

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

HORTICULTURAL DEVELOPMENT PROJECT  
(PROJECT IMPLEMENTATION UNIT)

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF  
AGROINDUSTRY AND FOOD SECURITY OF UZBEKISTAN  
(EXECUTING AGENCY)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT LOAN No. 8393-UZ  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT LOAN No. 8824-UZ  
EUROPEAN UNION TRUST FUND GRANT No. TFOA7910

SPECIAL-PURPOSE CASH BASIS FINANCIAL STATEMENTS AND STATEMENTS OF  
EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2018

Public Disclosure Authorized

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AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT

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**AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE  
SPECIAL PURPOSE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2018**

The Management of the Agency for Implementation of Projects in the field of Agroindustry and Food Security is responsible for the preparation of the Special-Purpose Financial Statements (hereinafter – "Financial Statements") of the "Horticultural Development Project" (hereinafter – "Project") implemented by the Agency for Implementation of Projects in the field of Agroindustry and Food Security (hereinafter – "UZAIFSA") of the Republic of Uzbekistan, funded by the International Bank for Reconstruction and Development Loan, Additional Loan of International Bank for Reconstruction and Development (hereinafter – "IBRD Funds") and European Union Trust Fund Grant (hereinafter – "EU TF Grant") that present fairly the financial position of the Project as of 31 December 2018, and the funds received, and expenditures incurred for the year ended 31 December 2018, in compliance with International Public Sector Accounting Standards "Financial Reporting under the Cash Basis of Accounting" (hereinafter – "IPSAS-Cash Basis").

In preparing the Financial Statements, the management of the UZAIFSA is responsible for:

- Selecting suitable accounting policies and applying them consistently;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IPSAS-Cash Basis are insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Project's Special-Purpose Financial Statements.

The Management of the UZAIFSA is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Project;
- Maintaining adequate accounting records that are sufficient to show and explain the Project's transactions and disclose with reasonable accuracy at any time the fund balance of the Project, and which enable them to ensure that the Financial Statements of the Project comply with specific requirements in IPSAS-Cash Basis;
- Maintaining statutory accounting records in compliance with legislation of the Republic of Uzbekistan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- Preventing and detecting fraud and other irregularities.

The Financial Statements of the Project for the year ended 31 December 2018 were authorized for issue by the UZAIFSA's Management on July 29, 2019.

**On behalf of the Project's Management:**

  
G. Ganiev  
Deputy General Director of Agency



  
G. Gubieva  
Chief Accountant of Project

INDEPENDENT AUDITOR'S REPORT

To the Management of the Agency for Implementation of Projects in the field of Agroindustry and Food Security of Uzbekistan

Opinion

We have audited the Special-Purpose Financial Statements (hereinafter – “Financial Statements”) of “Horticultural Development Project” (hereinafter – “Project”) financed from Loan proceed (Loan No. 8393-UZ), additional Loan proceed (Loan No. 8824-UZ) of the International Bank for reconstruction and Development (hereinafter – “IBRD”) and Grant proceed (Grant No.TFOA7910) of the European Union Trust Fund Grant which comprise the special-purpose statement of cash receipt and payments for the year ended 31 December 2018, the statement of expenditures (hereinafter – “SOE”), the statement of designated accounts (hereinafter – “DA”) and a summary of significant accounting policies and other explanatory notes.

The Financial Statements have been prepared by management of the UZAIFSA using the International Public Sector Accounting Standards “Financial Reporting under the Cash Basis of Accounting” (hereinafter – “IPSAS – Cash Basis”).

In our opinion,

- I. The accompanying Special-Purpose Cash Basis Financial Statements, in all material respects, give a true and fair view of the Financial Position of the Project as of 31 December 2018, as well as Sources and Uses of Funds, Designated Accounts movements and its balances for the periods then ended and complies with the conditions of the Loans and Grant Agreements and in accordance with International Public Sector Accounting Standard;
- II. Moreover, (a) with respect to the SOE for the year ended 31 December 2018 adequate supporting documents, records and accounts have been maintained to support claims to the IBRD for reimbursements of expenditures incurred; and (b) the expenditures included in the withdrawal applications and reimbursed against are eligible for financing under the Agreements.
- III. The Project Designated Accounts Statement for the year ended 31 December 2018 give a true and fair view of the Financial Position of the DA of the Project and of the cash flow for the periods then ended.

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 are independent of the Project in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the Financial Statements in the Republic of Uzbekistan and we have fulfilled our other responsibilities under these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Special-Purpose Financial Statements

The Management of the UZAIFSA under the Ministry of Agriculture of the Republic of Uzbekistan (“MA”) is responsible for the preparation and fair presentation of these Financial Statements in accordance with the International Public Sector Accounting Standard (“IPSAS”), and for such internal control as management determines is necessary to enable the preparation of Financial Statements those are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Audit of the Special-Purpose 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 is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 conclude 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.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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.

*PKF MAK ALYANS*

Audit Organization "PKF MAK ALYANS LLC"  
Authorized audit license issued by the Ministry of Finance  
of the Republic of Uzbekistan under No.00770 dated  
05 April 2019.

22, Aviasozlar Street, 1<sup>st</sup> Passage  
100016, Tashkent, Uzbekistan

29 July 2019



AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT

**SPECIAL-PURPOSE STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR YEAR ENDED DECEMBER 31, 2018**

Tabular amounts are presented in US Dollars

	Budget <sup>1</sup>	31.12. 2018	31.12. 2017	Cumulative	
		Actual	Actual	Amount	Variance %
<b>Opening Fund Balances</b>					
IBRD Loan – Cash in USD (Loan 8393-UZ)	-	5 533	3 417 287	-	
IBRD Loan – Cash in USD (Loan 8824-UZ)	-	-	-	-	
IBRD Loans – Cash in UZS (USD equivalent)	-	1 733	10	-	
EU Trust Fund Grant – Cash in EURO (USD equivalent)	-	-	-	-	
EU Trust Fund Grant – Cash in EURO (USD equivalent)	-	-	-	-	
EU Trust Fund Grant – Cash in UZS (USD equivalent)	-	-	-	-	
Corporate Card No.1 – Cash in UZS (USD equivalent)	-	171	-	171	
Corporate Card No.2 – Cash in UZS (USD equivalent)	-	81	-	81	
Corporate Card No.3 – Cash in UZS (USD equivalent)	-	115	-	115	
Corporate Card No.4 – Cash in UZS (USD equivalent)	-	307	-	307	
Corporate Card No.5 – Cash in UZS (USD equivalent)	-	429	-	429	
<b>Total</b>	-	<b>8 369</b>	<b>3 417 297</b>	<b>1 103</b>	
<b>Sources of Funds: Funds Received</b>					
1. IBRD Loan 8393-UZ – Replenishments to Designated Account	150 000 000	5 476 127	41 381 115	145 516 116	97.01
2. IBRD Loan 8824-UZ – Replenishments to Designated Account	500 000 000	280 589 936	-	280 589 936	56.12
3. EU Trust Fund Grant – Replenishments to Special Account	21 948 810	2 262 999	-	2 262 999	10.31
<b>TOTAL OF FUNDS RECEIVED</b>	<b>671 948 810</b>	<b>288 329 062</b>	<b>41 381 115</b>	<b>428 369 051</b>	<b>63.75%</b>
<b>Uses of Funds: Expenditure Incurred by Category</b>					
1. Goods	(1 207 600)	(7 866)	-	(70 352)	5.83
2. Works and Consulting services including Auditing services & Training	(1 476 200)	(150 852)	(12 187)	(171 658)	11.63
3. Investment and Working Capital sub-loans & Lease financing	(144 466 200)	(5 029 728)	(44 507 036)	(144 028 407)	99.70
4. Incremental Operating Costs	(2 475 000)	(287 681)	(271 179)	(862 686)	34.86
5. Front-end fee	(375 000)	-	-	(375 000)	100.00
<b>Sub-Total IBRD Loan 8393-UZ</b>	<b>(150 000 000)</b>	<b>(5 476 127)</b>	<b>(44 790 402)</b>	<b>(145 508 103)</b>	<b>97.01%</b>
1. Goods, Works, Consulting & Non-consulting services & Training	(20 361 400)	-	-	-	0.00
2. Non- and Consulting services, Training & Incremental Operating Costs	(2 110 870)	-	-	-	0.00
3. Investment and Working Capital sub-loans & Lease financing	(476 277 730)	(260 084 936)	-	(260 084 936)	54.61
4. Front-end fee	(1 250 000)	(1 250 000)	-	(1 250 000)	100.00
<b>Sub-Total IBRD Loan 8824-UZ</b>	<b>(500 000 000)</b>	<b>(261 334 936)</b>	<b>-</b>	<b>(261 334 936)</b>	<b>52.27%</b>
1. Goods, Works, Non- Consulting & Consulting services, Training & Incremental Operating Costs	(21 948 810)	(80 989)	-	(80 989)	0.37
<b>Sub-Total EU Trust Fund Grant TFOA7910</b>	<b>(21 948 810)</b>	<b>(80 989)</b>	<b>-</b>	<b>(80 989)</b>	<b>0.37%</b>
<b>TOTAL EXPENDITURE INCURRED</b>	<b>(671 948 810)</b>	<b>(266 892 052)</b>	<b>(44 790 402)</b>	<b>(406 924 028)</b>	<b>60.56%</b>
<b>FX Gain / (Loss)</b>	-	<b>1 514</b>	<b>(744)</b>	<b>767</b>	
<b>Closing Fund Balances</b>					
IBRD Loan – Cash in USD (Loan 8393-UZ)	-	3 981	5 533	3 981	
IBRD Loan – Cash in USD (Loan 8824-UZ)	-	19 255 000	-	19 255 000	
IBRD Loans – Cash in UZS (USD equivalent)	-	4 088	1 733	4 088	
IBRD Loan – Cash in EURO (Loan 8393-UZ) (USD equivalent)	-	697	-	697	
EU Trust Fund Grant – Cash in EURO (USD equivalent)	-	2 181 278	-	2 181 278	
EU Trust Fund Grant – Cash in EURO (USD equivalent)	-	-	-	-	
EU Trust Fund Grant – Cash in UZS (USD equivalent)	-	733	-	733	
Corporate Card No.1 – Cash in UZS (USD equivalent)	-	172	-	172	
Corporate Card No.2 – Cash in UZS (USD equivalent)	-	96	-	96	
Corporate Card No.3 – Cash in UZS (USD equivalent)	-	117	-	117	
Corporate Card No.4 – Cash in UZS (USD equivalent)	-	58	-	58	
Corporate Card No.5 – Cash in UZS (USD equivalent)	-	674	-	674	
<b>Total</b>	-	<b>21 446 893</b>	<b>7 266</b>	<b>21 446 893</b>	

Signed on behalf of the Project's Management on 29 July 2019

G. Ganiev  
Deputy General Director of Agency

G. Gubieva  
Chief Accountant of Project

<sup>1</sup>The budget figures of EU TF Grant are fixed in equivalent of USD based on EURO rate on the date of signing the Grant Agreement. Therefore, the available funds for distribution for future expenditure might be different due to EURO rate changes. Notes on pages 10 to 28 form an integral part of the Special-Purpose Cash Basis Financial Statements.

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT

**SPECIAL-PURPOSE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2018**

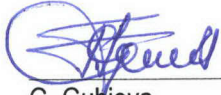
Tabular amounts are presented in US Dollars

Items	Note	31.12.2018	31.12.2017
<b>ASSETS</b>			
Cash and cash equivalents (IBRD Loans)	9-12 / 16-20	19 264 882	7 266
Cash and cash equivalents (EU TF Grant)	13,15	2 182 011	-
<b>TOTAL ASSETS</b>		<b>21 446 893</b>	<b>7 266</b>
<b>OWN FUNDS/FINANCING</b>			
Financing from IBRD		426 106 052	140 039 989
Other financing (EU TF Grant)	13	2 262 999	-
Less: Cumulative expenditures, net including:		(406 923 261)	(140 032 723)
<i>FX difference</i>		767	(748)
Cumulative Opening Bank Balance Adjusted amount		1 103	-
<b>TOTAL OWN FUNDS/FINANCING</b>		<b>21 446 893</b>	<b>7 266</b>

Signed on behalf of the Project's Management on 29 July 2019

  
G. Ganiev  
Deputy General Director of Agency



  
G. Gubieva  
Chief Accountant of Project

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT

**SPECIAL-PURPOSE STATEMENT OF DETAILED COSTS BY CATEGORY FOR THE YEAR ENDED DECEMBER 31, 2018**

Tabular amounts are presented in US Dollars

Category	Actual		Planned / Budget*	Available Funds
	2018	Cumulative	Cumulative	Cumulative
<b>IBRD Loan No.8393-UZ</b>				
1. Goods	7 866	70 362	1 207 600	1 137 248
2. Works and Consulting services including Auditing services & Training	150 852	171 658	1 476 200	1 304 542
3. Investment and Working Capital sub-loans & Lease financing	5 029 728	144 028 407	144 466 200	437 793
4. Incremental Operating Costs	287 681	862 686	2 475 000	1 612 314
5. Front-end fee	-	375 000	375 000	-
<b>Sub-Total</b>	<b>5 476 127</b>	<b>145 508 103</b>	<b>150 000 000</b>	<b>4 491 897</b>
<b>EU Trust Fund Grant</b>				
1. Goods, Works, Non- Consulting & Consulting services, Training & Incremental Operating Costs	80 989	80 989	21 948 810	21 867 821
<b>Sub-Total</b>	<b>80 989</b>	<b>80 989</b>	<b>21 948 810</b>	<b>21 867 821</b>
<b>IBRD Loan No.8824-UZ</b>				
1. Goods, Works, Consulting & Non-consulting services & Training	-	-	20 361 400	20 361 400
2. Non- and Consulting services, Training & Incremental Operating Costs	-	-	2 110 870	2 110 870
3. Investment and Working Capital sub-loans & Lease financing	260 084 936	260 084 936	476 277 730	216 192 794
4. Front-end fee	1 250 000	1 250 000	1 250 000	-
<b>Sub-Total</b>	<b>261 334 936</b>	<b>261 334 936</b>	<b>500 000 000</b>	<b>238 665 064</b>
<b>TOTAL PROJECT FUNDS' EXPENDITURE</b>	<b>266 892 052</b>	<b>406 924 028</b>	<b>671 948 810</b>	<b>265 024 782</b>

Signed on behalf of the Project's Management on 29 July 2019

  
G. Ganiev  
Deputy General Director of Agency



  
G. Gubieva  
Chief Accountant of Project


<sup>1</sup>The budget figures of EU TF Grant are fixed in equivalent of USD based on EURO rate on the date of signing the Grant Agreement. Therefore, the available funds for distribution for future expenditure might be different due to EURO rate changes. Notes on pages 10 to 28 form an integral part of the Special-Purpose Cash Basis Financial Statements.



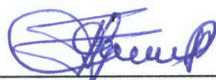
AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
 HORTICULTURAL DEVELOPMENT PROJECT  
**SPECIAL-PURPOSE STATEMENT OF DETAILED COSTS BY COMPONENTS FOR THE YEAR ENDED DECEMBER 31, 2018**  
 Tabular amounts are presented in US Dollars

Components	Actual			Planned / Budget*	Available Funds
	2018	2017	Cumulative	Cumulative	Cumulative
<b>IBRD Loan No.8393-UZ</b>					
1. Agricultural Support Services	150 852	12 187	546 658	1 851 200	1 304 542
2. Access to Loans	5 029 728	44 507 036	144 028 407	144 466 200	437 793
3. Project Management	295 547	271 179	933 038	3 682 600	2 749 562
<b>Sub-Total</b>	<b>5 476 127</b>	<b>44 790 402</b>	<b>145 508 103</b>	<b>150 000 000</b>	<b>4 491 897</b>
<b>EU Trust Fund Grant</b>					
1. Agricultural Technical Assistance	80 989	-	80 989	21 948 810	21 867 821
<b>Sub-Total</b>	<b>80 989</b>	<b>-</b>	<b>80 989</b>	<b>21 948 810</b>	<b>21 867 821</b>
<b>IBRD Loan No.8824-UZ</b>					
1. Agricultural Support Services	-	-	-	21 611 400	21 611 400
2. Access to Loans	261 334 936	-	261 334 936	476 277 730	214 942 794
3. Project Management	-	-	-	2 110 870	2 110 870
<b>Sub-Total</b>	<b>261 334 936</b>	<b>-</b>	<b>261 334 936</b>	<b>500 000 000</b>	<b>238 665 064</b>
<b>TOTAL PROJECT EXPENDITURE</b>	<b>266 892 052</b>	<b>44 790 402</b>	<b>406 924 028</b>	<b>671 948 810</b>	<b>265 024 782</b>

Signed on behalf of the Project's Management on 29 July 2019

  
 G. Ganiev  
 Deputy General Director of Agency



  
 G. Gubieva  
 Chief Accountant of Project

<sup>1</sup>The budget figures EU TF Grant are fixed in equivalent of USD based on EURO rate on the date of signing the Grant Agreement. Therefore, the available funds for distribution for future expenditure might be different due to EURO rate changes. Notes on pages 10 to 28 form an integral part of the Special-Purpose Cash Basis Financial Statements.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

*Tabular amounts are presented in US Dollars*

1 PROJECT AND ITS OPERATIONS

The International Bank for Reconstruction and Development (hereinafter – “IBRD” and/or “Bank”) and the Government of the Republic of Uzbekistan (hereinafter – “Government”) on April 8, 2015 have signed the Financial Agreement (Loan No.8393-UZ) for lending to the Republic of Uzbekistan (hereinafter – “Financial Agreement”) in the amount of US Dollars 150,0 Million for implementation of the “Horticultural Development Project” (hereinafter – “the Project”) on the terms and conditions stipulated in the Financial Agreement, for the purpose of co-financing the Project with the repayment term of 25 years, including 5 years of grace period. The period of implementation of the Project is from 2015 to June 30, 2021.

On May 17, 2018 the IBRD and the Government have signed the additional Financial Agreement (Loan No.8824-UZ) and have received the additional financing from the IBRD in the amount of US Dollars 500,0 Million for the implementation of the “Horticulture Development Project”. The closing date of the Loan is 30 June 2023.

Furthermore, on September 7, 2018 in order to implement and finance the Component No.1 namely “Agricultural Technical Assistance” of the Project, the IBRD and the Government have signed the European Union Grant Agreement to attract the Trust Fund Grant proceeds of the European (EU TF Grant No.TFOA7910) in the amount of EURO 19,5 Million. The closing date of the Grant is December 31, 2020.

According to the Uzbekistan’s Presidential Decree PP No.2410 dated September 21, 2015 the Ministry of Agriculture was designated as an Executing Agency and responsible for the target and effective use of loan proceeds. During FY 2018, the Rural Restructuring Agency (RRA) was renamed as the “Agency for implementation of Projects in the field of Agroindustry and Food Security” (“the UZAIFSA”) and the UZAIFSA is responsible for the steering, implementation coordinating and managing the Project. The participating Commercial Banks are responsible for the credit management, timely disbursement and eligible use of IBRD’s funds, monitoring and reporting on the sub-project implementation progress. Accordingly, the new Uzbekistan’s Presidential Decree under the PP No.3790 was issued on June 20, 2018.

To ensure the coordination of works under the Project, the Agency has established the Project Implementation Unit (hereinafter – “the PIU”) which is responsible for the overall Project management, control and accounting of the Project funds in compliance with the Bank guidelines and relevant National regulatory requirements.

The main objective of the Project is to increase the productivity and profitability of fruit and vegetable sector, modernization of research capacity in the field of plant breeding, seed production and plant protection, the introduction of international standards of product quality.

**Summary of the updating “Horticulture Development Project”**

The main objective of the Project is to increase the productivity and profitability of the horticulture sector, modernize the scientific research potential in the field of cultivation, seed production and plant protection, and the introduction of international quality standards. This should be achieved through the introduction of three integrated components, namely (i) Agricultural Support Services; (ii) Access to Credit; and (iii) Project Management. The Project would be implemented in the period from 2015 to 2023.

**Component 1: Agriculture support services**

*Institutional Support Services:*

(a) Strengthening the capacity of Participating Research Institutes to conduct research and genetic material multiplication activities through, inter alia: (i) the improvement of their laboratory facilities; (ii) the provision of Training to their staff on the horticultural sector value chain development; (iii) the development of pest surveillance maps of horticulture crops; and (iv) the creation of a seed storage facility for the Research Institute for Vegetables, Melons and Potatoes.

(b) Improving food production and handling practices through, inter alia: (i) the carrying out of comparative studies between existing domestic regulations and international standards on food safety; (ii) the development of manuals for quality

**AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT**

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018**

*Tabular amounts are presented in US Dollars*

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management and package requirements; and (iii) the provision of support for gathering and dissemination of information about private-sector standards for food safety and quality in destination markets.

*Market-led agricultural technology transfer*

(a) (i) Establishing a knowledge management and market information system aimed to collect, organize, analyze and disseminate data on horticulture value chain development; and (ii) carrying out market studies.

(b) Carrying out of open-field demonstration activities and training for Beneficiaries on, inter alia, greenhouse vegetables and potatoes, fruits and berries production techniques, post-harvesting handling and storage methods.

(c) Developing the value chain through, inter alia: (i) the creation of partnerships between producers, processors and traders; (ii) the establishment of a promotional association for fruits and vegetables; (iii) the provision of support to producer participation in national and international trade events;

**Component 2: Access to Loans**

(a) Provision through selected PFIs of Investment Working Capital Sub-Loans and Lease Financings to Beneficiaries.

(b) Provision of technical assistance and Training to PFIs to increase their capacity in managing a range of innovatively structured finance products that support, inter alia, the development of value chains.

**Component 3: Project Management**

Provision of goods, technical assistance and Training to UZAIFSA for the implementation of the Project (including the areas of financial management, procurement, disbursement, monitoring and evaluation) and financing of Incremental Operating Costs.

Under this component, it has envisaged the procurement of cars, office equipment, works and consulting services.

**Summary of EU TF Grant**

EU TF Grant is to be directed to finance following activities of the Agriculture support services component:

- (i) To modernize and strengthen the material and technical base of scientific research institutes, and plant protection services, by providing the central and regional laboratories of institutions necessary laboratory equipment to improve the quality of soil analysis, detection and control of agricultural pests and diseases, and quarantine objects;
- (ii) Create demonstration sites for the cultivation of fruit and vegetable crops, demonstration of modern water and energy saving technologies, the selection of high-yielding and adapted to soil and climatic conditions of project areas of seeds and seedlings, the demonstration of modern methods of storage, sorting, processing, packaging and export of fruit and vegetables produced, for farmers and agricultural firms.

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**2 SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

These special-purpose Financial Statements have been prepared in accordance with the International Public Sector Accounting Standard (IPSAS) "Financial Reporting under the Cash Basis of Accounting" promulgated by the International Federation of Accountants (IFAC). Those standards require that cash receipts shall be effective when received and expenditures of funds shall be effective when they are paid rather than when incurred.

The Financial Statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purpose for which cash was used and the cash balances at the reporting date. The measurement focus in the financial statements is balances of cash and changes therein.

The Project's special- purpose cash basis Financial Statements are prepared on the basis of cash receipts and disbursements which are a comprehensive basis of accounting.

**Cash and cash equivalents**

Cash and cash equivalents are recognized at cost and include cash at cash desk, cash at Designated and Special accounts at domestic banks and cash in transit.

During FY 2018 into Designated bank accounts of the Project at the JSCB "UzPromStroyBank" were financed with the amount of USD 5 476 126.75 by the IBRD's Loan No.8393-UZ and the amounting to USD 280 589 935.87 (including front-end fee of USD 1 250 000) by the IBRD's Loan No.8824-UZ. The EU TF Grant disbursements equaled to EURO 2 000 000 (including Intermediary Bank commission held of Euro 20) were made during the reporting period into the Designated bank account of the Project at the JSCB "Asaka Bank".

**Fixed Assets**

Fixed assets procured by the Project with the purposes of effective achievement of Project objectives are entered to the Cost Records right after being received.

**Financing**

The financing for the Designated Accounts is recognized when funds are transferred from IBRD Loan accounts and EU Trust Fund Grant account to the Project's Designated Accounts which are opened at the Tashkent City Regional Branch (TCRB) of the JSCB "UzPromStroyBank" (in short – "UZPSB") and Tashkent City Branch (TCB) of the Asaka Bank of the Republic of Uzbekistan in Tashkent city accordingly.

The Government financing is recognized when payments of taxes and contributions are made from account of the Treasury of the Ministry of Finance of the Republic of Uzbekistan on the basis of Project's request.

**Project expenditure**

The Project's special-purpose cash basis Financial Statements are prepared based upon the accounting records of the PIU, which are maintained in both USD and UZS. The initial accounting records consist of summaries of disbursement documents and other payment vouchers.

Accounting of the PIU, within the UZAIFSA, is conducted in accordance with the applicable laws of the Republic of Uzbekistan with the specific implementation of the Project, including applying cash method.

The policy management programs also include preparation of detailed of cost report on a cash basis in accordance with International Accounting Standards for the Public Sector. The accounting is carried out using the Accounting software 1C.

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In accounting, the following operations are used:

- Taking into account the actual costs;
- Accounting of cash transactions;
- Accounting of fixed assets;
- Accounting of stocks;
- Accounting of remuneration;
- Settlements with debtors and creditors;
- Reporting.

The Financial Management of the Project is carried out by the following tasks:

- 1) Analysis of the performance costs;
- 2) Analysis of cash expenses and for transfers;
- 3) Analysis of financial condition;
- 4) An analysis of budget execution.

An analytical account of the amounts received by the Project of funding is separate from the breakdown of the total amount financed by categories of expenditure.

At the end of each month / quarter are counted up all the items of expenditure for the quarter and total year to-date, in order to identify the remainder and in a similar way to keep records of cash expenditure for transfers.

***Foreign currency translation***

***(i) Functional and Presentation currencies***

The functional currency of the Project is the currency of the primary economic environment in which it operates. The Project's functional currency is Uzbek Soums ("UZS"), as the major portion of its transactions are in UZS. These special-purpose Financial Statements of the Project are also presented in the presentation currency of US Dollars ("USD") as this is convenient for the readers of the financial statements.

***(ii) Transactions and Balances***

The assets' additions and expenditure paid for in UZS were translated into USD/EUR to USD using the following principles of transaction:

- Monetary assets denominated in UZS have been translated into USD using the exchange rate of the Central Bank of Uzbekistan ("CBU") on the date of operation;
- All revenues earned and expenditure incurred in UZS denominated into USD were recorded by the exchange rate of CBU, effective at the date of operation;
- Gain/Loss resulting from the transaction of UZS into USD/EURO to USD: Cash & cash equivalents outstanding as at reporting date are translated into USD; and the cross-rate of EUR to USD by using the official rate of the CBU, effective at the reporting date.

The official exchange rate set by the CBU and effective, as at December 31, 2018: UZS 8,339.55 to USD 1 (2017: UZS 8,120.07 to USD 1; 2016: UZS 3,231.48 to USD 1) and, as at December 31, 2018: UZS 9,479.57 to EURO 1 and the cross-rate of EURO to USD was at 1.1321. At present, the UZS is not a convertible currency outside Uzbekistan.

**Bank Accounts of the Project**

During the period from January 01, 2018 to December 31, 2018, the PIU held the Designated Accounts for IBRD Loan accounts in USD and in Euro at the bank named TCRB JSCB "UZPSB", and for EU TF Grant Special Accounts in Euro at the bank named TCB "Asaka Bank". In addition, the UZS Special Accounts and other accounts for IBRD Loan and EU TF Grant funds opened at the above said banks accordingly.

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The USD Loans and EU TF Grant's Euro Designated Accounts represent revolving the funds provided from the IBRD and EU TF Grant accordingly to facilitate prompt disbursement of funds to implement the Project.

The USD and EURO Designated Accounts are used to cover the IBRD's share of eligible expenditures, in both, local and foreign currencies. The eligible expenditures are reported to the IBRD and EU Trust Fund Grant through the Expenditure Reports/Statement of Expenditure (SOE). The USD Designated Account is replenished by the IBRD and EU Trust Fund Grant Account on the basis of request, prepared by the PIU for validation of USD and Euro Designated Account. The same procedures occur with the funds of EU TF Grant EURO account at the TCB "Asaka Bank".

The UZS Special Accounts were opened to convert the funds received into USD Designated Account and EURO Grant proceeds from IBRD and EU TF Grant for payments to suppliers and withdrawal of cash.

Cash & cash equivalents outstanding as at reporting date are translated into USD at the official rate of the CBU effective at the reporting date. As at 31 December 2018 official rate of CBU RUz. set at UZS 8,339.55 per USD1 and UZS 9,479.57 per EURO1.

The outstanding balances of the above accounts as at December 31, 2018 are disclosed in **Note 8**.

**3 ADJUSTMENTS OF OPENING BANK BALANCES**

The Corporate cards' closing cash balances at the operating bank are missed to report (which are opened from the beginning of the Project) as at December 31, 2017.

Accordingly, during the audit, we were presented the bank statements with the opening balances of the 5 (five) Corporate cards totaling to USD 1 103 which belong to the IBRD Loan No.8393-UZ funds.

Furthermore, the special-purpose financial statements of the previous reporting period of the Project were adjusted in terms of IBRD Loan No.8393-UZ funds at of December 31, 2017. The adjustment is presented in the following table below:

Items	Closing balance		Corrections made	Opening balance	
	For FY 2017	Accumulative		For FY 2018	Accumulative
<b>Opening Bank Balances</b>					
Corporate Cards cash balance	-	-	1 103	1 103	1 103

**4 TAXATION**

The PIU, being the state non-commercial organization, acting on a basis of Charter, is exempted from taxes and levies in line with the Tax Code of the Republic of Uzbekistan.

The Decree of the President's of the Republic of Uzbekistan No. PP-2410 dated September 21, 2015 states that the goods, works and services purchased with the IBRD funds within the framework of the Project, are exempted from customs payments, VAT, mandatory contributions to the state funds-in-trust. The same policy is applied with respect to goods, works and services purchased with the Government Funds. Such exemption is considered as a contribution of the Uzbek Government toward the implementation of the Project.

**5 SUBSEQUENT EVENTS**

There are no events after the end of the reporting period, which would require adjustment to or disclosure in these financial statements.

**6 APPROVAL OF SPECIAL-PURPOSE FINANCIAL STATEMENTS**

The special-purpose financial statements were approved by the Management of the Project for issue on 29 July 2019.

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**8 Statements of Cash Balances of the Project**

8.1. The Project had the following Cash Balances as at December 31, 2018 at TCRB JSCB "UZPSB":

Source of funds	Currency	Note	Account	Amount in USD
IBRD Loan No.8393-UZ	USD	9	Special account	3 980.64
IBRD Loan No.8824-UZ	USD	10	Special account	19 255 000.00
IBRD Loan	EURO	11	Current account	696.80
IBRD Loans	UZS	12	Current account	4 087.75
Corporate Card No.1	UZS	16	Corporate card	171.66
Corporate Card No.2	UZS	17	Corporate card	95.51
Corporate Card No.3	UZS	18	Corporate card	117.03
Corporate Card No.4	UZS	19	Corporate card	58.35
Corporate Card No.5	UZS	20	Corporate card	674.09
<b>Total</b>				<b>19 264 881.83</b>

8.2. The Project had the following Cash Balances as at December 31, 2018 at TCB "ASAKA Bank":

Source of funds	Currency	Note	Account	Amount in USD
EU TF Grant	EURO	13	Special account	2 181 277.72
EU TF Grant	USD	14	Grant account	-
EU TF Grant	UZS	15	Grant account	733.12
<b>Total</b>				<b>2 182 010.84</b>

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9 Statement of USD Special Account

Account No. 20210 840 4039 6563 7001  
Depository Bank: TCRB JSCB "UZPSB"  
Address: Mustaqillik Main Street, 5, Tashkent 100000  
Related Loan No. 8393-UZ (IBRD)  
Currency: US Dollars (USD)

	USD
Opening Balance as at 01 January 2018	5 533
<b>Cash Inflow:</b>	
IBRD Replenishments	5 476 127
Return of surplus of business trip expenses	67
<b>Cash Outflow:</b>	
Transfer into Special UZS Account	(483 505)
Business trip expenses	(1 650)
Transfer into Euro Current account	(1 987)
Sub-projects financing	(4 990 604)
Closing Balance as at 31 December 2018	3 981

  
G. Ganiev  
Deputy General Director of Agency



  
G. Gubieva  
Chief Accountant of Project



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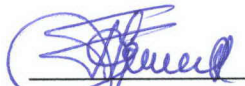
10 Statement of USD Special Account

Account No. 22626 840 0039 6563 7002  
Depository Bank: TCRB JSCB "UZPSB"  
Address: Mustaqillik Main Street, 5, Tashkent 100000  
Related Loan No. 8824-UZ (IBRD)  
Currency: US Dollars (USD)

	USD
Opening Balance as at 01 January 2018	-
Cash Inflow:	
IBRD Replenishments	279 339 936
Cash Outflow:	
Sub-projects financing	(260 084 936)
Closing Balance as at 31 December 2018	19 255 000

  
G. Ganiev  
Deputy General Director of Agency



  
G. Gubleva  
Chief Accountant of Project

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
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*Tabular amounts are presented in US Dollars*

**11 Statement of EURO Current Account**

Account No. 22696 978 3039 6563 7001  
Depository Bank: TCRB JSCB "UZPSB"  
Address: Mustaqillik Main Street, 5, Tashkent 100000  
Related Loan No. 8393-UZ (IBRD)  
Currency: EURO

	Euro	USD Equivalent
<b>Opening Balance as at 01 January 2018</b>	-	-
<b>Cash Inflow:</b>		
Transfer from Special USD Account	1 740	1 987
<b>Cash Outflow:</b>		
Financing eligible expenditure (business trips)	(1 127)	(1 290)
<b>Closing Balance as at 31 December 2018</b>	<b>613</b>	<b>697</b>

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*Tabular amounts are presented in US Dollars*

12 Statement of UZS Special Account

Account No. 20210 000 9039 6563 7033  
Depository Bank: TCRB JSCB "UZPSB"  
Address: Mustaqillik Main Street, 5, Tashkent 100000  
Related Loan No. 8393 / 8824 - UZ (IBRD)  
Currency: Uzbek Soums (UZS)

	UZS	USD Equivalent
<b>Opening Balance as at 01 January 2018</b>	<b>14 069 316</b>	<b>1 733</b>
<b>Cash Inflow:</b>		
Transfer from USD Special Loan Account	3 917 821 180	483 505
Transfer from UZS account	230 188 098	29 251
FX Gain	-	48
<b>Cash Outflow:</b>		
Financing of eligible expenditure	(3 576 857 945)	(441 122)
Transfers into Corporate Cards	(237 130 690)	(29 990)
Sub-projects financing	(314 000 000)	(39 337)
<b>Closing Balance as at 31 December 2018</b>	<b>34 089 959</b>	<b>4 088</b>

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*Tabular amounts are presented in US Dollars*

13 Statement of EURO Special Grant Account

Account No. 22696 978 3039 6563 7007  
Depository Bank: TCB "Asaka Bank"  
Address: Nukus Street, 67, Tashkent 100015  
Related Grant No. EU TF Grant TFOA7910  
Currency: EURO

	Euro	USD Equivalent
Opening Balance as at 01 January 2018	-	-
<b>Cash Inflow:</b>		
EU Trust Fund Replenishment	2 000 000	2 262 999
<b>Cash Outflow:</b>		
Financing eligible expenditure	(69 198)	(78 250)
Transfer into UZS Special Account	(3 000)	(3 449)
Intermediary bank commission held	(20)	(23)
<b>Closing Balance as at 31 December 2018</b>	<b>1 927 782</b>	<b>2 181 278</b>

  
G. Ganiev  
Deputy General Director of Agency



  
G. Gubieva  
Chief Accountant of Project

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

*Tabular amounts are presented in US Dollars*

**14 Statement of USD Grant Account**

Account No. 22696 840 3039 6563 7012  
Depository Bank: TCB "Asaka Bank"  
Address: Nukus Street, 67, Tashkent 100015  
Related Grant No. EU TF Grant TFOA7910  
Currency: **US Dollars (USD)**

	USD
<b>Opening Balance as at 01 January 2018</b>	-
<b>Cash Inflow:</b>	
Transfer from USD Designated Grant Account	78 250
<b>Cash Outflow:</b>	
Financing of eligible expenditure	(78 250)
<b>Closing Balance as at 31 December 2018</b>	-

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**15 Statement of UZS Grant Account**

Account No. 22696 000 7039 6563 7004  
Depository Bank: TCB "Asaka Bank"  
Address: Nukus Street, 67, Tashkent 100015  
Related Grant No. EU TF Grant TFOA7910  
Currency: **Uzbek Soums (UZS)**

	UZS	USD Equivalent
<b>Opening Balance as at 01 January 2018</b>	<b>3 596</b>	<b>0.44</b>
<b>Cash Inflow:</b>		
Transfer from EURO Special Grant Account	28 680 000	3 449
<b>Cash Outflow:</b>		
Financing of eligible expenditure	(22 569 724)	(2 707)
FX Loss	-	(9)
<b>Closing Balance as at 31 December 2018</b>	<b>6 113 872</b>	<b>733</b>

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
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16 Statement of UZS Corporate Card No. 1

Account No. 22620 000 5039 6563 7010  
 Depository Bank: HO JSCB "Ipak Yuli Bank"  
 Address: Kadiriy Street, 2A, Tashkent 100017  
 Related Loan No. 8393-UZ (IBRD)  
 Currency: Uzbek Soums (UZS)

	UZS	USD Equivalent
<b>Opening Balance as at 01 January 2018</b>	<b>1 391 568</b>	<b>171</b>
<b>Cash Inflow:</b>		
Transfer from UZS Special Account	20 478 400	2 537
<b>Cash Outflow:</b>		
Financing eligible expenditure	(20 438 372)	(2 534)
FX Loss	-	(3)
<b>Closing Balance as at 31 December 2018</b>	<b>1 431 596</b>	<b>172</b>

17 Statement of UZS Corporate Card No. 2

Account No. 22620 000 6039 6563 7011  
 Depository Bank: HO JSCB "Ipak Yuli Bank"  
 Address: Kadiriy Street, 2A, Tashkent 100017  
 Related Loan No. 8393-UZ (IBRD)  
 Currency: Uzbek Soums (UZS)

	UZS	USD Equivalent
<b>Opening Balance as at 01 January 2018</b>	<b>657 485</b>	<b>81</b>
<b>Cash Inflow:</b>		
Transfer from UZS Special Account	9 593 000	1 188
<b>Cash Outflow:</b>		
Financing eligible expenditure	(9 453 994)	(1 172)
FX Loss	-	(1)
<b>Closing Balance as at 31 December 2018</b>	<b>796 491</b>	<b>96</b>

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
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**18 Statement of UZS Corporate Card No. 3**

Account No. 22620 000 7039 6563 7012  
 Depository Bank: HO JSCB "Ipak Yuli Bank"  
 Address: Kadiriy Street, 2A, Tashkent 100017  
 Related Loan No. 8393-UZ (IBRD)  
 Currency: **Uzbek Soums (UZS)**

	UZS	USD Equivalent
Opening Balance as at 01 January 2018	927 270	114
<b>Cash Inflow:</b>		
Transfer from UZS Special Account	14 689 700	1 820
<b>Cash Outflow:</b>		
Financing eligible expenditure	(14 640 969)	(1 817)
FX Loss	-	(1)
Closing Balance as at 31 December 2018	976 001	117

**19 Statement of UZS Corporate Card No. 4**

Account No. 22620 000 1039 6563 7017  
 Depository Bank: HO JSCB "Ipak Yuli Bank"  
 Address: Kadiriy Street, 2A, Tashkent 100017  
 Related Loan No. 8393-UZ (IBRD)  
 Currency: **Uzbek Soums (UZS)**

	UZS	USD Equivalent
Opening Balance as at 01 January 2018	2 492 314	307
<b>Cash Inflow:</b>		
Transfer from UZS Special Account	20 655 731	2 557
<b>Cash Outflow:</b>		
Financing eligible expenditure	(22 661 461)	(2 775)
FX Loss	-	(30)
Closing Balance as at 31 December 2018	486 654	58



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**20 Statement of UZS Corporate Card No. 5**

Account No. 22620 000 1039 6563 7018  
Depository Bank: HO JSCB "Ipak Yuli Bank"  
Address: Kadiriy Street, 2A, Tashkent 100017  
Related Loan No. 8393-UZ (IBRD)  
Currency: **Uzbek Soums (UZS)**

	UZS	USD Equivalent
<b>Opening Balance as at 01 January 2018</b>	<b>3 481 696</b>	<b>429</b>
<b>Cash Inflow:</b>		
Transfer from UZS Special Account	171 713 859	21 888
<b>Cash Outflow:</b>		
Financing eligible expenditure	(169 573 925)	(21 544)
FX Loss	-	(99)
<b>Closing Balance as at 31 December 2018</b>	<b>5 621 630</b>	<b>674</b>

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21 STATEMENT OF EXPENDITURE (INCLUDING RECONCILIATION) FOR THE YEAR ENDED DECEMBER 31, 2018

21.1. STATEMENT OF EXPENDITURE – IBRD Loan No.8393-UZ

WDA number	Category 2	Category 3	Category 4	Total Expenditure	Used from Designated account
70*	-	2 866 078.00	7 225.39	2 873 303.39	2 873 303.39
71**	-	2 107 999.81	10 815.68	2 118 815.49	2 118 815.49
72***	-	175 922.00	-	175 922.00	175 922.00
73	80 366.61	4 463 000.00	57 002.66	4 600 369.27	137 369.27
74	3 924.26	390 805.92	70 343.52	465 073.70	70 343.52
75	26 182.41	-	74 190.67	100 373.08	100 373.08
<b>Total</b>	<b>110 473.28</b>	<b>10 003 805.73</b>	<b>219 577.92</b>	<b>10 333 856.93</b>	<b>5 476 126.75</b>

(\*) Note: WDA No.70 was issued with regard to the PIU expenses for the period from 01 December 2017 to 15 December 2017.

(\*\*) Note: WDA No.71 was issued with regard to the PIU expenses for the period from 16 December 2017 to 29 December 2017.

(\*\*\*) Note: WDA No.72 was issued with regard to the PIU expenses for the period from 30 December 2017 to 11 January 2018.

Reconciliation of financing made through Designated Account – IBRD Loan 8393-UZ in FY 2018

Expenditure claimed

Expenditure per SOE incurred and financed from DA by IBRD for period 01.12.2017 -15.12.2017	2 873 303.39
Expenditure per SOE incurred and financed from DA by IBRD for period 16.02.2017- 29.12.2017	2 118 815.49
Expenditure per SOE incurred and financed from DA by IBRD for period 30.12.2017- 11.01.2018	175 922.00
Expenditure per SOE incurred and financed from DA by IBRD for period 01.01.2018- 31.03.2018	137 369.27
Expenditure per SOE incurred and financed from DA by IBRD for period 01.04.2018- 30.06.2018	70 343.52
Expenditure per SOE incurred and financed from DA by IBRD for period 01.07.2018- 30.09.2018	100 373.08

**Total financing made through Designated Account** **5 476 126 .75**

21.2. STATEMENT OF EXPENDITURE – IBRD Loan No.8824-UZ

WDA number	Category 3	Total Expenditure	Liquidated from Designated account
03	7 731 000	7 731 000	7 731 000
04	13 504 120	13 504 120	13 504 120
05	1 924 000	1 924 000	1 924 000
06	4 532 000	4 532 000	4 532 000
07	7 623 800	7 623 800	7 623 800
08	5 529 000	5 529 000	5 529 000
09	6 847 200	6 847 200	6 847 200
10	14 966 566	14 966 566	14 966 566
11	12 777 283,87	12 777 283,87	12 777 283,87
12	10 494 031	10 494 031	10 494 031
13	5 554 000	5 554 000	5 554 000
14	7 243 600	7 243 600	7 243 600
15	18 989 161	18 989 161	18 989 161
16	9 849 395	9 849 395	9 849 395
17	2 520 000	2 520 000	2 520 000
18	3 259 800	3 259 800	3 259 800
19	11 322 400	11 322 400	11 322 400
20	11 709 948	11 709 948	11 709 948

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

Tabular amounts are presented in US Dollars

Continuation

21	3 672 000	3 672 000	3 672 000
22	6 130 473	6 130 473	6 130 473
23	9 346 880	9 346 880	9 346 880
24	2 105 600	2 105 600	2 105 600
25	9 138 784	9 138 784	9 138 784
26	6 603 140	6 603 140	6 603 140
27	2 050 000	2 050 000	2 050 000
28	1 140 000	1 140 000	1 140 000
29	4 120 000	4 120 000	4 120 000
30	8 736 400	8 736 400	8 736 400
31	5 000 000	5 000 000	5 000 000
32	9 891 718	9 891 718	9 891 718
33	1 149 600	1 149 600	1 149 600
34	2 000 000	2 000 000	2 000 000
35	10 658 000	10 658 000	10 658 000
36	1 400 000	1 400 000	1 400 000
37	4 930 536	4 930 536	4 930 536
38	1 000 000	1 000 000	1 000 000
39	8 540 200	8 540 200	8 540 200
40	5 349 300	5 349 300	5 349 300
<b>Total</b>	<b>259 339 935.87</b>	<b>259 339 935.87</b>	<b>260 084 935.87</b>

(1) Note: WDA No.01 was issued with regard to the payment of the PIU's Front-end fee amounting to USD 1 250 000.

(2) Note: WDA No.2 was issued by PIU to claim the Initial Advance payment amounting USD 20 000 000.

(3) Note: WDA No.41 was issued on 19 January 2019 with regard to the payment of the PIU expenses amounting to USD 3 410 000 for the period from 27 December 2018 to 18 January 2019 under the Category 3 "Investment and Working Capital Sub-loans and Leases financing", the expenses amounting to USD 745 000 related to FY 2018 expenditure..

**Reconciliation of financing made through Designated Account – IBRD Loan No.8824-UZ in FY 2018**

**Expenditure claimed:**

Expenditure incurred per SOEs No. from 03 to 40 and financed from DA by IBRD for the period from 19.07.2018 to 24.12.2018

259 339 935.87

Add: Expenditure per SOE 41 not claimed by PIU as at 31.12.2018

745 000.00

**Total financing made through Designated Account**

**260 084 935.87**

AGENCY FOR IMPLEMENTATION OF PROJECTS IN THE FIELD OF AGROINDUSTRY AND FOOD SECURITY  
HORTICULTURAL DEVELOPMENT PROJECT

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

Tabular amounts are presented in US Dollars

**23 Credit Line**

Sub-lending agreements were signed with number of Uzbek Commercial Banks (hereinafter - Participating Financial Intermediaries or PFIs) in line with the terms and provisions of the Financing Agreements No.8393 – UZ and No. 8824 – UZ in order to facilitate implementation of the "Access to Loans" Component of the Project.

During FY 2018, the Project has provided the sub-project financing to the following PFIs under above sub-lending agreements:

**Loans No.8393 – UZ in USD:**

No.	Commercial Banks	Loan amount
1	Joint-Stock Commercial Bank "TURON"	3 933 682.24
2	Joint-Stock Commercial Bank "QISHLOQ QURILISH"	793 000.00
3	Joint-Stock Commercial Bank "IPAK YULI"	175 922.00
4	Joint-Stock Commercial Bank "HAMKOR"	88 000.00
<b>TOTAL</b>		<b>4 990 604.24</b>

**Loans No.8393 – UZ in UZS:**

No.	Commercial Banks	Loan amount in UZS	Loan amount in USD Equivalent
1	Joint-Stock Commercial Bank "HAMKOR"	134 000 000	39 123.68
<b>TOTAL</b>		<b>134 000 000</b>	<b>39 123.68</b>

**Loans No.8824 – UZ in USD:**

No.	Commercial Banks	Loan amount
1	Joint-Stock Commercial Bank "ASAKA"	84 882 488.00
2	National Bank of Uzbekistan for Foreign Economic Activities (NBU)	53 855 543.87
3	Joint-Stock Commercial Bank "UZPROMSTROY"	33 107 010.00
4	Joint-Stock Commercial Bank "TURON"	19 806 886.00
5	Joint-Stock Commercial Bank "HALK"	18 829 980.00
6	Joint-Stock Commercial Bank "QISHLOQ QURILISH"	17 090 366.00
7	Joint-Stock Commercial Bank "IPOTEKA"	13 140 789.00
8	Joint-Stock Commercial Bank "ALOQA"	10 000 000.00
9	Joint-Stock Commercial Bank "IPAK YULI"	4 849 473.00
10	Joint-Stock Commercial Bank "ASIA ALLIANCE"	4 522 400.00
<b>TOTAL</b>		<b>260 084 935.87</b>