

AUDITED PROJECT FINANCIAL STATEMENTS

Project No: 2000001202

IFAD Loan No. 2000002604
IFAD Grant No. 2000002603

Period covered 08 October 2019 – 31 December 2020

YOUTH ENTREPRENEURSHIP EMPLOYMENT SUPPORT SERVICE PROGRAM (YESS)

Prepared by The Audit Board of the Republic of Indonesia

Received on 30 June 2021

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THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA
REPORT ON AUDIT RESULTS ON FINANCIAL STATEMENTS
YOUTH ENTREPRENEURSHIP EMPLOYMENT
SUPPORT SERVICE (YESS) PROGRAM
LOAN IFAD NUMBER 2000002604
AT
AGENCY OF AGRICULTURAL COUNSELING AND HUMAN RESOURCE
DEVELOPMENT
MINISTRY OF AGRICULTURE
2020
THE FOURTH STATE FINANCE MAIN AUDITORIUM
JAKARTA



Number: 17.a/LHP/XVII/06/2021

Date: June 02, 2021



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SYSTEMATIC REPORT ON AUDIT RESULT OF FINANCIAL STATEMENTS

YOUTH ENTREPRENEURSHIP AND EMPLOYMENT SUPPORT

SERVICES (YESS) PROGRAM

LOAN IFAD NUMBER 2000002604 2020

Audit result on YESS Program Financial Statements 2020 consist of two reports as follows.

1. Audit Result Report on Financial Statements

This report contains:

- a. Audit result containing BPK's opinion on the suitability of Financial Statements 2020;
- b. Audit Overview which contains the legal basis for the audit, audit standards, audit objectives, audited entity, audit scope, audit methodology, audit period, and audit limitation;
- c. Statement of Responsibility of the entity's principal; and
- d. YESS Program Financial Report 2020.

2. Internal Control System Audit Report and Compliance with the Provisions of Laws and Regulations

This report contains:

- a. Resume of Audit Results;
- b. SPI Audit Findings and Compliance with the Provisions of Legislation 2020; and
- c. Summary of Follow-up Monitoring of Audit Results on SPI and Compliance with Provisions of Laws and Regulations until Semester 2 2020.





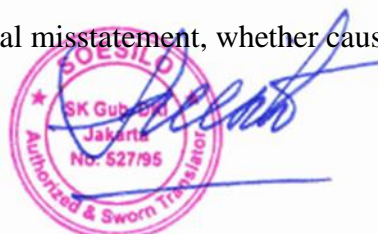
THE AUDIT BOARD OF THE REPUBLIC OF INDONESIA
AUDIT RESULTS REPORT ON FINANCIAL STATEMENTS

Report on Financial Statements

Based on Law Number 15 of 2004 concerning Auditing of State Financial Management and Responsibility and Law Number 15 of 2006 concerning Supreme Audit Agency (BPK), BPK has examined the Financial Statements of Youth Entrepreneurship and Employment Support Services (YESS) Program 2020 financed by Loan International Fund for Agricultural Development (IFAD) Number 2000002604 at the Agency of Agricultural Counseling and Human Resource Development (BPPSDMP) of the Ministry of Agriculture. The Financial Statements are in the form of a Statement of Receipts and Payment (By Category of Expenditures and by Component), and a Statement of Comparison of Budget and Actual Amounts for the Year ended December 31, 2020 as well as an Explanation of Financial Statements. The Financial Report has been prepared by BPPSDMP of the Ministry of Agriculture based on the IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects as stated in the Loan Agreement (Financing Agreement) Number 2000002604 dated March 15, 2019 between the Government of the Republic of Indonesia and IFAD.

Government Responsibility for Financial Statements

BPPSDMP Ministry of Agriculture is responsible for preparation and fair presentation of financial statements in accordance with the IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects and adequate internal control to prepare financial statements that are free from material misstatement, whether caused by fraud or error.



BPK's Responsibility

BPK's responsibility is to express an opinion on the financial statements based on BPK's Audit. BPK audits based on State Financial Audit Standards. These standards require that BPK comply with BPK's code of ethics, and plan and carry out audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit includes examining evidence supporting the figures and disclosures in the financial statements. The procedure chosen is based on the auditor's professional judgment, including an assessment of the risk of material misstatement in the financial statements, whether due to fraud or error. In conducting a risk assessment, Auditor considers the internal control relevant to the preparation and fair presentation of YESS program financial statements to design appropriate audit procedures in accordance with the existing conditions, but not for the purpose of expressing an opinion on the effectiveness of YESS program internal control. The audit conducted by BPK also includes an evaluation of the accuracy of the accounting policies used and the reasonableness of the accounting estimates prepared by Ministry of Agriculture's BPPSDMP, as well as an evaluation of the presentation of the financial statements as a whole.

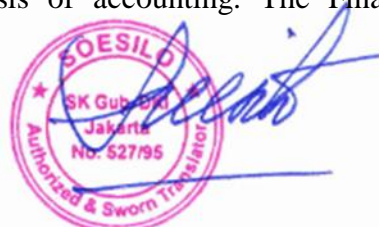
BPK believes that the audit evidence that has been obtained is sufficient and appropriate, as a basis for expressing an opinion.

Opinion

In BPK's opinion, the financial statements referred to above present fairly, in all material respects, for the Year ended December 31, 2020, in accordance with the IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects.

Accounting Base

Without modifying the opinion, BPK emphasizes on the explanation of the financial statements which explain the basis of accounting. The Financial Statements of YESS



program were prepared with the aim of complying with the provisions contained in the IFAD Financing Agreement Number 2000002604. As a result, this financial report is certainly suitable for other purposes.

Miscellaneous

YESS program is managed by National Program Management Unit at the Ministry of Agriculture's BPPSDMP with a APBN expenditure management mechanism, and has been reported in the Ministry of Agriculture's Financial Report. Ministry of Agriculture has prepared a separate Financial Statement for the Year ending December 31, 2020 in accordance with Government Accounting Standards and on the Financial Statements of the Ministry of Agriculture, BPK has issued Reports Number 11.a/LHP/XVII/05/2021, and 11.b/LHP/XVII/05/2021 dated May 24, 2021 separately.

Report on SPI and Compliance

To obtain reasonable assurance about the fairness of the financial statements, BPK also conducts an Audit of Internal Control System and Compliance with the Provisions of Laws and Regulations. Audit Result Report on the Internal Control System and Compliance with Provisions of Legislations is presented in Report Number 17.b/LHP/XVII/06/2021 dated June 02, 2021, which is an integral part of this report.

Jakarta, June 02, 2021

**THE AUDIT BOARD OF THE REPUBLIC OF
INDONESIA**

Auditor in Charge,

[signed]

Indria Syzinia, S.E., M.Sc., Ak., CA., CSFA

Accountant State Register No. RNA 11780



AUDIT OVERVIEW

1. Legal Basis for Audit

- a. Law Number 17 of 2003 concerning State Finances;
- b. Law Number 1 of 2004 concerning State Treasury;
- c. Law Number 15 of 2004 concerning Audit of State Finance Management and Accountability;
- d. Law Number 15 of 2006 concerning the Supreme Audit Agency; and
- e. Loan Agreement (Financing Agreement/FA) Number 2000002604 between Government of Indonesia cq. Ministry of Finance with International Fund for Agricultural Development (IFAD).

2. Audit Standard

Audit to Financial Statements of the Youth Entrepreneurship and Employment Support Services (YESS) Program 2020 is guided by State Financial Audit Standards (SPKN) stipulated by BPK RI Regulation Number 1 of 2017.

3. Purpose of Audit

Audit of YESS program Financial Statements 2020 aims to provide an opinion on the fairness of YESS Program 2020 Financial Statements based on the following criteria:

- a. Conformity with IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects;
- b. Sufficient evidence to support the implementation of YESS program;
- c. Compliance with program implementation with the Financing Agreement (FA) and the provisions stipulated by IFAD; and
- d. Effectiveness of Internal Control System (SPI).



4. Audited Entities

Audit is carried out at the Agency of Agricultural Counseling and Human Resource Development (BPPSDMP) of the Ministry of Agriculture which is appointed as the executing agency for YESS program.

5. Scope of Audit

Scope of this Audit is YESS Program Financial Report 2020 which consists of:

- a. Statement of Receipts and Payment by Category of Expenditures;
- b. Statement of Receipts and Payment by Component;
- c. Statement of Comparison of Budget and Actual Amounts; and
- d. Explanation to Financial Statements.

6. Audit Methodology

Audit on YESS Program Financial Statements 2020 is carried out with the following approach:

- a. Risk Approach

Methodology applied in conducting the Audit of YESS program LK 2020 uses a risk approach that is based on understanding and testing the effectiveness of SPI in the preparation of Financial Statements. The results of such understanding and testing will determine the level of reliability of management's assertions and applicable provisions.

Determination of audit risk simultaneously with the level of reliability of control risk and the level of inherent risk of the entity to be examined can be used as a reference in determining the expected detection risk and the number of tests to be performed as well as determine the focus of Audit.



b. Materiality

Materiality is the magnitude of the omitted value or misstatement of accounting information, which, judging by circumstances surrounding it, may result in a change in or influence on the judgment of those who place their trust in the information.

In developing an audit strategy, examiners classify materiality into two groups:

- 1) Planning the level of materiality (overall materiality) related to the financial statements as a whole;
- 2) Performance materiality relating to individual financial accounts or items.

The materiality standard above does not apply to deviations that contain elements of collusion, corruption and nepotism (KKN) and violations of the law.

c. Sampling audit

This Audit is carried out at the Ministry of Agriculture's BPPSDMP by conducting a population test after paying attention to the value or type of existing transactions, and taking into account the risks and timing of Audits.

7. Audit Period

Audit is carried out for 25 working days from April 7, 2021 until May 11, 2021, based on the BPK RI Assignment Letter No. 11/ST/VI/04/2021 dated April 1, 2021.

8. Audit Limitation

All information presented in the financial statements is the responsibility of management. Therefore, BPK is not responsible for any misinterpretation and possible influence on the information that is not provided either intentionally or unintentionally by YESS program management.



BPK audit includes procedures designed to provide reasonable assurance in detecting any misstatements that have a material effect on the financial statements. Audit is not intended to find errors or irregularities. However, if deviations are found from Audit results, they will be disclosed in the Audit Results Report.

In carrying out the Audit, BPK is also aware of the possibility of unlawful acts that arise. However, the BPK Audit does not provide a guarantee that all unlawful acts will be detected and only provides a reasonable guarantee that unlawful acts that have a direct and material effect on the figures in the financial statements will be detected. BPK will inform if there are unlawful acts or material errors/deviations found during the Audit.

In carrying out tests of compliance with the provisions of laws and regulations, BPK only tests the compliance of YESS program Management with the provisions of laws and regulations that are directly related to the preparation of financial statements. This does not rule out the possibility that there is still non-compliance with unidentified regulations.

**THE AUDIT BOARD OF
THE REPUBLIC OF INDONESIA**



AUDITED
FINANCIAL STATEMENTS
FISCAL YEAR 2020
YOUTH ENTREPRENEURSHIP AND EMPLOYMENT
SUPPORT SERVICE PROGRAMME
FOR PERIOD ENDED
ON DECEMBER 31, 2020



AGENCY OF AGRICULTURAL COUNSELING AND HUMAN RESOURCE
DEVELOPMENT

MINISTRY OF AGRICULTURE

2020





**THE MINISTRY OF AGRICULTURE
AGENCY OF AGRICULTURAL COUNSELING AND HUMAN
RESOURCE DEVELOPMENT**

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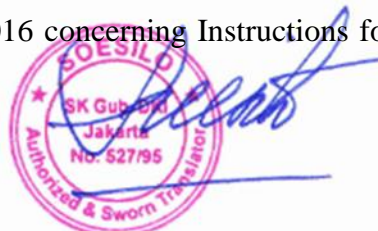
STATEMENT OF RESPONSIBILITY

Financial Report of Foreign Loans/Grants for Youth Entrepreneurship and Employment Support Services (YESS) Program for Fiscal year 2020 is a financial report with a special purpose framework consisting of a Statement of Receipts and Payments (By Category and Component of Expenditures), Statement of Comparison of Budget and Actual Amounts, and Notes to Financial Statements (CaLK). This report as attached is our responsibility.

This Youth Entrepreneurship and Employment Support Services (YESS) Financial Report program has been prepared based on an adequate internal control system, and provides information on budget realization, project revenues and expenditures in accordance with Project Implementation Manual of Youth and Employment Support Services (YESS) Programme.

In compiling financial reports and managing this project Loan/Grant, we as the responsible party state that:

1. Use Youth Entrepreneurship and Employment Support Services (YESS) Program loan/grant funds in accordance with the stated objectives.
2. Comply with the financial covenants required in the loan/grant agreement.
3. Carry out special account management procedures (Reksus): Loan Number: 2000002604 and Grant Number: 2000002603 in accordance with the Director General of Treasury Number 3/PB/2016 concerning Instructions for Disbursing, Encumbering,



and Accountability of PHLN Funds through the Special Account Mechanism jo. director general regulations Treasury Number 39/PB/2016 and Director General Regulations Treasury Number PER-6/PB/2020 concerning Instructions for Implementation of Withdrawal, Disbursement, Management, and Accountability of Foreign Loan Funds and/or Grants Through Special Accounts at Commercial Banks.

4. Make expenditures supported by adequate evidence.
5. Implement adequate internal control including the procurement of goods and services financed from loans/grants in accordance with the provisions stipulated in President Regulation 16/2018.

Jakarta, June 2021

Head of Agricultural Education Center /
YESS Program Director

[signed and sealed]

Dr. Idha Widi Arsanti, SP, MP

EIN. 19730114 199903 2 002



FOREWORD

Youth Entrepreneurship and Employment Support Services (YESS) program aims to create opportunities for rural youth to build their economic livelihoods through entrepreneurship or gain employment so as to increase their contribution to sustainable and inclusive rural transformation efforts. YESS program is implemented through 4 (four) activity components, namely rural youth transition to work, rural youth entrepreneurship, investing for rural youth, and enabling environmental for rural youth. YESS program is implemented by Central Government through the Agricultural Education Center - Agency of Agricultural Counseling and Human Resource Development, 4 (four) Provincial Program Implementation Units (PPIU) Agricultural Development Polytechnic/SMKPP at Provincial level, and 15 (fifteen) Districts Implementation Teams (DIT) at the district level.

In an effort to realize accountability for the implementation and financial administration of YESS program activities, a Consolidated Financial Statement of YESS program for Fiscal year 2020. The contents of this consolidated report consist of (1) Project Sources and Use of Funds, (2) Special Account Reconciliation Statement, (3) Assets Acquisition List, (4) Notes to Financial Statements (CaLK), and (5) Obstacle to Implementation of Activities.

We would like to thank all parties who have participated and supported the smooth preparation of this financial report.

We hope this report is useful for all relevant stakeholders.

Jakarta, June 2021

Head of Agricultural Education Center/
YESS Program Director,

[signed and sealed]

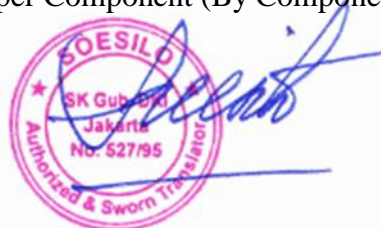
Dr. Idha Widi Arsanti, SP, MP

NIP. 19730114 199903 2 002



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APPENDIX LIST

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Appendix 2. Fixed Asset List

Appendix 3. SOEs Withdrawal Application Statement

Appendix 4. List of Refunds

Appendix 5. Calculation of Exchange Rate Differences (Gain/Loss)

Appendix 6. List of Government of Indonesia (GOI)



I. PROJECT SOURCES AND USES OF FUNDS

YOUTH ENTREPRENEURSHIP AND EMPLOYMENT SUPPORT SERVICE PROGRAMME (YESS)							
STATEMENT OF RECEIPTS AND PAYMENTS (BY CATEGORY OF EXPENDITURES)							
FOR THE YEAR ENDED December 31, 2020							
Description	Notes	2020		2019		Cumulative to Date	
		IDR	USD	IDR	USD	IDR	USD
OPENING BALANCE LOAN		4.231.563.638	296.975	-	-		
OPENING BALANCE GRANT		-	-	-	-		
SOURCES OF FUND							
IFAD Loan		47.925.500.000	3.500.000	7.091.000.000	500.000	55.016.500.000	4.000.000
IFAD Grant		2.772.600.000	200.000	-	-	2.772.600.000	200.000
Partner (Financing Facilities for Remittance)						-	-
Beneficiary		-	-	-	-	-	-
GOI		735.777.500	52.624	-	-	735.777.500	52.624
TOTAL FINANCING		55.665.441.138	4.049.599	7.091.000.000	500.000	58.524.877.500	4.252.624
Exchange rate differences (gain/loss) Loan		2.296.611.636		(110.555.986)	-	2.186.055.650	-
Exchange rate differences (gain/loss) Grant		48.400.000				48.400.000	-
TOTAL SOURCES OF FUNDS		58.010.452.774	4.049.599	6.980.444.014	500.000	60.759.333.150	4.252.624
USES OF FUNDS (EXPENDITURES)							
BY PROJECT CATEGORY							
Cat: IFAD Loan							
1 Consultancies		2.090.830.157	145.333	-	-	2.090.830.157	145.333
2 Grant and Subsidies		4.646.660.170	318.487	-	-	4.646.660.170	318.487
3 Goods, Services and Inputs		18.905.482.225	1.308.336	719.305.870	51.167	19.624.788.095	1.359.503
4 Trainings		4.507.542.415	312.418	1.713.307.269	121.950	6.220.849.684	434.368
5 Salaries and Allowances		708.340.681	48.815	153.368.627	10.939	861.709.308	59.754
6 Operating Costs		1.304.219.697	90.532	266.210.410	18.969	1.570.430.107	109.501
TOTAL BRUTO LOAN		32.163.075.345	2.223.921	2.852.192.176	203.025	35.015.267.521	2.426.946
Refund to National Treasurer*		44.427.137		108.311.800		147.738.937	-
TOTAL NETTO LOAN		32.118.648.208	2.223.921	2.748.880.376	203.025	34.867.528.584	2.426.946
Cat: IFAD Grant							
1 Consultancies							
3 Goods, Service and Inputs							
4 Training							
TOTAL GRANT		-	-	-	-	-	-
Cat: GOI							
3 Goods, Service and Inputs		154.460.000	11.033	-	-	154.460.000	11.033
5 Salaries and Allowances		166.703.300	11.907	-	-	166.703.300	11.907
6 Operating Cost		415.569.200	29.684	-	-	415.569.200	29.684
TOTAL BRUTO GOI		736.732.500	52.624	-	-	736.732.500	52.624
Refund to National Treasurer*		955.000		-	-	955.000	-
TOTAL NETTO GOI		735.777.500	52.624	-	-	735.777.500	52.624
TOTAL PROJECT EXPENDITURES		32.854.425.708	2.276.545	2.748.880.376	203.025	35.603.306.084	2.479.570
CLOSING BALANCE LOAN		22.335.027.066	1.573.054	4.231.563.638	296.975	22.335.027.066	1.573.054
CLOSING BALANCE GRANT		2.821.000.000	200.000	-	-	2.821.000.000	200.000
TOTAL CLOSING BALANCE		25.156.027.066	1.773.054	4.231.563.638	296.975	25.156.027.066	1.773.054



YOUTH ENTREPRENEURSHIP AND EMPLOYMENT SUPPORT SERVICE PROGRAMME (YESS)							
STATEMENT OF RECEIPTS AND PAYMENTS (BY COMPONENT)							
FOR THE YEAR ENDED December 31, 2020							
	Notes	2020		2019		Cumulative to Date	
		IDR	USD	IDR	USD	IDR	USD
OPENING BALANCE LOAN		4.231.563.638	296.975	-	-	-	-
OPENING BALANCE GRANT		-	-	-	-	-	-
SOURCES OF FUND (INCOME)							
IFAD Loan		47.925.500.000	3.500.000	7.091.000.000	500.000	55.016.500.000	4.000.000
IFAD Grant		2.772.600.000	200.000	-	-	2.772.600.000	200.000
Beneficiary							
GOI		735.777.500	52.624	-	-	750.000.000	53.571
TOTAL FINANCING		55.665.441.138	4.049.599	7.091.000.000	500.000	58.539.100.000	4.253.571
Exchange rate differences (gain/loss) Loan		2.296.611.636	-	(110.555.986)	-	2.186.055.650	-
Exchange rate differences (gain/loss) Grant		48.400.000	-	-	-	48.400.000	-
TOTAL		58.010.452.774	4.049.599	6.980.444.014	500.000	60.773.555.650	4.253.571
USE OF FUNDS (EXPENDITURES)							
BY COMPONENT							
Sub Comp IFAD Loan							
1. Rural Youth Transition To Work							
1.1 Linking Education and Training to Jobs		10.751.059.333	742.952	-	-	10.751.059.333	742.952
1.2 Apprenticeship		-	-	-	-	-	-
2. Rural Youth Entrepreneurship							
2.1 Institution and Capacity Building		9.258.041.200	649.419	-	-	9.258.041.200	649.419
2.2 Services to young farmers and entrepreneurs		369.290.469	25.989	-	-	369.290.469	25.989
3. Investing for Rural Youth							
3.1 Capacity Building for Financial Inclusion		-	-	-	-	-	-
3.2 Access To Financing		-	-	-	-	-	-
4. Enabling Environment For Rural Youth							
4.1 Partnership Building		-	-	788.070.250	55.992	788.070.250	55.992
4.2 Rural Youth Mobilisation Programme		2.647.361.844	182.615	-	-	2.647.361.844	182.615
4.3 Policies for Youth In Agriculture		359.688.526	24.579	-	-	359.688.526	24.579
4.4 Project Management		8.777.633.973	598.367	2.064.121.926	147.033	10.841.755.899	745.400
TOTAL LOAN BRUTO		32.163.075.345	2.223.921	2.852.192.176	203.025	35.015.267.521	2.426.946
Refund to National Treasurer*		44.427.137	-	103.311.800	-	147.738.937	-
TOTAL LOAN NETTO		32.118.648.208	2.223.921	2.748.880.376	203.025	34.867.528.584	2.426.946
Sub Comp IFAD Grant							
1. Rural Youth Transition To Work							
1.2 Apprenticeship		-	-	-	-	-	-
2. Rural Youth Entrepreneurship							
2.1 Institution and Capacity Building		-	-	-	-	-	-
2.2 Services to young farmers and entrepreneurs		-	-	-	-	-	-
3. Investing for Rural Youth							
3.1 Capacity Building for Financial Inclusion		-	-	-	-	-	-
4. Enabling Environment For Rural Youth							
4.1 Partnership Building		-	-	-	-	-	-
4.3 Policies for Youth In Agriculture		-	-	-	-	-	-
TOTAL GRANT		-	-	-	-	-	-
Sub Comp GOI							
1. Rural Youth Transition To Work							
1.1 Linking Education and Training to Jobs		150.960.000	10.783	-	-	150.960.000	10.783
4. Enabling Environment For Rural Youth							
4.4 Project Management		585.772.500	41.841	-	-	585.772.500	41.841
TOTAL GOI BRUTO		736.732.500	52.624	-	-	736.732.500	52.624
Refund to National Treasurer*		955.000	-	-	-	955.000	-
TOTAL GOI NETTO		735.777.500	52.624	-	-	735.777.500	52.624
TOTAL PROJECT EXPENDITURES		32.854.425.708	2.276.545	2.748.880.376	203.025	35.603.306.084	2.479.570
Payables/commitments							
CLOSING BALANCE LOAN		22.335.027.066	1.573.054	4.231.563.638	296.975	22.335.027.066	1.573.054
CLOSING BALANCE GRANT		2.821.000.000	200.000	-	-	2.821.000.000	200.000
TOTAL CLOSING BALANCE		25.156.027.066	1.773.054	4.231.563.638	296.975	25.156.027.066	1.773.054

Notes:

1. Actual USD value follows exchange rate used by RKBI
2. Average exchange rate in RKBI FY 2020 is 1 USD = 14,435,31
3. USD value for planned follows the estimate used in the preparation of AWPB, namely
1 USD = 14,000 IDR



II. SPECIAL ACCOUNT RECONCILIATION STATEMENT

Youth Entrepreneurship and Employment Support Service (YESS) Program

Ministry of Agriculture

Reporting Period: January 1, 2020 – December 31, 2020

Report 4: IFAD Designated Account Reconciliation Statement (imprest account)									
Designated Account No: 601001991980									
Bank Name: Bank Indonesia									
1. Total Advanced by IFAD (Cumulative amount if revolving funds)	USD 4,000,000.00								
2. Less total amount recovered by IFAD	USD								
3. Equals present outstanding amount advanced to the designated account (line 1 less line 2)	USD 4,000,000.00								
<hr/>									
4. Balance of designated account per attached bank statements as of (Date:31/12/2020)	USD 1,580,462.67								
5. Plus balance of the project account(s) (listed separately)	USD								
Plus balance of sub accounts (listed separately)	USD								
Plus balance of Cash in Hand	USD								
Total of Bank Balances (designated A/C, PA, SUB accounts& cash in hand balance) (line 4+line 5)	USD 1,580,462.67								
6. Plus total amount claimed in this WA no.	USD								
7. Plus total amount withdrawn from the designated/PA/Grant account and not yet claimed for replenishment) or WAs pending submission	USD 2,426,945.99								
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	USD								
<table border="1"> <thead> <tr> <th>Application No.</th> <th>Date</th> <th>USD</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Application No.	Date	USD	Amount				
Application No.	Date	USD	Amount						
9. Minus Interest earned (to be completed. If zero, please enter zero)	USD 0.00								
10. Total Advance accounted for (line 5 through line 9)	USD 4,007,408.66								
11. Explanation of any difference between the totals appearing in Lines 3 and 10	USD 7,408.66								
Exchange rate differences (gain/loss)	USD								
Non eligible amount to be refunded to the designated account	USD								
Return of Expenditure for Fiscal Year 2019	USD 7,408.66								
Return of Audit Finding for Fiscal Year 2019	USD								
Total amount claimed in WA No. 4 and total amount transfer to Special Account is different	USD								
Total amount expenditures claimed for the IPDMIP activity but not yet debited at the bank special account	USD								
e.g. calculation errors in application of percentage financing	USD								
e.g. counterpart financial resources to be reimbursed	USD								
e.g. cheques not yet cleared/presented to Bank	USD								



III. ASSET ACQUISITION LIST

List of acquisition acquired by YESS activities at Ministry of Agriculture starting from FY 2019 to FY 2020 is presented as follows (completely obtained FY 2020 results are presented in **Appendix-2**).

Acquisition Of	Total Acquisition Value (Rp)
FY. 2019	719,305,850
FY. 2020	9,042,613,056
TOTAL	9,761,918,906

IV. NOTES TO FINANCIAL STATEMENTS

A. YESS PROJECT OVERVIEW

1. YESS Program Information

1.	Activity Name	:	Youth Entrepreneurship and Employment Support Service (YESS) Programme
2.	PHLN Agreement Number (Loan/Grant)	:	Loan IFAD No. 2000002604 Grant IFAD No. 2000002603
3.	Register Number	:	Loan IFAD: 1DYTXR1A Grant IFAD: 24AM6TEA
4.	Signed Date	:	June 17, 2019
5.	Effective Date	:	June 17, 2019
6.	Grace period	:	6 ofs
7.	Project Completion Date	:	June 30, 2025
8.	Financial Closing Date	:	December 31, 2025
9.	Total Foreign Loans/Grants (USD)	:	55,300,000 (Loan) and 2,000,000 (Grant)



	Total Foreign Loans/Grants (IDR)	:	757,610,000,000 (Loan) and 28,000,000,000 (Grant)
10.	Withdrawal Mechanism	:	Special Account
11.	Special Account Number	:	Loan: 601339411980 Grant: 602193411980
12.	Notification Letter of PLN Specification Number	:	S-1219/PB/2020 –date October 11, 2019.
13.	Maximum Initial Deposit Amount (USD)	:	Loan: 4,000,000 dan Grant: 200,000
14.	Activity Code	:	5892
15.	Activity Location	:	Central (NPMU) and Regional (PPIU) in 4 provinces – 15 districts
16.	Work unit	:	Agricultural Education Center – Agency of Agricultural Counseling and Human Resource Development
17.	Project Address – NPMU	:	Ministry of Agriculture Campus – Building D, 3rd floor. Jl. Harsono RM No. 3 Ragunan Pasar Minggu South Jakarta.

2. YESS Program Overview

2.1 Background

Indonesia is an agricultural country, with most of the population depending on the agricultural sector for their livelihood and economy. Diverse natural resources make Indonesia has great potential in efforts to develop the agricultural sector. One of the important factors is the aspect of human resources, especially with regard to their ability to apply agricultural technology and business management.



However, the fact is that there is low regeneration in the agricultural sector. The interest of the younger generation to work and do business in agriculture tends to decrease. Most farmers and agricultural business actors are the elderly generation (almost 84% of farmers are elderly). In addition, many youths are urbanizing or turning to professions in other sectors so that it will threaten the existence and sustainability of agriculture in rural areas.

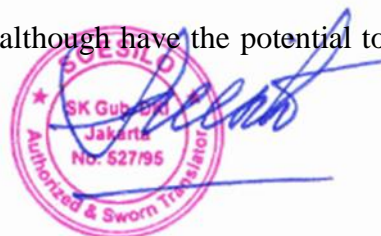
With the demographic bonus that Indonesia has, the opportunity to turn rural areas into one of the modern economic areas led by young people is very wide open. Several agriculture-based and economic growth-oriented activities that are not only to meet the increasing and diverse food needs can be initiated through farmer regeneration programs.

Government facilitation of youth involvement in the agricultural sector through appropriate incentives will assist the process of transforming rural areas into modern economic centers.

The existence of agricultural programs that touch youth in rural areas will indirectly contribute to increasing employment opportunities for youth. Therefore, resources and economic potential that have not been utilized optimally both in rural areas in the agricultural sector need to be mobilized and managed by involving rural youth.

The phenomenon that occurs is that rural youth in Indonesia have not managed to take advantage of existing opportunities. Relatively high unemployment in rural areas, has an impact on urbanization or abroad in search of more profitable jobs, rather than engaging in traditional agricultural activities with low inputs and outputs. The image of agriculture that is slum, dirty and has no bright future still lingers in the minds of most young people. Unavailability of land, lack of favorable market information, limited access to modern technology and low support services, lack of access to financial services, cause rural youth to be disinterested in pursuing a career in agriculture.

Another fact is that agricultural schools, agricultural polytechnics and universities that have agricultural majors/study programs, although have the potential to build a new generation of



modern farmers, have not been able to keep their graduates working and engaging in the agricultural sector. The apprenticeship, education and vocational training programs are expected to provide options for young people to grow their interest and gain experience working in agriculture, especially for out-of-school youth in rural areas. In addition, the development of entrepreneurial skills and partnerships in the agribusiness sector will be able to open up business opportunities for young rural farmers.

These facts and phenomena of farmers became the basis for preparation of the Youth Entrepreneurship and Employment Development Program in the Agriculture sector under the name YESS Program. Youth Entrepreneurship and Employment Support Services Program (YESS Program) is a pilot and breakthrough program for youth growth and farmer regeneration in rural areas. YESS program aims to create opportunities for rural youth to build their economic livelihoods through entrepreneurship (job creators) or finding jobs (job seekers) so as to increase the contribution of rural youth to inclusive and sustainable rural transformation. YESS program is the only project funded by IFAD with a focus on capacity building, related to entrepreneurship and employment. Therefore, the success of YESS program will not only be a model for IFAD, but will be a source of pride for Indonesia.

YESS program is funded by PHLN IFAD (International Fund for Agriculture Development). The total amount of funds invested is USD 57,3 million, consisting of: Loan USD 55,3 million and Grant USD 2 million. This fund is allocated at central level at 20% (USD 11,06 million) and at the regional level 80% (USD 44,24 million). The project is implemented for 6 years (2019 – 2025) with locations in 4 provinces and covers 15 districts, namely; West Java (Sukabumi, Subang, Cianjur and Tasikmalaya districts), East Java (Malang, Pasuruan, Pacitan and Tulung Agung districts), South Kalimantan (Banjar, Tanah Laut and Tanah Bumbu districts), South Sulawesi (Bone, Bantaeng, Bulukumba and Maros districts).



Program management at the central level is carried out by National Project Management Unit (NPMU) by Agency of Agricultural Counseling and Human Resource Development (BPPSDM Agriculture). At Provincial level, it is carried out by Provincial Project Implementation Unit (PPIU), namely by Agricultural Development Polytechnic (Bogor, Malang and Gowa) and SMK-PP Banjarbaru. At the district level, the implementation of the program is assisted by District Implementation Team (DIT) which was formed at the Yearface that handles agriculture, along with the District Coordination Team (DCT) chaired by BAPPEDA. Organization and management of YESS program at NPMU level are determined based on the Decree of the Head of the Agricultural Extension and Human Resources Development Agency. Meanwhile at the PPIU level, the determination of the organization and management is determined based on the Decree of the Director of Agricultural Development Polytechnic or the Head of SMK-PP.

Implementation of YESS program is divided into four components of activities that are interconnected and complementary to each other: Components 1 and 2 focus on improving the skills of rural youth and institutions that provide business development services primarily in agriculture, as well as creating job opportunities; Component 3 focuses on connecting youth who already have entrepreneurial capacity to financial institutions; Component 4 aims to build a conducive regulatory environment in which rural youth workers and entrepreneurs in agriculture can thrive.

2.2 Goals and Achievement Indicators

Strategic objectives of implementing YESS program are:

- (1) Produce young rural entrepreneurs in agriculture (job creators)
- (2) Produce competent workforce in agriculture (job seekers)

The purpose of implementing YESS program is to increase the income of rural youth through employment and entrepreneurship in the agricultural sector. This will be an indicator of the



achievement of YESS program, after the end of program implementation within the next 6 (six) ofs.

2.3 Output (Strategic Objective) of Implementation

After 6 (six) ofs of implementation of YESS program, it is expected that 216,900 people will be able to achieve outcomes, consisting of: 1) 32,500 young people and women have found jobs in the agricultural sector; 2) The number of young farmers or young entrepreneurs who reported an increase in their income in agriculture was 33,800 people; 3) The number of jobs created for youth through new businesses and SMEs who benefit from this program is 50,600 people, and 4) An additional 100,000 young people and women have access to financial services.

2.4 Outcomes and Impact

Outcome of YESS program is that 220,000 men/women benefit from YESS program. The overall impact of YESS program is that the profile of future farmers is more technologically literate and receptive to new innovations.

2.5 Program Funding and Implementation Time

YESS program is funded by Foreign Loans and Grants (PHLN) from IFAD (International Fund for Agriculture Development). The total funding for this project is USD 57,3 million, consisting of: Loans of USD 55,3 million and Grants of USD 2 million. Loan and grant funds are allocated at the central level at 20% (USD 11,06 million) and at the regional level 80% (USD 44,24 million). Loan allocation for this YESS Program is presented in the following table.

YESS Program Loan Allocation Table by Category (2019-2025 Period)

No	Category	Funds (Rp)	Percentage
1	Consultancies	72,116,800,000	9,52 %



2	Grant and Subsidies	189,608,000,000	25,03 %
3	Good, Services and Inputs	236,078,400,000	31,16 %
4	Trainings	121,546,400,000	16,04 %
5	Salaries and Allowances	70,034,400,000	9,24 %
6	Operating Cost	68,226,000,000	9,01 %
	TOTAL	757,610,000,000	100 %

In addition to the PHLN funds, the program is supported by other funding components provided, including; 1) Financing Facilities for Remittance (FFR) of USD 105,000, is a grant from IFAD and directly managed by IFAD; 2) funding by beneficiaries in the form of in-kind amounting to USD 3,128 million; and 3) Funding from the Government of Indonesia (GOI) of USD 12,437 million in the form of Companion Pure Rupiah (RMP) funds and recurrent costs in the form of in-kind and management personnel.

The program is implemented for 6 yrs (2019 – 2025), project activities will end on June 30, 2025, while the financial closing date will end on December 31, 2025.

2.6 Program Location

The implementation of program activities is located in 4 provinces and covers 15 districts, namely; West Java province (in Sukabumi, Subang, Cianjur and Tasikmalaya districts); East Java province (in Malang, Pasuruan, Pacitan and Tulung Agung districts); South Kalimantan province (in Banjar, Tanah Laut and Tanah Bumbu districts) and South Sulawesi province (in Bone, Bantaeng, Bulukumba and Maros districts).

2.7 Components of Program Activities

YESS Program activities consist of 4 (four) activity components that are related and complement each other, for the focus of the components are:



- Components 1 and 2 focus on improving the skills of rural youth and institutions that provide business development services primarily in agriculture, as well as on creating job opportunities;
- Component 3 focuses on connecting youth who already have entrepreneurial capacity to financial institutions;
- Component 4 aims to build a conducive regulatory environment in which rural youth workers and entrepreneurs in agriculture can develop well.

Component 1 – Rural Youth Transition to Work

Through component-1, YESS program conducts interventions aimed at improving the job skills of students from Agricultural Development Polytechnic, young agricultural school students and unemployed rural youth, as well as facilitating them to be able to work in the agricultural sector. Activities will be achieved through partnerships to be established with approximately 30 Vocational Training and Technical Education (TVET) institutions. TVET that has been established will be facilitated to be able to increase their capacity both institutionally and human resources in providing education and training services to students that are more in line with the demands of the job market.

In addition, YESS will support the expansion of a national apprenticeship program for selected agriculture and agribusiness jobs, through a Memorandum of Understanding (MoU) with Ministry of Manpower (MoM). The program will further support increased apprenticeships by agribusiness and modern agriculture companies, to benefit unemployed and out-of-school youth in the target districts.

Sub-component-1 includes; 1) Synergy of Education and Training with Business World and 2) Implementation of internships (*apprentice*)

Component 2 – Rural Youth Entrepreneurship Development



The scope of this component is to promote inclusive youth farming and agribusiness activities by facilitating the access of young farmers and off-farm small entrepreneurs to responsive and sustainable support services, so that they can identify business opportunities, access land and modern technology, connect to buyers and service providers, and develop profitable and sustainable businesses particularly in agriculture. This rural youth entrepreneurship development activity will collaborate with the Ministry of Cooperatives and SMEs, through a partnership with the district-based Integrated Business Service Center (PLUT).

In addition, YESS program will support the development of a network of investment-ready SMEs and technology companies that are willing to grow and offer young farmers jobs, provide new markets and services to young farmers and entrepreneurs, so that they can qualify for investment. with investment funds and other financial institutions.

Sub-component-2 includes; 1) Capacity building of BDSP (Legal Agribusiness Consulting and Training Agency); and 2) Services for Young Farmers and Young Entrepreneurs.

Component 3 – Facilitating Access to Capital (Investing for Rural Youth)

This component complements Component 2 by supporting youth financial education or training and expanding access to financial services currently available to rural youth, particularly for those who have limited access to formal financial institutions due to lack of experience as well as for young migrants and their families. Activities in this component will also facilitate the expansion of SMEs and Fintech/AgriTech companies that are willing to expand and create new jobs for young people or even open new agricultural markets for young farmers, by supporting them in obtaining investment readiness and then linking them to the market chain. In addition, the activities will also touch on the remittances of migrants which will be increased by promoting the savings and investment of migrants into rural businesses.



Sub-component-3 includes; 1) Strengthening the capacity of banking services (financial inclusion), 2) Increasing access to financing

Component 4 – Building an Enabling Environment for Rural Youth.

Component 4 is an effort to build a conducive environment and develop supportive institutions for rural youth to become entrepreneurs and work in agriculture by:

- (i) promote partnerships between public, private and civil society stakeholders to promote youth involvement in agriculture in the target areas;
- (ii) develop innovative business models in the target provinces to improve the policy and regulatory environment in the key priority areas needed to promote inclusive youth engagement in agriculture-based sectors; and
- (iii) strengthen the capacity of youth organizations to participate in policy dialogue.

Sub-component-4 includes; 1) Development of business partnerships, 2) Mobilization of rural youth in agribusiness, 3) Development of policies to support youth enterprises in agriculture, and 4) Project management.

YESS program is expected to provide direct benefits (outcomes) to approximately 220,000 beneficiaries, with the target activity being village youth with an age range of 17-39 of old. The main target beneficiary groups consist of underprivileged and vulnerable youth, youth who are below the National Poverty Line and who are vulnerable to poverty and whose income level is less than USD3,1 (IDR43,000) per day. The group that will be further targeted consists of prospective youth, with examples of youth living above the National Poverty Line who are able to act as farmer leaders and active role models, but remain vulnerable and at risk of poverty. The target groups of YESS program will also have broad and equal representation of women and openness to indigenous peoples, diffable groups, and youth living in remote areas.

2.8 Activity Target



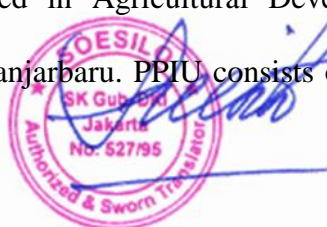
Objectives of implementing YESS program are:

- (1) Target output from the implementation of the activity is that 245,000 youth and young farmers in rural areas are trained to improve their entrepreneurial competencies and abilities, and the outcomes target is that 217,000 young farmers benefit from this program.
- (2) Target participants for the implementation of YESS program are youth between the ages of 17-30 of (include a balanced proportion of women).
- (3) Participants in this category are youth who are poor and vulnerable to poverty, youth whose income is below the poverty line (income <3,1 USD/day), and youth who are slightly above the poverty line and vulnerable to poverty (emerging youth).
- (4) Among the target groups of rural farmer youth that will be supported and included in YESS program can be divided into two categories, namely; 1) Youth and women who seek opportunities to increase income in rural areas through entrepreneurship or employment in the agricultural sector, 2) Youth and women who need capacity building, including students and college students, or students dropping out of school.

2.9 Organizational and Institutional Structure of YESS program

The management of YESS program at the central level is carried out by National Project Management Unit (NPMU) which was formed by Decree of the Head of BPPSDMP. Based on the Decree of the Head of the Extension and Development Agency for Agricultural Human Resources No: 150/Kpts/KL.230 /1/07/19 dated July 5, 2019, National Project Management Unit for the Entrepreneurship and Youth Employment Development Program in the Agriculture Sector (YESS Program) was formed.

YESS program management at Provincial level is carried out by Provincial Project Implementation Unit (PPIU) located in Agricultural Development Polytechnic (Bogor, Malang and Gowa) and SMK-PP Banjarbaru. PPIU consists of a Project Manager, program

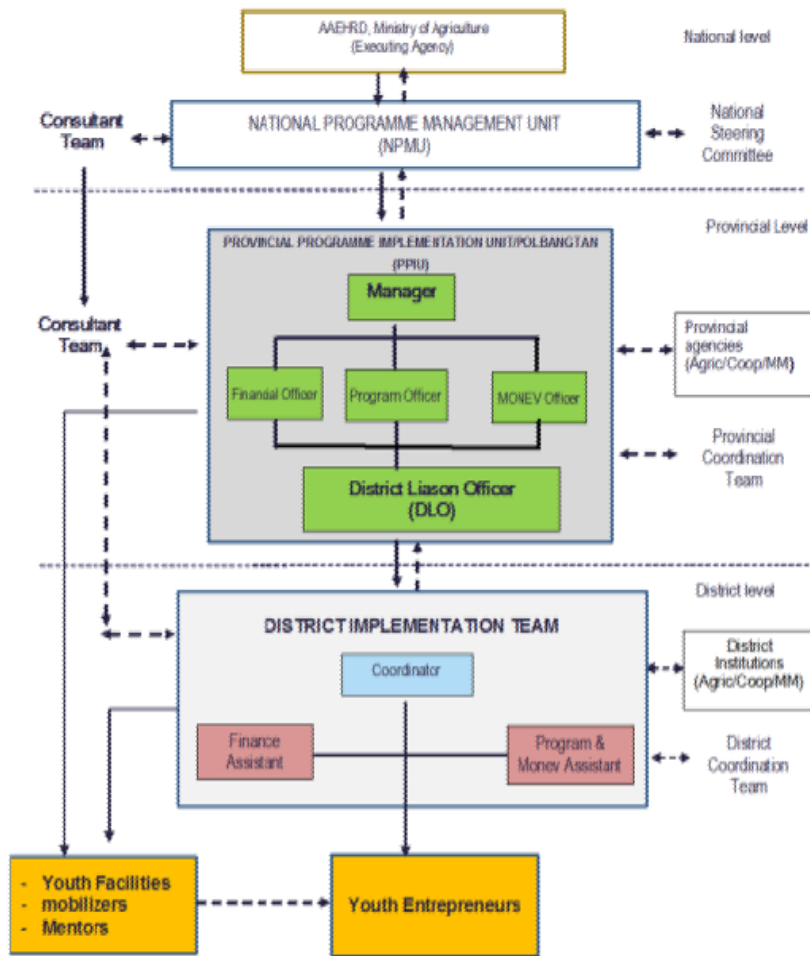


division, finance sector, Monitoring and Evaluation sector, as well as a District Liason Officer (DLO) or liaison to each district. Related agencies at Provincial level include: Cooperatives and SMEs Office, Manpower Office, Youth and Sports Office, Education Office, Financial Institutions, KADIN.

Implementation of activities at the district level will be assisted by District Implementation Team (DIT) formed at the Department of Agriculture, consisting of: Implementing Coordinator, Program Assistant, Finance Assistant, and Monitoring and Evaluation Assistant. In addition, District Coordination Team (DCT) was formed, chaired by BAPPEDA, with members from the relevant agencies (Agriculture, Cooperatives and SMEs, Youth and Sports, Manpower, Chamber of Commerce and Industry, Financial Institutions, and youth organizations/NGOs).



Figure 2.1 Organization Structure of YESS Programme



B. EXPLANATION OF FINANCIAL STATEMENTS

1. Report Description

This basic financial report is a report that tries to provide an overview of the final results of activities or transactions that occur in the period concerned. This report is prepared periodically and presents historical and general information as well as a summary of financial transactions and financial events (progress report) carried out by management.

Therefore, this report consists of data which is the result of a combination of:

- 1) Recorded facts



This financial report is made on the basis of facts from incident records, such as expenditures that have been invested, any obstacles that occur in the implementation of activities so that the target is not achieved.

2) Accounting convention and postulate

Recording on a cash basis is in accordance with the recommended recording principles. Transactions are limited from October 11, 2019 to December 31, 2019. For transaction events during that period, IFAD will pay for it after that, the expenses will be included in the Year of the transaction if the payment does not exceed the deadline for preparing the financial statements. In addition, the recording of the valuation of an asset is based on its purchase price not based on the market value on the date of preparation of the financial statements. Other costs incurred until the asset is ready for use, are separated from the cost of asset. In recording, the accumulated depreciation is not charged to the cost of asset.

3) Personal judgment

In the preparation of this report, in principle, based on the instructions from IFAD and the addition of several formats, it is an improvisation to present data that is more informative to users and in principle does not deviate from the main principles. This financial report still presents cash receipts and disbursements related to project activities and shows the amounts during the reporting period and the accumulation until the reporting date.

Approach taken is a per-activity approach (DIPA and POK) which provides a comprehensive overview of the cumulative wealth/asset value until the end of the reporting fiscal of (not counting depreciation of fixed assets) for the benefit of the donors and borrowers. Therefore, the basic financial statements are presented in general terms.



- 1) Financial reports with expenditure realization classified based on activities in accordance with budget/DIPA documents recorded based on definitive expenditure realization. This can be seen in the Budget List and Realization of Annual Expenditure Receipts is a list compiled with the aim of providing information on the size of the budget (capital and goods expenditures), realization and percentage of absorption, which are detailed by item of expenditure budget as well as the amount of the contribution of funds between the Indonesian government with IFAD (donor).
- 2) Financial reports that describe the budget and realization in the fiscal of by category, sharing of GOI and Loans as well as the alignment of the realization between the two during the active period of the loan accumulatively. The purpose of this report is to periodically review the performance of activities financed by IFAD and GOI Loans. As stated in Schedule 1 – Implementation Arrangement in the Financial Agreement, activities from Loans and Grants are managed and reported separately so that this Financial Report only contains activities financed from IFAD Loans and GOI sharing with BPPSDMP – Ministry of Agriculture. This report is for consumption by users of financial statements, including:
 - a. IFAD as a donor/ institutional donor
 - b. Ministry of Finance (borrowing agency)
 - c. The Supreme Audit Agency (BPK) RI
 - d. Ministry of Agriculture
 - e. National Development Planning Agency

2. Accounting Policy

Accounting policies applied in the preparation of these financial statements include the following.



- a. The treatment of receipts and disbursements is carried out on a cash basis, so that the calculation of expenses is limited to December 31, 2020, with reference to the IFAD Handbook Financial Report and Handbook of International Public Sector Accounting Standards Board (IPSASs).
- b. The bookkeeping period is carried out in accordance with the Government of Indonesia's fiscal of, which is from January 1, 2020 to December 31, 2020. Bookkeeping for foreign currency transactions (US dollars) conversion to rupiah is posted based on the BI middle rate at the time the SP2D is issued by KPPN for Loans and Grants. Meanwhile, the conversion to rupiah as the basis for calculating the realization for the withdrawal application for replenishment is calculated on the date the International Fund for Agricultural Development (IFAD) replaces it on the basis of the calculation of the BI middle rate. The conversion of expenses funded by GOI sharing into dollars is calculated based on the calculation of the BI middle rate at the time of preparation of the AWPB (IDR 14,000).
- c. Use the Loan and Grant budget for YESS program based on the Annual Work Plan and Budgeting (AWPB) which is prepared every fiscal of, in accordance with the Letter to the Borrower/Recipient (LTB) YESS Program.
- d. Preparation of the Financial Statements is guided by Loan Agreement dated 17 June 2019 between the Government of the Republic of Indonesia and the International Fund for Agricultural Development (IFAD), with Loan Number 2000002604 and IFAD Grant No. 2000002603
- e. Expenditures are recognized when cash is disbursed from KUN.
- f. Specifically, regarding expenditures through Expenditure Treasurer, the acknowledgment of expenditure occurs when the accountability for the expenditure is ratified by State Treasury Service Office (KPPN).



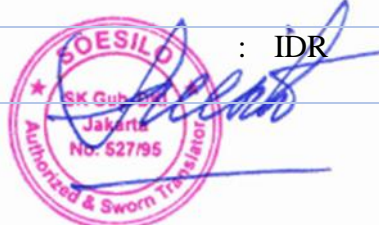
- g. Shopping is presented according to the classification of categories and components.
- h. Based on Government Regulation of the Republic of Indonesia No. 42 of 1995 on the delivery of goods and services financed from the loan is not subject to VAT. Thus, the acquisition value of assets financed from the loan does not include tax.
- i. Administration of funds originating from the Government of the Republic of Indonesia is channeled through DIPA of the Agency of Agricultural Counseling and Human Resource Development, Jakarta Head Office FY. 2020, realized by issuing SPM-GU and SPM-LS.

Administration of funds originating from Foreign Aid is realized through a Special Account. Payments to special accounts are made by issuing SP2D Special Account mechanisms by KPPN V for payments in Rupiah currency and KPPN Special Loans and Grants for payments in foreign currency.
- j. YESS activities are financed by IFAD Loan No. 200002604 and IFAD Grant No. 200002603.

C. BUDGET REALIZATION FY. 2020

In Fiscal year 2020, based on Annual Work Plan and Budgeting (AWPB) YESS program Loan was allocated **IDR 36,543,868,273,00** and realized **IDR 32,163,075,345,00 (88,01%)**. The Government of Indonesia (GoI) financing, through pure rupiah (RMP) was allocated IDR 750,000,000,00 and realized IDR 736,732,500,00 (98,23%). In FY 2020 there is a return to the State Treasury of **IDR 44,427,137,00** (Appendix 4. List of Refunds). The details based on funding sources are as follows.

1 Loan Budget		
AWPB	: IDR	36,543,868,273,00
DIPA	: IDR	33,046,032,000,00



	Difference between AWPB and DIPA budget	: IDR	3,497,836,273,00
2	GOI budget includes Companion Pure Rupiah (RMP)		
	AWPB	: IDR	6,499,843,160,00
	DIPA (RMP)	: IDR	750,000,000,00
	Difference between AWPB and DIPA budgets	: IDR	5,749,843,160,00
3	Loan Absorption		
	Loans (Gross)	: IDR	32,163,075,345,00
	Return of FY,2020 deposited in 2020	: IDR	42,372,937,00
	Refund of FY 2019 Spending that was deposited in: 2020	IDR	2,054,200,00
4	RMP Absorption		
	RMP (Gross)	: IDR	736,732,500,00
	Return of FY,2020 deposited in 2020	: IDR	955,000,00
	Total Loan absorption and RMP (Gross)	: IDR	32,899,807,845,00
	Total Loan Absorption and RMP (Net)	: IDR	32,854,425,708,00

The difference in the Loan budget of IDR 3,497,838,000,00 is AWPB value for FY2020 which is not included in the activity plans and budgets of Ministries and Institutions (RKA K/L). Meanwhile, the difference in the GOI budget of IDR 5,749,843,160,00 is the value of in-kind contributions that are not budgeted in the K/L RKA.

In Fiscal year 2020 there was a refund of expenditure that had been deposited into the State Treasury totaling IDR45,382,137,00 consisting of FY. 2020 Loan funds amounting to IDR42,372,937,00, RMP FY. 2020 amounting to IDR 955,000,00 and FY. 2019 Loan amounting to IDR2,054,200,00.



The remaining refund of YESS program expenditure for Fiscal year 2020 which has just been deposited into the state treasury in 2021 (until May 11, 2021) is IDR106,735,740,00.

D. NOTES TO PROJECT SOURCES AND USES OF FUND

Realization of the cumulative expenditure of the YESS Loan program as of December 31, 2020 was IDR35,015,267,521 equivalent to USD2,426,946 and RMP of IDR736,732,500 equivalent to USD52,624. This amount is the cumulative realization of funds from the beginning of project activities until December 31, 2020, the funding is provided by IFAD with the following details.

YESS Program LOAN Cumulative until December 31, 2020

1	Amount as of January 1, 2020 (Total expenditure FY. 2019)	IDR	2,852,192,176
2	IFAD Loan Payment 2000002604	IDR	32,163,075,345
	Total Loan Realization until FY. 2020 – Gross	IDR	35,015,267,521
3	Returns Of 2019	IDR	(103,311,800)
4	Returns 2020	IDR	(44,427,137)
5	Total Loan Realization until FY. 2020 – Net	IDR	34,867,528,584

YESS Program GOI Cumulative until December 31, 2020

1	Amount as of January 1, 2020 (Total expenditure FY. 2019)	IDR	0
2	RMP payment 2020	IDR	736,732,500
	Total Loan Realization FY. 2020 – Gross	IDR	736,732,500
3	Returns Of 2019	IDR	(955,000)
4	Total Loan Realization FY. 2020 – Net	IDR	735,777,500

1. Statement of Sources and Expenditures (LOAN)



a. Sources of Fund (Income)

(1) Loan IFAD

Funding for YESS program is sourced from IFAD Loans and IFAD Grants and GOI (Government of Indonesia). Initial financing of YESS program, on October 9, 2019 IFAD provided an Initial Deposit for the IFAD Loan of **USD500,000,00** as a startup cost which was transferred to the YESS Special Account. This value is equivalent to **IDR7,091,000,000** which is converted to the BI exchange rate prevailing at that time.

In 2020, an additional cash advance from IFAD loan on February 17, 2020 amounted to USD3,500,000, equivalent to IDR47,925,500,000 resulting from the conversion at the BI exchange rate of IDR13,693 per 1 USD. Until the end 2020, the cumulative amount of funds sourced from IFAD loans is IDR 55,016,500,000 or equivalent to USD 4,000,000,00.

(2) IFAD Grants

In 2020 YESS program obtained initial financing from the IFAD grant as an Initial Deposit on February 24, 2020 amounting to USD200,000, equivalent to IDR2,772,600,000 (exchange rate of 1 USD = 13,863,00). The value of the IFAD grant until the end 2020 has not been utilized because the category of activities funded by IFAD grant is an activity that is included in component 3 and is part of the sequential activity of component 1 and component 2. As of December 31, 2020, the value of the IFAD grant is in a special account of the Ministry of Finance for project grants YESS No,602193411980 amounting to IDR2,821,000,000 equivalent to USD200,000.

(3) RMP (Companion Pure Rupiah)

In 2020 YESS program obtained financing from GOI (Government of Indonesia) in the form of Companion Pure Rupiah (RMP) of IDR735,777,500.

b. Exchange Rate



Conversion from Rupiah currency into Dollar currency and vice versa for the calculation of funds originating from Special Accounts using the BI middle rate on SP2D issued by KPPN specifically for Loans and Grants. Exchange rate fluctuates from time to time so that there is a difference in the value of the Rupiah at the time of account opening and the expenditure value according to the BI middle rate and the Rupiah value at the end of the reporting period on December 31, 2020.

Based on the calculations carried out as follows, it is known that there has been an exchange rate gain of **IDR2,296,611,636,80** due to a significant change in the exchange rate during that period (Appendix 5a. Calculation of Exchange Rate Difference (Gain/Loss) - Loan).

FY 2020 exchange rate difference (LOAN)	
Difference in debit exchange rate	IDR 26,286,679,781,13
Difference in credit exchange rate	IDR 28,583,291,416,93
Sub difference between debit and credit exchange rates	IDR 2,296,611,636,80

Difference in the exchange rate for the special Grant Account of **IDR 48,400,000** is the difference in the balance of exchange (USD currency) that occurred throughout the FY 2020, as a credit difference (gain). The difference in gain is obtained from the difference in the debit exchange rate of IDR 1,543,000,000 and the difference in the credit exchange rate of IDR 1,591,400,000. The details of the transfer of the grant are as follows (Appendix 5b. Calculation of Exchange Rate Difference (Gain/Loss) - Grant).

FY 2020 exchange rate difference (GRANT)	
Difference in debit exchange rate	IDR 1,543,000,000
Difference in credit exchange rate	IDR 1,591,400,000



Sub difference between debit and credit exchange rates	IDR	48,400,000
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c. Use of Fund (Expenditures) - LOAN

1) Financial realization of YESS Program Loan funds per Category until December 2020

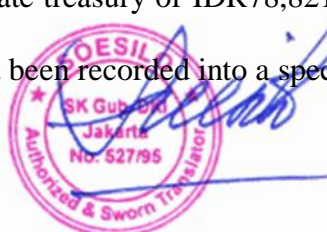
a.1. Category 1: Consultancies

Consultancies category represents expenditures for the procurement of consultants and studies at the NPMU and PPIU levels. Total realized costs for Consultancies Category up to December 31, 2020 cumulatively amounting to IDR2,090,830,157 or equivalent to USD145,333,60 which was the combined realization at Central level (NPMU) of IDR1,798,830,181 and the Provincial level (PPIU) of IDR291,999,976.

Realization of cost of IDR2,090,830,157 is a cumulative expenditure for consultant procurement costs up to December 31, 2020 with the following details:

DESCRIPTION	IFAD	
	IDR	USD
Beginning balance as of January 1, 2020	0	0
Transaction FY. 2020	2,090,830,157	145,333,60
Total as of December 31, 2020	2,090,830,157	145,333,60

From total transactions value, there is a budget difference of IDR1,165,377,843 (from AWPB value of IDR3,256,208,000 equivalent to USD232,586,29) which is a value that is not included in the activity plans and budgets of Ministries and Institutions (RKA K/L). For Category 1 there is a return to the state treasury of IDR78,821,890 which was deposited into the state treasury in 2021 and has not been recorded into a special account.



a.2. Category 2: Grants and Subsidies

Grant and Subsidies category is expenditure for PWMP group scholarship/student grant activities for Agricultural Development Polytechnic students and SMK-PP students. Actual costs for the Grant and Subsidies Category up to December 31, 2020 cumulatively amounting to IDR4,646,660,170 or equivalent to USD318,487,35.

Realization of cost of IDR4,646,660,170 is a cumulative expenditure of 4 (four) PPIUs up to December 31, 2020 with the following details.

DESCRIPTION	IFAD	
	IDR	USD
Beginning balance as of January 1, 2020	0	0
Transaction FY. 2020	4,646,660,170	318,487,35
Total as of December 31, 2020	4,646,660,170	318,487,35

From total transactions value, there is a budget difference of IDR 15,339,830 (from AWPB value of IDR 4,662,000,000 equivalent to USD333,000,00) which is a value that is not included in the activity plans and budgets of Ministries and Institutions (RKA K/L).

a.3. Category 3: Goods, Services and Inputs

Goods, Services and Inputs category is an activity for the procurement of infrastructure, goods shopping, and other procurement.

Actual costs for the Goods, Services & Inputs category as of December 31, 2020, cumulatively amounting to IDR19,624,780,095 or equivalent to USD1,359,502,91. For 2020 realization of IDR 18,905,482,225, which is a combined realization at the Central level (NPMU) of IDR 1,017,366,591 and at Provincial level (PPIU) of IDR 17,888,115,635. Expenditures in this category consist of.



DESCRIPTION	IFAD	
	IDR	USD
Beginning balance as of January 1, 2020	719,305,870	51,167,18
Transaction FY. 2020	18,905,482,225	1,308,335,73
Total As of December 31, 2020	19,624,788,095	1,359,502,91

From total transactions value, there is a budget difference of IDR 2,216,534,775 (from AWPB value of IDR 21,122,017,000 equivalent to USD 1,508,715,50) which is a value that is not included in the activity plans and budgets of Ministries and Institutions (RKA K/L). For Category 3 there is a return to the state treasury of IDR18,701,050 which was deposited in 2020 and IDR26,947,850 which was deposited into the state treasury in 2021 but has not been recorded into a special account.

a.4. Category 4: Training

The Training category includes the financing of meetings, workshops, coaching and program monitoring at the NPMU level and at the PPIU level.

Actual costs for Training until December 31, 2020 cumulatively amounted to IDR6,220,849,684 or equivalent to USD434,368,50. The realization of training costs in the FY 2020 is a combined realization at the Central level (NPMU) of IDR 3,731,181,588 and the Provincial level (PPIU) of IDR 776,360,827 with the following details.

DESCRIPTION	IFAD	
	IDR	USD
Beginning balance as of January 1, 2020	1,713,307,269	121,950,33
Transaction FY. 2020	4,507,542,415	312,418,17
Total as of December 31, 2020	6,220,849,684	434,368,50



From the total transaction value, there is a budget difference of IDR884,110,858 (from AWPB value of IDR5,391,653,273 equivalent to USD385,118,09) which is a value that is not included in the activity plans and budgets of Ministries and Institutions (RKA K/L). For Category 4 there is a return to the state treasury in the amount of IDR 18,267,550 in 2020 but it has not been recorded into a special account and a refund Of 2019 expenditure which was deposited into the state treasury in 2020 of IDR

a.5. Category 5: Salaries and Allowances

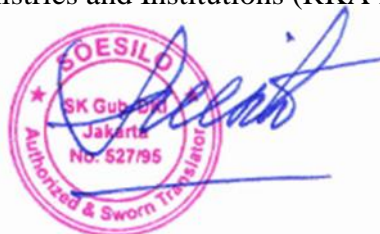
Budget allocation for the Salaries and Allowances category includes the cost of consultant fees and Senior Assistance Professional (SAP) for Finance Management (FM), SAP Monitoring and Evaluations (ME), Junior Assistance Professional (SAP) Finance Management (FM), Junior Assistance Professional (JAP) Monitoring and Evaluations (ME), and Supporting Staff and project support staff.

Actual costs for Salaries and Allowances up to December 31, 2020 cumulatively amounting to IDR861,709,308 or equivalent to USD59,754 which was the combined realization at the Central level (NPMU) of IDR338,059,545 and the Provincial level (PPIU) of IDR459,999,884. Realization of this category with details as follows.

DESCRIPTION	IFAD	
	IDR	USD
Beginning balance as of January 1, 2020	153,368,627,00	10,939
Transaction FY. 2020	708,340,681,00	48,815
Total as of December 31, 2020	861,709,308,00	59,754

From total transactions value, there is a budget difference of IDR61,309,319 (from AWPB value of Rp769,650,000 equivalent to USD54,975,00) which is a value that is not included in the activity plans and budgets of Ministries and Institutions (RKA K/L).

a.6. Category 6: Operating Cost



The budget allocation for the Operating Cost category includes financing for official travel, office stationery (ATK), vehicle operations and other office needs.

Actual costs for Operating Costs up to December 31, 2020 cumulatively amounting to IDR1,570,430,108 or equivalent to USD109,500,10. The realization of costs in 2020 is a combined realization at Central level (NPMU) of IDR 380,699,857 and at Provincial level (PPIU) of IDR 923,519,841.

The realized costs of IDR1,570,430,108 are cumulative expenditures at NPMU and PPIU levels up to December 31, 2020 with the following details.

DESCRIPTION	IFAD	
	IDR	USD
Beginning balance as of January 1, 2020	266,210,410	18,969
Transaction FY. 2020	1,304,219,697	90,532
Total as of December 31, 2020	1,570,430,107	109,501

From total transactions value, there is a budget difference of IDR38,120,303 (from AWPB value of IDR1,342,340,000 equivalent to USD95,881,43) which is a value that is not included in the activity plans and budgets of Ministries and Institutions (RKA K/L). For Category 6 there is a refund of IDR5,404,337 which was deposited into the state treasury in 2020 and IDR966,000 which was deposited into the state treasury in 2021 but has not been recorded into a special account. In addition, there is also a refund for 2019 spending that was deposited into 2020 state treasury of IDR1,754,200,00.

2) Financial realization of YESS Program Loan funds per Component until December 2020

b.1. Component 1: Rural Youth Transition to Work

