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 .

10th day of December, 2021

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Sec

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

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

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

FOR THE YEAR ENDED 31 DECEMBER 2020	Notes	1	2020 K		2019 K			
		Controlled By Entity	Controlled By Third Party	Totał	Controlled By Entity	Controlled By Third Party	Total	
RECEIPTS								
DA 6466		120	5		*.	1.5	-=	
aPNG		2,000,000.00	8	2,000,000.00	<u>4</u> 9	14 A	10	
terests					t e	12	1	
thers	4		1		22	22	12	
			•		÷.	18	2.	
		25.2	2	1		1.0	1.0	
		1	•		- C	·		
2 4 2 Y 2 Y 2 Y 2 Y 2 Y 2 Y 2 Y 2 Y 2 Y		2,000,000.00	•		80			
tal Receipts				2,000,000.00			15	
AYMENTS								
A								
ods & Works			*	-	÷ :	14	14	
n Consulting Services		1.20	*	(*)	7 5			
nsuiting Services		020		2	50	2	10	
erating Costs		293) 1983	*1	1	• :	24	24	
aining & Workshops			-	10 A	51		1	
rtnership Grants Under Part 3.1			*	1		35	30	
rtnership Grants Under Part 3,2			**		=1		74	
hergency Expenditures Under Part 5		1					1	
hers (IDA) DPNG	5	S. (4)	+	-	1	14		
ods & Works								
in Consulting Services		442,125,93	51	442,125.93	8	2		
nsulting Services				-	-			
erating Costs			**	1	E-1		-*	
sining & Workshops				1		8	1 ±	
rtnership Grants Under Part 3.1		-						
rtnership Grants Under Part 3.2		1			•	۲		
ergency Expenditures Under Part 5				2	2	2	1	
hers (GOPNG)					Č.			
iners (see ite)	5	442,125.93	8	1	1	1		
tul Payments	1			442,125.93		5	a	
rease / (Decrease) in Cash for the Year				1,557,874.07		-		
sh at Beginning of Year (Opening Balance)								
				÷.			25	
crease / (Decrease) in Cash for the Year				1,557,874.07				
sh at End of Year (Closing Balance)	2			1,557,874.07		-	(*	

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 K	3	÷	2019 K	
		Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total
RECEIPTS							
IDA 5456			(*)			12	3
GoPNG		2,000,000.00		2,000,000.00		-	-
interests		1	2				
Others	4	-		• :			
		-					-
				1		-	
		-					-
		2,000,000.00	100				
Total Receipts				2,000,000.00			
PAYMENTS							
IDA							
Intitutional Capacity Building-DAL					3		6.6
Intitutional Capacity Building-Commodity Boards		-				6	
Aariculture Feeder Roads			12		5/11		
Productive Partnerships-Productivity & PO Formation		-		100			
Productive Partnerships-Aggregation, Value Addition & Marketing				1.5			
Project Management and Monitoring & Evaluation			-	199		<u></u>	
Contingency Emergency Response Component							-
Others (IDA)	5		1	120		2	
GOPNG	6				100	- B	(8)
Intitutional Capacity Building-DAL		442,125.93	12	442,125.93	24		
Intitutional Capacity Building-Commodity Boards			1				8
Agriculture Feeder Roads		+7			12		3
Productive Partnerships-Productivity & PO Formation		-			-		0
Productive Partnerships-Aggregation, Value Addition & Marketing		14			12	2	
Project Management and Monitoring & Evaluation		-					
Contingency Emergency Response Component		27	1				0
Others (GOPNG)	S	÷.	2	22 A	1	1	100
		442,125.93	. 3		3.8		
Total Payments				442,125,93			1
Increase / (Decrease) in Cash for the Year				1,557,874.07		-	
Cash at Beginning of Year (Opening Balance)				1			-
ncrease / (Decrease) In Cash for the Year				1,557,874.07			-
Cash at End of Year (Closing Belance)	2		14	1,557,874.07		-	



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT STATEMENT OF CASH RECEIPTS AND PAYMENTS BY LOAN CATEGORY-DAL PCU

	Notes		2020			2019			
			K			к			
		Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total		
RECEIPTS									
DA 6466									
ioPNG		2,000,000.00	1	2,000,000.00	24				
terests						-	10		
thers					· · · · ·	10			
				22			1.5		
					2				
		1							
		2,000,000.00			2	12			
otal Receipts				2,000,000.00			- Ce		
AYMENTS									
A									
oods & Works		0.53	14		-				
on Consulting Services		1.	-	100	3		1 P		
onsulting Services						(+			
perating Costs		15	12	100	2				
aining & Workshops				12					
rtnership Grants Under Part 3.1			-						
rtnership Grants Under Part 3,2			3	3		52			
nergency Expenditures Under Part 5			-		+5	01			
thers (IDA)									
DPNG		1990		0.1	7 2	5 5			
oods & Works		442,125,93		442,125.93		÷÷			
on Consulting Services				-					
onsulting Services				÷	1	1			
erating Costs			-		+1				
aining & Workshops			100		7.4				
rtnership Grants Under Part 3,1			45	2	19 E	100	9		
rtnership Grants Under Part 3.2		-		-	-				
nergency Expenditures Under Part 5				3		12			
hers (GOPNG)		-							
, ,		442,125.93	•						
tal Payments				442,125.93	5		20		
rease / (Decrease) in Cash for the Year				1,557,874.07		-			
sh at Beginning of Year (Opening Balance)							1		
crease / (Decrease) in Cash for the Year				1,557,874.07			59		
sh at End of Year (Closing Balance)			4	1,557,874.07		94			

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 			
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total	
RECEIPTS							
DA 6466				10		12	
50PNG	2,000,000.0		2,000,000.00				
nterests			-,,	1.1			
Others		-	1.1		2		
	2			0		13	
			27			30	
	2,000,000.0			-			
iotal Receipts			2,000,000.00				
AYMENTS							
DA							
atitutional Capacity Building-DAL	*		-	12	4		
titutional Capacity Building-Commodity Boards			-				
griculture Feeder Roads			120				
roductive Partnerships-Productivity & PO Formation		24		11	-		
roductive Partnerships-Aggregation, Value Addition & Marketing							
roject Management and Monitoring & Evaluation	-		1.	52		-	
ontingency Emergency Response Component				1		100	
Others (IDA)	-		-		-		
IOPNG							
ntitutional Capacity Building-DAL	442,125 9	- 33	442,125,93	12	-		
titutional Capacity Building-Commodity Boards							
griculture Feeder Roads	-	2			133	1	
roductive Partnerships-Productivity & PO Formation				24	#		
roductive Partnerships-Aggregation, Value Addition & Marketing	1					0	
roject Management and Monitoring & Evaluation	0	<u></u>					
ontingency Emergency Response Component					+:		
thers (GOPNG)		1	100				
	442,125.9	3 🚽					
otal Payments			442,125.93			÷	
screase / (Decrease) in Cash for the Year			1,557,874.07				
ash at Beginning of Year (Opening Balance)			24		-	i.	
crease / (Decrease) in Cash for the Year			1,557,874.07				
ash at End of Year (Closing Balance)			1,557,874.07		-		



PNG AGRICULTURE COMMERCIALIZATION AND DIVERSIFICATION PROJECT STATEMENT OF CASH RECEIPTS AND PAYMENTS BY LOAN CATEGORY-COCOA PMU

	Notes		2020 K		2019			
			ĸ		-	к		
		Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total	
RECEIPTS								
IDA 5455		10	2					
GoPNG				03		2		
Interests				-			2	
Others		14	1	1944			-	
					5.0	1	12	
			-			-		
		. ÷		÷.	1.1	ŝ.		
						÷.		
Total Receipts							8	
PAYMENTS								
IDA .								
Goods & Works		-	5	10	125	20	3	
ion Consulting Services			1.00		1	+		
Consulting Services		2				*	-	
Operating Costs			1	100				
Fraining & Workshops		-		<u>_</u>				
Partnership Grants Under Part 3.1							÷	
Partnership Grants Under Part 3.2		1	2.2		1	1	10.	
memency Expenditures Under Part 5				<u> </u>				
Others (IDA)			100	2				
SOPNG				2	2.27	72		
Goods & Works			10.5			·2		
Non Consulting Services			125					
Consulting Services				+0	1	2	-	
Operating Costs								
Fraining & Workshops		1				-		
Partnership Grants Under Part 3.1		-	100					
artnership Grants Under Part 3.2				<u> </u>		<u>.</u>		
mergency Expenditures Under Part 5		10		1		5	0	
Others (GOPNG)				+:				
		1				*:		
fotal Payments				¥2			-	
ncrease / (Decrease) in Cash for the Year			-			-		
ash at Beginning of Year (Opening Balance)				22				
ncrease / (Decrease) in Cash for the Year				* 1				
ash at End of Year (Closing Balance)			-	<u> </u>		1	0	

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

M	lotes	2020 K		2019 K			
	Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total	
RECEIPTS							
DA 5465		14	100		12		
SoPNG							
interests	-	100	1.			1	
Others		14		10	1.00		
	2						
			44		15		
	-		(E)	-		-	
otul Receipts	-	2	(a)		7.50		
AYMENTS							
DA							
stitutional Capacity Building-DAL		· ·	2001	14	C20	-	
titutional Capacity Building-Commodity Boards		-					
griculture Feeder Roads	1.	1	1.1	3	1.0	1	
roductive Partnerships-Productivity & PO Formation		-			2001		
roductive Partnerships-Aggregation, Value Addition & Marketing		-		-			
roject Management and Monitoring & Evaluation		<u></u>		-			
ontingency Emergency Response Component		-		-	31		
Nthers (IDA)	020	1					
OPNG							
titutional Capacity Building-DAL			1.00	4	197		
titutional Capacity Building-Commodity Boards		1	1				
griculture Feeder Roads					1		
roductive Partnerships-Productivity & PO Formation							
roductive Partnerships-Aggregation, Value Addition & Marketing		1					
roject Management and Monitoring & Evaluation			-	-	-		
ontingency Emergency Response Component							
thers (GOPNG)		2	1			1	
		*			14		
otal Payments						•	
crease / (Decrease) in Cash for the Year		-					
ash at Baginning of Year (Opening Balance)							
crease / (Decrease) in Cash for the Year			24			-	
ash at End of Year (Closing Balance)					-		



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

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FOR THE YEAR ENDED 31 DECEMBER 2020	Notes		2020 K		2019 			
		Controlled By Entity	Controlled By Third Party	Total	Controlled By Entity	Controlled By Third Party	Total	
RECEIPTS								
DA 6466		14		*				
oPNG		-	-	=:			-	
terests		10				2		
hers		0		+1			4	
				-				
		(#)	1.	22	01	2		
						-	-	
		9	520			5.		
to/ Receipts				÷1				
AYMENTS								
A								
ods & Works				=	3	+-		
n Consulting Services			120					
nsulting Services			100		200	100	2	
erating Costs		-					*	
Ining & Workshops		2		100	1	<u>_</u>		
rtnership Grants Under Part 3.1					-	1	52	
rtnership Grants Under Part 3.2		-	-				0	
nergency Expenditures Under Part 5						12		
hers (IDA) DPNG		•	17	(10)	÷	.	1	
oods & Works				18			3	
in Consulting Services		*	2		74			
nsulting Services				1000		*	-	
erating Costs		*		1		±1	23	
alning & Workshops		*:			7 4	+	*	
rtnership Grants Under Part 3.1		5		5.		*:	-	
rtnership Grants Under Part 3.2					52	1	5	
tergency Expenditures Under Part 5		*2	(#			*	-	
hers (GOPNG)		104	1.1	200	1	*** 	-	
into Jane 1001		** **		1.00				
tai Paymenta		*:		20		*		
crease / (Decrease) in Cash for the Year						2		
sh at Beginning of Year (Opening Balance)			_	(a):		-	÷	
rease / (Decrease) in Cash for the Year				a .			2	
sh 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	
ECEIPTS								
A 6466		1						
PNG			1	55		12		
ana ta			-		-			
83		1.1	2	2			2	
					2		111	
		-					Q	
		i.	Ŷ	î	÷			
l Receipts		5 .				(a)		
MENTS								
itional Capacity Building-DAL		52	23		1000			
itional Capacity Building-Commodity Boards				1	1		Ve	
ulture Feeder Roads				-			-	
active Partnerships-Productivity & PO Formation			3	5	-	583) 1		
ctive Partnerships-Aggregation, Value Addition & Marketing			24			1		
t Management and Monitoring & Evaluation					*			
gency Emergency Response Component				3		1		
s (IDA)					e.,		100	
G					1	(*)	0.00	
ional Capacity Building-DAL		12				<u>_</u>	525	
tional Capacity Building-Commodity Boards		2	<u></u>	-				
Ilture Feeder Roads		8	-	-			1.00	
ctive Partnerships-Productivity & PO Formation		23	22			-	100	
ctive Partnerships-Aggregation, Value Addition & Marketing								
t Management and Monitoring & Evaluation			5	÷.	**			
ngency Emergency Response Component		-			28	-	100	
s (GOPNG)				-		52 (*	1	
Payments					y 	10		
				•				
se / (Decraase) in Cash for the Year			-			-	120	
at Beginning of Year (Opening Balance)				-			121	
use / (Decrease) In Cash for the Year				×				
rt End of Year (Closing Belance)			-				1	GENER
								10° h
				7				C TIS
				/				15/1
								10

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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

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	К								
N	otes Actual Amounts	Final Budget	Original Budget	Difference Final					
	(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actuals					
CASH INFLOWS									
IDA 6466	1	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	(a)	14		-					
Others				1.					
Total Receipts	2,000,000.00	21,156,600.00	21,156,600.00	19,156,600.00					
CASH OUTFLOWS									
IDA									
Goods & Works	14	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	22	338,300.00	338,300.00	338,300.00					
Partnership Grants Under Part 3.1	12	3,824,000.00	3,824,000.00	3,824,000.00					
Partnership Grants Under Part 3.2	14	749,000.00	749,000.00	749,000.00					
Emergency Expenditures Under Part 5		•	-	140					
Others (IDA)		100	-						
GOPNG									
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	15	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	-		*	12					
Partnership Grants Under Part 3.2	2			12					
Emergency Expenditures Under Part 5	14			-					
Others (GOPNG)		5 4 1	44	14					
Total Payments	442,125.93	21,156,600.00	21,156,600.00	20,714,474.07					
NET CASH FLOWS									
VET CASH FLOWS	1,557,874.07			(1,557,874.4					

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

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	Notes	Actual Amounts	Final Budget	Original Budget	Difference Final
		(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actual
CASH INFLOWS			17,956,600.00		
IDA 6456				17,956,600.00	17,956,600.0
GoPNG		2,000,000.00	3,200,000.00	3,200,000.00	1,200,000.0
Interests			-,,-	-	1,200,000.0
Others		1	5		
Total Receipts	_	2,000,000.00	21,156,600.00	21,155,600.00	19,156,600.0
CASH OUTFLOWS					
IDA					
Intitutional Capacity Building-DAL		: •	222,000.00	222.000.00	222.000.0
Intitutional Capacity Building-Commodity Boards			958,400.00	958,400.00	958,400.0
Agriculture Feeder Roads			5,630,000.00	5,630,000,00	5,630,000.0
Productive Partnerships-Productivity & PO Formation		1.5	5,055,600.00	5,055,600.00	5,055,600.0
Productive Partnerships-Aggregation, Value Addition & Marketing		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	749,000.00	749,000.00	749.000.0
Project Management and Monitoring & Evaluation			5,341,600.00	5,341,600.00	5,341,600.0
Contingency Emergency Response Component					+
Others (IDA)				-	
GOPNG					
Intitutional Capacity Building-DAL		442,125.93	2,000,000.00	2,000,000.00	1,557,874.0
Intitutional Capacity Building-Commodity Boards			400,000.00	400,000.00	400,000.0
Agriculture Feeder Roads		35			-
Productive Partnerships-Productivity & PO Formation				10	
Productive Partnerships-Aggregation, Value Addition & Marketing		14	-		
Project Management and Monitoring & Evaluation		12	800,000.00	800,000.00	800,000.0
Contingency Emergency Response Component			¥2	14	12
Others (GOPNG)		- 77	*	-	<u>15</u>
Total Payments		442,125.93	21,156,600.00	21,156,600.00	20,714,474.0
NET CASH FLOWS		1,557,874.07			(1.557.874.0)



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

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		К						
	Notes	Actual Amounts	Final Budget	Original Budget	Difference Final			
	-	(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actuals			
CASH INFLOWS								
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	2,010,000,00			
Interests			=:	-				
Others			23		22.1			
Total Receipts		2,000,000.00	3,645,000.00	3,645,000.00	1,645,000.00			
CASH OUTFLOWS								
IDA								
Goods & Works		10	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		1.4	251,200.00	251,200.00	251,200.00			
Training & Workshops		1.2		-	-			
Partnership Grants Under Part 3.1				-	-			
Partnership Grants Under Part 3.2		20		-				
Emergency Expenditures Under Part 5		-	1.8-1					
Others (IDA)		0.0	1.75	-	-			
GOPNG								
Goods & Works		442,125.93	2,000,000.00	2,000,000.00	1,557,874.07			
Non Consulting Services			76	-	1			
Consulting Services		(e.		.				
Operating Costs		15			-			
Training & Workshops		5 G	-					
Partnership Grants Under Part 3.1		54 H	525	2				
Partnership Grants Under Part 3.2		1000 1000	253	÷2	- C.			
Emergency Expenditures Under Part 5				÷:	12			
Others (GOPNG)		17	1.00	*	28			
Total Payments		442,125.93	3,645,000.00	3,645,000.00	3,202,874.07			
NET CASH FLOWS		1,557,874.07	5 5 2		(1,557,874.07)			

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

NET CASH FLOWS		1,557,874.07	*		(1,557,874.07
iotal Payments		442.125.93	3,645,000.00	3,645,000.00	3,202,874.07
	_			_	
Others (GOPNG)		-			
Contingency Emergency Response Component			-		-
Project Management and Monitoring & Evaluation		-		14	
Productive Partnerships-Aggregation, Value Addition & Marketing		1.22			
Productive Partnerships-Productivity & PO Formation			3		0
Agriculture Feeder Roads		122		-7	
Intitutional Capacity Building-Commodity Boards		442,125.93	2,000,000.00	2,000,000.00	1,557,874.03
intitutional Capacity Building-DAL		442,125,93	3 000 000 00	3 655 555 55	
Others (IDA) GOPNG			12	1.4	2
Contingency Emergency Response Component		-		20	5
Project Management and Monitoring & Evaluation			1,423,000.00	1,423,000.00	1,423,000.0
Productive Partnerships-Aggregation, Value Addition & Marketing		51.			×.
Productive Partnerships-Productivity & PO Formation				3 9 (÷:
Agriculture Feeder Roads		÷	-	542	1
Intitutional Capacity Building-Commodity Boards		-c		(Q)	12 C
Intitutional Capacity Building-DAL		-	222,000.00	222,000.00	222,000,0
IDA					
CASH OUTFLOWS					
Total Receipts		2,000,000.00	3,645,000.00	3,645,000.00	1,645,000.0
Others		-	S.		2
Interests		*	74	52.5	
GoPNG		2,000,000.00	2,000,000.00	2,000,000.00	-
IDA 6466		8	1,645,000.00	1,645,000.00	1,645,000.0
CASH INFLOWS					
		(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actua
	Notes	Actual Amounts	Final Budget	Orlginal Budget	Difference Final
	-				



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

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	Notes	Actual Amounts	Final Budget	Original Budget	Difference Final	
	3	(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actuals	
CASH INFLOWS						
IDA 6466		520	8,521,600.00	8,521,600.00	8,521,600.00	
GoPNG		1	600,000,00	600,000,00	600,000,00	
Interests			49	÷		
Others			•	÷	-	
Total Receipts			9,121,600.00	9,121,600.00	9,121,600.00	
CASH OUTFLOWS						
IDA						
Goods & Works		24	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	
Fraining & Workshops			169.300.00	169,300.00	169,300.00	
Partnership Grants Under Part 3.1		02	1,912,000.00	1,912,000.00	1,912,000.00	
Partnership Grants Under Part 3.2		54	374,500.00	374,500.00	374,500.00	
Emergency Expenditures Under Part 5			+1	=		
Others (IDA)		(*	-	-		
SOPNG						
Goods & Works		÷.	150,000.00	150,000.00	150,000.00	
Non Consulting Services		12	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	
fraining & Workshops			100,000.00	100,000.00	100,000.00	
Partnership Grants Under Part 3.1			1.54			
Partnership Grants Under Part 3.2		<u>i</u>		-		
mergency Expenditures Under Part 5		12	V.E	1	10	
Others (GOPNG)			200		14	
Total Payments		•	9,121,600.00	9,121,600.00	9,121,600.00	
NET CASH FLOWS						
TEC ONOTI FLOWID						

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

		K				
	Notes	Actual Amounts	Final Budget	Original Budget	Difference Final	
		(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actual	
CASH INFLOWS			8.521,600.00			
IDA 6466				8,521,600.00	8,521,600.00	
GoPNG			600,000.00	600,000.00	600,000,00	
Interests		-	12		-	
Others		ĒČ				
Total Receipts		-1.	9,121,600.00	9,121,600.00	9,121,600.00	
CASH OUTFLOWS						
IDA						
Intitutional Capacity Building-DAL			14	100		
Intitutional Capacity Building-Commodity Boards			555,100.00	555,100.00	555,100.0	
Agriculture Feeder Roads		23	2,815,000.00	2.815.000.00	2,815,000.0	
Productive Partnerships-Productivity & PO Formation			2,695,400.00	2,695,400.00	2,695,400.0	
Productive Partnerships-Aggregation, Value Addition & Marketing		1.00	374,500.00	374,500.00	374,500.0	
Project Management and Monitoring & Evaluation		100	2,081,600.00	2,081,600.00	2,081,600.0	
Contingency Emergency Response Component						
Others (IDA)			-			
GOPNG						
Intitutional Capacity Building-DAL		2.451	1	120	23	
Intitutional Capacity Building-Commodity Boards			200,000,00	200,000.00	200,000.00	
Agriculture Feeder Roads					*	
Productive Partnerships-Productivity & PO Formation			-	197	-1	
Productive Partnerships-Aggregation, Value AddItion & Marketing		120				
Project Management and Monitoring & Evaluation			400,000.00	400,000,00	400,000.00	
Contingency Emergency Response Component		6942	(2)	.a/	-27	
Others (GOPNG)		• 1		=1	2	
Total Payments	1.225		9,121,600.00	9,121,600.00	9,121,600.00	
NET CASH FLOWS				12		



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

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	Notes	Actual Amounts	Final Budget	Original Budget	Difference Final						
	3	(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actuals						
CASH INFLOWS											
IDA 6466			7,790,000.00	7,790,000.00	7,790,000.00						
GoPNG		9	600,000.00	600.000.00	600,000.00						
Interests		14	-								
Others			17	+ ===	. . .						
Total Receipts			8,390,000.00	8,390,000.00	8,390,000.00						
CASH OUTFLOWS											
IDA											
Goods & Works		÷	2,533,400.00	2,533,400.00	2,533,400.00						
Non Consulting Services Consulting Services Operating Costs Training & Workshops Partnership Grants Under Part 3.1			105,000.00 2,450,600.00 245,500.00 169,000.00 1,912,000.00	105,000.00 2,450,600.00 245,500.00 169,000.00 1,912,000.00	105.000.0						
					2,450,600.00						
					245,500.0 245,500.0 169,000.0 1,912,000.0						
						Partnership Grants Under Part 3.2		-5	374,500.00	374,500.00	374,500.00
						Emergency Expenditures Under Part 5				2.45	
Others (IDA) GOPNG		•3									
Goods & Works											
Non Consulting Services		22	150,000.00	150,000.00	150,000.00						
Consulting Services		•	50,000.00	50,000.00	50,000.00						
Operating Costs		÷2	50,000.00	50,000.00	50,000.00						
Fraining & Workshops		÷:	250,000.00	250,000.00	250,000.00						
Partnership Grants Under Part 3.1		1	100,000.00	100,000.00	100,000.00						
Partnership Grants Under Part 3.2		1			*÷						
Emergency Expenditures Under Part 5					5						
Others (GOPNG)				-							
Total Payments			8,390,000.00	8,390,000.00	8,390,000.00						

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

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	Notes	Actual Amounts	Final Budget	Original Budget	Difference Final	
		(Jan-Dec 2020)	(Jan-Dec 2020)	(Jan-Dec 2020)	Budget and Actua	
CASH INFLOWS						
IDA 6466		14	7,790,000.00	7,790,000.00	7,790,000.0	
GoPNG			600,000.00	600,000,00	600,000.0	
Interests						
Others		12			1.5	
Total Receipts		¥	8,390,000.00	8,390,000.00	8,390,000.0	
CASH OUTFLOWS						
IDA						
Intitutional Capacity Building-DAL		-				
Intitutional Capacity Building-Commodity Boards			403,300.00	403,300.00	403,300.0	
Agriculture Feeder Roads			2,815,000.00	2,815,000.00	2,815,000.0	
Productive Partnerships-Productivity & PO Formation		-	2,360,200.00	2,360,200.00	2,360,200.0	
Productive Partnerships-Aggregation, Value Addition & Marketing			374,500.00	374,500.00	374,500.0	
Project Management and Monitoring & Evaluation		-	1.837.000.00	1,837,000.00	1,837,000.0	
Contingency Emergency Response Component		-	120		-,,	
Others (IDA)		-		*		
GOPNG						
Intitutional Capacity Building-DAL		-	5a.		12	
Intitutional Capacity Building-Commodity Boards		+	200,000,00	200,000.00	200,000.0	
Agriculture Feeder Roads		+:	-		14	
Productive Partnerships-Productivity & PO Formation				*1		
Productive Partnerships-Aggregation, Value Addition & Marketing						
Project Management and Monitoring & Evaluation		*	400,000.00	400,000.00	400,000.0	
Contingency Emergency Response Component		•	14	÷1	14	
Others (GOPNG)		1 9	14	10	÷	
Fotal Payments			8,390,000.00	8,390,000.00	8,390,000.00	
NET CASH FLOWS		÷1		142		



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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 Coccoa Project Management Unit (Cocca PMU) is located within the Cocca 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	2	24 - C	1,557,874.07
Petty Cash		-	-	
Others*	(a /;			N
Total	1,557,874.07	-	-	1,557,874.07

*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 maintanined 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 coverted 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	(*)

