

AUDITED PROJECT FINANCIAL STATEMENTS

Project N° : 2000001771

IFAD Grant No. 2000002327 / 200000232700

OFID Grant No. 2000002328 / 200000232800

Period covered: 1 January 2019 – 31 December 2019

Resilient Land And Resource Management Project (RELAP)

Prepared by: Talal Abu-Ghazaleh and Co.

Received on 14 April 2020

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The Palestinian Ministry of Agriculture
Resilient Land and Resource Management Project (RELAP)
Grant No. 2000002327 and No. 2000002328

Funded by
International Fund for Agricultural Development (IFAD)
And
OPEC Fund for International Development (OFID)

Independent Auditors Report
and Financial Statements
For the period from August 1, 2018 to December 31, 2019

Talal Abu-Ghazaleh and Co.
Certified Public Accountants



The Palestinian Ministry of Agriculture
Resilient Land and Resource Management Project (RELAP)

Grant No. 2000002327 and No.2000002328
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International Fund for Agricultural Development (IFAD)
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Independent Auditor's Report

To Ministry of Agriculture (MoA)
Ramallah – Palestine

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying financial statements of “Resilient Land and Resource Management Project (RELAP) Grant No. 2000002327 and No.2000002328 Funded by International Fund for Agricultural Development (IFAD) and OPEC Fund for International Development (OFID) – Pages 4 to 18, which comprise the statement of financial position as of December 31, 2019, statement of revenues and expenditures , special bank account statement IFAD and special bank account statement OFID for period from August 1, 2018 to December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies Note 2.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Resilient Land and Resource Management Project (RELAP) Grant No. 2000002327 and No.2000002328 as of December 31, 2019 and its cash receipts and payments and special bank account statements for the period from August 1, 2018 to December 31, 2019 in accordance with International Public Sector Accounting Standard (IPSASs) under the cash basis of accounting as described in a summary of significant accounting policies Note 2.

Basis for our Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report.

We are independent of the project in accordance with the Code of Ethics for Professional Accountants registered under Board of Auditing Profession, which are in conformity with the code of ethics of accountants registered under Palestinian Association of Certified Public Accountants, in line with the ethical requirements related to our audit of the financial statements in Palestine, and we have fulfilled our other ethical responsibilities in accordance with those 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 and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standard (IPSASs) and the requirements of Palestinian Societies Law, and for such internal control as management determine 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 the association'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 have no realistic alternative but to do so.

Management is responsible for overseeing the agency'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 statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the 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 association'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 association'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 foundation to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements.

The project keeps properly organized accounting records, we have also obtained all information and disclosures that we believe they are necessary to our audit.

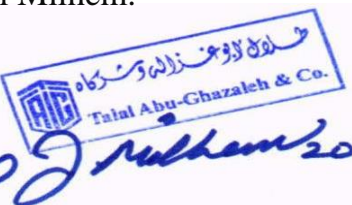
In addition, we certify the following matters:

- 1) The Designated Account currency equivalent was determined using the historical exchange rate of transfers to the operating account;
- 2) Goods and services have been purchased through the Statement of Expenditures (SOE) mechanism in line with the stipulated SOE threshold;
- 3) The expenditures claimed through the SOE procedures were properly and appropriately authorized, classified and supported by audit documentation; and,
- 4) Identify any ineligible expenditures.
- 5) The accuracy of the Designated Account reconciliations; and, confirm that the Designated Accounts have been maintained in accordance with the provisions of the financing agreement.
- 6) The yearly and cumulative statements of sources and application of funds, which should disclose separately IFAD's funds, other donors' funds and beneficiaries' funds.
- 7) The yearly and cumulative status of funds by categories and by components.

The engagement partner on the audit resulting in this independent auditor's report is the Executive Director, Jamal Milhem.

Talal Abu-Ghazaleh & Co.
License # (251/1997)

Jamal Milhem, CPA
Certified Public Accountant License # (100/98)
Ramallah – Palestine
January 29, 2020



The Palestinian Ministry of Agriculture
Resilient Land and Resource Management Project (RELAP)
Grant No. 2000002327 and No.2000002328
Funded by
International Fund for Agricultural Development (IFAD)
And
OPEC Fund for International Development (OFID)
Statement of Financial Position as of December 31, 2019 – Exhibit “A”

	<u>Note</u>	<u>December</u> <u>31, 2019</u> USD
<u>Assets</u>		
<u>Current Assets</u>		
Cash in hand and at bank	(3)	2,431,531
Total Current Assets		<u>2,431,531</u>
Total Assets		<u>2,431,531</u> =====
<u>Fund Balance</u>		
Fund balance		2,431,531
Total Fund Balance		<u>2,431,531</u> =====

“The accompanying notes constitute an integral part of this statement”

The Palestinian Ministry of Agriculture
Resilient Land and Resource Management Project (RELAP)
Grant No. 2000002327 and No.2000002328
Funded by
International Fund for Agricultural Development (IFAD)
And
OPEC Fund for International Development (OFID)
Statement of Cash Receipts and Payments for the period from August 1, 2018 to
December 31, 2019 – Exhibit “B”

		<u>for the</u> <u>period from</u> <u>August 1,</u> <u>2018 to</u> <u>December</u> <u>31, 2019</u>	<u>Cumulative</u>
	<u>Note</u>	<u>USD</u>	<u>USD</u>
<u>Cash receipts</u>			
Governmental contribution	(5)	1,166,000	1,166,000
IFAD contribution	(6,8)	1,200,000	1,200,000
OFID contribution	(7,8)	237,500	237,500
Beneficiaries and village council contributions		2,342	2,342
Total Cash receipts		2,605,842	2,605,842
<u>Cash Payments</u>			
<u>IFAD cash payments</u>			
Consultancies	(8)	(10,000)	(10,000)
Goods, Services and Equipment	(9)	(22,610)	(22,610)
Grants	(10)	--	--
Trainings & Workshops	(11)	(3,674)	(3,674)
Works	(12)	--	--
Salaries and Allowances and operating costs	(13)	(127,221)	(127,221)
<u>Governmental cash payments</u>			
Consultancies	(8)	(742)	(742)
Salaries and Allowances and operating costs	(13)	(10,064)	(10,064)
Total payments		(174,311)	(174,311)
Change in Cash in hand and at bank		2,431,531	2,431,531
Cash in hand and at bank – beginning of the period	(3)	--	--
Cash in hand and at bank – end of the period	(3)	2,431,531	2,431,531

“The accompanying notes constitute an integral part of this statement”

The Palestinian Ministry of Agriculture
Resilient Land and Resource Management Project (RELAP)
Grant No. 2000002327 and No.2000002328
funded by International Fund for Agricultural Development (IFAD)
Special Bank Account Statement – USD
for the period from August 1, 2018 to December 31, 2019 – Exhibit “C”

Account Number : [REDACTED]
 Depositary Bank : Bank of Palestine
 Managed by : MoF
 Currency : USD

		<u>For the period from</u> <u>August 1, 2018 to</u> <u>December 31, 2019</u>
	<u>Note</u>	<u>USD</u> <u>Equivalent</u>
Balance, beginning of period		--
Receipts during the period	(2)	1,200,000
<u>Deduct:</u>		
Transfer to MoA	(2)	(1,200,000)
Balance, end of period		<hr/> -- =====

“The accompanying notes constitute an integral part of this statement”

The Palestinian Ministry of Agriculture
Resilient Land and Resource Management Project (RELAP)
Grant No. 2000002327 and No.2000002328
funded by OPEC Fund for International Development (OFID)
Special Bank Account Statement – USD
for the period from August 1, 2018 to December 31, 2019 – Exhibit “D”

Account Number : [REDACTED]
 Depositary Bank : Bank of Palestine
 Managed by : MoF
 Currency : USD

		<u>For the period from</u> <u>August 1, 2018 to</u> <u>December 31, 2019</u> <u>USD</u> <u>Equivalent</u>
	<u>Note</u>	
Balance, beginning of period		--
Receipts during the period	(2)	237,500
<u>Deduct:</u>		
Transfer to MoA	(2)	(237,500)
Balance, end of year		----- -- =====

“The accompanying notes constitute an integral part of this statement”

The Palestinian Ministry of Agriculture
Resilient Land and Resource Management Project (RELAP)
Grant No. 2000002327 and No.2000002328
Funded by
International Fund for Agricultural Development (IFAD)
And
OPEC Fund for International Development (OFID)
Notes to the Financial Statements
For the period from August 1, 2018 to December 31, 2019

1. RELAP Background

Government of Palestine has received a financing from the International Fund for Agricultural Development (IFAD) and from OFID towards the cost of Resilient Land & Resource Management Project (RELAP), and intends to apply a portion of the proceeds of this loan to eligible payments under this contract. Payment by IFAD will be made only at the request of the Ministry of Agriculture (MOA) and upon approval by IFAD, and will be subject, in all respects, to the terms and conditions of the financing agreement. The financing agreement prohibits a withdrawal from the fund account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of IFAD, is prohibited by a decision of the United Nations Security Council taken under chapter VII of the Charter of the United Nations. No parties other than the MOA shall derive any rights from the financing agreement or have any claim to financing proceeds.

The RELAP project is designed to promote institutional development among its core partners. In this regard, the project will contribute to institutional development and outcomes in several ways, including: i) the establishment of the project management unit (PMU) in the MoA, which will have overall responsibility for implementing RELAP; ii) the promotion of adaptive and inclusive land development practices, for further scaling-up by government; iii) the development and establishment of institutionalized support and advisory services for the promotion of the rural poor's market integration and bulking of agricultural produce; iv) capacity development of government structures and other stakeholders in utilizing climate information; and v) support to and expansion of public-private-NGO partnerships in climate adaptive infrastructure and land development models. The work on land development practices and models is expected to generate useful knowledge products on low cost highly adaptive interventions that have better inclusion and gender sensitivity.

Similarly, with the work on climatic modelling and forecasting will constitute a knowledge platform upon which farmers will be able to make better informed decisions on adaptation practices related to crop choice, planting regimes, irrigation practices and other climate related issues.

RELAP objectives

Overall objective: To improve the resilience, land security and livelihoods of rural producers' households in selected villages of the West Bank.

Developmental project: To increase climate resilience, land productivity, agricultural production and marketing opportunities for smallholders and landless rural poor areas.

Overview of RELAP

1. RELAP will be implemented over a 6-year period, starting in the course of the second semester of 2018. Project investments are organized into three major components: i) Climate adaptive land development; ii) Market linkages for the rural poor areas; iii) Improved public services for upscaling climate resilient agricultural land use and production systems.
2. RELAP will support key partners in accelerating resilient rural economic growth by both expanding the area under cultivation as well as increasing the productivity and profitability of rural production. Special attention will be made to ensure adaptive and inclusion of less advantaged segments of the rural population, in particular families with limited access to land, women and youth, as well as promoting increased climate resilience through adapted agricultural practices, land and water governance and management.
3. This is expected to lead to three core impacts: Firstly, it will reduce food insecurity in targeted governorates by increasing food production and improving affordability of key nutritional foods. Secondly, it will increase incomes of the rural poor from higher production volumes and from tighter market integration. Thirdly, it will increase adaptive capacities of both farmers and rural households.
4. The development objective is to increase climate resilience, land productivity, agricultural production and marketing opportunities for smallholders and landless rural poor areas.
5. While land development and related natural resources management activities will constitute the core of the RELAP intervention, these will be made more climate adapted, supporting changes in land uses and in crop and livestock production systems, making them more resilient to current and future climate trends. Off-farm livelihood activities will be promoted, specifically targeted to vulnerable rural people and climate adapted small-scale businesses. Interventions will be clustered, using the village as an entry point of interventions rather than the individuals. All this will result in RELAP being implemented utilizing a holistic approach, with three complementary technical components.

RELAP components;

- Component 1: Climate resilient land development; which will enhance access to productive agricultural lands and water resource through testing the adaptation and cost-efficiency of diverse land development approaches and practices and investments in resilient land development, agricultural roads, soil improvement, and rainwater-harvesting facilities
- Component 2: Market linkages for the rural poor areas; will improve market linkages for beneficiaries of land development by facilitating clustering of agricultural products at the village level through the set-up of multi-stakeholders' rural platforms at the village level, collection centers and rural clustering of agricultural products and inclusive entrepreneurship dev. support (inv. grants for landless people, women, youth, their associations).
- Component 3: Improve public services for climate resilience agriculture; will improve agro-climate information and extension services to farmers, by upgrading agro-metrological network in the WB and strengthen institutional and technical capacities for implementation of agriculture goals in the NDC.
- Component 4: Project Management and coordination for management of resources, contracting of partners, supervision, M&E and documentation of experience and results

6. The first component will enhance access to productive agricultural land and water resources, through a range of investments in resilient land development, agricultural roads, soil improvements and rain water harvesting facilities linked to water-use efficient complementary irrigation systems as well as the related capacities to sustain the investments.

7. The second component will improve market linkages by facilitating clustering of agricultural products at the village level. Also, specific focus of component 2 will be on creating entrepreneurial opportunities and addressing constraints faced by the marginalized, including landless women and youth. With accelerating climate change, extremely high youth unemployment and low participation of women in the labor force, there is a clear need to develop climate resilient income generating activities and opportunities for these groups to develop market-led enterprises in the farming and off-farming rural sectors. Given the initial high costs required to develop climate-sensitive practices, a micro-enterprise facility will be established, which will include climate adaptation as a key criterion, for the award of investment grants.

8. The third component will improve public services for climate resilient agriculture and support Palestinian farmers in taking timely and effective action to protect their crops and animals from pests, diseases, extreme

weather and climatic conditions, in addition to the human-induced challenges related to restrictions for Palestinians in the West bank.

- The closing date shall be 31 December 2024.
- The management has approved these financial statements on 13 April 2020.

Project Financing:

Resilient Land and Resource Management
Project (RELAP)
Expenditure Accounts by Financiers
(USD '000)

Expenditure Account	IFAD		OFID		The Government in kind		The Government in cash		Beneficiaries in kind		Beneficiaries in cash		Village council		Total	
	Amou	%	Amount	%	Amoun	%	Amou	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Consultancies	632	0.61	90	0.09	178	0.17	139	0.13	-	-	-	-	-	-	1,039	0.10
2. Goods, Services, Equipment	256	0.72	5	0.01	71	0.20	-	-	24	0.07	-	-	-	-	356	0.03
3. GRANT	-	-	-	-	-	-	553	0.85	-	-	98	0.15	-	-	651	0.06
4. Workshops	216	0.59	35	0.10	60	0.16	-	-	-	-	-	-	57	0.16	368	0.03
5. Works	2,553	0.44	844	0.15	934	0.16	299	0.05	852	0.15	298	0.05	-	-	5,781	0.54
6. Salaries and Allow ances	805	0.43	25	0.01	1,060	0.56	-	-	-	-	-	-	-	-	1,891	0.18
7. Operating Costs_	104	0.17	-	-	326	0.54	175	0.29	-	-	-	-	-	-	606	0.06
Total PROJECT COSTS	4,566	0.43	1,000	0.09	2,630	0.25	1,166	0.11	876	0.08	396	0.04	57	0.01	10,690	100.0

2. Summary of Significant Accounting Policies

- Basis of accounting

The financial statements have been prepared in accordance with the International Public Sector Accounting Standard (IPSASs), issued by the International Public Sector Accounting Standards Board (the IPSASB) of the International Federation of Accountants (IFAC), under the Cash Basis of Accounting. Receipts are recognized when cash provided by IFAD is received by MoA and expenditures are recognized when the cash payments are made.

3. Cash at banks:

This item consists of:

	<u>December 31, 2019</u>
	USD
Bank of Palestine -	--
Bank of Palestine -	--
Bank of Palestine -	1,157,507
Bank of Palestine -	1,034,226
Bank of Palestine -	237,456
Bank of Palestine -	2,342
Total	<u>2,431,531</u>

4. Governmental contribution:

On August 7, 2018 MoF sent an amount of USD 1,166,000 in cash to MoA and it represents the governmental contribution as the financing agreement with IFAD ([REDACTED]) and in-kind contributions amounted USD 188,347 during the project period.

5. IFAD contributions (Received by MoF):

MoF received the following payments from IFAD:

<u>Description</u>	<u>Date of transfer</u>	<u>USD</u>
Initial advance 1 st payment	September 5, 2018	200,000
Initial advance 2 nd payment	November 17, 2019	1,000,000
Total		1,200,000

6. OFID contributions (Received by MoF):

MoF received the following payments from OFID:

<u>Description</u>	<u>Date of transfer</u>	<u>USD</u>
First disbursement	December 11, 2019	237,500
Total		237,500

7. Transfers from MoF to MoA:

MoF transferred the following amounts to MoA:

<u>Date of transfer</u>	<u>USD</u>
September 5, 2018	200,000
December 3, 2019	1,000,000
December 18, 2019	237,500
Total	1,437,500

8. Consultancies:

This item consists of:

<u>For the period from August 1, 2018 to December 31, 2019</u>				
	<u>Budget</u>	<u>Actual</u>		<u>Variance</u>
	<u>USD</u>	<u>Cash</u>	<u>In-kind</u>	<u>USD</u>
		<u>USD</u>	<u>USD</u>	
1. Climate resilient land development	687,813	--	--	687,813
1.1: Testing, monitoring and upscaling of climate	92,211	--	--	92,211
1.2. Resilient land development	575,571	--	--	575,571
1.3. Investment in agricultural roads	20,031	--	--	20,031
2. Market linkages for the rural poor	102,399	--	--	102,399
2.1: Rural bulking of agricultural products	102,399	--	--	102,399
4. Programme Management	248,468	10,742	1,905	235,821
4.1. Investment Cost	248,468	10,742	1,905	235,821
	1,038,680	10,742	1,905	1,026,033

9. Goods, Services, Equipment:

This item consists of:

<u>For the period from August 1, 2018 to December 31, 2019</u>				
	<u>Budget</u>	<u>Actual</u>		<u>Variance</u>
		Cash	In-kind	
	USD	USD	USD	USD
1. Climate resilient land development	134,932	11,600	3,429	119,903
1.2. Resilient land development	134,932	11,600	3,429	119,903
2. Market linkages for the rural poor	120,337	--	--	120,337
2.1: Rural bulking of agricultural products	120,337	--	--	120,337
4. Programme Management	100,906	11,010	2,097	87,799
4.1. Investment Cost	100,906	11,010	2,097	87,799
	356,175	22,610	5,526	328,039
	=====	=====	=====	=====

10. Grants:

This item consists of:

<u>For the period from August 1, 2018 to December 31, 2019</u>				
	<u>Budget</u>	<u>Actual</u>		<u>Variance</u>
		Cash	In-kind	
	USD	USD	USD	USD
2. Market linkages for the rural poor	650,785	--	--	650,785
2.2. Inclusive entrepreneurship development	650,785	--	--	650,785
	650,785	--	--	650,785
	=====	=====	=====	=====

11. Trainings & Workshops:

This item consists of:

<u>For the period from August 1, 2018 to December 31, 2019</u>				
	<u>Budget</u>	<u>Actual</u>		<u>Variance</u>
		Cash	In-kind	
	USD	USD	USD	USD
2. Market linkages for the rural poor	209,718	460		209,258
2.1: Rural bulking of agricultural products	165,280	460		164,820
2.2. Inclusive entrepreneurship development	44,438			44,438
4. Programme Management	100,888	3,214	315	97,359
4.1. Investment Cost	100,888	3,214	315	97,359
	310,606	3,674	315	306,617
	=====	=====	=====	=====

12. Works:

This item consists of:

	Budget USD	For the period from August 1, 2018 to December 31, 2019		Variance USD
		Actual Cash USD	In-kind USD	
1. Climate resilient land development	4,996,139	-	-	4,996,139
1.2. Resilient land development	4,357,099	-	-	4,357,099
1.3. Investment in agricultural roads	639,040	-	-	639,040
2. Market linkages for the rural poor	841,799	-	-	841,799
2.1: Rural bulking of agricultural products	841,799	-	-	841,799
	5,837,938	--	--	5,837,938

13. Salaries and Allowances and operating costs:

This component consists of:

	Budget USD	For the period from August 1, 2018 to December 31, 2019		Variance USD
		Actual Cash USD	In-kind USD	
4. Programme Management	2,496,270	127,221	180,601	2,188,448
4.2 Recurrent cost	2,496,270	127,221	180,601	2,188,448
	2,496,270	127,221	180,601	2,188,448

14. Budget VS actual by donor:

a. This item consists of:

	Note	Budget USD	For the period from August 1, 2018 to December 31, 2019	
			Actual USD	Variance USD
Cash				
Government		1,165,968	10,806	1,155,162
IFAD		4,566,177	163,505	4,402,672
OFID		999,848	--	999,848
Beneficiaries and village council contributions		57,106	--	57,106
Total		7,184,656	174,311	7,010,345
In Kind				
Government	(16)	2,629,758	188,347	2,441,411
Beneficiaries		876,040	--	876,040
Total		3,505,798	188,347	3,317,451
Grand total		10,690,454	362,658	10,327,796

Governmental in kind contribution

b. This item consists of:

	<u>Note</u>	<u>USD</u>
Consultancies	(8)	(1,905)
Goods, Services, Equipment	(9)	(5,526)
Grants	(10)	--
Trainings & Workshops	(11)	(315)
Works	(12)	--
Salaries and Allowances and operating costs	(13)	(180,601)
Total uses of funds		(188,347)
		=====

c. During the implementation of the project, there were no Replenishment requests nor Reimbursement or Direct payments from donors, as so, there is no withdrawal applications statements submitted to donors during the project period.

15. Fixed assets:

This item consists of:

<u>Assets Type</u>	<u>Asset Description</u>	<u>For the period from August 1, 2018 to December 31, 2019 date of purchase</u>	<u>Value USD</u>
Computers		9/4/2019	1,240
Computers		9/4/2019	1,240
Computers		9/4/2019	1,240
Computers		9/4/2019	1,240
Computers		9/4/2019	1,240
Office Equipment	electric heater -Style	31/12/2019	43
Office Equipment	electric heater -Style	31/12/2019	43
Grand total			6,285
			=====

16. Reallocation of the government in-kind contributions:

According to the Financing Agreement signed between IFAD and the Palestinian Authority the government in-kind contributions should be USD 6,564,000, but it is reported in this report as USD 2,629,758, as an IFAD team visited the project on 28 July to 7 August 2019, and decided to recalibrate the costs in light of the existing USD 23 million financial gap. now management have approval to the reallocation of the amount according to the available funds (cash).

Annex 1: IFAD Designated Account Reconciliation Statement as of December 31, 2019:

Project Name: Resilient Land and Resource Management Project (RELAP)

Lead Project Agency: Ministry of Agriculture

IFAD financing agreement number: 2000002327

For the year ended 2019

Bank Account: [REDACTED]

7 . Designated Account Reconciliation Statement (IFAD Fund)

Designated Account No. [REDACTED]

Bank Name: Bank of Palestine

1. Total Advanced by IFAD	1,200,000.00		
2. Less total amount recovered by IFAD	163,504.63		
3. Equals present outstanding amount advanced to the designated account (line 1 less line 2)	1,036,495.37		
<hr/>			
4. Balance of designated account per attached bank statements as of (Date: 31/12/2019)	0		
5. Plus balance of the project account(s) (listed separately)	1,034,226.35		
Plus balance of sub accounts (listed separately)	0		
Plus balance of Cash in Hand-petty cash	0		
<hr/>			
Total of Bank Balances (designated A/C, PA, SUB accounts & cash in hand balance) (line 4+line 5)	1,034,226.35		
<hr/>			
6. Plus total amount claimed in this WA no.	0		
<hr/>			
7. Plus total amount withdrawn from the designated/PA/Grant account and not yet claimed for replenishment) or WAs pending submission	0		
<hr/>			
claimed after date of bank statement	USD		
<hr/>			
Application No.	Date	USD	Amount
		\$	
		\$	
		\$	
9. Minus Interest earned (to be completed. If zero, please enter zero)			0
10. Total Advance accounted for (line 5 through line 9)			1,034,226.35
11. Explanation of any difference between the totals appearing in Lines 3 and 10			2,269.02
bank charges Discounted from Bank account but allocated to another fund			116.00
amounts Discounted from Bank account but allocated to another fund			2,153.02

12 DATE 15/1/2020

SIGNATURE

Ammar salahat

Project Manager



Annex 2: OFID Designated Account Reconciliation Statement as of December 31, 2019:

Project Name: Resilient Land and Resource Management Project (RELAP)
 Lead Project Agency: Ministry of Agriculture
 OFID financing agreement number: 2000002328
 For the year ended 2019
 Bank Account: [REDACTED]

Designated Account Reconciliation Statement			
Designated Account No: [REDACTED]			
Bank Name: Bank of Palestine			
1. Total Advanced by OFID			237,500.00
2. Less total amount recovered by OFID			-
3. Equals present outstanding amount advanced to the designated account (line 1 less line 2)			237,500.00
4. Balance of designated account per attached bank statements as of (Date: 31/12/2019)			
			-
5. Plus balance of the project account(s) (listed separately)			237,456.00
Plus balance of sub accounts (listed separately)			-
Plus balance of Cash in Hand-petty cash			-
Total of Bank Balances (designated A/C, PA, SUB accounts & cash in hand balance) (line 4+line 5)			237,456.00
6. Plus total amount claimed in this WA no.			-
7. Plus total amount withdrawn from the designated/PA/Grant account and not yet claimed for replenishment) or WAs pending submission			-
after date of bank statement			USD
Application No.	Date	USD	Amount
		\$	
		\$	
		\$	
9. Minus Interest earned (to be completed, if zero, please enter zero)			-
10. Total Advance accounted for (line 5 through line 9)			237,456.00
11. Explanation of any difference between the totals appearing in Lines 3 and 10			44.00
e.g.	bank charges Discounted from Bank account but allocated to another fund		44.00
12 DATE			31/12/2019

SIGNATURE
 project manager
 Ammar Salahat



Annex 3: Statement of Sources and Uses funds for the period from August 1, 2018 to December 31, 2019:

Project Name: Resilient Land and Resource Management Project (RELAP)

Lead Project Agency: Ministry of Agriculture

Reporting period: 1 August 2018 -31 December 2019

Statement of Sources and Uses funds

	Reporting Period (1 august 2018 to 31 December.2019)	Cumulative
	US\$	US\$
Sources of funds (income)		
IFAD Grant Designated Account	1,200,000.00	1,200,000.00
OFID Grant Designated Account	237,500.00	237,500.00
Government Project Account	1,166,000.00	1,166,000.00
Beneficiary Project Account	2,342.00	2,342.00
Total	2,605,842.00	2,605,842.00
Use of Funds (expenditures) by Project Category		
IFAD		
1. Consultancies	10,000.00	10,000.00
2. Goods, Services, Equipment	22,610.00	22,610.00
3. GRANT	-	-
4. Training & Workshops	3,673.65	3,673.65
5. Works	-	-
6. Salaries and Allowances	127,220.98	127,220.98
7. Operating Costs	-	-
Government Cash Contribution		
1. Consultancies	742.40	742.40
2. Goods, Services, Equipment	-	-
3. GRANT	-	-
4. Training & Workshops	-	-
5. Works	-	-
6. Salaries and Allowances	-	-
7. Operating Costs	10,063.68	10,063.68
total Use of Funds (expenditures) by Project Category	174,310.71	174,310.71
Use of Funds (expenditures) by Project Component		
IFAD		
Component 1-Climate resilient land develop	11,600.00	11,600.00
Component 2-Market linkages for the rural p	460.00	460.00
Component 4-Project Management	151,444.63	151,444.63
Coutribution		
Component 1-Climate resilient land develop	-	-
Component 2-Market linkages for the rural p	-	-
Component 4-Project Management	10,806.08	10,806.08
total Use of Funds (expenditures) by Project Component	174,310.71	174,310.71
Total expenditures	174,310.71	174,310.71
Surplus/deficit	2,431,531.29	2,431,531.29
Opening Cash Balance		
Comprising of:		
IFAD Grant Designated Account	1,034,226.35	1,034,226.35
OFID Grant Designated Account	237,456.00	237,456.00
Government Project Account	1,157,506.94	1,157,506.94
Beneficiary Project Account	2,342.00	2,342.00
Cash in Hand-petty cash	-	-
Closing Cash Balances	2,431,531.29	2,431,531.29

Prepared by
Finance officer : Motasem Rawajbeh



Apprved by
project manager :Ammar salahat