – Loan No. 754 of the Programa de Promoção de Mercados Rurais - PROMER for the year ended 31 December 2018.

2.2 Our engagement

The scope of the financial audit is:

- To perform an audit in accordance with the International Standards on Auditing in order to express an opinion on whether the statement of funds received and payments for the execution of Rural Markets Promotion Programme (“the project”) has been prepared, in all material respects, in accordance with the basis of accounting adopted by the project;
- To evaluate the design of the project internal controls over the key transaction streams and assess whether the controls have been operating effectively during the year; and
- To evaluate whether the project’s statement of funds received and payments are in compliance with the relevant project agreement terms, local laws and regulations

2.3 Reporting

We have presented our report as follows:

- Report on statement of funds received and payments (See section 4);
- Report on Evaluation of project internal controls (See section 6); and
- Report on Evaluation of whether the project’s statement of funds received and payments are in compliance with the relevant project agreement terms, local laws and regulations (See section 7).

2.4 Summary of results

- **Report on statement of funds received and payments** – Our report for the year ended 31 December 2018 contains an unmodified opinion.
- **Report on Evaluation of project internal controls** – Our report indicates that there is a deficiency in the design and operation of controls which came to our attention, and has been dealt with in a separate letter.
- **Report on Evaluation of compliance with the relevant project agreement terms, local laws and regulations** - Our report indicates that there are no instances of non-compliance which came to our attention.

2.5 Restriction on use and distribution

The statement of funds received and payments is prepared in accordance with the basis of accounting described in note 5.1 to provide information to the donor in accordance with the funding agreement signed between the donor and the Government of Mozambique for the implementation of the Rural Markets Promotion Programme - PROMER, as referred in Section 1. As a result, the statement of funds received and payments and our reports in Sections 4, 6 and 7 may not be suitable for another purpose. Our report is intended solely for the Government of Mozambique, the implementing and the donor of the project (IFAD) and should not be distributed to or used by parties other than those specified above. To the fullest extent permitted by law our liability is restricted to those who engaged us.

3 Management's responsibility statement


The Management of Programa de Promoção de Mercados rurais – PROMER - IFAD Project is responsible for the preparation and presentation of the statement of funds received and payments for the year ended 31 December 2018 and the accompanying notes, in accordance with the basis of accounting as described in note 5.1.

Management is also responsible for determining that the basis of accounting is an acceptable basis for preparing and presenting the statement of funds received and payments in the circumstances; for such internal control as the directors determine is necessary to enable the preparation of statement of funds received and payments that is free from material misstatement, whether due to fraud or error; and for maintaining adequate accounting records and an effective system of risk management.

Management is also responsible for the other project internal controls and for compliance with the relevant project agreement terms, local laws and regulations applicable to the Programa de Promoção de Mercados rurais – PROMER - IFAD Project. The responsibility for the prevention and detection of non-compliance rests with management.

Approval of the statement of funds received and payments

The statement of funds received and payments for the year ended 31 December 2018 and the accompanying notes, was approved by management on 26 June 2019 and is signed on its behalf by:



Project Coordinator





Project Financial Manager

4 Report on the Statement of funds received and payments

Independent auditors' report

To the Management of PROMER – Programa de Promoção de Mercados Rurais

Opinion

We have audited the statement of funds received and payments of the PROMER – Programa de Promoção de Mercados Rurais - under the IFAD Loan no. 754-MZ (“the project”) for the year ended 31 December 2018 and the accompanying notes which includes a summary of the basis of accounting and other explanatory notes set out on pages 10 to 24.

In our opinion, the accompanying statement of funds received and payments of PROMER – Programa de Promoção de Mercados Rurais - under the IFAD Loan no. 754-MZ for the year ended 31 December 2018 has been prepared, in all material respects, in accordance with the basis of accounting described in note 5.1.

The statement of the special account of PROMER – Programa de Promoção de Mercados Rurais under the IFAD Loan no. 754-MZ present fairly, the financial position of the special account as at 31 December 2018, in accordance with Cash Basis of Accounting on First in First out (FIFO) basis.

With respect to the statements of expenditure (SOEs) of PROMER – Programa de Promoção de Mercados Rurais under the IFAD Loan no. 754-MZ, we confirm that adequate supporting documentation has been maintained to support claims to IFAD for reimbursement of expenditure incurred and these expenditure are eligible for financing under the IFAD loan agreement.

Basis for 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 statement of funds received and payments* section of our report. We are independent of the Project in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together ethical requirements that are relevant to our audit of the statement of funds received and payments in Mozambique and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 5.1 of the statement of funds received and payments, which describes the basis of accounting. The statement of funds received and payments is prepared to assist the Project to comply with the financial reporting provisions of the contract with the donor. As a result, the statement of funds received and payments may not be suitable for another purpose. Our report is intended solely for implementing partners and its donor and should not be used by or distributed to parties other than the implementing partners and the donor. Our opinion is not modified in respect of this matter.

Other information

The Management is responsible for the other information. The other information comprises the Management's responsibility statement and register of contracts of equipment. The other information does not include the statement of funds received and payments and our auditor's report thereon.

Our opinion on the statement of funds received and payments does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon

In connection with our audit of the statement of funds received and payments, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statement of funds received and payments or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the statement of funds received and payments

The Management is responsible for the preparation of the statement of funds received and payments in accordance with the basis of accounting in Note 5.1 for determining the acceptability of the basis of accounting and for such internal control as management determines is necessary to enable the preparation of the statement of funds received and payments that is free from material misstatement whether due to fraud or error.

Auditors' Responsibilities for the Audit of the statement of funds received and payments

Our objectives are to obtain reasonable assurance about whether the statement of funds received and payments as a whole is free from material misstatement whether due to fraud or error and to issue an auditors' 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 this statement of funds received and payments. 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 statement of funds received and payments whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation structure and content of the statement of funds received and payments including the disclosures and whether the statement of funds received and payments represent the underlying transactions and events in a manner that achieves fair presentation.



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

KPMG, Registered Audit Firm, 04/SCA/OCAM/2014

Represented by:

A handwritten signature in blue ink, appearing to read 'Hem Chandra Joshi', written over a horizontal line.

Hem Chandra Joshi, 57/CA/OCAM/2014

Partner

26 June 2019

5 Statement of funds received and payments

for the year ended 31 December 2018

	Note	2018 USD Actual
Opening balance		1 137 276
Receipts		
Replenishment from IFAD	5.2	784 494
Government (VAT)	5.3	30 066
Interest received		231
Total receipts		814 791
Total receipts and opening balance		1 952 067
Payments		
Civil Works	5.4	1 007
Vehicles, equipment and materials	5.5	7 400
Technical assistance, studies, training and workshop	5.6	427 238
Service provider contracts	5.7	461 926
Matching grants	5.8	11 403
Salaries and Allowances	5.9	250 430
Other operating costs	5.10	133 471
Government Fund		30 066
		1 322 940
Closing balance	5.11	629 127

Yearly and cumulative statement of sources and application of funds by components

for the year ended 31 December 2018

	Notes	31-Dec-18 USD	2009 up to 2017 USD	2019 up to December 2018 USD
Opening Balance		1 137 276	-	-
Receipts				
Initial Deposit		-	3 500 000	3 500 000
Replenishment to Special Account	5.2	784 494	23 710 840	24 495 334
IFAD Direct Payments		-	20 174	20 174
Government Fund (VAT)	5.3	30 066	490 828	520 893
Interest received		231	1 271	1 502
		<u>814 791</u>	<u>27 723 113</u>	<u>28 537 904</u>
Total Receipts and opening balance		<u>1 952 067</u>	<u>27 723 113</u>	<u>28 537 904</u>
Payments				
Civil Work	5.4	1 007	6 782 171	6 783 178
Vehicle and Equipment	5.5	7 400	506 258	513 658
Technical assistance, studies, training and workshop	5.6	427 238	2 917 778	3 345 016
Services provider contract	5.7	461 926	7 938 284	8 400 210
Matching grants	5.8	11 403	296 688	308 091
Outreach Grant for Financial institution		-	465 828	465 828
Salaries and allowances	5.9	250 430	5 767 743	6 018 173
Other operating costs	5.10	133 471	1 420 259	1 553 730
Government Fund		30 065	490 828	520 893
Total Payments		<u>1 322 940</u>	<u>26 585 837</u>	<u>27 908 777</u>
Closing balance as at 31 December 2018	5.11	<u>629 127</u>	<u>1 137 276</u>	<u>629 127</u>

Statement of comparison of budget and actual income and expenditure

for the year ended 31 December 2018

	Notes	31 December 18 USD	Budget USD	Variance USD
Opening Balance		1 137 276	-	(1 137 276)
		<u>1 137 276</u>	<u>-</u>	<u>(1 137 276)</u>
Receipts				
Replenishment to Special Account	5.2	784 494	1 793 960	1 009 466
Government Fund (VAT)	5.3	30 066	-	(30 066)
Interest received		231	-	(231)
		<u>814 791</u>	<u>1 793 960</u>	<u>979 169</u>
Total Receipts and opening balance		<u>1 952 067</u>	<u>1 793 960</u>	<u>(158 107)</u>
Payments				
Civil Work	5.4	1 007	20 000	18 993
Vehicle and Equipment	5.5	7 400	20 000	12 600
Technical assistance studies, training and workshop	5.6	427 238	209 500	(217 738)
Services provider contract	5.7	461 926	1 000 000	538 074
Matching grants	5.8	11 403	5 000	(6 403)
Outreach Grant for Financial institution		-	-	-
Salaries and allowances	5.9	250 430	451 160	200 730
Other operating costs	5.10	133 471	88 300	(45 171)
Government Fund		30 065	-	(30 065)
		<u>1 322 940</u>	<u>1 793 960</u>	<u>471 020</u>
Total Payments		<u>1 322 940</u>	<u>1 793 960</u>	<u>471 020</u>
Closing balance as at 31 December 2018	5.11	<u>629 127</u>	<u>-</u>	<u>(629 127)</u>

Statement of special account activities

for the year ended 31 December 2018

	Notes	31 December 18 USD
Opening Balance		643 911
		643 911
IFAD Replenishment		
28 Nov 2018 Withdraw application N 36		144 872
19 March 2018 Withdraw application N 38		639 622
Reimburse from COWI		101
Reimburse from Nuffic		49 033
	5.2	833 628
Total Replenishment and opening balance		1 477 539
Transfer to the operating account		
31-12-2018 Other cash and cash equivalents		(31 669)
31-12-2018 Interest earned		1 789
31-12-2018 Advance to Kauri Resort		871
31-12-2018 Exchange rate gain on GoM VAT		(431)
31-12-2018 Non eligible amount to be refunded to PA (VAT)		30 066
31-12-2018 Direct transfers made from special account for operations		973 241
Total Payments		973 867
Closing balance as at 31 December 2018		503 672

Reconciliation of special account

for the year ended 31 December 2018

	31 December 18
	USD
1. Total advanced by IFAD	3 500 000
2. Less: Total amount recovered by IFAD	(2 601 473)
3. Equals present outstanding amount advanced to the Special Account (1 less 2)	898 527
4. Balance of Special Account Bank statement of 31 December 2018	503 672
5. Plus: balance of the project account(s) as of 31 December 2018	26 955
Plus: balance of sub-accounts (Pemba and Cuamba) as of 31 December 2018	973
Cash on hand (Pemba, Cuamba and Maputo)	3 740
Plus: funds advanced Road fund	(2 545)
Plus: Unpaid by IFAD CAT 7 on the W.A 38	196 760
Plus: Received from Nuffic	(622)
Plus: Received from House rent of Pemba Ex. Coordinator	(850)
Total of Bank balances and cash equivalent (4+5)	728 083
6. Plus: total amount withdrawn from special account/PA not yet claimed	174 863
Less: Amount received back from Service Provider - AMODER not yet transferred	
7. to IFAD	(33 136)
8. Less: Interest earned	(1 789)
9. Total advance accounted for	868 022
10. Difference between the totals appearing on lines 3 and 9	30 505
11. Explanation of any difference between the totals appearing on lines 3 and 9	
Non eligible amount to be refunded to PA (VAT)	30 066
Non eligible amount to earned exchange rate from VAT recovered by the GoM	(431)
Plus advanced funds for Kauri Resort Hotel	871
	30 505
Explained Difference on 3 and 9 less (10 -11)	-

Allocation and use of funds by category
for the year ended 31 December 2018

Category code	Category description	Allocation		Disbursement		Available IFAD SDR	Equivalent USD
		Allocated IFAD Loan SDR	Equivalent USD	Disbursement till 31 December 2018 SDR	Equivalent USD		
115787	Civil works	4 730 000	5 868 000	4 466 092	6 685 179	263 908	(817 179)
115788	Vehicles equipment and materials	400 000	652 000	325 310	505 356	74 690	146 644
115789	Technical assistance, studies, training and workshop	3 260 000	5 313 800	1 823 963	2 671 783	1 436 037	2 642 017
115790	Service providers contracts	4 580 000	7 467 400	4 965 359	7 327 065	(385 359)	140 335
115791	Matching grants	1 350 000	2 200 500	173 154	259 578	1 176 846	1 940 922
115792	Outreach grants for financial institutions	720 000	1 173 600	303 474	465 827	416 526	707 773
115793	Salaries and allowances	2 950 000	4 808 500	3 525 544	5 227 346	(575 544)	(418 846)
115794	Other operating costs	1 110 000	537 900	928 888	1 373 384	181 112	(835 484)
99	Unallocated	-	3 113 300	2 232 664	3 500 000	(2 232 664)	(386 500)
99Z	Authorized allocation-Special account	-	-	-	-	-	-
Total		19 100 000	31 135 000	18 744 447	28 015 518	355 553	3 119 682

Statement of Expenses' Withdraw Application statement
for the year ended 31 December 2018

Category sequence	Categories							Total
	I	II	II	IV	V	VII	VIII	
Withdrawal by category	115787 Civil works	115788 Vehicles, equipment and materials	115789 Technical assistance, studies, training and workshop	115790 Service providers contracts	115791 Matching grants	115793 Salaries and allowances	115794 Other operating costs	
Withdrawal application No. 36	20 063	21	19 198	56 281	16 171	25 356	7 783	144 872
Withdrawal application No. 38	1 007	7 400	155 564	389 327	-	11 403	74 921	639 622
Total Withdrawals by Category	21 070	7 421	174 762	445 607	16 171	36 759	82 705	784 494

Notes to the statements of funds received and payments (continued)

for the year ended 31 December 2018

5.1 Basis of accounting

The statement of funds received and payments has been prepared in accordance with the following basis of accounting:

a) *Accounting convention*

The statement of funds received and payments is prepared under the cash basis accounting on a First in First out (FIFO) basis.

b) *Cash basis*

The statement of funds received and payments has been drawn up on the cash basis from the information reflected in the financial reports and accounting records of the project.

c) *Reporting procedures*

On semi-annually basis, PROMER is required to prepare the financial reports for that period and send to the IFAD – The donor fund.

d) *Currencies*

Foreign currency translation for the income and expenditure account items are converted using the actual historic exchange rate at the conversion from the special account. Where part of the expenditures has to be met from the proceeds of subsequent drawdowns from special to local account, this is done on First in First out (FIFO) basis. All local expenditures paid from the local accounts/currency are translated back to the USD at actual rate used for the transfer from special to local account. Cash balances held in local currency are reported using the First in First out rate.

Gains/losses on currency transactions/balances are dealt within the statement of Special Account Activities

e) *Fixed assets*

Fixed assets and equipment's are expensed in the period of purchase. However the management maintains a detailed inventory of all non-consumable equipment.

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

f) *Funds received*

Disbursements of funds by IFAD are done by direct transfers or by requests of payments sent to the special account, which is opened with funds made available by IFAD, in the Bank of Mozambique (BM). These funds received are recorded on replenishment from IFAD. A portion of the funds received by the PROMER (the Principal Recipient) are subsequently channeled to the Service providers to implement the project in the rural locations according to the budget approved after their submission of implementation reports and all the supporting documents for expenditures to PROMER.

g) *Direct payments*

Direct payments are accounted for in the statement of funds received and payments based on the period in which payment is made to the supplier by IFAD.

h) *Replenishment to special account*

The project shall open a loan account and grant account in the name of the borrower and credit the principal amount of the loan and grant thereto.

The borrower may request withdrawals from loan account and grant account to time between the effective date and financing closing date in various currencies in respect of eligible expenditure in accordance with the allocation and withdrawal of loan and grant proceeds.

Replenishment to the special account is accounted for on cash receipt and payment basis.

i) *Financing*

The Fund shall provide a Loan, a Grant, an Additional Loan and an Additional Grant to the Borrower/Recipient (all together the "Financing"), which the Borrower/Recipient shall use to implement the Programme in accordance with the terms and conditions of the Agreement:

- The amount of the Loan is nineteen million, one hundred thousand Special Drawing Rights (SDR 19 100 000).
- The amount of the Grant is eight million, three hundred forty thousand Euro (EUR 8 340 000).
- The amount of the Additional Loan is eight million nine hundred forty thousand Special Drawing Rights (SDR 8 940 000)
- The amount of the Additional Grant is eight million nine hundred forty thousand Special Drawing Rights (SDR 8 940 000).

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

j) *Repayment of principal*

- The Loan and the Additional Loan are granted on highly concessional terms maturity period 40 years, a grace period of 10 years, and a service charge of 0.75%.
- The Borrower shall repay the outstanding principal amount of the Loan in 59 equal semi-annual instalments of SDR 318 334, commencing on 1 December 2018 and ending on 1 December 2047, and one final instalment of SDR 318 294, payable on 1 June 2048.
- The Borrower shall repay the outstanding principal amount of the Additional Loan in 60 equal semi-annual installments of SDR 149,000, commencing on 1 June 2026 and ending on 1 Dec 2055.
- The Loan Service Payment Currency for both the Loan and the Additional Loan shall be the US dollars.

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

5.2 Replenishment from IFAD

	2018 USD
Withdrawal No. 36	144 872
Withdrawal No. 38	639 622
	<hr/> 784 494 <hr/>

5.3 Government (VAT)

VAT Claimed 2009- 2017	490 730
VAT recovered 2009-2017	(312 997)
	<hr/> 177 733 <hr/>
VAT Claimed 2018	30 066
VAT Recovered 2018	(177 733)
VAT Balance	<hr/> (147 667) <hr/>
Total government fund	<hr/> 30 066 <hr/>

5.4 Civil works

Other rehabilitation	<hr/> 1 007 <hr/>
----------------------	--------------------------

5.5 Vehicles, equipment and materials

Office equipment	1 055
Other durable equipment	6 345
	<hr/> 7 400 <hr/>

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

31-Dec-2018
USD

5.6 Technical assistance, studies, training and workshop

Basic salary of staff	33 070
Cost support within the Country	72 978
Cost support outside the Country	3 080
Fuels and lubricants	23 018
Non-durable office material	1 875
Other non-durable goods	15 824
Other durable goods	199
Communication	1 116
Flights within the Country	48 895
Flights outside the country	3 788
Office rent	1 471
Consumables resident technical assistance	89 659
Other technical assistance studies, raining and workshops	132 265
	<hr/> 427 238 <hr/>

5.7 Service providers contracts

Consumables resident technical assistance	450 883
Other service provider expenses	11 043
	<hr/> 461 926 <hr/>

5.8 Matching grants

Other non-durable assets	9 517
Transport	1 886
	<hr/> 11 403 <hr/>

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

5.9 Salaries and Allowances

	31-Dec-2018
	USD
Basic salary of staff	229 620
Cost support within the Country	542
Other staff costs	5 441
Office rents	8 080
Transport	6 747
	<hr/>
	250 430
	<hr/>

5.10 Other operating costs

Cost support within the Country	102
Fuels and lubricants	9 624
Maintenance and repair of real estate	523
Maintenance and repair of equipment	1 517
Camp constructions and equipment	361
Non-durable office supplies	14 995
Office Supplies	1 739
Other non-durable goods	9 791
Communications	8 862
Flights outside the country	83
Office rents	29 013
Other Real estate maintenance and repair	79
Other Maintenance and repair of equipment	5 391
Insurance	13 113
Water and electricity	4 602
Other operating costs	32 677
Other charges	995
Other indirect taxes	4
	<hr/>
	133 471
	<hr/>

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

		31-Dec-2018
		USD
5.11 Closing balance		
Cash and cash equivalents	5.11.1	535 340
Debtors	5.11.2	93 787
		<hr/>
		629 127
		<hr/>
5.11.1 Cash and cash equivalent		
Account Name		
Caixa Maputo - MT		866
Caixa - Cabo Delgado MT		1 002
Caixa - Niassa MT		2
Caixa - Molocué MT		1 460
Caixa Maputo - USD		410
		<hr/>
Total Petty cash		3 740
		<hr/>
BM – MT		20 036
Local Acc/ BCI MT		5 525
Local acc/BCI MT Pemba		439
Local Acc/BCI Cuamba		532
Local Acc/BCI Molocué		2
Special A/C Banco Central USD		503 672
Local Acc/BCI USD		1 394
		<hr/>
Total Bank		531 600
		<hr/>
Total cash and cash equivalents		535 340
		<hr/>

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

31-Dec-2018
USD

5.11.2 Debtors

Description

Government – VAT	30 066
Exchange rate gain on GoM VAT	(431)
Advanced funds for [REDACTED]	871
VAT balance Retained by IFAD WA 37	100 943
Amount received back from service providers not yet transferred to IFAD	(37 153)
Unreconciled difference	(507)
Total Debtors	93 787



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6 Report on Evaluation of project internal controls

Independent auditors report

To the Management of PROMER – Programa de Promoção de Mercados Rurais

As an extension of our audit of the statement of funds received and payments of the execution of Rural Markets Promotion Programme - under the Loan No. 754 – MZ (“the project”) for the year ended 31 December 2018 reported in Section 4, we are required to assess that “there are adequate internal controls over the key transaction streams which have been operating effectively during the year” and report on deficiencies in the design or operation of internal controls that have come to our attention during our financial audit.

Management’s responsibility for the project internal controls

Management is responsible for determining the project’s control objectives and for the design and implementation of internal controls including key controls to achieve those control objectives and for ensuring that such controls operate effectively.

Auditors’ responsibility

There are no established frameworks for evaluating the effectiveness of internal controls applicable to a project of this nature. Accordingly we applied our professional judgment in determining the procedures selected and the extent of our procedures as well as the matters to be reported.

The extent of our procedures comprised enquiries and discussions with those responsible for financial and accounting matters and performing such tests of detail as we considered necessary for the purpose of our audit on the statement of funds received and payments; and additional enquiries and discussions where we considered it appropriate having regard to our knowledge of the project.

However our objective was not to provide an opinion on project internal controls. Accordingly we do not express such an opinion.

Matters coming to our attention

This has been dealt with in a separate management letter.

KPMG, Registered Audit Firm, 04/SCA/OCAM/2014

Represented by:

Hem Chandra Joshi, 57/CA/OCAM/2014

Partner

26 June 2019

7 Report on Evaluation of whether the project's statement of fund received and payments are in compliance with the relevant project agreement terms, local laws and regulations

Independent auditors' report

To the Management of PROMER – Programa de Promoção de Mercados Rurais

As an extension of our audit of the statement of funds received and payments of the execution of Rural Markets Promotion Programme - under the Loan No. 754 – MZ (“the project”) for the year ended 31 December 2018 reported in Section 4 we are required to report on whether the project funds received and payments are in compliance with the relevant project agreement terms, local laws and regulations.

Management responsibility

Management is responsible for compliance with the relevant project agreement terms, local laws and regulations applicable to the project Loan No. 754 – MZ. The responsibility for the prevention and detection of non-compliance rests with management.

Auditors' responsibility

There are no established frameworks for evaluating the effectiveness of compliance with the relevant agreement terms, local laws and regulations applicable to a project of this nature. Accordingly we applied our professional judgment in determining the procedures selected and the extent of our procedures as well as the matters to be reported.

The extent of our procedures comprised enquiries and discussions with those responsible for financial and accounting matters and inspecting correspondence with the relevant licensing or regulatory authorities as we considered necessary for the purpose of our audit on the statement of funds received and payments; and additional enquiries and discussions where we considered it appropriate having regard to our knowledge of the project.


However our objective was not to provide an opinion on overall compliance with project agreement terms, local laws and regulations. Accordingly we do not express such an opinion.

Matters coming to our attention

There are no instances of non-compliance which have come to our attention.

KPMG, Registered Audit Firm, 04/SCA/OCAM/2014

Represented by:


Hem Chandra Joshi, 57/CA/OCAM/2014

Partner

26 June 2019



Financial Audit Report AUDIT

Ministério da Terra, Ambiente e Desenvolvimento Rural
Programa de Promoção de Mercados Rurais - PROMER
IFAD Loan No. 2000001455
Grant No. 2000001454

For the year ended 31 December 2018

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1 Introduction

1.1 The entity

The Rural Markets Promotion Programme (PROMER) is a market linkage programme, implemented through the National Directorate of Rural Development (DNDR) of the Ministry of Land, Environment and Rural Development (MITADER).

1.2 Goal

The Programme's development goal is to improve livelihoods of poor rural households; and central to achieving this goal is to enable smallholders to increase their agricultural Income by marketing their surpluses more profitably.

1.3 The specific objectives of the Project are:

- Improving access and participation of small farmers in agricultural markets and value chains;
- Stimulate increased agricultural production and the added value of marketed products;
- Improving the knowledge of market intermediaries and the effectiveness of partnerships; and
- Create an environment conducive to agricultural market operations.

1.4 Target Group

The primary target group will be semi-subsistence smallholder farmers and other poor smallholders with the potential and interest to produce for the market. A secondary target group will be small and medium rural traders, not because of their poverty status but because they play a critical role in linking smallholders to markets. The Programme shall support directly around 25 700 farmers in some 755 farmers' associations and 375 small scale traders.

1.5 Components

The Programme consist of six components:

- Developing More Dynamic Market Intermediaries;
- Enterprise-led Value Chain Initiative;
- Improving the Market Environment;
- Nutrition education;
- Policy & Institutional Support and Management; and
- Support to the IFAD-SPCU

Developing More Dynamic Market Intermediaries

This component included 2 subcomponents:

- Support for Input and Output Traders;
- Support for Farmers' Organizations.

Enterprise-led Value Chain Initiative

This Component assists smallholders and agribusinesses to establish profitable partnerships that produce mutually beneficial arrangements. It shall respond to and capitalize on arising opportunities for selected value-chains that shall have an active agribusiness as main driver.

Improving the Market Environment

This Component assists smallholders, market intermediaries, agribusinesses, and other rural market participants to improve their hard and soft operating capacity. It is comprised of three subcomponents:

- Improving roads and market infrastructure;
- Facilitating access to finance; and
- Improving market transparency.

Nutrition education

The activities consist of demonstration gardens and kitchens; women peer-to-peer groups; and nutrition classes in primary schools.

Policy and institutional support and Management

This Component assists in building the capacity of Government, and in particular the DNPDR to take leadership in overseeing the promotion of rural markets in Mozambique. It is comprised of three subcomponents:

- Knowledge Management and Coordination;
- Policy/Institutional Support; and
- Programme Management.

Support to the IFAD-SPCU

This component provided support to the National Directorate of Treasury of the Ministry of Economy and Finance to establish and operate the IFAD Sub-programme Coordination Unit (IFAD-SPCU) of the Eu programme MG 1-C. Support included purchase of vehicle and office equipment, staff salaries and allowances, and operating costs.

1.6 Project phasing and funding

The Programme was approved by the IFAD Executive Board in September 2008 and entered into force in June 2009, through the Financing Agreement IFAD Loan 754 – MZ. PROMER was originally designed as a 7-year Programme (2009-16) in partnership with the GoM and the Alliance for the Green Revolution in Africa (AGRA) for a total cost of USD 40.6 million and 4 components, namely: a) Development of more dynamic market intermediaries; b) Enterprise led value chain initiative; c) Improve the Market Environment; and d) Policy/Institutional support and management. However, PROMER's association with AGRA ended in 2012 because AGRA failed to comply with its commitments.

In June 2013, an amendment to the IFAD Financing Agreement was undertaken to include EUR 8.34 million (USD 11.3 million) as additional funds from an EU grant, under the MDG 1c Programme (MDG 1c stands for Millennium Development Goals, Target 1c, which is to “Halve, between 1990 and 2015, the proportion of people who suffer from hunger”. This initiative involves IFAD, FAO and WFP activities in Mozambique.). With AGRA’s withdrawal and EU’s coming on board, PROMER’s new total budget became USD 48.34 million. The Programme’s duration was extended by 2 years up to with completion date schedule for 30 June 2018 and Programme closure for December 2018.

Under the MDG 1-C programme, PROMER two additional components were introduced

- Nutritional Education (component 5); and
- Institutional Support to the IFAD Sub-Programme Coordination Unit (SPCU) of National Directorate of Treasury, Ministry of Economy and Finance (component 6);
- The subcomponent of support to rural traders (subcomponent 1.1.) that was initially planned to be supported by AGRA was implemented;
- A new activity, support to the development of Community based financial services, under the subcomponent 32. (Access to finance) was introduced;
- Two activities were expanded:
 - Road rehabilitation, under subcomponent 3.2;
 - Support to the development of Farmers Organizations, under subcomponent 1.2.

In December 2017, following a recommendation of the Mid Term Review carried out in 2014, IFAD and the GoM signed an Amendment the Financing Agreement, with the reference **IFAD Loan 200000 1455 and Grant 200000 1454** for additional funding and extension of the completion to June 2019 and of the closing date to December 2019. The total amount of additional financing includes a loan of SDR 8,940,000 and a grant of SDR 8,940,000.

In February 2019, the Government of Mozambique requested an Amendment to the financing agreement for a no cost 30 month extension of the project, as well as budget reallocation. The request was approved by IFAD on May 23, 2019.

Currently, PROMER is managing the following Accounts/ Sources of Funding:

Project accounts	Total Contribution	
	SDR / EUR	USD equivalent
IFAD Loan 754-MZ	19,100	31,1 million
EU Grant	8,340,000 (EUR)	11,3 million
IFAD Loan 200000 1455	8,940,000	12,5 million
IFAD Grant 200000 1454	8,940,000	12,5 million
TOTAL		67,4 million

The budget presented above excludes the GoM contribution and the Beneficiaries contribution.

2 Other information

2.1 Introduction

KPMG was contracted by the National Directorate for Rural Development – DNDR of the Ministry of Land, Environment and Rural Development - MITADER to conduct a financial Audit to the IFAD – Loan No. 2000001455 and grant No. 2000001454 of the Programa de Promoção de Mercados Rurais - PROMER for the year ended 31 December 2018

2.2 Our engagement

The scope of the financial audit is:

- To perform an audit in accordance with the International Standards on Auditing in order to express an opinion on whether the statement of funds received and payments for the for the execution of Rural Markets Promotion Programme (“the project”) has been prepared, in all material respects, in accordance with the basis of accounting adopted by the project;
- To evaluate the design of the project internal controls over the key transaction streams and assess whether the controls have been operating effectively during the year; and
- To evaluate whether the project’s statement of funds received and payments are in compliance with the relevant project agreement terms, local laws and regulations

2.3 Reporting

We have presented our report as follows:

- Report on Statement of funds received and payments (See section 4);
- Report on Evaluation of project internal controls (See section 6); and
- Report on Evaluation of whether the project’s statement of funds received and payments are in compliance with the relevant project agreement terms, local laws and regulations (See section 7).

2.4 Summary of results

- **Report on Statement of funds received and payments** – Our report for the year ended 31 December 2018 contains an unmodified opinion.
- **Report on Evaluation of project internal controls** – Our report indicates that there is a deficiency in the design and operation of controls which came to our attention, and has been dealt with in a separate letter.
- **Report on Evaluation of compliance with the relevant project agreement terms, local laws and regulations** - Our report indicates that there are no instances of non-compliance which came to our attention.

2.5 Restriction on use and distribution

The statement of funds received and payments is prepared in accordance with the basis of accounting described in note 5.1 to provide information to the donor in accordance with the funding agreement signed between the donor and the Government of Mozambique for the implementation of the Rural Markets Promotion Programme - PROMER, as referred in Section 1. As a result, the statement of funds received and payments and our reports in Sections 4, 6 and 7 may not be suitable for another purpose. Our report is intended solely for the Government of Mozambique, the implementing and the donor of the project (IFAD) and should not be distributed to or used by parties other than those specified above. To the fullest extent permitted by law our liability is restricted to those who engaged us.

3 Management's responsibility statement

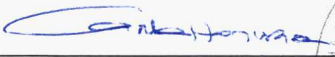
The Management of Programa de Promoção de Mercados rurais – PROMER - IFAD Project is responsible for the preparation and presentation of the statement of funds received and payments for the year ended 31 December 2018 and the accompanying notes, in accordance with the basis of accounting as described in note 5.1.

Management is also responsible for determining that the basis of accounting is an acceptable basis for preparing and presenting the statement of funds received and payments in the circumstances; for such internal control as the directors determine is necessary to enable the preparation of statement of receipt and payments that is free from material misstatement, whether due to fraud or error; and for maintaining adequate accounting records and an effective system of risk management.

Management is also responsible for the other project internal controls and for compliance with the relevant project agreement terms, local laws and regulations applicable to the Programa de Promoção de Mercados rurais – PROMER - IFAD Project. The responsibility for the prevention and detection of non-compliance rests with management.

Approval of the statement of funds received and payments

The statement of funds received and payments for the year ended 31 December 2018 and the accompanying notes, was approved by management on 26 June 2019 and is signed on its behalf by:



Project Coordinator





Project Financial Manager

4 Report on the Statement of funds received and payments

Independent auditors' report

To the Management of PROMER – Programa de Promoção de Mercados Rurais

Opinion

We have audited the statement of funds received and payments of the PROMER – Programa de Promoção de Mercados Rurais - under the IFAD Loan no. PROMER to conduct a financial audit of the IFAD – Loan No. 2000001455 and Grant No. 2000001454 (“the project”) for the year ended 31 December 2018 and the accompanying notes which includes a summary of the basis of accounting and other explanatory notes set out on pages 10 to 24.

In our opinion, the accompanying statement of funds received and payments of PROMER – Programa de Promoção de Mercados Rurais - under the IFAD – Loan No. 2000001455 and Grant No. 2000001454 for the year ended 31 December 2018 has been prepared, in all material respects, in accordance with the basis of accounting described in note 5.1.

The statement of the special account of PROMER – Programa de Promoção de Mercados Rurais IFAD – Loan No. 2000001455 and Grant No. 2000001454 present fairly, the financial position of the special account as at 31 December 2018, in accordance with Cash Basis of Accounting on First in First out (FIFO) basis.

With respect to the statements of expenditure (SOEs) of PROMER – Programa de Promoção de Mercados Rurais IFAD – Loan No. 2000001455 and Grant No. 2000001454, we confirm that adequate supporting documentation has been maintained to support claims to IFAD for reimbursement of expenditure incurred and these expenditure are eligible for financing under the IFAD loan agreement.

Basis for 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 statement of funds received and payments* section of our report. We are independent of the Entity in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together ethical requirements that are relevant to our audit of the statement of funds received and payments in Mozambique and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 5.1 to the statement of funds received and payments, which describes the basis of accounting. The statement of funds received and payments is prepared to assist the Project to comply with the financial reporting provisions of the contract with the donor. As a result, the statement of funds received and payments may not be suitable for another purpose. Our report is intended solely for implementing partners and its donor and should not be used by or distributed to parties other than the implementing partners and the donor. Our opinion is not modified in respect of this matter.

Other information

The Management is responsible for the other information. The other information comprises the Management's responsibility statement, the register of contracts of equipment and register of contracts of services. The other information does not include the statement of funds received and payments and our auditor's report thereon.

Our opinion on the statement of funds received and payments does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon

In connection with our audit of the statement of funds received and payments our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the statement of funds received and payments or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the statement of funds received and payments

The Management is responsible for the preparation of the statement of funds received and payments in accordance with the basis of accounting in Note 5.3 for determining the acceptability of the basis of accounting and for such internal control as management determines is necessary to enable the preparation of the statement of funds received and payments that are is from material misstatement whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Statement of funds received and payments

Our objectives are to obtain reasonable assurance about whether the statement of funds received and payments as a whole is free from material misstatement whether due to fraud or error and to issue an auditors' 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 this statement of funds received and payments. As part of an audit in accordance with ISAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

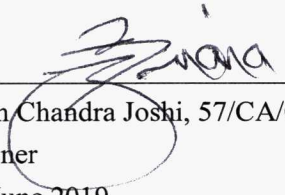
- Identify and assess the risks of material misstatement of the statement of funds received and payments whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation structure and content of the statement of funds received and payments including the disclosures and whether the statement of funds received and payments represent the underlying transactions and events in a manner that achieves fair presentation.



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

KPMG, Registered Audit Firm, 04/SCA/OCAM/2014

Represented by:



Hem Chandra Joshi, 57/CA/OCAM/2014
Partner
26 June 2019

5 Statement of funds received and payments

for the year ended 31 December 2018

	Note	2018 USD Actual
Opening balance		-
Receipts		
Replenishment from IFAD	5.2	5 369 550
Total receipts		5 369 550
Total receipts and opening balance		5 369 550
Payments		
Civil Works	5.3	4 973
Vehicles Materials and equipment	5.4	404 146
Tech Assist Stud Train & work	5.5	450 914
Service Provider Contracts	5.6	892 127
Matching Grants	5.7	8 150
Salaries and Allowances	5.8	440 593
Other Operating Expenses	5.9	95 030
		2 295 933
Closing balance	5.10	3 073 617

Yearly and cumulative statement of sources and application of funds by components

for the year ended 31 December 2018

	Notes	31-Dec-18 USD	2009 up to 2017 USD	2009 up to 2018 USD
Opening Balance		-	-	-
Receipts				
Initial Deposit		4 000 000	-	4 000 000
Replenishment to Special Account		1 369 550	-	1 369 550
	5.2	<u>5 369 550</u>	<u>-</u>	<u>5 369 550</u>
Total Receipts and opening balance		<u>5 369 550</u>	<u>-</u>	<u>5 369 550</u>
Payments				
Civil Work	5.3	4 973	-	4 973
Vehicle and Equipment	5.4	404 146	-	404 146
Technical assistance studies, training and workshop	5.5	450 914	-	450 914
Services provider contract	5.6	892 127	-	892 127
Matching grants	5.7	8 150	-	8 150
Salaries and allowances	5.8	440 593	-	440 593
Other operating costs	5.9	95 030	-	95 030
Government Fund		-	-	-
Total Payments		<u>2 295 933</u>	<u>-</u>	<u>2 295 933</u>
Closing balance as at 31 December 2018	5.10	<u>3 073 617</u>	<u>-</u>	<u>3 073 617</u>

Statement of comparison of budget and actual income and payment

for the year ended 31 December 2018

	Notes	31 December 2018 USD	Budget USD	Variance USD
Opening Balance		-	-	-
		-	-	-
Receipts				
Replenishment to Special Account	5.2	5 369 550	5 969 710	600 160
		5 369 550	5 969 710	600 160
Total Receipts and opening balance		5 369 550	5 969 710	600 160
Payments				
Civil Work	5.3	4 973	2 944 500	2 939 527
Vehicle and Equipment	5.4	404 146	520 000	115 854
Technical assistance studies, training and workshop	5.5	450 914	757 650	306 736
Services provider contract	5.6	892 127	918 000	25 873
Matching grants	5.7	8 150	200 000	191 850
Outreach Grant for Financial institution		-	-	-
Salaries and allowances	5.8	440 593	533 360	92 767
Other operating costs	5.9	95 030	96 200	1 170
Government Fund				
Total Payments		2 295 933	5 969 710	3 673 777
Closing balance as at 31 December 2018	5.10	3 073 617	-	3 073 617

Statement of special account activities

for the year ended 31 December 2018

	Notes	31 December 2018 USD
Opening Balance		-
		-
IFAD Replenishment		
21-May-2018 Withdraw application N 1 (200000145400)		2 000 000
21-May-2018 Withdraw application N 1 (200000145500)		2 000 000
Total Replenishment	5.3	4 000 000
Total Replenishment and opening balance		4 000 000
Transfer to the operating account		
31-12-2018 Other cash and cash equivalents		159 584
31-12-2018 Interest earned		(320)
31-12-2018 Advanced to Bassela Consultoria e servicos		40
31-12-2018 Advanced to Suremed Health		1 283
31-12-2018 Amount withdrawn from the SA and not yet claimed	5.11	926 384
Total Payments		1 086 970
Closing balance as at 31 December 2018		2 913 030

Reconciliation of special account

for the year ended 31 December 2018

	31 December 18 USD
1. Total advanced by IFAD	4 000 000
2. Less: Total amount recovered by IFAD	-
3. Equals present outstanding amount advanced to the Special Account (1 less 2)	<u>4 000 000</u>
4. Balance of Special Account Bank statement of 31 December 2018	2 913 030
5. Plus: balance of the project account(s) as of 31 December 2018	141 081
Plus: balance of sub-accounts (Pemba and Cuamba) as of 31 December 2018	8 477
Cash on hand (Pemba, Cuamba and Maputo)	10 026
Total of Bank balances and cash equivalent (4+5)	<u>3 072 614</u>
6. Plus: total amount withdrawn from special account/PA not yet claimed (3-4-5-8-11)	926 384
Plus: amounts claimed in previous applications not yet credited at date of bank	
7. statement and claimed after date of bank statement	-
8. Less: Interest earned	(320)
9. Total advance accounted for	<u>3 998 677</u>
10. Difference between the totals appearing on lines 3 and 9	1 323
11. Explanation of any difference between the totals appearing on lines 3 and 9	
Advanced to bassela Consultoria e Servicos	40
Advanced to Suremed Health	1 283
	<u>1 323</u>
Explained Difference on 3 and 9 less (10 -11)	<u>-</u>

Allocation and use of funds by category
for the year ended 31 December 2018

Category code	Category description	Allocation		Disbursement		Available IFAD SDR	Equivalent USD
		Allocated IFAD Loan SDR	Equivalent USD	Disbursement till 31 December 2018 SDR	Equivalent USD		
115787	Civil works	6 660 000	9 312 079	2 835	3 939	6 657 165	9 308 140
115788	Vehicles equipment and materials	260 000	363 535	153 383	213 076	106 617	150 459
115789	Technical assistance, studies, training and workshop	1 900 000	2 656 599	247 132	343 308	1 652 868	2 313 291
115790	Service providers contracts	3 500 000	4 893 735	372 048	516 838	3 127 952	4 376 897
115791	Matching grants	540 000	755 033	-	-	540 000	755 033
115792	Outreach grants for financial institutions	-	-	-	-	-	-
115793	Salaries and allowances	2 600 000	3 635 346	179 168	248 895	2 420 832	3 386 451
115794	Other operating costs	640 000	894 848	31 310	43 494	608 690	851 354
99	Unallocated	1 780 000	2 488 825	-	-	1 780 000	2 488 825
99Z	Authorized allocation- Special account	-	-	2 819 721	4 000 000	(2 819 721)	(4 000 000)
Total		17 880 000	25 000 000	3 805 597	5 369 550	14 074 403	19 630 450

Statement of Expenses' Withdraw Application statement
for the year ended 31 December 2018

Category sequence	Categories							99Z	Total
	I	II	II	IV	V	VII	VIII		
Withdrawal by category	115787 Civil works	115788 Vehicles, equipment and materials	115789 Technical assistance, studies, training and workshop	115790 Service providers contracts	115791 Matching grants	115793 Salaries and allowances	115794 Other operating costs	Authorized allocation-Special account	
Withdrawal application No. 2	3 939	213 076	343 308	516 838	-	248 895	43 494	-	1 369 550
Withdrawal application No. 1	-	-	-	-	-	-	-	4 000 000	4 000 000
Total Withdrawals by Category	3 939	213 076	343 308	516 838	-	248 895	43 494	4 000 000	5 369 550

Notes to the statements of funds received and payments (continued)

for the year ended 31 December 2018

5.1 Basis of accounting

The Statement of funds received and payments has been prepared in accordance with the following basis of accounting:

a) *Accounting convention*

The statement of funds received and payments is prepared under the cash basis accounting on a First in First out (FIFO) basis.

b) *Cash basis*

The statement of funds received and payments has been drawn up on the cash basis from the information reflected in the financial reports and accounting records of the project.

c) *Reporting procedures*

On semi-annually basis, PROMER is required to prepare the financial reports for that period and send to the IFAD – The donor fund.

d) *Currencies*

Foreign currency translation for the income and payments account items are converted using the actual historic exchange rate at the conversion from the special account. Where part of the payments has to be met from the proceeds of subsequent drawdowns from special to local account, this is done on First in First out (FIFO) basis. All local expenditures paid from the local accounts/currency are translated back to the USD at actual rate used for the transfer from special to local account. Cash balances held in local currency are reported using the First in First out rate.

Gains/losses on currency transactions/balances are dealt within the statement of Special Account Activities

e) *Fixed assets*

Fixed assets and equipment's are expensed in the period of purchase. However the management maintains a detailed inventory of all non-consumable equipment.

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

f) *Funds received*

The disbursements of funds by IFAD are done by direct transfers or by requests of payments sent to the special account, which is opened with funds made available by IFAD, in the Bank of Mozambique (BM). This funds received are recorded on replenishment from IFAD. A portion of the funds received by the PROMER (the Principal Recipient) are subsequently channeled to the Service providers to implement the project in the rural locations according to the budget approved after their submission of implementation reports and all the supporting documents for expenditures to PROMER.

g) *Direct payments*

Direct payments are accounted for in the statement of funds received and payments based on the period in which payment is made to the supplier by IFAD.

h) *Replenishment to special account*

The project shall open a loan account and grant account in the name of the borrower and credit the principal amount of the loan and grant thereto.

The borrower may request withdrawals from loan account and grant account to time between the effective date and financing closing date in various currencies in respect of eligible expenditure in accordance with the allocation and withdrawal of loan and grant proceeds.

Replenishment to the special account is accounted for on cash receipt and payment basis.

i) *Financing*

The Fund shall provide a Loan, a Grant, an Additional Loan and an Additional Grant to the Borrower/Recipient (all together the "Financing"), which the Borrower/Recipient shall use to implement the Programme in accordance with the terms and conditions of the Agreement:

- The amount of the Loan is nineteen million, one hundred thousand Special Drawing Rights (SDR 19 100 000).
- The amount of the Grant is eight million, three hundred forty thousand Euro (EUR 8 340 000).
- The amount of the Additional Loan is eight million nine hundred forty thousand Special Drawing Rights (SDR 8 940 000)
- The amount of the Additional Grant is eight million nine hundred forty thousand Special Drawing Rights (SDR 8 940 000).

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

j) Repayment of principal

- The Loan and the Additional Loan are granted on highly concessional terms maturity period 40 years, a grace period of 10 years, and a service charge of 0.75%.
- The Borrower shall repay the outstanding principal amount of the Loan in 59 equal semi-annual instalments of SDR 318 334, commencing on 1 December 2018 and ending on 1 December 2047, and one final instalment of SDR 318 294, payable on 1 June 2048.
- The Borrower shall repay the outstanding principal amount of the Additional Loan in 60 equal semi-annual installments of SDR 149,000, commencing on 1 June 2026 and ending on 1 Dec 2055.
- The Loan Service Payment Currency for both the Loan and the Additional Loan shall be the US dollars.

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

	31-Dec-2018 USD
5.2 Replenishment from IFAD	
Withdrawal No. 1	4 000 000
Withdrawal No. 2	1 369 550
	<hr/> 5 369 550 <hr/>
5.3 Civil works	
Costs supports inside the Country	220
Others	4 617
Other rehabilitation	136
	<hr/> 4 973 <hr/>
5.4 Vehicles, equipment and materials	
Repairs and maintenance of equipment	1 451
Durable equipment	5 065
Transport	397 630
	<hr/> 404 146 <hr/>

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

31-Dec-2018
USD

5.5 Technical assistance, studies, training and workshop

Basic salary of staff	54 001
Basic salary of other staff	2 240
Cost support inside the Country	28 331
Cost support outside the Country	5 950
Salary expatriates	1 776
Fuel and lubricants	8 054
Non-durable office supplies	18
Other non-durable office supplies	3 686
Other durable materials	82 138
Communications	1 103
Flights outside the country	11 155
Flights inside the country	6 677
Office rent	1 731
Repairs and equipment maintenance	31
Transport charge	109
Insurance	1 907
Consumables resident technical assistance	218 798
Other technical assistance charges	23 209
	<hr/>
	450 914
	<hr/>

5.6 Service Provider Contracts

Cost support inside the country	859
Consumables resident technical assistance	870 539
Other service provider expenses	20 729
	<hr/>
	892 127
	<hr/>

5.7 Matching grants

Other non-durable assets	8 150
	<hr/>
	8 150
	<hr/>

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

31-Dec-2018
USD

5.8 Salaries and Allowance

Basic salary of staff	404 759
Cost support within the Country	18 757
Other salaries and allowances	4 056
Fuel and lubricants	711
Office rent	6 031
Insurance	6 260
Other salary costs	19
	<hr/> 440 593 <hr/>

5.9 Other operating cost

Basic salary of staff	180
Fuels and lubricants	15 760
Maintenance and repair of real estate	434
Maintenance and repair of equipment	1 966
Non-durable office supplies	9 799
Durable office Supplies	567
Other non-durable assets	6 659
Communications	9 311
Flights outside the country	20
Office rents	13 225
Other maintenance and repair of real estate	188
Other maintenance and repair of equipment	4 331
Transport charge	31
Insurance	9 588
Water and electricity	3 694
Other operating costs	17 997
Other charges	1 272
Other indirect taxes	8
	<hr/> 95 030 <hr/>

Notes to the statements of funds received and payments (continued)
 for the year ended 31 December 2018

		31-Dec-2018 USD
5.10 Closing balance		
Cash and cash equivalents	5.10.1	3 072 614
Debtors	5.10.2	1 003
		<u>3 073 617</u>
5.10.1 Cash and cash equivalent		
Account Name		
Caixa Maputo - MT		8 525
Caixa - Cabo Delgado MT		766
Caixa - Niassa MT		1
Caixa - Molocué MT		733
Total Petty cash		<u>10 025</u>
BM – MT		5 899
Local Acc/ BCI MT		1 185
Local acc/BCI MT Pemba		991
Local Acc/BCI Cuamba		4 465
Local Acc/BCI Molocué		3 022
Special A/C Banco Central USD		2 913 030
Local Acc/BCI USD		133 997
Total Bank		<u>3 062 589</u>
Total cash and cash equivalents		<u>3 072 614</u>

Notes to the statements of funds received and payments (continued)
for the year ended 31 December 2018

5.10.2 Debtors

	31-Dec-2018 USD
Description	
	40
	1283
Interest earned	(320)
Total Debtors	1 003

6 Report on Evaluation of project internal controls

Independent auditors' report

To the Management of PROMER – Programa de Promoção de Mercados Rurais

As an extension of our audit of the statement of funds received and payments of the execution of Rural Markets Promotion Programme - under the IFAD Loan No. 2000001455 and Grant No. 2000001454 ("the project") for the year ended 31 December 2018 reported in Section 4, we are required to assess that "there are adequate internal controls over the key transaction streams which have been operating effectively during the year" and report on deficiencies in the design or operation of internal controls that have come to our attention during our financial audit.

Management's responsibility for the project internal controls

Management is responsible for determining the project's control objectives and for the design and implementation of internal controls including key controls to achieve those control objectives and for ensuring that such controls operate effectively.

Auditors' responsibility

There are no established frameworks for evaluating the effectiveness of internal controls applicable to a project of this nature. Accordingly we applied our professional judgment in determining the procedures selected and the extent of our procedures as well as the matters to be reported.

The extent of our procedures comprised enquiries and discussions with those responsible for financial and accounting matters and performing such tests of detail as we considered necessary for the purpose of our audit on the statement of funds received and payments; and additional enquiries and discussions where we considered it appropriate having regard to our knowledge of the project.

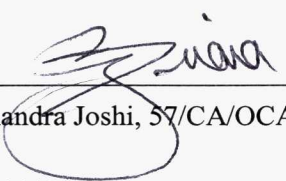
However our objective was not to provide an opinion on project internal controls. Accordingly we do not express such an opinion.

Matters coming to our attention

This has been dealt with in a separate management letter.

KPMG, Registered Audit Firm, 04/SCA/OCAM/2014

Represented by:



Hem Chandra Joshi, 57/CA/OCAM/2014
Partner
26 June 2019

7 Report on Evaluation of whether the project funds received and payments are in compliance with the relevant project agreement terms, local laws and regulations

Independent auditors report

To the Management of PROMER – Programa de Promoção de Mercados rurais

As an extension of our audit of funds received and payments for the execution of Rural Markets Promotion Programme - under the IFAD Loan No. 2000001455 and Grant No. 2000001454 (“the project”) for the year ended 31 December 2018 reported in Section 4 we are required to report on whether the project of funds received and payments are in compliance with the relevant project agreement terms, local laws and regulations.

Management responsibility

Management is responsible for compliance with the relevant project agreement terms, local laws and regulations applicable to the project under the IFAD Loan No. 2000001455 and Grant No. 2000001454. The responsibility for the prevention and detection of non-compliance rests with management.

Auditors’ responsibility

There are no established frameworks for evaluating the effectiveness of compliance with the relevant agreement terms, local laws and regulations applicable to a project of this nature. Accordingly we applied our professional judgment in determining the procedures selected and the extent of our procedures as well as the matters to be reported.

The extent of our procedures comprised enquiries and discussions with those responsible for financial and accounting matters and inspecting correspondence with the relevant licensing or regulatory authorities as we considered necessary for the purpose of our audit on the statement of funds received and payments; and additional enquiries and discussions where we considered it appropriate having regard to our knowledge of the project.


However our objective was not to provide an opinion on overall compliance with project agreement terms, local laws and regulations. Accordingly we do not express such an opinion.

Matters coming to our attention

There are no instances of non-compliance which have come to our attention.

KPMG, Registered Audit Firm, 04/SCA/OCAM/2014

Represented by:



Hem Chandra Joshi, 57/CA/OCAM/2014
Partner
26 June 2019

ANNEXURE I

Register of contracts of Equipment

Sequential No.	1	2	3	4	5	6	7	8	9	10	11	12	Comments
	Contract No.	Date of Launch	Nº. Instituições/individuais que responderam	Description of Goods, Services, Works	Supplier Name	Date of Contract	Non-objection No.	Periodo de execução	Amount With VAT USD	Amount Without VAT USD	Amount With VAT MZM	Amount Without VAT MZM	
1		1-Feb-18	7	(6) viaturas Mahindra Scorpio - cabine dupla para celulas de Cuamba e Pemba		12-Jun-18	10-May-18	-	186 735	186 735	10 797 000	10 797 000	Finalized
2		1-Feb-18	7	(1) Viatura ligeira Nissan Almeira		12-Jun-18	10-May-18	-	21 976	18 783	1 290 000	1 102 564	Finalized
3			1	(3) PC sector Financeiro (Vitoria , Rivas e Jeta)		16-Aug-18	N/A	-	4 365	3 731	253 326	216 518	Finalized
4		4-Sep-18	4	(4) viaturas marca Isusu KB Dupla Cabine 4x4 (Celualde Cuamba e Pemba)		12-Nov-18	5-Nov-18	-	188 919	188 919	11 514 633	11 514 633	Finalized
TOTAL									401 995	398 168	23 854 959	23 630 715	-

ANNEXURE II

Register of contracts of services

Sequential No.	1	2	3	4	5	6	7	8	9	10	11	12	13	Comments
	Contract No.	Date of Launch	Supplier Name	Description of Goods, Services, Works	Method of Procurement	Date of Contract	Country of Origin	Period of Execution	Amount With VAT USD	Amount With VAT MZM	Category and % of financing	Non-objection No.	CMF	
1		19-Mar-18		Consultoria para apoiar o PROMER, na implementação metodologias da GALIS, na promoção e igualdade de Género	LS	23-Mar-18	MOz	4 months	19 000	-	III	23-Mar-18	-	Ongoing
2		4-Apr-18		Assessoria Estrategica da Unidade de Gestao do Programa	LS	16-May-18	MOz	14 months	49 500	-	III	N/A	-	Ongoing
3		20-Mar-18		Assessoria Juridica para tramitação de processos (vistos do T.A e Anotações)	LS	2-Apr-18	MOz	15 months	68 679	4 307 692	III	N/A	-	Ongoing
4				Assistencia tecnica na gestão da programação sensível á Nutrição	LS	1-Mar-18	MOz	16 months	60 000	-	III	10-May-18	-	Ongoing
5		2-Mar-18		Consultoria para apoiar o PROMER na definição de estrategia de assistencia as unioes Distritais	LS	28-May-18	MOz	4 months	27 300	-	III	N/A	-	Ongoing

ANNEXURE II

Register of contracts of services (Continued)

Sequential No.	<i>I</i> <i>Contract No.</i>	<i>2</i> <i>Date of Launch</i>	<i>3</i> <i>Supplier Name</i>	<i>4</i> <i>Description of Goods, Services, Works</i>	<i>5</i> <i>Method of Procurement</i>	<i>6</i> <i>Date of Contract</i>	<i>7</i> <i>Country of Origin</i>	<i>8</i> <i>Period of Execution</i>	<i>9</i> <i>Amount With VAT USD</i>	<i>10</i> <i>Amount With VAT MZM</i>	<i>11</i> <i>Category and % of financing</i>	<i>12</i> <i>Non-objection No.</i>	<i>13</i> <i>CMF</i>	<i>Comments</i>
6		12-Mar-18		Consultoria Assistencia tecnica na componente- Desenvolvimento de Cadeias de valor	LS	26-Jun-18	MOz	12 months	60 462	-	III	26.02.2018	-	Ongoing
7		27-Feb-18		Criação da pagina WEB do PROMER	LS	N/A	MOz	30 Days	7 032	425 000	III	N/A	-	Ongoing
8		21-May-18		PS para apoio ao Desenvolvimento de intermediarios de mercado	LS	1-Sep-18	MOz	10 months	1 190 000	69 864 900	III	23-Mar-18	-	Ongoing
9		21-May-18		PS para apoio ao Desenvolvimento de intermediarios de mercado	LS	1-Sep-18	MOz	10 months	1 190 053	69 868 024	III	23-Mar-18	-	Ongoing
10		21-May-18		PS para apoio ao Desenvolvimento de intermediarios de mercado	LS	1-Sep-18	MOz	10 months	1 099 935	64 577 184	III	23-Mar-18	-	Ongoing
11		24-Jan-18		Oficial de Monitoria (M&E)- PMU	LS	01-Jul-18	MOz	12 Moths	76 891	-	III	26-Apr-18	-	Ongoing

ANNEXURE II

Register of contracts of services (Continued)

Sequential No.	1	2	3	4	5	6	7	8	9	10	11	12	13	
	<i>Contract No.</i>	<i>Date of Launch</i>	<i>Supplier Name</i>	<i>Description of Goods, Services, Works</i>	<i>Method of Procurement</i>	<i>Date of Contract</i>	<i>Country of Origin</i>	<i>Period of Execution</i>	<i>Amount With VAT USD</i>	<i>Amount With VAT MZM</i>	<i>Category and % of financing</i>	<i>Non-objection No.</i>	<i>CMF</i>	<i>Comments</i>
12		10-Jul-18		Regularização das ocupações de terras na Província de Niassa	LS	6-Nov-18	Moz	12 months	277 090	16 686 379	III	-	-	Ongoing
13		10-Jul-18		Regularização das ocupações de terras na Província de Cabo Delgado	LS	6-Nov-18	Moz	12 months	228 614	13 767 151	III	-	-	Ongoing
14		10-Jul-18		Regularização das ocupações de terras nas Províncias de Nampula e Zambesia	LS	6-Nov-18	Moz	12 months	296 174	17 835 573	III	-	-	Ongoing
15		14-Mar-18		Instalação e treinamento do software financeiro TM2PRO	LS	2-Jul-18	Moz	03 months	82 131	-	III	27-April-2018	-	Finalized
16		9-Mar-17		Financiamento para o desenvolvimento das cadeias de valor de soja, feijões, gergilim e Milho	LS	15-Jun-18	Moz	24 months	121 550	-	V	4-May-2018	-	Ongoing
17		17-Sep-18		Cadeia de Valor-Gergilim, Feijões e Milho	LS	11-Sep-18	Moz	24 months	147 250	-	V	-	-	Ongoing
18				Assistencia Técnica apoio Desenho de uma base de Dados ao PROMER	Canceled	Canceled	Canceled	Canceled	-	-	III	Canceled	Canceled	Canceled
19		11-Dec-18		Fornecimento de factores de produção para agricultura - Sementes	LS	5-Dec-18	MOz	12 months	5 983	-	III	5-Oct-18	-	Ongoing

ANNEXURE II

Register of contracts of services (Continued)

Sequential No.	1	2	3	4	5	6	7	8	9	10	11	12	13	
	<i>Contract No.</i>	<i>Date of Launch</i>	<i>Supplier Name</i>	<i>Description of Goods, Services, Works</i>	<i>Method of Procurement</i>	<i>Date of Contract</i>	<i>Country of Origin</i>	<i>Period of Execution</i>	<i>Amount With VAT USD</i>	<i>Amount With VAT MZM</i>	<i>Category and % of financing</i>	<i>Non-objection No.</i>	<i>CMF</i>	<i>Comments</i>
20		21-Dec-18		<i>Impacto das actividades intermediarios de mercado do PROMER</i>	LS	5-Feb-19	MOz	60 months	29 595	-	III	N/A	-	Ongoing
21		21-Dec-18		<i>Avaliação do impacto das actividades de desenvolvimento de serviços financeiros baseados na comunidade - ASCAS</i>	LS	1-Feb-19	MOz	47 days	71 638	-	III	-	-	Ongoing
22		18-Dec-18		<i>Apoio ao PROMER na preparação de anexos financeiro para pedido de extensao do programa ao IFAD</i>	LS	22-Jan-19	MOz	30 Days	6 750	-	III	-	-	Ongoing
23		31-Dec-18		<i>Assistente Financeiro do PROMER</i>	LS	1-Dec-18	MOz	12 Months	30 800	-	III	N/A	-	Ongoing
TOTAL									5 119 127	257 331 904	-	-	-	-