

**“Agricultural Commercialization Project”
Grant No. H964-TJ**

**Special purpose project financial statements
for the year ended December 31, 2016**

and independent auditors' report



BAKER TILLY

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report set out on pages 3-5, is made with a view to distinguish the respective responsibilities of management and those of the independent auditors in relation to the special purpose project financial statements of the "Agricultural Commercialization Project", Grant No. H964-TJ (the "Project").

Management is responsible for the preparation of the special purpose project financial statements that present fairly, in all material respects, cash proceeds and disbursements and uses of funds by project components of the Project for the year ended December 31, 2016 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Accounting Standards Board of the International Federation of Accountants and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

In preparing the special purpose project financial statements, management is responsible for:

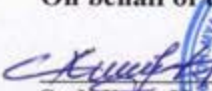
- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the special purpose project financial statements; and
- preparing the special purpose project financial statements on a going concern basis, unless it is inappropriate to presume that the Project will continue its activity for the foreseeable future.


Management is also responsible for:


- designing, implementing and maintaining effective and sound system of internal control and for revealing risks in system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Project, and which enable them to ensure that the special purpose project financial statements of the Project comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Republic of Tajikistan, accounting system of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud and other irregularities.


The special purpose project financial statements for the year ended December 31, 2016 were approved and authorized for issue on April 21, 2017 by the management of the Project.

On behalf of the Management:


Sadullaev H.
Director of
AED PMU


Satorov F.
Chief Accountant of
AED PMU


Nuriddinzoda A.
Director of
MOF PMU


Gafforov B.
Chief Accountant of
MOF PMU

April 21, 2017
Dushanbe, Republic of Tajikistan



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INDEPENDENT AUDITORS' REPORT

To the Management of the "Agricultural Commercialization Project" under the Ministry of Finance and Ministry of Agriculture under the Government of the Republic of Tajikistan and the State Committee on Investments and Government Property Management of the Republic of Tajikistan:

Report on the special purpose project financial statements

Opinion

- [1] We have audited the special purpose project financial statements of "Agricultural Commercialization Project" (the "Project") which comprise the statement of cash proceeds and disbursements and the statement of uses of funds by project components for the year ended December 31, 2016 and a summary of significant accounting policies and other explanatory information (the "special purpose project financial statements").
- [2] In our opinion, the accompanying special purpose project financial statements present fairly, in all material respects, cash proceeds and disbursements and uses of funds by project components of the Project for the year ended December 31, 2016 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Basis for opinion

- [3] We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Tajikistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of matter

- [4] Without qualifying our opinion, we draw attention to Note 2 to the special purpose project financial statements which describe the basis of accounting. These special purpose project financial statements were prepared for complying with the appropriate World Bank Guidelines and Grant agreement requirements, and therefore are not intended to be a complete presentation of the “Agricultural Commercialization Project” (the “Project”) operations.

Other matter

- [5] The special purpose project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result the special purpose project financial statements may not be suitable for another purpose.

Responsibilities of management and those charged with governance for the special purpose project financial statements

- [6] Management is responsible for the preparation and fair presentation of the special purpose project financial statements in accordance with International Public Sector Accounting Standard “Financial Reporting Under the Cash Basis of Accounting” (the “IPSAS”) issued by the International Public Accounting Standards Board of the International Federation of Accountants, and the World Bank’s Financial Management Sector Board’s “Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities” (the “WB Guidelines”), and for such internal control as management determines is necessary to enable the preparation of the special purpose project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the special purpose project financial statements

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

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

- Identify and assess the risks of material misstatement of the special purpose project financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose project financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the special purpose project financial statements, including the disclosures, and whether the special purpose project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- [8] We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- [9] We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BAKER TILLY ROMANIA

Baker Tilly Klitou and Partners SRL



Bucharest, Romania

April 21, 2017

"AGRICULTURAL COMMERCIALIZATION PROJECT" GRANT NO. H964-TJ

**STATEMENT OF CASH PROCEEDS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

(in US Dollars)

Notes	For the year ended December 31, 2016		Cumulative	For the period from July 30, 2014 to December 31, 2015		Cumulative	
	AED PMU	MOF PMU		Total	AED PMU		MOF PMU
Opening balance	4	438,765	260,435	699,200	-	-	-
Funds received Grant H964-TJ	5	779,616	1,519,906	2,299,522	742,155	400,000	1,142,155
Total funds received:		779,616	1,519,906	2,299,522	742,155	400,000	1,142,155
Other income	6	2,059	-	2,059	169	-	169
Total receipts		781,675	1,519,906	2,301,581	742,324	400,000	1,142,324
Project expenses							
Sub-loans under Component II.A	7	-	1,155,350	1,155,350	-	-	-
Goods, works, operating costs, training, non-consulting services and consultants' services	7	763,158	324,341	1,087,499	303,311	142,626	445,937
Total project expenses		763,158	1,479,691	2,242,849	303,311	142,626	445,937
Foreign exchange rates differences		25	1,133	1,158	248	(3,061)	(2,813)
Closing balance	4	457,257	299,517	756,774	438,765	260,435	699,200

On behalf of the Management:

Sadullaev H.
Sadullaev H.
Director of AED PMU

Satorov J.
Satorov J.
Chief Accountant of AED PMU

Nuriddinzoda A.
Nuriddinzoda A.
Director of MOF PMU

Gafforov B.
Gafforov B.
Chief Accountant of MOF PMU



April 21, 2017
Dushanbe, Republic of Tajikistan

The notes on pages 8-20 form an integral part of the special purpose project financial statements. The Independent Auditors' Report is on pages 3-5

"AGRICULTURAL COMMERCIALIZATION PROJECT"
GRANT NO. H964-TJ

STATEMENT OF FUNDS BY PROJECT COMPONENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

(in US Dollars)

	For the year ended December 31, 2016			Cumulative	For the period from July 30, 2014 to December 31, 2015			Cumulative
	AED PMU	MOF PMU	Total		AED PMU	MOF PMU	Total	
Component I. Improvement of technical knowledge and skills in support of commercialization.	70,921	-	70,921	70,921	-	-	-	
Component II. Access to finance for agribusiness enterprises and small-scale commercial farms.	-	1,372,449	1,372,449	1,372,449	-	-	-	
Component III. Institutional capacity building and project management.	692,237	107,242	799,479	1,245,416	303,311	142,626	445,937	
	<u>763,158</u>	<u>1,479,691</u>	<u>2,242,849</u>	<u>2,688,786</u>	<u>303,311</u>	<u>142,626</u>	<u>445,937</u>	

On behalf of the Management:

Sadullayev H.
Sadullayev H.
Director of AED PMU



Satorov F.
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Chief Accountant of AED PMU



Nuriddinzoda N.
Nuriddinzoda N.
Director of MOF PMU

Gafforov B.
Gafforov B.
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April 21, 2017
 Dushanbe, Republic of Tajikistan

The notes on pages 8-20 form an integral part of the special purpose project financial statements. The Independent Auditors' Report is on pages 3-5

**“AGRICULTURAL COMMERCIALIZATION PROJECT”
GRANT NO. H964-TJ**

**NOTES TO THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

(in US Dollars)

1. GENERAL INFORMATION

According to the Agreement between the Republic of Tajikistan and International Development Association (the “IDA”) signed on July 30, 2014, the IDA provided a Grant No. H964-TJ in amount of 14,300,000 Special Drawing Rights (the “SDR”) to the Republic of Tajikistan. The period of duration of the Grant from July 30, 2014 to June 30, 2021.

The Grants were provided for the “Agricultural Commercialization Project” (the “Project”).

Project purpose

The objective of the Project is to increase the commercialization of farm and agri-business products, by improving the performance of selected value chains and productive partnerships through increased access to finance and strengthened capacity of Project beneficiaries.

The Project comprises the following components:

Component I: Improvement of Technical Knowledge and Skills in Support of Commercialization;
Component II: Access to Finance for Agribusiness Enterprises and Small-Scale Commercial Farms;
Component III: Institutional Capacity Building and Project Management.

Component I: Improvement of Technical Knowledge and Skills in Support of Commercialization.

Improving of technical knowledge and skills of participants in key agricultural value chains and productive partnerships by:

- a) Supporting building value chains and productive partnerships under the Project, by providing research and improvement of technical knowledge and skills of Project beneficiaries on a variety of agriculture-related subjects, and assistance in identifying and pursuing market opportunities. Provision of advisory services and training by a reputable consulting firm with relevant expertise acceptable to the Association, to assist with value chain development activities under Component I, II.B and III of the Project.
- b) Providing Training and advisory services at the producer level. Establishing a network of demonstration plots, to conduct comparisons and testing between various agricultural production practices, and supporting participation of farmer groups in trade fairs and other events.
- c) Providing Training and advisory services for agro processors and agribusiness enterprises on a variety of subjects related to their business operations. Providing Training on issues relating to child and forced labor. Supporting attendance at trade fairs and providing mentoring services.

Component II: Access to Finance for Agribusiness Enterprises and Small-Scale Commercial Farms.

Enhancing access to medium and long-term finance for agribusiness enterprises and small-scale commercial farms by:

- a) Establishing and operating of a credit line facility through PFIs to support: (a) medium-term loans and leases for investment for financing modern technological plant and equipment; and (b) value chain financing products and value chain and productive linkage support.
- b) Providing Commercialization Grants to support investment and input needs by smaller farmers in producer groups or productive partnerships unable to qualify for a commercial loan.

- c) Supporting the value chain development by providing capacity building of the PFIs related to new financial products in lending for value chain and productive partnership development activities, assessing suitability and effectiveness of new financial products, and on mitigation of the related risks. Providing Training to the PFIs on environmental and social safeguard issues.

Component III: Institutional Capacity Building and Project Management.

Strengthening the critical elements of the institutional framework and agricultural sector's academic knowledge base required to support commercial activity by:

- a) Supporting curriculum modernization of the Tajikistan Agrarian University.
- b) Supporting expansion of the farmer training programs at the agricultural colleges through updating of curricula and teaching materials, in conjunction with curriculum modernization under Component III. (a) above; upgrading equipment and upgrading of facilities of the Agricultural Colleges.
- c) Improving market information systems for farmers and agribusinesses by: (i) supporting the establishment of a public-private partnership between the Tajikistan National Statistics Agency, other relevant state agencies and private service providers on facilitating delivery of commercial market information; and (ii) providing related technical assistance to the Tajikistan National Statistics Agency, other relevant state agencies and private service providers.
- d) Strengthening the MOA's capacity for policy and regulatory reform in the field of agriculture by funding selected studies on critical issues concerning agricultural commercialization.
- e) Supporting the Agricultural Entrepreneurship Development Project Management Unit ("AED PMU") and Ministry of Finance Project Management Unit ("MOF PMU") for the effective implementation of the Project, through provision of goods, works, consultants' services, audit, Training and Operating Costs, for purposes of Project management and implementation, including monitoring and evaluation.
- f) Establishing and maintaining for the duration of the Project, the Grievance Redress Mechanism.

Project management

The Project is implemented by the Agricultural Entrepreneurship Development Project Management Unit (the "AED PMU") and Ministry of Finance Project Management Unit (the "MOF PMU") within the scope of the Ministry of Agriculture and Ministry of Finance of the Republic of Tajikistan, respectively.

Duration of the Project is July 30, 2014 to June 30, 2021.

2. PRESENTATION OF THE SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS

Basis of preparation

These special purpose project financial statements have been prepared in accordance with the International Public Sector Accounting Standard (the "IPSAS") "Financial Reporting under the Cash Basis of Accounting" issued by the Public Sector Committee of the International Federation of Accountants, and incorporate the following principal accounting policies, which have been consistently followed in all material respects and comply with the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Under the cash basis system income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received.

The Project's approved budget disclosed by categories of expenses is not publicly available and as such comparison of budget and actual amounts is not presented.

These special purpose project financial statements consist of:

- Statement of cash proceeds and disbursements;
- Statement of uses of funds by project components;
- Notes to the special purpose project financial statements, including short description of main statements of accounting policy and other descriptive notes.

The reporting currency of these special purpose project financial statements is US Dollars (the "USD").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The special purpose project financial statements are prepared on a cash basis of accounting. The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the Project. The special purpose project financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. The measurement focus in the special purpose project financial statements is balances of cash and changes therein.

Foreign currency

Operations in foreign currency initially are counted in functional currency by the official currency exchange rate settled by the National Bank of Tajikistan (the "NBT") on a date of operation.

Funds received are translated into USD at official exchange rate of Special Drawing Rights (the "SDR") at the date of funds receipt. All payments made in local currency are translated into USD at the official exchange rate defined by National Bank of Tajikistan, at the date of transaction.

Monetary assets and liabilities expressed in foreign currency are converted to functional currency at official exchange rate on a date settled by the NBT.

All foreign exchange differences resulted from maturity or recounting are included in statement of cash proceeds and disbursements.

Non-monetary items are valued according to their historic cost in foreign currency, which are recalculated on rates of the initial operation date.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and due from banks, which can be converted to the corresponding amount of cash in the short term.

Taxes

Calculation and payment of personal income tax and social security contributions from income of local staff and consultants is made in accordance with the requirements and rates of the Tax Code of the Republic of Tajikistan.

Project expenses

The expenses are recorded in the period when they were actually paid.

Sources of funds

The funds were provided by the World Bank to the Project by replenishment of special account or through direct payment to the end supplier of goods and/or services.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2016 comprise:

	December 31, 2016		Total
	AED PMU	MOF PMU	
Special account	457,256	299,514	756,770
Transit account	1	3	4
Advances paid to employees	-	-	-
	<u>457,257</u>	<u>299,517</u>	<u>756,774</u>

Cash and cash equivalents as at December 31, 2015 comprise:

	December 31, 2015		Total
	AED PMU	MOF PMU	
Special account	438,765	260,253	699,018
Transit account	-	7	7
Advances paid to employees	-	175	175
	<u>438,765</u>	<u>260,435</u>	<u>699,200</u>

5. FUNDS RECEIVED

The funds received were presented by the following reimbursement methods:

Financing method:	For the year ended December 31, 2016			Cumulative
	AED PMU	MOF PMU	Total	
Advances	-	-	-	1,000,000
Reimbursement of expenses	<u>779,616</u>	<u>1,519,906</u>	<u>2,299,522</u>	<u>2,441,677</u>
	<u>779,616</u>	<u>1,519,906</u>	<u>2,299,522</u>	<u>3,441,677</u>

Financing method:	For the period from July 30, 2014 to December 31, 2015			Cumulative
	AED PMU	MOF PMU	Total	
Advances	600,000	400,000	1,000,000	1,000,000
Reimbursement of expenses	<u>142,155</u>	<u>-</u>	<u>142,155</u>	<u>142,155</u>
	<u>742,155</u>	<u>400,000</u>	<u>1,142,155</u>	<u>1,142,155</u>

6. OTHER INCOME

Other income for the year ended December 31, 2016 consists of the following:

	For the year ended December 31, 2016		
	AED PMU	MOF PMU	Total
Refund of excess from advance holder	31	-	31
Reimbursement of ineligible expenditures (bonuses)	<u>2,028</u>	<u>-</u>	<u>2,028</u>
	<u>2,059</u>	<u>-</u>	<u>2,059</u>

Other income for the period from July 30, 2014 to December 31, 2015 consists of the following:

	For the period from July 30, 2014 to December 31, 2015		
	AED PMU	MOF PMU	Total
Realization of tender documents	<u>169</u>	<u>-</u>	<u>169</u>
	<u>169</u>	<u>-</u>	<u>169</u>

7. CUMULATIVE PROJECT EXPENDITURES

Project expenditures by components are presented in the statement of funds by project components. Project expenditures on major categories are presented in the statement of cash proceeds and disbursements. Breakdown of project expenses by categories and natures is presented as follows:

SUB-LOANS UNDER COMPONENT II. A OF THE PROJECT

List of financial institutions to which were provided funds within credit lines (Category I) according to Grant's Financial Agreement is presented below:

	For the year ended December 31, 2016				Cumulative	
	AED PMU	MOF PMU	Total	AED PMU	MOF PMU	Total
CJSC MDO "Imon International"	-	435,947	435,947	-	435,947	435,947
LLC MDO "Dastras"	-	319,934	319,934	-	319,934	319,934
LLC MDO "Arvand"	-	120,781	120,781	-	120,781	120,781
LLC MDO "Humo"	-	103,858	103,858	-	103,858	103,858
OJSC "Bank Eshkata"	-	87,615	87,615	-	87,615	87,615
LLC MDO "Muzaffariyat"	-	70,885	70,885	-	70,885	70,885
CJSC "AccessBank Tajikistan"	-	16,330	16,330	-	16,330	16,330
	-	1,155,350	1,155,350	-	1,155,350	1,155,350

GOODS, WORKS, OPERATING COSTS, TRAINING, NON-CONSULTING SERVICES, AND CONSULTANTS' SERVICES FOR THE PROJECT

For the year ended December 31, 2016

	AED PMU	MOF PMU	Total	AED PMU	MOF PMU	Cumulative	Total
Payroll and related taxes	245,947	99,362	345,309	394,749	154,035	548,784	
Goods	197,258	-	197,258	299,201	45,885	345,086	
Trainings for PMU	1,149	180,672	181,821	3,519	180,672	184,191	
Consulting services	149,486	-	149,486	149,486	-	149,486	
Trainings	47,959	29,290	77,249	47,959	29,290	77,249	
Stationery	38,871	2,616	41,487	45,051	4,202	49,253	
Office renovation	16,136	-	16,136	40,078	-	40,078	
Consultants' services	838	-	838	838	37,226	38,064	
Communication	5,851	2,835	8,686	11,306	3,106	14,412	
Transportation	7,919	4,452	12,371	7,919	4,452	12,371	
Translation services	8,137	-	8,137	12,329	-	12,329	
Audit	8,783	-	8,783	8,783	-	8,783	
Business trips	5,611	442	6,053	7,418	442	7,860	
Fuel	5,764	979	6,743	6,523	979	7,502	
Utility	2,935	-	2,935	6,512	-	6,512	
Bank services	1,575	690	2,265	2,553	932	3,485	
Advertising	773	-	773	2,917	453	3,370	
Vehicle maintenance	2,211	318	2,529	2,211	318	2,529	
Non-consulting services	-	-	-	881	-	881	
Other	15,955	2,685	18,640	16,236	4,975	21,211	
	<u>763,158</u>	<u>324,341</u>	<u>1,087,499</u>	<u>1,066,469</u>	<u>466,967</u>	<u>1,533,436</u>	

For the period from July 30, 2014
to December 31, 2015

	AED PMU	MOF PMU	Total	AED PMU	MOF PMU	Total	Cumulative
Payroll and related taxes	148,802	54,673	203,475	148,802	54,673	203,475	203,475
Goods	101,943	45,885	147,828	101,943	45,885	147,828	147,828
Consultants' services	-	37,226	37,226	-	37,226	37,226	37,226
Office renovation	23,942	-	23,942	23,942	-	23,942	23,942
Stationery	6,180	1,586	7,766	6,180	1,586	7,766	7,766
Communication	5,455	271	5,726	5,455	271	5,726	5,726
Translation services	4,192	-	4,192	4,192	-	4,192	4,192
Utility	3,577	-	3,577	3,577	-	3,577	3,577
Advertising	2,144	453	2,597	2,144	453	2,597	2,597
Trainings for PMU	2,370	-	2,370	2,370	-	2,370	2,370
Business trips	1,807	-	1,807	1,807	-	1,807	1,807
Bank services	978	242	1,220	978	242	1,220	1,220
Non-consulting services	881	-	881	881	-	881	881
Fuel	759	-	759	759	-	759	759
Other	281	2,290	2,571	281	2,290	2,571	2,571
	<u>303,311</u>	<u>142,626</u>	<u>445,937</u>	<u>303,311</u>	<u>142,626</u>	<u>445,937</u>	<u>445,937</u>

8. FINANCIAL POSITION

Financial position as at December 31, 2016 comprise of:

	December 31, 2016		
	AED PMU	MOF PMU	Total
ASSETS AND EXPENDITURES			
Cash and cash equivalents	457,257	299,517	756,774
Cumulative project expenditures	1,066,469	1,622,317	2,688,786
Foreign exchange differences	273	(1,928)	(1,655)
TOTAL ASSETS AND EXPENDITURES	1,523,999	1,919,906	3,443,905
FINANCING			
Funds received	1,521,771	1,919,906	3,441,677
Other income	2,228	-	2,228
TOTAL FINANCING	1,523,999	1,919,906	3,443,905

Financial position as at December 31, 2015 comprise of:

	December 31, 2015		
	AED PMU	MOF PMU	Total
ASSETS AND EXPENDITURES			
Cash and cash equivalents	438,765	260,435	699,200
Cumulative project expenditures	303,311	142,626	445,937
Foreign exchange differences	248	(3,061)	(2,813)
TOTAL ASSETS AND EXPENDITURES	742,324	400,000	1,142,324
FINANCING			
Funds received	742,155	400,000	1,142,155
Other income	169	-	169
TOTAL FINANCING	742,324	400,000	1,142,324

9. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2016 comprise:

Sources of financing	PMU	Application	Dates	Goods, works, operating costs, training, non-consulting services and consultants' services	Total financing
Grant No. H964-TJ	MOF PMU	2	January 31, 2016	187,861	187,861
		3	February 1, 2016	101,740	101,740
		4	May 23, 2016	222,121	222,121
		5	June 16, 2016	169,212	169,212
		6	July 19, 2016	81,178	81,178
		7	September 1, 2016	97,739	97,739
		8	October 10, 2016	80,275	80,275
		9	November 3, 2016	215,407	215,407
		10	November 21, 2016	364,373	364,373
					<u>1,519,906</u>
	AED PMU	4	February 25, 2016	161,158	161,158
		5	March 28, 2016	165,082	165,082
		6	August 15, 2016	212,598	212,598
		7	December 2, 2016	240,778	240,778
			<u>779,616</u>	<u>779,616</u>	
			<u>2,299,522</u>	<u>2,299,522</u>	

10. SPECIAL ACCOUNT

Special account for the period from January 1, 2016 to December 31, 2016 comprise:

	AED PMU	AED PMU	MOF PMU	Total
	US Dollars	US Dollars	US Dollars	
<i>Special accounts</i>				
<i>Currency</i>				
<i>Bank account</i>				
<i>Bank</i>				
<i>Bank's location</i>				
	US Dollars	US Dollars	US Dollars	
	202068402001284	20206840818210031476	20206840880800000257	
	CJSC "Tadjprombank"	CJSC "The First Micro Finance Bank"	CJSC "Spitamen Bank"	
	22 Rudaki Ave., Dushanbe, Republic of Tajikistan	113 Shevchenko str., Dushanbe, Republic of Tajikistan	4, Shamsi str., Dushanbe, Republic of Tajikistan	
Description	US Dollars	US Dollars	US Dollars	Total
Balance as at January 1, 2015				
Advances received	-	-	-	-
Reimbursement of expenses	600,000	-	400,000	1,000,000
Other income	142,155	-	-	142,155
	169	-	-	169
Total funds received	742,324	-	400,000	1,142,324
Expenditures paid	303,311	-	142,626	445,937
Transferred to transit account	-	-	7	7
Advances paid to employees	-	-	175	175
Foreign exchange difference	248	-	(3,061)	(2,813)
Balance as at December 31, 2015	438,765	-	260,253	699,018
Advances received	-	-	-	-
Reimbursement of expenses	-	779,616	1,519,906	2,299,522
Transfer between accounts	(4,248)	4,248	-	-
Other income	-	31	-	31
Reimbursement of ineligible expenditures (bonuses)	-	2,028	-	2,028
Total funds received	(4,248)	785,923	1,519,906	2,301,581
Expenditures paid	177,312	585,846	1,479,691	2,242,849
Transferred to transit account	-	1	(179)	(178)
Advances paid to employees	-	-	-	-
Foreign exchange difference	10	15	1,133	1,158
Balance as at December 31, 2016	257,195	200,061	299,514	756,770

11. UNDRAWN FUNDS

For the year ended December 31, 2016 undrawn funds are presented as follows:

	For the period from July 30, 2014 to December 31, 2016
	in SDR
Approved grant amount	14,300,000
Disbursed during the period from July 30, 2014 to December 31, 2016 (AED PMU)	1,087,920
Disbursed during the period from July 30, 2014 to December 31, 2016 (MOF PMU)	<u>1,384,682</u>
Undrawn grant amount	<u>11,827,398</u>
	For the year ended December 31, 2016
	in SDR
Grant received as at January 1, 2016	807,302
Disbursed in 2016 (AED PMU)	564,925
Disbursed in 2016 (MOF PMU)	<u>1,100,375</u>
Grant received as at December 31, 2016	<u>2,472,602</u>

12. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan. Contract value of obligations valid as at December 31, 2016 was as follows:

PMU	Counterparty	Contract #	Contract value (in USD)	Paid up to December 31, 2016	Remaining amount to be paid
AED	Baker Tilly Klitou and Partners SRL	BTKP 20160217	10,333	8,783	1,550
AED	Niras Sweden AB	AED/PMU/QCBS/2015-01	1,679,747	-	1,679,747
PMU	Counterparty	Contract #	Contract value (in TJS)	Paid up to December 31, 2015	Remaining amount to be paid
AED	PCO "Oriyon"	AED/PMU/CQS/2015-02	738,400	673,847	64,553

13. LEGAL CASES

There were no any legal claims related to the Project.

14. EVENTS AFTER THE REPORTING DATE

From January 1, 2017 until the date of issue of these special purpose project financial statements the World Bank has replenished the special account of the Project as follows:

Source of financing	PMU	Financing method	Date	Application	Total
Grant No. H964-TJ	MOF PMU	Reimbursement of expenses	January 12, 2017	11	102,411
Grant No. H964-TJ	MOF PMU	Reimbursement of expenses	February 6, 2017	12	306,680
Grant No. H964-TJ	MOF PMU	Reimbursement of expenses	February 22, 2017	13	209,185
Grant No. H964-TJ	MOF PMU	Reimbursement of expenses	March 17, 2017	14	187,684
Grant No. H964-TJ	MOF PMU	Reimbursement of expenses	April 11, 2017	15-A	267,864
Grant No. H964-TJ	AED PMU	Reimbursement of expenses	March 27, 2017	8	202,425
Grant No. H964-TJ	AED PMU	Direct payment	March 28, 2017	9	146,065
					<u>1,422,314</u>

As at the date of issue of the special purpose project financial statements no other significant events or transactions happened, which should be disclosed, which should be disclosed in the special purpose project financial statements, except for the events or transactions described above.