

**PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT**

Funded by:

World Bank (International Development Association - IDA)

Financing Loan No. 6466-PG

Government of the Independent State of Papua New Guinea (GoPNG)

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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**PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT (IDA, GoPNG)  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER, 2020  
PROJECT DIRECTORS' STATEMENT**

In our opinion the accompanying Financial Statements on Pages 1 to 13 present fairly the state of affairs of the Project for the year ended 31st December, 2020 and its results and cashflows for the period then ended.

On behalf of the Project Directors in Port Moresby dated the 10<sup>th</sup> day of December, 2021



Mr. Francis Daink  
Deputy Secretary-Policy, Planning & Coordination  
Department of Agriculture & Livestock (DAL)



Mr. Jethro Apinas  
Project Coordinator  
PNG Agriculture Commercialization and Diversification Project (PACD)

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF CASH RECEIPTS AND PAYMENTS BY LOAN CATEGORY-CONSOLIDATED  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020			2019		
		Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>							
IDA 6466		-	-	-	-	-	-
GoPNG		2,000,000.00	-	2,000,000.00	-	-	-
Interests		-	-	-	-	-	-
Others	4	-	-	-	-	-	-
<b>Total Receipts</b>		<b>2,000,000.00</b>	<b>-</b>	<b>2,000,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PAYMENTS</b>							
IDA		-	-	-	-	-	-
Goods & Works		-	-	-	-	-	-
Non Consulting Services		-	-	-	-	-	-
Consulting Services		-	-	-	-	-	-
Operating Costs		-	-	-	-	-	-
Training & Workshops		-	-	-	-	-	-
Partnership Grants Under Part 3.1		-	-	-	-	-	-
Partnership Grants Under Part 3.2		-	-	-	-	-	-
Emergency Expenditures Under Part 5		-	-	-	-	-	-
Others (IDA)	5	-	-	-	-	-	-
<b>GOPNG</b>		<b>442,125.93</b>	<b>-</b>	<b>442,125.93</b>	<b>-</b>	<b>-</b>	<b>-</b>
Goods & Works		-	-	-	-	-	-
Non Consulting Services		-	-	-	-	-	-
Consulting Services		-	-	-	-	-	-
Operating Costs		-	-	-	-	-	-
Training & Workshops		-	-	-	-	-	-
Partnership Grants Under Part 3.1		-	-	-	-	-	-
Partnership Grants Under Part 3.2		-	-	-	-	-	-
Emergency Expenditures Under Part 5		-	-	-	-	-	-
Others (GOPNG)	5	-	-	-	-	-	-
<b>Total Payments</b>		<b>442,125.93</b>	<b>-</b>	<b>442,125.93</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase / (Decrease) in Cash for the Year</b>				<b>1,557,874.07</b>			<b>-</b>
Cash at Beginning of Year (Opening Balance)				-			-
<b>Increase / (Decrease) in Cash for the Year</b>				<b>1,557,874.07</b>			<b>-</b>
<b>Cash at End of Year (Closing Balance)</b>	2			<b>1,557,874.07</b>			<b>-</b>

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF CASH RECEIPTS AND PAYMENTS BY PROJECT COMPONENT-CONSOLIDATED  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020			2019		
		Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>							
IDA 6466		-	-	-	-	-	-
GoPNG		2,000,000.00	-	2,000,000.00	-	-	-
Interests		-	-	-	-	-	-
Others	4	-	-	-	-	-	-
<b>Total Receipts</b>		<b>2,000,000.00</b>	<b>-</b>	<b>2,000,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PAYMENTS</b>							
IDA		-	-	-	-	-	-
Institutional Capacity Building-DAL		-	-	-	-	-	-
Institutional Capacity Building-Commodity Boards		-	-	-	-	-	-
Agriculture Feeder Roads		-	-	-	-	-	-
Productive Partnerships-Productivity & PO Formation		-	-	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing		-	-	-	-	-	-
Project Management and Monitoring & Evaluation		-	-	-	-	-	-
Contingency Emergency Response Component		-	-	-	-	-	-
Others (IDA)	5	-	-	-	-	-	-
<b>GOPNG</b>		<b>442,125.93</b>	<b>-</b>	<b>442,125.93</b>	<b>-</b>	<b>-</b>	<b>-</b>
Institutional Capacity Building-DAL		-	-	-	-	-	-
Institutional Capacity Building-Commodity Boards		-	-	-	-	-	-
Agriculture Feeder Roads		-	-	-	-	-	-
Productive Partnerships-Productivity & PO Formation		-	-	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing		-	-	-	-	-	-
Project Management and Monitoring & Evaluation		-	-	-	-	-	-
Contingency Emergency Response Component		-	-	-	-	-	-
Others (GOPNG)	5	-	-	-	-	-	-
<b>Total Payments</b>		<b>442,125.93</b>	<b>-</b>	<b>442,125.93</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase / (Decrease) in Cash for the Year</b>				<b>1,557,874.07</b>			<b>-</b>
Cash at Beginning of Year (Opening Balance)				-			-
<b>Increase / (Decrease) in Cash for the Year</b>				<b>1,557,874.07</b>			<b>-</b>
<b>Cash at End of Year (Closing Balance)</b>	2			<b>1,557,874.07</b>			<b>-</b>



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF CASH RECEIPTS AND PAYMENTS BY LOAN CATEGORY-DAL PCU  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	2020 K			2019 K		
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>						
IDA 6466	-	-	-	-	-	-
GoPNG	2,000,000.00	-	2,000,000.00	-	-	-
Interests	-	-	-	-	-	-
Others	-	-	-	-	-	-
	<u>2,000,000.00</u>	<u>-</u>	<u>2,000,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Receipts</b>			<b>2,000,000.00</b>			<b>-</b>
<b>PAYMENTS</b>						
IDA	-	-	-	-	-	-
Goods & Works	-	-	-	-	-	-
Non Consulting Services	-	-	-	-	-	-
Consulting Services	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Training & Workshops	-	-	-	-	-	-
Partnership Grants Under Part 3.1	-	-	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-	-	-
Others (IDA)	-	-	-	-	-	-
GOPNG	-	-	-	-	-	-
Goods & Works	442,125.93	-	442,125.93	-	-	-
Non Consulting Services	-	-	-	-	-	-
Consulting Services	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Training & Workshops	-	-	-	-	-	-
Partnership Grants Under Part 3.1	-	-	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-	-	-
Others (GOPNG)	-	-	-	-	-	-
	<u>442,125.93</u>	<u>-</u>	<u>442,125.93</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Payments</b>			<b>442,125.93</b>			<b>-</b>
<b>Increase / (Decrease) in Cash for the Year</b>			<b>1,557,874.07</b>			<b>-</b>
Cash at Beginning of Year (Opening Balance)			-			-
<b>Increase / (Decrease) in Cash for the Year</b>			<b>1,557,874.07</b>			<b>-</b>
<b>Cash at End of Year (Closing Balance)</b>			<b>1,557,874.07</b>			<b>-</b>

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF CASH RECEIPTS AND PAYMENTS BY PROJECT COMPONENT-DAL PCU  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	2020 K			2019 K		
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>						
IDA 6466	-	-	-	-	-	-
GoPNG	2,000,000.00	-	2,000,000.00	-	-	-
Interests	-	-	-	-	-	-
Others	-	-	-	-	-	-
	<u>2,000,000.00</u>	<u>-</u>	<u>2,000,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Receipts</b>			<b>2,000,000.00</b>			<b>-</b>
<b>PAYMENTS</b>						
IDA	-	-	-	-	-	-
Institutional Capacity Building-DAL	-	-	-	-	-	-
Institutional Capacity Building-Commodity Boards	-	-	-	-	-	-
Agriculture Feeder Roads	-	-	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-	-	-
Project Management and Monitoring & Evaluation	-	-	-	-	-	-
Contingency Emergency Response Component	-	-	-	-	-	-
Others (IDA)	-	-	-	-	-	-
GOPNG	-	-	-	-	-	-
Institutional Capacity Building-DAL	442,125.93	-	442,125.93	-	-	-
Institutional Capacity Building-Commodity Boards	-	-	-	-	-	-
Agriculture Feeder Roads	-	-	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-	-	-
Project Management and Monitoring & Evaluation	-	-	-	-	-	-
Contingency Emergency Response Component	-	-	-	-	-	-
Others (GOPNG)	-	-	-	-	-	-
	<u>442,125.93</u>	<u>-</u>	<u>442,125.93</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Payments</b>			<b>442,125.93</b>			<b>-</b>
<b>Increase / (Decrease) in Cash for the Year</b>			<b>1,557,874.07</b>			<b>-</b>
Cash at Beginning of Year (Opening Balance)			-			-
<b>Increase / (Decrease) in Cash for the Year</b>			<b>1,557,874.07</b>			<b>-</b>
<b>Cash at End of Year (Closing Balance)</b>			<b>1,557,874.07</b>			<b>-</b>



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
 STATEMENT OF CASH RECEIPTS AND PAYMENTS BY LOAN CATEGORY-COCOA PMU  
 FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	2020			2019		
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>						
IDA 6466						
GoPNG						
Interests						
Others						
<b>Total Receipts</b>						
<b>PAYMENTS</b>						
IDA						
Goods & Works						
Non Consulting Services						
Consulting Services						
Operating Costs						
Training & Workshops						
Partnership Grants Under Part 3.1						
Partnership Grants Under Part 3.2						
Emergency Expenditures Under Part 5						
Others (IDA)						
GOPNG						
Goods & Works						
Non Consulting Services						
Consulting Services						
Operating Costs						
Training & Workshops						
Partnership Grants Under Part 3.1						
Partnership Grants Under Part 3.2						
Emergency Expenditures Under Part 5						
Others (GOPNG)						
<b>Total Payments</b>						
<b>Increase / (Decrease) in Cash for the Year</b>						
<b>Cash at Beginning of Year (Opening Balance)</b>						
<b>Increase / (Decrease) in Cash for the Year</b>						
<b>Cash at End of Year (Closing Balance)</b>						

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
 STATEMENT OF CASH RECEIPTS AND PAYMENTS BY PROJECT COMPONENT-COCOA PMU  
 FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	2020			2019		
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>						
IDA 6466						
GoPNG						
Interests						
Others						
<b>Total Receipts</b>						
<b>PAYMENTS</b>						
IDA						
Institutional Capacity Building-DAL						
Institutional Capacity Building-Commodity Boards						
Agriculture Feeder Roads						
Productive Partnerships-Productivity & PO Formation						
Productive Partnerships-Aggregation, Value Addition & Marketing						
Project Management and Monitoring & Evaluation						
Contingency Emergency Response Component						
Others (IDA)						
GOPNG						
Institutional Capacity Building-DAL						
Institutional Capacity Building-Commodity Boards						
Agriculture Feeder Roads						
Productive Partnerships-Productivity & PO Formation						
Productive Partnerships-Aggregation, Value Addition & Marketing						
Project Management and Monitoring & Evaluation						
Contingency Emergency Response Component						
Others (GOPNG)						
<b>Total Payments</b>						
<b>Increase / (Decrease) in Cash for the Year</b>						
<b>Cash at Beginning of Year (Opening Balance)</b>						
<b>Increase / (Decrease) in Cash for the Year</b>						
<b>Cash at End of Year (Closing Balance)</b>						



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF CASH RECEIPTS AND PAYMENTS BY LOAN CATEGORY-COFFEE PMU  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	2020 K			2019 K		
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>						
IDA 6466	-	-	-	-	-	-
GoPNG	-	-	-	-	-	-
Interests	-	-	-	-	-	-
Others	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total Receipts</b>	-	-	-	-	-	-
<b>PAYMENTS</b>						
IDA	-	-	-	-	-	-
Goods & Works	-	-	-	-	-	-
Non Consulting Services	-	-	-	-	-	-
Consulting Services	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Training & Workshops	-	-	-	-	-	-
Partnership Grants Under Part 3.1	-	-	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-	-	-
Others (IDA)	-	-	-	-	-	-
GOPNG	-	-	-	-	-	-
Goods & Works	-	-	-	-	-	-
Non Consulting Services	-	-	-	-	-	-
Consulting Services	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Training & Workshops	-	-	-	-	-	-
Partnership Grants Under Part 3.1	-	-	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-	-	-
Others (GOPNG)	-	-	-	-	-	-
<b>Total Payments</b>	-	-	-	-	-	-
Increase / (Decrease) in Cash for the Year			-			-
Cash at Beginning of Year (Opening Balance)			-			-
Increase / (Decrease) in Cash for the Year			-			-
Cash at End of Year (Closing Balance)			-			-

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF CASH RECEIPTS AND PAYMENTS BY PROJECT COMPONENT-COFFEE PMU  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	2020 K			2019 K		
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
<b>RECEIPTS</b>						
IDA 6466	-	-	-	-	-	-
GoPNG	-	-	-	-	-	-
Interests	-	-	-	-	-	-
Others	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total Receipts</b>	-	-	-	-	-	-
<b>PAYMENTS</b>						
IDA	-	-	-	-	-	-
Institutional Capacity Building-DAL	-	-	-	-	-	-
Institutional Capacity Building-Commodity Boards	-	-	-	-	-	-
Agriculture Feeder Roads	-	-	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-	-	-
Project Management and Monitoring & Evaluation	-	-	-	-	-	-
Contingency Emergency Response Component	-	-	-	-	-	-
Others (IDA)	-	-	-	-	-	-
GOPNG	-	-	-	-	-	-
Institutional Capacity Building-DAL	-	-	-	-	-	-
Institutional Capacity Building-Commodity Boards	-	-	-	-	-	-
Agriculture Feeder Roads	-	-	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-	-	-
Project Management and Monitoring & Evaluation	-	-	-	-	-	-
Contingency Emergency Response Component	-	-	-	-	-	-
Others (GOPNG)	-	-	-	-	-	-
<b>Total Payments</b>	-	-	-	-	-	-
Increase / (Decrease) in Cash for the Year			-			-
Cash at Beginning of Year (Opening Balance)			-			-
Increase / (Decrease) in Cash for the Year			-			-
Cash at End of Year (Closing Balance)			-			-



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY LOAN CATEGORY-CONSOLIDATED  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	17,956,600.00	17,956,600.00	17,956,600.00
GoPNG	2,000,000.00	3,200,000.00	3,200,000.00	1,200,000.00
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	<b>2,000,000.00</b>	<b>21,156,600.00</b>	<b>21,156,600.00</b>	<b>19,156,600.00</b>
<b>CASH OUTFLOWS</b>				
<b>IDA</b>				
Goods & Works	-	5,360,800.00	5,360,800.00	5,360,800.00
Non Consulting Services	-	421,800.00	421,800.00	421,800.00
Consulting Services	-	6,450,000.00	6,450,000.00	6,450,000.00
Operating Costs	-	812,700.00	812,700.00	812,700.00
Training & Workshops	-	338,300.00	338,300.00	338,300.00
Partnership Grants Under Part 3.1	-	3,824,000.00	3,824,000.00	3,824,000.00
Partnership Grants Under Part 3.2	-	749,000.00	749,000.00	749,000.00
Emergency Expenditures Under Part 5	-	-	-	-
Others (IDA)	-	-	-	-
<b>GOPNG</b>				
Goods & Works	442,125.93	2,300,000.00	2,300,000.00	1,857,874.07
Non Consulting Services	-	100,000.00	100,000.00	100,000.00
Consulting Services	-	100,000.00	100,000.00	100,000.00
Operating Costs	-	500,000.00	500,000.00	500,000.00
Training & Workshops	-	200,000.00	200,000.00	200,000.00
Partnership Grants Under Part 3.1	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	<b>442,125.93</b>	<b>21,156,600.00</b>	<b>21,156,600.00</b>	<b>20,714,474.07</b>
<b>NET CASH FLOWS</b>	<b>1,557,874.07</b>	<b>-</b>	<b>-</b>	<b>(1,557,874.07)</b>

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY LOAN CATEGORY-CONSOLIDATED  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	17,956,600.00	17,956,600.00	17,956,600.00
GoPNG	2,000,000.00	3,200,000.00	3,200,000.00	1,200,000.00
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	<b>2,000,000.00</b>	<b>21,156,600.00</b>	<b>21,156,600.00</b>	<b>19,156,600.00</b>
<b>CASH OUTFLOWS</b>				
<b>IDA</b>				
Intitutional Capacity Building-DAL	-	222,000.00	222,000.00	222,000.00
Intitutional Capacity Building-Commodity Boards	-	958,400.00	958,400.00	958,400.00
Agriculture Feeder Roads	-	5,630,000.00	5,630,000.00	5,630,000.00
Productive Partnerships-Productivity & PO Formation	-	5,055,600.00	5,055,600.00	5,055,600.00
Productive Partnerships-Aggregation, Value Addition & Marketing	-	749,000.00	749,000.00	749,000.00
Project Management and Monitoring & Evaluation	-	5,341,600.00	5,341,600.00	5,341,600.00
Contingency Emergency Response Component	-	-	-	-
Others (IDA)	-	-	-	-
<b>GOPNG</b>				
Intitutional Capacity Building-DAL	442,125.93	2,000,000.00	2,000,000.00	1,557,874.07
Intitutional Capacity Building-Commodity Boards	-	400,000.00	400,000.00	400,000.00
Agriculture Feeder Roads	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-
Project Management and Monitoring & Evaluation	-	800,000.00	800,000.00	800,000.00
Contingency Emergency Response Component	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	<b>442,125.93</b>	<b>21,156,600.00</b>	<b>21,156,600.00</b>	<b>20,714,474.07</b>
<b>NET CASH FLOWS</b>	<b>1,557,874.07</b>	<b>-</b>	<b>-</b>	<b>(1,557,874.07)</b>





PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY LOAN CATEGORY-DAL PCU  
 FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	1,645,000.00	1,645,000.00	1,645,000.00
GoPNG	2,000,000.00	2,000,000.00	2,000,000.00	-
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	<b>2,000,000.00</b>	<b>3,645,000.00</b>	<b>3,645,000.00</b>	<b>1,645,000.00</b>
<b>CASH OUTFLOWS</b>				
IDA				
Goods & Works	-	24,000.00	24,000.00	24,000.00
Non Consulting Services	-	211,800.00	211,800.00	211,800.00
Consulting Services	-	1,158,000.00	1,158,000.00	1,158,000.00
Operating Costs	-	251,200.00	251,200.00	251,200.00
Training & Workshops	-	-	-	-
Partnership Grants Under Part 3.1	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-
Others (IDA)	-	-	-	-
GOPNG				
Goods & Works	442,125.93	2,000,000.00	2,000,000.00	1,557,874.07
Non Consulting Services	-	-	-	-
Consulting Services	-	-	-	-
Operating Costs	-	-	-	-
Training & Workshops	-	-	-	-
Partnership Grants Under Part 3.1	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	<b>442,125.93</b>	<b>3,645,000.00</b>	<b>3,645,000.00</b>	<b>3,202,874.07</b>
<b>NET CASH FLOWS</b>	<b>1,557,874.07</b>	<b>-</b>	<b>-</b>	<b>(1,557,874.07)</b>

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY PROJECT COMPONENTS-DAL PCU  
 FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	1,645,000.00	1,645,000.00	1,645,000.00
GoPNG	2,000,000.00	2,000,000.00	2,000,000.00	-
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	<b>2,000,000.00</b>	<b>3,645,000.00</b>	<b>3,645,000.00</b>	<b>1,645,000.00</b>
<b>CASH OUTFLOWS</b>				
IDA				
Institutional Capacity Building-DAL	-	222,000.00	222,000.00	222,000.00
Institutional Capacity Building-Commodity Boards	-	-	-	-
Agriculture Feeder Roads	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-
Project Management and Monitoring & Evaluation	-	1,423,000.00	1,423,000.00	1,423,000.00
Contingency Emergency Response Component	-	-	-	-
Others (IDA)	-	-	-	-
GOPNG				
Institutional Capacity Building-DAL	442,125.93	2,000,000.00	2,000,000.00	1,557,874.07
Institutional Capacity Building-Commodity Boards	-	-	-	-
Agriculture Feeder Roads	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-
Project Management and Monitoring & Evaluation	-	-	-	-
Contingency Emergency Response Component	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	<b>442,125.93</b>	<b>3,645,000.00</b>	<b>3,645,000.00</b>	<b>3,202,874.07</b>
<b>NET CASH FLOWS</b>	<b>1,557,874.07</b>	<b>-</b>	<b>-</b>	<b>(1,557,874.07)</b>



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY LOAN CATEGORY-COCOA PMU  
 FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	8,521,600.00	8,521,600.00	8,521,600.00
GoPNG	-	600,000.00	600,000.00	600,000.00
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	-	<b>9,121,600.00</b>	<b>9,121,600.00</b>	<b>9,121,600.00</b>
<b>CASH OUTFLOWS</b>				
<b>IDA</b>				
Goods & Works	-	2,803,400.00	2,803,400.00	2,803,400.00
Non Consulting Services	-	105,000.00	105,000.00	105,000.00
Consulting Services	-	2,841,400.00	2,841,400.00	2,841,400.00
Operating Costs	-	316,000.00	316,000.00	316,000.00
Training & Workshops	-	169,300.00	169,300.00	169,300.00
Partnership Grants Under Part 3.1	-	1,912,000.00	1,912,000.00	1,912,000.00
Partnership Grants Under Part 3.2	-	374,500.00	374,500.00	374,500.00
Emergency Expenditures Under Part 5	-	-	-	-
Others (IDA)	-	-	-	-
<b>GOPNG</b>				
Goods & Works	-	150,000.00	150,000.00	150,000.00
Non Consulting Services	-	50,000.00	50,000.00	50,000.00
Consulting Services	-	50,000.00	50,000.00	50,000.00
Operating Costs	-	250,000.00	250,000.00	250,000.00
Training & Workshops	-	100,000.00	100,000.00	100,000.00
Partnership Grants Under Part 3.1	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	-	<b>9,121,600.00</b>	<b>9,121,600.00</b>	<b>9,121,600.00</b>
<b>NET CASH FLOWS</b>				
	-	-	-	-

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY PROJECT COMPONENTS-COCOA PMU  
 FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	8,521,600.00	8,521,600.00	8,521,600.00
GoPNG	-	600,000.00	600,000.00	600,000.00
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	-	<b>9,121,600.00</b>	<b>9,121,600.00</b>	<b>9,121,600.00</b>
<b>CASH OUTFLOWS</b>				
<b>IDA</b>				
Intitutional Capacity Building-DAL	-	-	-	-
Intitutional Capacity Building-Commodity Boards	-	555,100.00	555,100.00	555,100.00
Agriculture Feeder Roads	-	2,815,000.00	2,815,000.00	2,815,000.00
Productive Partnerships-Productivity & PO Formation	-	2,695,400.00	2,695,400.00	2,695,400.00
Productive Partnerships-Aggregation, Value Addition & Marketing	-	374,500.00	374,500.00	374,500.00
Project Management and Monitoring & Evaluation	-	2,081,600.00	2,081,600.00	2,081,600.00
Contingency Emergency Response Component	-	-	-	-
Others (IDA)	-	-	-	-
<b>GOPNG</b>				
Intitutional Capacity Building-DAL	-	-	-	-
Intitutional Capacity Building-Commodity Boards	-	200,000.00	200,000.00	200,000.00
Agriculture Feeder Roads	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-
Project Management and Monitoring & Evaluation	-	400,000.00	400,000.00	400,000.00
Contingency Emergency Response Component	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	-	<b>9,121,600.00</b>	<b>9,121,600.00</b>	<b>9,121,600.00</b>
<b>NET CASH FLOWS</b>				
	-	-	-	-



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY LOAN CATEGORY-COFFEE PMU  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	7,790,000.00	7,790,000.00	7,790,000.00
GoPNG	-	600,000.00	600,000.00	600,000.00
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	-	<b>8,390,000.00</b>	<b>8,390,000.00</b>	<b>8,390,000.00</b>
<b>CASH OUTFLOWS</b>				
<b>IDA</b>				
Goods & Works	-	2,533,400.00	2,533,400.00	2,533,400.00
Non Consulting Services	-	105,000.00	105,000.00	105,000.00
Consulting Services	-	2,450,600.00	2,450,600.00	2,450,600.00
Operating Costs	-	245,500.00	245,500.00	245,500.00
Training & Workshops	-	169,000.00	169,000.00	169,000.00
Partnership Grants Under Part 3.1	-	1,912,000.00	1,912,000.00	1,912,000.00
Partnership Grants Under Part 3.2	-	374,500.00	374,500.00	374,500.00
Emergency Expenditures Under Part 5	-	-	-	-
Others (IDA)	-	-	-	-
<b>GOPNG</b>				
Goods & Works	-	150,000.00	150,000.00	150,000.00
Non Consulting Services	-	50,000.00	50,000.00	50,000.00
Consulting Services	-	50,000.00	50,000.00	50,000.00
Operating Costs	-	250,000.00	250,000.00	250,000.00
Training & Workshops	-	100,000.00	100,000.00	100,000.00
Partnership Grants Under Part 3.1	-	-	-	-
Partnership Grants Under Part 3.2	-	-	-	-
Emergency Expenditures Under Part 5	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	-	<b>8,390,000.00</b>	<b>8,390,000.00</b>	<b>8,390,000.00</b>
<b>NET CASH FLOWS</b>				

PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS BY PROJECT COMPONENTS-COFFEE PMU  
FOR THE YEAR ENDED 31 DECEMBER 2020

Notes	K			
	Actual Amounts (Jan-Dec 2020)	Final Budget (Jan-Dec 2020)	Original Budget (Jan-Dec 2020)	Difference Final Budget and Actuals
<b>CASH INFLOWS</b>				
IDA 6466	-	7,790,000.00	7,790,000.00	7,790,000.00
GoPNG	-	600,000.00	600,000.00	600,000.00
Interests	-	-	-	-
Others	-	-	-	-
<b>Total Receipts</b>	-	<b>8,390,000.00</b>	<b>8,390,000.00</b>	<b>8,390,000.00</b>
<b>CASH OUTFLOWS</b>				
<b>IDA</b>				
Intitutional Capacity Building-DAL	-	-	-	-
Intitutional Capacity Building-Commodity Boards	-	403,300.00	403,300.00	403,300.00
Agriculture Feeder Roads	-	2,815,000.00	2,815,000.00	2,815,000.00
Productive Partnerships-Productivity & PO Formation	-	2,360,200.00	2,360,200.00	2,360,200.00
Productive Partnerships-Aggregation, Value Addition & Marketing	-	374,500.00	374,500.00	374,500.00
Project Management and Monitoring & Evaluation	-	1,837,000.00	1,837,000.00	1,837,000.00
Contingency Emergency Response Component	-	-	-	-
Others (IDA)	-	-	-	-
<b>GOPNG</b>				
Intitutional Capacity Building-DAL	-	-	-	-
Intitutional Capacity Building-Commodity Boards	-	200,000.00	200,000.00	200,000.00
Agriculture Feeder Roads	-	-	-	-
Productive Partnerships-Productivity & PO Formation	-	-	-	-
Productive Partnerships-Aggregation, Value Addition & Marketing	-	-	-	-
Project Management and Monitoring & Evaluation	-	400,000.00	400,000.00	400,000.00
Contingency Emergency Response Component	-	-	-	-
Others (GOPNG)	-	-	-	-
<b>Total Payments</b>	-	<b>8,390,000.00</b>	<b>8,390,000.00</b>	<b>8,390,000.00</b>
<b>NET CASH FLOWS</b>				



# PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT (PACD)

IDA 6466 AND GoPNG

## NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 ACCOUNTING POLICIES

Stated hereunder are the significant accounting policies and practices adopted by the Project in preparing its financial statements for the year ended 31 December 2020.

#### a) Basis of Preparation

These financial statements are presented in accordance with the International Public Sector Accounting Standards (IPSAS) cash accounting system including applicable financial reporting standards approved for use in PNG by the Accounting Standards Board (ASB). The ASB has approved all current International Accounting Standards as appropriate financial reporting standards. Furthermore the World Bank has recommended all Bank funded Projects to comply with the IPSAS format for developing Annual Financial Statements for audit.

#### b) Reporting Entity

PACD is implemented under the overall guidance of the Project Steering Committee (PSC) comprising of key Government agencies and sector stakeholders with overall monitoring and coordination by the National Department of Agriculture & Livestock (DAL). The Project Coordination Unit (DAL PCU) is located within the DAL headquarters in Port Moresby. The Cocoa Project Management Unit (Cocoa PMU) is located within the Cocoa Board of PNG in Kokopo, ENBP and the Coffee Project Management Unit (Coffee PMU) is located within the Coffee Industry Corporation in Goroka, EHP. The three units maintain their own financial accounts however the two PMUs sent their financials to PCU for consolidation and reporting to the World Bank and other stakeholders.

#### c) Payments by Third Parties

Payments by third parties refers to direct payment paid by World Bank directly to the bank accounts of suppliers of goods and services or contractors, in the case of civil works under agriculture feeder roads component of the PACD Project. Withdrawal Application amounts are also in compliance within the Minimum Application Value threshold allowed under such payment procedures.

#### d) Reporting Currency

The reporting currency for this Financial Statements is in Papua New Guinea Kina (PGK).

### 2 CASH

Consolidated cash and equivalent for the year are comprised of the following:

ITEMS	DAL PCU	COCOA PMU	COFFEE PMU	TOTAL
World Bank DA	-	-	-	-
GoPNG T/A*	1,557,874.07	-	-	1,557,874.07
Petty Cash	-	-	-	-
Others*	-	-	-	-
<b>Total</b>	<b>1,557,874.07</b>	<b>-</b>	<b>-</b>	<b>1,557,874.07</b>

\*Note that receipt and usage of PACD GOPNG Funding has been facilitated via the DAL PPAP GOPNG Bank Account thus DAL GOPNG Bank Account balance includes PPAP funding. PPAP is under a different Financing Agreement thus will be reported separately.

### 3 BORROWINGS

While the credit financing agreements are loans to the Independent State of Papua New Guinea, and Department of Treasury report this accordingly in the whole of Government accounts, for the purpose of Project financial statements, as the reporting entity is DAL, CB and CIC, and since the financing agreements and subsidiary agreements state that the proceeds of the credits are made available on a non-refundable basis, then are no borrowings of DAL, CB and CIC and no borrowings of the project.

### 4 OTHER RECEIPTS

Other receipts mainly refers to GST refunds from IRC and in some case proceeds of insurance claims received.

### 5 OTHER PAYMENTS/EXPENDITURES

Others payments or expenditures, both IDA and GOPNG in this case refers to payments or expenditures from respective accounts not yet taken up in the normal approved expenditures items as of this reported financial period.

### 6 FIXED ASSETS REGISTER

A Fixed Asset Register is maintained separately as the valuation of assets is not included in the Financial Statement as all assets are expensed at the time of purchase as per the cash basis of accounting system. A Fixed Asset Register is however maintained for proper records of all Project financed assets.



7 **PROJECT DETAILS**

a) **Project Commencing and Closing Dates**

The PNG Agriculture Commercialization and Diversification Project (PACD) officially commenced in 17 December 2020. The project is planned for five (5) years thus the current Project Closing Date would be 17 December 2025.

b) **Project Objective and Components**

The objective of PACD is to facilitate the development of competitive and diversified agriculture value chains for Selected Commodities in Targeted Provinces.

The Project consists of the following main components;

- 1.1 Institutional Capacity Building-DAL
- 1.2 Institutional Capacity Building-Commodity Boards.
- 2.0 Agriculture Feeder Roads.
- 3.1 Productive Partnerships-On Farm & Post Harvest Productivity and Formation of Producer Organizations
- 3.2 Productive Partnerships-Value Addition and Marketing
- 4.0 Project Management and Monitoring and Evaluation
- 5.0 Contingency Emergency Response Component

c) **Financing Arrangement**

World Bank administers IDA funding. Two bank accounts (Trust Accounts) will be established through a gazettal trust deed (gazetted on 15th February 2021) at each of the three units - one for World Bank administered funding and one for GOPNG counterpart funding. All accounts will be established with the Kina Bank, Harbourcity, Kokopo & Goroka branches as per Department of Finance approval (28th September 2021). Advances and replenishments of the World Bank administered Trust Accounts will be made by WB and charge its records against the IDA loan account, 100% inclusive of all taxes.

The transactions in currencies other than PGK are converted into PGK using the actual exchange rate applied by Kina Bank (where the transactions are paid from the trust accounts) and World Bank rate for payments directly paid by World Bank.

8 **AUTHORISATION DATE**

The financial statement was authorised for publication on 25 October, 2021 and should be read inconjunction with the audit report.

9 **ORIGINAL AND FINAL APPROVED BUDGET AND COMPARISON OF ACTUAL AND BUDGET AMOUNTS**

Comparison between approved budget and actuals is between 2020 annual budget and 2020 actuals. Original annual budget for 2020 is based on initial budget developed for Project Signing as no implementation as yet, thus original and final budgets are the same.

10 **EXTERNAL ASSISTANCE**

PACD is jointly funded by the World Bank; through its International Development Association (IDA) Credit No.6466 and Government of Papua New Guinea (GOPNG) counterpart funding. Below is the detail of drawdown status of all financing facilities.

Facility	Total Financing (SDR)	Draw Down (SDR)	Draw Down (PGK)	Undrawn (SDR)
IDA 6466	29,100,000.00	-	-	29,100,000.00
Facility	Total Financing (PGK)	Draw Down (PGK)	Draw Down (PGK)	Undrawn (PGK)
GoPNG	2,000,000.00	2,000,000.00	2,000,000.00	-

