

AUDITED PROJECT FINANCIAL STATEMENTS

Project N°: 2000000836

IFAD Loan N°: 2000001114

Period covered: 01/07/2020 – 30/06/2021

Economic Transformation Initiative Gilgit Baltistan (ETIGB)

Prepared by: Auditor General of Pakistan

Received on: 28/12/2021

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)"



**Financial Attest Audit Report
on the
Accounts of
Economic Transformation Initiative Project,
Gilgit-Baltistan
Financed by International Fund for Agriculture
Development (IFAD) Loan No.2000001114**

**Government of Gilgit-Baltistan
Planning & Development Department
For the Financial Year 2020-21**

Auditor General of Gilgit-Baltistan

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Abbreviations and Acronyms

AKRSP	Aga Khan Rural Support Programme
ASF	Agribusiness Support Fund
DDO	Drawing and Disbursing Officer
ETI	Economic Transformation Initiative
ECNEC	Executive Committee of the National Economic Council
FMR	Farm to Market Road
FC	Foreign Currency
FEGs	Farmer Enterprise Group
FEC	Foreign Exchange Component
FOs	Farmer Organizations
GB	Gilgit-Baltistan
GFR	General Financial Rules
GoP	Government of Pakistan
IFAD	International Fund for Agriculture Development
ISSAI	International Standards of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IPs	Implementing Partners
KA&GB	Kashmir Affairs & Gilgit-Baltistan
LC	Local Currency
M&E	Monitoring & Evaluation
MoU	Memorandum of understanding
NOC	No objection Certificate
OM	Office Memorandum
O&M	Operating & Maintenance
PCU	Programme Coordination Unit
PPRA	Public Procurement Regularity Authority
PC	Program Coordinator

PEC	Pakistan Engineering Council
PIM	Project Implementation Manual
PSC	Programme Steering Committee
PWD	Public Works Department
PC-I	Planning Commission (Proforma-I)
P&DD	Planning & Development Department
PSDP	Public Sector Development Programme
RCU	Regional Coordination Unit
SMP	Social Mobilization Partner
SMT	Social Mobilization Team
ToR	Terms of Reference
VCTAT	Value Chain Technical Assistant Team
WMD	Water Management Directorate

PREFACE

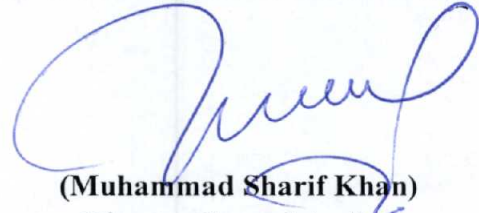
The Auditor-General of Gilgit-Baltistan conducts audit under Section 98 of the Governemnt of Gilgit-Baltistan Order, 2018 and Section 8 of Auditor General of Gilgit-Baltistan (Functions, Powers and Terms and Conditions of Service) Act, 2012. The Financial Attest Audit of the Project “Economic Transformation Initiative, Gilgit-Baltistan” Loan No.2000001114 financed by Government of Pakistan & International Fund for Agriculture Development (IFAD) was carried out accordingly.

The Directorate General Audit, Gilgit-Baltistan, Gilgit conducted Financial Attest Audit of the Project “Economic Transformation Initiative, Gilgit-Baltistan” financed by Government of Pakistan & IFAD for the financial year 2020-21, during the month of November, 2021 with a view to report significant findings to the stakeholders. Audit examined the economy, efficiency and effectivness aspects of the Project. In addition, Audit also assessed, on test check basis, whether the management complied with applicable laws, rules and regulations in managing the project activities. The Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the Project.

The Report consists of two parts. Part-I contains Auditor’s Report (Audit Opinion) and Financial Statements. Part-II contains Executive Summary, Management Letter and Audit Findings.

The Report has been prepared for submission to International Fund for Agriculture Development (IFAD) in terms of loan agreemen No. 2000001114 with Government of Pakistan.

Dated: 10 .12.2021


(Muhammad Sharif Khan)
Director General Audit
Gilgit-Baltistan Gilgit

PART-I

1. PROJECT OVERVIEW
2. AUDITOR'S REPORT TO THE MANAGEMENT
3. FINANCIAL STATEMENTS

PROJECT OVERVIEW

Name of the Project:	Economic Transformation Initiative (ETI), Gilgit-Baltistan
Sponsoring Authority:	International Fund for Agriculture Development (IFAD) & Government of Pakistan
Executing Authority:	Planning & Development Department, Gilgit-Baltistan through Project Coordination Unit (PCU)
Loan No.	2000001114
PC-I Cost:	US\$ 120.15 million (Rs. 12,315.5 million)
Date of commencement:	16.09.2015
Actual Date of Commencement:	01.03.2016
Date of Completion (as per PC-I):	12.04.2022
Date of Approval by ECNEC:	13.04.2015
Loan Closing Date:	16.09.2022
Loan Utilization Status:	
For the year 2020-21:	
	IFAD: Rs. 1,002.144 million
	GOP: Rs. 220.433 million
Progressive expenditure up to the last financial year 2019-20:	
	IFAD: Rs. 3,651.451 million
	GoP: Rs. 709.282 million
	Beneficiary Contribution: 36.445 million



DEPARTMENT OF THE AUDITOR GENERAL GILGIT-BALTISTAN
DIRECTORATE GENERAL AUDIT GILGIT-BALTISTAN

Karakoram Cooperative Bank Plaza, Jutial Gilgit.

Ph: 05811-922113 Fax: 05811-922115 Email: dgauditgb123@gmail.com

AUDITOR'S REPORT

Directorate General Audit (GB) audited the accompanying Financial Statements of "Economic Transformation Initiative (ETI GB), Gilgit-Baltistan" financed by Government of Pakistan (GoP) & International Fund for Agriculture (IFAD), comprising of receipt and payment statements for the year ended 30th June, 2021.

Management Responsibility

It is the responsibility of the management to establish and maintain a system of internal controls, prepare and present the Statement of Receipts and Payments in conformity with the requirements of Cash Basis, International Public Sector Accounting Standards (IPSAS), Financial Reporting under the Cash Basis of Accounting Standard.

Auditor's Responsibility


The responsibility of the auditor is to express an opinion on the financial statements based on the audit conducted. The Audit was conducted in accordance with the International Standards of Supreme Audit Institutions. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. This audit is based on test check basis and includes findings, evidence supporting the accounts and disclosures in the financial statements. It also includes assessment of accounting principles used by the management in making financial statements. Professional approach has been applied in evaluation of financial statements to provide a reasonable assurance for audit opinion.

Opinion

In our opinion:

- a) The financial statements present fairly, in all material respects, the cash receipts and payments by the project for the year ended 30th June, 2021 in accordance with Cash Basis IPSAS.
- b) The expenditure has been incurred in accordance with the requirements of legal agreements.

Dated: 10.12.2021
Gilgit


(Muhammad Sharif Khan)
Director General Audit

FINANCIAL STATEMENTS

**ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
IFAD LOAN NO 2000001114**

FINANCIAL STATEMENTS

FOR THE YEAR 2020-2021

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
IFAD LOAN 2000001114

PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2020/21

Prepared in accordance with the Cash Basis of Accounting Method of the
International Public Sector Accounting Standards (IPSAS)

Shiraz

Director Finance & Admin
Economic Transformation Initiative Gilgit
Programme Coordinating Unit Gilgit

Director Finance Admin

Shiraz

MUHAMMAD SHIRAZ HASSAN
Audit Officer
Directorate General Audit
Federal Government Islamabad

Shiraz

Programme Coordinator
Economic Transformation Initiative
Gilgit-Baltistan

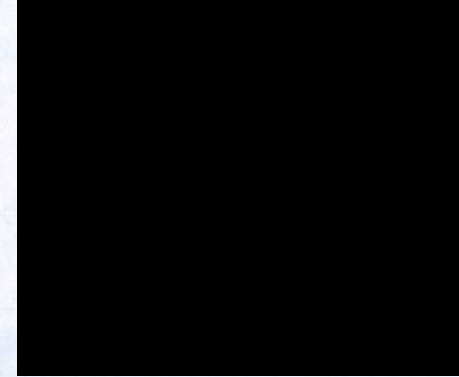
Programme Coordinator

PROJECT INFORMATION AND PERFORMANCE

- Institutional details/information:

- Project Steering Committee: Project Steering Committee (PSC) orients programme implementation strategy, oversees programme planning, and provides overall guidance as well as programme coordination. This PSC is headed by the Chief Secretary Government of Gilgit Baltistan (GoGB) and its members include:

Chief Secretary GoGB
 Secretary Planning
 Secretary Finance
 Secretary Agriculture
 Secretary Public Works
 Head of Social Mobilisation
 Head of Value Chain
 Ministry of Kashmir
 Representative of
 Valley Farmer



- Project Objectives:

- Project Costs:

Category	IFAD (Schedule 2 of FA)		Government	
	USD	%	USD	%
Civil works	31.53	91.0%	14.26	9.0%
Equipment & Materials	1.25	89.0%	0.53	11.0%
Trainings & Consultancy	4.33	63.0%	2.81	37.0%
Grants & Subsidies	14.66	100.0%	0.00	0.0%
Total investment Cost	51.77		17.60	
Salaries & Allowances	5.87	63.0%	3.83	37.0%
Operating costs	3.35	80.0%	2.19	20.0%
Total Recurrent cost	9.22		6.03	
Unallocated	6.01		-	
Total PROJECT COSTS	67.00		23.63	

- Project Performance

A narrative report of project performance is annexed to the report

Director Finance & Admin
 Economic Transformation Initiatives Unit
 Gilgit-Baltistan
 Director Finance Admin

Shiraz
MUHAMMAD SHIRAZ HASSAN
 Asst. Officer
 Directorate General
 Federal Government

Programme Coordinator
 Economic Transformation Initiative
 Gilgit-Baltistan
 Programme Coordinator

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
 PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
 IFAD LOAN 2000001114

STATEMENT OF SOURCES AND USES OF FUND (BY CATEGORY OF EXPENDITURES)
 FOR THE YEAR ENDED 2020/21

	notes	2020-21	2019-20 PKR	Cumulative Upto 30-06-2021 PKR
1 - Initial cash balance / or cash balance brought forward		681,067,841	475,676,948	
FINANCING:				
- IFAD funds received:				
- Initial deposit				4,983,029,239
- Replenishment of the Special Account (SA)		669,162,090	1,602,548,981	3,589,603
- IFAD Direct Payments				
- Funds received from the government - if any		218,930,349	212,700,712	943,273,953
- Beneficiaries Contribution in cash	5		7,334,600	36,445,245
- Funds received from other donors - if any				
- Other receipts - if any				
2 - TOTAL FINANCING		888,092,439	1,822,584,293	5,966,338,040

PROJECT EXPENDITURES (BY CATEGORY OF EXPENDITURES)

Category	IFAD Credit (separate analysis if different sources of IFAD's funding)			
1	Civil Works	716,681,881	995,777,644	2,960,440,457
2	Equipment & Material	1,886,466	4,181,123	76,971,754
3	Grant & Subsidies	50,201,521	169,233,477	539,827,036
4	Trainig & Consultancies	91,220,027	66,741,719	385,898,571
5	Salaries & Allowances	110,503,784	127,771,089	474,161,592
6	Operating Cost	31,651,242	32,172,966	216,296,324
7	Un Allocated			
	Subtotal IFAD Credit	1,002,144,921	1,395,878,018	4,653,595,734
	Government Funds			
1	Civil Works	86,320,022	92,178,960	293,577,347
2	Equipment & Material	270,334	780,884	62,302,477
3	Grant & Subsidies	263,580	(213,280)	263,580
4	Trainig & Consultancies	48,356,017	37,936,026	225,249,881
5	Salaries & Allowances	74,672,137	71,896,825	288,496,915
6	Operating Cost	10,551,559	11,401,362	59,825,146
7	Un Allocated			
	Subtotal Government Funds	220,433,649	213,980,777	929,715,346
	Beneficiaries Contribution in cash			
3	Grant & Subsidies		7,334,600	36,445,245
	Subtotal Beneficiaries Contribution in cash		7,334,600	36,445,245
	3 - TOTAL PROJECT EXPENDITURES			
	Balance brought forward (1 + 2 - 3)			
		1,222,578,570	1,617,193,395	5,619,756,325
		346,581,710	681,067,846	346,581,715

Director Finance & Admin
 Economic Transformation Initiative
 Programme Coordinator Unit

Director Finance Admin

MUHAMMAD SHIRAZ HASSAN
 Audit Officer
 Directorate General Audit
 Federal Government Islamabad
 Programme Coordinator
 Economic Transformation Initiative
 Gilgit-Baltistan

Programme Coordinator

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
IFAD LOAN 2000001114

STATEMENT OF SOURCES AND USES OF FUND (BY COMPONENT)
FOR THE YEAR ENDED 2020/21

	Notes	2020 -21	2019 -20 PKR	Cumulative Upto 30-06-2021 PKR
1 - Initial cash balance / or cash balance brought forward		681,067,841	475,676,948	
FINANCING:				
- IFAD funds received:				
- Initial deposit				4,983,029,239
- Replenishment of the Special Account (SA)		669,162,090	1,602,548,981	-
- IFAD Direct Payments				3,589,603
- Funds received by the government - if any		218,930,349	212,700,712	943,273,953
- Funds received by other donors - if any				
Beneficiaries Contribution in cash		-	7,334,600	36,445,245
- Other receipts - if any				
2 - TOTAL FINANCING		888,092,439	1,822,584,293	5,966,338,040
PROJECT EXPENDITURES (BY COMPONENT)				
Component	IFAD Credit			
A	Economic Infrastructure for Value Chain Development	732,489,486	1,015,255,252	3,045,329,693
B	Support Services/PPPP for Value Chain Development	168,609,908	267,234,578	1,064,350,890
C	Programme Management & Policy Support	101,045,527	113,388,188	543,920,331
	Subtotal IFAD Credit	1,002,144,921	1,395,878,018	4,653,600,914
	Government Funds			
A	Economic Infrastructure for Value Chain Development	89,866,395	105,048,941	375,360,341
B	Support Services/PPPP for Value Chain Development	74,098,047	47,863,427	277,285,580
C	Programme Management & Policy Support	56,469,207	61,068,409	277,064,245
	Subtotal Government Funds	220,433,649	213,980,777	929,710,166
	Beneficiaries Contribution in cash			
A	Economic Infrastructure for Value Chain Development		7,334,600	36,445,245
B	Support Services/PPPP for Value Chain Development	-	0	
C	Programme Management & Policy Support	-	0	
	Subtotal Beneficiaries Contribution in cash	-	7,334,600	36,445,245
3 - TOTAL PROJECT EXPENDITURES		1,222,578,570	1,617,193,395	5,619,756,325
Balance brought forward (1 + 2 - 3)		346,581,710	681,067,846	346,581,715

Director Finance & Adm.
Economic Transformation Initiative
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MUHAMMAD SHIRAZ HASSAN
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Programme Coordinator
Economic Transformation Initiative
Gilgit-Baltistan

Programme Coordinator

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
IFAD LOAN 2000001114

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 2020/21

IFAD Credit	2019-20 BUDGET	2019-20 ACTUAL	VARIANCE	2020-21 BUDGET	2020-21 Cum. Year ACTUAL	VARIANCE	PDR/FA Budget Overall	Cumulative	VARIANCE
Category									
1. Civil Works	1,653,353,202	995,777,644	657,575,558	1,380,229,940	716,681,881	663,548,059	3,232,180,742	2,960,440,457	271,740,285
2. Equipment & Material	16,242,055	4,181,123	12,060,932	25,762,510	1,886,466	23,876,044	128,330,844	76,971,754	51,359,090
3. Grant & Subsidies	371,473,750	169,233,477	202,240,273	410,215,500	50,201,521	360,013,979	1,502,221,421	539,827,036	962,394,385
4. Training & Consultancy	52,258,456	66,741,719	(14,483,263)	170,214,410	91,220,027	78,994,383	444,159,629	385,898,571	58,261,058
5. Salaries & Allowances	143,416,315	127,771,089	15,645,226	124,950,533	110,503,784	14,446,749	601,171,473	474,161,592	127,009,881
6. Operating Cost	187,674,915	32,172,966	155,501,949	62,662,326	31,651,242	31,011,084	343,728,630	216,296,324	127,432,306
7. Unallocated							615,707,250	-	615,707,250
Subtotal IFAD Credit	2,424,418,693	1,395,878,018	1,028,540,675	2,174,035,220	1,002,144,921	1,171,890,299	6,867,499,989	4,653,595,734	2,213,904,255
Government Funds									
1. Civil Works	163,518,449	92,178,960	71,339,489	136,506,258	86,320,022	50,186,236	1,461,730,781.71	293,577,347	1,168,153,435
2. Equipment & Material	2,007,445	780,884	1,226,561	3,156,490	270,334	2,886,156	53,983,260.17	62,302,477	(8,319,217)
3. Grant & Subsidies		(213,280)	213,280		263,580	(263,580)	(0.00)	263,580	(263,580)
4. Training & Consultancy	13,064,614	37,936,026	(24,871,412)	99,901,276	48,356,017	51,545,259	288,523,323.43	225,249,881	63,273,442
5. Salaries & Allowances	84,228,629	71,896,825	12,331,804	72,969,970	74,672,137	(1,702,167)	392,787,268.38	288,496,915	104,290,353
6. Operating Cost	110,221,776	11,401,362	98,820,414	15,665,581	10,551,559	5,114,022	224,964,661.98	59,825,146	165,139,516
7. Physical Contingencies									
Subtotal Government Fund	373,040,912	213,980,777	159,060,135	328,199,576	220,433,649	107,765,927	2,421,989,295.66	929,715,346	1,492,273,950
Total	2,797,459,605	1,609,858,795	1,187,600,810	2,502,234,795	1,222,578,570	1,279,656,225	9,289,489,285	5,583,311,080	3,706,178,205

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
IFAD LOAN 2000001114

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (BY COMPONENT)
FOR THE YEAR ENDED 2020/21

IFAD Credit	2019-20 BUDGET	2019-20 ACTUAL	VARIANCE	2020-21 BUDGET	2020-21 ACTUAL	VARIANCE	PDR Budget Overall	Cumulative	VARIANCE
Component No									
1. Economic Infrastructure for Value Chain Development	1,685,549,626	1,015,255,252	670,294,374	1,432,281,998	732,489,486	699,792,512	3,787,375,000	3,045,329,693	742,045,307
2. Support Services/PPPP for Value Chain Development	567,371,291	267,239,758	300,131,533	584,588,858	168,609,908	415,978,950	2,549,175,000	1,064,350,890	1,484,824,110
3. Programme Management and Policy Support	171,631,723	113,388,188	58,243,535	157,164,363	101,045,527	56,118,836	530,950,000	543,920,331	(12,970,331)
Subtotal IFAD Credit	2,424,552,640	1,395,883,198	1,028,669,442	2,174,035,220	1,002,144,921	1,171,890,299	6,867,500,000	4,653,600,914	2,213,899,086

Director Finance & Admin
Economic Transformation Initiative-GB
Programme Coordination Unit Gilgit

Director Finance & Admin

MUHAMMAD SHIRAZ HASSAN
Audit Officer
Directorate General Audit
Federal Government Islamabad

Programme Coordinator
Economic Transformation Initiative
Gilgit-Baltistan

Programme Coordinator

Government Funds

1. Economic Infrastructure for Value Chain Development	187,497,934	105,048,941	82,448,993	166,310,138	89,866,395	76,443,743	1,593,031,235	375,360,341	1,217,670,894
2. Support Services/PPPP for Value Chain Development	98,326,129	47,858,247	50,467,882	86,827,876	74,098,047	12,729,829	510,386,327	277,285,580	233,100,747
3. Programme Management and Policy Support	87,082,903	61,068,409	26,014,494	75,061,562	56,469,207	18,592,355	318,571,734	277,064,245	41,507,489
Subtotal Government	372,906,965	213,975,597	158,931,368	328,199,576	220,433,649	107,765,927	2,421,989,296	929,710,166	1,492,279,130
3 - TOTAL PROJECT									
EXPENDITURES BY	2,797,459,605	1,609,858,795	1,187,600,810	2,502,234,795	1,222,578,570	1,279,656,225	9,289,489,296	5,583,311,080	3,706,178,216

Muhammad Shiraz Hassan

MUHAMMAD SHIRAZ HASSAN
Audit Officer
Directorate General Audit
Federal Government Islamabad

Programme Coordinator
Economic Transformation Initiative
Gilgit-Baltistan

Director Finance & Admin
Economic Transformation Initiative-GB
Programme Coordination Unit Gilgit

Director Finance Admin

Programme Coordinator

ECONOMIC TRANSFORMATION INITIATIVE GILGIT BALTISTAN
 PLANNING AND DEVELOPMENT DEPARTMENT GILGIT BALTISTAN
 IFAD LOAN 2000001114
 STATEMENT OF SPECIAL ACCOUNT ACTIVITIES
 FOR THE YEAR ENDED 2020/21

Account no [REDACTED]
 [REDACTED]
 [REDACTED]

	Notes	USD	PKR
Opening balance as at 01-07-2020			
Add:			
IFAD replenishments:			
Date	WA No		
10-Dec-2020	WA No 31	859,139	140,496,701
10-Dec-2020	WA No 32	1,491,356.97	238,959,232
31-Mar-2021	WA No 33	1,859,922	289,706,157
Bank interest			
Total		4,210,418.22	669,162,090.00
Deduct			
Transfer to Operating Accounts:			
		859,139	140,496,701
		1,491,356.97	238,959,232
		1,859,922	289,706,157
Total		4,210,418	669,162,090
Exchange rate difference			
Closing balance as at 30-06-2021 (as per bank statement)		0	0

**STATEMENT OF EXPENDITURES - WITHDRAWAL APPLICATION STATEMENT
 FOR THE YEAR ENDED 2020/21**

By category of Expenditures in Local Currency

WA No 34, for the period from Jan-21 to May-21 submitted to IFAD during Q4

	Category	Category	WA 32	WA 33	WA 34
		Initial Deposit Increased			
1	Civil Works		173,443,287	215,344,232	227,400,222
2	Equipment & Materi.		245,120	706,225	757,121
3	Grants & Subsidies		11,308,660	1,505,934	36,864,927
4	Training & Consultar		23,478,804	45,079,661	17,351,356
5	Salaries & Allowance		22,318,403	27,877,918	45,945,871
6	Operating Cost		6,094,818	7,141,452	8,826,526
Total			236,889,092	297,655,422	337,146,023
In USD equiv/ Rejected from IFAD			1,491,357	1,859,922	2,055,539
Net Reimbursed			1,491,357	1,859,922	

Director Finance & Admin.
 Economic Transformation Initiative Gilgit
 Programme Coordination Unit Gilgit

Director Finance Admin

Signature
MUHAMMAD SHIRAZ HASSAN
 Audit Officer
 Expenditure General Audit
 Federal Government Islamabad

Programme Coordinator
 Economic Transformation Initiative
 Gilgit Baltistan

Programme Coordinator

**FORM 104/A - DESIGNATED ACCOUNT RECONCILIATION STATEMENT
(IMPREST ACCOUNT)**

(IN THE DESIGNATED ACCOUNT DENOMINATION CURRENCY – IMPREST ACCOUNT OPTION)

Barkat Ali
Programme Coordinator
Economic Transformation Initiative
Gilgit-Baltistan

Project title : Economic Transformation Initiative Gilgit-Baltistan

WA No. 0035

Reporting Period : 01-Jun-21 - 30-Jun-21

IFAD Financing No : IFAD Loan No 2000001114 ETI-GB

Designated account : █████ - IFAD Special Account PCU

Bank name : IFAD Designated Account

	USD
1. TOTAL ADVANCED BY IFAD	5,000,000.00
2. LESS TOTAL AMOUNT RECOVERED BY IFAD	0.00
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT	5,000,000.00
<hr/>	
4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE 30-Jun-21	0.00
5. PLUS BALANCE OF THE PROJECT ACCOUNT (LISTED SEPARATELY) (64,085,913.0000 PKR @ Rate = 155.7625)	411,433.52
PLUS BALANCE OF SUB ACCOUNTS (LISTED SEPARATELY) (71,570,401.0000 PKR @ Rate = 155.7625)	459,484.16
PLUS BALANCE OF CASH IN HAND (38,871.0000 PKR @ Rate = 155.7625)	249.55
TOTAL OF BANK BALANCES [DESIGNATED A/C, PA, SUB-ACCOUNTS & CASH IN HAND BALANCE	871,167.23
6. PLUS TOTAL AMOUNT CLAIMED IN THIS WA No. : 0035	814,179.06
7. PLUS TOTAL AMOUNT WITHDRAWN FROM THE DESIGNATED /PA/GRANT ACCOUNT AND NOT YET CLAIMED FOR REPLENISHMENT	1,259,107.00
REASON : Advance to IPs, VACs and SMTs.	
8. PLUS AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS BUT NOT YET CREDITED AT THE DATE OF BANK STATEMENT AND/OR CLAIMED AFTER DATE OF BANK STATEMENT	2,055,538.67

APPLICATION NO	USD	AMOUNT
34	From 01-03-2016 To 31-05-2021	2,055,538.67
9. MINUS INTEREST EARNED (0.0000 PKR @ Rate = 155.7625) From 01-Jun-21 To 30-Jun-21		0.00
10. TOTAL ADVANCE ACCOUNTED FOR		4,999,991.96
11. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 10		8.04
11a. BANK CHARGES AND OTHER COMMISSIONS NOT CLAIMABLE (0.0000 PKR @ Rate = 155.7625)		0.00
USD 8 is rounding off difference, this difference will be settled in next WAs.		

12. Date : 11-Aug-21

SIGNATURE

Barkat Ali

Lead M&E and Knowledge Management

Director Finance & Admin
Economic Transformation Initiative-GB
Programme Coordination Unit Gilgit



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2020/21

1 - Accounting Policies

Reporting Scope and Reporting Entity

These Financial Statements are for Economic Transformation Initiative Gilgit Baltistan (ETIGB), rather than for a specified reporting entity.

The overall goal of ETIGB is to improve incomes and reduce poverty and malnutrition in rural areas of Gilgit Baltistan Region.

The development objective is increased agriculture income and employment for 100,000 smallholder rural households in Gilgit Baltistan.

Basis of Preparation

The Financial Statements have been prepared in accordance with the Cash Basis IPSAS "Financial Reporting Under the Cash Basis of Accounting".

They also comply with the reporting requirements by Asian Development Bank and IFAD in its guidance on project financial statements, and with any reporting requirements specified in loan or grant funding agreements.

Presentation Currency

The project financial statements are presented in Pakistani Rupee (PKR).

Other Currencies and Foreign Exchange

There are no special accounting policies in other currencies

IFAD funding for this project is in US Dollars. No funding is provided using special drawing Rights.

Where, receipt,

2 - Budget

The approved budget is developed on the same accounting basis (cash basis) as the project financial statements.

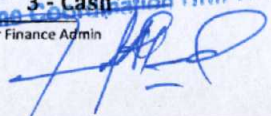
The budget is for the same period as the financial statements, and uses the same classification basis.

The budget reflects plans agreed with finance providers, and authorized through Government of Gilgit Baltistan annual budgetary procedures.

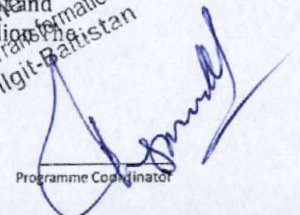
2.1- Project Costs:

The overall project cost in PDR/PC-1 is USD 120.15 million equals to PKR 12315.47 million inclusive of Co-financier share USD 22.98 million equals to PKR 2535.2 million and Beneficiary share is USD 6.54 million equals to PKR 670.30 million. There is difference in overall project cost between IFAD Financing Agreements and cost tab of PDR. Schedule 2 of Financing Agreement shows total financing amount for IFAD is USD 67 million while in cost tabs IFAD budget is USD 65.25 million. The difference amount is USD 1.76 million equals to PKR 180.46 million, which reflected in component 2 of the project.

Director Finance & Admin
Economic Transformation Initiative Gilgit Baltistan
Programme Coordinator Unit Gilgit Baltistan
3 - Cash
Director Finance Admin



Programme Coordinator
Economic Transformation Initiative
Gilgit Baltistan



Programme Coordinator

Cash comprises cash on hand and demand deposits. Demand deposits consist of balances with banks. No cash equivalents are held by the project in the form of short term market investments.

Director Finance & Admin
Economic Transformation Initiative-Gilgit
Programme Coordination Unit Gilgit

Director Finance Admin

Programme Coordinator
Economic Transformation Initiative
Gilgit-Baltistan

Programme Coordinator

Closing Balances

"PKR"

IFAD Special Account:	-
PCU IFAD Operational Account:	64,085,913
IFAD Value Chain Fund Account:	-
RCU Gilgit IFAD Operations Account:	61,725,477
RCU Baltistan IFAD Operations Account:	3,767,297
RCU Dimaer IFAD Operations Account:	6,077,627
Government Contribution Account:	(1)
PCU GoGB Operations Account:	1,164
RCU Gilgit GoGB Operations Account:	74
RCU Baltistan GoGB Operations Account:	160,044
RCU Dimaer GoGB Operations Account:	404,109
Cash on Hand PCU and RCUs:	53,096
Funds in Implementing Partner Accounts:	31,846,803
Unadjusted Advances on Contracts:	7 176,772,796
Unadjusted Advances on Misson:	1,687,311
	<u>346,581,711</u>

Director Finance & Admin
 Economic Transformation Initiative Gilgit
 Programme Coordination Unit Gilgit

Director Finance Admin

Programme Coordinator
 Economic Transformation Initiative
 Gilgit-Baltistan

Programme Coordinator