

Audited Project Financial Statements

Project Number: 43260-013
Loan Number: 2889
Period covered: 1 January 2018 to 25 September 2019

CAM: Third Education Sector Development Project

Prepared by Ministry of Education, Youth and Sport

For the Asian Development Bank
Date received by ADB: 4 December 2019

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 Access to Information Policy and as agreed between ADB and the Government of Cambodia.

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

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KINGDOM OF CAMBODIA

Nation Religion King

MINISTRY OF EDUCATION, YOUTH AND SPORT

No : MoEYS/Adm

Statement by the management

We, the undersigned, do hereby state that in our opinion:

- a) The accompanying financial statements, which comprise the statement of financial position as at 25 September 2019, the statements of receipts and expenditure and the second generation imprest account for the period from 1 January 2018 to 25 September 2019 and notes, as set out on pages 5 to 22 of the Third Education Sector Development Project ("the Project"), funded by the Asian Development Bank Loan No. 2889 – CAM (COL) and implemented by the Ministry of Education, Youth and Sport ("the Project's Executing Agency" or "the 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; and
- b) The disbursements shown in the financial statements were implemented according to the Loan Agreement and the Project was in compliance with all loan covenants of the Agreement for the period from 1 January 2018 to 25 September 2019.

On behalf of the Project's management: *Hz*

H.E. Nath Bunroeun
Project Director
Ministry of Education, Youth and Sport

H.E. Thong Borann
Deputy Project Director
Ministry of Education, Youth and Sport *Hz*

Phnom Penh, Kingdom of Cambodia

22 October 2019



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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 Third Education Sector Development Project ("the Project"), funded by the Asian Development Bank Loan No. 2889 – CAM (COL) implemented by the Ministry of Education, Youth and Sport, ("the Project's Executing Agency" or "the EA"), which comprises the statement of financial position as at 25 September 2019, the statements of receipts and expenditure and the statement of the second generation imprest account for the period from 1 January 2018 to 25 September 2019 and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 22.

In our opinion, the financial statements of the Project for the period from 1 January 2018 to 25 September 2019 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 conducted 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 ("MEF"), and the Asian Development Bank ("ADB"). 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 or distributed to other parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the 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



Nge Huy
Partner



Phnom Penh, Kingdom of Cambodia

22 October 2019


Ministry of Education, Youth and Sport

Third Education Sector Development Project ADB Loan No. 2889 – CAM (COL)


Statement of financial position As at 25 September 2019

	Note	As at 25 September 2019 US\$	As at 31 December 2017 US\$
Current assets			
Cash on hand		-	631
Cash at bank	3	-	552,032
Advances to contractors	4	-	79,160
		<hr/>	<hr/>
		-	631,823
		<hr/>	<hr/>
Represented by:			
Fund balance at the end of the period/year		-	631,823
		<hr/>	<hr/>



H.E. Nath Bunroeun
Project Director
Ministry of Education, Youth and Sport 



H.E. Thong Borann
Deputy Project Director
Ministry of Education, Youth and Sport 

Phnom Penh, Kingdom of Cambodia

22 October 2019

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


Ministry of Education, Youth and Sport


Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Statement of receipts and expenditure for the period from 1 January 2018 to 25 September 2019

	Note	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Receipts				
Asian Development Bank	5	2,046,084	5,765,423	16,541,847
Expenditure by disbursement category	6			
Civil works:				
Schools and classrooms		1,129,666	3,584,907	9,907,704
Wells and toilets facilities		314,873	137,136	452,009
	7	1,444,539	3,722,043	10,359,713
Classroom materials		45,216	92,461	194,145
Furniture		253,028	268,538	867,113
Vehicles		-	-	234,500
Office equipment		2,939	1,745	117,345
Capacity development	8	229,109	392,033	814,455
School improvement Grant		-	25,000	115,000
Consultants services	9	423,858	958,015	2,536,716
Recurrent costs	10	208,460	276,418	1,045,254
Interest charge		51,659	103,667	238,507
		2,658,808	5,839,920	16,522,748
(Deficit)/excess of receipts over expenditure		(612,724)	(74,497)	19,099
Fund balance at the beginning of the year		631,823	706,320	-
Fund transferred to ADB	11	(19,099)	-	(19,099)
Fund balance at the end of the period/year		-	631,823	-


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Phnom Penh, Kingdom of Cambodia
22 October 2019


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Deputy Project Director
Ministry of Education, Youth and Sport

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Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Statement of the second generation imprest account

For the period from 1 January 2018 to 25 September 2019

	Note	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Receipts				
Asian Development Bank	5	1,994,425	5,115,069	15,616,727
Expenditure by disbursement category				
Civil works:				
Schools and classrooms		1,129,666	3,584,907	9,907,704
Wells and toilets facilities		314,873	137,136	452,009
	7	1,444,539	3,722,043	10,359,713
Classroom materials		45,216	92,461	194,145
Furniture		253,028	268,538	867,113
Vehicles		-	-	234,500
Office equipment		2,939	1,745	117,345
Capacity development	8	229,109	392,033	814,455
School improvement Grant		-	25,000	115,000
Consultants services	9	423,858	411,328	1,850,103
Recurrent costs	10	208,460	276,418	1,045,254
		2,607,149	5,189,566	15,597,628
(Deficit) /excess of receipts over expenditure		(612,724)	(74,497)	19,099
Fund balance at the beginning of the year		631,823	706,320	-
Fund transferred to ADB	11	(19,099)	-	(19,099)
Fund balance at the end of the period/year		-	631,823	-


Ministry of Education, Youth and Sport

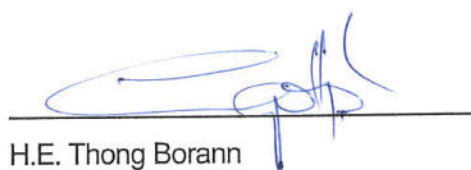
Third Education Sector Development Project ADB Loan No. 2889 – CAM (COL)


Statement of the second generation imprest account (continued) For the period from 1 January 2018 to 25 September 2019

	Note	As at 25 September 2019 US\$	As at 31 December 2017 US\$
Represented by:			
Cash on hand		-	631
Cash at bank	3	-	552,032
Advances to contractors	4	-	79,160
		<hr/>	<hr/>
		-	631,823
		<hr/>	<hr/>



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Phnom Penh, Kingdom of Cambodia
22 October 2019

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

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements

For the period from 1 January 2018 to 25 September 2019

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

1. Background and activities

The loan agreement for the Third Education Sector Development Project ("the Project") between the Asian Development Bank ("ADB") and the Royal Government of Cambodia ("RGC") (represented by the Ministry of Economy and Finance) was signed on 17 January 2013, whereby the ADB agreed to grant a loan amounting to Special Drawing Rights ("SDR") 11,805,000 (equivalent to US\$18,000,000) and government kind contribution amounting to US\$1.2 million. The Project commenced its activities on 21 March 2013 and expected to be completed by 31 December 2017. On 2 January 2018, the ADB approved to extend the completion date to 31 December 2018. On 20 June 2019, the ADB approved to extend the Final Audited Project Financial Statement ("APFS") reporting period by 6 months from 1 January 2018 to 30 June 2019.

Funding of the Project by the ADB according to the allocation and withdrawal of the loan proceeds is as follows:

CATEGORY				ADB FINANCING
No.	Item	Amount Allocated SDR	Amount reallocated SDR	Percentage and basis for withdrawal from the Loan Account
		Category	Category	
1	Works (Schools and Classrooms)	5,235,000	7,035,826	100% of total expenditure claimed
2	Works (Wells and Toilets Facilities)	302,000	334,976	100% of total expenditure claimed
3	Classroom materials	160,000	194,436	100% of total expenditure claimed
4	Furniture	475,000	631,120	100% of total expenditure claimed
5	Vehicles	130,000	155,314	100% of total expenditure claimed
6	Office equipment	36,000	71,550	100% of total expenditure claimed
7	Capacity development	132,000	564,448	100% of total expenditure claimed
8	School improvement Grant	174,000	85,115	100% of total expenditure claimed
9	Consultants services	1,408,000	1,800,559	100% of total expenditure claimed
10	Recurrent costs	1,684,000	694,245	100% of total expenditure claimed
11	Interest charge	423,000	169,373	100% of total expenditure claimed
12	Unallocated	1,646,000	68,038	
	Total	11,805,000	11,805,000	

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

1. Background and activities (continued)

The Government will contribute free of charge for the following in-kind: (i) MoEYS staff salary; (ii) training conducted by Department of Construction to School Support Committees on school building maintenance; and (iii) office space and equipment for implementation consultants.

The principal amount of the loan is payable in semi-annual instalments payable on 1 May and 1 November each year commencing on 1 May 2020 and ending on 1 November 2043. Each instalment shall be SDR245,938. The repayment of the loan principal and payment of interest charge shall be in United States Dollars.

An interest charge at the rate of 1% per annum during the grace period, and 1.5% per annum thereafter, on the amount of the loan withdrawn and outstanding from time to time is payable semi-annually on 1 May and 1 November in each year. The grace period is the period prior to the first principal payment date.

The Ministry of Education, Youth and Sport ("MoEYS") is the Project's executing agency ("EA") and has overall responsibility for the project coordination and implementation. The EA will appoint the project implementation team which will be composed of two implementation agencies ("IAs"): the Directorate General of Administration and Finance ("DGAF-IA1") and the Directorate of General Education ("DGE-IA2").

DGAF-IA1 will undertake consolidated planning, budgeting and reporting functions, as well as to assist and advise the provincial and district education offices on project implementation. DGAF-IA1 will review and consolidate annual work plans and budgets, as well as the progress reports and financial reports prepared by both implementing agencies. DGE-IA2 will manage the implementation of Project activities.

The objective of the Project is to increase lower secondary ("LS") enrolment in target provinces through (a) improved access to LS schools; (b) improved quality of LS education; and (c) improved LS sub-sector management.

The Project shall comprise the following outputs:

Output 1: Improved Access to LS Schools. This output will include:

- constructing new LS schools in about 11 of those Target Provinces where no LS schools exist;
- providing school establishment packages for New Schools;
- expanding about 28 existing LS schools by additional classrooms in about 8 of the Target Provinces and expanding 5 LS schools in Phnom Penh to include 2-3 floors;
- constructing classrooms for LS in approximately 22 existing primary schools in about 8 of the Target Provinces;

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

1. Background and activities (continued)

Output 1: Improved Access to LS Schools (continued)

- constructing about 27 units of teacher housing as an incentive to attract and retain teachers in remote areas in each of the target provinces and 1 dormitory at the regional teacher training center in Phnom Penh;
- providing clean water and lavatory facilities for about 76 LS schools where there are no such facilities in each of the Target Provinces; and
- campaigning (brochures, posters, media) to promote increased participation and completion of basic education with an emphasis on the benefits of girls' attainment of basic education.

Output 2: Improved Quality of LS Education. This output will include:

- introduce School-Based Enrichment Program (SBEP) by providing support for SBEP including training for LS school directors and deputy directors to:
 - (a) Develop targeted interventions in key subject areas of math and science;
 - (b) Make classroom learning more relevant to better engage students; and
 - (c) Develop intervention strategies for improving student retention;
- pilot school improvement grants in Target Provinces by financing school improvement grants to about 100 LS schools, to be selected in accordance with the selection criteria provided in the PAM, within Target Provinces to support school directors in implementing SBEP;
- scaling up improved math and science in-service teacher training by:
 - (a) Scaling up the MoEYS's existing national math in-service teacher training (Math-INSET) pilot through the training of national trainers, consisting of MoEYS staff, at MoEYS's 6 regional teacher training centres to further train technical group leaders specialised in math at LS schools nationwide; and
 - (b) Piloting a science in-service teacher training (Science – INSET) program for about 100 LS schools linked to the Borrower's secondary resource school – secondary resource school networks in operation.
- introducing employability skills program by supporting the design and implementation of the employability skills program, guided by the MoEYS's national policy on Cambodian youth development, and aimed to provide integrated learning experiences for youth aged 12-14 years, including development of basic skills within the context of entrepreneurship and other areas supporting enterprise, and measures to foster girl's empowerment.

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

1. Background and activities (continued)

Output 3: Improved LS sub-sector Management: This output includes:

- strengthening school-based management and instructional leadership by providing nationwide training to directors and deputy directors of LS schools through workshops addressing the principles of school-based management, development of school improvement plans, data-based decision making, and strategies for instructional leadership that responds to local needs;
- strengthening school support committees by conducting a nationwide orientation program to disseminate guidelines to school support committees of LS schools with a focus on the role of the school support committee in implanting DSBEP and school improvement grants;
- introducing basic education school clusters by piloting basic education school clusters streamlining administration of primary and LS schools to enable sharing of resources and greater community engagement in basic education management. Basic education school clusters refer to groupings of primary and LS schools for administrative and educational purposes; and
- introducing action research for policy development by enhancing the capacity of the MoEYS's National Institute of Education and the Royal University of Phnom Penh to conduct policy development action research through impact studies and comprehensive data analysis and evaluation.

2. Significant accounting policies

(a) Basis of accounting

The financial statements, which are expressed in United States Dollars ("US\$"), have been prepared in accordance with a modified cash receipts and disbursements basis of accounting. This is a basis of accounting that is designed to meet the requirements of the Project; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards. Under this basis of accounting, income is recognised when funds are received in cash and expenditure is recognised when payments are made rather than when it is incurred, except for the advances made to contractors and prepayment that are initially recognised as a receivable and only recognised as payments when they have been liquidated by supporting invoices.

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

2. Significant accounting policies (continued)

(b) Statement of the second generation imprest account

The statement of the second generation imprest account is prepared in accordance with the Loan Agreement, and is purely used to receive and disburse for expenditure financed by the ADB loan proceeds.

(c) Non-expendable equipment

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

(d) Foreign currency translations

The Project transacts its operations and maintains its accounting records primarily in United States Dollars ("US\$"). Transactions in currencies other than US\$ are converted into US\$ at the rates of exchange prevailing on the transaction dates. Cash and bank balances in currencies other than US\$ are translated into US\$ at the open market rates of exchanged at the period end date. All foreign exchange differences are recognised in the statements of receipts and expenditure.

(e) Contribution in kind

The contribution in-kind which comprises of (i) MoEYS staff salary, (ii) training conducted by Department of Construction to School Support Committees on school building maintenance and (iii) office space and equipment for implementation consultants, from the Government are not accounted for in this statement of receipts and expenditure.

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

3. Cash at bank

	As at 25 September 2019 US\$	As at 31 December 2017 US\$
Imprest account – Asian Development Bank	-	552,032

This represents non-interest-bearing current account earmarked specifically for the Project, and is maintained at the National Bank of Cambodia.

4. Advances to contractors

These represent advances which were paid directly to contractors and the details are as follows:

	As at 25 September 2019 US\$	As at 31 December 2017 US\$
Taing Cheng Oing Construction Co.,Ltd	-	79,160

5. Receipts

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Initial advance	-	-	800,000
Second advance	-	-	800,000
Imprest account	1,994,425	5,115,069	14,016,727
Direct payments	-	546,687	686,613
Interest charge	51,659	103,667	238,507
	<u>2,046,084</u>	<u>5,765,423</u>	<u>16,541,847</u>

Receipts from the Asian Development Bank for Loan No. 2889 – CAM (COL) were paid into the first generation imprest account held by the Ministry of Economy and Finance. These receipts were then disbursed to the second generation imprest account held by the Ministry of Education, Youth and Sport at the National Bank of Cambodia.

Ministry of Education, Youth and Sport

Third Education Sector Development Project ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued) For the period from 1 January 2018 to 25 September 2019

6. Expenditure by disbursement category

Particulars	ADB			Total
	% of financing	Actual expenditure		
	%	US\$	%	US\$
Civil works schools and classrooms	100	1,129,666	100	1,129,666
Civil works wells and toilets facilities	100	314,873	100	314,873
Classroom materials	100	45,216	100	45,216
Furniture	100	253,028	100	253,028
Vehicles	100	-	100	-
Office equipment	100	2,939	100	2,939
Capacity development	100	229,109	100	229,109
School improvement Grant	100	-	100	-
Consultant services	100	423,858	100	423,858
Recurrent costs	100	208,460	100	208,460
Interest charge	100	51,659	100	51,659
Total payments – for the period from 1 January to 25 September 2019		2,658,808		2,658,808
% of total project costs – for the period from 1 January to 25 September 2019		14.77%		14.77%
% of cumulative cost to total project costs – for the period from 1 January to 25 September 2019		91.79%		91.79%

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

7. Civil works

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Phase I			
Package 1	-	-	503,983
Package 2	-	45,914	388,252
Package 3	-	-	356,454
Package 4	-	-	181,392
Package 5	-	-	309,075
Package 6	-	8,680	86,270
Package 7	-	-	36,440
Phase II			
Package 1	-	-	399,707
Package 2	-	-	96,871
Package 3	-	-	33,614
Package 4	-	-	510,345
Package 5	-	-	56,648
Package 6	-	50,157	671,524
Package 7	7,708	39,287	185,195
Package 8	-	-	160,218
Package 9	-	-	50,728
Phase III			
Package 1	38,096	176,931	356,235
Package 2	56,094	169,218	341,735
Package 3	28,211	214,955	305,579
Package 4	311	154,026	301,259
Package 5	16,065	171,088	321,302
Package 6	107,192	198,542	403,102
Package 7	1,020	102,415	269,639
Package 8	-	150,350	250,582
Package 9	-	184,176	331,199
Package 10	2,094	204,380	412,694

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

7. Civil works (continued)

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Phase IV			
Package 1	334,055	235,021	569,076
Package 2	278,023	275,538	553,561
Package 3	136,432	254,036	390,468
Package 4	169,815	226,197	396,012
Package 5	54,966	230,905	285,871
Package 6	98,750	220,047	318,797
Package 7	115,707	410,180	525,886
	<u>1,444,539</u>	<u>3,722,043</u>	<u>10,359,713</u>

The civil works comprise the expenditure for schools and classrooms amounting to US\$1,129,666 and wells and toilets facilities amounting to US\$314,873.

8. Capacity development

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Training and workshops	<u>229,109</u>	<u>392,033</u>	<u>814,455</u>

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

9. Consultants services

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
International consultant for school based enrichment program specialist	-	-	85,475
International consultant for procurement specialist	392,108	664,764	1,870,290
National consultant for site engineering	31,750	276,328	511,478
Out of pocket expenses	-	16,923	69,473
	<u>423,858</u>	<u>958,015</u>	<u>2,536,716</u>

The details of consultant services presented by types of payment is as follow:

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Direct payments	-	546,687	686,613
Replenishment	423,858	411,328	1,850,103
	<u>423,858</u>	<u>958,015</u>	<u>2,536,716</u>

Ministry of Education, Youth and Sport

Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

10. Recurrent costs

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Staff allowance	40,200	62,280	362,210
Administrative costs	36,355	42,678	168,259
Operation and maintenance	27,143	26,090	125,604
Monitoring and evaluation costs	104,762	145,370	389,181
	<u>208,460</u>	<u>276,418</u>	<u>1,045,254</u>

11. Fund Transferred to ADB

The project was completed its activities and settled administrative process on 31 December 2018. On 30 August 2019, the fund balance of US\$19,153 was transferred to ADB with a net balance of US\$19,099 and the bank charge amounting to US\$54. ADB confirmed the loan account is effectively closed on 25 September 2019.

12. Statement of disbursement

Details of statement of disbursement from ADB fund are as follows:

	Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
ADB fund claims during the year			
Reimbursements	1,994,425	5,115,069	14,016,727
Direct payments	-	546,687	686,613
(A)	<u>1,994,425</u>	<u>5,661,756</u>	<u>14,703,340</u>

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Third Education Sector Development Project

ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)

For the period from 1 January 2018 to 25 September 2019

12. Statement of disbursement (continued)

		Period from 1 January 2018 to 25 September 2019 US\$	Year ended 31 December 2017 US\$	Cumulative period from 21 March 2013 to 25 September 2019 US\$
Total expenditure made during the year	(B)	2,658,808	5,839,920	16,522,748
<i>Expenditure liquidated/expenditure not yet claimed</i>	(C)	(1,580,901)	(1,047,337)	(4,423,554)
<i>Interest charge</i>	(D)	(51,659)	(103,667)	(238,507)
<i>Expenditure incurred in prior period but claimed during the year</i>	(E)	1,047,337	1,047,457	2,842,653
<i>Advance to contractors</i>	(F)	(79,160)	(74,617)	-
Total eligible expenditure claimed (G=A+B+C+D+E+F)	(G)	<u>1,994,425</u>	<u>5,661,756</u>	<u>14,703,340</u>

13. Expenditure commitments

As at 25 September 2019, the Project has the following expenditure commitments:

	As at 25 September 2019 US\$	As at 31 December 2017 US\$
<i>Contracted, but not yet paid:</i>		
Civil works	-	2,821,960
Consultants services	-	108,736
	<u>-</u>	<u>2,930,696</u>

Ministry of Education, Youth and Sport


Third Education Sector Development Project ADB Loan No. 2889 – CAM (COL)


Notes to the financial statements (continued)
For the period from 1 January 2018 to 25 September 2019

14. Statement of withdrawal

Withdrawal Application			Category											
No	Date	Currency	Civil works schools and classrooms	Civil works wells and toilets facilities	Classroom materials	Furniture	Vehicles	Office equipment	Capacity development	School improvement Grant	Consultants services	Recurrent costs	Interest charge	Total
WA# 00031	06-Mar-18	US\$	197,632		-		-	-	3,442	-	6,000	12,889	-	219,963
WA# 00032	27-Mar-18	US\$	243,024	30,780	45,216	6,960	-	-	2,326	-	16,473	13,757	-	358,536
WA# 00033	20-Apr-18	US\$	151,621	69,946	-		-	-		-	77,127	21,768	-	320,462
WA# 00034	24-May-18	US\$	67,221	48,589	-		-	1,745	174,106	-	45,659	11,468	-	348,788
WA# 00035	10-Jul-18	US\$	147,874	48,825	-		-	1,194	49,235	-	63,522	24,826	-	335,476
WA# 00036	23-Aug-18	US\$	145,442	-	-		-	-	-	-	79,187	28,733	-	253,362
WA# 00037	16-Oct-18	US\$	97,692	116,733		25,658	-	-	-	-	135,890	38,043	-	414,016
WA# 00038	13-Dec-18	US\$	-	-		151,680	-	-	-	-	-	26,058	-	177,738
WA# 00039	23-Jan-19	US\$	-	-		68,730	-	-	-	-	-	30,864	-	99,594
WA# 00040	13-Sep-19	US\$	-	-	-		-	-	-	-	-	54	-	54
918A	1-May-18	US\$	-	-	-		-	-	-	-	-	-	51,659	51,659
(*)		US\$	79,160	-	-		-	-				-	-	79,160
Total			1,129,666	314,873	45,216	253,028	-	2,939	229,109	-	423,858	208,460	51,659	2,658,808

(*) The amount represents the advance clearance of civil works from 2017.


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Deputy Project Director


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Ministry of Education, Youth and Sport
22 October 2019

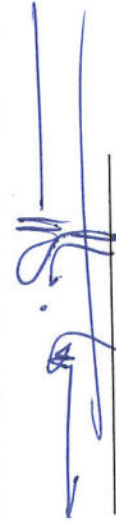
Ministry of Education, Youth and Sport

Third Education Sector Development Project
ADB Loan No. 2889 – CAM (COL)

Notes to the financial statements (continued)
For the period from 1 January 2018 to 25 September 2019

15. Statement of budget versus actual expenditure

Description	Period from 1 January 2018 to 25 September 2019			Year ended 31 December 2017			Cumulative period from 21 March 2013 to 25 September 2019		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Investment									
Civil works schools and classrooms	1,050,506	1,129,666	(79,160)	3,890,000	3,584,907	305,093	9,823,982	9,907,704	(83,722)
Civil works wells and toilet facilities	314,873	314,873	-	294,500	137,136	157,364	476,864	452,009	24,855
Classroom materials	46,000	45,216	784	35,500	92,461	(56,961)	269,825	194,145	75,680
Furniture	253,028	253,028	-	680,000	268,538	411,462	886,733	867,113	19,620
Vehicles	-	-	-	-	-	-	234,932	234,500	432
Office equipment	3,500	2,939	561	-	1,745	(1,745)	117,345	117,345	-
Capacity development	230,000	229,109	891	200,000	392,033	(192,033)	577,866	814,455	(236,589)
School improvement Grant	-	-	-	120,000	25,000	95,000	117,350	115,000	2,350
Consultants services	426,750	423,858	2,892	440,000	958,015	(518,015)	2,720,350	2,536,716	183,634
Recurrent costs	210,000	208,460	1,540	340,000	276,418	63,582	1,062,180	1,045,254	16,926
Interest charge	-	51,659	(51,659)	-	103,667	(103,667)	-	238,507	(238,507)
	2,534,657	2,658,808	(124,151)	6,000,000	5,839,920	160,080	16,287,427	16,522,748	(235,321)



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