

**RURAL ASSETS CREATION PROGRAMME**

**IFAD Loan No. 817-AM  
IFAD Grant No. 1219-AM  
OFID Loan 1390P  
DK Grant 817-AM**

**Implemented by  
“RURAL AREAS ECONOMIC DEVELOPMENT PROGRAMS IMPLEMENTATION UNIT”  
STATE AGENCY**

**SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT**

**For the year ended 31 December 2014**

**YEREVAN  
June 2015**

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"SOS-AUDIT" LTD

## INDEPENDENT AUDITOR'S REPORT N 66

*On the special purpose financial statements of the  
Rural Assets Creation Programme  
for the year ended 31 December 2014*

To the Management of "Rural Areas Economic Development Programs Implementation Unit" State Agency

We have audited the accompanying special purpose financial statements of the "Rural Assets Creation Programme" (hereafter: the Project) implemented by the "Rural Areas Economic Development Programs Implementation Unit" State Agency (the RAED PIU), which comprise the statements of project sources and uses of funds, the statements of uses of funds by project activity, the statement of expenditures (SOE) withdrawal schedule, the special account statements and the statement of comparison of budget and actual amounts for the year ended 31 December 2014, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Special Purpose Financial Statements*

The management of RAED PIU is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with International Public Sector Accounting Standard: *Financial Reporting Under the Cash Basis of Accounting*, (IPSAS-Cash Basis) issued by the International Public Sector Accounting Standards Board (IPSASB) within the International Federation of Accountants (IFAC), and IFAD Guidelines, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatements, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by International Auditing and Assurance Standards Board (IAASB) within the IFAC. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain reasonable audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risk of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statement 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 entity's internal control.

An audit also includes the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

Քրոու Հորվաթ Բիզնես Ալյանսի Անցիացված Անդամ

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An Associate of the Crowe Horwath Business Alliance

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## "SOS-AUDIT" LTD

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Opinion*

In our opinion,

1. the special purpose financial statements present fairly in all material respects the cash receipts and payments of the Project for the year ended 31 December 2014 in accordance with IPSAS-Cash Basis and International Fund for Agricultural Development (IFAD) related guidelines;
2. funds have been used in accordance with the conditions of the Financing Agreement (IFAD Loan No. 817-AM/Grant No. 1219-AM) dated 30 November 2010 between the International Fund for Agricultural Development (IFAD) and the Republic of Armenia (RoA), Financing Agreement (OFID Loan No. 1390P) dated 8 June 2011 between the OPEC Fund for International Development (OFID) and RoA, and Financing Agreement (COFIN-DK-817-AM) dated 23 April 2014 between IFAD and RoA, and IFAD related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
3. supporting documents, records and accounts have been maintained to support claims for reimbursement of expenditures incurred. Expenditures included in the withdrawal applications and reimbursed against are eligible for financing under the IFAD Loan No. 817-AM/Grant No. 1219-AM, OFID Loan No. 1390P and COFIN-DK-817-AM;
4. The Designated accounts used have been maintained in accordance with the provision of the IFAD Loan No. 817-AM/Grant No. 1219-AM, OFID Loan No. 1390P and Grant COFIN-DK-817-AM, and IFAD related guidelines.

### *Other Matters*

The special purpose financial statements of the Project for the year ended 31 December 2013 were audited by another auditor who expressed an unqualified opinion on those financial statements on 20 June 2014.

The statement of comparison of budget and actual amounts for the year ended 31 December 2014 is unaudited.

"SOS-Audit" LLC  
25 June 2015



Manvel Chazaryan  
Director

Nazik Chitchyan  
Auditor

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<i>In USD</i>	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011	Cumulative as at 31.12.2014
<b>Receipts</b>					
IFAD Loan 817-AM	666,812	1,171,374	1,279,292	2,000,000	5,117,478
IFAD Grant 1219-AM	120,000	245,500	130,835	-	496,335
Republic of Armenia Government co-financing	626,303	255,004	774,569	59,800	1,715,676
Rural Finance Facility advance	53,231	111,769	36,166	-	201,166
<b>Total funds</b>	<b>1,466,346</b>	<b>1,783,647</b>	<b>2,220,862</b>	<b>2,059,800</b>	<b>7,530,655</b>
<b>Uses of funds</b>					
<b>From IFAD Loan 817-AM sources</b>					
Civil works for rural infrastructure	77,836	59,486	82,719	-	220,041
Design and supervision for rural infrastructure	10,840	35,072	44,967	-	90,879
Equipment, goods and vehicles	534,186	109,043	221,793	-	865,022
Training, technical assistance and specialist services	100,034	50,732	44,500	5,145	200,411
Fruit Armenia financing	11,048	-	51,851	18,550	81,449
Fruit Armenia and Project recurrent costs	548,177	515,476	343,281	131,160	1,538,094
Recurrent costs of RFF	44,123	116,333	32,463	-	192,919
	<b>1,326,244</b>	<b>886,142</b>	<b>821,574</b>	<b>154,855</b>	<b>3,188,815</b>
<b>From IFAD Grant 1219-AM sources</b>					
Fruit Armenia financing	<b>18,055</b>	<b>155,351</b>	<b>73,938</b>	<b>-</b>	<b>247,344</b>
<b>From Republic of Armenia Government co-financing sources</b>					
Civil works for rural infrastructure	11,348	8,449	15,395	-	35,192
Design and supervision for rural infrastructure	5,059	4,425	3,401	-	12,885
Equipment, goods and vehicles	6,839	25,015	44,257	-	76,111
Training, technical assistance and specialist services	6,406	5,297	4,344	-	16,047
Fruit Armenia financing	13,282	84,191	11,157	1,614	110,244
Recurrent costs	36,896	44,292	54,648	29,522	165,358
	<b>79,830</b>	<b>171,669</b>	<b>133,202</b>	<b>31,136</b>	<b>415,837</b>

The statement of project sources and uses of funds is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.



*State Agency Rural Areas Economic Development Programs Implementation Unit*  
*Rural Assets Creation Programme*  
*Statement of Project Sources and Uses of Funds*  
*IFAD Loan 817-AM, IFAD Grant 1219-AM*  
*for the year ended 31 December 2014*

<i>In USD</i>	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011	Cumulative as at 31.12.2014
Prepayment (utilized by)/given to Fruit Armenia (note 1(f))	(850,397)	(576,368)	(159,758)	1,700,000	113,477
Total payments	573,732	636,794	868,956	1,885,991	3,965,473
Cash increase	892,614	1,146,853	1,351,906	173,809	3,565,182
Opening cash balance	2,469,223	1,636,760	359,800	-	-
Amounts transferred from/(to) other funds (note 1(e))	(34,414)	(314,390)	(74,946)	185,991	(237,759)
Closing cash balance	3,327,423	2,469,223	1,636,760	359,800	3,327,423

These special purpose financial statements were approved by the management of State Agency Rural Areas Economic Development Programs Implementation Unit on 25 June 2015 and were signed on its behalf by:



**Ashot Vardanyan**  
Director

**Gayane Hovhannisyan**  
Chief Accountant

<i>In USD</i>	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011	Cumulative as at 31.12.2014
<b>From IFAD Loan 817-AM sources</b>					
<b>Support to Fruit and Nuts Sector</b>					
Civil works for rural infrastructure	77,836	59,486	82,719	-	220,041
Design and supervision for rural infrastructure	10,840	35,072	44,967	-	90,879
Equipment, goods and vehicles	518,602	106,208	76,151	-	700,961
Training, technical assistance and specialist services	63,081	18,528	15,046	-	96,655
Fruit Armenia financing	11,048	-	51,851	18,550	81,449
Recurrent costs	283,825	292,416	90,274	-	666,515
	<b>965,232</b>	<b>511,710</b>	<b>361,008</b>	<b>18,550</b>	<b>1,856,500</b>
<b>Programme Management Component</b>					
Equipment, goods and vehicles	15,584	2,835	145,642	-	164,061
Training, technical assistance and specialist services	36,953	32,204	29,454	5,145	103,756
Project Recurrent costs	264,352	223,060	253,007	131,160	871,579
RFF recurrent costs	44,123	116,333	32,463	-	192,919
	<b>361,012</b>	<b>374,432</b>	<b>460,566</b>	<b>136,305</b>	<b>1,332,315</b>
<b>Total uses from IFAD Loan 817-AM sources</b>	<b>1,326,244</b>	<b>886,142</b>	<b>821,574</b>	<b>154,855</b>	<b>3,188,815</b>
<b>From IFAD Grant 1219-AM sources</b>					
<b>Support to Fruit and Nuts Sector</b>					
Fruit Armenia financing	18,055	155,351	73,938	-	247,344

<i>In USD</i>	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011	Cumulative as at 31.12.2014
<b>From Republic of Armenia Government co-financing sources</b>					
<b>Support to Fruit and Nuts Sector</b>					
Civil works for rural infrastructure	11,348	8,449	15,395	-	35,192
Design and supervision for rural infrastructure	5,059	4,425	3,401	-	12,885
Equipment, goods and vehicles	3,651	24,555	13,994	-	42,200
Fruit Armenia financing	13,282	84,191	-	-	97,473
Training, technical assistance and specialist services	1,903	-	158	-	2,061
Recurrent costs	14,497	1,141	34,118	-	49,756
	<b>49,740</b>	<b>122,761</b>	<b>67,066</b>	<b>-</b>	<b>239,567</b>
<b>Programme Management Component</b>					
Fruit Armenia financing	-	-	11,157	1,614	12,771
Equipment, goods and vehicles	3,188	460	30,263	-	33,911
Training, technical assistance and specialist services	4,503	5,297	4,186	-	13,986
Recurrent costs	22,399	43,151	20,530	29,522	115,602
	<b>30,090</b>	<b>48,908</b>	<b>66,136</b>	<b>31,136</b>	<b>176,270</b>
<b>Total uses from Republic of Armenia Government co-financing sources</b>	<b>79,830</b>	<b>171,669</b>	<b>133,202</b>	<b>31,136</b>	<b>415,837</b>
<b>Prepayment (utilized by)/given to Fruit Armenia (note 1(f))</b>	<b>(850,397)</b>	<b>(576,368)</b>	<b>(159,758)</b>	<b>1,700,000</b>	<b>113,477</b>
<b>Total payments</b>	<b>573,732</b>	<b>636,794</b>	<b>868,956</b>	<b>1,885,991</b>	<b>3,965,473</b>

The statement of uses of funds by project activity is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.



*State Agency Rural Areas Economic Development Programs Implementation Unit  
Rural Assets Creation Programme  
Statement of Project Sources and Uses of Funds  
OFID Loan 1390P  
for the year ended 31 December 2014*

<i>In USD</i>	<b>Year ended 31.12.2014</b>	<b>Year ended 31.12.2013</b>	<b>Year ended 31.12.2012</b>	<b>Year ended 31.12.2011</b>	<b>Cumulative as at 31.12.2014</b>
<b>Receipts</b>					
OFID Loan 1390P	152,180	321,818	436,058	-	910,056
OFID Loan direct payments	1,947,212	4,334,720	2,911,993	-	9,193,925
Republic of Armenia Government co-financing	2,177,257	960,357	873,945	1,099,913	5,111,472
Community contribution	28,900	175,758	887,998	41,485	1,134,141
Receipts from bidding	1,169	1,024	4,462	-	6,655
<b>Total funds</b>	<b>4,306,718</b>	<b>5,793,677</b>	<b>5,114,456</b>	<b>1,141,398</b>	<b>16,356,249</b>
<b>Uses of Funds</b>					
<b>From OFID Loan 1390P sources</b>					
Civil works for rural infrastructure	1,787,325	4,204,281	2,911,993	-	8,903,599
Design and supervision	159,725	108,365	-	-	268,090
Recurrent costs	264,352	250,311	250,308	131,160	896,131
	<b>2,211,402</b>	<b>4,562,957</b>	<b>3,162,301</b>	<b>131,160</b>	<b>10,067,820</b>
<b>From Republic of Armenia Government co-financing and Community contribution sources</b>					
Civil works for rural infrastructure	1,044,359	2,565,075	827,353	-	4,436,787
Design and supervision for rural infrastructure	161,214	109,753	87,103	-	358,070
Recurrent costs	12,542	-	-	-	12,542
	<b>1,218,115</b>	<b>2,674,828</b>	<b>914,456</b>	-	<b>4,807,399</b>
<b>Total payments</b>	<b>3,429,517</b>	<b>7,237,785</b>	<b>4,076,757</b>	<b>131,160</b>	<b>14,875,219</b>
<b>Cash increase/(decrease)</b>	<b>877,201</b>	<b>(1,444,108)</b>	<b>1,037,699</b>	<b>1,010,238</b>	<b>1,481,030</b>
Opening cash balance	832,937	1,962,655	824,247	-	-
Amounts transferred from/(to) other funds (note 1(c))	34,414	314,390	100,709	(185,991)	263,522
<b>Closing cash balance</b>	<b>1,744,552</b>	<b>832,937</b>	<b>1,962,655</b>	<b>824,247</b>	<b>1,744,552</b>

These special purpose financial statements were approved by the management of State Agency Rural Areas Economic Development Programs Implementation Unit on 25 June 2015 and were signed on its behalf by:

**Ashot Vardanyan**  
Director

**Gayane Hovhannisyan**  
Chief Accountant

The statement of project sources and uses of funds is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

*State Agency Rural Areas Economic Development Programs Implementation Unit  
Rural Assets Creation Programme  
Statement of Uses of Funds by Project Activity  
OFID Loan 1390P  
for the year ended 31 December 2014*

USD	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011	Cumulative as at 31.12.2014
<b>From OFID Loan 1390P sources</b>					
<b>The Rural Infrastructure Investment Component</b>					
Civil works for rural infrastructure	1,787,325	4,204,281	2,911,993	-	8,903,599
Design and supervision for rural infrastructure	159,725	108,365	-	-	268,090
	<b>1,947,050</b>	<b>4,312,646</b>	<b>2,911,993</b>	-	<b>9,171,689</b>
<b>Programme Management Component</b>					
Recurrent costs	264,352	250,311	250,308	131,160	896,131
<b>Total uses from OFID Loan 1390P sources</b>	<b>2,211,402</b>	<b>4,562,957</b>	<b>3,162,301</b>	<b>131,160</b>	<b>10,067,820</b>
<b>From Republic of Armenia Government co-financing and Community contribution sources</b>					
<b>The Rural Infrastructure Investment Component</b>					
Civil works for rural infrastructure	1,044,359	2,565,075	827,353	-	4,436,787
Design and supervision for rural infrastructure	161,214	109,753	87,103	-	358,070
	<b>1,205,573</b>	<b>2,674,828</b>	<b>914,456</b>	-	<b>4,794,857</b>
<b>Programme Management Component</b>					
Recurrent costs	12,542	-	-	-	12,542
<b>Total uses from Republic of Armenia Government co-financing and Community contribution sources</b>	<b>1,218,115</b>	<b>2,674,828</b>	<b>914,456</b>	-	<b>4,807,399</b>
<b>Total payments</b>	<b>3,429,517</b>	<b>7,237,785</b>	<b>4,076,757</b>	<b>131,160</b>	<b>14,875,219</b>

The statement of uses of funds by project activity is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

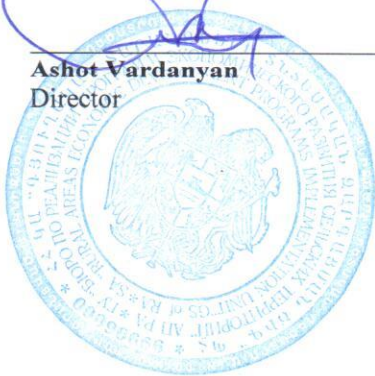


USD	Year ended 31.12.2014	Cumulative as at 31.12.2014
<i>Receipts</i>		
DK Grant 817-AM	1,000,000	1,000,000
RA Government co-financing	15,865	15,865
<b>Total funds</b>	<b>1,015,865</b>	<b>1,015,865</b>
<i>Uses of funds</i>		
<b>From DK Grant 817-AM sources</b>		
Technical assistance	27,516	27,516
	<b>27,516</b>	<b>27,516</b>
<b>From Republic of Armenia Government co-financing sources</b>		
Technical assistance	6,186	6,186
	<b>6,186</b>	<b>6,186</b>
<b>Total payments</b>	<b>33,702</b>	<b>33,702</b>
<b>Cash increase</b>	<b>982,163</b>	<b>982,163</b>
Opening cash balance	-	-
<b>Closing cash balance</b>	<b>982,163</b>	<b>982,163</b>

These special purpose financial statements were approved by the management of State Agency Rural Areas Economic Development Programs Implementation Unit on 25 June 2015 and were signed on its behalf by:

**Ashot Vardanyan**  
Director

**Gayane Hovhannisyan**  
Chief Accountant



The statement of project sources and uses of funds is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

*State Agency Rural Areas Economic Development Programs Implementation Unit*  
*Rural Assets Creation Programme*  
*Statement of Uses of Funds by Project Activity*  
*DK Grant 817-AM*  
*for the year ended 31 December 2014*

USD	Year ended 31.12.2014	Cumulative as at 31.12.2014
<b>From DK Grant 817-AM sources</b>		
<b>Support to Fruit and Nuts Sector</b>		
Technical assistance	27,516	27,516
<b>Total uses from DK Grant sources</b>	<b>27,516</b>	<b>27,516</b>
<b>From Republic of Armenia Government co-financing sources</b>		
<b>Support to Fruit and Nuts Sector</b>		
Technical assistance	6,186	6,186
<b>Total uses from Republic of Armenia Government co- financing sources</b>	<b>6,186</b>	<b>6,186</b>
<b>Total payments</b>	<b>33,702</b>	<b>33,702</b>

The statement of uses of funds by project activity is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.



## IFAD Loan 817-AM

*In USD*

Category description:

Withdrawal Application No:	Advance payment	1.Civil works	2.Equipment, goods and vehicles	3.Training, technical assistance and specialist services	4.Fruit Armenia financing	5.Recurrent costs	6.Un-allocated	Total
<b>Year ended 31.12.2011</b>								
1	2,000,000	-	-	-	-	-	-	2,000,000
<b>Year ended 31.12.2012</b>								
2	-	-	-	4,996	18,346	131,001	-	154,343
3	-	-	2,362	2,933	18,412	101,242	-	124,949
4	1,000,000	-	-	-	-	-	-	1,000,000
<b>Total 2012</b>	<b>1,000,000</b>	<b>-</b>	<b>2,362</b>	<b>7,929</b>	<b>36,758</b>	<b>232,243</b>	<b>-</b>	<b>1,279,292</b>
<b>Year ended 31.12.2013</b>								
5	-	-	143,433	26,521	342,547	150,227	-	662,728
6	-	-	397	1,012	75,261	52,037	-	128,707
7	-	-	-	26,592	240,644	112,703	-	379,939
<b>Total 2013</b>	<b>-</b>	<b>-</b>	<b>143,830</b>	<b>54,125</b>	<b>658,452</b>	<b>314,967</b>	<b>-</b>	<b>1,171,374</b>
<b>Year ended 31.12.2014</b>								
8	-	-	1,641	-	502,033	163,137	-	666,811
<b>Grand total</b>	<b>3,000,000</b>	<b>-</b>	<b>147,833</b>	<b>62,054</b>	<b>1,197,243</b>	<b>710,347</b>	<b>-</b>	<b>5,117,477</b>

## IFAD Grant 1219-AM

USD

Category description:

Withdrawal Application No:	Advance payment	Fruit Armenia financing	Total
<b>Year ended 31.12.2012</b>			
1	130,835	-	130,835
<b>Year ended 31.12.2013</b>			
2	171,562	73,938	245,500
3	(119,949)	119,949	-
<b>Total 2013</b>	<b>51,613</b>	<b>193,887</b>	<b>245,500</b>
<b>Year ended 31.12.2014</b>			
4	120,000	-	120,000
4	(53,446)	53,446	-
<b>Total 2014</b>	<b>66,554</b>	<b>53,446</b>	<b>120,000</b>
<b>Grand total</b>	<b>249,002</b>	<b>247,333</b>	<b>496,335</b>

The SOE withdrawal schedule is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

**OFID Loan 1390P**

**In USD**

**Category description:**

Withdrawal Application No:	Advance payment	1.Public utilities investment	2.Design and supervision	3.Project management	Total
<b>Year ended 31.12.2012</b>					
1	200,000	-	-	-	200,000
2	-	-	-	134,894	134,894
3	-	-	-	101,242	101,242
4	-	2,017,749	-	-	2,017,749
5	-	493,567	-	-	493,567
6	-	400,677	-	-	400,677
<b>Total 2012</b>	<b>200,000</b>	<b>2,911,993</b>	<b>-</b>	<b>236,136</b>	<b>3,348,129</b>
<b>Year ended 31.12.2013</b>					
7	-	478,831	-	-	478,831
8	-	418,267	-	-	418,267
9	-	-	35,816	-	35,816
10	-	138,165	-	-	138,165
11	-	415,337	-	-	415,337
12	-	-	16,264	-	16,264
13 (rejected)	-	-	-	-	-
14	-	943,606	-	-	943,606
15	-	110,102	-	-	110,102
16	-	-	20,919	-	20,919
17	-	-	-	154,707	154,707
18	-	440,769	-	-	440,769
19	-	-	11,900	-	11,900
20	-	11,547	-	-	11,547
21	-	-	-	52,036	52,036
22	-	58,341	-	-	58,341
23	-	52,192	-	-	52,192
24	-	377,787	-	-	377,787
25	-	-	15,386	-	15,386
26	-	104,062	-	-	104,062
27	-	-	8,955	-	8,955
28	-	257,986	-	-	257,986
29	-	-	6,405	-	6,405
30	-	-	-	115,157	115,157
31	-	215,249	-	-	215,249
32	-	-	7,252	-	7,252
33	-	166,735	-	-	166,735
34	-	-	7,543	-	7,543
35	-	15,304	-	-	15,304
<b>Total 2013</b>	<b>-</b>	<b>4,204,280</b>	<b>130,440</b>	<b>321,900</b>	<b>4,656,620</b>

The SOE withdrawal schedule is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.



**Loan 1390P (continued)**

**In USD**

**Category description:**

Withdrawal Application No:	Advance payment	1.Public utilities investment	2.Design and supervision	3.Project management	Total
<b>Year ended 31.12.2014</b>					
37	-	4,062	-	-	4,062
38	-	672,120	-	-	672,120
39	-	765,086	-	-	765,086
36	-	-	2,153	-	2,153
40	-	39,188	-	-	39,188
41	-	-	29,433	-	29,433
42	-	-	-	152,225	152,225
43	-	19,627	-	-	19,627
44	-	-	50,435	-	50,435
45	-	119,842	-	-	119,842
46	-	83,191	-	-	83,191
47	-	84,370	-	-	84,370
48	-	77,704	-	-	77,704
<b>Total 2014</b>	-	<b>1,865,190</b>	<b>82,021</b>	<b>152,225</b>	<b>2,099,436</b>
<b>Grand total</b>	<b>200,000</b>	<b>8,981,463</b>	<b>212,461</b>	<b>710,261</b>	<b>10,104,185</b>

**Grant No: COFIN-DK-817-AM**

**USD**

**Category description:**

Withdrawal Application No:	Advance payment	1.Technical assistance	2.Credit, Guarantee Funds (including RFF management fee)	3.Consulting services	Total
<b>Year ended 31.12.2014</b>					
1	1,000,000	-	-	-	1,000,000
<b>Grand total</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>

The SOE withdrawal schedule is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

Account number: 900000917030

Central Treasury of the Ministry of Finance of the Republic of Armenia

USD	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011
<b>Opening balance as at 1 January</b>	<b>1,757,520</b>	<b>636,146</b>	<b>300,000</b>	<b>-</b>
<i><b>Replenishment</b></i>				
IFAD fund replenishment during the current year	666,812	1,171,374	1,124,949	2,000,000
<b>Total IFAD fund replenishment</b>	<b>666,812</b>	<b>1,171,374</b>	<b>1,124,949</b>	<b>2,000,000</b>
<i><b>Payments</b></i>	49,527.57			
Transfers to components *	59,798	-	-	1,700,000
Direct payments		-	1,162	-
Transfer to bank accounts	280,000	50,000	787,641	-
<b>Total payments</b>	<b>339,798</b>	<b>50,000</b>	<b>788,803</b>	<b>1,700,000</b>
<b>Balance as at 31 December</b>	<b>2,084,534</b>	<b>1,757,520</b>	<b>636,146</b>	<b>300,000</b>

\* The transfers to components represent amounts transferred to "Fruit Armenia" ojsc.

The special account statement is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.



Account number: 900000917055

Central Treasury of the Ministry of Finance of the Republic of Armenia

USD	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011
<b>Opening balance as at 1 January</b>	<b>96,500</b>	-	-	-
<i><b>Replenishment</b></i>				
IFAD fund replenishment during the current year	120,000	245,500	130,835	-
<b>Total IFAD fund replenishment</b>	<b>120,000</b>	<b>245,500</b>	<b>130,835</b>	-
<i><b>Payments</b></i>				
Transfers to components *	-	149,000	130,835	-
<b>Total payments</b>	-	<b>149,000</b>	<b>130,835</b>	-
<b>Balance as at 31 December</b>	<b>216,500</b>	<b>96,500</b>	-	-

\* The transfers to components represent amounts transferred to "Fruit Armenia" ojsc.

The special account statement is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

Account number: 900000917097

Central Treasury of the Ministry of Finance of the Republic of Armenia

USD	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011
<b>Opening balance as at 1 January</b>	<b>213,495</b>	-	-	-
<i><b>Replenishment</b></i>				
OFID fund replenishment during the current year	152,180	321,818	436,058	-
<b>Total OFID fund replenishment</b>	<b>152,180</b>	<b>321,818</b>	<b>436,058</b>	-
<i><b>Payments</b></i>		108,323	436,058	
Transfer to bank accounts	<b>280,000</b>	<b>108,323</b>	<b>436,058</b>	-
<b>Balance as at 31 December</b>	<b>85,675</b>	<b>213,495</b>	-	-

The special account statement is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

Account number: 900000929241

Central Treasury of the Ministry of Finance of the Republic of Armenia

USD	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 31.12.2012	Year ended 31.12.2011
<b>Opening balance as at 1 January</b>	-	-	-	-
<b>Replenishment</b>				
DK Grant fund replenishment during the current year	1,000,000	-	-	-
<b>Total DK Grant fund replenishment</b>	<b>1,000,000</b>	-	-	-
<b>Payments</b>				
Transfers to components	27,516	-	-	-
<b>Balance as at 31 December</b>	<b>972,484</b>	-	-	-

The special account statement is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.



*State Agency Rural Areas Economic Development Programs Implementation Unit  
Rural Assets Creation Programme  
Statement of Comparison of Budget and Actual Amounts  
for the year ended 31 December 2014*

USD		<u>2014 budget</u>	<u>2014 actual</u>	<u>Variance</u>
		<u>Unaudited</u>		<u>Unaudited</u>
<b>Project expenditures by components</b>				
<b>IFAD Loan 817-AM</b>				
Support to Fruit and Nuts Sector	(i)	2,311,000	965,232	1,345,768
Rural Infrastructure component		110,000	-	110,000
Programme Management component		433,000	316,889*	116,111
		<u>2,854,000</u>	<u>1,282,121</u>	<u>1,571,879</u>
<b>IFAD Grant 1219-AM</b>				
Support to Fruit and Nuts Sector	(ii)	<u>143,000</u>	<u>18,055</u>	<u>124,945</u>
<b>DK Grant 817-AM</b>				
Technical assistance		319,000	27,516	291,484
Credit, Guarantee Funds (including RFF management fee)		1,781,000	-	1,781,000
	(iii)	<u>2,100,000</u>	<u>27,516</u>	<u>2,072,484</u>
<b>OFID Loan 1390P</b>				
Rural Infrastructure component	(iv)	5,840,000	1,947,050	3,892,950
Programme Management component		340,000	264,352	75,648
		<u>6,180,000</u>	<u>2,211,402</u>	<u>3,968,598</u>
<b>Republic of Armenia Government and Community contribution co-financing</b>				
Support to Fruit and Nuts Sector (including DK Grant co-financing)		574,464	55,926	518,538
Rural Infrastructure component		2,190,223	1,205,573	984,650
Programme Management component		168,312	42,632	125,680
		<u>2,932,999</u>	<u>1,304,131</u>	<u>1,628,868</u>
<b>Total project expenditures</b>		<u>14,209,999</u>	<u>4,843,225</u>	<u>9,366,775</u>

\* These payments exclude Rural Finance Facility portion

**Explanations to material variances (unaudited)**

- (i) The budget is underperformed mainly due to low implementation rate of planned operations. The issue has been raised also by IFAD Mission in 2014 November-December, which reviewed the Programme and recommended to consolidate the Support to Fruit and Nuts Sector component, mainly, not to expand the orchard establishment operations beyond 80 hectar (adding only 30 hectar of orchards currently committed to establish). At present the

The statement of comparison of budget and actual amounts is to be read in conjunction with the notes to, and forming part of, the special purpose financial statements set out on pages 22 to 26.

RACP financial agreement is in process of amendment to reflect the consolidated operations of "Fruit Armenia" OJSC.

- (ii) The Grant operations' low implementation rate is resulted from the limited progress of IFAD Loan operations. Therefore no need for new consultancy was identified.
- (iii) In December relevant consultancy was procured to carry out modelling and feasibility study based on which the final lending product would be designed. The final lending product would be developed in April 2015 which will be followed by lending operations. Lending will be channelled via RFF.
- (iv) Design documents and cost estimates for the Rural Infrastructure component were finalised in October 2014 followed by relevant bidding procedures and selection of civil works contractors. Civil works would be carried out in 2015.

## **1 Background**

### **(a) Organisation and operations**

The Rural Assets Creation Programme (the Project) is implemented by the Rural Areas Economic Development Programs Implementation Unit State Agency (the Entity). The Entity is the legal successor of the Rural Areas Economic Development Programme Analysis and Administration Unit State Institution, which was established in accordance with the Republic of Armenia Government Decree N 592-N dated 19 May 2005.

The founder of the Entity is the Republic of Armenia (RA) represented by the RA Government.

The Programme Financing Agreement was signed on 30 November 2010 between the Republic of Armenia and the International Fund for Agricultural Development (IFAD) upon which IFAD extended a credit in the amount of 8,900,000 SDR (Special Drawing Rights) - IFAD Loan 817-AM and a grant in the amount of SDR 330,000 - IFAD Grant 1219-AM.

The Project is also financed through a credit from the OPEC Fund for International Development (OFID). The financing agreement was signed on 8 June 2011 between the Republic of Armenia and OFID upon which OFID extended a credit in the amount of USD 20,000,000 - OFID Loan 1390P.

On 23 April 2014 a grant agreement was signed between the Republic of Armenia Government and IFAD, upon which the Government of the Kingdom of Denmark provided co-financing for the Programme in the amount of DKK 23,510,000 - Grant DK 817-AM.

The Project's objective is to reduce rural poverty in Armenia.

The Project shall benefit smallholder women and men and key stakeholders in the fruit and nut value chains as well as the general population of disadvantaged mountain area communities of Armenia.

The Project consists of the following components:

- support to Fruits and Nuts Sector;
- rural infrastructure; and
- programme management.

The Project commenced on 4 May 2011 and is expected to be completed in five years from commencement date.

### **(b) Project funds**

Funds for the Project are received from:

- International Fund for Agricultural Development (IFAD)
- OPEC Fund for International Development (OFID)
- The Kingdom of Denmark
- The RA Government
- Communities in Armenia

### **(c) IFAD Loan 817-AM, IFAD Grant 1219-AM, OFID Loan 1390P, Grant DK 817-AM**

The receipts from IFAD Loan 817-AM, IFAD Grant 1219-AM, OFID Loan 1390P and Grant DK 817-AM represent grants for the Entity provided by the Government of the Republic of Armenia.



The loans and grants are issued to the Republic of Armenia Government and the Republic of Armenia Government incurs all liabilities with respect to repayment of the loans.

**(d) Taxes**

The Project, as tax agent, is exempt from withholding personal income tax payments from staff salaries and incomes paid to individuals on other services as provided by the terms of the Programme Financing Agreement. These liabilities for taxes are the responsibility of those individuals.

Other tax liabilities are calculated and paid in accordance with relevant tax regulations of the Republic of Armenia from the Republic of Armenia Government co-financing sources.

**(e) Amounts transferred from/(to) other funds**

Amounts transferred to other funds represent transfers between internal project accounts in case of delays in replenishment of funds.

**(f) Prepayment to Fruit Armenia**

The prepayment to "Fruit Armenia" ojsc represents the transfer of funds which will be converted into the equity of "Fruit Armenia" ojsc or grants and loans provided to "Fruit Armenia" ojsc (as stated in the Programme Financing Agreement) and which will later be used for payments of expenditures incurred by "Fruit Armenia" ojsc.

## **2 Basis of preparation and significant accounting policies**

**(a) Statement of compliance**

These special purpose financial statements have been prepared in accordance with the cash basis of accounting.

**(b) Cash basis of accounting**

The cash basis of accounting recognizes transactions and events only when cash is received or paid by the Entity.

**(c) Presentation currency**

The national currency of the Republic of Armenia is the Armenian Dram ("AMD"). These special purpose financial statements are presented in USD. All financial information presented in USD has been rounded to the nearest USD.

**(d) Foreign currency transactions**

Foreign currency translation of receipts and payments are converted using the actual historic exchange rate at the conversion date from the special account to the local operating accounts. Where part of the expenditure has to be met from the proceeds of subsequent draw-downs from the special account to the local account, this is done on a first-in first-out basis. All local expenditures paid from local accounts/currency are translated back to USD at the actual rate used for the transfer from the special account to the local account.

Allocated amounts disclosed in Note 4 are translated into USD using the Special Drawing Rights ("SDR") exchange rate prevailing at the Project appraisal document date. Disbursements disclosed in Note 4 are translated into USD using SDR (or DKK, as applicable) exchange rates prevailing at the

disbursement dates. The outstanding balances of the Project funds are translated to USD based on the SDR (or DKK, as applicable) exchange rate as at 31 December 2014.

**(e) Budget**

The budget is developed on the cash basis, using the same classifications and for the same period as these special purpose financial statements.

**(f) Categories of expenditures**

The categories of expenditures incurred are presented in line with the categories specified in the Programme Financing Agreement.

**3 Cash and bank balances**

USD	2014	2013	2012	2011
<b><i>IFAD Loan 817-AM, IFAD Grant 1219-AM</i></b>				
Special account (IFAD Loan 817-AM)	2,084,534	1,757,520	636,146	300,000
Special account (IFAD Grant 1219-AM)	216,500	96,500	-	-
Bank accounts	1,026,389	615,203	1,000,614	59,800
	<b>3,327,423</b>	<b>2,469,223</b>	<b>1,636,760</b>	<b>359,800</b>
<b><i>DK Grant 817-AM</i></b>				
Special account (DK Grant 817-AM)	972,484	-	-	-
Bank account	9,679	-	-	-
	<b>982,163</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>OFID Loan 1390P</i></b>				
Special account	85,675	213,495	-	-
Bank accounts	1,658,877	619,442	1,962,655	824,247
	<b>1,744,552</b>	<b>832,937</b>	<b>1,962,655</b>	<b>824,247</b>



## 4 Allocation and use of the funds

Components	Allocated		Disbursed		Available balance	
	Amount SDR	Equivalent USD (note 2(d))	Amount SDR	Equivalent USD (note 2(d))	Amount SDR	Equivalent USD (note 2(d))
<i>IFAD Loan 817-AM</i>						
<b>Civil Works</b>						
Contracted works for rural transportation infrastructure	730,000	1,107,303	-	-	730,000	1,057,631
Design and supervision for rural transportation infrastructure	65,000	98,596	-	-	65,000	94,173
<b>Equipment, Goods and Vehicles</b>	110,000	166,854	97,976	147,833	12,024	17,420
<b>Training, Technical Assistance and Specialist Services</b>	370,000	561,236	40,839	62,055	329,161	476,892
<b>Fruit Armenia Financing</b>	6,720,000	10,193,258	785,074	1,197,243	5,934,926	8,598,580
<b>Recurrent Costs</b>	755,000	1,145,225	467,279	710,347	287,721	416,853
<b>Unallocated</b>	150,000	227,528	-	-	150,000	217,322
<b>Advance Payment</b>	-	-	1,964,915	3,000,000	(1,964,915)	(2,846,789)
	<b>8,900,000</b>	<b>13,500,000</b>	<b>3,356,083</b>	<b>5,117,478</b>	<b>5,543,917</b>	<b>8,032,082</b>
<i>IFAD Grant 1219-AM</i>						
<b>Fruit Armenia Financing</b>	<b>330,000</b>	<b>500,000</b>	<b>325,382</b>	<b>496,335</b>	<b>4,618</b>	<b>6,691</b>
	<b>Allocated</b>		<b>Disbursed</b>		<b>Available balance</b>	
Components	<b>USD</b>		<b>USD</b>		<b>USD</b>	
<i>OFID Loan 1390P</i>						
<b>Rural infrastructure</b>						
Public utilities investment		17,484,000		8,981,463		8,502,537
Design and supervision		1,316,000		212,461		1,103,539
<b>Project Management</b>		1,200,000		710,261		489,739
<b>Advance Payment</b>		-		200,000		(200,000)
		<b>20,000,000</b>		<b>10,104,185</b>		<b>9,895,815</b>
	<b>Allocated</b>		<b>Disbursed</b>		<b>Available balance</b>	
Components	<b>Amount DKK</b>	<b>Equivalent USD (note 2(d))</b>	<b>Amount DKK</b>	<b>Equivalent USD (note 2(d))</b>	<b>Amount DKK</b>	<b>Equivalent USD (note 2(d))</b>
<i>DK Grant 817-AM</i>						
<b>Technical Assistance</b>	1,100,000	193,500	-	-	1,100,000	178,923
<b>Credit, Guarantee funds (including RFF management fee)</b>						3,245,010
	19,950,000	3,508,600	-	-	19,950,000	
<b>Consulting services</b>	2,050,000	360,500	-	-	2,050,000	333,447
<b>Unallocated</b>	410,000	72,000	-	-	410,000	66,689
<b>Advance Payment</b>	-	-	6,147,900	1,000,000	(6,147,900)	(1,000,000)
	<b>23,510,000</b>	<b>4,134,600</b>	<b>6,147,900</b>	<b>1,000,000</b>	<b>17,362,100</b>	<b>2,824,069</b>



## 5 Reconciliation with financial information of “Fruit Armenia” ojsc

USD	2014	2013	2012	2011	Cumulative
<b>Advances paid as per “Fruit Armenia” ojsc financial information</b>					
IFAD Grant 1219-AM	-	213,453	169,406	-	382,859
IFAD Loan 817-AM	169,367	-	120,995	1,700,000	1,990,362
	<u>169,367</u>	<u>213,453</u>	<u>290,401</u>	<u>1,700,000</u>	<u>2,373,221</u>
<b>Use of funds as per “Fruit Armenia” ojsc financial information</b>					
<b>From IFAD Loan 817-AM sources</b>					
Civil works for rural infrastructure	78,356	70,568	82,719	-	231,643
Design and supervision for rural infrastructure	10,950	29,782	44,967	-	85,699
Equipment, goods and vehicles	518,707	116,652	75,952	-	711,311
Training, technical assistance and specialist services	63,138	20,797	15,603	-	99,538
Recurrent costs	283,050	273,244	91,818	-	648,112
	<u>954,200</u>	<u>511,043</u>	<u>311,059</u>	<u>-</u>	<u>1,776,302</u>
<b>From IFAD Grant 1219-AM sources</b>					
Fruit Armenia financing	18,042	155,351	73,938	-	247,331
<b>From Republic of Armenia Government co-financing sources</b>					
Civil works for rural transportation infrastructure	11,348	8,449	15,395	-	35,192
Design and supervision for rural transportation infrastructure	5,058	2,330	3,401	-	10,789
Equipment, goods and vehicles	3,650	25,583	13,994	-	43,227
Training, technical assistance and specialist services	12,957	-	158	-	13,115
Recurrent costs	14,504	86,377	34,271	-	135,152
	<u>47,517</u>	<u>122,739</u>	<u>67,219</u>	<u>-</u>	<u>237,475</u>
<b>Total payments</b>	<u>1,019,759</u>	<u>789,133</u>	<u>452,216</u>	<u>-</u>	<u>2,261,108</u>
<b>Prepayment utilized by/(given to) “Fruit Armenia” ojsc, as per “Fruit Armenia” ojsc financial information</b>	<u>(850,392)</u>	<u>(575,680)</u>	<u>(161,815)</u>	<u>1,700,000</u>	<u>112,113</u>
<b>Prepayment utilized by/(given to) “Fruit Armenia” ojsc, as per Statement of Project Sources and Uses of Funds of the Entity</b>	<u>850,397</u>	<u>576,368</u>	<u>159,758</u>	<u>(1,700,000)</u>	<u>(113,477)</u>
<b>Difference *</b>	<u>5</u>	<u>688</u>	<u>(2,057)</u>	<u>-</u>	<u>(1,364)</u>

\* Difference is explained by different foreign currency exchanges rates applied by the Entity and “Fruit Armenia” ojsc.

## 6 Reconciliation between the amounts received by the Project and disbursed by the Donor

USD	Withdrawal Application No:	Entity	Donor	Variance
<b>IFAD Loan 817-AM</b>				
<b>2014</b>				
<i>Expenditure Categories:</i>				
Equipment, goods and vehicles	8	1,641	1,641	-
Fruit Armenia financing	8	502,033	502,033	-
Recurrent costs	8	163,137	163,137	-
<b>Total for 2014</b>		<b>666,811</b>	<b>666,811</b>	-
<b>2013</b>				
<i>Expenditure Categories:</i>				
Equipment, goods and vehicles	5	143,433	143,433	-
Equipment, goods and vehicles	6	397	397	-
Training, technical assistance and specialist services	7	26,592	26,592	-
Training, technical assistance and specialist services	5	26,521	26,521	-
Training, technical assistance and specialist services	6	1,012	1,012	-
Fruit Armenia financing	5	342,547	342,547	-
Fruit Armenia financing	7	240,644	240,644	-
Fruit Armenia financing	6	75,261	75,261	-
Recurrent costs	5	150,227	150,227	-
Recurrent costs	7	112,703	112,703	-
Recurrent costs	6	52,037	52,037	-
<b>Total for 2013</b>		<b>1,171,374</b>	<b>1,171,374</b>	-
<b>2012</b>				
<b>Advance payment</b>	4	1,000,000	1,000,000	-
<i>Expenditure Categories:</i>				
Equipment, goods and vehicles	3	2,362	2,362	-
Training, technical assistance and specialist services	2	4,996	4,996	-
Training, technical assistance and specialist services	3	2,933	2,933	-
Fruit Armenia financing	2	18,346	18,346	-
Fruit Armenia financing	3	18,412	18,412	-

*State Agency Rural Areas Economic Development Programs Implementation Unit  
Rural Assets Creation Programme*

*Annex 1. Reconciliation between the amounts received by the Project and disbursed by the Donor  
for the year ended 31 December 2014*

USD	Withdrawal Application No:	Entity	Donor	Variance
<b>IFAD Loan 817-AM</b>				
Recurrent costs	2	131,001	131,001	-
Recurrent costs	3	101,242	101,242	-
<b>Total for 2012</b>		<b>1,279,292</b>	<b>1,279,292</b>	-
<b>2011</b>				
Advance payment	1	2,000,000	2,000,000	-
<b>Grand total</b>		<b>5,117,477</b>	<b>5,117,477</b>	-
<b>IFAD Grant 1219-AM</b>				
<b>2014</b>				
Advance payment	4	120,000	120,000	-
<b>2013</b>				
Advance payment	2	245,500	245,500	-
<b>2012</b>				
Advance payment	1	130,835	130,835	-
<b>Grand total</b>		<b>496,335</b>	<b>496,335</b>	-
<b>OFID Loan 1390P</b>				
<b>2014</b>				
Public utilities investment	37	4,062	4,062	
Public utilities investment	38	672,120	672,120	
Public utilities investment	39	765,086	765,086	
Public utilities investment	40	39,188	39,188	
Public utilities investment	43	19,627	19,627	
Public utilities investment	45	119,842	119,842	
Public utilities investment	46	83,191	83,191	
Public utilities investment	47	84,370	84,370	
Design and supervision	36	2,153	2,153	
Design and supervision	41	29,433	29,433	
Design and supervision	44	50,435	50,435	
Design and supervision	48	77,704	77,704	
Project management	42	152,180	152,225	45
<b>Total for 2014</b>		<b>2,099,391</b>	<b>2,099,436</b>	<b>45</b>



*State Agency Rural Areas Economic Development Programs Implementation Unit  
Rural Assets Creation Programme  
Annex 1. Reconciliation between the amounts received by the Project and disbursed by the Donor  
for the year ended 31 December 2014*

USD	Withdrawal Application No:	Entity	Donor	Variance
<b>OFID Loan 1390P</b>				
<b>2013</b>				
Public utilities investment	14	943,606	943,606	-
Public utilities investment	7	478,831	478,831	-
Public utilities investment	18	440,769	440,769	-
Public utilities investment	8	418,267	418,267	-
Public utilities investment	11	415,337	415,337	-
Public utilities investment	24	377,787	377,787	-
Public utilities investment	28	257,986	257,986	-
Public utilities investment	31	215,249	215,249	-
Public utilities investment	33	166,735	166,735	-
Public utilities investment	10	138,165	138,165	-
Public utilities investment	15	110,102	110,102	-
Public utilities investment	26	104,062	104,062	-
Public utilities investment	22	58,341	58,341	-
Public utilities investment	23	52,192	52,192	-
Public utilities investment	35	15,304	15,304	-
Public utilities investment	20	11,547	11,547	-
Design and supervision	9	35,816	35,816	-
Design and supervision	16	20,919	20,919	-
Design and supervision	12	16,264	16,264	-
Design and supervision	25	15,386	15,386	-
Design and supervision	19	11,900	11,900	-
Design and supervision	27	8,955	8,955	-
Design and supervision	34	7,543	7,543	-
Design and supervision	32	7,252	7,252	-
Design and supervision	29	6,405	6,405	-
Project management	17	154,707	154,707	-
Project management	30	115,112	115,157	45
Project management	21	51,999	52,036	37
<b>Total</b>		<b>4,656,538</b>	<b>4,656,620</b>	<b>82</b>

*State Agency Rural Areas Economic Development Programs Implementation Unit  
Rural Assets Creation Programme  
Annex 1. Reconciliation between the amounts received by the Project and disbursed by the Donor  
for the year ended 31 December 2014*

USD	Withdrawal Application No:	Entity	Donor	Variance
<b>OFID Loan 1390P</b>				
<b>2012</b>				
Advance payment	1	200,000	200,000	-
Public utilities investment	4	2,017,749	2,017,749	-
Public utilities investment	5	493,567	493,567	-
Public utilities investment	6	400,677	400,677	-
Project management	2	134,816	134,894	78
Project management	3	101,242	101,242	-
<b>Total for 2012</b>		<b>3,348,051</b>	<b>3,348,129</b>	<b>78</b>
<b>Grand total</b>		<b>10,103,980</b>	<b>10,104,185</b>	<b>205</b>
<b>Grant No: COFIN-DK-817-AM</b>				
<b>2014</b>				
Advance payment	1	1,000,000	1,000,000	-

Below is the information on fixed assets acquired under the Project that is employed by the RAED PIU for implementing the Project.

	Computer software	Computers and accessories	Vehicles	Fixture, fittings and other	Total
	USD	USD	USD	USD	USD
<i>Cost</i>					
Balance at 1 January 2014	29,071	47,217	115,890	6,856	199,034
Additions	4,497	8,590	-	5,642	18,729
Disposals	-	-	-	-	-
Balance at 31 December 2014	<u>33,568</u>	<u>55,807</u>	<u>115,890</u>	<u>12,498</u>	<u>217,763</u>