

AUDITED PROJECT FINANCIAL STATEMENTS

Project Nº : 1517

IFAD Loans No. L-I-822-MZ

OFID Loan No. 1408-P-MZ

Grant No. C-ECM-822-MZ

Period covered 01/01/2017 – 31/12/2017

Artisanal Fishers Promotion Project (ProPESCA)

Prepared by: Deloitte & Touche

Received on 31/10/2018

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**INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E
AQUACULTURA (IDEPA)**

Artisanal Fishers Promotion Project (ProPESCA)

IFAD Loan Agreement L-I-822-MZ

Financial Statements

For the Period comprising January 1 to December 2017

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STATEMENT OF RESPONSIBILITY BY MANAGEMENT

The responsibility for the preparation of financial statements that present fairly the statement of receipts and payments and statement of financial position in accordance with the basis of accounting described in the notes of the financial statements, applied consistently, as well for the adoption of adequate accounting policies, is of the management of IDEPA.

The financial statements have been audited by the independent accounting firm, Deloitte & Touche (Moçambique), Lda, who were given unrestricted access to all financial records and related data of the "Artisanal Fisheries Promotion Project (ProPESCA)" Management believe that all representations made to the independent auditors during their audit were valid and appropriate. The report of the independent auditors is presented on pages 2 and 4.

The financial statements for 31 December 2017 presented on pages 5 to 15 have been prepared in accordance with the basis of accounting described in the note 2 of the financial statements. They are based on appropriate accounting policies which have been consistently applied, and which are supported by reasonable and prudent judgement.

Management is responsible for the preparation of these financial statements in accordance with the cash receipts and disbursements basis of accounting described in Note 2 to the financial statements, for the purpose of reporting to IFAD Loan Agreement L-I-822 - MZ, for determining that the basics of preparation is acceptable in the circumstances, 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 the fraud or error.

The financial statements were approved by management and are signed on its behalf:

Project Coordinator

29 October 2018



Project Finance Manager

29 October 2018

INDEPENDENT AUDITOR'S REPORT

To the Management of

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA

Artisanal Fisheries Promotion Project (PROPECA)

Opinion

We have audited the financial statements of PROPECA – ARTISANAL FISHERIES PROMOTION PROJECT (IFAD Loan Agreement L-I-822 - MZ) set out on pages 5 to 15, which comprise the Statement of Receipts and Payments Accumulated, Statement of Receipts and Payments, Statement of Receipts and Payments with Budget Execution, Statement of Designated Account Activities and Statement of Expenditure Withdrawal Application by Category for the year ended 31 December 2017, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of PROPECA – ARTISANAL FISHERIES PROMOTION PROJECT (IFAD Loan Agreement L-I-822 - MZ), give a true and fair view in all relevant aspects and were prepared, in accordance with the basis of accounting described in the Note 2 to the financial statements and Donor's requirements.

We further report as follows:

- With respect to yearly and Cumulative Statements of Sources and Application of Funds, in particular for expenditure (SOEs), adequate supporting documentation has been maintained to support claims to the IFAD for reimbursements of expenditures incurred and such expenditure are eligible for financing under the IFAD Loan Agreement;
- The Designated Account has been used in accordance with the provisions of Financing and Grant Agreement, and withdrawals from the designated 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 program at the year ended 31 December 2017.

Basis for Opinion

We conducted our audit in accordance with International Audit Standards issued by IAASB. 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 PROPECA in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance in terms of the code of ethics issued by the Order of Accountants and Auditors of Mozambique ("OCAM"), which comply with the Code of Ethics issued by the Ethics Standards Board for Accountants (IESBA), 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 financial statements, which describe the basis of accounting. The financial statements are prepared to assist the project in providing financial statements to the donors, potential investors, banking and funding institutions. As a result, the financial statements may only be suitable for these purposes and not for statutory purposes. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Note 2 of the financial statements, and for such internal control as the directors 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, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

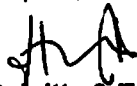
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgement 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 PROPESCA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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.
- 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.

Maputo, 29 October 2018



Deloitte & Touche (Mozambique), Lda
Certified Auditors n° 09/SCA/OCAM/2014
Per Aneliya Nikolova
Partner
Certified Auditor n° 56/CA/OCAM/2014

Deloitte.

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
IFAD LOAN AGREEMENT L-I-822 - MZ
STATEMENT OF RECEIPTS AND PAYMENTS ACUMULATED
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticaís)

	Notes	Cumulative		Year end 2017		Cumulative	
		December 2016	December 2016			December 2017	December 2017
		USD	MZN	USD	MZN	USD	MZN
Opening balance on 1 January 2017		7 581 269	266 714 143	3 049 775	219 492 249	10 631 044	486 208 392
Receipts:							
Authorized allocation - Designated Account from IFAD		6 502 761	355 476 479	-	-	6 502 761	355 476 479
Replenishments to Designated Account IFAD	4	6 635 028	283 389 185	4 500 000	273 060 000	13 135 028	538 449 185
Exchange rate gains/losses	5	-	70 743 914	-	(10 760 464)	-	59 983 450
Total receipts		22 719 058	956 323 721	7 549 775	481 791 785	30 268 833	1 438 115 506
Payments:							
Civil works	6	1 830 080	88 109 274	1 048 216	70 491 127	2 878 276	158 600 401
Vehicles, equipment and materials	7	1 510 446	53 429 112	165 495	11 746 412	1 675 941	85 175 524
Technical assistance, contracting, studies, training and workshops	8	3 036 839	114 364 725	903 299	62 487 424	3 940 138	176 852 149
Value chain facility	9	2 384 890	92 382 882	1 029 664	67 362 753	3 414 554	159 745 735
IOF matching grants	10	55 745	2 674 986	105 087	6 637 779	160 832	9 312 765
Investment capital		-	-	-	-	-	-
Incremental operating costs	11	3 204 448	114 094 846	754 509	50 885 996	3 958 957	164 980 842
Credit Lines		65 586	5 100 000	-	-	65 586	5 100 000
Total payments		12 088 014	470 155 925	4 006 271	269 611 490	16 084 285	739 767 415
Expenses accounted in UE Fund	12	-	-	1 938 936	116 554 092	1 938 936	116 554 092
Total advances		-	-	1 938 936	116 554 092	1 938 936	116 554 092
Difference				(1)	5 993	(1)	5 993
Closing balance as at 31 December 2017	13	10 631 044	486 167 796	1 604 567	95 632 196	12 235 611	581 799 992

Project Coordinator

29 October 2018

Project Finance Manager

29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
IFAD LOAN AGREEMENT L-I-822-MZ
STATEMENT OF RECEIPTS AND PAYMENTS
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

	<i>Notes</i>	<u>USD</u>	<u>MZN</u>
Opening balance on 1 January 2017	3	3 049 775	219 492 249
<i>Receipts:</i>			
Replenishments to Designated Account IFAD	4	4 500 000	273 060 000
Exchange rate gains/losses	5	-	(10 760 464)
Total receipts		<u>7 549 775</u>	<u>481 791 785</u>
<i>Payment:</i>			
Civil works	6	1 048 216	70 491 127
Vehicles, equipment and materials	7	165 495	11 746 412
Technical assistance, contracting, studies, training and workshops	8	903 299	62 487 424
Value chain facility	9	1 029 665	67 362 753
IOF matching grants	10	105 088	6 637 779
Investment capital		-	-
Incremental operating costs	11	754 509	50 885 996
Credit Lines		-	-
Total payments		<u>4 006 272</u>	<u>269 611 490</u>
Expenses accounted in UE Fund	12	1 938 936	116 554 092
Total advances		<u>1 938 936</u>	<u>116 554 092</u>
<i>Difference</i>		-	5 993
Closing balance as at 31 December 2017		<u>1 604 567</u>	<u>95 632 196</u>

Project Coordinator
29 October 2018



Project Finance Manager
29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPECA)
 IFAD LOAN AGREEMENT L-I-822-MZ
STATEMENT OF RECEIPTS AND PAYMENTS WITH BUDGET EXECUTION
 Year ended at 31 December 2017
 (Expressed in United States Dollars and Meticals)

	Notes	USD		Variance / Execution	
		Actual	Budget	USD	%
Opening balance on 1 January 2017		3 049 775	-	(3 049 775)	-
Receipts:					
Replenishments to Designated Account	4	4 500 000	12 433 745	7 933 745	36.19
Total receipts		4 500 000	12 433 745	7 933 745	36.19
Total		7 549 775	12 433 745	4 883 970	60.72
Payments:					
Civil works	6	1 048 216	4 606 852	3 558 636	22.75
Vehicles, equipment and materials	7	165 495	859 552	694 057	19.25
Technical assistance, contracting, studies, training and workshops	8	903 299	2 743 325	1 840 026	32.93
Value chain facility	9	1 029 664	2 523 428	1 493 764	40.80
IOF matching grants (5)	10	105 087	700 000	594 913	15.01
Investment capital		-	-	-	-
Incremental operating costs	11	754 509	1 000 588	246 079	75.41
Credit Lines		-	-	-	-
Total payments		4 006 271	12 433 745	8 427 474	32.22
Closing balance as at 31 December 2017	13	3 543 504	-	(3 543 504)	-

Project Coordinator

29 October 2018


Project Finance Manager

29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
IFAD LOAN AGREEMENT L-I-822-MZ
STATEMENT OF DESIGNATED ACCOUNT ACTIVITIES
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

	Notes	USD	MZN
Opening balance on 1 January 2017	3	1 930 074	138 907 436
IFAD Replenishments:			
	4	4 500 000	273 060 000
Total IFAD Replenishments		4 500 000	273 060 000
Total of Replenishments and opening balance		6 430 074	411 967 436
Transfers to CUT:			
- 09-03-17	5	1 714 434	117 421 585
- 03-05-17	5	200 000	12 328 000
- 08-09-17	5	1 971 738	120 000 000
- 30-11-17	5	832 085	49 983 359
- 30-11-17	5	1 196 176	70 741 871
Total of transfers		5 914 434	370 474 814
Bank Charges:			
- 24-02-17	5	-	38
Bank Charges		-	38
Exchange rate difference		-	10 760 464
Closing balance as at 31 December 2017	11	515 640	30 732 120

Project Coordinator
29 October 2018


Project Finance Manager
29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
IFAD LOAN AGREEMENT L-I-822-MZ
STATEMENT OF EXPENDITURE WITHDRAWAL APPLICATION BY CATEGORY
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

Description	Civil works		Vehicles, equipment and Material		Technical assistance, contracts studies, train and workshops		Value chain		IOF matching grants		Recurrent costs		Credit lines		Total	
	USD	MZN	USD	MZN	USD	MZN	USD	MZN	USD	MZN	USD	MZN	USD	MZN	USD	MZN
Withdrawal application 24	403 494	29 039 454	30 927	2 225 804	297 869	21 437 655	212 463	15 290 956	971	69 905	300 328	21 614 598	-	-	1 246 052	89 678 372
Withdrawal application 25	227 053	16 040 445	130 308	9 264 936	457 809	32 164 199	315 090	21 811 918	27 627	1 956 400	199 490	13 846 146	-	-	1 357 378	95 084 093
Withdrawal application 26	417 669	25 411 229	4 260	255 622	147 621	8 885 570	502 111	30 259 880	76 488	4 611 474	254 692	15 425 251	-	-	1 402 841	84 849 025
Total	1 048 216	70 491 128	165 495	11 746 412	903 299	62 487 424	1 029 664	67 362 754	105 086	6 637 779	754 510	50 885 995	-	-	4 006 271	269 611 490

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

1. Background

Artisanal Fisheries Project (ProPesca) is implemented and coordinated by the Ministry of sea, Island Water, Fisheries and Aquaculture – IDEPA – Instituto Nacional de Desenvolvimento da Pesca e Aquacultura nad various agencies. The project is to be implemented over a period of 84 months with a total budget of USD (co-financed by IFAD SDR 13 850 000, OFID USD 13 350 000, EU MDG-I EUR 12 390 000 and GoM USD 4 411 100).

This project is financed by:

- International Fund for Agriculture Development (IFAD) under the Loan agreement L-I-822-MZ, signed between the Government of Mozambique and IFAD on 24 March 2011 as amended on 16 August 2013.
- European Union, under Grant Agreement with reference number C-ECM-822-MZ; and
- OPEC Fund for International Development (OFID), under the Loan agreement 1408P, signed between Government of Mozambique and OFID on 25 September 2011.

The project's objective is to increase the returns from fish sales for artisanal fishers and to develop small-scale operators on a sustainable basis which will be achieved through the implementation of the following components:

- Supporting the development of higher value fish;
- Improving economic infrastructure;
- Developing financial services;
- Institutional strengthening, policy initiatives and project management, and
- Nutrition promotion

2. Accounting Policies

The following paragraphs describe the main accounting policies applied consistently by the project:

a) General

Daily management of the Project is made based on an autonomous system, where separate accounts and reports are prepared in accordance with donors requirements and regulations set out in the agreements signed. The statement was prepared in accordance with the cash basis principle of accounting. Under the cash basis of accounting receipts are recorded when received and expenses are recorded when incurred.

b) Transactions in foreign currency

The financial statements are expressed in United States Dollars. The functional currency is Metical, the receipts and the payments denominated in other currencies are translated to USD using the actual historic exchange rate. The closing balances in other currencies are translated to USD by using the exchange rate of the Central Bank of Mozambique on the day for which the closing balances are considered. Gains/Losses on foreign currency transactions/balances are dealt with in the Statement of Designated Accounts and the Statements of receipts and payments.

The exchange rate as at 31 December 2017 was: 1 USD equivalent to MZM 59,60.

c) Equipment

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

d) Direct payments

Direct payments, if any, are accounted for in the statement of receipts and payments based on the period in which payment is made to the supplier by IFAD.

e) Replenishment to designated account

Replenishment to the designated account is accounted for on receipt of funds.

The funds are disbursed by IFAD through direct transfers into the designated bank account of Central Bank of Mozambique. These funds are requested by the project management as the need arises and are then transferred into the National Directorate of Treasury CUT account. The payments of project expenses are made through e-SISTAFE.

f) Advances

Advances represent funds transfers to the implementing partners, which have been made through e-SISTAFE and are yet to be justified by supporting documents.

3. OPENING BALANCES

The amounts recorded as opening balance, totaling USD 3 049 775, corresponds to the availability of the project bank balance as of 1 January 2017, and is composed as follows:

	<u>USD</u>	<u>MZN</u>
Designated account - [REDACTED]	1 930 074	138 907 436
Treasury CUT MZN Account	1 119 700	80 584 813
	<u>3 049 775</u>	<u>219 492 249</u>

4. REPLENISHMENTS TO DESIGNATED ACCOUNT

The balance of this caption corresponds to the replenishment made to the designated account by IFAD during the financial year of 2017.

<u>Financed by</u>	<u>Replenishment date</u>	<u>Currency</u>	<u>USD</u>	<u>MZN</u>
IFAD	10/08/2017	USD	4 500 000	273 060 000
			<u>4 500 000</u>	<u>273 060 000</u>

5. EXCHANGE RATE GAINS

Gains in foreign exchange differences resulted from the Project current operations, based on the funds disbursed in US dollars by IFAD, which were kept in an open account with Central Bank of Mozambique, and can be analyzed as follows:

Details	Date	Amount USD		Amount MT
Opening balance	01/01/2017	1 930 073.96	71.97	138 907 423
Bank charges	24/02/2017	(0.36)	70.11	(25)
Withdrawal	22/03/2017	(1 714 434.00)	68.49	(117 421 585)
Withdrawal	17/05/2017	(200 000.00)	61.64	(12 328 000)
Deposit	10/08/2017	4 500 000.00	60.68	273 060 000
Withdrawal	08/09/2017	(2 500 000.00)	60.86	(120 000 000)
Withdrawal	30/11/2017	(1 500 000.00)	60.07	(49 983 359)
			59.14	(70 741 871)
Balance at transfer rate		515 639.60		41 492 584
Balance at year end		515 639.60	59.60	30 732 120
		Exchange gain/losses		10 760 464

6. CIVIL WORKS

The funds allocated to the projects were used to pay various rehabilitation works of public infrastructures and to build new markets, as details below:

	USD	MZN
Improvement MPV work of Zalala, in Mocímboa da Praia	5 246	377 568
Provisional Electrification MPV in Pangane,	985	70 897
Construction of MPV at Ibo in Quirimbas	48 088	3 460 902
Inspection work MPV of Pangane and Quirimba	5 595	402 682
Construction works Building Sector for DPMAIP in Pemba	361 485	22 000 000
Construction works of MPV Pangane, Macomia	33 042	2 378 023
Works for the reconstruction of MPV in Palma	15 055	1 083 479
Cabo Delgado	469 496	29 773 552
Construction of MPV Maziuane	82 313	5 817 248
Construction of Larde MPV – Nampula	36 453	2 623 507
Nampula	118 766	8 440 754
Construction work of the extension house of Madacuene, Polo N.		
Mambone	2 555	183 875
Inhassoro market construction site inspection	5 199	374 156
Inhassoro MPV Construction	22 375	1 610 328
Inspection work of Vilankulo MPV	3 001	215 982

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
LOAN AGREEMENT L-I-822-MZ
NOTES TO FINANCIAL STATEMENTS
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

	USD	MZN
Construction work of fish market type C, Vilankulo	36 098	2 597 977
Nova-Mambone MPV Construction and Inspection	53 189	3 824 995
Construction house of Extensionists, Madacuene-Govuro	6 485	466 729
Inhambane	128 901	9 274 042
Conclusion of the construction of extension houses – Bilene	29 998	2 074 654
Conclusion construction of extension houses, Zongoene	4 145	298 350
Sum Inspection Construction MPV Zongoene	72 215	5 197 279
Conclusion construction of the Zongoene retail market	64 707	4 656 988
Gaza	171 066	12 227 271
Construction and surveillance of MPV of Marracuene	37 095	2 669 701
Construction of extension houses, Katembe and Marracuene	57 445	3 623 867
Construction of KaNyaca extension home	10 237	614 929
Construction of fish market on Kanhaca Island, Maputo	55 210	3 867 010
Construction of aquaculture training and demonstration center at the School of Fisheries	-	-
Maputo	159 987	10 775 507
	1 048 216	70 491 127

7. VEHICLES, EQUIPMENT AND MATERIALS

This item is related with the payment of vehicles acquired during the year, as well as marine engines and computers equipment, and as shown in the table below:

	USD	MZN
Toyota vehicles	70 801	5 071 642
Computer equipments	91 761	6 468 881
Off-board marine engines	-	-
Ice machines and freezers	-	-
Navigation Equipments	1 444	103 892
Air conditioners	1 489	101 997
	165 495	11 746 412

8. TECHNICAL ASSISTANCE, CONTRACTS, STUDIES, TRAINING AND WORKSHOPS

This nature of costs consists of the following operating expenses:

	USD	MZN
Technical assistance	163 667	11 179 458
Service Contracts	497 246	34 710 249
Cost allowances	97 321	6 755 831
Subsidies for beneficiaries	1 900	118 100
Accommodation	11 034	759 812
Travel ticket	22 311	1 514 042
Fuel	13 236	883 685
Snacks and meals	39 575	2 684 965
Teaching materials	8 542	614 779
Other expenses	48 467	3 266 502
	903 299	62 487 424

9. VALUE-CHAIN FACILITY

This expenditure heading can be summarized as follows:

	<u>USD</u>	<u>MZN</u>
Service contractors	8 043	530 131
Cost allowances	213 150	14 259 598
Subsidies for beneficiaries	26 025	1 769 288
Accommodation	55 161	3 578 174
Travel ticket	31 453	2 115 607
Fuel	115 652	7 484 992
Snacks and meals	93 892	6 066 048
Teaching materials	359 258	23 155 309
Other expenses	127 030	8 403 607
	<u>1 029 664</u>	<u>67 362 753</u>

10. IOF matching grants

	<u>USD</u>	<u>MZN</u>
Fishing material	5 364	327 330
Freezers	51 779	3 388 500
Electronic scales	1 381	93 600
Colman	2 041	139 800
Various maritime safety material	29 513	1 777 012
Moageira	4 412	265 000
Car and insurance	8 677	527 842
Other expenses	1 920	118 695
	<u>105 087</u>	<u>6 637 779</u>

11. Incremental operating costs

This component can be summarized as follows:

	<u>USD</u>	<u>MZN</u>
Wages (a)	289 631	19 770 450
Performance Rewards	173 527	11 705 627
Cost allowances	48 940	3 313 098
Subsidies for beneficiaries	-	-
Accommodation	4 394	292 985
Travel ticket	5 135	330 714
Fuel	37 947	2 593 527
Snacks and meals	4 627	327 207
Other expenses	190 308	12 552 387
	<u>754 509</u>	<u>50 885 996</u>

(a) Salaries Detail

	USD	MZN
Project Coordinator	70 325	4 811 424
Financial and contract manager	58 394	3 979 657
Monitoring and evaluation and knowledge management officer	51 729	3 525 392
Financial and contract manager assistants	56 518	3 851 806
Logistics Officer	18 797	1 286 032
Assistant to the monitoring and evaluation officer and knowledge management	18 797	1 286 032
Administrative assistant	9 482	646 217
Driver	5 589	383 890
	289 631	19 770 450

12. EXPENDITURE ADVANCED TO EU

Expenses in total amount of 1 673 787 EUR (116 554 092 MZN) were advanced to UE.

13. BALANCE ON 31 DECEMBER 2017

The financial position of the income over expenditure as at 31 de December 2017, corresponds to the availability closing balance in designated bank account, as follows:

	USD	MZN
Designated account - [REDACTED]	515 640	30 732 120
Treasury CUT MZN	1 088 927	64 900 076
Account	1 604 567	95 632 196

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
ANEXURE I – DETAILS OF PAYMENTS BY IMPLEMENTATION AGENCIES
 Year ended at 31 December 2017
(Expressed in United States Dollars and Meticaís)

	<u>USD</u>	<u>MZN</u>
National Fisheries Administration	71 325	4 998 387
National Institute of Fisheries Research	32 581	2 076 567
Fishing Fund	106 108	6 704 597
Project Co-ordination Unit	2 450 715	160 395 753
Delegation of IDPPE Cabo Delgado	796 073	50 895 630
Delegation of IDPPE Nampula	504 002	33 482 219
Delegation of IDPPE Zambézia	74 074	4 934 558
Delegation of IDPPE Sofala	82 954	5 375 506
Delegation of IDPPE Inhambane	493 110	31 812 805
Delegation of IDPPE Gaza	453 431	30 742 578
Delegation of IDPPE Maputo	439 842	28 666 715
National Road Administration	179 043	10 588 593
Ministry of Energy and Mineral Resources	261 949	15 491 674
	<u>5 945 207</u>	<u>386 165 582</u>

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
ANEXURE II – RECONCILIATION OF THE ADVANCE FROM IFAD
 Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

	<u>USD</u>	<u>MZN</u>
Opening balance on 1 January 2017	3 049 775	219 490 696
Advance to designated account	4 500 000	273 060 000
Exchange rate differences	-	(10 760 464)
Actual advance	<u>7 549 775</u>	<u>481 790 232</u>
<i>Represented by:</i>		
Bank balance designated account	515 641	30 732 133
CUT balance	1 088 927	64 900 076
Project expenses incurred	4 006 271	269 611 490
Total	<u>5 610 839</u>	<u>365 243 700</u>
<i>Difference (Expenditure advanced to EU Fund)</i>	<u>1 938 936</u>	<u>116 546 533</u>
	<u>7 549 775</u>	<u>481 790 232</u>

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
ANEXURE III DISBURSEMENT SUMMARY BY CATEGORIES
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticaís)

Expenditure category	Total credit per grant agreement USD	Disbur. up to 31/12/16 USD	Disbur. during the year 2017 USD	Total Disbur. as at 31/12/17 USD	Available balance as at 31/12/17 USD
Civil works	5 050 247	1 496 967	1 381 309	2 878 276	2 171 971
Vehicles, equipment and materials	1 281 634	1 435 324	240 617	1 675 941	(394 307)
Technical assistance, contracting, studies, training and workshops	3 036 251	2 417 517	1 522 621	3 940 138	(903 887)
Value chain facility	2 959 964	2 028 129	1 386 425	3 414 554	(454 590)
IOF matching grants	717 105	105 087	55 745	160 832	556 273
Investment capital	1 174 831	-	-	-	1 174 831
Incremental operating costs	4 790 869	2 593 776	1 365 181	3 958 957	831 912
Unallocated	2 120 799	-	65 586	65 586	2 055 213
Start-up Cost	-	-	-	-	-
Authorized allocation	-	5 281 725	(1 738 221)	3 543 504	(3 543 504)
	21 131 700	15 358 526	4 279 263	19 637 789	1 493 911

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
ANEXURE IV DISBURSEMENT SUMMARY IN SDR
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticaís)

Expenditure category	Total credit per grant agreement SDR	Disbursement up to 31/12/16 SDR	Disbursement during the year 2017 SDR	Total Disbursement as at 31/12/17 SDR	Availabl balance a at 31/12/1 SDI
Civil works	3 310 000	295 250	964 303	1 259 553	2 050 44
Vehicles, equipment and materials	840 000	826 689	165 774	992 463	(152 463
Technical assistance, contracting, studies, training and workshops	1 990 000	995 074	1 024 338	2 019 412	(29 412
Value chain facility	1 940 000	657 348	942 822	1 600 170	339 83
IOF matching grants (5)	470 000	-	38 632	38 632	431 36
Investment capital	770 000	-	-	-	770 00
Incremental operating costs	3 140 000	1 204 594	908 731	2 113 325	1 026 67
Unallocated	1 390 000	-	-	-	1 390 00
Start-up Cost	-	-	-	-	-
Authorized allocation	-	6 325 701	(849 441)	5 476 260	(5 476 260
Total	13 850 000	10 304 656	3 195 159	13 499 815	350 18

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPECA)
ANEXURE V REGISTER OF CONTRACTS
 Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

Sequencial Nº	Financed By	Contract Nº	Date of Contract Original	Supplier Name	Description of Works, Goods, Services or Training Programmes	Method of Procurement	Country of Origin	Period of Execution	Amount MZN	USD	Category and % of financing	Non-Objection Nº Date	Status/ Comments
157A	IFAD	1	11/01/2017	Almeida Cardoso Havanquana	Fiscalização obras construção mercado de peixe na Ilha de Kalyaka, Maputo	LCB	Mozambique	180 Days	685 000	8 696	IFAD	N/A	In progress
176	IFAD	7	13/02/2017	Carline Construções	Construção casas extensionistas em Marracuene e Katambe, Maputo	LCB	Mozambique	160 dias	4 137 835	51 723	IFAD	27/03/2017	In progress
202	IFAD	1	01/04/2017	ADA Construções	Melhoramento do MPV de Zizala, Mocimboa da Praia, Cabo Delgado	LCB	Mozambique	30 dias	471 960	7 737	IFAD		In progress
209	IFAD	3	11/07/2017	OPHAELA	Adenda Promoção de grupos de PCR na província de Nampula	LCB	Mozambique		5 972 394	199 060	IFAD		Executed
212	IFAD	7	01/01/2017	Nuno Remane Arquitecto, El	Fiscalização obras construção mercado de peixe de Marracuene na Província de Maputo	LCB	Mozambique	120 Days	758 000	25 267	IFAD	N/A	In progress
214	UE/IFAD	129	01/12/2017	Agrimoto, Lda	Materiais e equipamentos para actividades de treinamento em boas práticas de processamento e comercialização de pescado	LCB	Mozambique	60 Days	7 432 123	119 673	UE/IFAD	N/A 23/11/2017	In progress
					Implementação de acções relativas a operacionalização de unidade de produção de alevins e reabertura de centro de demonstração em aquacultura em Matutuine	LCB	Mozambique		3 390 350	53 615	IFAD	27/08/2017	In progress
235	IFAD	sn	31/08/2017	ONG Asa que Cuidam		LCB	Mozambique		2 049 763	32 536	IFAD		In progress
242	IFAD	68	26/12/2017	E&F Construções	Construção casa de extensionista na Kalyaka	LCB	Mozambique	160 Dias			IFAD		In progress
242A	IFAD	68	26/12/2017	Océlio Filipe Jaime	Fiscalização obras construção casa de extensionista na Kalyaka e Machangulo	LCB	Mozambique	160 Dias	1 673 380	26 561	IFAD		In progress
245	UE/IFAD		30/05/2017	CGTI, Lda	Prestação de serviços equipamento informático	LCB	Mozambique	1 ano	1 000 000	15 673	IFAD/EU		In progress
246	UE/IFAD	37	10/04/2017	Deloitte & Touche Moçambique, Lda	Auditoria às contas de 2017 a 2018	LCB	Mozambique	2 anos	2 519 511	39 992	IFAD/EU	23/05/2018	In progress
Total									30 090 296	581 353			

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
ANEXURE VI DESIGNATED ACCOUNT
Year ended at 31 December 2017
(Expressed in United States Dollars)

Designated Account no. [REDACTED]
Account name: MP - IDPPE - ProPESCA – USD

	<u>USD</u>
Opening balance on 1 January 2017	<u>1 930 074</u>
	<u>1 930 074</u>
Receipt:	
IFAD replenishments	
Replenishments to Designated Account	<u>4 500 000</u>
	<u>4 500 000</u>
Transfer to Operating Accounts:	
Transferred to the FOREX Account	(1 714 434)
Transferred to the FOREX Account	(200 000)
Transferred to the FOREX Account	(2 500 000)
Transferred to the FOREX Account	(1 500 000)
	<u>(5 914 434)</u>
Closing balance as at 31 December 2017	<u>515 640</u>

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
ANEXURE VII FOREX ACCOUNT
 Year ended at 31 December 2017
(Expressed in United States Dollars)

FOREX Account n° [REDACTED]

Account name: [REDACTED]

Opening balance on 1 January 2017

-

IFAD Replenishments:

Replenishments from Designated [REDACTED]	1 714 434
Replenishments from Designated [REDACTED]	200 000
Replenishments from Designated [REDACTED]	2 500 000
Replenishments from Designated [REDACTED]	1 500 000
	<u>5 914 434</u>

Transfer to Operating Accounts:

Transfer to CUT [REDACTED]	(1 714 434)
Transfer to CUT [REDACTED]	(200 000)
Transfer to CUT [REDACTED]	(1 971 739)
Transfer to CUT [REDACTED]	(832 085)
Transfer to CUT [REDACTED]	(1 196 176)
	<u>(5 914 434)</u>

Closing balance as at 31 December 2017

-

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
ANEXURE VIII CUT - USD
Year ended at 31 December 2017
(Expressed in United States Dollars)

Resource Source: 154FIDADAPRPES

Opening balance on 1 January 2017

-

IFAD Replenishments:

Replenishments from		1 971 738
Replenishments from		832 085
Replenishments from		1 196 177
		<u>4 000 000</u>

Transfer to Operating Accounts:

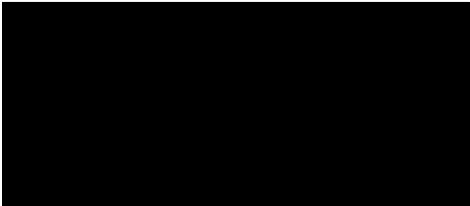
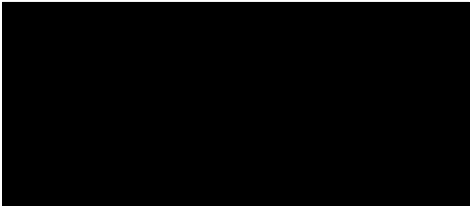
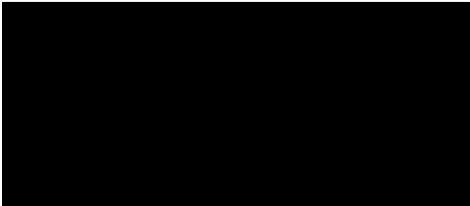
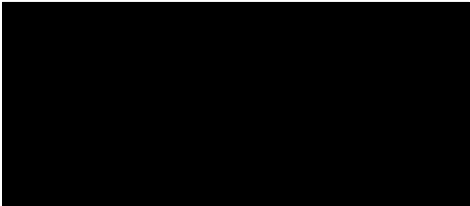
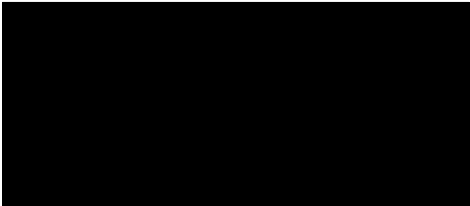
Transfer to CUT		(1 971 738)
Transfer to CUT		(832 085)
Transfer to CUT		(1 196 177)
		<u>(4 000 000)</u>

Closing balance as at 31 December 2017

-

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
ANEXURE IX CUT - MZN
Year ended at 31 December 2017
(Expressed in United States Dollars)

Resource Source: 154FIDADAPRPES

	<u>MZN</u>
Opening balance on 1 January 2017	80 584 813
<i>Replenishments:</i>	
Replenishments from 	117 421 585
Replenishments from 	12 328 000
Replenishments from 	119 999 975
Replenishments from 	49 983 347
Replenishments from 	70 741 908
	<u>370 474 815</u>
<i>Execution:</i>	<u>(386 159 552)</u>
	<u>(386 159 552)</u>
Closing balance as at 31 December 2017	<u><u>64 900 076</u></u>

**INSTITUTO NACIONAL DE DESENVOLVIMENTO DA
PESCA E AQUACULTURA (IDEPA)**

Artisanal Fishers Promotion Project (PROPESCA)

**European Union - Millennium Development Goals
Grant Agreement C-ECM-822-MZ**

Financial Statements

For the year ended 31 December 2017

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STATEMENT OF RESPONSIBILITY BY MANAGEMENT

The responsibility for the preparation of financial statements that present fairly the statement of receipts and payments and statement of financial position in accordance with the basis of accounting described in the notes of the financial statements, applied consistently, as well for the adoption of adequate accounting policies, is of the management of IDEPA.

The financial statements have been audited by the independent accounting firm, Deloitte & Touche (Moçambique), Lda who were given unrestricted access to all financial records and related data of the "Artisanal Fisheries Promotion Project (ProPESCA)" Management believe that all representations made to the independent auditors during their audit were valid and appropriate. The report of the independent auditors is presented on pages 2 and 4.

The financial statements for 31 December 2017 presented on pages 5 to 15 have been prepared in accordance with the basis of accounting described in the note 2 of the financial statements. They are based on appropriate accounting policies which have been consistently applied, and which are supported by reasonable and prudent judgement.

Management is responsible for the preparation of these financial statements in accordance with the cash receipts and disbursements basis of accounting described in Note 2 to the financial statements, for the purpose of reporting to European Union – Millennium Development Goals, for determining that the basics of preparation is acceptable in the circumstances, 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 the fraud or error.

The financial statements were approved by management and are signed on its behalf:

Project Coordinator
29 October 2018



Project Finance Manager
29 October 2018

INDEPENDENT AUDITOR'S REPORT

To the Management of

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA

Artisanal Fisheries Promotion Project (PROPECA)

Opinion

We have audited the financial statements of PROPECA – ARTISANAL FISHERIES PROMOTION PROJECT (European Union – Millennium Development Goals Grant Agreement C-ECM-822-MZ) set out on pages 5 to 15, which comprise Statement of Receipts and Payments Accumulated, Statement of Receipts and Payments, Statement of Receipts and Payments with Budget Execution, Statement of Designated Account Activities and Statement of Expenditure Withdrawal Application by Category for the year ended 31 December 2017, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement of PROPECA – ARTISANAL FISHERIES PROMOTION PROJECT (European Union – Millennium Development Goals Grant Agreement C-ECM-822-MZ), give a true and fair view in all relevant aspects and were prepared, in accordance with the basis of accounting described in the Note 2 to the financial statements and Donor's requirements.

We further report as follows:

- With respect to yearly and Cumulative Statements of Sources and Application of Funds, in particular 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 Millennium Development Goals Grant Agreement;
- The Designated Account has been used in accordance with the provisions of Financing and Grant Agreement, and withdrawals from the designated Account have been used for the purpose authorized in the Financing Agreement; and
- The Trial Balance and list of transactions accurately describes the financial position of the program at the year ended 31 December 2017.

Basis for Opinion

We conducted our audit in accordance with International Audit Standards issued by IAASB. 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 the project in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance in terms of the code of ethics issued by the Order of Accountants and Auditors of Mozambique ("OCAM"), which comply with the Code of Ethics issued by the Ethics Standards Board for Accountants (IESBA), 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 financial statements, which describe the basis of accounting. The financial statements are prepared to assist the project in providing financial statements to the donors, potential investors, banking and funding institutions. As a result, the financial statements may only be suitable for these purposes and not for statutory purposes. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Note 2 of the financial statements, and for such internal control as the directors 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, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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.

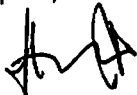
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.

Maputo, 29 October 2018



Deloitte & Touche (Moçambique), Lda
Certified Auditors nº 09/SCA/OCAM/2014
Per Aneliya Nikolova
Partner
Certified Auditor nº 56/CA/OCAM/2014

Deloitte.

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
European Union – Grant Agreement C-ECM-822-MZ
STATEMENT OF RECEIPTS AND PAYMENTS ACUMULATED
Year ended at 31 December 2017
(Expressed in Euros and Meticals)

	Notes	Cumulative		Year end 2017		Cumulative	
		December 2016	December 2016			December 2017	December 2017
		EUR	MZN	EUR	MZN	EUR	MZN
Opening balance as on 1 January 2017	3	-	-	1 844 977	138 613 115	-	-
Receipts							
Authorized allocation - Designated Account from IFAD		2 063 628	84 650 021	-	-	2 063 628	84 650 021
Replenishments to Designated Account IFAD		5 709 572	354 414 281	-	-	5 709 572	354 414 281
Exchange rate gains		-	7 663 802	-	-	-	7 663 802
Opening Balance Adjustment	4	-	-	10 143	762 028	10 143	762 028
Total Receipts		7 773 200	446 728 104	10 143	762 028	7 783 343	447 490 132
Expenditure advanced by IFAD	5	-	-	1 673 787	116 554 092	1 673 787	116 554 092
Total receipts		7 773 200	446 728 104	1 683 930	117 316 120	9 457 130	564 044 224
Payments							
Civil works	6	2 887 742	136 707 372	1 208 031	84 680 539	4 095 773	221 387 911
Vehicles, equipment and materials	7	176 433	11 320 855	352 356	25 243 135	528 789	36 583 990
Technical assistance, contracting, studies, training and workshops	8	837 673	43 084 882	1 050 058	73 759 992	1 887 731	118 824 874
Value chain facility	9	944 649	43 881 902	695 616	48 482 836	1 640 265	92 364 738
IOF matching grants		-	-	-	-	-	-
Investment capital		-	-	-	-	-	-
Incremental operating costs	10	49 595	3 136 938	32 666	2 269 424	82 261	5 406 362
Credit lines		960 390	57 601 790	-	-	960 390	57 601 790
		5 856 482	295 713 739	3 338 727	234 435 926	9 195 209	530 149 685
Loans							
VAT advanced to GoM	11	71 741	3 037 085	3 495	205 015	75 236	3 242 100
Exchange rate losses		-	9 364 165	-	9 271 894	-	18 638 059
		71 741	12 401 250	3 495	9 476 909	75 236	21 878 159
Total payments		5 928 223	308 144 889	3 342 222	243 912 835	9 270 445	552 027 824
Difference					1 312 911		1 312 911
Closing balance as at 31 December 2017	12	1 844 977	138 613 115	186 685	13 329 311	186 685	13 329 311

Project Coordinator
29 October 2018


Project Finance Manager
29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPECA)
 European Union – Grant Agreement C-ECM-822-MZ
STATEMENT OF RECEIPTS AND PAYMENTS
 Year ended at 31 December 2017
 (Expressed in Euros and Meticals)

Description	Notes	EUR	MZN
Opening balance on 1 January 2017	3	1 844 977	138 613 115
Opening balance adjustment	4	10 143	762 028
		1 855 120	139 375 143
Receipts:			
Expenditure advanced by IFAD	5	1 673 787	116 554 092
Total receipts		3 528 907	255 929 235
Payment:			
Civil works	6	1 208 031	84 680 539
Vehicles, equipment and materials	7	352 356	25 243 135
Technical assistance, contracting, studies, training and workshops	8	1 050 058	73 759 992
Value chain facility	9	695 616	48 482 836
Incremental operating costs	10	32 666	2 269 424
Credit lines		-	-
Total payments		3 338 727	234 435 926
Loans			
VAT advanced to GoM	11	3 495	205 015
		3 495	205 015
Exchange rate losses			9 271 894
Total payments		3 338 727	243 912 835
Difference		-	1 312 911
Closing balance as at 31 December 2017		186 658	13 329 311

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPECA)
 European Union – Grant Agreement C-ECM-822-MZ
STATEMENT OF RECEIPTS AND PAYMENTS WITH BUDGET EXECUTION
 Year ended at 31 December 2017
 (Expressed in Euros and Meticals)

Description	Notes	EUR		Variance
		Actual	Budget	(%)
Opening balance as on 1 January 2017	3	1 844 977	-	-
Opening balance adjustment	4	10 143	-	-
		<u>1 855 120</u>		
Receipts:				
Replenishments to Designated Account EU		-	4 543 854	-
Total receipts and opening balance		<u>1 855 120</u>	<u>4 543 854</u>	<u>41%</u>
Expenditure advanced by IFAD	5	1 673 787	-	-
Total receipts		<u>3 528 907</u>	<u>4 543 854</u>	<u>78%</u>
Payment:				
Civil works	6	1 208 031	1 495 444	19%
Vehicles, equipment and materials	7	352 356	100 344	(252%)
Technical assistance, contracting, studies, training and workshops	8	1 050 058	1 219 587	14%
Value chain facility	9	695 616	740 713	5%
IOF matching grants			141 109	100%
Investment capital		-	846 655	100%
Incremental operating costs	10	32 666	-	-
Total payments		<u>3 355 207</u>	<u>4 543 854</u>	<u>74%</u>
VAT advanced to GoM	11	3 495	-	-
Closing balance as at 31 December 2017	12	<u>186 685</u>	<u>-</u>	<u>-</u>

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

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 Artisanal Fishers Promotion Project (PROPESCA)
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STATEMENT OF DESIGNATED ACCOUNT ACTIVITIES
 Year ended at 31 December 2017
 (Expressed in Euros and Meticals)

Description	Notes	EUR	MZN
Opening balance as on 1 January 2017	3	1 385 136	104 065 301
EU-MDG Replenishments		-	-
Total of replenishments and opening balance		1 385 136	104 065 301
Transfer to FOREX:			
- 04-04-2017		925 000	61 910 250
- 05-05-2017		400 000	28 327 219
- 05-05-2017		50 000	3 832 198
- 24-11-2017		10 000	714 000
Total of Transfers		1 385 000	94 783 667
Bank charges			23
Total of Transfers		1 385 000	94 783 667
Exchange rate difference	13		9 271 894
Closing balance as at 31 December 2017	12	136	9 743

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Artisanal Fishers Promotion Project (PROPESCA)
European Union – Grant Agreement C-ECM-822-MZ
SOE's WITHDRAW APPLICATION BY CATEGORIES
Year ended at 31 December 2017
(Expressed in Euros and Meticals)

Category	Civil works		Vehicles, equipment and Materials		Technical assistance, contracts, studies, training and workshops		Value chain facility		Recurrent Costs		Credit lines		Total	
	EUR	MZN	EUR	MZN	EUR	MZN	EUR	MZN	EUR	MZN	EUR	MZN	EUR	MZN
Withdrawal application 18	143 637	10 791 426	250 326	18 220 420	256 568	19 272 153	42 989	3 224 004	4 965	373 009	-	-	698 485	51 881 012
Withdrawal application 19	99 833	6 681 827	37 965	2 541 005	361 582	24 182 407	148 114	9 913 299	16 239	1 086 847	-	-	663 733	44 405 385
Withdrawal application 20	36 786	2 462 110	15 185	1 016 301	126 247	8 680 955	132 724	8 883 203	8 260	552 868	-	-	319 202	21 595 437
Withdrawal application 21	929 734	64 745 176	49 897	3 465 409	310 289	21 624 477	380 200	26 462 329	3 666	256 700	-	-	1 673 786	116 554 091
Total	1 209 990	84 680 539	353 373	25 243 135	1 054 686	73 759 992	704 027	48 482 835	33 130	2 269 424	-	-	3 355 206	234 435 925

Project Coordinator
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1. BACKGROUND

Artisanal Fisheries Project (ProPesca) is implemented and coordinated by the Ministry of Sea, Inland Water, Fisheries and Aquaculture – IDEPA – Instituto Nacional de Desenvolvimento da Pesca e Aquacultura and various agencies. The project is to be implemented over a period of 84 months with a total budget of USD (co-financed by IFAD SDR 13 850 000, OFID USD 13 530 000, EU MDG-I EUR 12 390 000 and GoM USD 4 411 100).

This project is financed by:

- International Fund for Agriculture Development (IFAD) under the Loan agreement L-I-822-MZ, signed between the Government of Mozambique and IFAD on 24 March 2011 as amended on 16 August 2013.
- European Union, under Grant Agreement with reference number C-ECM-822-MZ; and
- OPEC Fund for International Development (OFID), under the Loan agreement 1408P, signed between Government of Mozambique and OFID on 25 September 2011;

The project's objective is to increase the returns from fish sales for artisanal fishers and to develop small-scale operators on a sustainable basis, which will be achieved through the implementation of the following components:

- Supporting the development of higher value fish;
- Improving economic infrastructure;
- Developing financial services;
- Institutional strengthening, policy initiatives and project management, and
- Nutrition promotion

2. ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies applied consistently by the project:

a) General

Daily management of the Project is made based on an autonomous system, where separate accounts and reports are prepared in accordance with donors requirements and regulations set out in the agreements signed.

The statement was prepared in accordance with the cash basis principle of accounting. Under the cash basis of accounting Receipts are recorded when received and Expenses are recorded when incurred.

b) Transactions in foreign currency

The financial statements are expressed in Euro. The functional currency is Metical, the receipts and the payments denominated in other currencies are translated to EUR by using the actual historic exchange rate. The closing balances in other currencies are translated to EUR by using the exchange rate of the Central Bank of Mozambique on the day for which the closing balances are considered. Gains/Losses on foreign currency transactions/balances are dealt with in the Statement of Designated Accounts and the Statements of receipts and payments.

The exchange rate as at 31 December 2017 was 1 EUR equivalent to MZM 71.40

c) Equipment

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

d) Direct payments

Direct payments, if any, are accounted for in the statement of receipts and payments based on the period in which payment is made to the supplier by EU.

e) Replenishment to designated account

Replenishment to the designated account is accounted for on receipt of funds.

The funds are disbursed by EU through direct transfers into the designated bank account of Central Bank of Mozambique. These funds are requested by the project management as the need arises and are then transferred into the National Directorate of Treasury CUT account. The payments of project expenses are made through e-Sistafe.

f) Advances

Advances represent funds transfers to the implementing partners, which have been made through e-Sistafe and are yet to be justified by supporting documents.

3. OPENING BALANCE

The amount recorded as opening balance, corresponds to the availability of the project bank balance as of 1 January 2017 and is composed as follows:

	EUR	MZN
Designated account	1 385 136	104 065 268
Forex Account	-	
Treasury CUT EUR Account	6 538	491 227
Treasury CUT MZN Account	453 303	34 056 620
	1 844 977	138 613 115

4. OPENING BALANCE ADJUSTMENT

This amount by error was not included in the Closing Balance as 31 December 2016:

	EUR	MZN
Treasury CUT USD Account	10 143	762 028
	10 143	762 028

5. EXPENDITURE ADVANCED BY IFAD

Expenses in total amount of 1 673 787 EUR (116 554 092 MZN) were incurred using funds of IFAD.

6. CIVIL WORKS

Part of the funds allocated to the project was used to pay various rehabilitation works of public infrastructure, which are detailed below:

Description	EUR	MZN
Quirimba fish market construction project at Ibo	36 823	2 557 391
Rehabilitation of the Alley Fish Market - Cabo Delgado	42 042	3 001 827
Sum DPMAIP Cabo Delgado	78 866	5 559 218
MPV Construction on Larde – Nampula	56 197	3 902 864
Road Rehabilitation on N/C Namige - Mokuluvelane; Nampula	49 671	3 449 640
Road Rehabilitation on N/C Nacala-Porto - Mahelene, Nampula	13 897	965 129
MPV Construction on Maziuane (última prestação)	42 557	2 955 588
Construction house extension – Larde	2 689	186 773
Molhoramento mercado e drenagem MPV, Mahelene e Praia Rocha	2 777	192 886
Sum DPMAIP Nampula	167 788	11 652 880
Construction work of fish market in Inhassoro's Pole	14 399	1 000 000
Construction work of fish market type C, Vilankulo	61 545	4 274 284
Construction of the House of Extensionists of Madacuene, N. Mambone	2 830	196 560
Sum DPMAIP Inhambane	78 774	5 470 844
Completion of the extension home of Idugo Island	15 228	1 103 758
Conclusion of the Matilde fish market, Chinde	33 736	2 290 372
Construction work for extension worker Idugo Island – Zambezia	1 660	115 300
Fish market building on Idugo Island	92 857	6 478 620
Construction market Chinde – Zambézia	71 416	5 000 000
Construction market MPV Idugo Island – Zambezia	31 179	2 165 358
Improvement of the Abreu - Sadina road bridge (Lot 2 Structure); Quelimane – Zambézia	35 275	2 449 818
Road improvement Abreu - Sadina 15 Km; Quelimane (Lot. 1) – Zambézia	19 839	1 401 009
Road improvement N/C Vasco - Marrubune; Quelimane – Zambézia	5 514	382 926
Road improvement NC Zalala - Sopinho; Zambezia	7 441	516 772
Improvement located on road N/C Caravela - Namala, Namacurra	34 057	2 558 702
Improvement located on road N/C Impaca - Alto Mutabize; Mocubela	15 392	1 156 397
Improvement located on road N/C Nicadine - Dogoro	25 069	1 883 400
Improvement located on road N / C Nicadine - Dogoro	18 607	1 397 942
Rehabilitation road N / C Impaca - Alto Mutabize; Mocubela - Zambézia	12 732	884 206
Rehabilitation road N / C Impaca - Alto Mutabize; Mocubela - Zambézia	918	63 728
Sum DPMAIP Zambézia	420 917	29 848 308
Construction of extension houses	4 824	344 450
Conclusion Construction of the Bilene Retail Market	61 408	4 292 145
Improvement located road N / C Nhabanga - Mahungo; Gaza	6 834	474 632
Road improvement N / A Central Market - BIM-Mahungo; Xai Xai	4 424	307 222
Construção mercado retalhista em Nhabanga	16 631	1 178 585
Sum DPMAIP Gaza	94 120	6 597 034
Construction and electrification of Marracuene MPV	48 145	3 343 699

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Description	EUR	MZN
Mabuluko settlement - Construction of MT line - BT	223 062	15 491 674
MPV construction in KaNyaka	30 521	2 119 711
Construction of aquaculture training and demonstration centre at the School of Fisheries	32 063	2 244 241
Sum DPMAIP Maputo	333 792	23 199 326
Construction house for extension of Buene, Machanga	10 894	729 157
Construction house extensionist in Divinhe (Inhangosse), Machanga	22 880	1 623 772
Sum DPMAIP Sofala	33 774	2 352 929
	1 208 031	84 680 539

7. VEHICLES, EQUIPMENT AND MATERIALS

This class is related with the payment of vehicles acquired during the year, as well as marine engines and computers equipment, and as shown in the table below:

Description	EUR	MZN
Mopeds	182 749	13 117 025
Vehicles (80% partial)	105 542	7 644 400
Yamaha boat engines	30 193	2 096 909
Ice machines and freezers	19 705	1 368 500
Laboratory equipment Centro Centro. Aquaculture Demonstration School of Fisheries	14 167	1 016 301
	352 356	25 243 135

8. TECHNICAL ASSISTANCE, CONTRACTS, STUDIES, TRAINING AND WORKSHOPS

This nature of costs consists of the following operating expenses:

Description	EUR	MZN
	17 971	1 286 032
Service contractors	977 010	68 570 924
Cost allowances	9 568	699 850
Accommodation	14 007	962 160
Travel ticket	9 202	624 778
Fuel	3 961	273 980
Snacks and meals	2 084	144 515
Teaching materials	2 358	163 495
Other expenses	13 899	1 034 259
	1 050 058	73 59 992

9. VALUE-CHAIN FACILITY

This expenditure heading can be summarized as follows:

Description	EUR	MZN
Service contractors	84 126	5 808 735
Cost allowances	140 381	9 826 825
Subsidies for beneficiaries	25 884	1 811 705
Accommodation	76 110	5 302 259
Travel ticket	17 159	1 200 386
Fuel	27 819	1 980 109
Snacks and meals	28 312	2 009 308
Teaching materials	232 705	16 178 208
Other expenses	63 121	4 364 802
	695 616	48 482 336

10. INCREMENTAL OPERATING COSTS

This component can be summarized as follows:

Description	EUR	MZN
Cost allowances	11 445	811 070
Accommodation	801	56 009
Travel ticket	773	58 044
Fuel	2 751	183 630
Snacks and meals	913	61 074
Other expenses	15 984	1 099 598
Total	32 666	2 269 424

11. VAT ADVANCED TO GOM

During the period under analysis, the Project funded by the EU incurred expenses including VAT, however, as the agreement foresees that all taxes must be paid by the Government of Mozambique:

Description	EUR	MZN
VAT claimed 2014	63 365	2 638 568
VAT recovered 2014	-	-
Balance 2014	63 365	2 638 568
VAT claimed 2015	75 860	3 130 714
VAT recovered 2015	69 001	2 859 401
Balance 2015	6 859	271 313
VAT claimed 2016	45 933	2 137 455
VAT recovered 2016	44 416	2 010 251
Balance 2016	1 517	127 204
VAT claimed 2017	11 640	786 603
VAT recovered 2017	8 145	581 588

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Balance 2017	3 495	205 015
Closing balance 2017	75 236	3 242 100

12. BALANCE AS AT 31 DECEMBER 2017

The financial position of the income over expenditure as at 31 de December 2017, corresponds to the existing final balance in banks, as follows:

Description	EUR	MZN
Designated account - BM - EUR	136	9 718
FOREX Account / EUR	10 000	714 000
Treasury CUT EUR Account	5 664	404 425
Treasury CUT USD Account (USD 10 635.52)	8 878	633 877
Treasury CUT MZN (11 567 292.85 MT)	162 007	11 567 293
	186 685	13 329 311

13. EXCHANGE RATE LOSS

Details	Date	Amount EUR	Transfer	Exchange Rate	Amount MT
Opening balance	01/01/2017	1 385 136.45		75.13	104 065 301
Bank charges	15/03/2016	(0.34)	-	66.93	(23)
Withdrawal	04/04/2017	(925 000.00)	(925 000.00)	-	-
Withdrawal	05/05/2017	(400 000.00)	(76 045.87)	-	-
Withdrawal	12/05/2017	-	1 001 045.87)	66.93	(67 000 000)
Withdrawal	05/05/2017	(50 000.00)		76.64	(3 832 198)
Withdrawal	11/08/2017	-	(323 954.13)	71.73	(23 237 469)
Withdrawal	24/11/2017	(10 000.00)		71.40	(714 000)
Balance at transfer rate		136.11			9 281 611
Balance at year end		136.11		71.40	9 718
			Exchange loss		9 271 894

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
ANNEXURE I – DETAILS OF PAYMENTS BY IMPLEMENTING AGENCIES
Year ended at 31 December 2017

Description	EUR	MZN
IIP - National Institute of Fisheries Research	14 879	1 036 083
IDEPA - Project Co-ordination Unit	1 836 022	129 325 540
DPMAIP Cabo Delgado	56 135	3 900 842
DPMAIP Nampula	117 367	8 151 113
DPMAIP Zambézia	291 403	20 270 437
DPMAIP Sofala	202 052	14 116 235
DPMAIP Inhambane	195 034	13 549 882
DPMAIP Gaza	78 313	5 499 225
DPMAIP Maputo	70 435	4 911 702
National Road Administration / Road Fund	249 667	17 891 523
Ministry of Energy and Mineral Resources	224 742	15 604 124
Energy Fund	2 678	179 220
	3 338 727	234 435 926

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 Artisanal Fishers Promotion Project (PROPECA)
ANNEXURE II – RECONCILIATION OF THE EU-MDG ADVANCE
 Year ended at 31 December 2017

Description	Notes	EUR	MZN
Opening balance on 1 January 2016	3	1 844 977	138 613 115
Opening balance adjustment	4	10 143	762 028
Advance to designated account		-	-
Expenditure advanced by IFAD	5	1 673 787	116 554 092
Actual advance		<u>3 528 907</u>	<u>255 929 235</u>
Exchange rate differences		-	(9 271 894)
Total		<u>3 528 907</u>	<u>246 657 341</u>
Represented by:			
Bank balance designated account	12	136	9 718
CUT balance	12	186 549	13 319 594
Project expenses incurred		3 338 727	234 435 926
VAT advanced to GoM	11	3 495	205 015
Total		<u>3 545 386</u>	<u>247 970 253</u>
Difference			(1 312 911)
		<u>3 528 907</u>	<u>246 657 341</u>

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Artisanal Fishers Promotion Project (PROPECA)
ANNEXURE III – DISBURMENT SUMMARY BY CATEGORIES
Year ended at 31 December 2017

Description	Total credit per grant agreement EUR	Disbursement up to 31/12/16 EUR	Disbursement during the year 2017 EUR	Total Disbursement as at 31/12/17 USD	Available balance as at 31/12/17 USD
Expenditure category					
Civil works	3 530 000	2 030 692	792 595	2 823 287	706 711
Vehicles, equipment and materials	1 850 000	54 062	122 370	176 432	1 673 568
Technical assistance, contracting, studies, training and workshops	600 000	374 541	450 752	825 293	(225 293)
Value chain facility	3 950 000	618 306	338 722	957 028	2 992 972
IOF matching grants (5)	-	-	-	-	-
Investment capital	-	-	-	-	-
Incremental operating costs	240 000	1	49 594	49 595	190 405
Credit lines	980 000	382 946	577 444	960 390	19 610
Unallocated	1 240 000	-	-	-	1 240 000
Authorized allocation	-	4 312 652	(2 331 478)	1 981 174	(1 981 174)
Total	12 390 000	7 773 200	-	7 773 200	4 616 801

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Artisanal Fishers Promotion Project (PROPECA)
ANNEXURE IV – DISBURMENT SUMMARY BY COMPONENTS
Year ended at 31 December 2017

Description	Total credit per grant agreement EUR	Disbursement up to 31/12/16 EUR	Disbursement during the year 2017 EUR	Total Disbursement as at 31/12/17 EUR	Available balance as at 31/12/17 EUR
Expenditure Component					
Supporting Development of Higher Value Fish (1)	6 320 000	940 864	767 499	1 708 363	4 611 637
Improving Economic Infrastructure (2)	3 920 000	1 829 000	119 525	1 948 525	1 971 475
Developing Financial Services (3)	1 430 000	576 718	771 757	1 348 475	81 525
Nutrition Promotion (4)	180 000	6 095	593 193	599 288	(419 288)
Institutional Strengthening, Policy Initiatives and Project Management (5)	540 000	107 870	79 504	187 374	352 626
Unallocated	-	-	-	-	-
Authorized allocation	-	4 312 653	(2 331 479)	1 981 174	(1 981 174)
Total	12 390 000	7 773 200	-	7 773 200	4 616 800

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Artisanal Fishers Promotion Project (PROPECA)
ANNEXURE V – REGISTER OF CONTRATS
Year ended at 31 December 2017

8	Contract		Date of Contract	Supplier	Description of Works, Goods,	Method of	Country of	Period of	Amount		Category and %	Status/	
Nº	By	Nº	Original	Name	Services or Training Programmes	Procurement	Origin	Execution	MZN	USD	of financing	Data	Comments
177	UE	40	02/05/2017		Construção casa extensionista em Inhagosse, Sofala	LCB	Mozambique	210 dias	2 081 557	25 769	UE	05/03/2017	In progress
180	UE	578-1	07/02/2017		Obras de manutenção estrada Abreu-Sadina (Lot 1; 15 Km) Zambézia	LCB	Mozambique	7 meses	11 150 825	139 383	UE	27/12/2016	In progress
181	UE	578-2	07/02/2017		Obras de manutenção estrada Abreu-Sadina (Lot 2; Estruturas) Zambézia	LCB	Mozambique	7 meses	11 750 452	146 881	UE	27/12/2016	In progress
182	UE	578-3	07/02/2017		Obras de manutenção estrada Vasco - Marrubune (Lot 3; 10 Km) Zambézia	LCB	Mozambique	210 dias	5 471 364	68 392	UE	27/12/2016	In progress
184	UE	578-2	07/02/2017		Obras de manutenção estrada Impaca - Alto Mutabizi (Lot 2; 16 Km) Zambézia	LCB	Mozambique	7 meses	2 099 072	26 238	UE	21/12/2016	In progress
198	UE	19	08/08/2017		Obras de construção de centro de treinamento e demonstração de aquacultura	LCB	Mozambique	90 Days	2 843 803	88 130	UE		In progress
199	UE	16	12/07/2017		Fiscalização obras de construção de centro de treinamento e demonstração de aquacultura	LCB	Mozambique	12 meses	269 100	8 970	UE		In progress
200	UE	15	12/07/2017		Fornecimento de equipamento de laboratório para centro de treinamento e demonstração de aquacultura	LCB	Mozambique	12 meses	1 189 072	39 636	UE		In progress
205	UE	1	09/07/2017		Adenda Service provider for Nutrition Development in Zambezia province	LCB	Mozambique	2 year	2 719 983	90 688	UE		In progress
206	UE	15	06/10/2017		Service provider for Nutrition Development in Chinde, Zambezia province	LCB	Mozambique	9 meses	6 087 554	202 918	UE		In progress

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ANNEXURE V – REGISTER OF CONTRATS
Year ended at 31 December 2017

Report ended at 31 December 2017													
8	Contract		Date of Contract	Supplier	Description of Works, Goods,	Method of	Country of	Period of	Amount		Category and %	Status/	
Nº	By	Nº	Original	Name	Services or Training Programmes	Procurement	Origin	Execution	MZN	USD	of financing	Data	Comments
207	UE	103	17/10/2017		Adenda Promoção de grupos de PCR na província de Zambézia	LCB	Mozambique	6 meses	5 886 050	198 202	UE		In progress
208	UE	69	11/07/2017		Adenda Promoção de grupos de PCR na província de Sofala	LCB	Mozambique		2 832 480	94 416	UE		In progress
213	UE / OFID		17/11/2017		Instalação de painéis solares em Quirimba, Mazuane, Idugo, Matilde e Sambazó	LCB	Mozambique	60 Days	21 644 286	349 101	UE/OFID	17/11/2017	In progress
214	UE / FIDA	129	01/12/2017		Materiais e equipamentos para actividades de treinamento em boas práticas de processamento e comercialização de pescado	LCB	Mozambique	60 Days	7 432 123	119 873	UE/FIDA	23/11/2017	In progress
220	UE		25/11/2017		Implementation third round of credit line in Zongoene, Gaza province	LCB	Mozambique		3 000 000	100 000	UE	25/11/2017	In progress
221	UE		25/11/2017		Implementation third round of credit line in Sambazó and Pebane, Sofala and Zambezia provinces	LCB	Mozambique		6 000 000	200 000	UE	25/11/2017	In progress
222	UE		25/11/2017		Implementation third round of credit line in Sengo and Zongoene, Sofala and Gaza provinces	LCB	Mozambique		6 000 000	200 000	UE	25/11/2017	In progress
223	UE		25/11/2017		Implementation third round of credit line in Chinde and Zalala, Sofala and Zambezia province	LCB	Mozambique		6 000 000	200 000	UE	25/11/2017	In progress
224	UE		25/11/2017		Implementation third round of credit line in Zongoene, Gaza province	LCB	Mozambique		3 000 000	100 000	UE	25/11/2017	In progress
224A	UE		25/11/2017		Implementation third round of credit line in Bilene e Zongoene, Gaza province	LCB	Mozambique		6 000 000	200 000	UE	25/11/2017	In progress
226	UE		25/11/2017		Electrificação mercado Vasco, ??, Zambézia		Mozambique		-	-	FIDA		In progress
228	UE	1	15/11/2017		Adenda melhoramentos Localizados de 9.5 Kms de estrada Nicadine - Dogoro, Pebane, Zambézia	LCB	Mozambique		2 517 596	32 696	UE		In progress

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Artisanal Fishers Promotion Project (PROPECA)
ANNEXURE V – REGISTER OF CONTRATS
Year ended at 31 December 2017

Year ended at 31 December 2017													
8	Contract		Date of Contract	Supplier	Description of Works, Goods,	Method of	Country of	Period of	Amount		Category and %	Status/	
Nº	By	Nº	Original	Name	Services or Training Programmes	Procurement	Origin	Execution	MZN	USD	of financing	Data	Comments
229	UE	1	15/11/2017		Adenda obras de manutenção estrada Abreu-Sadina (Lot 1; 15 Km) Zambézia	LCB	Mozambique		2 780 004	34 750	UE	27/12/2016	In progress
236	UE	27	22/05/2017		Construção de casa para extensionista de Inhagosse, Sofala	LCB	Mozambique	210 dias	2 105 300	33 417	FIDA	21/12/2016	In progress
244	UE	1	30/05/2017		Adenda construção mercado de pescado da Ilha de Idugo, Mocubela	LCB	Mozambique	240 dias	2 355 493	37 389	FIDA		In progress
245	UE /FI DA		30/05/2017		Prestação de serviços equipamento informático	LCB	Mozambique	1 ano	1 000 000	15 873	FIDA/EU		In progress
246	UE /FI DA	37	10/04/2017		Auditoria às contas de 2017 a 2018	LCB	Mozambique	2 anos	2 519 511	39 992	FIDA/EU	23/05/2018	In progress
Total									126 515 525	2 790 693			

Designated Account no [REDACTED]

Account name: [REDACTED]

	EUR
	<hr/>
Opening balance on 1 January 2017	1 385 136
	<hr/>
	1 385 136
	<hr/> <hr/>
<i>Receipts:</i>	
EU-MDG Replenishments	-
<i>Transfer to operating accounts:</i>	
Transferred to the [REDACTED]	(925 000)
Transferred to the [REDACTED]	(400 000)
Transferred to the [REDACTED]	(50 000)
Transferred to the [REDACTED]	(10 000)
	<hr/>
	(1 385 000)
	<hr/> <hr/>
Closing balance as at 31 December 2017	<hr/>
	136
	<hr/> <hr/>

FOREX Account no [REDACTED]

Account name [REDACTED]

	EUR
	<hr/>
Opening balance on 1 January 2017	-
<i>Designated Account Replenishments:</i>	
Replenishments from Designated Account [REDACTED]	925 000
Replenishments from Designated Account [REDACTED]	400 000
Replenishments from Designated Account [REDACTED]	50 000
Replenishments from Designated Account [REDACTED]	10 000
	<hr/>
	1 385 000
	<hr/>
<i>Transfer to Operating Accounts</i>	
Transfer to CUT - MZN (67 000 000 MT) - [REDACTED]	(1 001 046)
Transfer to CUT - EUR [REDACTED]	(50 000)
Transfer to CUT - EUR [REDACTED]	(323 954)
	<hr/>
	(1 375 000)
	<hr/>
Closing balance as at 31 December 2017	<hr/>
	10 000
	<hr/>

Resource Source: 154UEPRPESCA

EUR

Opening balance on 1 January 2017

6 538

FOREX Replenishments:

Replenishments from FOREX Account -

50 000

Replenishments from FOREX Account -

323 954

373 954

Transfer to Operating Accounts:

Transfer to CUT - USD (USD 54 734.54) -

(49 874)

Transfer to CUT - MZN (23 237 469 MT) -

(324 954)

(374 828)

Closing balance as at 31 December 2017

5 664

Resource Source: 154UEPRPESCA

	USD
	<hr/>
Opening balance on 1 January 2017	10 588
	<hr/>
	10 588
	<hr/>
<i>CUT - EUR Replenishments:</i>	
Gathering Guide - [REDACTED]	54 871
Replenishments from CUT - EUR (EUR 49 874) - [REDACTED]	54 735
	<hr/>
	109 606
	<hr/>
<i>Transfer to Operating Accounts:</i>	
Cancellation of expenditure [REDACTED]	(54 823)
Foreign direct payments	(54 735)
	<hr/>
	(109 558)
	<hr/>
Closing balance as at 31 December 2017	<hr/>
	10 636
	<hr/>

Resource Source: 154UEPRPESCA

	MZN
	<hr/>
Opening balance on 1 January 2017	34 056 621
	<hr/>
	34 056 621
	<hr/>
Release guide / adjustment guide	2 043 695
Guide to collection of prior year balances - [REDACTED]	188 421
Replenishments from FOREX - EUR (EUR 1 001 046) - [REDACTED]	67 000 000
Replenishments from CUT - EUR (EUR 49 874) - [REDACTED]	23 237 469
	<hr/>
	92 469 585
	<hr/>
Execution:	(114 958 913)
	<hr/>
	(114 958 913)
	<hr/>
Closing balance as at 31 December 2017	11 567 293
	<hr/>
	<hr/>

**INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA
E AQUACULTURA (IDEPA)**

Artisanal Fishers Promotion Project (PROPESCA)

OFID Loan Agreement 1408P

Financial Statements

For the year ended 31 December 2017

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STATEMENT OF RESPONSIBILITY BY MANAGEMENT

The responsibility for the preparation of financial statements that present fairly the statement of receipts and payments and statement of financial position in accordance with the basis of accounting described in the notes of the financial statements, applied consistently, as well for the adoption of adequate accounting policies, is of the management of IDEPA.


The financial statements have been audited by the independent accounting firm, Deloitte & Touche (Moçambique), Lda, who were given unrestricted access to all financial records and related data of the "Artisanal Fisheries Promotion Project (ProPESCA)". Management believe that all representations made to the independent auditors during their audit were valid and appropriate. The report of the independent auditors is presented on pages 4 and 6.

The financial statements for 31 December 2017 presented on pages 7 to 15 have been prepared in accordance with the basis of accounting described in the note 2 of the financial statements. They are based on appropriate accounting policies which have been consistently applied, and which are supported by reasonable and prudent judgement.

Management is responsible for the preparation of these financial statements in accordance with the cash receipts and disbursements basis of accounting described in Note 2 to the financial statements, for the purpose of reporting to OFID Loan Agreement 1408P, for determining that the basics of preparation is acceptable in the circumstances, 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 the fraud or error.

The financial statements were approved by management and are signed on its behalf:

Project Coordinator
29 October 2018



Project Finance Manager
29 October 2018

INDEPENDENT AUDITOR'S REPORT

To the Management of

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA

Artisanal Fisheries Promotion Project (PROPESCA)

Opinion

We have audited the financial statements of PROPESCA – ARTISANAL FISHERIES PROMOTION PROJECT (OFID Loan Agreement 1408P) set out on pages 7 to 15, which comprise the Statement of Receipts and Payments Accumulated, Statement of Receipts and Payments, Statement of Receipts and Payments with Budget Execution, Statement of Designated Account Activities and Statement of Expenditure Withdrawal Application by Category for the year ended 31 December 2017, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of PROPESCA – ARTISANAL FISHERIES PROMOTION PROJECT (OFID Loan Agreement 1408P), give a true and fair view in all relevant aspects and were prepared, in accordance with the basis of accounting described in Note 2 to the financial statements and Donor's requirements.

We further report as follows:

- With respect to yearly and Cumulative Statements of Sources and Application of Funds, in particular for expenditure (SOEs), adequate supporting documentation has been maintained to support claims to the OFID for reimbursements of expenditures incurred and such expenditure are eligible for financing under the OFID Loan Agreement;
- The Designated Account has been used in accordance with the provisions of Financing and Grant Agreement, and withdrawals from the designated 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 program at the year ended 31 December 2017

Basis for our Opinion

We conducted our audit in accordance with International Audit Standards issued by IASB. 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 the project in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance in terms of the code of ethics issued by the Order of Accountants and Auditors of Mozambique ("OCAM"), which comply with the Code of Ethics issued by the Ethics Standards Board for Accountants (IESBA), 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 financial statements, which describe the basis of accounting. The financial statements are prepared to assist the project in providing financial statements to the donors, potential investors, banking and funding institutions. As a result, the financial statements may only be suitable for these purposes and not for statutory purposes. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with Note 2 of the financial statements, and for such internal control as the directors 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, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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.

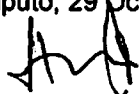
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.

Maputo, 29 October 2018



Deloitte & Touche (Moçambique), Lda
Certified Auditors n.º 09/SCA/OCAM/2014
Per Aneliya Nikolova
Partner
Certified Auditor n.º 56/CA/OCAM/2014

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROFESCA)
OFID LOAN AGREEMENT 1408P
STATEMENT OF RECEIPTS AND PAYMENTS ACUMULATED
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

	Notes	Cumulative		Year end 2017		Cumulative	
		December 2016	December 2016			December 2017	December 2017
		USD	MZN	USD	MZN	USD	MZN
Opening balance on 1 de January 2017	3	-	-	722 328	52 031 921	-	-
Opening balance adjustment	3			39 162	2 818 518	39 162	2 818 518
Receipts:							
Authorized allocation - Designated Account from OFID		500 000	14 915 000	-	-	500 000	14 915 000
Additional authorized allocation - Designated Account from OFID		1 500 000	48 275 000	-	-	1 500 000	48 275 000
Replenishments to Designated Account OFID	4	3 916 845	199 330 182	1 845 527	111 157 036	5 762 372	310 487 218
Exchange rate gains/loss	5	-	11 025 453	-	(5 161 118)	-	5 664 335
Total receipts		5 916 845	271 545 635	2 607 017	160 846 357	7 801 534	380 360 071
Payments:							
Civil works	6	5 002 698	211 285 488	1 678 981	105 656 172	6 681 679	317 171 660
Vehicles, equipment and materials		-	-	-	-	-	-
Technical assistance, contracting, studies, training and workshops	7	169 726	6 979 651	57 199	3 767 703	226 925	10 747 354
Value chain facility		-	-	-	-	-	-
ICF matching grants		-	-	-	-	-	-
Investment capital		-	-	-	-	-	-
Incremental operating costs	8	22 093	1 248 575	12 723	787 187	34 816	2 015 762
Total payments		5 194 517	219 513 714	1 748 903	110 421 062	6 943 420	329 934 776
Difference				(7 547)	268 512	(7 547)	268 512
Closing balance as at 31 December 2017	9	722 328	52 031 921	850 567	50 693 607	850 567	50 693 607

Project Coordinator
29 October 2018

Project Finance Manager
29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
 OFID LOAN AGREEMENT 1408P
STATEMENT OF RECEIPTS AND PAYMENTS
 Year ended at 31 December 2017
 (Expressed in United States Dollars and Meticals)

	<i>Notes</i>	<u>USD</u>	<u>MZN</u>
Opening balance on 1 January 2017	3	722 328	52 031 921
Opening balance adjustment	3	39 162	2 818 518
Receipts:			
Replenishments to Designated Account IFAD	4	1 845 527	111 157 036
Exchange rate gains	5	-	(5 161 118)
Total receipts		<u>2 607 017</u>	<u>160 846 357</u>
Payment:			
Civil works	6	1 678 981	105 886 172
Vehicles, equipment and materials		-	-
Technical assistance, contracting, studies, training and workshops	7	57 199	3 767 703
Value chain facility		-	-
IOF matching grants		-	-
Investment capital		-	-
Incremental operating costs	8	12 723	767 187
Total payments		<u>1 748 903</u>	<u>110 421 062</u>
Difference		(7 567)	268 512
Closing balance as at 31 December 2017	9	<u>850 567</u>	<u>50 693 807</u>

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

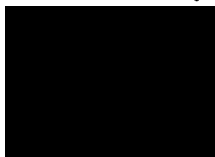
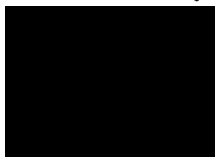
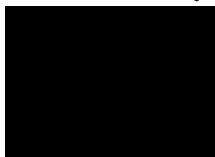
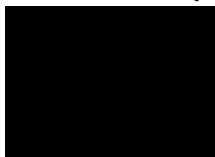
IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
 OFID LOAN AGREEMENT 1408P
STATEMENT OF RECEIPTS AND PAYMENTS WITH BUDGET EXECUTION
 Year ended at 31 December 2017
 (Expressed in United States Dollars)

	<u>Notes</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Amount</u>	<u>(%)</u>
Receipts					
Replenishments to Designated Account	4	1 845 527	3 255 646	1 410 119	43.31
Total receipts		1 845 527	3 255 646	1 410 119	43.31
Payments:					
Civil works	6	1 678 981	2 809 815	1 130 834	40.25
Vehicles, equipment and materials		-	147 857	147 857	100.00
Technical assistance, contracting, studies, training and workshops	7	57 199	258 845	201 646	77.90
Value chain facility		-	-	-	-
IOF matching grants		-	-	-	-
Investment capital		-	-	-	-
Recurrent costs	8	12 723	39 129	26 406	67.48
Total payments		1 748 903	3 255 646	1 506 743	46.28
Closing balance as at 31 December 2017		96 624	-		

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPECA)
 OFID LOAN AGREEMENT 1408P
STATEMENT OF DESIGNATED ACCOUNT ACTIVITIES
 Year ended at 31 December 2017
 (Expressed in United States Dollars and Meticals)

	Notes	USD	MZN
Opening balance on 1 January 2017	3	381 321	27 443 672
OFID Replenishments:			
- 04-07-17 - WA Nº 10	4	654 711	39 217 200
- 17-07-17 - WA Nº 9	4	623 024	37 474 889
- 08-12-17 - WA Nº 11	4	567 792	34 464 947
		<u>1 845 527</u>	<u>111 157 036</u>
Total		<u>2 226 848</u>	<u>138 600 708</u>
Transfers to Operating Accounts:			
	5	381 000	23 244 810
	5	654 900	39 000 000
	5	622 500	37 798 200
	5	568 271	33 385 933
		<u>2 226 671</u>	<u>133 428 943</u>
Total		<u>2 226 671</u>	<u>133 428 943</u>
Bank charges		177	10 649
Exchange rate difference	5	-	(5 161 116)
Closing balance as at 31 December 2017		<u>-</u>	<u>-</u>

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPECA)
OFID LOAN AGREEMENT 1408P
SOE'S WITHDRAW APPLICATION STATEMENTS
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

Description	Civil works		Technical assistance, contracts, studies, training and workshop		Recurrent costs		Total	
	USD	MZN	USD	MZN	USD	MZN	USD	MZN
Withdrawal application 11	541 411	36 485 640	26 381	1 898 605	-	-	567 792	38 384 245
Withdrawal application 12	569 975	35 901 669	12 657	797 220	3 748	236 102	586 380	36 934 991
Withdrawal application 13	567 595	33 498 864	18 162	1 071 878	8 975	531 086	594 732	35 101 828
	1 678 981	105 886 173	57 200	3 767 703	12 723	767 188	1 748 904	110 421 064

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
 OFID LOAN AGREEMENT 1408P
SOE'S WITHDRAW APPLICATION STATEMENTS
 Year ended at 31 December 2017
(Expressed in United States Dollars and Meticaís)

Description	Civil works		Technical assistance, contracts, studies, training and workshop		Recurrent costs		Total	
	USD	MZN	USD	MZN	USD	MZN	USD	MZN
Withdrawal application 11	541 411	36 485 640	26 381	1 898 605	-	-	567 792	38 384 245
Withdrawal application 12	569 975	35 901 669	12 657	797 220	3 748	236 102	586 380	36 934 991
Withdrawal application 13	567 595	33 498 864	18 162	1 071 878	8 975	531 086	594 732	35 101 828
	1 678 981	105 886 173	57 200	3 767 703	12 723	767 188	1 748 904	110 421 064

Project Coordinator
 29 October 2018


 Project Finance Manager
 29 October 2018

1. BACKGROUND

Artisanal Fisheries Project (ProPesca) is implemented and coordinated by the Ministry of sea, Island Water, Fisheries and Aquaculture – IDEPA – Instituto Nacional de Desenvolvimento da Pesca e Aquacultura and various agencies. The project is to be implemented over a period of 84 months with a total budget of USD (co-financed by IFAD SDR 13 850 000, OFID USD 13 530 000, EU MDG-I EUR 12 390 000 and GoM USD 4 411 100).

This project is financed by:

- International Fund for Agriculture Development (IFAD) under the Loan agreement L-I-822-MZ, signed between the Government of Mozambique and IFAD on 24 March 2011 as amended on 16 August 2013.
- European Union, under Grant Agreement with reference number C-ECM-822-MZ; and
- OPEC Fund for International Development (OFID), under the Loan agreement 1408P, signed between Government of Mozambique and OFID on 25 September 2011;

The project's objective is to increase the returns from fish sales for artisanal fishers and to develop small-scale operators on a sustainable basis which will be achieved through the implementation of the following components:

- Supporting the development of higher value fish;
- Improving economic infrastructure;
- Developing financial services;
- Institutional strengthening, policy initiatives and project management, and
- Nutrition promotion

2. ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies applied consistently by the project:

a) General

Daily management of the Project is made based on an autonomous system, where separate accounts and reports are prepared in accordance with donors requirements and regulations set out in the agreements signed.

The statement was prepared in accordance with the cash basis principle of accounting. Under the cash basis of accounting Receipts are recorded when received and Expenses are recorded when incurred.

b) Transactions in foreign currency

The financial statements are expressed in United States Dollars. The functionally currency is Metical, the receipts and the payments denominated in other currencies are translated to USD by using the actual historic exchange rate. The closing balances in other currencies are translated to USD by using the exchange rate of the Central Bank of Mozambique on the day for which the closing balances are considered. Gains/Losses on foreign currency transactions/balances are dealt with in the Statement of Designated Accounts and the Statements of receipts and payments.

The exchange rate as at 31 December 2017 was: 1 USD equivalent to MZM 59,60.

c) Equipment

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

d) Direct payments

Direct payments, if any, are accounted for in the statement of receipts and payments based on the period in which payment is made to the supplier by OFID.

e) Replenishment to designated account

Replenishment to the designated account is accounted for on receipt of funds.

The funds are disbursed by OFID through direct transfers into the designated bank account of [REDACTED]. These funds are requested by the project management as the need arises and are then transferred into the National Directorate of Treasury CUT account. The payments of project expenses are made through e-SISTAFE.

f) Advances

Advances represent funds transfers to the implementing partners, which have been made through e-SISTAFE and are yet to be justified by supporting documents.

3. OPENING BALANCES AS ON 1 JANUARY 2017

The balances of this caption correspond to the availability in the OFID designated account as of 1 January 2017 and is composed as follows:

	<u>USD</u>	<u>MZN</u>
Designated account - [REDACTED]	381 321	27 443 672
Treasury CUT MZN Account	341 540	24 580 661
Difference	(533)	7 594
	<u>722 328</u>	<u>52 031 927</u>

This amount by error was not included in the Closing Balance as 31 December 2016

	<u>USD</u>	<u>MZN</u>
Treasury CUT USD Account	39 162	2 818 518
	<u>39 162</u>	<u>2 818 518</u>

4. REPLENISHMENTS TO DESIGNATED ACCOUNT

The replenishment made in the designated account during the period under review are summarized in the table below:

Financed by	Replenishment date	Currency	USD	MZN
- OFID	10/07/2017	USD	654 711	39 217 200
- OFID	19/09/2016	USD	623 024	37 474 889
- OFID	08/12/2016	USD	567 792	34 464 947
			1 845 527	111 157 036

5. EXCHANGE RATE GAINS

Favorable foreign exchange differences resulted from the Project current operations, based on the funds disbursed in US dollars by OFID, which were kept in an open account with Mozambique Central Bank, and can be analyzed as follows:

Details	Date	Amount USD	Exchange Rate	Amount MT
Opening balance	01/01/2017	381 320.91	71.97	27 443 655.89
Bank charges	01/02/2017	(0.36)	73.48	(26.45)
				(23 244
Withdrawal	04/04/2017	(381 000.00)	61.01	810.00)
Deposit	04/07/2017	654 711.18	59.90	39 217 199.68
Bank charges	04/07/2017	(63.00)	59.90	(3 773.70)
Deposit	17/07/2017	623 023.93	60.15	37 474 889.39
Bank charges	17/07/2017	(50.00)	60.15	(3 007.50)
				(39 000
Withdrawal	14/08/2017	(654 900.00)	59.55	000.29)
				(37 798
Withdrawal	22/08/2017	(622 500.00)	60.72	200.00)
Deposit	08/12/2017	567 791.55	60.70	34 464 947.09
Bank charges	08/12/2017	(63.00)	60.70	(3 824.10)
				(33 385
Withdrawal	21/12/2018	(568 271.20)	58.75	933.00)
Balance at transfer rate		<u>0.01</u>		<u>5 161 117.01</u>
Balance at semester end		0.01	59.60	0.60
		Exchange loss		5 161 116.00

6. CIVIL WORKS

The funds allocated to the projects were used to pay various rehabilitation works of public infrastructures, which are detailed below:

Description	USD	MZN
Localized Improvement N / A Mucojo - Darrumba, Cabo Delgado	151 659	10 318 749
Localized improvement R760 - Nsewe, Cabo Delgado	62 442	4 131 446
Improvements located N / C Mucojo - Pangane, Cabo Delgado	119 799	7 500 954
SUM DPMAIP Cabo Delgado	333 900	21 951 149
Rehabilitation road N / C Quissimajulo - Praia-Rocha, Nampula	65 081	4 292 429
Rehabilitation road N / C Crz 12 Nacala Porto - Mahelene, Nampula	212 304	13 022 939
SUM DPMAIP Nampula	277 385	17 315 368
Road maintenance Abreu - Sadina - Lot 2, Zambézia	121 171	7 151 404
Improvement located road N / A Abreu - Sadina; Chinde	120 030	7 186 695
Improvement located road N / C Caravela - Namala, Namacurra	25 692	1 618 314
Improvements located N / A Impaca - Marrumbune, Zambézia	16 015	945 174
Rehabilitation road N / A Impaca - Mutabizi, Zambézia	10 853	661 165
Improvement located road N / A Fish market - Zalala	21 320	1 281 838
Maintenance works Vasco - Marrubune road (Lot 3; 10 Km) Zambézia	33 987	2 140 808
SUM DPMAIP Zambézia	349 069	20 985 398
Road improvement N / A New Mambone -Matasse, Govuro	197 338	12 846 887
SUM DPMAIP Inhambane	197 338	12 846 887
Road improvement N / A Mahungo - Mercado Central, Bilene	25 936	1 739 380
Improvement Located N / A Nhabanga - Mahungo (12Km), Gaza	72 617	4 635 088
Improvement located N / A Chilaulene road - Mahielene, Gaza (14Km)	13 280	783 784
Located Improvement N / A Mahungo - Central Market (4.5Km), Bilene	44 257	2 995 125
SUM DPMAIP Gaza	156 090	10 153 377
SUM FE/ANE	1 313 784	83 252 179
Electrification of the village of Matasse, Inhambane	272 210	17 145 992
SUM DPMAIP Inhambane	272 210	17 145 992
Electrification of Mutamba, Danga - Sofala	70 960	4 188 001
SUM DPMAIP Sofala	70 960	4 188 001
Electricity contract execution MPV Nhabanga	22 027	1 300 000
SUM DPMAIP Gaza	22 027	1 300 000
SUM MIREME	365 197	22 633 993
	1 678 980	105 886 172

7. TECHNICAL ASSISTANCE, CONTRACTS, STUDIES, TRAINING AND WORKSHOPS

This item is related to the payment of salaries to technicians assigned to the project monitoring, as shown in the table below:

Description	USD	MZN
Technical assistance	49 856	3 300 902
Cost allowances	2 057	121 410
Accommodation	3 226	205 000
Travel Tickets	1 851	128 114
Fuel	208	12 277
	57 198	3 767 703

8. INCREMENTAL OPERATING COSTS

This caption composed as follows:

Description	USD	MZN
Cost allowances	3 680	224 095
Other services	5 657	341 550
Fuel	3 387	201 542
	12 724	767 187

9. BALANCE AS AT 31 DECEMBER 2016

The financial position of the income over expenditure as at 31 December 2017 corresponds to the existing final balance in banks, which is represented by:

	USD	MZN
Designated account	-	-
Forex Account	568 271	33 868 952
Treasury CUT USD Account	39 162	2 334 079
Treasury CUT MZN Account	243 134	14 490 776
	850 567	50 693 807

10. SUBSEQUENT EVENTS

After the reporting period, until the date on which the financial statements were authorized for issuance, there have been no favorable or unfavorable events for Artisanal Fisheries Promotion (ProPESCA), that affect these financial statements or require disclosure therein.

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
 OFID LOAN AGREEMENT 1408P
ANNEXURE I – DETAILS OF PAYMENTS BY THE IMPLEMENTATION AGENCIES
 Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

Description	USD	MZN
Project Co-ordination Unit	60 478	3 942 834
Delegation of IDPPE Cabo Delgado	2 150	126 914
Delegation of IDPPE Nampula	-	-
Delegation of IDPPE Zambézia	-	-
Delegation of IDPPE Sofala	-	-
Delegation of IDPPE Inhambane	316	19 913
Delegation of IDPPE Gaza	24 433	1 442 000
Delegation of IDPPE Maputo	983	58 000
National Road Administration / Road Fund	1 313 784	83 252 179
Ministry of Energy / Electricity of Mozambique	346 759	21 579 223
Energy Fund	-	-
	1 748 903	110 421 062

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 Artisanal Fishers Promotion Project (PROPECA)
 OFID LOAN AGREEMENT 1408P
ANEXURE II – RECONCILIATION OF THE ADVANCE FROM OFID
 Year ended at 31 December 2017

Description	USD	MZN
Opening balance on 1 January 2017	761 490	54 850 445
Advance to designated account	1 845 527	111 157 036
Exchange rate differences	-	(5 161 116)
Actual advance	2 607 017	160 846 364
Represented by:		
Bank balance designated account	0	1
CUT balance	850 567	50 693 807
FOREX balance	-	-
Project expenses incurred	1 748 903	110 421 062
	2 599 470	161 114 870
Difference	7 547	(268 506)
	2 607 017	160 846 364

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Artisanal Fishers Promotion Project (PROPECA)
OFID LOAN AGREEMENT 1408P
ANNEXURE III – DISBURSEMENT SUMMARY BY CATEGORIES
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

Expenditure category	Total credit per grant agreement USD	Disbursement up to 31/12/16 USD	Disbursement during the year 2017 USD	Total Disbursement as at 31/12/17 USD	Available balance as at 31/12/17 USD
Civil works	11 298 000	3 795 091	2 886 577	6 681 668	4 616 332
Vehicles, equipment and materials	645 100	-	-	-	645 100
Technical assistance, contracting, studies, training and workshops	1 514 700	116 116	110 810	226 926	1 287 774
Value chain facility	-	-	-	-	-
IOF matching grants (5)	-	-	-	-	-
Investment capital	-	-	-	-	-
Incremental operating costs	72 200	16 320	18 496	34 816	37 384
Unallocated	-	-	-	-	-
Authorized allocation	-	731 954	87 007	818 961	(818 961)
Total	13 530 000	4 659 481	3 102 890	7 762 371	5 767 629

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
OFID LOAN AGREEMENT 1408P
ANNEXURE IV – CONTRACT OF SERVICE AND WORKS
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

Sequencial	Financed	Contract	Date of Contract	Supplier	Description of Works, Goods, Services or Training Programmes	Method of	Country of	Period of	Amount	Category and %	Non-Objection	Status/		
Nº	By	Nº	Original	Name		Procurement	Origin	Execution	MZN	USD	of financing	Nº	Data	Comments
175	OFID		27/03/2017		Reabilitação estrada 20 Km Namige - Mukuluvelane (2ª Fase) Nampula Melhoramentos Localizados de 8 Kms de estrada Inhassoro - Nhamabwe em Inhambane	LCB	Mozambique		19 563 026.99	244 537.84	OFID		27/03/2017	In progress
143	OFID	33	01/08/2017		Electrificação aldeia de Matasse, Nova-Mambone, Inhambane	LCB	Mozambique	180 Days	6 686 350.00	88 861.69	OFID	N/A	09/10/2016	In progress
225	OFID		25/11/2017		Instalação de painéis solares em Quirimba, Maziuane, Idugo, Matilde e Sambazó		Mozambique		5 196 000.00	173 200.00	OFID			Executed
213	UE/OFID		17/11/2017			LCB	Mozambique	60 Days	21 644 286.46	349 101.39	UE/OFID	N/A	17/11/2017	In progress
Total									53 091 663.45	853 700.92				

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
 OFID LOAN AGREEMENT 1408P
ANNEXURE V – DESIGNATED ACCOUNT
 Year ended at 31 December 2017
 (Expressed in United States Dollars and Meticaís)

Designated Account [REDACTED]
 Account name: [REDACTED]

	<u>USD</u>
Opening balance on 1 January 2017	381 321
Receipts:	
OFID Replenishments	
Replenishments to Designated Account :	
[REDACTED]	654 648
	622 974
	567 728
	<u>1 845 350</u>
Transfer to Operating Accounts:	
Transferred to the FOREX Account [REDACTED]	(381 000)
Transferred to the FOREX Account [REDACTED]	(654 900)
Transferred to the FOREX Account [REDACTED]	(622 500)
Transferred to the FOREX Account [REDACTED]	(568 271)
	<u>(2 226 671)</u>
Closing balance as at 31 December 2017	<u><u>-</u></u>

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
OFID LOAN AGREEMENT 1408P
ANNEXURE VI – FOREX ACCOUNT
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticals)

FOROX Account

Account name:

USD

Opening balance on 1 January 2017

-

OFID Replenishments

Replenishments from Designated Account

381 000

Replenishments from Designated Account

654 900

Replenishments from Designated Account

622 500

Replenishments from Designated Account

568 271

2 226 671

Transfer to Operating Accounts

Transfer to CUT - MZN (23 244 810 MT)

(381 000)

Transfer to CUT - USD (USD 1 277 400)

(1 277 400)

(1 658 400)

Closing balance as at 31 December 2017

568 271

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
Artisanal Fishers Promotion Project (PROPESCA)
OFID LOAN AGREEMENT 1408P
ANNEXURE VII – CUT - USD
Year ended at 31 December 2017
(Expressed in United States Dollars and Meticaís)

Resource Source: 154OPECPRPES

	<u>USD</u>
Opening balance on 1 January 2017	<u>39 162</u>
<i>OFID Replenishments:</i>	
Replenishments from FOREX Account [REDACTED]	<u>1 277 400</u>
	<u>1 277 400</u>
<i>Transfer to Operating Accounts:</i>	
Transfer to CUT - MZN (39 000 000 MT) [REDACTED]	(640 815)
Transfer to CUT - MZN (857 073 MT) - [REDACTED]	(14 085)
Transfer to CUT - MZN (37 798 200 MT) [REDACTED]	<u>(622 500)</u>
	<u>(1 277 400)</u>
Closing balance as ta 31 December 2017	<u><u>39 162</u></u>

IDEPA – INSTITUTO NACIONAL DE DESENVOLVIMENTO DA PESCA E AQUACULTURA
 Artisanal Fishers Promotion Project (PROPESCA)
 OFID LOAN AGREEMENT 1408P
ANNEXURE VIII – CUT - MZN
 Year ended at 31 December 2017
 (Expressed in United States Dollars and Meticaís)

Resource Source: 154OPECPRPES

MZN

Opening balance on January 2017

24 580 661

OFID Replenishments:

Replenishments from FOREX - USD (USD 381 000)

23 244 810

Replenishments from CUT - USD (USD 640 815)

39 000 000

Replenishments from CUT - USD (USD 14 088)

857 073

Replenishments from CUT - USD (USD 622 500)

37 798 200

100 900 083

Execution:

(110 989 968)

(110 989 968)

Closing balance as at 31 December 2017

14 490 776