INDEPENDENT AUDITORS’ REPORT ON THE FINANCIAL STATEMENTS OF
PROMOTING YOUNG WOMEN’S LIVELIHOODS AND NUTRITION PROJECT
IMPLEMENTED BY CONCERN WORLDWIDE, ETHIOPIA
GRANT NUMBER-TFOA6688

Opinion

We have audited the accompanying financial statements of Promoting Young Women’s Livelihoods and Nutrition Project Implemented by Concern Worldwide, Ethiopia Grant number-TFOA6688 comprising the balance sheet as at 31 December 2018 and the Statement of Sources and Uses of Funds for the period covering April 20, 2018 up to December 31, 2018, and a summary of significant accounting policies and other explanatory information shown from pages 3 to 12.

In our opinion, the financial statements present fairly, in all material respects, the financial position and balance of the Promoting Young Women’s Livelihoods and Nutrition Project Implemented by Concern Worldwide, Ethiopia Grant number-TFOA6688, the Statement of Sources and Uses of Funds for period April 20, 2018 up to December 31, 2018 in accordance with the financial management policy of Concern Worldwide adopted for the Project. In addition, the Project was, in all material respects, in compliance with the Financing Agreements and Contracts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Furthermore, we have audited the Project’s compliance with the provisions and covenants of the Financing Agreements IDA Grant Number –TFOA6688. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants’ code of Ethics for Professional Accounts (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management’s Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies of the Project, and for such internal control as management determines is necessary to enable the preparation of a project report that is free from material misstatement, whether due to fraud or error.
Auditor's Responsibility for the Audit of the Financial Statements

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

The engagement partner on the audit resulting in this independent auditor's report is Ato Melkamu Belete.

Kokeb & Melkamu Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia

Addis Ababa
June 13, 2019
PROMOTING YOUNG WOMEN’S LIVELIHOODS AND NUTRITION PROJECT
IMPLEMENTED BY CONCERN WORLDWIDE, ETHIOPIA
GRANT NUMBER-TFOA6688
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD COVERING APRIL 20, 2018 UP TO DECEMBER 31, 2018
Currency: Eth.Birr

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
</tr>
<tr>
<td>Cash and Bank Balances</td>
<td></td>
</tr>
</tbody>
</table>

| LIABILITIES AND FUND                        |       |
| CURRENT LIABILITIES                         |       |
| Account Payables                            | 3     | 2,193,313.52 |

| PROJECT FUND                                |       |
| Fund balance                                | 4     | (2,193,313.52) |

TOTAL LIABILITIES AND FUND BALANCE           |       | - |
PROMOTING YOUNG WOMEN'S LIVELIHOODS AND NUTRITION PROJECT
IMPLEMENTED BY CONCERN WORLDWIDE, ETHIOPIA
GRANT NUMBER-TFOA6688
STATEMENT OF SOURCE AND USES OF FUNDS
FOR THE PERIOD COVERING APRIL 20, 2018 UP TO DECEMBER 31, 2018

Currency: Eth. Birr

### SOURCE OF FUND

Financing from the World Bank

### PROGRAM EXPENDITURE

**Components**

<table>
<thead>
<tr>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community mobilization to enhance life skills, health and nutrition of</td>
<td>5.1</td>
</tr>
<tr>
<td>selected women</td>
<td>196,746.44</td>
</tr>
<tr>
<td>Support to develop livelihoods and improve nutrition</td>
<td>5.2</td>
</tr>
<tr>
<td>Project management, policy advocacy, monitoring and evaluation</td>
<td>5.3</td>
</tr>
<tr>
<td></td>
<td>1,861,090.49</td>
</tr>
</tbody>
</table>

**Total Program Expenditure** 2,193,313.52

### INCOME OVER EXPENDITURE

(2,193,313.52)
1. BACKGROUND

The Ethiopian Young Women’s Livelihoods and Nutrition Project was developed to improve access to community-based nutrition and livelihoods services among selected young women in Sasie Tsaeda Emba and Seharty Samre Woredas of Tigray region. It is a three-year pilot project funded by the Government of Japan and Administered by the World Bank through the Japanese Social Development Fund (JSDF). The expected project duration is 36 months with a proposed investment of US$2.7 million (2.73 million Recipient Grant).

The project will be carried out by Concern Worldwide Ethiopia (hereinafter referred to as Concern) in accordance with the institutional arrangements and procedures detailed in this PIM.

The overall objective of the Ethiopian Young Women’s Livelihoods and Nutrition Project is “to improve access to community-based nutrition and livelihoods services among selected young women in Sasie Tsaeda Emba and Seharty Samre Woredas of Tigray region.

Progress toward the project objectives will be measured by the following outcome indicators:

- Number of targeted young women aged 15-24 years who completed the life skills, health and nutrition training package in full
- Net changes in the proportion of beneficiary Model Farmers reporting year-round production of at least three micronutrient-rich crops
- Net changes in the proportion of beneficiary young women (aged 15-24 years) reporting consumption of four or more food groups in the previous 24 hours

In addition to the above outcome indicators, there are also several other process indicators that will be used to monitor the implementation progress on a quarterly basis through participatory sessions.

The project consists of 3 main components:
Component 1: Community mobilization to enhance life skills and health and nutrition of selected young women

This component will mobilize communities to improve health and nutrition and foster life skills development of in- and out-of-school young women through the following activities:

(i) Engaging community opinion leaders to lead participatory planning for young women's groups, manage their training and enact a transparent selection process to identify four female mentors in each Kebele;

(ii) Intensive training for female mentors;

(iii) Community fora to engage the broader community to build awareness about relevant issues;

(iv) Formation of girls' clubs in all target communities to reach young women aged 10-24 years;

(v) Delivery of age-appropriate peer education sessions once a week on a curriculum of life skills, livelihood development, and health and nutrition knowledge, facilitated by female mentors;

(vi) Promotion of iron and folic acid (IFA) supplementation and biannual deworming for young women aged 15-24 years;

(vii) Training of trainer (TOT) on pre-conception health and nutrition, agriculture, and livelihood activities for Ministry of Agriculture (MOA) Agriculture Extension Workers (AEW) and focal persons from the Ministry of Women and Young Child Affairs (MOWYCA) and Ministry of Education (MOE), cascading to community-based service providers; and

(viii) TOT for HEWs in pre-conception health and nutrition messaging to be cascaded to Women Development Army (WDA) leaders. Both trainings will be led by Concern.

Expected outputs of Component 1 include:

(i) Training plans and implementation manuals adapted from existing materials and disseminated to community level;

(ii) At least 200 mentors trained as girls' club facilitators;

(iii) At least 20,300 young women aged 10-24 years participating in peer learning on life skills, and health and nutrition knowledge through girls' clubs;

(iv) At least 1,400 service providers trained on health and nutrition and livelihood development components;

(v) Annual community-based events conducted on pre-conception nutrition and preventing early marriage in each Woreda;

(vi) Intermittent IFA supplementation and deworming for women 15-24 years in girls' clubs; and

(vii) Processes established for joint planning, implementation, and supervision in the two woredas.
Component 2: Support to develop livelihoods and improve nutrition

This component will promote homestead gardens, small-animal husbandry and contextually-appropriate income generating activities (IGAs) through Farmer Training Centers (FTCs) (one per Woreda), established as central locations for training and knowledge transfer through demonstrations to at least 2,400 “model farmers”, women 15-24 years selected by their communities. These will pass on knowledge and skills to promote adoption and replication at community level, with a target of 8 young women trained by each model farmer to reach the 19,200 young women who participated in the girls’ clubs established in Component 1. This component will support the strengthening or establishment of 20 nutrition-agriculture cooperatives for young women (10 per Woreda; each reaching at least 25 women aged 15-24 years) that will act as satellite centers to increase the model farmers’ access to a context-appropriate range of IGAs and market linkages.

These cooperatives will be building upon existing cooperatives in the area, where possible, but the activities will be managed by 300 young women who are members and active participants of cooperatives in their Kebeles and will be selected as leaders of the cooperatives and will become “master farmers”. They will receive additional training in leadership, financial management, marketing, and technical capacity development tailored to the catchment areas of their cooperatives. The model farmers in collaboration with the community and with the support of the 300 master farmers, will select the farming activities of each cooperative from a pre-determined list of activities that promote nutrition. Training to the model farmers and procurement of inputs to strengthen the FTCs will be completed by the end of Year 1, and the community-based roll-out of the agriculture activities will start at the beginning of Year 2 to build upon the community structures established in Component 1.

Project activities will strengthen household resilience to shock, especially among Productive Safety Net Program (PSNP) participants. This will provide synergies with PSNP. Adolescent girls targeted through this project who are from PSNP households will bring change at family level through the benefits of this project. There will be linkages and cross learning in relation to on-farm and off-farm livelihood activities. As the project will be working with the Woreda Agricultural Office these linkages will be easily facilitated. The specific activities in this component will include:

(i) Community consultations to identify climate-appropriate micronutrient-rich crops in the target areas;
(ii) Support for developing two model FTCs (one per Woreda) as nutrition-agriculture training and demonstration sites;
(iii) Support to 2,400 model farmers for establishment of home level gardening initiatives to be used as demonstration plots for young women in nearby areas;
(iv) Establishment of 20 nutrition agriculture cooperatives supported by 300 trained master farmers (young women); and

(v) Use of digital data gathering (DDG) technology to support the agricultural training activities and monitoring of the girls clubs activities. The community-based agriculture training and mentoring of activities will be delivered by an agriculture technical officer in each Woreda, supported by two agriculture outreach workers and an Infant and Young Child Feeding (IYCF) outreach worker in each Woreda, who will be procured as consultants under this project.

Expected outputs of Component 2 will include:

(i) At least 2,400 young women (15-24 years) trained as model farmers and receiving input packages and 19,200 young women participating in demonstrations by the model farmers;

(ii) 300 master farmers (young women) trained on leadership, market development and the management of nutrition agriculture cooperatives to support sustained income generation of on-farm and off-farm initiatives;

(iii) 20 nutrition agriculture cooperatives (10 per Woreda) strengthened/established to be used as demonstration sites and promote homestead production of micronutrient-rich foods, IGAs, and links to markets; and

(iv) At least 500 young women participating in these cooperatives.

Component 3: Project management, administration, monitoring and evaluation, and knowledge dissemination

a. Project management and administration: This sub-component will include operating costs for the project, including office space and supplies, vehicle rent, communication and insurance costs, special account banking charges, rental expenses, office maintenance costs, utilities, travel and per diem, and salaries of staff, but excluding Government staff salaries. This sub-component also includes the costs of personnel for project management and administration: Consultants will be hired to carry out the following project functions: a area coordinator to ensure implementation of the activities outlined in Components 1 and 2; project procurement; office administration; fiduciary management; and internal and external audits. This sub-component will cover partial (up to 5% of the total recipient grant amount) Non-Governmental Organization (NGO) salary costs for direct support for both technical and management aspects of the project, as follows: (i) 25% of full-time salary for two technical staff from the implementing partner (Concern), specifically for a nutrition specialist and an agricultural specialist, who will provide technical oversight and monthly supervision for the activities in components 1 and 2; and (ii) 15% of the full-time salary of the
director of programs, who will provide technical and management support to the consultants listed in Component 3, lead advocacy/dissemination at national level, and manage project reporting to the World Bank.

b. **Monitoring and evaluation (M&E):** The implementing agency will manage M&E activities, including: (i) Participatory monitoring strategy to engage beneficiaries in routine monitoring of program inputs and use and continuous quality improvement of project implementation. (ii) Mid-term review to assess lessons learned with district and provincial stakeholders and to make necessary revisions to implementation plans; and (iii) Evaluation framework using baseline and end line surveys and evaluation of the project impact, with qualitative methods to understand the mechanisms of the effects. The implementing agency (Concern) will engage with a national consultant to design the baseline and end line evaluations for learning and for capacity building purposes. Concern will also involve a dedicated M&E staff during the review process.

c. **Knowledge dissemination:** Dissemination workshops will be held to share findings and identify next steps. A midterm workshop will be held at the regional level, final workshops will be held at both regional and national levels, and an overall implementation report will be prepared to widely disseminate lessons learned. To ensure coordination of project activities and buy in from all stakeholders, the existing regional level steering committee (see section on stakeholders) comprising all relevant ministries (MOH, MOE, MOA, Ministry of Labour and Social Affairs (MOLSA), MOWYCA, Bureau of Finance and Economic Development) will be strengthened. This group will be communicated and mobilized at the beginning of the project and will be supported to meet quarterly. The implementing agency (Concern) will be responsible for managing these dissemination and coordination activities. This component will also support other meetings or workshops organized by the regional steering committee on nutrition issues. Also under this subcomponent, safeguards management will ensure staffing and training is in place to ensure that the project citizen engagement, equitable sharing of project benefits, grievance redress mechanism and safeguards risk management are established and maintained throughout the life of the project and this sub-component also includes the Bank Implementation Completion Report (ICR).
2. PRINCIPAL ACCOUNTING POLICIES

Concern uses the Microsoft application "Great plain" to prepare and close its accounts. The system was installed for the Ethiopia office three years ago and has recently been updated from version nine to eleven. Concern uses the Modified cash basis of accounting. The accounting period of Concern is from January 1 to December 31.

a) Income and expenditure recognition

The income is recognized on the basis of actual cash receipt whereas expenditure recognition is on modified basis.

b) Fixed assets

Fixed asset acquired for the project are shown as expenditure in the year it occurs and reported on memorandum records.

c) Foreign currency transactions.

Transactions in foreign currencies are translated using the exchange rate prevailing on the date of the transaction.
PROMOTING YOUNG WOMEN'S LIVELIHOODS AND NUTRITION PROJECT
IMPLEMENTED BY CONCERN WORLDWIDE, ETHIOPIA
GRANT NUMBER-TFOA6688
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD COVERING APRIL 20, 2018 UP TO DECEMBER 31, 2018
Currency: Eth.Birr

3 ACCOUNT PAYABLES
Concern Worldwide 2,193,313.52
This balance represents funds obtained from Concern Worldwide to pre-finance the project, which is to be reimbursed by the World Bank.

4 FUND BALANCE
Balance brought forward
Add: excess of expenditure over income 2,193,313.52
Balance carried forward 2,193,313.52

5 USES OF FUNDS BY PROJECT COMPONENTS AND CATEGORY

<table>
<thead>
<tr>
<th>EXPENDITURES BY COMPONENT</th>
<th>Original Budget in (ETB)</th>
<th>Current period (April 20, 2018 - December 31, 2018)</th>
<th>Plan</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Community mobilization to enhance life skills, health and nutrition of selected women</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants</td>
<td>-</td>
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<td>487,301.26</td>
<td>58,935.00</td>
<td>428,366.26</td>
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<tr>
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<td>1,190,513.65</td>
<td>137,811.44</td>
<td>1,052,702.21</td>
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<tr>
<td>Goods</td>
<td>-</td>
<td>5,283,469.92</td>
<td>1,190,513.65</td>
<td>137,811.44</td>
<td>1,052,702.21</td>
</tr>
<tr>
<td>Operating costs</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Sub total</td>
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<td>196,746.44</td>
<td>1,481,068.47</td>
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<tr>
<td>2. Support to develop livelihoods and improve nutrition</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants</td>
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<td>109,051.36</td>
<td>-</td>
<td>109,051.36</td>
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</tr>
<tr>
<td>Training</td>
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<td>630,035.41</td>
<td>40,480.00</td>
<td>589,555.41</td>
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<tr>
<td>Sub Grant</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Goods</td>
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<td>143,129.90</td>
<td>31,831.50</td>
<td>111,298.40</td>
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<tr>
<td>Operating costs</td>
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<td>157,677.10</td>
<td>63,165.09</td>
<td>94,512.01</td>
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<tr>
<td>Sub total</td>
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<td>135,476.59</td>
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<tr>
<td>3. Project management, policy advocacy, monitoring and evaluation</td>
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<tr>
<td>Consultants</td>
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<td>770,453.03</td>
<td>627,279.33</td>
<td>143,173.70</td>
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<td>Training</td>
<td>1,068,703.29</td>
<td>-</td>
<td>39,564.38</td>
<td>(39,564.38)</td>
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<tr>
<td>Goods</td>
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<td>123,040.74</td>
<td>196,880.00</td>
<td>(73,839.26)</td>
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<tr>
<td>Operating costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Operating costs</td>
<td>7,046,564.52</td>
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<td>OCS: NGO staff salaries</td>
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<td>348,553.60</td>
<td>152,417.75</td>
<td>196,135.85</td>
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<td>Sub total</td>
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<td>2,602,454.68</td>
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<td>741,364.18</td>
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<td>TOTAL Expenditures (ETB)</td>
<td>75,054,595.66</td>
<td>5,320,163.37</td>
<td>2,193,313.52</td>
<td>3,126,849.85</td>
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PROMOTING YOUNG WOMEN'S LIVELIHOODS AND NUTRITION PROJECT
IMPLEMENTED BY CONCERN WORLDWIDE, ETHIOPIA
GRANT NUMBER-TFOA6688
FIXED ASSETS PURCHASED FOR THE PROJECT
FROM APRIL 20, 2018 UP TO DECEMBER 31, 2018

<table>
<thead>
<tr>
<th>S.No.</th>
<th>ASSET CATEGORY</th>
<th>SUB/CATEGORY DESCRIPTION</th>
<th>MAKE/ MODEL</th>
<th>SERIAL No.</th>
<th>Qty</th>
<th>Acquisition Date</th>
<th>Asset</th>
<th>ETB</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Electrical/ICT</td>
<td>Hp laptop w/bag</td>
<td>Hp 450 G5</td>
<td>SCG8232CVM</td>
<td>1</td>
<td>19/09/2018</td>
<td>34,960.00</td>
<td>H.o. A.A</td>
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<td>2</td>
<td>Electrical/ICT</td>
<td>Hp laptop w/bag</td>
<td>Hp 450 G5</td>
<td>SCG8232CW8</td>
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<td>19/09/2018</td>
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<td>H.o. A.A</td>
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<td>3</td>
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<td>Galaxy Tab</td>
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<td>10</td>
<td>18/09/2018</td>
<td>79,350.00</td>
<td>H.o. A.A</td>
<td></td>
</tr>
</tbody>
</table>

Prepared By: Abel Goa
Checked By: Kevin Fitzpatrick