

AUDITED PROJECT FINANCIAL STATEMENTS

Project N°: 2000000977

IFAD Loan N°: 2000001439

IFAD Grant N°: 2000001438

IFAD Grant N°: 2000001437

Period covered: 01/01/2019 – 31/12/2019

Livestock And Pasture Development Project II (Livestock & Pasture Dev II)

Prepared by: RSM TAJIKISTAN LLC

Received on: 19/06/2020

The Audited project financial statements are documents owned by the Borrower/ Recipient. The views expressed herein do not necessarily represent those IFAD's Executive Board, Management or Staff. This document is made publicly available in accordance with the "Conceptual Framework on Financial Reporting and Auditing of IFAD-Financed Projects (2018)"

SPECIAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

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

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

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

FOR THE PERIOD FROM JANUARY 1, 2019 TO DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the special purpose financial statements, project financial statements (PFS), of the State Enterprise "Project Management Unit Livestock and Pasture Development", "Livestock and Pasture Development Project – II" funded by IFAD, Reference IFAD Loan No.: 2000001439, IFAD Grant No.: 2000001438, ASAP Trust Grant No.: 2000001437 (the Project Management Unit), which comprise the statement of source and use of funds, statement of expenditures (by category), statement of expenditures (by component), statement of special accounts and reconciliation, statement of withdrawal application, designated account statement and reconciliation for the period from January 1, 2019 to December 31, 2019 and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements, the PFS of the State Enterprise "Project Management Unit "Livestock and Pasture Development", "Livestock and Pasture Development Project – II" for the period from January 1, 2019 to December 31, 2019 which comprise the statement of source and use of funds, statement of expenditures (by category), statement of expenditures (by component), statement of special accounts and reconciliation, statement of withdrawal application, designated account statement and reconciliation are prepared, in all material respect, in accordance with the reporting provisions of Financing Agreement dated 3 February, 2016 (the Project Agreement) between the Government of the Republic of Tajikistan and International Fund for Agricultural Development (IFAD) for "Livestock and Pasture Development Project – II" funded by IFAD, Reference IFAD Loan No.: 2000001439, IFAD Grant No.: 2000001438, ASAP Trust Grant No.: 2000001437.

Basis for Opinion

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

Emphasis of matter – Basis of Accounting

We draw attention to Note 2 to the special purpose financial statements, which describes the Basis of Accounting and Presentation. The special purpose financial statements are prepared to assist the Project Management Unit in complying with the reporting provisions of the Project Agreement referred to above. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Project Management Unit and the IFAD and should not be distributed to or used by parties other than the Project Management Unit and the IFAD. Our opinion is not modified in respect of this matter.

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

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

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

Responsibilities for the Auditor of the Special Purpose Financial Statements

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

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

Bahrullo Mulloev
Managing Partner

18 June, 2020
RSM Tajikistan LLC
BM N°0000132 dated 3 May 2019

Firuz Saidov
Engagement Partner

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

Enclosures:

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



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

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

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

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

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

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

STATEMENT OF SOURCES AND USES OF FUNDS

(in USD)

	Note	1 January 2019 to 31 December 2019	1 January 2018 to 31 December 2018	Cumulative
		Amount	Amount	Amount
Balance of Funds		1,545,562	775,682	-
FINANCING				
IFAD Grant	3	2,193,867	1,418,660	4,964,556
IFAD Loan	3	688,708	3,866,438	6,151,806
ASAP Trust Grant	3	-	2,191,748	3,073,509
Government (taxes)	3	681,610	921,835	1,963,338
Beneficiaries contribution	3	273,498	495,169	1,118,638
Total		3,837,683	8,893,850	17,271,846
PROJECT EXPENDITURE				
IFAD GRANT				
1. Equipment, Goods, Vehicles and Works	4	212,086	535,600	1,439,357
2. Technical Assistance and Studies	5	209,137	360,993	888,935
3. Training and Workshops	6	20,028	3,452	45,961
4a. CLPMP Grants	7	1,779,278	160,843	1,940,125
4b. Diversification Grants	8	-	-	-
4c. Other Grants	9	5,198	142,314	147,512
5. Operating Expenses	10	140,212	112,063	274,508
Sub-total		2,365,939	1,315,265	4,736,398
IFAD LOAN				
4a. CLPMP Grants	7	1,281,179	3,334,638	6,144,312
Sub-total		1,281,179	3,334,638	6,144,312
ASAP TRUST GRANT				
2. Technical Assistance and Studies	5	6,006	51,434	133,672
4a. CLPMP Grants	7	183,509	1,579,570	2,232,074
4b. Diversification Grants	8	19,792	377,062	430,838
Sub-total		209,307	2,008,066	2,796,584
GOVERNMENT (taxes)				
1. Equipment, Goods, Vehicles and Works	4	-	34,293	38,830
2. Technical Assistance and Studies	5	-	7,998	7,998
4a. CLPMP Grants	7	681,610	830,089	1,867,055
4b. Diversification Grants	8	-	49,270	49,270

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

5. Operating Expenses	10	-	185	185
Sub-total		681,610	921,835	1,963,338
BENEFICIARIES CONTRIBUTION				
1. Equipment, Goods, Vehicles and Works	4	25,594	27,251	88,956
4a. CLPMP Grants	7	244,962	492,351	942,693
4b. Diversification Grants	8	-	20,888	20,888
4c. Other Grants	9	15,633	-	15,633
Sub-total		286,189	540,490	1,068,170
Foreign Exchange Difference		570	3,676	4,593
Total project expenditures		4,824,794	8,123,970	16,713,395
Closing Balance of Funds		558,451	1,545,562	558,451

The Statement of Sources and Uses of Funds was approved on May 08, 2020 by:

Khojazoda Abdulahad

Director



Mukimova Sadbarg

Finance Manager



The Statement of Sources and Uses of Funds is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

STATEMENT OF EXPENDITURE (BY CATEGORY)

For the period from January 1, 2019 to December 31, 2019

(in USD)

	For the period			Cumulative		
	Budget Amount	Actual Amount	Variance Amount	Budget Amount	Actual Amount	Variance Amount
IFAD Grant						
1. Equipment, Goods, Vehicles and Works	684,449	212,086	472,363	2,612,238	1,439,357	1,172,881
2. Technical Assistance and Studies	280,870	209,137	71,733	953,270	888,935	64,335
3. Training and Workshops	61,710	20,028	41,682	168,420	45,961	122,459
4a. CLPMP Grants	1,300,000	1,779,278	(479,278)	2,300,000	1,940,125	359,875
4c. Other Grants	10,800	5,198	5,602	183,800	147,512	36,288
5. Operating Expenses	158,380	140,212	18,168	364,580	274,508	90,072
Sub-total	2,496,209	2,365,939	130,270	6,582,308	4,736,398	1,845,910
IFAD Loan						
4a. CLPMP Grants	1,700,000	1,281,179	418,821	5,730,000	6,144,312	(414,312)
Sub-total	1,700,000	1,281,179	418,821	5,730,000	6,144,312	(414,312)
ASAP Trust Grant						
2. Technical Assistance and Studies	12,000	6,006	5,994	140,110	133,672	6,438
4a. CLPMP Grants	725,000	183,509	541,491	2,637,500	2,232,074	405,426
4b. Diversification Grants	76,000	19,792	56,208	539,000	430,838	108,162
Sub-total	813,000	209,307	603,693	3,316,610	2,796,584	520,026

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

Government (taxes)

	-	-	-			
1. Equipment, Goods, Vehicles and Works	-	-	-	4,000	38,830	(34,830)
2. Technical Assistance and Studies	-	-	-	-	7,998	(7,998)
4a. CLPMP Grants	-	681,610	(681,610)	540,190	1,867,055	(1,326,865)
4b. Diversification Grants	-	-	-	-	49,270	(49,270)
5. Operating Expenses	-	-	-	-	185	(185)
Sub-total	-	681,610	(681,610)	544,190	1,963,338	(1,419,148)
Beneficiaries contribution						
1. Equipment, Goods, Vehicles and Works	69,351	25,594	43,757	187,801	88,956	98,845
4a. CLPMP Grants	275,000	244,962	30,038	626,931	942,694	(315,763)
4b. Diversification Grants	4,000	-	4,000	31,000	20,888	10,112
4c. Other Grants	13,700	15,633	(1,933)	30,700	15,633	15,067
Sub-total	362,051	286,189	75,862	876,432	1,068,171	(191,739)
Foreign Exchange Difference	-	570	(570)	-	4,593	(4,593)
Total	5,371,260	4,824,794	546,466	17,049,540	16,713,396	336,144

The Statement of Expenditure (by Category) was approved on May 08, 2020 by:

Khojazoda Abdulahad

Director



Mukimova Sadbarg

Finance Manager



The Statement of Expenditure (by Category) is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

STATEMENT OF EXPENDITURE (BY COMPONENT)

<i>in USD</i>	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018	Cumulative
IFAD Grant	2,365,939	1,315,265	4,736,397
1.Institutional Development	93,845	448,690	975,762
1.1.Development of Community Organizations	33,408	170,572	525,074
1.2.Advancement of Policy and Legal Framework and Strengthening National Institutions	60,437	278,118	450,688
2.Productivity Enhancement and Improved Animal Health	200,000	442,472	977,653
2.1.Livestock Productivity Enhancement	200,000	301,775	830,045
2.2.Improved Animal Health		140,697	147,608
3.Pasture Development and Diversification for Vulnerability Reduction	1,846,626	247,573	2,221,785
3.1.Community Resilience Pasture Management and Investments	1,846,626	247,573	2,221,785
3.2.Income Diversification			
4.Project Management	225,468	176,530	561,197
4.1.Project Management Unit	194,418	175,530	529,147
4.2.Monitoring and Evaluation	31,050	1,000	32,050
IFAD Loan	1,281,178	3,334,638	6,144,312
1.Institutional Development			
1.1.Development of Community Organizations			
1.2.Advancement of Policy and Legal Framework and Strengthening National Institutions			
2.Productivity Enhancement and Improved Animal Health			
2.1.Livestock Productivity Enhancement			
2.2.Improved Animal Health			
3.Pasture Development and Diversification for Vulnerability Reduction	1,281,178	3,334,638	6,144,312
3.1.Community Resilience Pasture Management and Investments	1,281,178	3,334,638	6,144,312
3.2.Income Diversification			
4.Project Management			
4.1.Project Management Unit			
4.2.Monitoring and Evaluation			
ASAP Trust Grant	209,307	2,008,066	2,796,583
1.Institutional Development	6,006	51,434	133,671
1.1.Development of Community Organizations	6,006	51,434	133,671

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

1.2. Advancement of Policy and Legal Framework and Strengthening National Institutions

2. Productivity Enhancement and Improved Animal Health

2.1. Livestock Productivity Enhancement

2.2. Improved Animal Health

3. Pasture Development and Diversification for Vulnerability Reduction

3.1. Community Resilience Pasture Management and Investments

3.2. Income Diversification

4. Project Management

4.1. Project Management Unit

4.2. Monitoring and Evaluation

Government (taxes)

1. Institutional Development

1.1. Development of Community Organizations

1.2. Advancement of Policy and Legal Framework and Strengthening National Institutions

2. Productivity Enhancement and Improved Animal Health

2.1. Livestock Productivity Enhancement

2.2. Improved Animal Health

3. Pasture Development and Diversification for Vulnerability Reduction

3.1. Community Resilience Pasture Management and Investments

3.2. Income Diversification

4. Project Management

4.1. Project Management Unit

4.2. Monitoring and Evaluation

Beneficiaries contribution

1. Institutional Development

1.1. Development of Community Organizations

1.2. Advancement of Policy and Legal Framework and Strengthening National Institutions

2. Productivity Enhancement and Improved Animal Health

2.1. Livestock Productivity Enhancement

2.2. Improved Animal Health

3. Pasture Development and Diversification for Vulnerability Reduction

3.1. Community Resilience Pasture Management and Investments

3.2. Income Diversification

4. Project Management

4.1. Project Management Unit

4.2. Monitoring and Evaluation

Sub-Total Uses of Funds

	203,301	1,956,632	2,662,912
	183,509	1,579,570	2,232,074
	19,792	377,062	430,838
	681,610	921,835	1,963,339
		35,280	35,834
		25,780	25,780
		9,500	10,054
			3,984
			3,984
	681,610	879,359	1,916,325
	681,610	830,089	1,867,055
		49,270	49,270
		7,196	7,196
		7,196	7,196
	286,189	540,490	1,068,170
	41,227	27,251	104,588
	25,594	27,251	88,955
	15,633		15,633
	244,962	513,239	963,582
	244,962	492,351	942,694
		20,888	20,888
	4,824,224	8,120,294	16,708,802

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

Foreign Exchange Difference	570	3,676	4,593
Total Uses of Funds	4,824,794	8,123,970	16,713,395

The Statement of Expenditure (by Component) was approved on May 08, 2020 by:

Khojazoda Abdulahad

Director



Mukimova Sadbarg

Finance Manager



The Statement of Expenditure (by Component) is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

STATEMENT OF SPECIAL ACCOUNTS AND RECONCILIATION

For the period from January 1, 2019 to December 31, 2019

(in USD)

Ref. No:

IFAD LOAN #2000001439

IFAD GRANT #2000001438

ASAP TRUST GRANT #2000001437

Account Currency: USD

Balance as of January 1, 2019

Amount

Add:

1,486,331

Deduct:

IFAD Replenishments

2,882,575

Programme Expenditure

(5,313)

Transfers to operating special accounts

(3,850,706)

Bank charges

(468)

Balance as of December 31, 2019

512,419

Ref. No:

IFAD GRANT #2000001438

Account Currency: TJS

Balance as of January 1, 2019

Amount

Add:

31

Deduct:

Transfers from local special account (USD)

2,360,327

Programme Expenditure

(2,358,993)

Bank charges

(1,279)

Balance as of December 31, 2019

86

Ref. No:

IFAD LOAN #2000001439

Account Currency: TJS

Balance as of January 1, 2019

Amount

Add:

1

Deduct:

Transfers from local special account (USD)

1,281,065

Programme Expenditure

(1,281,057)

Bank charges

(7)

Balance as of December 31, 2019

2

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

Ref.

No:

Account Currency: TJS

ASAP TRUST GRANT#2000001437

	Amount
Balance as of January 1, 2019	<u>2</u>
Add:	
Transfers from local special account (USD)	209,313
Deduct:	
Programme Expenditure	(209,303)
Bank charges	(5)
Balance as of December 31, 2019	<u><u>7</u></u>

Ref. No:

Account Currency: TJS

Beneficiaries contribution

	Amount
Balance as of January, 2019	<u>59,197</u>
Add:	
Community contribution (USD)	273,498
Deduct:	
Programme Expenditure	(286,147)
Bank charges	(41)
Exchange rates difference	(570)
Balance as of December 31, 2019	<u><u>45,937</u></u>

SECITON 1

Amount equivalent in USD

Balance of Funds as of January 1, 2019	<u>1,545,562</u>
Total contributions by IFAD	2,882,575
Total contributions by Government (taxes)	681,610
Total Beneficiaries contribution	273,498
Total	<u>3,837,683</u>
Deduct	
Total amount recovered by IFAD	(3,856,425)
Total amount recovered by Government (taxes)	(681,610)
Total amount recovered by Beneficiaries	(286,189)
Total	<u><u>(4,824,224)</u></u>
Add	
Foreign Exchange Difference	(570)
Outstanding amount advanced by IFAD, Government, Beneficiaries	<u><u>558,451</u></u>

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

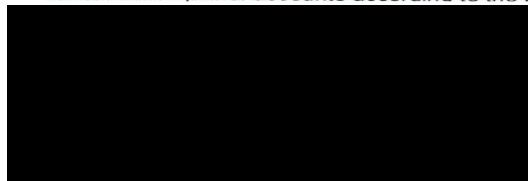
IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

SECTION 2

Balances of special accounts according to the bank statements:



512,419

86

2

7

45,937

Total bank balance as of December 31, 2019

558,451

Difference

-

The Statement of special accounts and reconciliation was approved on May 8, 2020 by:

Khojazoda Abdulahad

Director

Mukimova Sadbarg

Finance Manager

The Statement of Special Accounts and Reconciliation is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

STATEMENT OF WITHDRAWAL APPLICATIONS

Withdrawal Application №	Grant/Loan №	Date of submission	Total Amount Requested	Initial deposit	Equipment, goods, vehicles and works	Technical assistance and studies	Training and workshops	CLPMP Grants	Diversification Grants	Other Grants	Operating expenses	Total Amount Received	Disbursement method
IFAD Grant													
G-11	2000001438	21.02.2019	381 136	-	150 188	67 005	1 535	130 518	-	1 617	30 273	381 136	Repayment/ liquidation
G-12	2000001438	31.05.2019	106 267	-	2 950	58 182	-	2 121	-	-	43 014	106 267	Replenishment to the Special Account
G-13	2000001438	11.07.2019	600 000	600 000	-	-	-	-	-	-	-	600 000	Replenishment to the Special Account
G-14	2000001438	11.09.2019	458 769	-	5 726	52 440	1 994	359 905	-	-	38 704	458 769	Replenishment to the Special Account
G-15	2000001438	03.10.2019	401 553	-	-	15 750	1 754	374 179	-	-	9 870	401 553	Replenishment to the Special Account
G-16	2000001438	12.11.2019	280 146	-	-	28 590	10 078	228 657	-	-	12 821	280 146	Replenishment to the Special Account
G-17	2000001438	05.12.2019	347 131	-	54 756	24 765	6 202	248 971	-	-	12 437	347 131	Replenishment to the Special Account
Total			2 575 003	600 000	213 620	246 732	21 563	1 344 352	-	1 617	147 119		
IFAD Loan													
L-15	2000001439	12.02.2019	275 636	-	-	-	-	275 636	-	-	-	275 636	Repayment/ liquidation
L-16	2000001439	26.11.2019	238 708	-	-	-	-	238 708	-	-	-	238 708	Replenishment to the Special Account
L-17	2000001439	05.12.2019	450 000	450 000	-	-	-	-	-	-	-	450 000	Replenishment to the Special Account
Total			964 344	450 000	-	-	-	514 344	-	-	-		

ASAP Grant										
AG-10	2000001437	12.02.2019								Repayment/ liquidation
			113 768	-	-	19 890	-	71 755	22 123	-
										113 768
Total			113 768	-	-	19 890	-	71 755	22 123	-
TOTAL			3 653 115	1 050 000	213 620	266 622	21 563	1 930 451	22 123	1 617
										147 119

The Statement of withdrawal applications was approved on May 8, 2020 by:

Khojazoda Abdulahad

Mukimova Sadbarg

Director



Finance Manager



The schedule of withdrawal applications is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

DESIGNATED ACCOUNT STATEMENT AND RECONCILIATION

Project Title: Livestock and Pasture Development Project-2

Designated account reconciliation statement

For the year ended: 2019

IFAD Financing Agreement no: Grant-2000001438

SECTION 1

	USD
1 Total advanced by IFAD	1 100 000
2 Total amount recovered by IFAD	381 137
3 Outstanding amount advanced by IFAD	718 863

SECTION 2

4 Balance of designated account as per bank statement	228 015
5 Plus: Balance of operating accounts	85
Plus: Cash on Hand	0
Total bank balances as at 31.12.2019	228 100

6 Amount claimed in this application	0
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7 Amounts withdrawn not yet claimed WA G-0018	490 706
	490 706

Provide reasons - not yet claimed

8 Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement	
App nr	

Date USD AMOUNT

9 <u>Less: interest earned</u>	
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10 Total advance accounted for (D+E+F+G+H-I)	718 806
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11 Explanation of difference between outstanding advance (line 3) and advance accounted for (line 10)	57
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Foreign Exchange Difference	57
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The Designated account statement and reconciliation was approved on May 8, 2020 by:

Khojazoda Abdulahad

Mukimova Sadbarg

Director

Finance Manager

The Statement of Special Accounts and Reconciliation is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

Designated account statement and reconciliation

Project Title: Livestock and Pasture Development Project-2

Designated account reconciliation statement

For the year ended: 2019

IFAD Financing Agreement no: Loan-2000001439

		USD
SECTION 1		
1	Total advanced by IFAD	1 050 000
2	Total amount recovered by IFAD	275 636
3	Outstanding amount advanced by IFAD	774 364
SECTION 2		
4	Balance of designated account as per bank statement	7 491
5	Plus: Balance of operating accounts	2
	Plus: Cash on Hand	0
	Total bank balances as at 31.12.2019	7 493
6	Amount claimed in this application	0
7	Amounts withdrawn not yet claimed	766 871
	WA L-0018	274 364
	WA L-0019	492 507
	Provide reasons - not yet claimed	
8	Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement	
	App nr	Date USD AMOUNT
9	<u>Less: interest earned</u>	
10	Total advance accounted for (D+E+F+G+H-I)	774 364
11	Explanation of difference between outstanding advance (line 3) and advance accounted for (line 10)	0

The Designated account statement and reconciliation was approved on May 8, 2020 by:

Khojazoda Abdulahad

Mukimova Sadbarg

Director

Finance Manager

The Statement of Special Accounts and Reconciliation is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

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

IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437
Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

Designated account statement and reconciliation

Project Title: Livestock and Pasture Development Project-2

Designated account reconciliation statement

For the year ended: 2019

IFAD Financing Agreement no: ASAP Grant-2000001437

SECTION 1

	USD
1 Total advanced by IFAD	600 000
2 Total amount recovered by IFAD	113 768
3 Outstanding amount advanced by IFAD	486 232

SECTION 2

4 Balance of designated account as per bank statement	276 912
5 Plus: Balance of operating accounts	8
Plus: Cash on Hand	0
Total bank balances as at 31.12.2019	276 920
6 Amount claimed in this application	0
7 Amounts withdrawn not yet claimed WA AG-0011	209 307 209 307

Provide reasons - not yet claimed

- 8 Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement

App nr Date USD AMOUNT

- 9 Less: interest earned

10 Total advance accounted for (D+E+F+G+H-I)	486 227
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11 Explanation of difference between outstanding advance (line 3) and advance accounted for (line 10)	5
Foreign Exchange Difference	5

The Designated account statement and reconciliation was approved on May 8, 2020 by:

Khojzoda Abdulahad

Mukimova Sadbarg

Director

Finance Manager

The Statement of Special Accounts and Reconciliation is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

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

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

Special Purpose Financial Statements

For the period from January 1, 2019 to December 31, 2019

Designated account statement and reconciliation

Project Title: Livestock and Pasture Development Project-2

Designated account reconciliation statement

For the year ended: 2019

IFAD Financing Agreement no: Grant-2000001438, Loan-2000001439, ASAP Grant-2000001437

SECTION 1

	USD
1 Total advanced by IFAD	2 750 000
2 Total amount recovered by IFAD	770 541
3 Outstanding amount advanced by IFAD	1 979 459

SECTION 2

4 Balance of designated account as per bank statement	512 419
5 Plus: Balance of operating accounts	95
Plus: Cash on Hand	0
Total bank balances as at 31.12.2019	512 514
6 Amount claimed in this application	0

7 Amounts withdrawn not yet claimed	1 466 884
WA G-0018	490 706
WA AG-0011	209 307
WA L-0019	766 871
Provide reasons - not yet claimed	

8 Amounts claimed in previous applications not yet credited at date of bank statement and claimed after date of bank statement

App nr Date USD AMOUNT

9 Less: interest earned

10 Total advance accounted for (D+E+F+G+H-I)	1 979 398
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11 Explanation of difference between outstanding advance (line 3) and advance accounted for (line 10)	61
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Foreign Exchange Difference	61
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The Designated account statement and reconciliation was approved on May 8, 2020 by:

Khojazoda Abdulahad

Mukimova Sadbarg

Director

Finance Manager

The Statement of Special Accounts and Reconciliation is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 22 to 30.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

1 NATURE OF OPERATIONS AND GENERAL INFORMATION

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

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

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

2 BASIS OF ACCOUNTING AND PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting method

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

Reporting currency

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

Foreign currencies

All transactions incurred in currencies other than the reporting are translated into the presentation currency at the official rate established by the National Bank of Tajikistan at the date of transactions.

Exchange rates

As of December 31, 2019, the TJS rate in relation to the US dollar, established by the National Bank of Tajikistan and used in the preparation of the special purpose financial statements was 9,6872

Special Purpose Financial Statements

"Livestock and Pasture Development" PROJECT II (LPDP-II)", IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438; ASAP Trust Grant Number: 2000001437

For the period from January 1, 2019 to December 31, 2019

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

Project financing

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

Fixed assets

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

3 FUNDS RECEIVED FROM DONORS

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
IFAD		
Replenishments	2,882,575	4,552,600
Direct payments	-	2,924,246
Contributions of the Government	681,610	921,835
Beneficiaries contribution	273,498	495,169
	3,837,683	8,893,850

4 EQUIPMENT, GOODS, VEHICLES AND WORKS

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
IFAD Grant		
Purchase of sheep	-	54,143
Purchase of containers for planting trees for demonstration fields	136,568	39,020
Concentrated feed for rams	-	16,544
Laboratory equipment for the Tajik Agrarian University	-	136,202
Seeds of agricultural crops and mineral fertilizers	5,726	174,574
Supply of vehicles	-	47,300
Supply of laboratory furniture for the Tajik Agrarian University	-	19,172
Office equipment, furniture and computers for communities	12,086	48,645
Procurement of electric fence	54,756	-
Conducting of training for the staff of Republican Laboratory for Artificial Insemination	2,950	-
	212,086	535,600
Government (taxes)	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018

Special Purpose Financial Statements

"Livestock and Pasture Development" PROJECT II (LPDP-II)", IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438;
ASAP Trust Grant Number: 2000001437

For the period from January 1, 2019 to December 31, 2019

Supply of vehicles for the State Institution "Pasture-meliorative trust"	-	8,514
Office equipment, furniture and computers for communities	-	25,779
	-	34,293

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
Beneficiaries contribution		
Purchase of sheep	-	6,016
Concentrated feed for rams	-	1,838
Seeds of agricultural crops and mineral fertilizers	-	19,397
Purchase of containers for planting trees for demonstration fields	19,510	-
Procurement of electric fence	6,084	-
	25,594	27,251

5 TECHNICAL ASSISTANCE AND STUDIES

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
IFAD Grant		
National consultants	147,598	220,757
Facilitators	14,014	120,011
Consulting services for the project audit	12,982	12,982
Conducting a comprehensive geobotanical study of pasture land	-	5,412
Agrochemical soil analysis in the project area	-	1,831
Conducting of the Midterm review	31,050	-
Procurement of materials for publication for Tajik Agrarian University n.a. Sh. Shotemur	3,493	-
	209,137	360,993
ASAP Trust Grant	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018

Special Purpose Financial Statements

"Livestock and Pasture Development" PROJECT II (LPDP-II)", IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438;
ASAP Trust Grant Number: 2000001437

For the period from January 1, 2019 to December 31, 2019

Facilitators	6,006	51,434
	6,006	51,434

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
Government (taxes)		
Consulting services for the project audit	-	7,010
Conducting a comprehensive geobotanical study of pasture land	-	988
	-	7,998

6 TRAINING AND WORKSHOPS

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
IFAD Grant		
International Study/ Conferences	20,028	3,452
	20,028	3,452

7 CLPMP GRANTS

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
IFAD Grant		
Fencing materials	-	48,488
Development and supply of design estimates for water supply facilities, pipelines	-	19,625
Construction of water lines, bridges, bathtubs, and road repair in villages	691,079	92,730
Purchase of rams, bulls and turkeys	418,627	-
Procurement of feed and seed feed crops	353,037	-
Purchase of mobile offices for PUU	316,535	-
	1,779,278	160,843
	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018

Special Purpose Financial Statements

"Livestock and Pasture Development" PROJECT II (LPDP-II)", IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438;
ASAP Trust Grant Number: 2000001437

For the period from January 1, 2019 to December 31, 2019

IFAD Loan

Bank charges	122	198
MTZ tractors	-	2,215,863
Mounted feed equipment and other motor equipment	707,757	607,035
Tractor trailers	-	384,192
Tractors	-	127,350
Front loader and excavator	573,300	-
	1,281,179	3,334,638

ASAP Trust Grant

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
Bank charges	5	216
Combine harvesters	-	248,400
Mounted feed and other motor equipment	-	429,449
Tractor trailers	-	505,764
Mobile offices	-	241,281
Seeds of fodder crops and mineral fertilizers	-	130,452
Corn seeds and mineral fertilizers	-	24,008
Purchase of fencing materials for restoration of pasture ecosystem for PUU	183,504	-
	183,509	1,579,570

Government (taxes)

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
MTZ tractors and trailers	46,541	621,164
Fencing materials	22,649	9,187
Mounted feed and other motor equipment	308,830	105,784
Feed and seed feed crops and mineral fertilizers	67,818	34,915
Front loaders and excavators	114,660	55,116
Development and supply of design estimates for water supply facilities, pipelines	-	3,923
Purchase of mobile offices for PUU	105,691	-
Construction of water lines and bridges in villages	15,421	-
	681,610	830,089

Beneficiaries contribution

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
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Special Purpose Financial Statements

"Livestock and Pasture Development" PROJECT II (LPDP-II)", IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438;
ASAP Trust Grant Number: 2000001437

For the period from January 1, 2019 to December 31, 2019

Tractors	41,250	219,107
Mounted feed equipment and other motor equipment	58,096	123,361
Tractor trailers	-	98,884
Fencing materials	5,094	2,553
Combine harvesters	-	27,600
Mobile offices for PUU	16,660	12,699
Feed and seed feed crops and mineral fertilizers	13,867	8,128
Bank services	-	19
Front loaders and excavators	63,700	-
Purchase of rams	7,616	-
Construction of water lines and bridges in villages	38,679	-
	244,962	492,351

8 DIVERSIFICATION GRANTS

ASAP Trust Grant	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
Mini tractors	19,792	-
Semi-automatic filling and packaging machine for dried fruits	-	181,248
Equipment for the collection and storage of milk	-	17,138
Rosehip seedlings	-	13,499
Wild rose seedlings, fencing materials and mineral fertilizers	-	44,803
Honey bees and apiculture equipment	-	25,662
Dairy cows and concentrated feed	-	94,712
	19,792	377,062

Government (taxes)	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
Seeds of fodder crops and mineral fertilizers	-	8,489
Semi-automatic filling and packaging machine for dried fruits	-	40,781
	-	49,270

Beneficiaries contribution	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
Equipment for the collection and storage of milk	-	902
Wild rose seedlings, fencing materials and mineral fertilizers	-	2,358

Special Purpose Financial Statements

"Livestock and Pasture Development" PROJECT II (LPDP-II)", IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438;
ASAP Trust Grant Number: 2000001437

For the period from January 1, 2019 to December 31, 2019

Honey bees and apiculture equipment	-	1,315
Dairy cows and concentrated feed for them	-	4,985
Semi-automatic filling and packaging machine for dried fruits	-	11,328
	-	20,888

9 OTHER GRANTS

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
IFAD Grant		
Scholarships	5,198	-
Practical studies	-	1,617
Veterinary medicines	-	16,740
Veterinary accessories, motorcycles and other components for private veterinary	-	109,620
Office equipment for private veterinarians	-	14,337
	5,198	142,314

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
Beneficiaries contribution		
Veterinary medicines	1,860	-
Veterinary accessories, motorcycles and other components for private veterinary	12,180	-
Office equipment for private veterinarians	1,593	-
	15,633	-

10 OPERATING EXPENSES

	For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
IFAD Grant		
Wages	94,129	67,798
Social tax	14,907	8,099
Daily and transportation costs	715	624
Communication expenses (telephone, internet)	4,378	4,392
Banking services	1,633	1,457
Insurance costs	281	263
Other office expenses	9,213	12,337
Vehicle operation and maintenance	14,735	17,000

Special Purpose Financial Statements

"Livestock and Pasture Development" PROJECT II (LPDP-II)", IFAD Loan Number: 2000001439; IFAD Grant Number: 2000001438;
ASAP Trust Grant Number: 2000001437

For the period from January 1, 2019 to December 31, 2019

Operation and maintenance of equipment

220	93
140,211	112,063

Government (taxes)

For the period from January 1, 2019 to December 31, 2019	For the period from January 1, 2018 to December 31, 2018
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Other office expenses

-	185
-	185

11 SCHEDULE OF FIXED ASSETS

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

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