

Audited Project Financial Statements

Project Number: 43120-025
Loan Number: 2944-VIE
Period covered: 01/01/2016-31/12/2016

TRADE FACILITATION: IMPROVED SANITARY AND PHYTOSANITORY HANDLING IN GREATER MEKONG SUBREGION TRADE PROJECT

Prepared by Project Management Unit – Vietnam Food Administration, Ministry of Health for
the Asian Development Bank

For the Asian Development Bank
Date received by ADB: 11/07/2017

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Ministry of Agriculture and Rural Development.

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

*(Under the Loan Agreement No. 2944-VIE(SF) between the
Government of the Socialist Republic of Vietnam and the Asian
Development Bank (ADB))*

Financial statements

31 December 2016



Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

Under the Loan Agreement No. 2944-VIE(SF) between the Government of the Socialist Republic of Vietnam and the Asian Development Bank (ADB)

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Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

Under the Loan Agreement No. 2944-VIE(SF) between the Government of the Socialist Republic of Vietnam and the Asian Development Bank (ADB)

REPORT OF THE PROJECT MANAGEMENT

Management of Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project ("the Project") presents this report and its financial statements as at 31 December 2016 and for the year then ended.

THE PROJECT MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Project management is responsible for the financial statements as at 31 December 2016 and for the year then ended which comprise:

- ▶ the balance sheet as at 31 December 2016;
- ▶ the statement of income and expenditure for the year ended 31 December 2016;
- ▶ the statement of cash flows for the year ended 31 December 2016;
- ▶ the balances of the Imprest Account as at 31 December 2016 and the movements of this account for the year then ended; and
- ▶ the statements of withdrawals for year ended 31 December 2016.

In preparing these financial statements, the Project management is required to:

- ▶ select suitable accounting policies and then apply them consistently in accordance with the Loan Agreement No. 2944-VIE(SF) ("Loan Agreement") between the Government of Socialist Republic of Vietnam and Asian Development Bank ("ADB"), Project Administration Manual ("PAM"), Decision No.19/2006/QD-BTC dated 30 March 2006 on accounting regime for state administrative unit ("Decision 19") and Circular No.185/2010/TT-BTC dated 15 November 2010 promulgating amendments accounting regime for state administrative unit issued with Decision 19 ("Circular 185");
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ design and implement an effective internal control to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The Project management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Project and the financial statements comply with the accounting policies set out in Note 3 to the financial statements and PAM. The Project management is responsible for using the Project's fund as intended for the Project and for complying with covenants contained in Loan Agreement No. 2944-VIE(SF) as well as laws and regulations applicable to the Project. They are also responsible for safeguarding the assets of the Project and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Project management confirms that they have complied with the above requirements in preparing the financial statements.

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

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REPORT OF THE PROJECT MANAGEMENT (continued)

STATEMENT BY THE PROJECT MANAGEMENT

The Project management does hereby state that, in its opinion:

- The accompanying financial statements give a true and fair view of the financial position of the Project as at 31 December 2016, its income and expenditure and its cash flows for the year ended 31 December 2016, the balance of Imprest Account as at 31 December 2016 and its movement for the year then ended and the statement of withdrawals for the year ended 31 December 2016 in accordance with the accounting policies as described in Note 3 to the financial statements and PAM;
- The funds provided by ADB and the Government of Vietnam are utilised for the purposes defined in the Loan Agreement;
- The Project complies with the Loan Agreement, PAM, and other applicable law and regulations; and
- The Project designs and implements an effective internal control to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, as well as to ensure compliance with the Loan Agreement, PAM, law and regulations applicable to the Project.

For and on behalf of the Project management:



Mr. Nguyễn Thanh Phong
Project Director

Hanoi, Vietnam

30 June 2017

Reference: 61316038/19027918 – Audit 2016

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To: **Management of Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project**

Opinion

We have audited the accompanying financial statements of Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project ("the Project") as set out on pages 5 to 15, which comprise of the balance sheet as at 31 December 2016, the statement of income and expenditure, statement of cash flows, statement of Imprest Account and statement of withdrawals for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Project are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the financial statements and the Project Administration Manual ("PAM").

Basic for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Vietnam, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Accounting Policies and Restriction of Use

We draw attention to Note 3 to the financial statements, which describes the accounting policies. As also disclosed in Note 2 to the financial statements, the financial statements are prepared to assist the Project in meeting the reporting requirements of Asian Development Bank ("ADB"). As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Project Management for the Financial Statements

The Project management is responsible for the preparation of these financial statements in accordance with the accounting policies set out in Note 3 to the financial statements and PAM, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Project.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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



Ernst & Young Vietnam Ltd.

Hanoi, Vietnam

30 June 2017

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

Under the Loan Agreement No. 2944-VIE(SF) between the Government of the Socialist Republic of Vietnam and the Asian Development Bank (ADB)

BALANCE SHEET
as at 31 December 2016

Currency: VND

	Note	31 December 2016	31 December 2015
ASSETS			
I. Current assets		10,609,338,015	11,433,190,036
Cash	4	6,571,959,995	10,698,950,036
Advance to suppliers	5	951,419,200	734,240,000
Other receivables	6	2,121,999,000	-
Advances to Project's staff	7	963,959,820	-
II. Project implementing expenditures		76,801,503,864	9,974,819,598
Project implementing expenditures		76,801,503,864	9,974,819,598
TOTAL ASSETS		87,410,841,879	21,408,009,634
RESOURCES			
I. Liabilities		38,835,020,920	346,354,125
Payables to suppliers	8	38,835,020,920	293,512,000
Statutory obligation		-	47,357,125
Other payables		-	5,485,000
II. Funds		48,575,820,959	21,061,655,509
Project funds		48,296,580,813	20,940,352,717
ADB fund	9	43,238,809,260	17,587,661,700
Accumulated Counterpart fund	10	5,034,262,521	3,335,181,985
Other receipt		23,509,032	17,509,032
Foreign exchange differences		279,240,146	121,302,792
TOTAL RESOURCES		87,410,841,879	21,408,009,634

OFF BALANCE SHEET ITEM

	31 December 2016	31 December 2015
United States dollars (USD)	295,653	487,548
Of which:		
- United States dollars in Imprest Account	295,647	487,519
- United States dollars in interest account	-	23
- United States dollars in other account	-	6

Ms Le Thanh Phuong
Chief Accountant



Mr Nguyen Thanh Phong
Project Director

Hanoi, Vietnam

30 June 2017

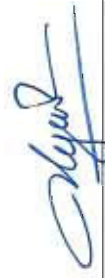
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STATEMENT OF INCOME AND EXPENDITURE for the year ended 31 December 2016

Currency: VND

	Contents	For the year ended 31 December 2016			For the period from 17 April 2013 to 31 December 2016		
		ADB fund	Counterpart fund	Total	ADB fund	Counterpart fund	Total
I.	INCOME						
1.	Funds from Asian Development Bank through Imprest Account	25,657,147,560	1,699,080,536	27,356,228,096	43,261,156,792	5,035,424,021	48,296,580,813
2.	Funds from Asian Development Bank through direct payment	9,466,759,068	-	9,466,759,068	27,054,420,768	-	27,054,420,768
3.	Funds from Vietnamese Government (Counterpart fund's disbursement)	16,184,388,492	-	16,184,388,492	16,184,388,492	-	16,184,388,492
4.	Other income	6,000,000	1,699,080,536	1,699,080,536	22,347,532	5,034,262,521	5,034,262,521
II.	EXPENDITURE						
1.	Equipments	65,127,603,730	1,699,080,536	66,826,684,266	71,767,241,343	5,034,262,521	76,801,503,864
2.	Consulting services	59,379,866,958	-	59,379,866,958	62,045,422,858	-	62,045,422,858
3.	Training awareness campaigns, workshops and meetings	4,472,326,935	-	4,472,326,935	6,681,587,421	-	6,681,587,421
4.	Recurrent costs	1,274,916,218	14,000,000	1,288,916,218	3,023,781,379	24,050,000	3,047,831,379
5.	Other disbursements	493,619	1,685,080,536	1,685,080,536	-	5,010,212,521	5,010,212,521
III.	OPENING FUND BALANCE OF YEAR/PERIOD	11,085,674,411	1,161,500	11,086,835,911	-	-	-
IV.	Foreign exchange differences	157,937,354	-	157,937,354	279,240,146	-	279,240,146
V.	CLOSING FUND BALANCE OF YEAR/PERIOD	(28,226,844,405)	1,161,500	(28,225,682,905)	(28,226,844,405)	1,161,500	(28,225,682,905)



Ms Le Thanh Phuong
Chief Accountant

Hanoi, Vietnam

30 June 2017




Mr Nguyen Thanh Phong
Project Director

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

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STATEMENT OF CASH FLOWS for the year ended 31 December 2016

Currency: VND

	Contents	For the year ended 31 December 2016			For the period from 17 April 2013 to 31 December 2016		
		ADB fund	Counterpart fund	Total	ADB fund	Counterpart fund	Total
I.	CASH RECEIPT FOR THE YEAR/PERIOD						
1.	Funds from Asian Development Bank through Imprest Account	9,472,759,068	1,699,080,536	11,171,839,604	27,076,768,300	5,063,424,021	32,140,192,321
2.	Funds from the Government of Vietnam (Counterpart fund's disbursement)	9,466,759,068	-	9,466,759,068	27,054,420,768	-	27,054,420,768
3.	Others	-	1,699,080,536	1,699,080,536	-	5,034,262,521	5,034,262,521
		6,000,000	-	6,000,000	22,347,532	29,161,500	51,509,032
II.	CASH PAID OUT FOR THE YEAR/PERIOD						
1.	Equipments	13,754,122,283	1,702,644,716	15,456,766,999	20,785,209,951	5,062,262,521	25,847,472,472
2.	Consulting services	3,812,747,546	-	3,812,747,546	7,026,013,446	-	7,026,013,446
3.	Training awareness campaigns, workshops and meetings	4,494,638,168	-	4,494,638,168	6,660,105,709	-	6,660,105,709
4.	Recurrent costs	5,446,242,950	14,000,000	5,460,242,950	7,082,641,111	24,050,000	7,106,691,111
5.	Others	493,619	1,685,080,536	1,685,080,536	-	5,006,168,341	5,006,168,341
			3,564,180	4,057,799	16,449,685	32,044,180	48,493,865
III.	NET (DECREASE)/INCREASE IN CASH FOR THE YEAR/PERIOD	(4,281,363,215)	(3,564,180)	(4,284,927,395)	6,291,558,349	1,161,500	6,292,719,849
IV.	CASH AT BEGINNING OF YEAR/PERIOD	10,694,224,356	4,725,680	10,698,950,036	-	-	-
V.	Foreign exchange differences	157,937,354	-	157,937,354	279,240,146	-	279,240,146
VI.	CASH AT END OF YEAR/PERIOD	6,570,798,495	1,161,500	6,571,959,995	6,570,798,495	1,161,500	6,571,959,995



Ms Le Thanh Phuong
Chief Accountant

Hanoi, Vietnam

30 June 2017



Ms. Thanh Phong
Project Director

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STATEMENT OF IMPREST ACCOUNT as at 31 December 2016 and for the year then ended

<i>For the period</i>	<i>For the year ended 31 December 2016</i>
Account number	1200208019589
Depository Bank	Vietnam Bank for Agriculture and Rural Development – Operation Center Branch
Address	No 2, Lang Ha street, Ba Dinh district, Ha Noi
Loan Agreement No.	2944-VIF(SF)
Currency	USD

PART A: BALANCE AND MOVEMENT OF IMPREST ACCOUNT

	Amount
Opening balance as at 1 January 2016	487,519
<u>Add:</u>	
Total amount deposited by the Asian Development Bank	430,641
Bank interest income	-
<u>Deduct:</u>	
Total amount withdrawn	622,513
Bank interest income which has been transferred to other account	-
Ending balance as at 31 December 2016	295,647

PART B: RECONCILIATION OF IMPREST ACCOUNT

	Amount
Initial advance	181,600
<u>Add</u>	
Additional advance	518,400
<u>Deduct</u>	
Amount recovered by the Asian Development Bank	-
Amount refunded to the Asian Development Bank	-
Outstanding amount advanced to Imprest Account as at 31 December 2016	700,000
Ending balance Imprest Account as at 31 December 2016	295,647
<u>Add</u>	
Amount withdrawn and not yet prepared Statement of Withdrawal as at 31 December 2016	404,353
Ending balance of advance to Imprest Account as at 31 December 2016	700,000


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Mr. Nguyen Thanh Phong
Project Director

Hanoi, Vietnam

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STATEMENT OF WITHDRAWALS for the year ended 31 December 2016

Withdrawal application	Dates	Currency	Amount claimed				Amount disbursed	
			Equipment	Consulting services	Training awareness campaigns, workshops and meetings	Recurrent Costs	Total	Amount
Withdrawal application No 00004	26 July 2016	USD	48,285	188,992	77,553	-	314,830	314,830
Withdrawal application No 00005	15 July 2016	USD	146,700	-	-	-	146,700	146,700
Withdrawal application No 00006	5 August 2016	USD	115,811	-	-	-	115,811	115,811
Withdrawal application No 00007	15 December 2016	USD	587,664	-	-	-	587,664	587,664
TOTAL			898,460	188,992	77,553	-	1,165,005	1,165,005



Ms Le Thanh Phuong
Chief Accountant

Hanoi, Vietnam

30 June 2017



Mt Nguyen Thanh Phong
Project Director

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

Under the Loan Agreement No. 2944-VIE(SF) between the Government of the Socialist Republic of Vietnam and the Asian Development Bank (ADB)

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2016 and for the year then ended

1. PROJECT BACKGROUND

The Government of the Socialist Republic of Vietnam has received a loan from the Asian Development Bank ("ADB") with total credit facility of 7,139 million, equivalent to 11 million USD to finance for the Trade Facilitation: Improved Sanitary and Phytosanitary Handling Greater Mekong Subregion Trade Project ("the Project") in accordance with Loan Agreement No. 2944-VIE(SF) ("Loan Agreement") between two parties dated 17 January 2013 and being effective since 17 April 2013. Vietnam Government fund is USD 720,000.

The Project aims at enhancing sanitary and phytosanitary and food safety management system in Viet Nam, protecting consumer health and rights and meeting the requirements of development and economic integration of Vietnam, specifically:

- (i) Strengthened surveillance and inspection programs for food safety
- (ii) Safer food handling in the tourist industry;
- (iii) Enhanced the ability to access foods (prior to market);
- (iv) Enhanced management of imported/exported food products; and
- (v) Improved human resources in surveillance for food safety.

The Project composed of 3 components:

- (i) Component 1 – Strengthened food safety surveillance, handling and inspection program, including:
 - ▶ Food safety surveillance;
 - ▶ Import handling;
 - ▶ Grading of restaurants in tourist areas; and
 - ▶ Strengthening food laboratories in support of surveillance and market access decisions.
- (ii) Component 2 - Improved regional cooperation and harmonization; and
- (iii) Component 3 - Project management and support.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

2. BASIS OF PREPARATION

The Project's financial statements, except for the Statement of Imprest Account, are expressed in Vietnam dong ("VND"). The Statement of Imprest Account is expressed in United States dollars ("USD").

The financial statements are prepared in accordance with Decision No.19/2006/QĐ-BTC dated 30 March 2006 on accounting regime for state administrative unit ("Decision 19") and Circular No.185/2010/TT-BTC dated 15 November 2010 promulgating amendments accounting regime for state administrative unit issued with Decision 19 ("Circular 185") and Project Administration Manual ("PAM").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies adopted in the preparation of the financial statements are set out below.

Funds from Asian Development Bank ("ADB")

Funds from ADB ("ADB fund") are recognized when funds are transferred to the Project's Imprest Account which is managed by the Project management, rather than when being committed or budgeted.

Funds from the Vietnamese Government ("Counterpart")

Funds from the Vietnamese Government ("Counterpart fund") are recognized when cash is deposited in the Project's State Treasury Account or when disbursements are made through the State Treasury Account, rather than when being committed or budgeted.

Other income

Other incomes include:

- bank interests, which are recognised when cash is actually received; and
- the proceeds from sale of bidding documents which are recorded when actually received.

Expenditures

The Project's expenditures are recognized based on the amount paid or amount payable in the future for received goods and services, whether or not billed to the Project

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign exchange differences

Receipts in foreign currencies are converted into VND at the exchange rate announced by Ministry of Finance for the month of receipts. Monetary items at the end of reporting period included in the fund balance, which are denominated in foreign currencies, are translated into VND at the exchange rate announced by Ministry of Finance for the month of the reporting date.

Foreign exchange differences are presented separately in the statement of income and expenditure for the reporting period.

Advances to Project staffs

Advances to partners and project staffs to implement the Project's activities are carried as part of the fund balance until subsequent liquidation or clearance at approval of the Project management.

Other receivables

Other receivables include amounts to be collected from counter parties which are presented in the financial statements at the carrying amounts until subsequent collection.

Advance to suppliers

Advance to suppliers are recognized in the balance sheet based on the amount paid to suppliers until goods and services are provided, finalization and approval.

Payables

Payables are recognised for amounts to be paid in the future for goods and services received at the year end.

Personal income tax awaiting for payment to the tax authority and contribution based on salary awaiting for payment to insurance department in the reporting date are presented as payables in the balance sheet.

Fixed asset

Payment for fixed asset are charged as the Project's expenses upon finalization and approval of the Project management. List of assets are maintained for management and monitoring purpose.

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

4. CASH

	Currency: VND	
	31 December 2016	31 December 2015
Cash on hand	44,536,814	26,530,884
Cash at bank	6,527,423,181	10,672,419,152
TOTAL	6,571,959,995	10,698,950,036
Of which:		
Cash on hand - ADB fund	43,375,314	21,805,204
Cash on hand - Counterpart fund	1,161,500	4,725,680
Cash at bank - ADB fund	6,527,423,181	10,672,419,152

5. ADVANCE TO SUPPLIERS

	Currency: VND	
	31 December 2016	31 December 2015
Thai Phuong Trade&Travel agency Co. Ltd.,	742,740,000	-
Kartenex Joint Stock Company	-	547,710,000
Bristish Council Vietnam	186,530,000	186,530,000
Bao Viet Insurance Corporation - Bao Viet Hanoi Company	22,149,200	-
TOTAL	951,419,200	734,240,000

6. OTHER RECEIVABLES

	Currency: VND	
	31 December 2016	31 December 2015
Sub- VFA Lang Son province	505,860,000	-
Sub - VFA Quang Ninh province	515,625,000	-
Sub - VFA Lao Cai province	584,889,000	-
Sub - VFA Cao Bang province	515,625,000	-
TOTAL	2,121,999,000	-

7. ADVANCES TO PROJECT'S STAFF

	Currency: VND	
	31 December 2016	31 December 2015
Mr. Nguyen Chi Trang	240,255,220	-
Ms. Nguyen Thi Phuong Mai	264,045,050	-
Ms. Nguyen Thi Thanh Hai	154,461,060	-
Ms. Nguyen Thu Hien	264,052,880	-
Ms. Nguyen Thi Yen	41,145,610	-
TOTAL	963,959,820	-

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

8. PAYABLES TO SUPPLIERS

	Currency: VND	
	31 December 2016	31 December 2015
SISC Vietnam Equipment JSC	28,889,484,300	-
BCE Vietnam Co., Ltd.	9,945,536,620	-
Proficiency Testing Australia	-	197,010,000
Ms. Nguyen Thu Ha	-	19,440,000
Other suppliers	-	77,062,000
TOTAL	38,835,020,920	293,512,000

9. FUNDS FROM ADB

	USD	VND equivalent
Cumulative funds received by 31 December 2015	811,870	17,587,661,700
<i>Increase during the year:</i>		
Withdrawal application No. 00004	314,830	6,888,803,982
Withdrawal application No. 00005	146,700	3,209,942,700
Withdrawal application No. 00006	115,811	2,577,955,086
Withdrawal application No. 00007	587,664	12,974,445,792
Total	1,165,005	25,651,147,560
Cumulative funds received by 31 December 2016	1,976,875	43,238,809,260

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2016 and for the year then ended

10. BUDGET VARIANCE

Currency: USD

	For the year ended 31 December 2016				Cumulative for the period from 17 April 2013 to 31 December 2016			
	Actual disbursements (*)	Budget per PAM	Percentage of disbursement (**)	Variance between actual disbursements and budget	Actual disbursements	Budget per PAM	Percentage of disbursement (**)	Variance between actual disbursements and budget
1 Equipments	2,703,919	284,000	952%	2,419,919	2,832,633	5,533,900	51%	(2,701,267)
2 Consulting services	203,652	191,200	107%	12,452	307,951	1,363,880	23%	(1,055,929)
3 Training awareness campaigns, workshops and meetings	58,692	344,340	17%	(285,648)	141,712	1,870,400	8%	(1,728,688)
4 Recurrent costs	76,754	287,300	27%	(210,546)	235,973	1,002,610	24%	(766,637)
TOTAL	3,043,017	1,106,840	275%	1,936,177	3,518,269	9,770,790	36%	(6,252,521)

(*) Actual disbursements for the year ended 31 December 2016 are translated to USD using monthly average exchange rate of this fiscal year (21,961 VND/USD).

(**) Overall, the progress of Project's activities was conducted slower than its plan with the cumulative percentage of disbursement up to 31 December 2016 was 36%. In 2016, the Project conducted additional activities belong to prior year's budget, therefore, the actual expenditure is higher than the current year's budget.

Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion Trade Project

Under the Loan Agreement No. 2944-VIE(SF) between the Government of the Socialist Republic of Vietnam and the Asian Development Bank (ADB)

STATEMENT OF THE PROJECT MANAGEMENT ON COMPLIANCE

The Project management states that, in its opinion:

- The financial statements are free from material misstatements, whether due to fraud or error, and fairly presented;
- The Project management utilises funds received for the purposes defined in the Loan Agreement;
- The Project complies with the Loans Agreement and the Project Administration Manual ("PAM");
- The Project complies with applicable law and regulation. In case there is conflict between policies and regulation of ADB and other applicable law and regulation, ADB's policies and regulation will prevail;
- Disbursement procedure complies with ADB Loan Disbursement Handbook;
- Documents are properly maintained to support claim in statement of expenditures in relation to reimbursement of eligible expenses and advances made to the Imprest Account ; and
- Internal control, including bidding procedures, are maintained effective.

For and on behalf of the Project management:



Mr Nguyen Thanh Phong
Project Director

Hanoi, Vietnam

30 June 2017