



INDEPENDENT AUDITORS' REPORT

With audited financial statements
for the year ended 31 December 2015

Agriculture and Rural Development Project

(IDA Credit No. 5005 - XK; DANIDA Grant TF016235)

Project

“Agriculture and Rural Development” Project

Financed under World Bank (IDA Credit No. 5005 – XK and DANIDA Grant No. TF016235)

<i>Project ID</i>	<i>P112526</i>
<i>Status</i>	<i>Effective</i>
<i>Approval date</i>	<i>June 14, 2011 (IDA Credit 5005 – XK)</i> <i>February 06, 2014 (TF016235)</i>
<i>Effective date</i>	<i>May 03, 2012 (IDA Credit 5005 – XK)</i> <i>March 18, 2014 (TF016235)</i>
<i>Closing date</i>	<i>July 31, 2017 (IDA Credit 5005 – XK)</i> <i>December 30, 2016 (TF016235)</i>
<i>Country</i>	<i>Kosovo</i>

Audited by

"FICADEX ALBANIA" Ltd

Jacques COLIBERT

Maria DUSHI

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Municipal Unit no. 8, Tirana-Albania*

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Mission

Audit of special purpose Financial Statements

For the year ended December 31, 2015

Report

Date: July 14, 2016

Version: Final report

Declaration of responsibility

The entire documentation was provided by the management of the Project, MAFRD and MoF of Kosovo.

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INDEPENDENT AUDITORS’ REPORT

To the Minister of Finance, Republic of Kosovo

We have audited the accompanying financial statements of “Agriculture and Rural Development” Project, financed under World Bank (IDA Credit No. 5005 - XK and DANIDA Grant No. TF016235), which comprise the statement of cash receipts and payments and the statement of expenditures for the year ended December 31, 2015 and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in note 2 to the financial statements; this includes determining that the cash basis of accounting is an acceptable bases for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above, presents fairly in all material respects, the funds received and expenses paid by the “Agriculture and Rural Development” Project, financed under World Bank (IDA Credit No. 5005 - XK and DANIDA Grant No. TF016235) for the year ended December 31, 2015 in accordance with the cash receipts and disbursements basis as described in note 2 to the financial statements.

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Report on other requirements

As required by the Ministry of Finance specific audit procedures, we have audited not less than 5 % of the number of grants awarded under Rural Development Grant Program, financed under World Bank (IDA Credit No. 5005 - XK and DANIDA Grant No.TF016235) for the year ended December 31, 2015.

We report that funds advanced, disbursed and available were justified with documentation, including reconciliations of funds and appropriately recorded accounting records of recipients, as described in the Rural Development Grant Manual of Kosovo Agriculture and Rural Development Project.

Basis of Accounting

We draw attention to note 2 of the financial statements, which describe the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the Republic of Kosovo. Our opinion is not modified with respect to this matter.

Kosovo July 14, 2016


FICADEX ALBANIA Ltd

Jacques COLIBERT

Marije DUSHI



Agriculture and Rural Development Project
(IDA Credit No. 50050 – XK; DANIDA Grant TF016235)

Statement of Sources and Uses of Funds

for the year ended December 31, 2015


(in EUR unless otherwise stated)

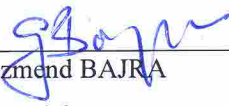
(in EUR unless otherwise stated)

Sources and uses	Notes	Year ended		From May 03,2012 (inception date) to:	Cumulative from May 03,2012 (inception date) to:
		December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2015
Sources of Funds:					
IDA Credit 5005 funding	4	2,405,295.28	3,846,782.32	3,111,494.01	9,363,571.61
DANIDA Grant No. TF016235	5	3,127,772.15	3,035,094.22	-	6,162,866.37
Temporary advances received by Government of Kosovo	6	(1,216,835.51)	(946,759.40)	3,507,025.07	1,343,430.16
Total courses		4,316,231.92	5,935,117.14	6,618,519.08	16,869,868.14
Uses of Funds:					
Goods	6	-	(20,980.00)	(464,168.08)	(485,148.08)
Consulting services	7	(493,433.91)	(568,075.52)	(508,956.39)	(1,570,465.82)
Training	8	(37,255.83)	(66,533.52)	(31,312.60)	(135,101.95)
Operating incremental costs	9	(77,809.71)	(82,449.39)	(86,898.89)	(247,157.99)
Sub - Projects grants for farmers	10	(3,707,732.47)	(5,197,078.71)	(5,527,183.12)	(14,431,994.30)
Total uses	11	(4,316,231.92)	(5,935,117.14)	(6,618,519.08)	(16,689,868.14)
Exchange rate differences		-	-	-	-
Cash on hand and at banks at the end of the year		-	-	-	-

The Statement of Sources and Uses of Funds is to be read in conjunction with the notes set out on pages 4 to 13 and forming an integral part of the financial statements.

The financial statements of the Agriculture and Rural Development Project were authorised for issue by the management of the Project on June 10, 2016 and signed on its behalf by:


Arlinda ARENLIU
Project Director


Gazmend BAJRA
Financial management


Agriculture and Rural Development Project
(IDA Credit No. 5005 - XK; DANIDA Grant TF016235)

Statement of expenditures (Withdrawal Schedule)
for the year ended December 31, 2015
(in EUR unless otherwise stated)

IDA Credit No. 5005 - XK funding

Withdrawal application	Type of application	Appl. Pym. Amt	Paid amount	Goods	Sub - projects grants for farmer	Consultant services	Training	Operating incremental Costs	SOE	Deducted	Date received	Value date
ARDP/007	Reimbursement	2,405,295.28	2,405,295.28	20,980.00	1,999,105.20	292,178.81	42,828.48	50,202.79	2,405,295.28	-	09-Sep-15	17-Sep-15
Total Reimbursement		2,405,295.28	2,405,295.28	20,980.00	1,999,105.20	292,178.81	42,828.48	50,202.79	2,405,295.28	-		
Total Direct payments		-	-	-	-	-	-	-	-	-		
WA total		2,405,295.28	2,405,295.28	20,980.00	1,999,105.20	292,178.81	42,828.48	50,202.79	2,405,295.28	-		


Arlinda ARENLIU
Project Director

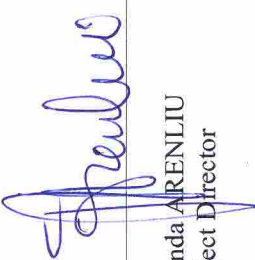

Gazmend BAJRA
Financial management

Agriculture and Rural Development Project
(IDA Credit No. 5005 - XK; DANIDA Grant TF016235)

Statement of expenditures (Withdrawal Schedule)
for the year ended December 31, 2015
(in EUR unless otherwise stated)

DANIDA Grant TF016235

Withdrawal application	Type of application	Appl. Pym. Amt	Paid amount	Goods	Sub - projects grants for farmer	Consultant services	Training	Operating incremental Costs	SOE	Deducted	Date received	Value date
ARDP/003	Reimbursement	3,127,772.15	3,127,772.15	-	3,127,772.15	-	-	-	3,127,772.15	-	14-Jul-15	24-Jul-15
Total Reimbursement		3,127,772.15	3,127,772.15	-	3,127,772.15	-	-	-	3,127,772.15	-		
DP	Direct Payment	-	-	-	-	-	-	-	-	-		
Total direct payments		-	-	-	-	-	-	-	-	-		
WA total		3,127,772.15	3,127,772.15	-	3,127,772.15	-	-	-	3,127,772.15	-		


Arlinda ARENLIU
Project Director


Gazmend BAJRA
Financial management

Notes to the financial statements

for the year ended December 31, 2015
(in EUR unless otherwise stated)

1. General

The Financing Agreement for the Agriculture and Rural Development Project (IDA Credit 5005 – XK) - (the “Project”), was signed between the International Development Association (“IDA”) and the Republic of Kosovo “Recipient”) on July 26, 2011. The Project funding Agreement is ratified by Assembly of Republic of Kosovo with decision no. 04-V-228 on November 11, 2011. The May 3, 2012 is the effective date of the project.

IDA agrees to extend to the Recipient, on the terms and conditions set forth or referred to the Agreement, a credit (variously, “Credit” and “Financing”), in an amount equivalent to twelve million eight hundred thousand Special Drawing Rights (SDR 12,800,000) (equivalent of USD 20.15 million, as translated on the agreement July 26, 2011) to assist in financing the project.

The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to the Agreement.

On February 6, 2014 International Development Association (“World Bank”), acting as administrator of grant funds provided by the Government of the Kingdom of Denmark (“Donor”) under the Kosovo Agriculture and Rural Development Project Single –Donor Trust Fund, proposes to extend to the Recipient, a grant in an amount of six million two thousand and eighty two Euros (€6,202,082) on the terms and conditions set forth or referred in the letter agreement (“Agreement”).

In addition to the proceeds from IDA, the Project will be financed in part by funds provided by the Government of Kosovo (Co financing)

At the commencement of the Project, the Government of Kosovo (the “Recipient”) established a Project Implementation Unit (“PIU”) (PIU Director, procurement specialist, training specialist, Evaluation and monitoring specialist, administrative assistant and financial management specialist) within MAFRD to implement, monitor, control and completes the operation of the Project.

At December 31, 2015, the Project had 33 employees

The Project development objective is to assist the Government of Kosovo to promote competitiveness and growth in the livestock and horticulture sub-sectors over the next decade through implementation of selected measures of its agricultural strategy and institutional development.

The Project consists of the following parts:

Part I: Transferring Knowledge to the rural Sector

1. Provision of Training to farm operators, agro - processing enterprises, local action groups, farmer associations, other rural entrepreneurs and municipal advisors on the preparation of grant proposals for Rural Development Grants and related business plans in the livestock production, horticulture, and agro-processing and diversification sectors.
2. Carrying out of regional knowledge exchange study for farm operators and agro - processors through the provision of study tours and Training.
3. Strengthening of Municipal Rural Advisory Centres through the provision of goods and consultants' services and Training.
4. Coordinating rural advisory services through the hiring of a coordinator, and provision of Training, goods and Incremental Operating Costs.

Notes to the financial statements

for the year ended December 31, 2015
(in EUR unless otherwise stated)

1. General (continued)

The Project consists of the following parts (continued):

Part II: Enhancing Investments to Promote Sustainable Rural Development

1. Provision of Rural Development Grants to Beneficiaries in accordance with procedures and criteria set forth in the Project Operations Manual.
2. Capacity building of the Managing Authority and the Paying Unit, through the provision of works, goods, consultants' services, Training and Incremental Operating Costs.
3. **Part A - DANIDA**, To provide rural development grants through sub-projects to foster growth and competitiveness in the horticulture and livestock sub – sectors through to promotion of improved agricultural technologies

Part III: Project Management, Coordination, Monitoring and Evaluation

Capacity building of the PIU, through the provision of furniture, equipment, per diem and transportation costs for the PIU staff, office space and supplies, telephone and internet service and Training, as well as auditing and Incremental Operating Costs relating to the Project.

IDA Credit No. 5005 - XK

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing allocated (in SDR)	Percentage of expenditures to be financed	Amount of Credit allocated (in USD)	Amount of Credit allocated (in EUR)
1. Goods, works, consultants, services, Training, and Incremental operating costs	4,000,000	100%	5,795,240.00	4,767,586.69
2. Sub - projects	8,800,000	50%	12,749,528.00	10,488,690.72
Total amount	12,800,000		20,601,472.00	14,229,010.00

The Government of Kosovo will repay the principal amount of the Credit in semi-annual instalments payable as of describe in following:

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)
On each April 15, and October 15: commencing on October 15, 2021 to and including April 15, 2031	each instalment shall be 5 %

The maximum Commitment Charge Rate payable by the Recipient on the unwithdrawn Financing Balance shall be 0, 5% per annum

Notes to the financial statements

for the year ended December 31, 2015
(in EUR unless otherwise stated)

1. General (continued)

The service charge payable by the Recipient on the withdrawn Financing Balance shall be equal to three – fourths of one percent (3/4 of 1%) per annum.

The payment Currency is Euro

The closing date is July 31, 2017

As at 31 December 2015, EUR 9,363,571.61 (2014: 6,958,276.33) was disbursed from the Credit.

DANIDA Grant TF016235

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the grant allocated (expressed in Euros)	Percentage of expenditures to be financed
Sub - Projects	6,202,082	50%
Total amount	6,202,082	

As at 31 December 2015, EUR 6,162,866.37 (2014: 3,035,094.22) was disbursed from the Credit

Rural Development Grants

- 1) The Recipient shall make Rural Development Grants to Beneficiaries for Sub- projects in accordance with the eligibility criteria and procedures set forth in the POM.
- 2) The Recipient shall make each Rural Development Grant under a Rural Development Grant Agreement with the respective Beneficiary to be approved by the Association, and on terms and conditions approved by the Association, which shall include the following:
 - a) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Rural Development Grant, or obtain a refund of all or any part of the amount of the Rural Development Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Rural Development Grant Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Sub-financing in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;

Notes to the financial statements

for the year ended December 31, 2015
(in EUR unless otherwise stated)

Rural Development Grants (continued)

- b) (E): (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Association's or the Recipient's request, have an operational review of the Rural Development Grant operations carried out by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the report to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- 3) The Recipient shall exercise its rights under each Rural Development Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Rural Development Grant Agreement or any of its provisions.

2. Basis of preparation

The financial statements of the project for the year ended 31 December 2015 have been prepared for the purpose of complying with the provisions of the Project's objectives, the World Bank guidelines and terms and conditions of the IDA Credit No. 5005-XK and DANIDA Grant No. TF016235.

The financial statements comprise the Statement of Sources (Cash Receipts) and Uses (Payments); the Statement of Expenditure used as the basis for the submission of withdrawal applications for the year ended 31 December 2015 and a summary of significant accounting policies and other explanatory notes.

The cumulative statements of expenditure used as the basis for the submission of withdrawal applications for the period from inception on May 3, 2012 till December 31, 2015 are presented as supplementary schedules. Cumulative information on receipts and disbursements from the Project's inception date to December 31, 2015 is presented in the Statement of Sources and Uses of Funds for information purposes only.

The financial statements have been prepared in accordance with cash basis IPSAS - Financial reporting under the Cash Basis of Accounting, which differs from Kosovo and International Financial Reporting Standards. On this basis, income is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred. Accordingly, direct and indirect payments of the Project's expenses, which are made from the proceeds of the grants, are recognised as sources and uses of funds at the time the payment is made.

The financial statements prepared for the special purpose are presented in Euros ("EUR"), unless otherwise stated.

3. Summary of significant accounting policies

A summary of significant accounting policies underlying the preparation of the Project's financial statements is presented below.

Notes to the financial statements

for the year ended December 31, 2015

(in EUR unless otherwise stated)

3. Summary of significant accounting policies (continued)**3.1 Foreign currency transactions**

The project accounts are maintained in Euros ("EUR") the legal currency of Kosovo. The Project deals predominantly in EUR, while the foreign currencies the Project deals with are predominantly in Special Drawing Rights ("SDR") and United State Dollars ("USD")

Transactions in foreign currencies are translated to the functional currency at exchange rates on the dates of the transactions.

Initial Credit amount are maintained at the historical exchange rates. The project translates the undrawn grant balance at the rates in effect on the year end. The exchange rates in effect as at 31 December 2014 and 2013 were as follows:

Currency	2015	2014
USD/ XDR	0.72	0.69
XDR /USD	1.39	1.45
EUR /XDR	0.79	0.84
XDR /EUR	1.27	1.19
EUR/ USD	1.09	1.22

3.2 Recognition of income and expenses

Income is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

3.3 Taxation

The Project is exempt from income Tax, Value Added Tax (VAT) and Custom Duties for the grant part, but is subject to both VAT and Customs for the Credit part. The local employees of the project are liable for personal tax and social security contributions.

4. IDA Credit no. 5005-XK funding

IDA funding for the years ended 31 December 2015 is composed as follows:

Item	Year ended 31 December 2015	Year ended 31 December 2014
Reimbursements	2,405,295.28	3,846,782.32
Direct payments	-	-
Total	2,405,295.28	3,846,782.32

Notes to the financial statements

for the year ended December 31, 2015
(in EUR unless otherwise stated)

5. DANIDA Grant No. TF016235

DANIDA funding for the years ended 31 December 2015 is composed as follows:

Item	Year ended 31 December 2015	Year ended 31 December 2014
Reimbursements	3,127,772.15	3,035,094.22
Direct payments	-	-
Total	3,127,772.15	3,035,094.22

6. Temporary advances received by government of Kosovo

The temporary advances received by Government of Kosovo for the year ended 31 December 2014 and cumulative is composed as follows:

Financed by:	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013	Cumulative December 31, 2015
IDA Credit 5005-XK - Temporary advances received by GOK	(1,197,715.51)	(960,309.19)	3,507,025.07	1,349,000.37
DANIDA Grant TF016235 - Temporary advances received by GOK	(19,120.00)	13,549.79	-	(5,570.21)
Total	(1,216,835.51)	(946,759.40)	3,507,025.07	1,343,430.16

The cumulative temporary advances received by GOK of 1,371,805.90 Euro represent Withdrawal Application no. ARDP-008, in total amount 1,046,931.22 Euro, and for the difference the application for withdrawal is in the process.

5. Goods

Expenditures for goods are detailed as follows:

Item	Year ended 31 December 2015	Year ended 31 December 2014
Office furniture	-	15,980.00
Office and IT equipment	-	5,000.00
Total	-	20,980.00

Notes to the financial statements

for the year ended December 31, 2015
(in EUR unless otherwise stated)

6. Consultant services

Expenditures for Consultant services are detailed as follows:

Item	Year ended 31 December 2015	Year ended 31 December 2014
Employer net salary	233,723.98	224,191.64
Personal income tax withheld	16,051.82	14,880.07
Employer pension contribution	13,464.30	12,583.66
Employer pension contribution	13,464.30	12,583.66
Training of trainers	157,135.05	68,159.30
Training of potential applicants for applying to GP	-	102,888.00
Public Awareness Campaign	8,085.00	11,895.00
IQ consulting Baseline and Social Surveys	11,730.00	-
Training to improve effective. of extension staff	-	89,775.00
Short term consultant	25,564.83	24,079.19
Audit services	8,175.00	7,040.00
Overtime	6,039.63	-
Total	493,433.91	568,075.52

7. Training

Expenditures for training are detailed as follows:

Item	Year ended 31 December 2015	Year ended 31 December 2014
Study visit Macedonia	7,916.65	389.50
Transferring knowledge to R.S	20,543.18	39,073.28
Training on EU RDP	-	1,683.96
English Centre	-	11,880.00
Environmental and social safeguard training	2,878.55	956.24
ARDP preparation social dialogue	-	2,527.94
Labour and development policies	-	2,800.60
Processing and approval of applications, PA	-	3,340.72
Training for the IT,PA	-	3,881.28
Contract monitoring	1,173.16	-
New development after the reform in second pillar	2,325.45	-
Public sector budgeting	2,149.80	-
Only visa for modernizing extension and AS	152.00	-
For diem	117.04	-
Total	37,255.83	66,533.52

Notes to the financial statements

for the year ended December 31, 2015
(in EUR unless otherwise stated)

8. Incremental operating costs

Expenditures for Incremental operating costs are detailed as follows

Item	Year ended 31 December 2015	Year ended 31 December 2014
Rent for PU&PIU office	27,361.88	26,393.64
Tax for PU&PIU rent	2,706.12	2,610.36
Expenses for communication	9,223.50	8,336.38
News paper advertisement	175.00	555.00
Internet	1,446.16	1,260.00
Office supply	252.00	349.56
Office expenses (petty cash)	2,528.39	1,534.07
Cleaning services	1,060.00	840.00
Vehicle registration and maintenance	1,052.41	7,802.31
Fuel	21,657.15	23,874.86
Hospitality	3,114.50	5,067.28
Utility	774.37	842.62
Relocation of PU&PIU office	6,458.23	
Retreat	-	1,533.31
Translations	-	1,450.00
Total	77,809.71	82,449.39

9. Sub - projects grants for farmers

Expenditures grants for farmers are detailed as follows

Item	Year ended December 31, 2015	Year ended December 31, 2014
Farmer grants IDA credit 5005-XK	599,080.32	2,148,434.70
Farmer grants DANIDA Grant TF016235	3,108,652.15	3,048,644.01
Total	3,707,732.47	5,197,078.71

Since the MAFRD did not have financial means to finance farmer projects, the MAFRD requested the Bank a credit of 20.6 million USD, part of which will go to support the Grant Scheme of the Ministry toward these farmers and as above-mentioned a grant provided by the Government of the Kingdom of Denmark ('Donor') in an amount of six million two thousand and eighty two Euros (€6,202,082) on the terms and conditions set forth or referred in the letter agreement ("Agreement") totally will go to support the Grant Scheme of the Ministry farmer projects. After the call of Proposal the farmers prepared their projects and proposals and after the verification of the documents and on the spot situation the Payment Agency of MAFRD selected the potential beneficiaries of the Grant Scheme.

Agriculture and Rural Development Project

(IDA Credit No. 5005 - XK; DANIDA Grant TF016235)

Notes to the financial statements

for the year ended December 31, 2015

(in EUR unless otherwise stated)

9. Sub - projects grants for farmers (continued)

After the closure of the total investment the farmers requested reimbursement of 50 % of the total sum of their project. Before each payment, every single beneficiary was monitored in the Field from the inspectors of the Payment Agency. Even the M&E specialist of the project monitored 20 % of the overall number of beneficiaries

10. Expenditures by parts:

The expenditures by Project Parts for the year ended 31 December 2015 is as follows:

Parts	Consultant services	Training	Incremental operating costs	Sub –grants (Grants for famers)	Total December 31, 2015
Part I <i>Transferring Knowledge to the rural Sector</i>	75,979.67	22,266.73	8,523.54	-	106,769.94
Part II <i>Enhancing Investments to Promote Sustainable Rural Development</i>	293,092.41	7,061.43	48,006.29	-	348,160.13
Part III <i>Project Management, Coordination, Monitoring and Evaluation</i>	124,361.83	7,927.67	21,279.88	-	153,569.38
Sub - Projects <i>Grants for famers in these sectors: milk sector, fruit sector(apples and small fruits),grape sector, vegetables sector(greenhouses)</i>	-	-	-	3,707,732.47	3,707,732.47
Total December	493,433.91	37,255.83	77,809.71	3,707,732.47	4,316,231.92

11. Expenditures by category sources of funds

Expenditures by sources of funds for the year ended 31 December 2015 are composed as follows:

Item	IDA Credit No. 5005 funding	DANIDA Grant TF016235	Temporary advances by Government IDA Credit 5005-XK	Temporary advances by Government Grant TF016235	Total
Consultants' services	493,433.91	-	-	-	493,433.91
Training and workshops	37,255.83	-	-	-	37,255.83
Incremental operating costs	77,809.71	-	-	-	77,809.71
Sub - projects grants for farmers	599,080.32	3,108,652.15	-	-	3,707,732.47
Total December 31, 2015	1,207,579.77	3,108,652.15	-	-	4,316,231.92
<i>Total December 31, 2014</i>	<i>339,757.25</i>	<i>3,035,094.22</i>	<i>2,546,715.88</i>	<i>13,549.79</i>	<i>5,935,117.14</i>

Notes to the financial statements

for the year ended December 31, 2015

(in EUR unless otherwise stated)

12. Un-drawn grant and Credit facilities.

The balance of the undrawn Credit and funds facilities from IDA - Credit No. 5005 - XK as of 31 December 2015 is XDR 4,825,726.60 or EUR 6,139,791.69

The balance of the undrawn Grant and funds facilities from DANIDA - Grant No. 016235 as of 31 December 2015 is EUR 39,215.63

Agriculture and Rural Development Project
(IDA Credit No. 5005 - XK; DANIDA Grant TF016235)

Statement of Cumulative Expenditures Withdrawal Schedule
for the period from May 03,2012 (inception date) to December 31, 2015
(Supplementary schedule to the Annual Financial Statements)

Agriculture and Rural Development Project
(IDA Credit No. 5005 - XK)

The cumulative statements of expenditure (Withdrawal Schedule)
for the period from May 03, 2012 (inception date) to December 31, 2015
(in EUR, unless otherwise stated)

IDA Credit No. 5005 - XK

Withdrawal application	Type of application	Appl. Pym. Amt	Paid amount	Goods	Sub - projects grants for farmer	Consultant services	Training	Operating incremental Costs	SOE	Deducted	Date received	Value date
ARDP/007	Reimbursement	2,405,295.28	2,405,295.28	20,980.00	1,999,105.20	292,178.81	42,828.48	50,202.7984	2,405,295.28	-	09-Sep-15	17-Sep-15
ARDP/006	Reimbursement	476,467.85	476,467.85	-	144,609.50	274,667.18	27,991.58	29,199.59	476,467.85	-	07-Nov-14	21-Nov-14
ARDP/005	Reimbursement	1,676,492.98	1,676,492.98	-	1,676,492.98	-	-	-	1,676,492.98	-	22-Oct-14	30-Oct-14
ARDP/004	Reimbursement	1,693,821.49	1,693,821.49	39,611.00	1,548,562.87	75,812.60	-	29,835.02	1,693,821.49	-	01-Apr-14	16-Apr-14
ARDP/003	Reimbursement	516,686.96	516,686.96	33,929.00	369,149.56	87,759.48	11,526.92	14,322.00	516,686.96	-	04-Nov-13	15-Nov-13
ARDP/002	Reimbursement	560,064.49	560,064.49	35,275.20	414,853.79	78,414.87	16,341.45	15,179.18	560,064.49	-	04-Jul-13	12-Jul-13
ARDP/001	Reimbursement	1,604,657.64	1,604,657.64	115,144.96	1,381,413.32	77,080.37	3,808.60	27,210.39	1,604,657.64	-	18-Feb-13	26-Feb-13
Total Reimbursement		8,933,486.69	8,933,486.69	244,940.16	7,534,187.22	885,913.31	102,497.03	165,948.97	8,933,486.69	-		
DP-007-ARDP	Direct Payment	38,475.00	38,475.00	-	-	38,475.00	-	-	38,475.00	-	22-Nov-13	02-Dec-13
DP-006-ARDP	Direct Payment	25,650.00	25,650.00	-	-	25,650.00	-	-	25,650.00	-	04-Nov-13	08-Nov-13
DP-005-ARDP	Direct Payment	214,445.00	214,445.00	214,445.00	-	-	-	-	214,445.00	-	17-Jun-13	26-Jun-13
DP-004-ARDP	Direct Payment	68,592.00	68,592.00	-	-	68,592.00	-	-	68,592.00	-	17-Jun-13	26-Jun-13
DP-003-ARDP	Direct Payment	34,296.00	34,296.00	-	-	34,296.00	-	-	34,296.00	-	03-May-13	10-May-13
DP-002-ARDP	Direct Payment	22,864.00	22,864.00	-	-	22,864.00	-	-	22,864.00	-	15-Apr-13	25-Apr-13
DP-001-ARDP	Direct Payment	25,762.92	25,762.92	25,762.92	-	-	-	-	25,762.92	-	15-Apr-13	25-Apr-13
Total Direct payments		430,084.92	430,084.92	240,207.92	-	189,877.00	-	-	430,084.92	-		
WA total		9,363,571.61	9,363,571.61	485,148.08	7,534,187.22	1,075,790.31	102,497.03	165,948.97	9,363,571.61	-		

Arlinda ARENLIU
Project Director


Gazmend BAJRA
Financial management


Agriculture and Rural Development Project
(IDA Credit No. 5005 - XK; DANIDA Grant TF016235)

Notes to the financial statements
for the year ended December 31, 2015
(in EUR unless otherwise stated)

DANIDA Grant TF016235

Withdrawal application	Type of application	Appl. Pym. Amt	Paid amount	Goods	Sub - projects grants for farmer	Consultant services	Training	Operating incremental Costs	SOE	Deducted	Date received	Value date
ARDP/003	Reimbursement	3,127,772.15	3,127,772.15	-	3,127,772.15	-	-	-	3,127,772.15	-	14-Jul-15	24-Jul-15
ARDP-002	Reimbursement	120,088.96	120,088.96	-	120,088.96	-	-	-	120,088.96	-	02-Dec-14	05-Dec-14
ARDP/001	Reimbursement	2,915,005.26	2,915,005.26	-	2,915,005.26	-	-	-	2,915,005.26	-	15-Aug-14	26-Aug-14
Total Reimbursement		6,162,866.37	6,162,866.37	-	6,162,866.37	-	-	-	6,162,866.37	-		
DP	Direct Payment	-	-	-	-	-	-	-	-	-		
Total Direct payments		-	-	-	-	-	-	-	-	-		
WA total		6,162,866.37	6,162,866.37	-	6,162,866.37	-	-	-	6,162,866.37	-		


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