

# Audited Project Financial Statements

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Project Number: 40253-023  
Grants Number: 0241/0426  
Period Covered: 1 January to 31 December 2019

## Cambodia: GMS Biodiversity Conservation Corridors Project

Prepared by: Project Implement Unit (PIU), General Directorate of Local Communities (GDLC), Ministry of Environment.

For the Asian Development Bank  
Date received by ADB: 16 October 2020

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**ROYAL GOVERNMENT OF CAMBODIA**

**MINISTRY OF ENVIRONMENT**

**Greater Mekong Subregion Biodiversity  
Conservation Corridors Project**

ADB Grant No. 0241 – CAM (SF) and  
Grant No. 0426 – CAM (SCF)

**Financial Statements  
and  
Statement of Compliance  
for the year ended 31 December 2019**

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

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## **PART I**

### **Financial Statements for the year ended 31 December 2019 and Report of the Independent Auditors**



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

## Statement by the management

I, the undersigned, do hereby state that in my opinion the accompanying financial statements, which comprise the statement of financial position as at 31 December 2019, the statement of receipts and expenditure, and the statement of advance accounts for the year then ended, and notes, as set out on pages 5 to 39 of the Greater Mekong Subregion Biodiversity Conservation Corridors Project ("the Project"), funded by the Asian Development Bank Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF), and implemented by the Ministry of Environment ("MoE", "the Executing Agency" or "EA") are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies described in Note 2 to the financial statements.

*Signed on behalf of the Project's management,*



H.E. Meng Monyrak  
*Project Director*  
*Ministry of Environment*

Phnom Penh, Kingdom of Cambodia

Date: 30 September 2020



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## **Report of the independent auditors To the Ministry of Economy and Finance Royal Government of Cambodia**

### ***Opinion***

We have audited the accompanying financial statements of the Greater Mekong Subregion Biodiversity Conservation Corridors Project (“the Project”), funded by the Asian Development Bank Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF), and implemented by the Ministry of Environment (“MoE”, “the Executing Agency” or “EA”), which comprise the statement of financial position as at 31 December 2019, the statement of receipts and expenditure, and the statement of advance accounts for the year then ended and notes, comprising significant accounting policies and other explanatory information, as set out on pages 5 to 39 (“the financial statements”).

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis of accounting and the accounting policies as described in Note 2 to the financial statements.

### ***Basis for Opinion***

We conduct our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Emphasis of Matter - Basis of Accounting and Restriction on Use***

We draw attention to Note 2 to the financial statements, which describes the basis of accounting and the accounting policies adopted by the Project. The financial statements are prepared for the information of and use by the management of the Project, the Ministry of Economy and Finance, and the Asian Development Bank. As a result, the financial statements may not be suitable for another purpose. Our audit report is intended solely for the management of the Project, the Ministry of Economy and Finance and the Asian Development Bank and should not be used by other parties. Our opinion is not modified in respect of this matter.

### ***Responsibilities of Management and Those Charged with Governance for the Condensed Financial Statements***

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 CISAs 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 CISAs, 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 EA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the EA to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For KPMG Cambodia Ltd



Taing YoukFong  
Partner

Phnom Penh, Kingdom of Cambodia

30 September 2020

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Statement of financial position as at 31 December 2019

|   | Note | As at 31 December 2019             |                                     |               | As at<br>31 December 2018<br>US\$ |
|---|------|------------------------------------|-------------------------------------|---------------|-----------------------------------|
|   |      | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ |                                   |
| <b>Current assets</b>   |      |                                    |                                     |               |                                   |
| Cash on hand  | 3    | 712                                | 362                                 | 1,074         | 1,691                             |
| Cash at bank  | 4    | 77,371                             | 46,093                              | 123,464       | 443,096                           |
| Advance to staff  | 5    | 26,450                             | -                                   | 26,450        | -                                 |
| Advance to contractors  | 6    | -                                  | 111,511                             | 111,511       | 7,556                             |
|   |      | 104,533                            | 157,966                             | 262,499       | 452,343                           |
| <b>Current liability</b>  |      |                                    |                                     |               |                                   |
| Amounts due to ADB Grant No. 0241 –<br>Ministry of Agriculture, Forestry and Fisheries (“MAFF”) | 7    | 58,678                             | -                                   | 58,678        | 58,678                            |
| <b>Net assets</b>   |      | 45,855                             | 157,966                             | 203,821       | 393,665                           |



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)


### Statement of financial position (continued)

as at 31 December 2019

|                                 | As at 31 December 2019             |                                     | As at<br>31 December 2018<br>US\$ |
|---------------------------------|------------------------------------|-------------------------------------|-----------------------------------|
|                                 | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$                     |
| Fund balance at end of the year | 45,855                             | 157,966                             | 203,821                           |
|                                 |                                    |                                     | 393,665                           |

#### Represented by:

Fund balance at end of the year

  
H.E. Meng Monyrak  
Project Director

Phnom Penh, Kingdom of Cambodia

Date: 30 September 2020

The accompanying notes form an integral part of these financial statement

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Statement of receipts and expenditure for the year ended 31 December 2019

|   | Note | Year ended 31 December 2019        |                                     |               | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|---|------|------------------------------------|-------------------------------------|---------------|--|---|
|   |      | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ |  |   |
| <b>Receipts</b>   |      |                                    |                                     |               |  |   |
| Asian Development Bank  | 8    | 1,625,323                          | 378,354                             | 2,003,677     | 2,757,590                              | 10,028,924  |
| <b>Expenditure by disbursement<br/>category and financier</b> |      |                                    |                                     |               |  |   |
| Civil works   | 9    |                                    |                                     |               |  |   |
| Equipment and vehicles  | 10   | 91,034                             | -                                   | 91,034        | 622,469                                | 778,380   |
| Consultant services   | 11   | 10,119                             | -                                   | 10,119        | 42,039                                 | 379,233   |
| Goods and services  | 12   | 711,076                            | 196,323                             | 907,399       | 953,625                                | 3,661,448   |
| Project management  | 13   | 50,482                             | 6,078                               | 56,560        | 372,427                                | 2,057,031   |
| Recurrent costs   | 14   | 767,013                            | 30,562                              | 797,575       | 299,068                                | 1,725,761   |
| Training and others   | 15   | -                                  | 11,416                              | 11,416        | 11,826                                 | 252,513   |
| Livelihood inputs   | 16   | 182,544                            | 29,623                              | 212,167       | 237,658                                | 687,499   |
|   | 17   | 107,251                            | -                                   | 107,251       | 75,684                                 | 283,238   |
|   |      | 1,919,519                          | 274,002                             | 2,193,521     | 2,614,796                              | 9,825,103   |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Statement of receipts and expenditure (continued) for the year ended 31 December 2019

|   | Year ended 31 December 2019        |                                     |               | Cumulative<br>Year ended<br>31 December 2018<br>US\$ | period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|---|------------------------------------|-------------------------------------|---------------|--|---|
|   | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ |  |   |
| (Deficit)/excess of receipts over expenditure | (294,196)                          | 104,352                             | (189,844)     | 142,794  | 203,821   |
| Fund balance at beginning of the year         | 340,051                            | 53,614                              | 393,665       | 250,871  |   |
| Fund balance at end of the year               | 45,855                             | 157,966                             | 203,821       | 393,665  |   |

H.E. Meng Monyrak

Project Director

Phnom Penh, Kingdom of Cambodia

Date: 30 September 2020

The accompanying notes form an integral part of these financial statements.



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Statement of advance accounts for the year ended 31 December 2019

|   | Note | Year ended 31 December 2019        |                                     | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|---|------|------------------------------------|-------------------------------------|--|---|
|   |      | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |  |   |
| <b>Receipts</b>   |      |                                    |                                     |  |   |
| Asian Development Bank  | 8    | 1,185,096                          | 378,354                             | 2,334,085                              | 7,863,036   |
| <b>Expenditure by disbursement<br/>category and financier</b> |      |                                    |                                     |  |   |
| Civil works   | 10   | 91,034                             | -                                   | 622,469                                | 778,380   |
| Equipment and vehicles  | 11   | 10,119                             | -                                   | 42,039                                 | 172,138   |
| Consultant services   | 12   | 343,647                            | 196,323                             | 616,998                                | 1,940,846   |
| Goods and services  | 13   | 50,482                             | 6,078                               | 222,334                                | 1,906,938   |
| Project management  | 14   | 767,013                            | 30,562                              | 299,068                                | 1,725,761   |
| Recurrent costs   | 15   | -                                  | 11,416                              | 11,826                                 | 252,513   |
| Training and others   | 16   | 182,544                            | 29,623                              | 237,658                                | 687,499   |
| Livelihood inputs   | 17   | 26,897                             | -                                   | 67,940                                 | 195,140   |
|   |      | 1,471,736                          | 274,002                             | 2,120,332                              | 7,659,215   |
| <b>(Deficit)/excess of receipts over expenditure</b>          |      | (286,640)                          | 104,352                             | 213,753                                | 203,821   |
| <b>Fund balance at beginning of the year</b>                  |      | 332,495                            | 53,614                              | 172,356                                |   |
| <b>Fund balance at the end of year</b>                        |      | 45,855                             | 157,966                             | 386,109                                |   |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Statement of advance accounts (continued) for the year ended 31 December 2019

|  | Note | As at 31 December 2019             |                                     |               | As at<br>31 December 2018<br>US\$ |
|--|------|------------------------------------|-------------------------------------|---------------|-----------------------------------|
|  |      | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ |                                   |
| <b>Represented by</b>  |      |                                    |                                     |               |                                   |
| Cash on hand   | 3    | 712                                | 362                                 | 1,074         | 1,691                             |
| Cast at bank   | 4    | 77,371                             | 46,093                              | 123,464       | 443,096                           |
| Advance to staff   | 5    | 26,450                             | -                                   | 26,450        | -                                 |
| Advance to contractors   | 6    | -                                  | 111,511                             | 111,511       | -                                 |
| Amounts due to ADB Grant No. 0241 –<br>Ministry of Agriculture, Forestry and Fisheries | 7    | (58,678)                           | -                                   | (58,678)      | (58,678)                          |
|  |      | 45,855                             | 157,966                             | 203,821       | 386,109                           |

  
H.E. Meng Monyrak  
Project Director

Phnom Penh, Kingdom of Cambodia

Date: 30 September 2020

The accompanying notes form an integral part of these financial statements.

## **Ministry of Environment**

### **Greater Mekong Subregion Biodiversity Conservation Corridors Project**

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### **Notes to the financial statements for the year ended 31 December 2019**

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements.

### **1. Background and activities**

Asian Development Bank (“ADB”) and the Royal Government of Cambodia (“RGC”), represented by the Ministry of Economy and Finance (“MEF”), entered into an agreement, ADB Grant No. 0241, on 27 January 2011 to support the Greater Mekong Subregion Biodiversity Conservation Corridors Project (“the Project”) after the completion of a pilot project on “Biodiversity Conservation Corridors Initiative Pilot Projects in Cardamom Mountains and Eastern Plains of Cambodia”. This Project has two executing agencies namely the Ministry of Environment (“MOE”) and the Ministry of Agriculture, Forestry and Fisheries (“MAFF”) and two implementing agencies; the Koh Kong Provincial Project Implemented Unit (“PPIU”) and the Monduliri PPIU. The Project’s implementation period is between 2011 and 2019 with the total grants of US\$19 million. The grant’s effective date was 21 March 2011 and is expected to be closed by 31 March 2019. On 27 November 2018, the Project submitted the extension letter to ADB to extend the grant’s closing date to 30 September 2020. There has been an approval from ADB on 17 September 2019 to extend the grant’s closing date till 31 December 2020.

This Project is directed at corridor planning, forest restoration and protection, livelihoods improvement, and small-scale infrastructure subprojects, capacity building, project management and consulting services, including taxes and duties (US\$1.099 million). The Government will contribute US\$1.40 million by way of salary for secondments and administration, of which US\$0.33 million has been set aside on behalf of provinces for any resettlement expenses related to the Project. Beneficiaries will contribute their labour to agroforestry, non-timber forest product (“NTFP”) planting, and in-kind contribution to routine maintenance small-scale infrastructure.

On 27 April 2015, the MEF entered into another agreement with the ADB for the additional Grant No. 0426 – CAM (SCF) amounting to US\$7.4 million. This additional grant is the strategic climate fund to enhance climate resilience of the communities in the Biodiversity Conservation Corridors (“BCC” project area). The contribution from the Government and from the beneficiaries to the ongoing BCC project is estimated US\$1.4 million and US\$0.5 million respectively. The Pilot Program for Climate Resilience (PPCR) of Grant No. 0426 – CAM (SCF) will contribute to Outputs 3 and 4 of the Project. The grant’s effective date was 3 August 2015 and is expected to be completed on 31 March 2019. The Project has submitted the extension letter to ADB on 27 November 2018 to extend the grant closing date to 30 September 2020. After the ADB review mission over the project and the bilateral meeting between with respective executing agencies, ADB has approved to extend the grant closing date to 31 December 2020.



## **Ministry of Environment**

### **Greater Mekong Subregion Biodiversity Conservation Corridors Project**

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### **Notes to the financial statements (continued) for the year ended 31 December 2019**

### **1. Background and activities (continued)**

The joint responsibility funded by the two grants under implementation of MOE is as follows:

- technical oversight and policy guidance on implementation of the Project interventions in target communes within wildlife sanctuaries and national parks under its jurisdiction in Koh Kong and Monduliri provinces;
- administration of funds it receives for the Project activities at the national level;
- technical guidance to provinces on implementing the Community Protected Area (“CPA”) activities;
- updating of baselines and database;
- environmental safeguard coordination/oversight and monitoring;
- climate change policy support as embedded in the Biodiversity Conservation Corridors Initiatives (“BCI”) design;
- submitting technical and financial reports on the project interventions that are implemented directly by MOE;
- establish and manage the advance accounts;
- jointly recruit Grant Implementation consultants (GIC) with the FA CPCU;
- procure required contracts for subproject implementation;
- procure training services;
- procure office equipment and vehicles; and
- provide secretariat services to the National Steering Committee (NSC).

At the provincial level, the Governor and the Executive Committee (“EXCOM”) or its successor body will provide overall guidance and interagency coordination. In Koh Kong and Monduliri provinces, the Governor’s Office and EXCOM will be implementing agencies that, in turn will establish PPIUs attached to the EXCOM responsible for day to day implementation and management of the Project activities at the provincial level. The PPIU will provide financial management service at provincial level, coordinate and manage implementation of the subprojects.

The Project covers 22 communes (12 in Monduliri and 10 in Koh Kong provinces) in Cambodia located across 8 districts with the total population of approximately 68,048 (2008 census) in both provinces and households numbering just over 14,000.

The long-term impact of the Project is to achieve climate resilient sustainable forest ecosystems benefiting local livelihoods. The Project outcome is sustainably managed biodiversity corridors in Cambodia.

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 1. Background and activities (continued)

The Project has four outputs:

Output 1: Strengthening of Institutions and Communities for Biodiversity Corridor Management:

- strengthening the capacity of the national, provincial, district and commune levels for corridor planning and management; and
- providing protection and sustainable use policies, guidelines and/or local regulations for enforcing biodiversity corridor management plans.

Output 2: Restoration, Protection and Sustainable Management of Biodiversity Corridors by carrying out:

- forest restoration;
- natural forest replanting;
- enrichment planting; and
- non-timber forest products planting and agroforestry.

Output 3: Improvement of livelihoods and provision of small scale infrastructure support by implementing subprojects to be selected in accordance with the project administration manual.

Output 4: Project management and support services including provide support services and build capacity on project administration, procurement, financial management, progress reporting, impact monitoring, social and environmental safeguards and contract management.

| ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS<br>(Greater Mekong Subregion Biodiversity Conservation Corridors Project) |                        |                         |              |  |
|---|------------------------|-------------------------|--------------|--|
| CATEGORY  |                        |                         |              | ADB FINANCING  |
| Number  | Item                   | Amount Allocated (US\$) |              | Percentage and Basis for Withdrawal from the Grant Account |
|   |                        | Category                | Sub-category |  |
| 1   | Civil works            | 3,343,700               |              | 100% of total expenditure                                  |
| 2   | Vehicles and equipment | 880,100                 |              |  |
| 2A  | Vehicles               |                         | 447,000      | 100% of total expenditure                                  |
| 2B  | Equipment              |                         | 433,100      | 100% of total expenditure                                  |
| 3   | Goods and services     | 6,730,200               |              | 100% of total expenditure                                  |
| 4   | Livelihood inputs      | 795,300                 |              | 100% of total expenditure                                  |
| 5   | Training and others    | 924,700                 |              | 100% of total expenditure                                  |
| 6   | Consultant services    | 2,930,700               |              | 100% of total expenditure                                  |
| 7   | Project management     | 1,311,300               |              | 100% of total expenditure                                  |
| 8   | Recurrent costs        | 2,084,000               |              | 100% of total expenditure                                  |
|   | Total                  | 19,000,000              |              |  |



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 1. Background and activities (continued)

The requested re-allocation of ADB Grant No. 0241 – CAM (SF) and the allocation of additional financing budget of ADB Grant No. 0426 – CAM (SCF) is separately presented in the two tables below:

| REALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS<br>(Greater Mekong Subregion Biodiversity Conservation Corridors Project) |                        |   |              |                                  |  |
|---|------------------------|---|--------------|----------------------------------|--|
| CATEGORY  |                        |   |              | ADB FINANCING                    |  |
| No.   | Items                  | Amount reallocated (US\$)<br>ADB Grant No. 0241 |              | Total<br>category<br>amount US\$ | Percentage and basis<br>for withdrawal from the<br>Grant Account |
|   |                        | Category  | Sub-category |                                  |  |
| 1   | Civil works            | 3,534,100                                       |              | 3,534,100                        | 100% of total expenditure  |
| 1A  | Forest Land            | -   |              | -                                |  |
| 2   | Vehicles and equipment | 946,600   |              | 946,600                          | 100% of total expenditure  |
| 2A  | Vehicles               |   | 452,500      |                                  | 100% of total expenditure  |
| 2B  | Equipment              |   | 494,100      |                                  | 100% of total expenditure  |
| 3   | Goods and services     | 3,932,020                                       |              | 3,932,020                        | 100% of total expenditure  |
| 4   | Livelihood inputs      | 2,481,000                                       |              | 2,481,000                        | 100% of total expenditure  |
| 5   | Training and others    | 603,900   |              | 603,900                          | 100% of total expenditure  |
| 6   | Consultant services    | 6,400,300                                       |              | 6,400,300                        | 100% of total expenditure  |
| 7   | Project management     | 870,040   |              | 870,040                          | 100% of total expenditure  |
| 8   | Recurrent costs        | 232,040   |              | 232,040                          | 100% of total expenditure  |
|   |                        | <b>19,000,000</b>                               |              | <b>19,000,000</b>                |  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 1. Background and activities (continued)

| REALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS<br>(Greater Mekong Subregion Biodiversity Conservation Corridors Project) |  |   |              |                                  |  |
|---|--|---|--------------|----------------------------------|--|
| CATEGORY  |  |   |              |                                  | ADB FINANCING  |
| No.   | Items  | Amount reallocated (US\$)<br>ADB Grant No. 0426 |              | Total category<br>amount<br>US\$ | Percentage and basis<br>for withdrawal from the<br>Grant Account |
|   |  | Category  | Sub-category |                                  |  |
| 1   | Civil works                                  | 3,825,000                                       |              | 3,825,000                        | 100% of total expenditure  |
| 1A  | Forest Land Registration                     | -   |              | -                                |  |
| 2   | Vehicles and equipment                       | 90,000  |              | 90,000                           | 100% of total expenditure  |
| 2A  | Vehicles                                     |   | 31,000       |                                  | 100% of total expenditure  |
| 2B  | Equipment                                    |   | 59,000       |                                  | 100% of total expenditure  |
| 3   | Goods and services                           | 64,000  |              | 64,000                           | 100% of total expenditure  |
| 4   | Capacity building,<br>training and workshops | 1,113,000                                       |              | 1,113,000                        | 100% of total expenditure  |
| 5   | Consultant services                          | 1,669,000                                       |              | 1,669,000                        | 100% of total expenditure  |
| 6A  | Project management                           | 501,000   |              | 501,000                          | 100% of total expenditure  |
| 6B  | Contracted staff positions                   | 138,000   |              | 138,000                          | 100% of total expenditure  |
|   |  | <b>7,400,000</b>                                |              | <b>7,400,000</b>                 |  |

### 2. Significant accounting policies

The following significant accounting policies have been adopted by the Project in the preparation of these financial statements.

#### (a) Basis of accounting

The financial statements, which are expressed in the United States Dollars ("US\$") have been prepared in accordance with a modified cash receipts and disbursement basis of accounting. This is a basis of accounting that is designed to meet the requirement of the Project; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards.

## **Ministry of Environment**

### **Greater Mekong Subregion Biodiversity Conservation Corridors Project**

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### **Notes to the financial statements (continued) for the year ended 31 December 2019**

## **2. Significant accounting policies (continued)**

### **(a) Basis of accounting (continued)**

Under this basis of accounting, receipts are recognised when funds are received in cash and expenditure is recognised when made rather than incurred, except for the treatment of the followings:

- (i) The advances made to staff and contractors are initially recognised as a receivable and only recognised as expenditure when they have been liquidated by supporting invoices; and
- (ii) Due to ADB Grant No. 0241 – MAFF is recognised as payables until they are settled.

The financial statements are prepared for the information of and use by the management of the Project, the Ministry of Economy and Finance, and the Asian Development Bank. As a result, the financial statements may not be suitable for another purpose.

### **(b) Statement of advance accounts**

The statement of advance accounts (formerly known as imprest accounts) is prepared in accordance with the Grant Agreements, and is used to receive and disburse for expenditure financed by the ADB grant proceeds.

### **(c) Non-expendable equipment**

The cost of non-expendable equipment is charged to the statement of receipts and expenditure and the statement of advance accounts upon acquisition. For control and management purposes, a memorandum account for non-expendable equipment is maintained by way of a non-expendable equipment listing.

### **(e) Foreign currency translations**

The Project executes transactions and maintains its accounting records primarily in US\$. Transactions in currencies other than US\$ are converted into US\$ at the exchange rates prevailing on the transaction dates. Cash in currencies other than US\$ are converted into US\$ at the open market exchange rates at the year-end date. All foreign exchange differences are recognised in the statement of receipts and expenditure and the statement of advance accounts.



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

## 2. Significant accounting policies (continued)

### (f) In-kind contribution

All in-kind contribution from RGC to the project is not accounted for in the statement of receipts and expenditure. In-kind contribution is disclosed in the financial statements for information only.

## 3. Cash on hand

|                                | As at 31 December 2019             |                                     |               | As at            |              |
|--------------------------------|------------------------------------|-------------------------------------|---------------|------------------|--------------|
|                                | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ | 31 December 2018 | US\$         |
| Advance accounts               | 53                                 | 362                                 | 415           |                  | 905          |
| Sub-accounts                   |                                    |                                     |               |                  |              |
| Koh Kong                       | 589                                | -                                   | 589           |                  | 390          |
| Monduliri                      | 9                                  | -                                   | 9             |                  | 335          |
| Koh Kong Salakhet Unit ("SLU") | 61                                 | -                                   | 61            |                  | 61           |
|                                | <u>712</u>                         | <u>362</u>                          | <u>1,074</u>  |                  | <u>1,691</u> |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 4. Cash at bank

|                                | As at 31 December 2019             |                                     | As at<br>31 December 2018<br>US\$ |
|--------------------------------|------------------------------------|-------------------------------------|-----------------------------------|
|                                | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |                                   |
| Advance accounts               |                                    |                                     |                                   |
| Sub-accounts                   |                                    |                                     |                                   |
| Koh Kong                       | 419                                | -                                   | 3,509                             |
| Mondulhiri                     | 17,155                             | -                                   | 7,323                             |
| Koh Kong Salakhet Unit ("SLU") | 196                                | -                                   | 172                               |
|                                | <u>77,371</u>                      | <u>46,093</u>                       | <u>443,096</u>                    |
|                                |                                    |                                     | <u>432,092</u>                    |

#### 5. Advance to staff

This represented cash advance to staff for implementing the Project's activities in December 2019. Subsequently, the amounts were fully settled in January 2020.

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 6. Advance to Contractor

|   | As at 31 December 2019                |  |               | As at<br>31 December 2018 |
|---|---------------------------------------|--|---------------|---------------------------|
|   | Grant<br>No. 0241<br>CAM (SF)<br>US\$ | Grant<br>No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ | US\$                      |
| <i>Direct payment:</i>                                    |                                       |  |               |                           |
| World Wildlife Fund                                       | -                                     | -                                      | -             | 7,556                     |
| <i>Replenishments:</i>                                    |                                       |  |               |                           |
| Taing Cheng Oing Construction<br>& Import-Export Co., Ltd | -                                     | 62,926                                 | 62,926        | -                         |
| Samnang Peanich<br>Construction Co., Ltd                  | -                                     | 48,585                                 | 48,585        | -                         |
|   | -                                     | 111,511                                | 111,511       | 7,556                     |

#### 7. Amounts due to ADB Grant No. 0241 – Ministry of Agriculture, Forestry and Fisheries (“MAFF”)

This represents the amounts due to MAFF, which is also the ADB Grant No. 0241, for the implementation of the Project’s objectives relating to technical oversight and policy guidance in Koh Kong and Monduliri provinces. The amount represents 50% of the total costs of the national translator/interpreter and the financial consultant, as well as the purchases of equipment in the previous year that were made through the advance accounts handled by the MAFF.

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

## 8. Receipts

|                                   | Year ended 31 December 2019        |                                     | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|-----------------------------------|------------------------------------|-------------------------------------|--|---|
|                                   | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |  |   |
| Transfers to the advance accounts |                                    |                                     |  |   |
| Initial advances (*)              | -                                  | -                                   | 200,000                                | 1,557,738   |
| Replenishments (*)                | 1,185,096                          | 378,354                             | 2,134,085                              | 6,305,298   |
|                                   |                                    |                                     |  |   |
| Direct payments (**)              | 1,185,096                          | 378,354                             | 2,334,085                              | 7,863,036   |
|                                   | 440,227                            | -                                   | 423,505                                | 2,165,888   |
|                                   |                                    |                                     |  |   |
| Total                             | 1,625,323                          | 378,354                             | 2,757,590                              | 10,028,924  |

(\*) Receipts from the ADB for the Grant No. 0241 – CAM (SF) and No. 0426 – CAM (SCF) were paid into the advance accounts held at ACLEDA Bank Plc. The bank accounts are operated exclusively for ADB funds of the two grants.

(\*\*) Direct payments represent payments made by ADB directly to the contractors on behalf of the Project.



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 9. Expenditure by disbursement category and financier

| Particulars   | % of financing | ADB Grant 0241 – CAM (SF) |     | ADB Grant 0426 – CAM (SCF) |     | Total            |
|---|----------------|---------------------------|-----|----------------------------|-----|------------------|
|   |                | Actual expenditure        | %   | Actual expenditure         | %   |                  |
|   | %              | US\$                      |     | US\$                       |     | US\$             |
| Civil works   | 100            | 91,034                    | 100 | -                          | 100 | 91,034           |
| Equipment and vehicles  | 100            | 10,119                    | 100 | -                          | 100 | 10,119           |
| Consultant services   | 100            | 711,076                   | 100 | 196,323                    | 100 | 907,399          |
| Goods & Services  | 100            | 50,482                    | 100 | 6,078                      | 100 | 56,560           |
| Project Management  | 100            | 767,013                   | 100 | 30,562                     | 100 | 797,575          |
| Recurrent Costs   | 100            | -                         | 100 | 11,416                     | 100 | 11,416           |
| Training and others   | 100            | 182,544                   | 100 | 29,623                     | 100 | 212,167          |
| Livelihood inputs   | 100            | 107,251                   | 100 | -                          | 100 | 107,251          |
| <b>Total payments for the year ended 31 December 2019</b>             |                | <b>1,919,519</b>          |     | <b>274,002</b>             |     | <b>2,193,521</b> |
| <b>% of total project costs for the year ended 31 December 2019</b>   |                | <b>10.10%</b>             |     | <b>3.70%</b>               |     | <b>8.31%</b>     |
| <b>% of cumulative cost to total project costs – 31 December 2019</b> |                | <b>47.53%</b>             |     | <b>10.75%</b>              |     | <b>37.22%</b>    |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

## 10. Civil works

|                            | Year ended 31 December 2019        |                                     | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|----------------------------|------------------------------------|-------------------------------------|---|
|                            | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |   |
| Small-scale Infrastructure | 91,034                             | -                                   | 778,380   |
|                            |                                    |                                     |   |

This represents the construction costs of various projects at Koh Kong and Mondulkiri province.

## 11. Equipment and vehicles

|              | Year ended 31 December 2019        |                                     | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|--------------|------------------------------------|-------------------------------------|---|
|              | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |   |
| Equipment    | 10,119                             | -                                   | 144,997   |
| GIS software | -                                  | -                                   | 29,127  |
| Vehicles     | -                                  | -                                   | 205,109   |
|              |                                    |                                     |   |
|              | 10,119                             | -                                   | 379,233   |
|              |                                    |                                     |   |

**Greater Mekong Subregion Biodiversity Conservation Corridors Project**  
ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

## 11. Equipment and vehicles (continued)

|                 | Year ended 31 December 2019        |                                     | Year ended 31 December 2018 |        | Cumulative period from 21 March 2011 to 31 December 2019 |
|-----------------|------------------------------------|-------------------------------------|-----------------------------|--------|--|
|                 | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$               | US\$   |  |
| Direct payments | -                                  | -                                   | -                           | -      | 207,095  |
| Replenishments  | 10,119                             | -                                   | 10,119                      | 42,039 | 172,138  |
|                 | 10,119                             | -                                   | 10,119                      | 42,039 | 379,233  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

## 12. Consultant services

|  | Year ended 31 December 2019        |                                     | Total<br>US\$  | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|--|------------------------------------|-------------------------------------|----------------|---|
|  | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |                |   |
| National project management staff                      | 229,437                            | 17,308                              | 246,745        | 777,155   |
| Lao Consulting Group Co., Ltd.                         | 243,477                            | -                                   | 243,477        | 1,460,325   |
| Village Development Fund (VDF)                         | 61,147                             | -                                   | 61,147         | 150,239   |
| World Wide Fund of Nature (WWF)                        | 130,999                            | -                                   | 130,999        | 260,127   |
| Supplementary allowance                                | 28,580                             | -                                   | 28,580         | 129,330   |
| Livelihood officer                                     | 17,436                             | -                                   | 17,436         | 59,552  |
| Forest enhancement auditor                             | -                                  | -                                   | -              | 24,432  |
| National financial consultant                          | -                                  | -                                   | -              | 34,650  |
| National translator/Interpreter                        | -                                  | -                                   | -              | 25,058  |
| International Institute of Rural Reconstruction (IIRR) | -                                  | 85,532                              | 85,532         | 161,832   |
| National procurement specialist                        | -                                  | 68,482                              | 68,482         | 233,545   |
| International procurement specialist                   | -                                  | -                                   | -              | 55,270  |
| Design and supervision                                 | -                                  | 25,001                              | 25,001         | 289,933   |
|  | <u>711,076</u>                     | <u>196,323</u>                      | <u>907,399</u> | <u>3,661,448</u>  |



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 12. Consultant services (continued)

The payments on consultant services are allocated as follows:

|                        | Year ended 31 December 2019        |                                     | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|------------------------|------------------------------------|-------------------------------------|--|---|
|                        | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |  |   |
| Direct payments        | 359,872                            | -                                   | 273,412                                | 1,597,489   |
| Replenishments         | 343,647                            | 196,323                             | 616,998                                | 1,940,846   |
| Liquidation of advance | 7,557                              | -                                   | 63,215                                 | 123,113   |
|                        | <u>711,076</u>                     | <u>196,323</u>                      | <u>953,625</u>                         | <u>3,661,448</u>  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 13. Goods and services

|   | Year ended 31 December 2019        |                                     | Total<br>US\$ | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|---|------------------------------------|-------------------------------------|---------------|--|---|
|   | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |               |  |   |
| Solar system  | -                                  | -                                   | -             | 166,770                                | 171,260   |
| Forest management implementation                    | 22,525                             | -                                   | 22,525        | 75,618                                 | 358,386   |
| Plant seedling purchase/maintenance for restoration | -                                  | -                                   | -             | 42,809                                 | 952,293   |
| Forest fire control                                 | -                                  | -                                   | -             | 25,295                                 | 104,768   |
| Repairs and maintenance                             | -                                  | -                                   | -             | 14,132                                 | 97,394  |
| Water-filter  | -                                  | -                                   | -             | 11,813                                 | 11,813  |
| Petroleum   | -                                  | -                                   | -             | 11,966                                 | 99,054  |
| Others  | -                                  | -                                   | -             | 7,268                                  | 58,770  |
| Office supplies                                     | -                                  | -                                   | -             | 6,423                                  | 45,495  |
| Communication and internet service                  | -                                  | -                                   | -             | 4,055                                  | 33,243  |
| Professional fee                                    | 6,518                              | 6,078                               | 12,596        | 5,588                                  | 24,894  |
| CPA Guideline                                       | -                                  | -                                   | -             | 690                                    | 12,990  |
| Boundary pole demarcation                           | 21,439                             | -                                   | 21,439        | -                                      | 80,609  |
| Natural regeneration site identification            | -                                  | -                                   | -             | -                                      | 1,540   |
| Office renovation                                   | -                                  | -                                   | -             | -                                      | 4,522   |
|   | <u>50,482</u>                      | <u>6,078</u>                        | <u>56,560</u> | <u>372,427</u>                         | <u>2,057,031</u>  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 13. Goods and services (continued)

The payments on goods and services are allocated as follows:

|                                   | Year ended 31 December 2019        |                                     | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|-----------------------------------|------------------------------------|-------------------------------------|---|
|                                   | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |   |
| Direct payments<br>Replenishments | -                                  | -                                   | 150,093   |
|                                   | 50,482                             | 6,078                               | 1,906,938   |
|                                   | <u>50,482</u>                      | <u>6,078</u>                        | <u>2,057,031</u>  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 14. Project management

|   | Year ended 31 December 2019        |                                     | Total<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|---|------------------------------------|-------------------------------------|---------------|---|
|   | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |               |   |
| Land registration                               | 635,926                            | -                                   | 635,926       | 99,862  |
| Community protected area's management plan      | -                                  | -                                   | -             | 62,470  |
| Per-diem/daily subsistence allowance            | 42,149                             | 25,261                              | 67,410        | 83,566  |
| Materials for workshop/training/meeting         | -                                  | -                                   | -             | 21,607  |
| Consultant to verify small scale infrastructure | -                                  | -                                   | -             | -   |
| Budget and workplan                             | 41,522                             | -                                   | 41,522        | 14,476  |
| Travelling                                      | -                                  | -                                   | -             | -   |
| Refreshment                                     | 855                                | 192                                 | 1,047         | 1,532   |
| Repairs and maintenance                         | 15,942                             | -                                   | 15,942        | -   |
| Petroleum                                       | 12,209                             | -                                   | 12,209        | -   |
| Office supplies                                 | 4,318                              | -                                   | 4,318         | -   |
| Communication and internet service              | 4,010                              | -                                   | 4,010         | -   |
| Other   | 10,082                             | 5,109                               | 15,191        | 15,555  |
|   | 767,013                            | 30,562                              | 797,575       | 299,068   |
|   |                                    |                                     |               | 1,725,761   |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 15. Recurrent costs

|                      | Year ended 31 December 2019        |                                     |               | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|----------------------|------------------------------------|-------------------------------------|---------------|--|---|
|                      | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ |  |   |
| Administrative staff | -                                  | -                                   | -             | -                                      | 52,691  |
| Project staff        | -                                  | 11,416                              | 11,416        | 11,826                                 | 199,822   |
|                      | -                                  | 11,416                              | 11,416        | 11,826                                 | 252,513   |



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 16. Training and others

|                                      | Year ended 31 December 2019        |                                     | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|--------------------------------------|------------------------------------|-------------------------------------|---|
|                                      | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |   |
| Capacity building:                   |                                    |                                     |   |
| Provincial, District, Commune Levels | 182,544                            | 29,623                              | 418,010   |
| GIS software usage                   | -                                  | -                                   | 11,044  |
| Project financial management         | -                                  | -                                   | 5,722   |
| Strategic planning process:          |                                    |                                     |   |
| Consultation workshop                | -                                  | -                                   | 221,997   |
| Study tour:                          |                                    |                                     |   |
| Overseas                             | -                                  | -                                   | 17,780  |
| Local                                | -                                  | -                                   | 12,946  |
|                                      | <u>182,544</u>                     | <u>29,623</u>                       | <u>687,499</u>  |
|                                      |                                    | <u>212,167</u>                      |   |
|                                      |                                    |                                     | <u>99,845</u>   |
|                                      |                                    |                                     | -   |
|                                      |                                    |                                     | -   |
|                                      |                                    |                                     | 137,383   |
|                                      |                                    |                                     | -   |
|                                      |                                    |                                     | 430   |
|                                      |                                    |                                     | <u>237,658</u>  |
|                                      |                                    | <u>212,167</u>                      |   |
|                                      |                                    |                                     | <u>687,499</u>  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 17. Livelihood inputs

This represents payments made to World Wide Fund (“WWF”) for the Livelihood Improvement Strategy Development and Implementation and community saving groups.

The payments on livelihood inputs are allocated as follows:

|                        | Year ended 31 December 2019        |                                     | Total<br>US\$  | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|------------------------|------------------------------------|-------------------------------------|----------------|--|---|
|                        | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ |                |  |   |
| Direct payments        | 80,354                             | -                                   | 80,354         | -                                      | 80,354  |
| Replenishments         | 26,897                             | -                                   | 26,897         | 67,940                                 | 195,140   |
| Liquidation of advance | -                                  | -                                   | -              | 7,744                                  | 7,744   |
|                        | <u>107,251</u>                     | <u>-</u>                            | <u>107,251</u> | <u>75,684</u>                          | <u>283,238</u>  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 18. Statement of disbursement

|   | Note | Year ended 31 December 2019        |                                     |               | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|---|------|------------------------------------|-------------------------------------|---------------|--|---|
|   |      | Grant No. 0241<br>CAM (SF)<br>US\$ | Grant No. 0426<br>CAM (SCF)<br>US\$ | Total<br>US\$ |  |   |
| <b>ADB Fund claims during the year</b>                            |      |                                    |                                     |               |  |   |
| Replenishments  |      | 1,185,096                          | 378,354                             | 1,563,450     | 2,134,085                              | 6,305,298   |
| Direct payments   |      | 440,227                            | -                                   | 440,227       | 423,505                                | 2,165,888   |
| Initial advance   |      | -                                  | -                                   | -             | 200,000                                | 1,557,738   |
| Subtotal  | (A)  | 1,625,323                          | 378,354                             | 2,003,677     | 2,757,590                              | 10,028,924  |
| <b>Total expenditure made during the year</b>                     |      |                                    |                                     |               |  |   |
| Expenditure incurred, but not yet claimed                         | (B)  | 1,919,519                          | 274,002                             | 2,193,521     | 2,614,796                              | 9,825,103   |
| Expenditure incurred in prior year<br>but claimed during the year | (C)  | (803,022)                          | (206,645)                           | (1,009,667)   | (708,312)                              | (1,009,667)   |
| Advance made to contractors                                       | (D)  | 508,826                            | 199,486                             | 708,312       | 722,065                                | -   |
| Liquidation of advance to contractors                             | (E)  | -                                  | 111,511                             | 111,511       | -                                      | 111,511   |
| Initial advance not yet liquidated                                | (F)  | -                                  | -                                   | -             | (70,959)                               | -   |
|   | (G)  | -                                  | -                                   | -             | 200,000                                | 1,101,977   |
| <b>Total eligible expenditure claimed<br/>(A=H=B+C+D+E+F+G)</b>   | (H)  | 1,625,323                          | 378,354                             | 2,003,677     | 2,757,590                              | 10,028,924  |



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 19. Expenditure commitments

As at 31 December, the Project had the following expenditure commitments:

|   | As at<br>31 December 2019<br>US\$ | As at<br>31 December 2018<br>US\$ |
|---|-----------------------------------|-----------------------------------|
| <i>Contracted, but not yet paid:</i>    |                                   |                                   |
| Consulting service:                     |                                   |                                   |
| World Wide Fund of Nature               | -                                 | 1,002,023                         |
| Lao Consulting Group Co., Ltd.          | -                                 | 601,411                           |
| National project management specialist  | 57,853                            | 263,118                           |
| National Procurement Specialist         | -                                 | 11,448                            |
| KECC                                    | 151,528                           | 151,528                           |
| Village Development Fund                | -                                 | 46,439                            |
| Civil works:                            |                                   |                                   |
| Samnang Peanich Construction Co., Ltd   | 275,314                           | -                                 |
| Taing Cheng Oing Import Export Co., Ltd | 398,530                           | -                                 |
|   | <u>883,225</u>                    | <u>2,075,967</u>                  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project

ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

### 20. In-kind contribution

The Project's management has identified and calculated in-kind contribution from the RGC to the project based on guideline from the MEF as follows:

|                                       | Year ended<br>31 December 2019<br>US\$ | Year ended<br>31 December 2018<br>US\$ | Cumulative<br>period from<br>21 March 2011 to<br>31 December 2019<br>US\$ |
|---------------------------------------|--|--|---|
| Office space                          | 26,400                                 | 26,400                                 | 237,600   |
| Utilities expense                     | 7,650                                  | 7,650                                  | 68,850  |
| Salaries of project staff             | 30,755                                 | 30,755                                 | 349,112   |
| Tax and duties:                       |  |  |   |
| Withholding tax on consulting service | 28,940                                 | 33,432                                 | 101,490   |
|                                       | <u>93,745</u>                          | <u>98,237</u>                          | <u>757,052</u>  |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 21. Statement of withdrawals

| Withdrawal applications     |           |          |                 | Categories  |                        |                     |                    |                    |                 |                     |                   |           |
|-----------------------------|-----------|----------|-----------------|-------------|------------------------|---------------------|--------------------|--------------------|-----------------|---------------------|-------------------|-----------|
| No                          | Date      | Currency | Initial advance | Civil works | Equipment and vehicles | Consultant services | Goods and services | Project management | Recurrent costs | Training and others | Livelihood inputs | Total     |
| Year ended 31 December 2019 |           |          |                 |             |                        |                     |                    |                    |                 |                     |                   |           |
| ADB Grant No. 0241          |           |          |                 |             |                        |                     |                    |                    |                 |                     |                   |           |
| Direct payments             |           |          |                 |             |                        |                     |                    |                    |                 |                     |                   |           |
| E0046                       | 2-Apr-19  | US\$     | -               | -           | -                      | 63,771              | -                  | -                  | -               | -                   | 15,092            | 78,863    |
| E0047                       | 9-Jan-19  | US\$     | -               | -           | -                      | 68,055              | -                  | -                  | -               | -                   | -                 | 68,055    |
| E0048                       | 25-Feb-19 | US\$     | -               | -           | -                      | 54,009              | -                  | -                  | -               | -                   | -                 | 54,009    |
| E0051                       | 5-Jul-19  | US\$     | -               | -           | -                      | 45,917              | -                  | -                  | -               | -                   | -                 | 45,917    |
| E0053                       | 9-Aug-19  | US\$     | -               | -           | -                      | 59,671              | -                  | -                  | -               | -                   | 65,262            | 124,933   |
| F0041                       | 8-Mar-19  | US\$     | -               | -           | -                      | 68,449              | -                  | -                  | -               | -                   | -                 | 68,449    |
| Sub Total (a)               |           |          | -               | -           | -                      | 359,872             | -                  | -                  | -               | -                   | 80,354            | 440,226   |
| Replenishments              |           |          |                 |             |                        |                     |                    |                    |                 |                     |                   |           |
| E0049                       | 29-Mar-19 | US\$     | -               | 128,679     | 145                    | 166,196             | 46,105             | 75,874             | -               | 73,987              | 17,841            | 508,827   |
| E0050                       | 12-Jun-19 | US\$     | -               | 17,082      | -                      | 75,547              | 22,525             | 87,092             | -               | 21,720              | 708               | 224,674   |
| E0052                       | 7-Aug-19  | US\$     | -               | 35,043      | -                      | 25,351              | -                  | 32,073             | -               | 28,556              | -                 | 121,023   |
| E0054                       | 8-Nov-19  | US\$     | -               | 29,592      | 7,128                  | 67,258              | 10,390             | 169,005            | -               | 46,412              | 788               | 330,573   |
| Sub Total (b)               |           |          | -               | 210,396     | 7,273                  | 334,352             | 79,020             | 364,044            | -               | 170,675             | 19,337            | 1,185,097 |
| Grand total (c=a+b)         |           |          | -               | 210,396     | 7,273                  | 694,224             | 79,020             | 364,044            | -               | 170,675             | 99,691            | 1,625,323 |

## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

Notes to the financial statements (continued)  
for the year ended 31 December 2019

#### 21. Statement of withdrawals (continued)

| Withdrawal applications                                  |               |          | Categories      |             |                        |                     |                    |                    |                 |                     |                   |            |
|--|---------------|----------|-----------------|-------------|------------------------|---------------------|--------------------|--------------------|-----------------|---------------------|-------------------|------------|
| No   | Date          | Currency | Initial advance | Civil works | Equipment and vehicles | Consultant services | Goods and services | Project management | Recurrent costs | Training and others | Livelihood inputs | Total      |
| ADB Grant No. 0426                                       |               |          |                 |             |                        |                     |                    |                    |                 |                     |                   |            |
| Replenishments   |               |          |                 |             |                        |                     |                    |                    |                 |                     |                   |            |
| E0005  | 4-Feb-19      | US\$     | -               | -           | -                      | 118,959             | -                  | 4,029              | 6,046           | -                   | 4,460             | 133,494    |
| E0006  | 10-Jul-19     | US\$     | -               | -           | -                      | 101,039             | -                  | 6,190              | 4,694           | 5,405               | 1,272             | 118,600    |
| E0007  | 25-Sep-19     | US\$     | -               | 62,926      | -                      | 43,242              | -                  | 15,953             | 2,990           | 1,149               | -                 | 126,260    |
|  | Sub Total (a) |          | -               | 62,926      | -                      | 263,240             | -                  | 26,172             | 13,730          | 6,554               | 5,732             | 378,354    |
| Cumulative period from 21 March 2011 to 31 December 2019 |               |          | 1,101,977       | 831,988     | 376,241                | 3,379,535           | 2,058,507          | 1,209,448          | 238,370         | 575,020             | 257,838           | 10,028,924 |
| Year ended 31 December 2018                              |               |          |                 |             |                        |                     |                    |                    |                 |                     |                   |            |
| ADB Grant No. 0241                                       |               |          |                 |             |                        |                     |                    |                    |                 |                     |                   |            |
| Direct payments  |               |          |                 |             |                        |                     |                    |                    |                 |                     |                   |            |
| E0036  | 09-Jan-18     | US\$     | -               | -           | -                      | -                   | 150,093            | -                  | -               | -                   | -                 | 150,093    |
| E0037  | 16-Mar-18     | US\$     | -               | -           | -                      | 48,195              | -                  | -                  | -               | -                   | -                 | 48,195     |
| F0028  | 28-Mar-18     | US\$     | -               | -           | -                      | 39,411              | -                  | -                  | -               | -                   | -                 | 39,411     |
| F0032  | 10-Apr-18     | US\$     | -               | -           | -                      | 41,988              | -                  | -                  | -               | -                   | -                 | 41,988     |
| F0035  | 03-May-18     | US\$     | -               | -           | -                      | 56,855              | -                  | -                  | -               | -                   | -                 | 56,855     |
|  | Sub Total (a) |          | -               | -           | -                      | 186,449             | 150,093            | -                  | -               | -                   | -                 | 336,542    |



## Ministry of Environment

### Greater Mekong Subregion Biodiversity Conservation Corridors Project ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

#### Notes to the financial statements (continued) for the year ended 31 December 2019

#### 21. Statement of withdrawals (continued)

| Withdrawal applications |            |                            | Categories      |                |                        |                     |                    |                    |                 |                     |                   |                  |
|-------------------------|------------|----------------------------|-----------------|----------------|------------------------|---------------------|--------------------|--------------------|-----------------|---------------------|-------------------|------------------|
| No                      | Date       | Currency                   | Initial advance | Civil works    | Equipment and vehicles | Consultant services | Goods and services | Project management | Recurrent costs | Training and others | Livelihood inputs | Total            |
| <i>Replenishments</i>   |            |                            |                 |                |                        |                     |                    |                    |                 |                     |                   |                  |
| E0035                   | 9-Jan-18   | US\$                       | -               | -              | 244                    | 50,746              | 78,153             | 48,014             | -               | 45,417              | 47,657            | 270,231          |
| E0038                   | 2-Apr-2018 | US\$                       | -               | 64,877         | -                      | 40,904              | 56,762             | 102,379            | -               | 61,474              | 12,800            | 339,196          |
| E0039                   | 21-Jun-18  | US\$                       | -               | 37,670         | 6,002                  | 38,202              | 35,461             | 21,923             | -               | 31,019              | 5,040             | 175,317          |
| E0040                   | 28-Jun-18  | US\$                       | -               | 49,151         | -                      | 2,488               | 14,081             | 29,036             | -               | 46,550              | -                 | 141,316          |
| E0041                   | 09-Aug-18  | US\$                       | 200,000         | -              | -                      | -                   | -                  | -                  | -               | -                   | -                 | 200,000          |
| E0042                   | 20-Aug-18  | US\$                       | -               | 97,292         | 313                    | 24,041              | 14,943             | 30,920             | -               | 9,866               | -                 | 177,375          |
| E0043                   | 20-Aug-18  | US\$                       | -               | 162,630        | 28,779                 | 48,713              | 12,488             | 33,329             | -               | 28,333              | 45,060            | 359,332          |
| E0044                   | 30 Sep-18  | US\$                       | -               | 61,628         | 6,800                  | 102,420             | 53,747             | 70,416             | -               | 23,286              | -                 | 318,297          |
| E0045                   | 30-Oct-18  | US\$                       | -               | 85,419         | -                      | 9,653               | 38,392             | 30,171             | -               | 21,050              | -                 | 184,685          |
|                         |            | <b>Sub-total (b)</b>       | <b>200,000</b>  | <b>558,667</b> | <b>42,138</b>          | <b>317,167</b>      | <b>304,027</b>     | <b>366,188</b>     | <b>-</b>        | <b>267,005</b>      | <b>110,557</b>    | <b>2,165,749</b> |
|                         |            | <b>Grand total (c=a+b)</b> | <b>200,000</b>  | <b>558,667</b> | <b>42,138</b>          | <b>503,616</b>      | <b>454,120</b>     | <b>366,188</b>     | <b>-</b>        | <b>267,005</b>      | <b>110,557</b>    | <b>2,502,291</b> |

## Ministry of Environment

Greater Mekong Subregion Biodiversity Conservation Corridors Project  
ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

Notes to the financial statements (continued)  
for the year ended 31 December 2019

### 21. Statement of withdrawals (continued)

| Withdrawal applications |           |                 | Categories      |             |                        |                     |                    |                    |                 |                     |                   |         |
|-------------------------|-----------|-----------------|-----------------|-------------|------------------------|---------------------|--------------------|--------------------|-----------------|---------------------|-------------------|---------|
| No                      | Date      | Currency        | Initial advance | Civil works | Equipment and vehicles | Consultant services | Goods and services | Project management | Recurrent costs | Training and others | Livelihood inputs | Total   |
| ADB Grant No. 0426      |           |                 |                 |             |                        |                     |                    |                    |                 |                     |                   |         |
| Direct payments         |           |                 |                 |             |                        |                     |                    |                    |                 |                     |                   |         |
| E0003                   | 25-Apr-18 | US\$            | -               | -           | -                      | 86,963              | -                  | -                  | -               | -                   | -                 | 86,963  |
|                         |           | Sub-total (a)   | -               | -           | -                      | 86,963              | -                  | -                  | -               | -                   | -                 | 86,963  |
| Replenishments          |           |                 |                 |             |                        |                     |                    |                    |                 |                     |                   |         |
| E0004                   | 2-Jul-18  | US\$            | -               | -           | 1,097                  | 129,418             | 2,977              | 26,754             | 8,090           | -                   | -                 | 168,336 |
|                         |           | Sub-total (b)   | -               | -           | 1,097                  | 129,418             | 2,977              | 26,754             | 8,090           | -                   | -                 | 168,336 |
|                         |           | Total (c = a+b) | -               | -           | 1,097                  | 216,381             | 2,977              | 26,754             | 8,090           | -                   | -                 | 255,299 |

H.E. Meng Momyrak

Project Director

Phnom Penh, Kingdom of Cambodia

Date: 30 September 2020

## Ministry of Environment

Greater Mekong Subregion Biodiversity Conservation Corridors Project  
ADB Grant No. 0241 – CAM (SF) and Grant No. 0426 – CAM (SCF)

Notes to the financial statements (continued)  
for the year ended 31 December 2019

### 22. Statement of budget versus actual expenditure

| Description            | Year ended 31 December 2019 |                  |                  | Year ended 31 December 2018 |                  |                 | Cumulative period from 21 March 2011 to 31 December 2019 |                  |                    |
|------------------------|-----------------------------|------------------|------------------|-----------------------------|------------------|-----------------|--|------------------|--------------------|
|                        | Budget                      | Actual           | Variance         | Budget                      | Actual           | Variance        | Budget   | Actual           | Variance           |
|                        | US\$                        | US\$             | US\$             | US\$                        | US\$             | US\$            | US\$   | US\$             | US\$               |
| Civil works            | 216,031                     | 91,034           | (124,997)        | 623,000                     | 622,469          | (531)           | 1,606,056  | 778,380          | (827,676)          |
| Equipment and vehicles | 10,150                      | 10,119           | (31)             | 42,500                      | 42,039           | (461)           | 966,301  | 379,233          | (587,068)          |
| Consultant services    | 907,476                     | 907,399          | (77)             | 964,405                     | 953,625          | (10,780)        | 4,627,699  | 3,661,448        | (966,251)          |
| Goods and services     | 57,578                      | 56,560           | (1,018)          | 377,030                     | 372,427          | (4,603)         | 2,723,980  | 2,057,031        | (666,949)          |
| Project management     | 798,255                     | 797,575          | (680)            | 305,650                     | 299,068          | (6,582)         | 2,214,673  | 1,725,761        | (488,912)          |
| Recurrent costs        | 11,416                      | 11,416           | -                | 11,826                      | 11,826           | -               | 399,072  | 252,513          | (146,559)          |
| Training and others    | 242,294                     | 212,167          | (30,127)         | 251,550                     | 237,658          | (13,892)        | 1,135,522  | 687,499          | (448,023)          |
| Livelihood inputs      | 107,400                     | 107,251          | (149)            | 77,000                      | 75,684           | (1,316)         | 1,038,200  | 283,238          | (754,962)          |
|                        | <b>2,350,600</b>            | <b>2,193,521</b> | <b>(157,079)</b> | <b>2,652,961</b>            | <b>2,614,796</b> | <b>(38,165)</b> | <b>14,711,503</b>  | <b>9,825,103</b> | <b>(4,886,400)</b> |

H.E. Meng Moryrak  
Project Director

Phnom Penh, Kingdom of Cambodia

Date: 30 September 2020