



Public Financial Management Reform Project

under the Multi-Donor Trust Fund Grant Agreement No. TF054547-KH and IDA Financing Agreement No. H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

Statement of management's responsibility
and
Audited financial statements

For the year ended 31 December 2011

Ernst & Young

Public Financial Management Reform Project

under the Multi-Donor Trust Fund Grant Agreement No. TF054547-KH and IDA Financing Agreement No. H241-KH between the Government of the Kingdom of Cambodia and the International Development Association

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Public Financial Management Reform Project

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Public Financial Management Reform Project

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

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

The management of the Ministry of Economy and Finance under the Public Financial Management Reform Project ("the Project"), implemented by Ministry of Economy and Finance, is responsible for its financial statements as at and for the year ended 31 December 2011 which are prepared, in all material respects, to show:

- the financial position of the Project;
- the funds received and expensed for the year;
- the activities of the designated accounts for the year and the balance of the accounts as at 31 December 2011; and
- the funds withdrawn for the year.

In preparing these financial statements, management is required to:

- select suitable accounting policies and then apply them consistently in accordance with the terms of the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH and IDA Grant No.H241-KH between the Government of the Kingdom of Cambodia and the International Development Association and,
- make judgements and estimates that are reasonable and prudent.

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 to ensure that the accounting records comply with the applicable accounting system. They are also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirms that they have complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which are prepared, in all material respects, to present the financial position of the Project as at 31 December 2011, the funds received and expensed, the activities of the designated accounts, and the funds withdrawn for the year then ended, in accordance with the accounting policies described in Note 2 to the financial statements and comply with the related financing agreements.

On behalf of the Project's management:



H. E. Aun Porn Moniroth
Secretary of State
Chairman of Public Financial Management
Steering Committee



Dr. Sok Saravuth
Steering Committee Secretariat Manager



Mr. Tes Putheara
Office Manager

Phnom Penh, Kingdom of Cambodia

31 July 2012

Reference: 60782710/15239823

INDEPENDENT AUDITORS' REPORT

To: The Management of the Ministry of Economy and Finance under the Public Financial Management Reform Project

We have audited the accompanying financial statements of the Public Financial Management Reform Project ("the Project") implemented by the Ministry of Economy and Finance, which comprise the balance sheet as at 31 December 2011, and the statements of sources of funds and expenditures and designated accounts for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements as at and for the year ended 31 December 2011 have been prepared by management in accordance with the accounting policies described in Note 2 to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with 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 misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Project as at and for the year ended 31 December 2011 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Project to meet its financial reporting requirements. As a result, the financial statements may not be suitable for another purpose.



Maria Cristina M. Calimbas
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

31 July 2012

Public Financial Management Reform Project

Under the Multi-Donor Trust Fund Grant Agreement No. TF 054547-KH
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BALANCE SHEET
As at 31 December 2011

	Notes	2011 US\$	2010 US\$
Assets			
Cash			
Multi-Donor Trust Fund	3, 8.1	632,571	360,041
International Development Association Counterpart Fund	3, 8.1 3	35,563 191,860	800,047 -
		859,994	1,160,088
Other asset			
Advances	4	30,540	25,380
Total assets		890,534	1,185,468
Accumulated excess of funds over expenditures		890,534	1,185,468



Mr. Tes Puthera
Office Manager

Phnom Penh, Kingdom of Cambodia

31 July 2012



Dr. Sok Saravuth
Steering Committee Secretariat Manager

Public Financial Management Reform Project

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STATEMENT OF SOURCES OF FUNDS AND EXPENDITURES for the year ended 31 December 2011

	Notes	For the year ended 31 December 2011 US\$	For the period from 11 August 2005 to 31 December 2011 US\$
Sources of funds			
Multi-Donor Trust Fund	8.3	3,052,883	10,095,689
International Development Association	8.3	3,129,486	9,140,565
Counterpart fund	5	277,500	703,020
Policy and Human Resource Development grant		-	24,069
Unused funds from the previous year		1,185,468	-
Total sources of funds		7,645,337	19,963,343
Expenditures by disbursement category			
Goods	6	697,435	2,787,833
Consulting fees and expenses		718,233	3,177,134
Training/ workshops		952,120	3,798,001
Incremental operating costs		106,623	360,362
Merit-based payment initiative		-	3,111,830
Priority operating cost		1,418,471	1,418,471
International procurement agent		2,861,921	4,419,178
Total expenditures by disbursement category		6,754,803	19,072,809
Excess of funds over expenditures		890,534	890,534
Expenditures by component			
Revenue management	7	275,476	1,146,295
Budget formulation		405,003	1,855,945
Budget execution		449,981	2,096,468
Capacity development			
Policy group		898,391	3,754,816
General support group		925,709	4,691,634
		1,824,100	8,446,450
Ministry and institution		938,322	1,108,473
International procurement agency		2,861,921	4,419,178
Total expenditures by component		6,754,803	19,072,809



Mr. Tes Putheara
Office Manager



Dr. Sok Saravuth
Steering Committee Secretariat Manager

Phnom Penh, Kingdom of Cambodia

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STATEMENT OF DESIGNATED ACCOUNT – MULTI-DONOR TRUST FUND (“MDTF”) for the year ended 31 December 2011

	Notes	For the year ended 31 December 2011 US\$	For the period from 11 August 2005 to 31 December 2011 US\$
Sources of funds			
Funds received during the year	8.3	3,052,883	10,095,689
Unused funds from the previous period		385,421	-
		3,438,304	10,095,689
Expenditures by disbursement category			
Goods	6	594,893	1,841,899
Consulting fees and expenses		438,376	2,169,070
Training/workshops		684,722	2,356,694
Incremental operating costs		58,342	206,560
Merit-based payment initiative		-	1,859,495
Priority operating cost		1,029,400	1,029,400
		2,805,733	9,463,118
Total expenditures by disbursement category		2,805,733	9,463,118
Excess of funds over expenditures		632,571	632,571
Represented by:			
Cash in bank	3	632,571	



Mr. Tes Putheara
Office Manager

Phnom Penh, Kingdom of Cambodia

31 July 2012




Dr. Sok Saravuth
Steering Committee Secretariat Manager

Public Financial Management Reform Project

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STATEMENT OF DESIGNATED ACCOUNT - IDA for the year ended 31 December 2011

	Notes	For the year ended 31 December 2011 US\$	For the period from 11 August 2005 to 31 December 2011 US\$
Sources of funds			
Funds received during the year	8.3	3,129,486	9,140,565
Unused funds from the previous period		800,047	-
		3,929,533	9,140,565
Expenditures by disbursement category			
Goods	6	102,542	945,934
Consulting fees and expenses		279,857	1,008,064
Training/workshops		181,758	1,331,598
Incremental operating costs		48,281	153,804
Merit-based payment initiative		-	826,813
Priority operating cost		389,071	389,071
International procurement agent		2,861,921	4,419,178
		3,863,430	9,074,462
Excess of funds over expenditures		66,103	66,103
Represented by:			
Petty cash	3	335	
Cash in bank	3	35,228	
Advances	4	30,540	
		66,103	



Mr. Tes Putheara
Office Manager



Dr. Sok Saravuth
Steering Committee Secretariat Manager

Phnom Penh, Kingdom of Cambodia

31 July 2012

Public Financial Management Reform Project

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NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2011

1. PROJECT BACKGROUND

The Public Financial Management Reform Program ("the Project") was established under the Multi-Donor Trust Fund ("MDTF") Grant Agreement No. TF 054547 signed on 11 August 2005 and IDA Grant No. H241-KH ("IDA Grant") signed on 13 February 2007 between the Government of the Kingdom of Cambodia represented by the Ministry of Economy and Finance ("MEF") and the International Development Association ("IDA").

The Project commenced in September 2005 and will operate for 10 years with funding from the following sources:

- IDA Grant No. H241-KH and MDTF No. TF 054547 administered by the World Bank with funds being contributed by the Development Partners of the World Bank, and AusAid, DFID, SIDA and European Commission ("EC"), respectively. Other donor partners may fund the Project through the MDTF in the future.
- Other development partners provide resources directly through bilateral arrangement. These funds and expenditures will be managed by the donor partners.
- Royal Government of Cambodia ("RGC") counterpart funds for the Merit-Based Payment initiative ("MBPI") scheme/component of the Project implemented from 2005 to 2009.

The Project started with the objective to provide support for financial management activities carried out at the Government level, and establish a framework for professional civil service, in order that the officials will be able to maintain public financial management standards without depending on continuous external advice.

The Project is implemented by the MEF and managed by the Steering Committee Secretariat ("SCS") of the MEF.

The Project's activities are divided into six main and complementary components as follows:

- Revenue management
- Budget formulation
- Budget execution
- Capacity development (i) policy group and (ii) general support group
- Building the oversight capacity of the recipient's National Audit Authority

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

1. PROJECT BACKGROUND (continued)

Part A: Revenue management.

- Supports the modernization of the MEF's Tax Department by: (a) reviewing and improving its organizational structure; (b) developing and implementing a strategic management plan and capacity development program; (c) improving service delivery and (d) developing mechanisms to improve transparency and accountability.
- Strengthens MEF's non tax revenue policy and administration.
- Supports transparent oil and gas revenue management by: (a) participating in the Extraction Industries Transparency Initiative (EITI); (b) developing oil fund and related taxation policy, and (c) strengthening the Recipient's staff technical and negotiations skills.
- Supports the recipient's fiscal and macroeconomic management by strengthening revenue policy, macroeconomic modeling, and forecasting.

Part B: Budget formulation

- Strengthens the recipient's capacity to formulate and integrate its budget, including: (a) improving budget coverage; (b) strengthening the control over expenditures; (c) developing the medium term macroeconomic-fiscal framework; (d) strengthening debt forecasting, financing analysis and payment management; (e) redesigning the budget and account classification system; (f) piloting a program - based budget structure; (g) redesigning the budget formulation process and calendar; (h) strengthening budget formulation; and (i) strengthening expenditure tracking techniques.

Part C: Budget execution

- Supports the development of the recipient's financial management system and processes, including (a) establishing financial management information system; and (b) providing computer hardware and software.
- Strengthens the recipient's public procurement system by: (a) revising procurement processing arrangements; (b) developing an enhanced legal and regulatory procurement framework, including the development of a new procurement law; (c) developing and disseminating harmonized procurement procedures and documents; (d) supporting deconcentration of the public procurement system and establishment of effective oversight mechanisms; (e) developing an information and performance monitoring system in public procurement; and (f) improving public access to information, including electronic media.
- Strengthens the recipient's treasury systems and procedures by: (a) streamlining budget execution processes; (b) widening the scope of payments through the banking system including payments for tax collections and to civil servants and contractors; and (c) strengthening cash management.

Part D: Capacity development (includes policy group and general support group)

- Strengthens the recipient's capacity to carry out internal audit and to manage internal audit standards and reviews.
- Strengthens the MEF's overall capacity, including (a) reorganizing its institutional structure; and (b) strengthening its capacity to implement the Project, including the development and implementation of a communication strategy.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

1. PROJECT BACKGROUND (continued)

Part D: Capacity development (includes policy group and general support group) (continued)

- Provide support to the Steering Committee Secretariat in managing the Project.
- Carry out training, workshop and study to support the execution of the Project.

Part E: Merit - based payment initiative (implemented from 2005 to 2009)

- Implement the Recipient's Merit Based Payment Initiative Program through the provision of merit - based pay initiative allowances to selected MEF staff.
- Implement reforms in the MEF's personnel management, including the establishment of merit-based selection and promotion, and performance management.

Part F: Building the oversight capacity of the recipient's National Audit Authority

Strengthens the capacity of the National Audit Authority, including (a) developing an effective organizational structure; and (b) improving auditing standards and methodologies.

MDTF and IDA Grant were amended on 5 August 2011.

Amendments to the MDTF include Section 2.01 of the Grant Agreement that made available fund equivalent to US\$12,835,000 and Section 2.03 that established the closing date to be 11 April 2012.

Amendment to IDA Grant, Section IV.B.2 of Schedule 2 to the Financing Agreement now established the closing date is 15 January 2013.

The table on the next page sets forth the items financed out of the proceeds of the IDA Grant and MDTF, including the allocation to each category and respective percentage of expenditures based on mentioned amendments.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

1. PROJECT BACKGROUND (continued)

Category	Amount of IDA grant allocated (expressed in SDR equivalent)**	% of expenditures to be financed	Amount of MDTF allocated (expressed in US\$**)	% of expenditures to be financed
Goods, consultant services, training, workshops and study tours under Part A	-	-	1,515,500	100%
MBPI allowances, consultants services, training and workshops under Part B	-	-	1,353,545	0%
Priority Operating Cost("POC") allowance, consultants' services, training and workshops under Part B	-	-	9,955	0% *
Incremental operating costs	-	-	50,100	100%
Goods, consultants' services training, workshops, study tours and incremental operating costs under Parts A to D	5,197,000	100%*	7,399,143	0%*
Merit Based Pay Initiative payments under Part E	530,112	0%	506,757	0%
POC under part E	625,888	100%*	2,000,000	0%*
Goods, consultants' services training, workshops, study tours and incremental operating costs under Parts F	50,000	100%*		
National Audit Authority – Goods, consultants' services, training, workshops, study tours and incremental operating costs under Part F	-	-	-	0%
Services of an international procurement agency	3,397,000	100%		
	9,800,000		12,835,000	

* The percentage indicated may change as may be determined by the World Bank from time to time.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Project's financial statements are expressed in United States dollar (US\$). These financial statements are prepared by management in accordance with the accounting policies set out below. The Project maintains its accounting records in US\$.

The financial statements present sources and uses of funds, and the related financial information in relation to the fund withdrawals and disbursements from the Project's designated account together with the corresponding counterpart funds as specified under the Multi-Donor Trust Fund Grant Agreement between the MEF and the IDA.

Recognition of funds from IDA and MDTF

Fund is recognized as a source when cash is debited to the Project's designated account managed by SCS rather than when committed or budgeted. Funds received also comprise direct cash disbursements made by the IDA as well as counterpart funds from the RGC. These funds are accounted for when received.

Recognition of counterpart fund

Fund is recognized as a source when cash is withdrawn from the National Treasury or when a fund is transferred directly from the National Treasury to the Project's bank account held ANZ Royal Bank to contribute to the monthly Merit-Based Payment Initiative ("MBPI") payment.

Recognition of expenditures

Expenditure is recognized when payment is made rather than when it is incurred, except for advance payments which are initially recognized as advances and recognized as expenditure when they are liquidated by presentation of supporting invoices.

Equipment

Equipment procured is recognized as expenditure when received or when handed-over from the contractors or suppliers upon acceptance and approval by the SCS.

Foreign exchange differences

Disbursements and withdrawals in foreign currencies (other than US\$) are converted into US\$ 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 into US\$ for reporting purposes at the closing exchange rate prevailing at the reporting date.

Commitment and service charges

Commitment and service charges relating to the IDA are paid directly by the MEF and are not accounted for in the statement of sources of funds and expenditures and the statement of designated accounts.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash consists of petty cash and bank balances with insignificant risk of changes in values.

Direct payments

Direct payments represent payments made by the IDA directly to third party suppliers on behalf of the Project.

3. CASH

	As at 31 December 2011			As at 31 December 2010	
	MDTF US\$	IDA US\$	Counterpart Fund US\$	Total US\$	US\$
Petty cash	-	335	-	335	29
Cash in bank	632,571	35,228	191,860	859,659	1,160,059
Total	632,571	35,563	191,860	859,994	1,160,088

4. ADVANCES

The balance represents outstanding advances to Project's staff for the Project-related activities such as Revenue Management, Budget Execution and Capacity Development as below:

	As at 31 December 2011			As at 31 December 2010	
	MDTF US\$	IDA US\$	Counterpart Fund US\$	Total US\$	US\$
Revenue management	-	9,600	-	9,600	1,146
Budget Execution	-	2,836	-	2,836	3,018
Capacity Development	-	18,104	-	18,104	21,216
Total	-	30,540	-	30,540	25,380*

* Outstanding balance as at 31 December 2010 represents fund from MDTF.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

5. COUNTERPART FUND

	<i>For the year ended 31 December 2011 US\$</i>	<i>For the period from 11 August 2005 to 31 December 2011 US\$</i>
Unused fund from previous period	-	-
Add: Fund received during the year/period	277,500	703,020
Less: Expenditures during the year/period	(85,640)	(511,160)
Total	191,860	191,860

For each fiscal year, the counterpart fund is budgeted by the Project and submitted to the MEF. During the year, the Project received a fund of US\$277,500 from RGC, out of which US\$85,640 was used to pay for international training and workshop.

6. EXPENDITURES BY DISBURSEMENT CATEGORY

	<i>MDTF US\$</i>	<i>IDA US\$</i>	<i>Counterpart Fund US\$</i>	<i>Total US\$</i>
Goods	594,893	102,542	-	697,435
Consulting fees and expenses	438,376	279,857	-	718,233
Training and workshops	684,722	181,758	85,640	952,120
Incremental operating costs	58,342	48,281	-	106,623
Priority operating cost	1,029,400	389,071	-	1,418,471
International procurement agent	-	2,861,921	-	2,861,921
Total	2,805,733	3,863,430	85,640	6,754,803

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

7. EXPENDITURES BY COMPONENT

	<i>MDTF</i> US\$	<i>IDA</i> US\$	<i>Counterpart</i> <i>Fund</i> US\$	<i>Total</i> US\$
Revenue management	205,046	56,193	14,237	275,476
Budget execution	342,519	97,837	9,625	449,981
Budget formulation	337,848	67,015	140	405,003
Capacity development:				
Policy group	636,842	200,191	61,358	898,391
General support group	556,418	369,011	280	925,709
	1,193,260	569,202	61,638	1,824,100
Ministry and institution	727,060	211,262	-	938,322
International procurement agent	-	2,861,921	-	2,861,921
Total	2,805,733	3,863,430	85,640	6,754,803

8. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS

8.1 Statement of designated accounts

	<i>MDTF</i> US\$	<i>IDA</i> US\$	<i>Total</i> US\$
Beginning balance	385,421	800,047	1,185,468
<i>Add:</i>			
Total amount advanced during the year	3,052,883	3,129,486	6,182,369
<i>Deduct:</i>			
Total amount withdrawn for expenditures during the year	(2,805,733)	(3,863,430)	(6,669,163)
Advances	-	(30,540)	(30,540)
Ending balance as at 31 December 2011	632,571	35,563	668,134

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

8. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.2 Reconciliation of designated accounts

	<i>MDTF</i> <i>US\$</i>	<i>IDA</i> <i>US\$</i>
Total advance to designated account as at 31 December 2011	<u>1,788,926</u>	<u>800,000</u>
Ending balance as at 31 December 2011	632,571	35,563
<i>Less:</i>		
Adjustment on POC (8 months) to MDTF	(31,680)	-
Gain on exchange rate (JV00199-October 2009)	(45)	(46)
<i>Add:</i>		
Recovered by the World Bank	1,188,080	-
Advances	-	30,540
Amount paid but not yet claimed as at 31 December 2011	-	549,851
Amount claimed but not yet credited as at 31 December 2011	<u>-</u>	<u>184,092</u>
Total advance to designated accounts accounted for as at 31 December 2011	<u><u>1,788,926</u></u>	<u><u>800,000</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

8. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications

(a) Multi-Donor Trust Fund

Date	Amount claimed for replenishment							Total
	Goods	Training and workshop	Consultant services	MBPI allowance	Incremental operating cost	Initial advance (recovery)	Total	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
2005	-	-	-	-	-	400,000	400,000	
2006								
Application No 1	5,713	-	5,000	385,915	1,842	-	398,470	
Application No 2	-	-	-	9,800	698	-	10,498	
Application No 3	-	23,477	48,399	61,092	643	-	133,611	
Application No 4	-	-	14,208	-	-	-	14,208	
Application No 5	-	24,850	3,700	9,800	772	-	39,122	
Application No 6	-	-	-	164,316	3,178	-	167,494	
Application No 7	50,144	5,964	17,325	9,800	887	-	84,120	
Application No 8	5,361	42,919	-	-	542	-	48,822	
Application No 9	107,212	23,085	16,714	232,793	2,666	-	382,470	
Application No 10	2,019	17,896	51,637	87,878	2,317	-	161,747	
	170,449	138,191	156,983	961,394	13,545	-	1,440,562	

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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8. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(a) Multi-Donor Trust Fund (continued)

Date	Amount claimed for replenishment						Total
	Goods	Training and workshop	Consultant services	MBPI allowance	Incremental operating cost	Initial advance (recovery)	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
2007							
Application No 11	-	224	42,624	61,352	965	-	105,165
Application No 12	36,226	4,480	31,870	53,898	3,567	-	130,041
Application No 13	-	28,647	2,625	(23,713)	4,305	-	11,864
Application No 14	3,454	6,667	124,620	50,380	551	-	185,672
Application No 15	-	31,460	1,350	100,020	653	-	133,483
Application No 16	6,785	33,425	37,794	50,190	1,847	-	130,041
Application No 17	754	15,583	65,582	50,023	1,650	-	133,592
Application No 18	15,195	27,897	72,129	67,506	3,931	-	186,658
	62,414	148,383	378,594	409,656	17,469	-	1,016,516
2008							
Application No 19	1,688	3,504	107,745	18,290	1,738	-	132,965
Application No 20	-	-	-	-	-	400,000	400,000
Application No 21	16,146	45,110	158,578	71,989	5,565	-	297,388
Application No 22	1,565	23,435	20,208	34,790	4,814	-	84,812
Application No 23	108,934	72,695	31,354	69,560	4,067	-	286,610
	128,333	144,744	317,885	194,629	16,184	400,000	1,201,775

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8. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(a) Multi-Donor Trust Fund (continued)

	Date	Amount claimed for replenishment						Total
		Goods	Training and workshop	Consultant services	MBPI allowance	Incremental operating cost	Initial advance (recovery)	
		US\$	US\$	US\$	US\$	US\$	US\$	
2009								
Application No 24	5 January	12,104	98,911	88,560	51,603	4,458	255,636	
Direct Payment No. 2	15 January	89,242	-	-	-	-	89,242	
Application No 25	23 March	22,200	101,599	2,161	37,640	5,120	168,720	
Application No 26	23 April	51,006	68,398	11,518	17,327	5,377	153,626	
Application No 27	24 June	39,656	82,216	53,915	52,808	5,128	233,723	
Application No 28	13 August	24,505	93,652	73,242	8,321	5,650	205,370	
Application No 29	15 September	18,425	26,609	52,099	18,005	1,327	116,465	
Application No 30	7 October	64,423	22,561	27,378	35,697	3,381	153,440	
Application No 31	7 December	1,667	116,598	87,769	36,347	6,832	249,213	
		323,228	610,544	396,642	257,748	37,273	1,625,435	

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8. DESIGNED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(a) Multi-Donor Trust Fund (continued)

	Date	Amount claimed for replenishment					Total	
		Goods	Trainings and workshops	Consultant services	MBPI allowance	Incremental operating cost		Initial advance (recoveries)
2010								
Application No 32	13 January	5,684	57,750	11,086	-	2,331	-	76,851
Application No 33	22 February	1,039	73,996	54,664	18,185	1,807	-	149,691
Application No 34	1 March	-	30,460	38,376	17,883	4,038	-	90,757
Application No 35	13 April	-	31,967	13,436	-	6,944	-	52,347
Direct Payment No. 4	18 May	209,608	-	-	-	-	-	209,608
Application No 36	8 June	43,368	24,311	70,303	-	8,085	(48,000)	98,067
Application No 37	23 June	65,183	21,046	7,609	-	3,478	-	97,316
Application No 38	24 August	-	-	-	-	-	48,000	48,000
Application No 39	7 September	17,361	30,423	111,694	-	9,144	-	168,622
Application No 40	29 September	-	36,571	23,744	-	3,470	-	63,785
Application No 41	12 November	18,203	32,178	28,063	-	4,557	(30,000)	53,001
Application No 42	28 December	202,137	227,751	57,758	-	12,782	(250,000)	250,428
		562,583	566,453	416,733	36,068	56,636	(280,000)	1,358,473

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8. DESIGNED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(a) Multi-Donor Trust Fund (continued)

	Date	Amount claimed for replenishment								Total	
		Goods	Trainings and workshops	Consultant services	MBPI allowance	Incremental operating cost	Priority Operating Cost Allowance	Initial advance (recoveries)			
2011											
Direct Payment No. 6	4 January	271,189	-	-	-	-	-	-	-	-	271,189
Application No 43	23 February	-	-	-	-	-	-	-	-	200,000	200,000
Application No 44	29 March	-	-	-	-	-	-	-	-	214,623	214,623
Application No 45	7 April	35,459	117,884	175,524	-	17,432	-	-	-	(39,871)	306,428
Application No 46	30 May	61,115	159,883	73,669	-	11,290	-	-	-	(305,957)	-
Direct Payment No. 10	21 June	218,060	-	-	-	-	-	-	-	-	218,060
Application No 47	14 July	6,791	211,466	19,795	-	9,134	-	-	-	-	247,186
Application No 48	21 July	-	-	-	-	-	-	-	-	345,828	345,828
Application No 49	27 July	-	-	-	-	-	-	-	-	988,926	988,926
Application No 50	17 November	2,280	195,489	169,387	-	20,487	-	-	-	(127,000)	260,643
Application No 52	20 December	-	-	-	-	-	-	1,061,080	-	(1,061,080)	-
Total		594,894	684,722	438,375	-	58,343	1,061,080	1,061,080	215,469	735,469	3,052,883
Total		1,841,901	2,293,037	2,105,212	1,859,495	199,450	1,061,080	1,061,080	735,469	10,095,644*	

* The difference of US\$45 was due to foreign exchange gain (see Note 8.2).

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8. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(b) Application of IDA

Date	Amount claimed for replenishment								Total
	Goods	Training and workshop	Consultant services	MBPI allowance	Incremental operating cost	Service to IPA	Initial advance (recovery)		
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
2007									
Application No 1	-	-	-	-	-	-	800,000	-	800,000
Application No 18	-	6,186	357	29,875	4,091	-	-	-	40,509
Direct Pay. to IPA	-	-	-	-	-	100,000	-	-	100,000
	-	6,186	357	29,875	4,091	100,000	800,000	-	940,509
2008									
Application No 19	-	3,646	178	29,842	1,809	-	-	-	35,475
Application No 21	16,805	46,951	29,000	117,455	5,792	-	-	-	216,003
Application No 22	1,630	24,392	2,754	56,762	5,011	-	-	-	90,549
Application No 23	-	75,662	146,014	113,493	4,233	1,961	-	-	341,363
	18,435	150,651	177,946	317,552	16,845	1,961	-	-	683,390

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8. DESIGNATED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(b) Application of IDA (continued)

Date	Amount claimed for replenishment										Total	
	Goods	Training and workshop	Consultant services	MBPI allowance	Incremental operating cost	Service to IPA	Initial advance (recovery)	US\$		US\$		US\$
2009												
Direct Payment: 02	92,884	-	-	-	-	-	-	-	-	-	-	92,884
Application No.24	12,598	102,949	40,093	84,195	4,640	7,802	-	-	-	-	-	252,277
Direct Payment: 03	-	-	-	-	-	152,272	-	-	-	-	-	152,272
Application No.25	23,106	105,745	2,249	61,413	5,329	201,821	-	-	-	-	-	371,955
Application No.26	53,088	71,190	11,988	28,271	5,597	235,786	-	-	-	-	-	498,849
Application No.27	41,275	85,572	44,719	86,160	5,337	160,062	-	-	-	-	-	367,705
Application No.28	25,505	97,475	65,207	13,576	5,880	92,482	-	-	-	-	-	224,336
Application No.29	19,177	27,694	54,225	29,377	1,381	47,843	-	-	-	-	-	228,635
Application No.30	67,053	23,482	28,495	58,243	3,519	150,000	-	-	-	-	-	415,232
Application No.31	1,735	121,357	75,725	59,304	7,111	-	-	-	-	-	-	-
	336,421	635,464	322,701	420,539	38,794	1,048,068	-	-	-	-	-	2,801,987

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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8. DESIGNED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(b) Application of IDA (continued)

	Date	Amount claimed for replenishment							Total
		Goods	Trainings and workshops	Consultant services	MBPI allowance	Incremental operating cost	Service to IPA	Initial advance (recoveries)	
2010									
Application No 32	13 January	5,916	60,107	11,538	-	2,427	25,055	-	105,043
Application No 33	16 February	1,081	77,016	56,896	29,670	1,881	62,061	-	228,605
Application No 34	26 February	-	31,703	39,942	29,178	4,203	79,073	-	184,099
Application No 35	13 April	-	33,272	13,984	-	7,228	107,148	-	161,632
Direct Payment No. 4	18 May	218,163	-	-	-	-	-	-	218,163
Application No 36	8 June	45,138	25,303	59,825	-	8,415	-	-	138,681
Application No 37	23 June	67,844	21,905	7,920	-	3,620	-	-	101,289
Application No 39	26 August	18,070	31,665	93,803	-	9,517	106,855	-	259,910
Application No 40	29 September	-	38,064	24,714	-	3,611	27,034	-	93,423
Application No 41	12 November	18,946	33,491	29,209	-	4,743	-	-	86,389
Application No 42	21 December	-	5,013	2,754	-	146	-	-	7,913
		375,158	357,539	340,585	58,848	45,791	407,226	-	1,585,147

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8. DESIGNED ACCOUNTS AND WITHDRAWAL APPLICATIONS (continued)

8.3 Summary of withdrawal applications (continued)

(b) Application of IDA (continued)

	Date	Amount claimed for replenishment						Total	
		Goods	Trainings and workshops	Consultant services	MBPI allowance	Incremental operating cost	Service to IPA		Initial advance (recoveries)
2011									
Direct Payment No. 7	15 February	-	-	-	-	-	944,580	-	944,580
Application No. 45	31 March	-	-	-	-	-	52,903	-	52,903
Direct Payment No. 8	5 May	-	-	-	-	-	165,701	-	165,701
Application No. 46	6 September	-	-	-	-	-	105,463	-	105,463
Direct Payment No. 9	16 June	-	-	-	-	-	179,126	-	179,126
Direct Payment No. 11	29 July	-	-	-	-	-	258,747	-	258,747
Direct Payment No. 13	27 September	-	-	-	-	-	293,786	-	293,786
Direct Payment No. 14	18 October	-	-	-	-	-	302,952	-	302,952
Application No. 50	15 November	48,668	56,388	93,503	-	17,481	-	-	216,040
Direct Payment No. 15	1 December	-	-	-	-	-	519,764	-	519,764
Application No. 51	13 December	20,932	38,527	22,200	-	8,765	-	-	90,424
		69,600	94,915	115,703	-	26,246	2,823,022	800,000	3,129,486
		799,614	1,244,755	957,292	826,814	131,767	4,380,277	800,000	9,140,519

* The difference of US\$46 was due to foreign exchange gain (see Note 8.2).

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9. COMMITMENT

The Project has a commitment for the professional service related to 2011 contracted after 31 December 2011 but not yet paid amounting to US\$5,022.

10. TAX CONTINGENCIES

The taxation system in Cambodia is new and characterized 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 jurisdictions. Management does not anticipate that any material liabilities may arise that may affect the statement of sources of funds and expenditures based on its interpretation. However, the relevant authorities may have differing interpretations; and these facts may create tax risks to the Project.