

**LAO AGRICULTURE COMPLETTIVENESS  
PROJECT (LACP)  
FUNDED BY THE INTERATIONAL  
DEVELOPMENT ASSOCIATION (IDA) UNDER  
CREDIT NO. IDA 6205-LA**



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**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



**LAO AGRICULTURE COMPLETITIVENESS PROJECT (LACP)  
FUNDED BY THE INTERATIONAL DEVELOPMENT ASSOCIATION (IDA)  
UNDER CREDIT NO 6205-LA**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**LAO AGRICULTURE COMPLETITIVENESS PROJECT (LACP)  
FUNDED BY THE INTERATIONAL DEVELOPMENT ASSOCIATION (IDA)  
UNDER CREDIT NO 6205-LA**

**STATEMENT OF THE PROJECT MANAGEMENT**

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On 17 May 2018, the government of the Lao People's Democratic Republic (GOL) had agreements with International Development Association (IDA) as below:

**Credit No. IDA 62050-LA**

The Government of the Lao People's Democratic Republic (GOL), through its Ministry of Agriculture and Forestry and the Provincial Government of each of the Project provinces, is implementing the Project with financial assistance from International Development Association (IDA) under Financing Agreement Credit No. 6205-LA in an original approved amount of SDR 17,200,000 (Seventeen Millions Two Hundred Thousand Special Drawing Rights). The Project was declared effective on 25 June 2018 and expected to be closed by 28 June 2024.

The objective of the project is to increase the competitiveness of selected agricultural value chains in the project areas. The project consists of the following parts:

- Component 1: Improved Agricultural Efficiency and Sustainability
- Component 2: Enhanced Agricultural Commercialization
- Component 3: Project management

The project components performances for the period from 25 June 2018 to 28 June 2024 are as below:

- **Component 1: Improved Agricultural Efficiency and Sustainability:**
  - Promoting adoption of good varieties and quality seeds, carrying out of a program of activities designed to promote the adoption of good varieties and quality seeds, including the provision of: (a) technical assistance for the establishment of SMGs and building their capacity to adopt good varieties and quality seeds; (b) matching grants to selected SMGs to carry out Sub-projects for improving the production and postharvest handling, packaging and storage of quality seeds; (c) technical and material assistance to build the capacity of PAFOs, DAFOs, MAF technical departments and research institutions to conduct training for SMGs and carryout seed quality monitoring and certification; and (d) technical assistance to link SMGs with FPGs and agribusinesses in marketing certified seeds.
  - Promoting good agricultural practices, carrying out of a program of activities designed to promote good agricultural practices, including the provision of; (a) technical assistance for the establishment of FPGs and building their capacity to adopt good agricultural practices, ; (b) Matching grants to selected FPGs to carry out sub-projects that implement good agricultural practices; (c) technical and material assistance to build the capacity of PAFOs, DAFOs, and MAF technical departments to conduct training for FPGs on good agricultural practices and to carry out related extension and certification activities including soil analysis, organic fertilizer production and organic farming ; and (d) technical assistance to link FPGs with agribusinesses in marketing farm product.
  - Providing critical productive infrastructure, carry out of a program of activities designed to improve critical irrigation infrastructure and water use practices, including; (a) rehabilitation of selected irrigation schemes; and (b) provision of technical assistance to establish water user groups and to build their capacity to adopt improved water use models.

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**STATEMENT OF THE PROJECT MANAGEMENT (CONTINUED)**

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- **Component 1: Improved Agricultural Efficiency and Sustainability (Continue):**
  - Strengthening public services delivery, carry out of a program of activities designed to strengthen agriculture and nutrition service delivery, including the provision of technical and material assistance to; (a) improve the overall extension service capacity of PAFOs, DAFOs, and MAF technical departments; (b) develop and implement mapping and demarcation pilots for agricultural land in irrigation areas; (c) conduct studies on integrated farming systems and diversification for nutrition, and carry out social behavioural change communication activities related to dietary diversity, adequate care practices, and processing and cooking for improved nutrition.
- **Component 2: Enhanced Agricultural Commercialization**
  - Establishing an agricultural value chain facility, establishment and operation of an agricultural value chain facility for the purpose of extending technical and financial services to agribusinesses, including the provision of: (a) technical assistance to establish and operate the facility and provide advisory and sub-project implementation support to agribusinesses; and (b) matching grants to selected agribusinesses to carry out sub-projects for upgrading their processing and postharvest handling facilities and their management capacities to improve product quality, increase operational efficiency, reduce physical losses and link agribusinesses with FPGs to improve the marketing of farm produce.
  - Linking farmers to markets, carry out of a program of activities designed to link farmers to markets, including the provision of technical assistance to: (a) strengthen the horizontal links of farmers within FPGs for implementing procurement, marketing and other collective actions, and the vertical link of FPGs and agribusiness in productive partnerships undertake further processing and marketing of the produce; and (b) develop an improved agriculture market information system to provide reliable market information for productive partnerships.
  - Improving the enabling environment, carrying out of a program of activities by MAF technical departments, MOIC and other relevant agencies to improve the enabling legal, policy and institutional environment for supporting agribusiness investment and agriculture trade policies, including the development of improved sanitary and phytosanitary standards, rice standards and rice export policies, and improved import and export legislation focusing on agriculture inputs and farm machinery.
- **Component 3: Project management**
  - Project management, carry out of the day-to-day implementation, coordination, and management of project activities including planning and execution, financial management, procurement, internal and external audits, and environmental and social safeguards management.
  - Project monitoring and evaluation, carry out of the day-to-day monitoring, reporting and evaluation of the project activities.

**LAO AGRICULTURE COMPLETITIVENESS PROJECT (LACP)  
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**STATEMENT OF THE PROJECT MANAGEMENT (CONTINUED)**

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The Financial statements are the responsibility of project management. The following are components of the financial statements summarize the Project's position and performance:

- Statement of cash receipts and disbursements;
- Statement of fund balance; and
- Statement of designated accounts (note 5)
- Note to the financial statement

As the responsible officials, we do hereby state that the financial statements to the best of our knowledge and belief:

- have been prepared in accordance with IDA's requirements; and
- have been prepared, in all material respects, of the fund balance of the Project as at 31 December 2019 and its receipts and disbursements for the year ended 31 December 2019 in accordance with the basis of accounting set out in Note 2 to the financial statements.

We also hereby state that the statement of expenditure only includes costs which are eligible for financing agreement IDA Credit No. 6205-LA and adequate supporting documentation has been maintained for these costs.

On behalf of the Project:



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Mr. Phouthone SIRIPHANTHONG  
National Project Coordinator  
Date: 8 June 2020





## **INDEPENDENT AUDITOR'S REPORT**

**TO THE GOVERNMENT OF LAO PDR (GOL), THE MANAGEMENT OF THE PROJECT AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) ON THE FINANCIAL STATEMENTS OF THE LAO AGRICULTURE COMPETITIVENESS PROJECT FUNDED BY THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) UNDER CREDIT NO. 6205-LA**

### **Our opinion**

In our opinion, the financial statements of Lao Agriculture Competitiveness Project (LACP or the Project) have been prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

### **What we have audited**

The Project's financial statements comprise:

- The statements of cash receipts and disbursements for the year ended 31 December 2019;
- The statement of fund balance as at 31 December 2019; and
- The notes to the financial statement, which include a summary of significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with the 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 believe that the audit evidence we've obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with IESBA Code.

### **Emphasis of matter - Basis of accounting and restriction on distribution and use**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the project and donor and shouldn't be distributed to or used by parties other than the project and donor. Our opinion isn't modified in respect of this matter

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*PricewaterhouseCoopers (Lao) Sole Company Limited. 4<sup>th</sup> Floor, ANZ Commercial Building, 33 Lane Xang Avenue, PO Box 7003, Vientiane Lao PRD, Telephone : + 856 21 222718-9, Facsimile: + 856 21 222723, [www.pwcc.com/la](http://www.pwcc.com/la)*

## **Responsibilities of the management for the financial statements**

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting described in Note 2 to the financial statement, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 isn't a guarantee that an audit conducted in accordance with International Standards on Auditing 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 these financial statements.

As part of an audit in accordance with the International Standards on Auditing, exercised professional judgment and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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 concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.





## Auditor's responsibilities for the audit of the financial statements (Continued)

We've communicated with management 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.

For PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thiengtrongpinyo  
Partner

Vientiane Capital, Lao PDR  
Date: 8 June 2020



**LAO AGRICULTURE COMPETITIVENESS PROJECT (LACP)  
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UNDER CREDIT NO 6205-LA**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Cumulative to 31 December 2018 USD	For the year ended 31 December 2019 USD	Cumulative to 31 December 2019 USD
<b>RECEIPTS</b>				
Designated account replenishment	7	1,178,913	7,326,196	8,505,109
		<b>1,178,913</b>	<b>7,326,196</b>	<b>8,505,109</b>
<b>DISBURSEMENTS</b>				
Component 1:	8.1/8.2	116,988	1,632,882	1,749,870
Component 2:	8.1/8.2	5,677	105,292	110,969
Component 3:	8.1/8.2	502,336	978,433	1,480,769
		<b>625,001</b>	<b>2,716,607</b>	<b>3,341,608</b>

Mr. Phouthone SIRIPHANTHONG  
National Project Coordinator  
Date: 8 June 2020

*The accompanying notes on pages 10 to 18 form an integral part of these financial statements*

**LAO AGRICULTURE COMPLETITIVENESS PROJECT (LACP)  
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UNDER CREDIT NO 6205-LA**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 USD	2018 USD
<b>RECEIPTS</b>			
Designated account replenishment	7	7,326,196	1,178,913
		<u>7,326,196</u>	<u>1,178,913</u>
<b>DISBURSEMENTS</b>			
Component 1:	8.1/8.2	1,632,882	116,988
Component 2:	8.1/8.2	105,292	5,677
Component 3:	8.1/8.2	978,433	502,336
		<u>2,716,607</u>	<u>625,001</u>
Surplus of receipts over disbursements		<u>4,609,589</u>	<u>553,912</u>



Mr. Phouthone SIRIPHANTHONG  
National Project Coordinator  
Date: 8 June 2020


*The accompanying notes on pages 10 to 18 form an integral part of these financial statements.*



**LAO AGRICULTURE COMPETITIVENESS PROJECT (LACP)  
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**STATEMENT OF FUND BALANCE  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	<b>2019 USD</b>	<b>2018 USD</b>
<b>Fund balance</b>			
Opening balance		553,912	-
Surplus of receipts over disbursements		<u>4,609,589</u>	<u>553,912</u>
<b>Fund balance, end</b>		<u><b>5,163,501</b></u>	<u><b>553,912</b></u>
<b>Represented by:</b>			
Cash on hand and cash at banks	3	5,138,505	502,732
Advance	4	<u>24,996</u>	<u>51,180</u>
		<u><b>5,163,501</b></u>	<u><b>553,912</b></u>



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Mr. Phouthone SIRIPHANTHONG  
National Project Coordinator  
Date: 8 June 2020

*The accompanying notes on pages 10 to 18 form an integral part of these financial statements.*

**LAO AGRICULTURE COMPLETITIVENESS PROJECT (LACP)  
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UNDER CREDIT NO 6205-LA**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. PROJECT BACKGROUND**

On 17 May 2018, the government of the Lao People's Democratic Republic (GOL) had agreements with International Development Association (IDA) as below:

**Credit No. 6205-LA**

The Government of the Lao People's Democratic Republic (GOL), through its Ministry of Agriculture and Forestry and the Provincial Government of each of the Project provinces, is implementing the Project with financial assistance from International Development Association (IDA) under Financing Agreement Credit No. 6205-LA in an original approved amount of SDR 17,200,000 (Seventeen Millions Two Hundred Thousand Special Drawing Rights). The Project was declared effective on 25 June 2018 and expected to be closed by 28 June 2024. In project implementation activities comprises national level cost centres such as: National Project Management Office (NPMO), Ministry of Agriculture and forestry (MAF), Provincial Agriculture and Forestry Offices (PAFO), District Agriculture and Forestry Offices (DAFO), National Agriculture and Forestry Research (NAFRI), Ministry of Industry and Commerce. (MOIC), Provincial Industry and Commerce Office (PICO), Ministry of Natural Resource and Environment (MONRE), Ministry of Finance (MOF) and 5 provincial level cost centres such as: Xayabouly, Vientiane province, Vientiane Capital, Bolikhamxay province and Khammouane province.

The objective of the project is to increase the competitiveness of selected agricultural value chains in the project areas. The project consists of the following parts:

- Component 1: Improved Agricultural Efficiency and Sustainability
- Component 2: Enhanced Agricultural Commercialization
- Component 3: Project management

The project components performances for the period from 25 June 2018 to 28 June 2024 as re as below

- Component 1: Improved Agricultural Efficiency and Sustainability:
  - Promoting adoption of good varieties and quality seeds
  - Promoting good agricultural practices
  - Providing critical productive infrastructure
  - Strengthening public services delivery
- Component 2: Enhanced Agricultural Commercialization
  - Establishing an agricultural value chain facility
  - Linking farmers to markets,
  - Improving the enabling environment
- Component 3: Project management
  - Project management.
  - Project monitoring and evaluation

Theses financial statements were authorised for the issue by the project management on 8 June 2020.



**LAO AGRICULTURE COMPLETITIVENESS PROJECT (LACP)  
FUNDED BY THE INTERATIONAL DEVELOPMENT ASSOCIATION (IDA)  
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**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**A. *Accounting convention***

The statements of receipts, disbursements and fund balance, expressed in United State Dollar (USD), have been prepared under the historical cost convention and the cash receipts and disbursements basis of accounting. Under the cash receipts and disbursements basis of accounting, transactions are recorded when cash is paid or received by the Project. Advances are included in the Project's disbursements in according with Note 2. The Project maintains its accounting records in USD, as this is the currency in which the majority of its transactions are denominated and settled.

**B. *Cash receipts***

Receipts consist of the authorized allocation of the association fund, direct payments made by Association and eligible expenditure refunded to date. These funds are accounted for when received or, in the case of direct payments made by Association, when notified as having been paid to the Project's funds by Association.

**C. *Cash disbursements***

Disbursements represent all the Project's cash costs paid in line with the Program's objectives and approved budgets.

**D. *Advance***

Advances are represent amounts paid in advance to the Project staff for the purpose of travel to the province, district or overseas or meetings, workshops or conferences. Advances are included in the Project's available fund and presented as "advance payment outstanding" in the statement of fund balance. The expenses related to advanced amounts will only be classified to the related expenditure activity line on the date of liquidation.

**E. *Fixed assets***

The cost of fixed assets is charged as expenditure at the time of purchase. Fixed assets purchased are charged to the expenditure categories to which they relate. The Project maintains a fixed asset register, which includes only vehicles, office equipment and furniture, for control purposes only.

**F. *Foreign currency translation***

The measurement and presentation currency of the Project is USD. Transactions arising in currencies other than USD are translated to USD using the rate prevailing at the transaction dates. Cash balances in currencies other than USD are translated into USD using the rate at the period end. All foreign exchange differences arising are included in the statement of receipts and disbursements.

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**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Direct disbursements**

Direct disbursements relate to payments made by the Association direct to suppliers, contractors and consultants. These payments are accounted for when the payments are notified by Association to the project.

**H. Designated account replenishment**

The Designated Account replenishment represents cash received by the Project under the Financing Agreement, which is maintained in a special deposit account and is used exclusively to cover the Association's share of eligible expenses (Note 5.1).

**3. CASH ON HAND AND CASH AT BANKS**

	<b>2019 USD</b>	<b>2018 USD</b>
Cash at Designated Account (Note 5.1)	4,735,761	273,122
Cash at Project Accounts (Note 6)	402,744	229,610
	<b>5,138,505</b>	<b>502,732</b>

**4. ADVANCE**

	<b>2019 USD</b>	<b>2018 USD</b>
NPMO	6,893	4,049
Xayyabouly Province	-	3,750
Khammouan Province	-	6,852
Bolikhamxay Province	-	331
Vientiane Capital	8,009	3,428
NAFRI	4,296	4,894
DOI	680	5,155
DOA	2,254	12,476
DALAM	490	995
DIMEX/MOIC	-	3,034
DOIH/MOIC	-	3,220
DTP/MOIC	-	2,996
DAEC-MAF	2,374	-
	<b>24,996</b>	<b>51,180</b>



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**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. STATEMENT OF DESIGNATED ACCOUNTS**

**5.1 Cash at Designated Account**

	<b>2019 USD</b>	<b>2018 USD</b>
Account No. 0000010121330165	4,735,761	273,122
	<b>4,735,761</b>	<b>273,122</b>

Account No. : 0000010121330165  
 Depository Bank : Bank of Lao PDR  
 Type of account : Current account  
 Interest rate : Nil  
 Address : Yonet Road P.O. Box 2925 Vientiane, Lao P.D.R  
 Related Credit : Credit No. 6205-LA  
 Currency : USD

*Reconciliation of cash from Designated Accounts;*

	<b>2019 USD</b>	<b>2018 USD</b>
<b>Part A - Account Activities</b>		
Opening balance	553,912	-
Add: fund receipts (Note 7)	7,326,196	1,178,913
Less:		
Total disbursements	(2,716,607)	(625,001)
Cash at Project's accounts (Note 6)	(402,744)	(229,610)
Amount advance to staff (Note 4)	(24,996)	(51,180)
<b>Closing balance</b>	<b>4,735,761</b>	<b>273,122</b>

**LAO AGRICULTURE COMPLETITIVENESS PROJECT (LACP)  
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**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. STATEMENT OF DESIGNATED ACCOUNTS (CONTINUED)**

**5.1 Cash at Designated Account (CONTINUED)**

	<b>2019 USD</b>	<b>2018 USD</b>
<b>Part B - Account reconciliation</b>		
Opening statement of fund balance	553,912	-
Add additional advance	7,326,195	1,178,913
Less:		
Amount recovered by World Bank	(2,125,945)	(164,518)
Amount paid in PPF 002 but not yet documenting	-	(127,592)
Amount paid in WA 005 but not yet documenting	-	(332,891)
Amount claimed in application No.0011	(171,772)	-
Amount claimed in application No.0012	(166,843)	-
Amount claimed in application No.0013	(252,046)	-
<b>Total Outstanding advanced amount</b>	<b>5,163,501</b>	<b>553,912</b>
 Closing balance on DA	 4,735,761	 273,122
Cash at Project's accounts (Note 6)	402,744	229,610
Amount advance to staff (Note 4)	24,996	51,180
<b>Total Outstanding advanced amount</b>	<b>5,163,501</b>	<b>553,912</b>



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**NOTE TO THE FINANCIAL STATEMENTS  
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**6. CASH AT PROJECT ACCOUNTS**

	<b>2019 USD</b>	<b>2018 USD</b>
<b>Cash at bank;</b>		
Project Management Office (NPMO)	49,239	80,673
Xayabouly	13,356	16,278
Vientiane Province	169,385	48,771
Vientiane Capital	71,377	34,723
Bolikhamxay	77,986	33,951
Khammouane	20,254	14,462
<b>Total cash at bank</b>	<b>401,597</b>	<b>228,858</b>
<b>Cash on hand;</b>		
Project Management Office (NPMO)	191	172
Xayabouly	127	38
Vientiane Province	96	40
Vientiane Capital	241	183
Bolikhamxay	271	140
Khammouane	221	179
<b>Total cash on hand</b>	<b>1,147</b>	<b>752</b>
<b>Total cash at bank and on hand</b>	<b>402,744</b>	<b>229,610</b>

**7. DESIGNATED ACCOUNT REPLENISHMENT**

Replenishment for the year ended 31 December 2019 consists of;

	<b>2019 USD</b>	<b>2018 USD</b>
Designated account replenishment	7,326,196	1,178,913
	<b>7,326,196</b>	<b>1,178,913</b>

Withdrawal application (W/A) and project preparation fund (PPF) for the program will be submitted to International Development Association (IDA) by the Project Steering Committee (PSC) through the Ministry of Finance. Fund at the designated bank account will be used for implementing activities. It will be managed by the Ministry of Finance, day by day management and submission of withdrawal application will be done by the Project Steering Committee including expenditures incurred by component 1, 2 and 3. (Note 8.1 and 8.2)

<b>Application number</b>	<b>Date of application</b>	<b>2019 USD</b>	<b>2018 USD</b>
PPF DA Reinstate	25 June 2018	-	250,000
PPF Print Reinstate	25 June 2018	-	127,592
WA0001	17 August 2018	-	801,321
WA0004	6 March 2019	2,592,120	-
WA0009	3 September 2019	4,734,076	-
		<b>7,326,196</b>	<b>1,178,913</b>

**LAO AGRICULTURE COMPETITIVENESS PROJECT (LACP)  
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**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**8. DISBURSEMENTS**

**8.1 Disbursements by project's component activities category are as follows:**

**Component 1: Improved Agricultural Efficiency and Sustainability**

	<b>2019 USD</b>	<b>2018 USD</b>
Promoting Adoption of Good Varieties and Quality Seeds	431,851	39,797
Promoting Good Agricultural Practices	413,055	7,802
Providing Critical Productive Infrastructure	243,394	14,445
Strengthening Public Services Delivery	544,582	54,944
	<b>1,632,882</b>	<b>116,988</b>

**Component 2: Enhanced Agricultural Commercialization**

	<b>2019 USD</b>	<b>2018 USD</b>
Establishing Agricultural Value Chain Facility	12,932	406
Linking Farmers to Markets	60,444	5,271
Improving the Enabling Environment	31,916	-
	<b>105,292</b>	<b>5,677</b>

**Component 3: Project Management**

	<b>2019 USD</b>	<b>2018 USD</b>
Project Management	902,211	278,094
Monitoring and Evaluation	76,222	8,912
Project Preparation Advance	-	215,330
	<b>978,433</b>	<b>502,336</b>
	<b>2,716,607</b>	<b>625,001</b>

**LAO AGRICULTURE COMPETITIVENESS PROJECT (LACP)  
FUNDED BY THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)  
UNDER CREDIT NO 6205-LA**

**NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**8. DISBURSEMENTS (CONTINUED)**

**8.2 Disbursements by expenditures cost category as follows:**

**Component 1: Improved Agricultural Efficiency and Sustainability**

<b>Category</b>	<b>2019 USD</b>	<b>2018 USD</b>
Matching Fund	14,299	-
Civil works	302,039	-
Goods	571,124	1,243
Consultant services*	252,906	47,200
Training and workshops**	190,605	36,838
Incremental Operational Cost***	301,909	31,707
	<b>1,632,882</b>	<b>116,988</b>

**Component 2: Enhanced Agricultural Commercialization**

<b>Category</b>	<b>2019 USD</b>	<b>2018 USD</b>
Goods	23,750	-
Consultant services*	13,338	-
Training and workshops**	33,430	3,677
Incremental Operational Cost***	34,774	2,000
	<b>105,292</b>	<b>5,677</b>

**Component 3: Project Management**

<b>Category</b>	<b>2019 USD</b>	<b>2018 USD</b>
Civil works	-	21,481
Goods	267,535	56,682
Consultant services*	421,100	218,038
Training and workshops**	51,984	108,619
Incremental operational cost***	237,814	82,740
Retroactive financing	-	14,776
	<b>978,433</b>	<b>502,336</b>
	<b>2,716,607</b>	<b>625,001</b>

\*Consultant services the mainly include expenses related to local and international consultant for agriculture and financing.

\*\*Training and workshops the mainly include expenses related to per-diem, accommodation, rent and other expense.

\*\*\*Incremental operating cost mainly include expenditures for the repair and maintenance expenses, traveling costs and offices supplies.



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**9. COMMITMENTS**

The Project has obligation to pay to international and local consultants (staff salary and audit fee) when received services in the future, according to the contractual agreement signed by both parties. The commitment represents the remaining balance after deduct payment from total balance in the signed contract.

As at 31 December 2019, the significant committed expenditure of the Project, is as follows:

	<b>2019 USD</b>	<b>2018 USD</b>
- Consultant services	1,102,291	467,822
- Other consultant	148,000	162,000
	<b>1,250,291</b>	<b>629,822</b>

**10. Subsequent events**

**- Covid-19**

The Lao Agriculture Competitiveness Project's (LACP) staff worked from home 1 April to 3 May 2020 to support the government's social distancing policy.

Since 4 May 2020, the government has implemented a modified lockdown where most business units are allowed to continue their operations. Due to this modification, management believed all LACP activities could continue as planned. As of 8 June 2020, Laos has had 19 confirmed COVID-19 cases. All have recovered except one remaining case. There have now been 52 days with no new cases.

Management confirmed there was no significant impact to the financial statements for the year ended 31 December 2019.