

AUDITED PROJECT FINANCIAL STATEMENTS

Project N° : 2000000977

Loan/Grant: Loan no. 2000001439
Grant no. 2000001438
Grant no. 2000001437

Period covered: 1st January 2018 – 31st December 2018

Livestock And Pasture Development Project II

Prepared by: RSM Tajikistan LLC

Received on 3rd June, 2019

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**SPECIAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**STATE ENTERPRISE "PROJECT MANAGEMENT UNIT "LIVESTOCK AND
PASTURE DEVELOPMENT"**

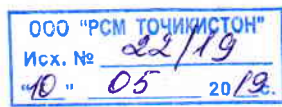
LIVESTOCK AND PASTURE DEVELOPMENT PROJECT - II (LPDP-II)

IFAD LOAN NUMBER:	2000001439
IFAD GRANT NUMBER:	2000001438
ASAP TRUST GRANT NUMBER:	2000001437

FOR THE PERIOD FROM JANUARY 1, 2018 TO DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the management of the State Enterprise
"Project Management Unit" Livestock and Pasture Development"

Opinion

We have audited the special purpose financial statements, project financial statements (PFS), of the State Enterprise "Project Management Unit Livestock and Pasture Development", "Livestock and Pasture Development Project - II" funded by IFAD, Reference IFAD Loan No.: 2000001439, IFAD Grant No.: 2000001438, ASAP Trust Grant No.: 2000001437, which comprise the statement of source and use of funds, statement of expenditures (by category), statement of expenditures (by component), statement of special accounts and reconciliation, statement of withdrawal application for the period from January 1, 2018 to December 31, 2018 and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements, PFS of the State Enterprise "Project Management Unit "Livestock and Pasture Development", "Livestock and Pasture Development Project - II" for the period from January 1, 2018 to December 31, 2018 which comprise the statement of source and use of funds, statement of expenditures (by category), statement of expenditures (by component), statement of special accounts and reconciliation, statement of withdrawal application are prepared, in all material respect, in accordance with the reporting provisions of Financing Agreement dated 3 February, 2016 between the Government of the Republic of Tajikistan and International Fund for Agricultural Development (IFAD) for "Livestock and Pasture Development Project - II" funded by IFAD, Reference IFAD Loan No.: 2000001439, IFAD Grant No.: 2000001438, ASAP Trust Grant No.: 2000001437.

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 *Auditor's Responsibilities for the*

Audit of the special purpose financial statements section of our report. We are independent of the Project Management Unit in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements in the Republic of Tajikistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the Basis of Accounting and Presentation. The special purpose financial statements are prepared to assist the Project Management Unit in complying with the requirements of the Project Agreement. As a result, the special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those charged with Governance for the special purpose financial statements

Management is responsible for the preparation of the special purpose financial statements in accordance with the reporting provisions of the Project Agreement and for such internal control as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Responsibilities for the Auditor of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

The engagement partner on the audit resulting in this Independent auditor's report is Firuz Saidov.

Firuz Saidov

Engagement Partner

Auditor license certificate issued by the
Ministry of Finance of the Republic of Tajikistan
BM N°0000236 dated 4 December 2017

May 10, 2019

RSM Tajikistan LLC

BM N°0000132 dated May 03, 2019

Kamilla Saidova

Audit Manager

Auditor license certificate issued by the
Ministry of Finance of the Republic of Tajikistan
BM N°0000351 dated 11 April 2019

Enclosures:

Annex 1 – Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements.



Annex 1 – Auditor's Responsibilities for the Audit of the Special Purpose 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 risk of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimate and related disclosures made by management.

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.

We also provide those charged with governance with a statement that we complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

STATEMENT OF SOURCES AND USES OF FUNDS

(in USD)

		1 January 2018 to 31 December 2018	27 November 2016 to 31 December 2017	Cumulative
	Note	Amount	Amount	Amount
Balance of Funds		775,682	-	-
FINANCING				
IFAD Grant	3	1,418,660	1,352,029	2,770,689
IFAD Loan	3	3,866,438	1,596,660	5,463,098
ASAP Trust Grant	3	2,191,748	881,761	3,073,509
Government (taxes)	3	921,835	359,893	1,281,728
Beneficiaries contribution	3	495,169	349,971	845,140
Total		8,893,850	4,540,313	13,434,163
PROJECT EXPENDITURE				
IFAD GRANT				
1. Equipment, Goods, Vehicles and Works	4	535,600	691,671	1,227,271
2. Technical Assistance and Studies	5	360,993	318,805	679,798
3. Training and Workshops	6	3,452	22,481	25,933
4a. CLPMP Grants	7	160,843	4	160,847
4b. Diversification Grants	8	-	-	-
4c. Other Grants	9	142,314	-	142,314
5. Operating Expenses	10	112,063	22,233	134,296
Sub-total		1,315,265	1,055,194	2,370,459
IFAD LOAN				
4a. CLPMP Grants	7	3,334,638	1,528,495	4,863,133
Sub-total		3,334,638	1,528,495	4,863,133
ASAP TRUST GRANT				
2. Technical Assistance and Studies	5	51,434	76,232	127,666
4a. CLPMP Grants	7	1,579,570	468,995	2,048,565
4b. Diversification Grants	8	377,062	33,984	411,046
Sub-total		2,008,066	579,211	2,587,277

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

GOVERNMENT (taxes)

1. Equipment, Goods, Vehicles and Works	4	34,293	4,537	38,830
2. Technical Assistance and Studies	5	7,998	-	7,998
4a. CLPMP Grants	7	830,089	355,356	1,185,445
4b. Diversification Grants	8	49,270	-	49,270
5. Operating Expenses	10	185	-	185
Sub-total		921,835	359,893	1,281,728

BENEFICIARIES CONTRIBUTION

1. Equipment, Goods, Vehicles and Works	4	27,251	36,111	63,362
4a. CLPMP Grants	7	492,351	205,380	697,731
4b. Diversification Grants	8	20,888	-	20,888
Sub-total		540,490	241,491	781,981
Foreign Exchange Difference		3,676	347	4,023
Total project expenditures		8,123,970	3,764,631	11,888,601
Closing Balance of Funds		1,545,562	775,682	1,545,562

The Statement of Sources and Uses of Funds was approved on May 10, 2019 by:

Karimzoda Sadi

Director



Khojaev Abdulahad

Finance Manager



The Statement of Sources and Uses of Funds is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 18 to 26.

STATEMENT OF EXPENDITURE (BY CATEGORY)

For the period from January 1, 2018 to December 31, 2018
(in USD)

	For the period			Cumulative		
	Budget Amount	Actual Amount	Variance Amount	Budget Amount	Actual Amount	Variance Amount
IFAD Grant						
1. Equipment, Goods, Vehicles and Works	1,237,809	535,600	702,209	1,927,789	1,227,271	700,518
2. Technical Assistance and Studies	406,910	360,993	45,917	672,400	679,798	(7,398)
3. Training and Workshops	80,210	3,452	76,758	106,710	25,933	80,777
4a. CLPMP Grants	1,000,000	160,843	839,157	1,000,000	160,847	839,153
4c. Other Grants	173,000	142,314	30,686	173,000	142,314	30,686
5. Operating Expenses	162,600	112,063	50,537	206,200	134,296	71,904
Sub-total	3,060,529	1,315,265	1,745,264	4,086,099	2,370,459	1,715,640
IFAD Loan						
4a. CLPMP Grants	2,500,000	3,334,638	(834,638)	4,030,000	4,863,133	(833,133)
Sub-total	2,500,000	3,334,638	(834,638)	4,030,000	4,863,133	(833,133)
ASAP Trust Grant						
2. Technical Assistance and Studies	43,590	51,434	(7,844)	128,110	127,666	444
4a. CLPMP Grants	1,250,000	1,579,570	(329,570)	1,912,500	2,048,565	(136,065)
4b. Diversification Grants	406,000	377,062	28,938	463,000	411,046	51,954
Sub-total	1,699,590	2,008,066	(308,476)	2,503,610	2,587,277	(83,667)

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

Government (taxes)

1. Equipment, Goods, Vehicles and Works	-	34,293	(34,293)	38,830	(34,830)
2. Technical Assistance and Studies	-	7,998	(7,998)	7,998	(7,998)
4a. CLPMP Grants	319,400	830,089	(510,689)	1,185,445	(645,255)
4b. Diversification Grants	-	49,270	(49,270)	49,270	(49,270)
5. Operating Expenses	-	185	(185)	185	(185)

Sub-total	319,400	921,835	(602,435)	544,190	1,281,728	(737,538)
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Beneficiaries contribution

1. Equipment, Goods, Vehicles and Works	61,950	27,251	34,699	118,450	63,362	55,088
4a. CLPMP Grants	236,431	492,351	(255,920)	351,931	697,731	(345,800)
4b. Diversification Grants	22,000	20,888	1,112	27,000	20,888	6,112
4c. Other Grants	17,000	-	17,000	17,000	-	17,000

Sub-total	337,381	540,490	(203,109)	514,381	781,981	(267,600)
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Foreign Exchange Difference

	-	3,676	(3,676)	-	4,023	(4,023)
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Total	7,916,900	8,123,970	(207,070)	11,678,280	11,888,601	(210,321)
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The Statement of Expenditure (by Category) was approved on May 10, 2019 by:

Karimzoda Sadi

Director

Khojaev Abdulahad

Finance manager

The Statement of Expenditure (by Category) is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 18 to 26.

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

STATEMENT OF EXPENDITURE (BY COMPONENT)

<i>in USD</i>	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017	Cumulative
IFAD Grant	1,315,265	1,055,194	2,370,459
1. Institutional Development	448,690	433,227	881,917
1.1. Development of Community Organizations	170,572	321,094	491,666
1.2. Advancement of Policy and Legal Framework and Strengthening National Institutions	278,118	112,133	390,251
2. Productivity Enhancement and Improved Animal Health	442,472	335,181	777,653
2.1. Livestock Productivity Enhancement	301,775	328,270	630,045
2.2. Improved Animal Health	140,697	6,911	147,608
3. Pasture Development and Diversification for Vulnerability Reduction	247,573	127,586	375,159
3.1. Community Resilience Pasture Management and Investments	247,573	127,586	375,159
3.2. Income Diversification			
4. Project Management	176,530	159,200	335,730
4.1. Project Management Unit	175,530	159,200	334,730
4.2. Monitoring and Evaluation	1,000		1,000
IFAD Loan	3,334,638	1,528,495	4,863,133
1. Institutional Development			
1.1. Development of Community Organizations			
1.2. Advancement of Policy and Legal Framework and Strengthening National Institutions			
2. Productivity Enhancement and Improved Animal Health			
2.1. Livestock Productivity Enhancement			
2.2. Improved Animal Health			
3. Pasture Development and Diversification for Vulnerability Reduction	3,334,638	1,528,495	4,863,133
3.1. Community Resilience Pasture Management and Investments	3,334,638	1,528,495	4,863,133
3.2. Income Diversification			
4. Project Management			
4.1. Project Management Unit			
4.2. Monitoring and Evaluation			

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

ASAP Trust Grant	2,008,066	579,211	2,587,277
1.Institutional Development	51,434	76,232	127,666
1.1.Development of Community Organizations	51,434	76,232	127,666
1.2.Advancement of Policy and Legal Framework and Strengthening National Institutions			
2.Productivity Enhancement and Improved Animal Health			
2.1.Livestock Productivity Enhancement			
2.2.Improved Animal Health			
3.Pasture Development and Diversification for Vulnerability Reduction	1,956,632	502,979	2,459,611
3.1.Community Resilience Pasture Management and Investments	1,579,570	468,995	2,048,565
3.2.Income Diversification	377,062	33,984	411,046
4.Project Management			
4.1.Project Management Unit			
4.2.Monitoring and Evaluation			
Government (taxes)	921,835	359,893	1,281,728
1.Institutional Development	35,281	553	35,834
1.1.Development of Community Organizations	25,780		25,780
1.2.Advancement of Policy and Legal Framework and Strengthening National Institutions	9,501	553	10,054
2.Productivity Enhancement and Improved Animal Health		3,984	3,984
2.1.Livestock Productivity Enhancement		3,984	3,984
2.2.Improved Animal Health			
3.Pasture Development and Diversification for Vulnerability Reduction	879,359	355,356	1,234,715
3.1.Community Resilience Pasture Management and Investments	830,089	355,356	1,185,445
3.2.Income Diversification	49,270		49,270
4.Project Management	7,195		7,195
4.1.Project Management Unit	7,195		7,195
4.2.Monitoring and Evaluation			
Beneficiaries contribution	540,490	241,491	781,981
1.Institutional Development			
1.1.Development of Community Organizations			
1.2.Advancement of Policy and Legal Framework and Strengthening National Institutions			
2.Productivity Enhancement and Improved Animal Health	27,251	36,111	63,362
2.1.Livestock Productivity Enhancement	27,251	36,111	63,362

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

2.2. Improved Animal Health			
3. Pasture Development and Diversification for Vulnerability Reduction	513,239	205,380	718,619
3.1. Community Resilience Pasture Management and Investments	492,351	205,380	697,731
3.2. Income Diversification	20,888		20,888
4. Project Management			
4.1. Project Management Unit			
4.2. Monitoring and Evaluation			
Sub-Total Uses of Funds	8,120,294	3,764,284	11,884,578
Foreign Exchange Difference	3,676	347	4,023
Total Uses of Funds	8,123,970	3,764,631	11,888,601

The Statement of Expenditure (by Component) was approved on May 10, 2019 by:

Karimzoda Sadi

Director



Khojaev Abdulahad

Finance manager



The Statement of Expenditure (by Component) is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 18 to 26.

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

STATEMENT OF SPECIAL ACCOUNTS AND RECONCILIATION

For the period from January 1, 2018 to December 31, 2018
(in USD)

Account No:

Depository Bank:

Address:

Ref. No:

BOJSC "Bank Eskhata"
16 N.Karabaeva Str, Dushanbe
IFAD LOAN #2000001439
IFAD GRANT #2000001438
ASAP TRUST GRANT #2000001437

Account Currency: USD

Balance as of January 1, 2018

Add:

Deduct: IFAD Replenishments

Programme Expenditure

Transfers to operating special accounts

Bank charges

Balance as of December 31, 2018

Amount

667,472

4,552,600

(2,525)

(3,730,565)

(651)

1,486,331

Account No:

Depository Bank:

Address:

Ref. No:

Account Currency: TJS

BOJSC "Bank Eskhata"
16 N.Karabaeva Str, Dushanbe
IFAD GRANT #2000001438

Balance as of January 1, 2018

Add:

Deduct: Transfers from local special account (USD)

Programme Expenditure

Bank charges

Exchange rates differences

Balance as of December 31, 2018

Amount

16

1,312,493

(1,311,281)

(1,193)

(4)

31

Account No:

Depository Bank:

Address:

Ref. No:

Account Currency: TJS

BOJSC "Bank Eskhata"
16 N.Karabaeva Str, Dushanbe
IFAD LOAN #2000001439

Balance as of January 1, 2018

Add:

Deduct: Transfers from local special account (USD)

Programme Expenditure

Bank charges

Balance as of December 31, 2018

Amount

1

1,098,132

(1,098,127)

(5)

1

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

Account No:

Depository Bank:

Address:

Ref.

No:

Account Currency: TJS

BOJSC "Bank Eskhata"
16 N.Karabaeva Str, Dushanbe

ASAP TRUST GRANT#2000001437

Balance as of January 1, 2018

Add:

Transfers from local special account (USD)

Deduct:

Programme Expenditure

Bank charges

Balance as of December 31, 2018

Amount

1

1,319,940

(1,319,920)

(19)

2

Account No:

Depository Bank:

Address:

Ref. No:

Account Currency: TJS

BOJSC "Bank Eskhata"
16 N.Karabaeva Str, Dushanbe
Beneficiaries contribution

Amount

108,192

Balance as of January, 2018

Add:

Community contribution (USD)

Deduct:

Programme Expenditure

Bank charges

Exchange rates difference

Balance as of December 31, 2018

(540,472)

(19)

(3,673)

59,197

SECITON 1

Amount equivalent in USD

Balance of Funds as of January 1, 2018

775 682

Total contributions by IFAD

Total contributions by Government (taxes)

Total Beneficiaries contribution

Total

7 476 846

921 835

495 169

8 893 850

Deduct

Total amount recovered by IFAD

Total amount recovered by Government (taxes)

Total amount recovered by Beneficiaries

Total

(6 657 969)

(921 835)

(540 490)

(8 120 294)

Add

Foreign Exchange Difference

(3 676)

Outstanding amount advanced by IFAD, Government, Beneficiaries

1 545 562

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

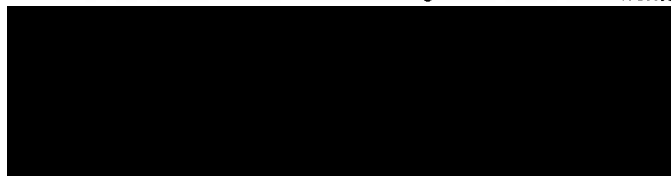
IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

SECTION 2

Balances of special accounts according to the bank statements:



1 486 331

31

1

2

59 197

Total bank balance as of December 31, 2018

1 545 562

Difference

-

The Statement of special accounts and reconciliation was approved on May 10, 2019 by:

Karimzoda Sadi

Khojaev Abdulahad

Director

Finance Manager

The Statement of Special Accounts and Reconciliation is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 18 to 26.

STATEMENT OF WITHDRAWAL APPLICATIONS

Withdrawal Application №	Grant/ Loan №	Date of submission	Total Amount Requested	1.Equipment, goods, vehicles and works	2.Technical assistance and studies	3.Training and workshops	4a.CLMP Grants	4b.Diversification Grants	4c.Other Grants	5.Operating expenses	Total Amount Received	Disbursement method
IFAD Grant												
G-5	2000001438	30.01.2018	203 166	154 886	36 675	433				11 172	203 166	Replenishment
G-6	2000001438	09.03.2018	247 254	191 895	47 381					7 978	247 254	Replenishment
G-7	2000001438	24.07.2018	272 926	27 240	93 200		114 893			37 593	272 926	Replenishment
G-8	2000001438	19.09.2018	247 893	140 973	77 243	927	13 856			14 894	247 893	Replenishment
G-9	2000001438	05.12.2018	240 260	91 184	64 924	990	29 442		31 077	22 843	240 260	Replenishment
G-10	2000001438	17.12.2018	207 161	70 687	18 189				109 620	8 665	207 161	Replenishment
	Sub Total		1 418 660	676 865	337 612	2 350	158 191		140 697	102 945	1 418 660	
IFAD Loan												
L-5	2000001439	25.01.2018	531 835				531 835				531 835	Replenishment
L-7	2000001439	09.03.2018	380 807				380 807				380 807	Replenishment
L-8	2000001439	24.07.2018	369 170				369 170				369 170	Replenishment
L-9	2000001439	17.09.2018	636 912				636 912				636 912	Direct payment
L-10	2000001439	11.10.2018	318 159				318 159				318 159	Direct payment
L-11	2000001439	05.12.2018	457 848				457 848				457 848	Direct payment
L-12	2000001439	17.12.2018	371 250				371 250				371 250	Direct payment
L-13	2000001439	17.12.2018	348 313				348 313				348 313	Replenishment
L-14	2000001439	28.12.2018	452 144				452 144				452 144	Direct payment
	Sub Total		3 866 438				3 866 438				3 866 438	

ASAP Trust Grant																				
AG-4	2000001437	01.02.2018	248 400																	
AG-5	2000001437	01.02.2018	297 450																	248 400
AG-6	2000001437	20.02.2018	439 533																	297 450
AG-7	2000001437	09.03.2018	556 343																	439 533
AG-8	2000001437	24.07.2018	310 629																	556 343
AG-9	2000001437	19.09.2018	339 393																	310 629
	Sub Total		2 191 748																	339 393
TOTAL			7 476 846																	2 191 748
																				102 945
																				140 697
																				388 923
																				2 350
																				5 784 797
																				7 476 846

The Statement of withdrawal applications was approved on May 10, 2019 by:

Karimzoda Sadi

Director

Khojaev Abdulahad

Finance Manager

The schedule of withdrawal applications is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 18 to 26.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

1 NATURE OF OPERATIONS AND GENERAL INFORMATION

"Livestock and Pasture Development" Project - II - (hereinafter "the Project" or "LPDP -II") is financed by the International Fund for Agriculture Development (IFAD) and implemented by the State Enterprise "Project Management Unit "Livestock and Pasture Development". The goal of the project is to contribute to poverty reduction in the Khatlon region (hereinafter referred to as the "Project Area").

The project is expected to reach approximately 38,000 rural households in the Khatlon region at high poverty level with a potential for the increased livestock productivity. The target group of the Project are smallholder livestock households, private veterinary service providers and small-scale entrepreneurs with potential to provide services to households and smaller farmers and women – headed households and women belonging to poor households.

The goal of the project is to contribute to the reduction in the Khatlon Oblast. The development objective is to increase the nutritional status and income of the target population by enhancing livestock productivity and climate resilience in a sustainable manner.

2 BASIS OF ACCOUNTING AND PRESENTATION

2.1 STATEMENT OF COMPLIANCE

The special purpose financial statements have been prepared in accordance with the reporting provisions of the relevant Project Financing Agreement signed between the Republic of Tajikistan and International Fund for Agricultural Development (IFAD) dated 3 February 2016.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting method

These special purpose financial statements are prepared in accordance with Cash Basis IPSAS "Financial Reporting Under the Cash Basis of Accounting" (the Cash Basis IPSAS). Under this basis, revenues are considered to be all funds, regardless of their source (IFAD, the Government of the Republic of Tajikistan and local communities) located on a special account in dollar equivalent, in the current account in national currency and which are reflected in the reports at the time they are received and expenses are funds allocated to pay for works, goods and services, and are reflected in the report at the time of payment.

Reporting currency

The currency used for the purposes of the special purpose financial statements is the US dollar.

Foreign currencies

All transactions incurred in currencies other than the reporting are translated into the presentation currency at the exchange rate of the project's servicing bank at the date of transactions.

Exchange rates

As of December 31, 2018, the TJS rate in relation to the US dollar, established by the project's servicing bank and used in the preparation of the special purpose financial statements was 9.4250.

Foreign exchange gains and losses are recognized in the statement of sources and uses of funds.

Project financing

Sources of funding are provided by grants received from the IFAD, the Government of the Republic of Tajikistan and contributions from local communities. Sources of funds are directly created by replenishing the special accounts of the project by IFAD and/or by direct payment to the final suppliers of goods, services and works.

Fixed assets

Fixed assets procured from the funds of the Project are expensed at the time of purchase. The Project maintains a separate listing of fixed assets, which are carried at cost. Fixed assets schedule is presented in note 11.

3 FUNDS RECEIVED FROM DONORS

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
IFAD		
Replenishments	4,552,600	2,833,789
Direct payments	2,924,246	996,660
Contributions of the Government	921,835	359,893
Beneficiaries contribution	495,169	349,971
	8,893,850	4,540,313

4 EQUIPMENT, GOODS, VEHICLES AND WORKS

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
IFAD Grant		
Purchase of sheep	54,143	-
Purchase of containers for planting trees for demonstration fields	39,020	-
Concentrated feed for rams	16,544	19,943
Laboratory equipment for the Tajik Agrarian University	136,202	-
Seeds of agricultural crops and mineral fertilizers	174,574	98,614
Supply of vehicles	47,300	48,000
Supply of laboratory furniture for the Tajik Agrarian University	19,172	-
Office equipment, furniture and computers for communities	48,645	183,664
Dushanbe office renovation	-	15,239
Supply of navigators	-	86,480
Renovation of the laboratory premises of the Tajik Agrarian University in Dushanbe	-	11,053

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

Renovation of the building of the State Institution "Pasture-meliorative trust"	-	21,965
Supply of sheep producers	-	54,369
Breeding bulls	-	42,291
Mobile tools and other components for artificial insemination	-	35,370
Seeds of fodder crops and mineral fertilizers for seed farms	-	74,683

535,600	691,671
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Government (taxes)

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Supply of vehicles for the State Institution "Pasture-meliorative trust"	8,514	-
Office equipment, furniture and computers for communities	25,779	-
Renovation of the laboratory premises of the Tajik Agrarian University in Dushanbe	-	553
Concentrated feed for rams	-	3,984

34,293	4,537
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Beneficiaries contribution

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Purchase of sheep	6,016	6,027
Concentrated feed for rams	1,838	2,216
Seeds of agricultural crops and mineral fertilizers	19,397	10,945
Breeding bulls	-	4,699
Mobile tools and other components for artificial insemination	-	3,930
Seeds of fodder crops and mineral fertilizers for seed farms	-	8,294

27,251	36,111
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"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

5 TECHNICAL ASSISTANCE AND STUDIES

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
IFAD Grant		
National consultants	220,757	129,143
Facilitators	120,011	177,874
Consulting services for the project audit	12,982	-
Conducting a comprehensive geobotanical study of pasture land	5,412	-
Agrochemical soil analysis in the project area	1,831	-
1C accounting software	-	11,788
	360,993	318,805
	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
ASAP Trust Grant		
Facilitators	51,434	76,232
	51,434	76,232
	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Government (taxes)		
Consulting services for the project audit	7,010	-
Conducting a comprehensive geobotanical study of pasture land	988	-
	7,998	-

6 TRAINING AND WORKSHOPS

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
IFAD Grant		
International Study/ Conferences	3,452	22,481
	3,452	22,481

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

7 CLPMP GRANTS

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
IFAD Grant		
Bank charges	-	4
Fencing materials	48,488	-
Development and supply of design estimates for water supply facilities, pipelines	19,625	-
Construction of a bathing bath for sheep in s.Oston and water line for livestock in s.Olamafruz	92,730	-
	160,843	4
IFAD Loan		
Bank charges	198	115
MTZ tractors	2,215,863	1,528,380
Mounted feed equipment and other motor equipment	607,035	-
Tractor trailers	384,192	-
Tractors	127,350	-
	3,334,638	1,528,495
ASAP Trust Grant		
Bank charges	216	178
Combine harvesters	248,400	-
Mounted feed and other motor equipment	429,449	99,472
Tractor trailers	505,764	-
Mobile offices	241,281	93,765
Seeds of fodder crops and mineral fertilizers	130,452	-
Corn seeds and mineral fertilizers	24,008	-
Front loaders and excavators	-	275,580
	1,579,570	468,995

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Government (taxes)		
MTZ tractors	443,172	305,676
Fencing materials	9,187	-
Mounted feed and other motor equipment	105,784	49,680
Seeds of fodder crops and mineral fertilizers	34,915	-
Tractor trailers	177,992	-
Front loaders and excavators	55,116	-
Development and supply of design estimates for water supply facilities, pipelines	3,923	-
	830,089	355,356
	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Beneficiaries contribution		
Tractors	14,150	-
Mounted feed equipment and other motor equipment	123,361	-
Tractor trailers	98,884	-
MTZ tractors	204,957	169,820
Fencing materials	2,553	-
Combine harvesters	27,600	-
Mobile offices	12,699	4,935
Seeds of fodder crops and mineral fertilizers	6,865	-
Corn seeds and mineral fertilizers	1,263	-
Bank services	19	5
Front loaders and excavators	-	30,620
	492,351	205,380

"Livestock and Pasture Development" PROJECT II (LPDP-II)"

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

8 DIVERSIFICATION GRANTS

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
ASAP Trust Grant		
Semi-automatic filling and packaging machine for dried fruits	181,248	33,984
Equipment for the collection and storage of milk	17,138	-
Rosehip seedlings	13,499	-
Wild rose seedlings, fencing materials and mineral fertilizers	44,803	-
Honey bees and apiculture equipment	25,662	-
Dairy cows and concentrated feed	94,712	-
	377,062	33,984
	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Government (taxes)		
Seeds of fodder crops and mineral fertilizers	8,489	-
Semi-automatic filling and packaging machine for dried fruits	40,781	-
	49,270	-
	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Beneficiaries contribution		
Equipment for the collection and storage of milk	902	-
Wild rose seedlings, fencing materials and mineral fertilizers	2,358	-
Honey bees and apiculture equipment	1,315	-
Dairy cows and concentrated feed for them	4,985	-
Semi-automatic filling and packaging machine for dried fruits	11,328	-
	20,888	-

"Livestock and Pasture Development" PROJECT II (LPDP-II)

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2018 to December 31, 2018

9 OTHER GRANTS

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
IFAD Grant		
Practical studies		
Veterinary medicines	1,617	-
Veterinary accessories, motorcycles and other components for private veterinary	16,740	-
Office equipment for private veterinarians	109,620	-
	<u>14,337</u>	<u>-</u>
	142,314	

10 OPERATING EXPENSES

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
IFAD Grant		
Wages	67,798	9,260
Social tax	8,099	2,315
Daily and transportation costs	624	-
Communication expenses (telephone, internet)	4,392	1,614
Banking services	1,457	721
Insurance costs	263	84
Other office expenses	12,337	1,293
Vehicle operation and maintenance	17,000	6,717
Operation and maintenance of equipment	93	229
	112,063	22,233

	For the period from January 1, 2018 to December 31, 2018	For the period from November 27, 2016 to December 31, 2017
Government (taxes)		
Other office expenses	185	-
	185	

11 SCHEDULE OF FIXED ASSETS

All project assets have been purchased to meet the needs of the Organization for implementation of the Project and are being used in project objectives.

Asset Ref. No.	Description	Category	Source of financing	Beneficiary Agency	Location	Date of Purchase	Purchase Value
008ZB01	Hyundai TUCSON	Civil Works, Equipment, goods, materials and vehicles	IFAD Grant	SE "LPDP"	PMU Office in Dushanbe	30/10/17	24,000
174ZB01	Hyundai TUCSON	Civil Works, Equipment, goods, materials and vehicles	IFAD Grant	SE "LPDP"	PMU Office in Dushanbe	30/10/17	24,000
Total							48,000