

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

**AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2020**

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

PROGRAM INFORMATION

PROGRAM MANAGEMENT:

H.E. Ros Seilava, Secretary General, General Secretariat
of Public Financial Management Reforming Steering
Committee

Mrs. Um Youthy, Head of Admin, Finance and M&E

Mrs. Tep Borita, Financial Controller

IMPLEMENTING AGENCIES:

Ministry of Economy and Finance

PRINCIPAL BANKER:

National Bank of Cambodia

AUDITORS:

BDO (Cambodia) Limited

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

CONTENTS	PAGE
PROGRAM MANAGEMENT'S REPORT	1
INDEPENDENT AUDITORS' REPORT	2 - 3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF RECEIPTS AND EXPENDITURES	5
STATEMENT OF CASH RECEIPTS, EXPENDITURES AND COMPARISON OF BUDGET AND ACTUAL AMOUNTS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 16

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

PROGRAM MANAGEMENT'S REPORT

The Program Management hereby submits the report together with the audited financial statements of Public Financial Management Reform Program Stage 3 ("the Program"), which comprise statement of financial position as at 31 December 2020, statement of receipts and expenditures, and statement of cash receipts, expenditures and comparison of budget and actual amounts, for the year ended 31 December 2020.

Responsibility of the Program Management in respect of the financial statements

The Program Management is responsible to ascertain that the financial statements of the Program for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements. In preparing these financial statements, the Program Management is required to select suitable accounting policies and then apply them consistently.

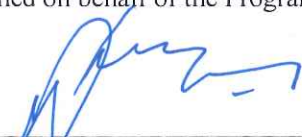
The Program Management is responsible for ensuring that proper accounting records are kept which enable the financial statements to be prepared in compliance with basis of preparation and accounting policies set out in Note 2 to the financial statements. The Program Management is also responsible for safeguarding the assets of the Program and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Program Management assumes the responsibility to provide, and has provided, the auditors with all accounting records, supporting and other documents, minutes, and any other pertinent information and explanations, either orally or in writing, necessary for the audit.

Statement by the Program Management

In the opinion of the Program Management, the financial statements set out on pages 4 to 16 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements.

Signed on behalf of the Program Management. 


H.E. Ros Seilava
Secretary General,
General Secretariat of Public
Financial Management Reforming
Steering Committee ("GSC")

Phnom Penh, Cambodia
Date: 29 April 2022

INDEPENDENT AUDITORS' REPORT TO THE PROGRAM MANAGEMENT OF PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Report on the Financial Statements

Opinion

We have audited the financial statements of Public Financial Management Reform Program Stage 3 ("the Program"), which comprise statement of financial position as at 31 December 2020, statement of receipts and expenditures and statement of cash receipts, expenditures and comparison of budget and actual amounts, for the year ended 31 December 2020 and a summary of significant accounting policies and other explanatory explanation, as set out on pages 4 to 16.

In our opinion, the accompanying financial statements of the Program for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the basis of preparation and accounting policies set out 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Program in accordance with the *Code of Ethics for Professional Accountants and Auditors* of the Kampuchea Institute of Certified Public Accountants and Auditors ("Code of Ethics") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the IESBA Code.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 2 to the financial statements, which describes the basis of preparation and accounting policies adopted by the Program. The financial statements are prepared to assist the Program to meet its financial reporting requirements. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Program Management and the Ministry of Economy and Finance, and should not be distributed to or used by any other parties. Our opinion is not modified in respect of this matter.

Responsibility of the Program Management for the Financial Statements

The Program Management is responsible for the preparation of the financial statements in accordance with the basis of preparation and accounting policies set out in Note 2 to the financial statements, and for such internal controls as the Program Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Program 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 the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE PROGRAM MANAGEMENT OF
PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3 (continued)****Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Program, 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 Program's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Program Management.
- Evaluate the overall presentation, structure and content of the financial statements of the Program, including the disclosures, and whether the financial statements of the Program represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Program 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.

Other Matter

The financial statements of the Program for the financial year ended 31 December 2019 were audited by another firm of Certified Public Accountants, whose report dated 19 November 2020 expressed an unqualified opinion on those statements.

For and on behalf of
BDO (Cambodia) Limited



Lim Seng Siew
Certified Public Accountant

Phnom Penh, Cambodia
Date: 29 April 2022

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31.12.2020 KHR'000	31.12.2019 KHR'000
ASSETS			
Cash and bank balances	3	18,011,741	11,510,587
Advances		-	106,841
TOTAL ASSETS		18,011,741	11,617,428
FUND BALANCE		18,011,741	11,617,428

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

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

**STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	1.1.2020 to 31.12.2020 KHR'000	20.6.2016 to 31.12.2019 KHR'000	Cumulative to 31.12.2020 KHR'000
RECEIPTS				
EU Budget Support	4	38,256,285	120,026,699	158,282,984
Fund transfer	5	-	217,598	217,598
Other income - sales of bidding documents		1,200	3,861	5,061
		<u>38,257,485</u>	<u>120,248,158</u>	<u>158,505,643</u>
EXPENDITURES				
Goods	6	15,881,786	51,126,353	67,008,139
Consulting services	7	6,531,429	12,196,743	18,728,172
Training and workshop	8	3,606,823	36,383,233	39,990,056
Operating cost	9	1,015,374	2,300,258	3,315,632
Supplement allowance	10	4,827,760	6,624,143	11,451,903
		<u>31,863,172</u>	<u>108,630,730</u>	<u>140,493,902</u>
Excess of receipts over expenditures		6,394,313	11,617,428	18,011,741
Fund balance at beginning of year/period		<u>11,617,428</u>	-	-
Fund balance at end of year/period		<u>18,011,741</u>	<u>11,617,428</u>	<u>18,011,741</u>
REPRESENTED BY:				
Cash and bank balances	3	18,011,741	11,510,587	18,011,741
Advances		-	106,841	-
		<u>18,011,741</u>	<u>11,617,428</u>	<u>18,011,741</u>

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

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

**STATEMENT OF CASH RECEIPTS, EXPENDITURES AND COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Total budget KHR'000 (unaudited)	Actual 1.1.2020 to 31.12.2020 KHR'000
RECEIPTS		
EU Budget Support		38,256,285
Fund transfer		-
Other income - sales of bidding documents		1,200
		<u>38,257,485</u>
EXPENDITURES BY CATEGORIES		
Goods	15,561,830	15,881,786
Consulting services	9,057,916	6,531,429
Training and workshop	12,015,216	3,606,823
Operating cost	1,634,372	1,015,374
Supplement allowance	3,892,616	4,827,760
	<u>42,161,950</u>	<u>31,863,172</u>
Excess of receipts over expenditures		6,394,313
Fund balance at beginning of year		<u>11,617,428</u>
Fund balance at end of year		<u>18,011,741</u>

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

**STATEMENT OF CASH RECEIPTS, EXPENDITURES AND COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (continued)**

	Total budget KHR'000 (unaudited)	Actual 20.6.2016 to 31.12.2019 KHR'000
RECEIPT		
EU Budget Support		120,026,699
Fund transfer		217,598
Other income - sales of bidding documents		<u>3,861</u>
		<u>120,248,158</u>
 EXPENDITURES BY CATEGORIES		
Goods	64,724,855	51,126,353
Consulting services	23,604,371	12,196,743
Training and workshop	41,525,309	36,383,233
Operating cost	4,016,280	2,300,258
Supplement allowance	<u>5,827,000</u>	<u>6,624,143</u>
	<u>139,697,815</u>	<u>108,630,730</u>
 Excess of receipts over expenditures		11,617,428
Fund balance at beginning of period		<u>-</u>
 Fund balance at end of period		<u>11,617,428</u>

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

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

NOTES TO THE FINANCIAL STATEMENTS

1. PROGRAM BACKGROUND

The Public Financial Management Reform Program Stage 3 (“the Program”) received the budget support from the European Union (“EU”) under Financing Agreements number ACA/2015/037-958 dated 20 June 2016 and ACA/2018/040-874 dated 23 May 2019.

The Financing Agreements were signed between the EU and Royal Government of Cambodia (“RGC”), represented by the Ministry of Economy and Finance for an execution period commencing on the entry into force of these Financing Agreements to 72 months, while the duration of the operation implemented phase is fixed at 48 months and the duration of the closure phase is fixed at 24 months.

The Program currently under definition, will include consolidation of the financial accountability platform through expansion of the Financial Management Information System (“FMIS”) to line ministries, and introduce a systematic link between the budget preparation process and sector policy priorities. The overall reform should be completed by 2025. Despite its well-identified associated risks, the reform is considered by all development partners (“DPS”) as a credible set of measures to bring national public financial management systems up to international standards. It is proposed that the EU’s support to the Program will be delivered through budget support combined with a delegated agreement with the Swedish International Development Cooperation Agency (“SIDA”) to strengthen the public financial management reform environment.

Budget support 2016 – 2019 under Financing Agreement Number ACA/2015/037-958

The overall objective of the EU support to Public Finance Management Reform Program (“PFMRP”) is to enhance domestic revenue mobilisation as well as the effective use of resources and alignment of expenditure with national priorities to improve government’s service delivery and spur economic growth.

The specific objectives of this Sector Reform Contract (“SRC”) are to support the implementation of PFMRP Stage 3 and its enabling environment, through improvement of (i) institutional capacity to implement reform, (ii) national statistics, (iii) budget comprehensiveness and transparency, (iv) policy based budgeting, (v) predictability and control in budget execution, (vi) accounting, recording and reporting, (vii) external scrutiny and audit of the budget, and (viii) public accountability.

Budget support 2019 – 2020 under Financing Agreement Number ACA/2015/040-874

The overall objective of the EU’s support to PFMRP is to improve government’s service delivery and to promote economic growth.

The specific objective is to enhance the domestic revenue mobilisation as well as the effective use of resources and alignment of expenditure with national priorities.

This action is a top-ups to the ongoing EU PFM budget support, which will enable the continuation of the EU support to the PFM reform for an additional two years. This program will aim at improving (i) institutional capacity to implement the PFM reform, (ii) national statistics, (iii) national budget comprehensiveness and transparency, (iv) policy-based budgeting, (v) predictability and control in national budget execution, (vi) accounting, recording and reporting, (vii) external scrutiny and audit of the national budget, and (viii) public accountability.

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Program, which are expressed in thousand Khmer Riels (“KHR’000”), have been prepared in accordance with cash basis of accounting. Under this basis of accounting, fund received is recognised when received rather than when the right to receive it arises, and expenditure is recognised when it is paid rather than when incurred.

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

2.2 Receipts

Receipts represent funds received from the MEF or direct payments disbursed by the MEF, which are recognised when received.

2.3 Expenditures

Expenditure is recognised when payment is made rather than when it is incurred.

2.4 Equipment

Equipment procured is recognised as expenditure when received or when handed-over from the contractors or suppliers upon the respective acceptance and approval by the Program. For the control purposes, equipment are maintained in a fixed asset listing.

2.5 Cash and bank balances

Cash and bank balances consist of cash on hand and cash at bank with insignificant risk of changes in value.

2.6 Foreign currency differences

Expenditures and withdrawals in foreign currencies (other than KHR) are converted into KHR at the prevailing exchange rates declared by the National Bank of Cambodia ruling at the date of transactions. Monetary items denominated in foreign currencies are translated in to KHR for reporting purposes at the closing exchange rate prevailing at the reporting date.

2.7 Commitment

Commitment are paid directly by the Ministry of Economy and Finance and are not accounted for in the financial statements.

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

3. CASH AND BANK BALANCES

	31.12.2020	31.12.2019
	KHR'000	KHR'000
Cash on hand	2,221	13,600
Cash at bank	18,009,520	11,496,987
	<u>18,011,741</u>	<u>11,510,587</u>

4. EU BUDGET SUPPORT

	1.1.2020 to 31.12.2020 KHR'000	20.6.2016 to 31.12.2019 KHR'000	Cumulative to 31.12.2020 KHR'000
Initial advance	-	25,590,000	25,590,000
Replenishments	28,633,104	62,414,379	91,047,483
Direct payments	9,623,181	32,022,320	41,645,501
	<u>38,256,285</u>	<u>120,026,699</u>	<u>158,282,984</u>

5. FUND TRANSFER

This represents the remaining fund balance of the Program Stage 2, which was approved for the use of the Program Stage 3 through a letter from the MEF dated 26 June 2018.

6. GOODS

	1.1.2020 to 31.12.2020 KHR'000	20.6.2016 to 31.12.2019 KHR'000	Cumulative to 31.12.2020 KHR'000
Printing documents	696,863	-	696,863
Printing	98,056	-	98,056
Material and technical equipment	14,255,407	46,763,172	61,018,579
Transportation equipment	2,957	2,993,698	2,996,655
Furniture	-	307,731	307,731
Books	-	541,294	541,294
Technical equipment	828,503	520,458	1,348,961
	<u>15,881,786</u>	<u>51,126,353</u>	<u>67,008,139</u>

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

7. CONSULTING SERVICES

	1.1.2020 to 31.12.2020 KHR'000	20.6.2016 to 31.12.2019 KHR'000	Cumulative to 31.12.2020 KHR'000
Contracted national agents	1,156,837	4,981,804	6,138,641
Contracted foreign agents	2,870,232	7,214,939	10,085,171
Basic salaries for contractors	2,504,360	-	2,504,360
	<u>6,531,429</u>	<u>12,196,743</u>	<u>18,728,172</u>

8. TRAINING AND WORKSHOP

	1.1.2020 to 31.12.2020 KHR'000	20.6.2016 to 31.12.2019 KHR'000	Cumulative to 31.12.2020 KHR'000
Local and foreign training fee	662,113	9,864,025	10,526,138
Meetings, workshops, and conference	1,417,411	10,098,100	11,515,511
Transportation fees (workshops)	275,215	4,867,572	5,142,787
Mission fees (workshops)	190,185	1,747,449	1,937,634
Foods and housing per diem (workshops)	1,061,899	9,802,200	10,864,099
Others	-	3,887	3,887
	<u>3,606,823</u>	<u>36,383,233</u>	<u>39,990,056</u>

9. OPERATING COSTS

	1.1.2020 to 31.12.2020 KHR'000	20.6.2016 to 31.12.2019 KHR'000	Cumulative to 31.12.2020 KHR'000
Transportation	1,200	3,086	4,286
Maintenance costs	132,623	252,562	385,185
Material and equipment	36,015	43,355	79,370
Rental charge	1,000	3,581	4,581
Insurance fee	11,184	57,709	68,893
Other operating costs	833,352	1,939,964	2,773,316
	<u>1,015,374</u>	<u>2,300,257</u>	<u>3,315,631</u>

10. SUPPLEMENT ALLOWANCE

	1.1.2020 to 31.12.2020 KHR'000	20.6.2016 to 31.12.2019 KHR'000	Cumulative to 31.12.2020 KHR'000
Contractual staff	<u>4,827,760</u>	<u>6,624,143</u>	<u>11,451,903</u>

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3
Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union
10. WITHDRAWAL APPLICATIONS
10.1 Summary of withdrawal applications

Withdrawal application number	Date	Amount claimed for replenishment						Total KHR'000
		Advance KHR'000	Goods KHR'000	Consulting services KHR'000	Training and workshop KHR'000	Operating costs KHR'000	Allowance KHR'000	
2017								
Advances and replenishment								
Initial advance	10 Feb 2017	25,590,000	-	-	-	-	-	25,590,000
WA002-PFM	15 Aug 2017	-	8,328,783	446,909	2,055,518	212,093	137,745	11,181,048
WA003-PFM	07 Nov 2017	-	852,104	600,440	1,745,746	142,134	105,761	3,446,185
WA004-PFM	22 Dec 2017	1,600,000	642,625	696,811	2,981,972	125,081	89,305	6,135,794
Direct payments								
JV000162	29 Dec 2017	-	1,595,242	-	-	-	-	1,595,242
		27,190,000	11,418,754	1,744,160	6,783,236	479,308	332,811	47,948,269

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3
Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union
10. WITHDRAWAL APPLICATIONS (continued)
10.1 Summary of withdrawal applications (continued)

Withdrawal application number	Date	Amount claimed for replenishment						Total KHR'000
		Advance KHR'000	Goods KHR'000	Consulting services KHR'000	Training and workshop KHR'000	Operating costs KHR'000	Allowance KHR'000	
2018								
Replenishment								
WA005-PFM	30 Mar 2018	-	253,593	1,344,690	4,715,852	183,712	390,505	6,888,352
WA006-PFM	19 Jun 2018	-	1,123,928	593,810	1,760,443	106,608	522,003	4,106,792
WA007-PFM	04 Sep 2018	-	1,328,042	1,318,525	2,603,121	155,820	737,006	6,142,514
WA008-PFM	04 Dec 2018	-	784,116	1,207,077	2,824,898	206,924	597,159	5,620,174
Direct payments								
JV000193	12 Mar 2018	-	2,806,286	-	-	-	-	2,806,286
JV000201	19 Mar 2018	-	1,496,400	-	-	-	-	1,496,400
JV000217	27 Apr 2018	-	8,723	-	-	-	-	8,723
JV000248	30 Jun 2018	-	30,115	-	-	-	-	30,115
JV000259	16 Jul 2018	-	30,115	-	-	-	-	30,115
JV000260	18 Jul 2018	-	544,305	-	-	-	-	544,305
JV000266	15 Aug 2018	-	30,004	-	-	-	-	30,004
JV000325	29 Nov 2018	-	1,337,565	-	-	-	-	1,337,565
JV000326	29 Nov 2018	-	108,321	-	-	-	-	108,321
JV000328	29 Nov 2018	-	4,543,273	-	-	-	-	4,543,273
JV000344	13 Dec 2018	-	7,892,253	-	-	-	-	7,892,253
JV000383	31 Dec 2018	-	608,209	-	-	-	-	608,209
		-	22,925,248	4,464,102	11,904,314	653,064	2,246,673	42,193,401

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3
Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union
10. WITHDRAWAL APPLICATIONS (continued)
10.1 Summary of withdrawal applications (continued)

Withdrawal application number	Date	Amount claimed for replenishment						
		Advance KHR'000	Goods KHR'000	Consulting services KHR'000	Training and workshop KHR'000	Operating costs KHR'000	Allowance KHR'000	Total KHR'000
2019								
Replenishment								
WA009-PFM	12 Feb 2019	-	1,786,832	629,544	3,682,329	159,242	381,832	6,639,779
WA010-PFM	30 Apr 2019	-	456,123	1,463,992	2,330,879	200,604	828,905	5,280,503
WA011-PFM	17 Jul 2019	-	1,424,222	1,244,464	3,485,320	201,367	617,865	6,973,238
Direct payments								
JV000401	26 Feb 2019	-	40,035	-	-	-	-	40,035
JV000402	26 Feb 2019	-	3,915,779	-	-	-	-	3,915,779
JV000412	25 Mar 2019	-	87,216	-	-	-	-	87,216
JV000413	28 Mar 2019	-	2,319,900	-	-	-	-	2,319,900
JV000449	27 May 2019	-	88,742	-	-	-	-	88,742
JV000493	26 Jul 2019	-	77,057	-	-	-	-	77,057
JV000510	29 Aug 2019	-	44,533	-	-	-	-	44,533
JV000525	20 Sep 2019	-	376,945	-	-	-	-	376,945
JV000605	29 Dec 2019	-	3,981,279	-	-	-	-	3,981,279
JV000605	27 Dec 2019	-	60,023	-	-	-	-	60,023
		-	14,658,686	3,338,000	9,498,528	561,213	1,828,602	29,885,029

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3
Under the Financing Agreement Number ACA/2015/037-958 and ACA/2018/040-874 between the Royal Government of Cambodia and the European Union
10. WITHDRAWAL APPLICATIONS (continued)
10.1 Summary of withdrawal applications (continued)

Withdrawal application number	Date	Amount claimed for replenishment						
		Advance KHR'000	Goods KHR'000	Consulting services KHR'000	Training workshop KHR'000	and Operating costs KHR'000	Allowance KHR'000	Total KHR'000
2020								
Replenishment								
WA012-PFM	10 Feb 2020	-	2,123,664	2,650,480	8,078,610	578,337	2,216,058	15,647,149
WA013-PFM	16 Jun 2020	-	391,306	2,634,634	1,895,227	451,617	1,852,074	7,224,858
WA014-PFM	11 Aug 2020	-	656,868	1,081,542	129,352	131,888	558,937	2,558,587
WA015-PFM	13 Oct 2020	-	1,274,926	867,897	322,223	192,484	544,980	3,202,510
Direct payments								
JV000641	27 Apr 2020	-	1,953,600	-	-	-	-	1,953,600
JV000642	27 Apr 2020	-	3,579,565	-	-	-	-	3,579,565
JV000656	10 Aug 2020	-	1,661,102	-	-	-	-	1,661,102
JV000696	14 Dec 2020	-	132,066	-	-	-	-	132,066
JV000698	14 Dec 2020	-	1,380,318	-	-	-	-	1,380,318
JV000699	14 Dec 2020	-	623,241	-	-	-	-	623,241
JV000700	14 Dec 2020	-	293,288	-	-	-	-	293,288
		-	14,069,945	7,234,553	10,425,412	1,354,326	5,172,049	38,256,285
Cumulative period from 20.6.2016 to 31.12.2020		27,190,000	63,072,633	16,780,815	38,611,490	3,047,911	9,580,135	158,282,984

PUBLIC FINANCIAL MANAGEMENT REFORM PROGRAM STAGE 3

Under the Financing Agreement Number ACA/2018/040-874 between the Royal Government of Cambodia and the European Union

11. COMMITMENTS

The Program has commitments which were contracted but not yet paid as at 31 December 2020, as follows:

	31.12.2020	31.12.2019
	KHR'000	KHR'000
Goods	305,443	136,788
Consulting services	1,601,830	2,159,157
	<u>1,907,273</u>	<u>2,295,945</u>

12. TAXATION CONTINGENCIES

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries. Program Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

13. COMPARATIVE FIGURES

The comparative figures are from 20 June 2016 to 31 December 2019, which are not comparable to the current year's financial statements.