



Inter-American Institute for Cooperation on Agriculture - IICA

Financial Statements

December 31, 2012 and 2011

With the Report of Independent Auditors

Inter-American Institute for Cooperation on Agriculture - IICA

Financial Statements

December 31, 2012 and 2011

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Report of Independent Auditors

*To the Inter-American Board of Agriculture
Inter-American Institute for Cooperation on Agriculture (IICA)*

We have audited the accompanying financial statements of the Inter-American Institute for Cooperation on Agriculture (IICA) (hereinafter “the Institute”) which comprise the balance sheet as of December 31, 2012, the statement of activities of unrestricted net assets, the statement of changes in net assets, and the statement of cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America and for such internal control as management determined 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on 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 auditor's 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 auditor considers internal control relevant to the Institute's preparation and fair presentation 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 Institute'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 qualified audit opinion.

*To the Inter-American Board of Agriculture
Inter-American Institute for Cooperation on Agriculture (IICA)*

Basis for Qualified Opinion

As of December 31, 2012, IICA maintained in its records provisions for employee benefits for US\$16,948,838, which were not based on actuarial or other similar studies to determine the obligation and disclosures required under U.S. generally accepted accounting principles. As of December 31, 2012, for the portion of provisions for personnel benefits of US\$8,339,165, IICA holds actuarial studies that were prepared using accounting principles different than the U.S. generally accepted accounting principles. Consequently, the net assets and liabilities as of December 31, 2012, and the changes in net assets for the year then ended, are affected by total amounts that have not been determined by the Administration of IICA.

Qualified Opinion

In our opinion, except for the effects of the matters explained in the above paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Inter-American Institute for Cooperation on Agriculture (IICA) as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Other matters

The Institute's financial statements as of December 31, 2011, were audited by other auditors whose report dated June 19, 2012, expressed a qualified opinion on those statements.

We conducted our audit for the purpose of expressing an opinion on the Entity's financial statements taken as a whole. The supplementary financial information included in Appendixes 1 to 3 are presented for the purpose of reporting on the status and movements of the quotas receivable from Member States and the execution of IICA's operations. This information is not a required part of the basic financial statements. This information has been the object of the audit procedures applied on the mentioned financial statements and is, in our opinion, presented fairly, in all material respects, in relation to the financial statements taken as a whole.

Ernst & Young, S.A.

Juan José Guzmán R.
Juan José Guzmán Rojas - CPA 2478
May 9, 2013
Edificio Meridiano
Escazú, Costa Rica
Insurance Policy N° 0116 FIG 7

Ernst & Young, S.A.

Stamp tax paid - Law No. 6663



Inter-American Institute for Cooperation on Agriculture - IICA
Balance Sheets
December 31, 2012 and 2011

(expressed in US dollars)

Notes	December 31, 2012				December 31, 2011	
	Unrestricted	Temporarily restricted	Permanently restricted	Total		
ASSETS						
CURRENT ASSETS						
3	Cash	US\$ 26,293,940	US\$ -	US\$ -	US\$ 26,293,940	US\$ 31,979,082
4	Cash equivalents	41,022,049	-	-	41,022,049	61,540,725
5	Investments held to maturity	33,936,679	-	-	33,936,679	10,000,000
	Sub-total	<u>101,252,668</u>	<u>-</u>	<u>-</u>	<u>101,252,668</u>	<u>103,519,807</u>
	Receivables:					
c.1.	Quotas from Member States	2,643,037	-	-	2,643,037	2,327,601
	Payments made on behalf of contracts, agreements and grants	376,732	-	-	376,732	630,025
	Due from regular fund to trust fund	(65,818,165)	65,818,165	-	-	-
	Other	197,303	-	-	197,303	361,078
	Sub-total	<u>(62,601,093)</u>	<u>65,818,165</u>	<u>-</u>	<u>3,217,072</u>	<u>3,318,704</u>
2.15	Less: Allowance for doubtful accounts	<u>(264,928)</u>			<u>(264,928)</u>	<u>(264,928)</u>
	Receivables - net	<u>(62,866,021)</u>	<u>65,818,165</u>	<u>-</u>	<u>2,952,144</u>	<u>3,053,776</u>
	Inventories	84,248	-	-	84,248	70,265
	External resources advances	1,708,384	-	-	1,708,384	79,988
	Prepaid expenses	35,480	-	-	35,480	918
	Other assets	145,676	-	-	145,676	178,315
	Total current assets	40,360,435	65,818,165	-	106,178,600	106,903,069
6	Property, furniture and equipment - Net	1,609,339	-	8,713,171	10,322,510	10,427,793
	TOTAL ASSETS	<u>US\$ 41,969,774</u>	<u>US\$ 65,818,165</u>	<u>US\$ 8,713,171</u>	<u>US\$ 116,501,110</u>	<u>US\$ 117,330,862</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
	Accounts payable and accrued expenses	US\$ 4,590,478	US\$ -	US\$ -	US\$ 4,590,478	US\$ 1,595,354
	Other accruals	191,307	-	-	191,307	1,039,007
	Total current liabilities	<u>4,781,785</u>	<u>-</u>	<u>-</u>	<u>4,781,785</u>	<u>2,634,361</u>
	Provisions for:					
	Repatriation and transfer of international professional personnel	1,318,056	-	-	1,318,056	1,307,406
	Recognition of years of service for international professional personnel	1,380,610	-	-	1,380,610	1,263,161
	Recognition of years of service for local personnel	2,430,292	-	-	2,430,292	2,210,648
	Other termination benefits	13,497,362	-	-	13,497,362	11,383,572
	Total provisions	<u>18,626,320</u>	<u>-</u>	<u>-</u>	<u>18,626,320</u>	<u>16,164,787</u>
	Total liabilities	<u>23,408,105</u>	<u>-</u>	<u>-</u>	<u>23,408,105</u>	<u>18,799,148</u>
	NET ASSETS:					
	Unrestricted funds:					
	Regular fund:					
1.b.1.	General subfund	4,266,129	-	-	4,266,129	4,260,499
1.b.1.	Working subfund	4,094,736	-	-	4,094,736	4,094,736
1.b.1.	Miscellaneous income fund	5,366,602	-	-	5,366,602	7,120,160
1.b.1.	Institutional net rate fund	3,224,863	-	-	3,224,863	2,977,033
1.b.1.	Fixed assets fund	1,609,339	-	-	1,609,339	1,714,622
	Temporarily restricted funds:	-	-	-	-	-
1.b.2.	Trust funds	-	65,818,165	-	65,818,165	69,651,493
1.b.3.	Permanently restricted fund - land	-	-	8,713,171	8,713,171	8,713,171
	Total net assets	<u>18,561,669</u>	<u>65,818,165</u>	<u>8,713,171</u>	<u>93,093,005</u>	<u>98,531,714</u>
	TOTAL LIABILITIES AND NET ASSETS	<u>US\$ 41,969,774</u>	<u>US\$ 65,818,165</u>	<u>US\$ 8,713,171</u>	<u>US\$ 116,501,110</u>	<u>US\$ 117,330,862</u>
13	Contingencies	US\$ -	US\$ -	US\$ -	US\$ -	US\$ -

The accompanying notes are part of the financial statements

Inter-American Institute for Cooperation on Agriculture - IICA
Statements of Activities of Unrestricted Net Assets
Years ended December 31, 2012 and 2011

(expressed in US dollars)

	2012				2011			
	Regular fund quotas	Miscellaneous income fund	Institutional net rate fund	Total	Regular fund quotas	Miscellaneous income fund	Institutional net rate fund	Total
REVENUES:								
7 Quotas from Member States	US\$ 27,689,900	US\$ -	US\$ 10,692,809	US\$ 38,382,709	US\$ 27,298,240	US\$ -	US\$ 9,716,712	US\$ 37,014,952
Recovery of Institutional Net Rate (INR)	-	-	-	-	-	-	-	-
Temporarily restricted funds assets released from restrictions	-	-	-	-	-	-	-	-
Total revenues	US\$ 27,689,900	-	US\$ 10,692,809	US\$ 38,382,709	US\$ 27,298,240	-	US\$ 9,716,712	US\$ 37,014,952
EXPENSES:								
International professional personnel	9,432,975	-	-	9,432,975	9,502,599	-	-	9,502,599
Local professional and general services personnel	9,165,219	-	-	9,165,219	8,850,441	-	-	8,850,441
Training and technical events	1,251,466	-	-	1,251,466	735,775	-	-	735,775
Official travel	1,271,097	-	-	1,271,097	1,050,338	-	-	1,050,338
Documents and materials and supplies	446,349	-	-	446,349	485,931	-	-	485,931
Plant, equipment and furniture	241,927	-	-	241,927	530,217	-	-	530,217
General services	2,103,610	-	-	2,103,610	2,649,987	-	-	2,649,987
Performance contracts and transfers	1,996,967	-	-	1,996,967	1,748,965	-	-	1,748,965
9 Annual allowance to CATTIE	988,600	-	-	988,600	976,300	-	-	976,300
Annual allowance to Caribbean Agricultural Research and Development Institute (CARDI)	200,000	-	-	200,000	200,000	-	-	200,000
Other costs	586,154	-	-	586,154	560,659	-	-	560,659
Sub-total of expenses related to quota budget and working subfund	27,684,364	-	-	27,684,364	27,291,192	-	-	27,291,192
Temporarily restricted funds assets released from restrictions	-	-	-	-	-	-	-	-
8 Disbursements financed with funds from the Institutional Net Rate (INR)	-	-	10,398,301	10,398,301	-	-	8,737,023	8,737,023
Commercial and miscellaneous operations	-	-	-	-	-	-	-	-
Total expenses	US\$ 27,684,364	US\$ 1,756,503	US\$ 10,398,301	US\$ 39,839,168	US\$ 27,291,192	US\$ 1,828,846	US\$ 8,737,023	US\$ 37,857,061
Increase (decrease) in unrestricted net assets for the year, before excluding net expenses capitalized as property, furniture and equipment and including depreciation of the year	5,536	(1,756,503)	291,508	(1,150,460)	7,048	(1,828,846)	979,689	(842,109)
Exclusion of net capitalized expenses as property, furniture and equipment	641,618	-	-	641,618	598,573	-	-	598,573
Prior period adjustments	94	2,945	(46,078)	(43,639)	-	-	(177,899)	(177,899)
Increase in unrestricted net assets for the year, before including depreciation of the year	647,248	(1,753,558)	247,830	(858,480)	605,621	(1,828,846)	901,790	(321,435)
Inclusion of depreciation of the year	(746,901)	-	-	(746,901)	(963,844)	-	-	(1,707,744)
Decrease in unrestricted net assets	US\$ (99,653)	US\$ (1,753,558)	US\$ 247,830	US\$ (1,605,381)	US\$ (358,223)	US\$ (1,828,846)	US\$ 901,790	US\$ (1,285,279)

The accompanying notes are part of the financial statements

Inter-American Institute for Cooperation on Agriculture - IICA
Statements of Changes in Net Assets
Years ended December 31, 2012 and 2011

(expressed in US dollars)

	NET ASSETS							Total
	Regular fund		Unrestricted		Temporarily restricted		Permanently restricted	
	General subfund	Working subfund	Fund for various revenues	Institutional net rate fund	Fixed assets fund	Trust funds	Land	
Balance at December 31, 2010	US\$ 4,253,451	US\$ 4,094,736	US\$ 8,949,006	US\$ 2,075,243	US\$ 2,079,893	US\$ 77,824,768	US\$ 8,713,171	US\$ 107,990,268
Increase (decrease) in unrestricted net assets for the year	605,621	-	(1,828,846)	979,689	(963,844)	-	-	(1,207,380)
Prior years adjustments	-	-	-	(77,899)	-	-	-	(77,899)
Decrease in unrestricted net assets	605,621	-	(1,828,846)	901,790	(963,844)	-	-	(1,285,279)
Restricted contributions received from donors	-	-	-	-	-	156,981,843	-	156,981,843
Net assets released from restrictions	-	-	-	-	-	(165,578,508)	-	(165,578,508)
Capitalization of net disbursements as property, furniture and equipment	(598,573)	-	-	-	598,573	-	-	-
Net decrease in disbursements made on behalf of contracts, agreements and grants receivable from donors	-	-	-	-	-	-	-	-
Balance at December 31, 2011	4,260,499	4,094,736	7,120,160	2,977,033	1,714,622	423,390	8,713,171	98,531,714
Increase (decrease) in unrestricted net assets for the year	647,154	-	(1,736,503)	294,508	(746,901)	-	-	(1,561,742)
Prior years adjustments	94	-	2,945	(46,678)	-	-	-	(43,639)
Decrease in unrestricted net assets	647,248	-	(1,753,558)	247,830	(746,901)	-	-	(1,605,381)
Restricted contributions received from donors	-	-	-	-	-	164,853,694	-	164,853,694
Net assets released from restrictions	-	-	-	-	-	(168,433,729)	-	(168,433,729)
Capitalization of net disbursements as property, furniture and equipment	(641,618)	-	-	-	641,618	-	-	-
Net decrease in disbursements made on behalf of contracts, agreements and grants receivable from donors	-	-	-	-	-	(253,293)	-	(253,293)
Balance at December 31, 2012	US\$ 4,266,129	US\$ 4,094,736	US\$ 5,366,602	US\$ 3,224,863	US\$ 1,609,339	US\$ 65,818,165	US\$ 8,713,171	US\$ 93,093,005

The accompanying notes are part of the financial statements

Inter-American Institute for Cooperation on Agriculture - IICA
Statements of Cash Flows
Years ended December 31, 2012 and 2011

(expressed in US dollars)

Notes	2012	2011
OPERATING ACTIVITIES		
Decrease in unrestricted net assets for the year	US\$ (1,561,742)	US\$ (1,207,380)
Plus: Items not requiring cash:		
Prior years adjustments	<u>(43,639)</u>	<u>(77,899)</u>
Decrease in unrestricted net assets	(1,605,381)	(1,285,279)
Depreciation	746,901	963,844
Interest income from investments	(2,979,585)	(3,591,609)
Cash provided by (used in) changes in:		
Quotas receivable from Member States	(315,436)	(645,747)
Other receivables	163,775	523,098
Inventories	(13,983)	27,666
Prepaid expenses	(1,662,958)	305,086
Other assets	40,454	36,405
Accounts payable and accrued expenses	2,995,124	(719,248)
Other accruals	(847,700)	732,638
Provisions	<u>2,461,533</u>	<u>(887,260)</u>
Net cash used in operating activities	<u>(1,017,256)</u>	<u>(4,540,406)</u>
INVESTING ACTIVITIES		
Acquisition of investments held to maturity	(23,936,679)	(10,000,000)
Interest income received on investments	2,971,770	3,568,920
Additions of furniture and equipment	(666,653)	(609,977)
Disposal of furniture and equipment	<u>25,035</u>	<u>11,404</u>
Net cash used in investing activities	<u>(21,606,527)</u>	<u>(7,029,653)</u>
FINANCING ACTIVITIES		
Restricted contributions received from donors	164,853,694	156,981,843
Disbursements made in the execution of trust funds	<u>(168,433,729)</u>	<u>(165,578,508)</u>
Net cash used in financing activities	<u>(3,580,035)</u>	<u>(8,596,665)</u>
Net decrease in cash and cash equivalents	(26,203,818)	(20,166,724)
Cash and cash equivalents, beginning of year	93,519,807	113,686,531
Cash and cash equivalents, end of year	US\$ <u><u>67,315,989</u></u>	US\$ <u><u>93,519,807</u></u>

The accompanying notes are part of the financial statements

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

1. Nature of the business, basis of presentation and significant accounting policies

a. Nature of the Business - The Inter-American Institute for Cooperation on Agriculture (IICA) was organized October 7, 1942 under the name Inter-American Institute of Agricultural Sciences, as an initiative by the Organization of American States (OAS) in the District of Columbia, United States of America, for an indefinite term. IICA is an autonomous international legal entity of Inter-American scope, whose main objective is to stimulate, promote, and support the efforts of the Member States to achieve agricultural development and rural well-being. Its regulations and operating procedures currently in use were approved at the First Ordinary Meeting of the Inter-American Board of Agriculture, held in August 1981 in Argentina.

IICA has the following formal authority structures:

- Inter-American Board of Agriculture (IABA), comprised by a representative from each Member State.
- Executive Committee, comprised by twelve Member States.
- General Directorate.

At present, IICA is made up of 34 Member States with central headquarters located in San José, Costa Rica.

b. Basis of Presentation and Funds Managed - The financial statements have been prepared in accordance with the generally accepted accounting principles in the United States of America (USGAAP), and are presented according to the fund accounting basis for not-profit organizations established by the American Institute of Certified Public Accountants (AICPA). The funds managed by IICA are classified in the financial statements according to the policies established by IICA in Unrestricted Funds, Temporarily Restricted Funds and Permanently Restricted Funds. These funds are segregated based on their source and purpose, as follows:

b.1. Unrestricted Funds

Regular Fund - This fund is comprised of the following two subfunds:

- **General Subfund** - Activities of this subfund are mainly financed by mandatory contributions from Member States, as established by IABA, based on the quota computation system of the OAS. In addition, the miscellaneous income is recorded in this fund, unless the IABA or the Executive Committee has approved it for specific purposes. The purpose of the General Subfund is to finance execution of the regular activities planned and budgeted by IICA, including administration and management activities.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

- **Working Subfund** - The purpose of this subfund is to ensure the normal financial operation of IICA. According to Article No. 89 of the Rules of the General Directorate, the subfund balance shall not exceed 15% of annual quotas approved for the corresponding fiscal year, unless otherwise decided by IABA or the Executive Committee. This fund is constituted by the proceeds from the balances of uncommitted appropriations financed by quotas outstanding at each fiscal year-end and by additional funds specifically assigned by IABA or the Executive Committee.

Fixed Assets Fund - The Fixed Assets Fund is used by IICA to control unrestricted property, furniture and equipment, which have been either acquired with resources from the Regular Fund and the Institutional Net Rate (INR) Fund or donated thereto by a national or international organization. The balance of the Fixed Assets Fund represents the cost, net of depreciation, of fixed assets owned by IICA, except for land with permanent use restrictions.

Institutional Net Rate (INR) Fund - The objective of this Fund is to finance additional costs incurred by IICA, in the execution of contracts, agreements, and grants subscribed by donors (Member States, international organizations, and others) for specific purposes and to contribute to the Institute's pre-investment activities. The Institutional Net Rate Fund balance is comprised of the recovery of Institutional Net Rate (INR) in the management of projects executed by IICA with external resources.

Miscellaneous Income Fund - This fund was created by the IABA through resolution IICA/IABA/Res.400 (XII-O/03) dated November 13, 2003, with the purpose of covering immediate financial needs of IICA. The Miscellaneous Income Fund is comprised of the balance of those proceeds from the General Subfund that are not committed in the Regular Fund budget at the end of the fiscal year in which they were received.

b.2. Temporarily Restricted Funds

Trust Funds - The Trust Funds have been established according to contracts, agreements, and grants subscribed by donors (Member States, international organizations, and others) for specific purposes. For control purposes, separate records are maintained to account for income and expenses related to the Trust Funds. Moreover, financial resources pertaining to some funds are managed through separate bank accounts according to the agreement terms executed by IICA and the donors.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

b.3. Permanently Restricted Fund - Land

This fund is represented by the original contribution of land to IICA, which has permanent use restrictions (Note 6).

c. Budget - A summary of significant aspects of each fund budget is provided below:

c.1. Regular Fund - On October 20, 2011, through Resolution IICA/IABA/ Res.470 (XVI-O/11), and on October 30, 2009, through Resolution IICA/IABA/ Res.453 (XV-O/09), IABA approved the 2012 and 2011 budget for the Regular Fund made up of Member State quotas and other miscellaneous income amounting in 2012 to US\$27,689,600 and US\$6,100,000, respectively, and amounting in 2011 to US\$27,298,239 and US\$6,100,000, respectively. Appendix I of Supplementary Financial Information shows movement of quotas receivable during the year ended December 31, 2012.

The 2012 and 2011 miscellaneous income corresponds to US\$3,500,000 and US\$4,100,000, respectively, of budgeted income for that year and transfers of US\$2,600,000 and US\$2,000,000, respectively, from the available balance of the Miscellaneous Income Fund.

The above resolutions authorize the Director General to transfer amounts between budget chapters not exceeding 10% of each chapter total.

In the Appendix No.2 of Supplementary Financial Information a comparative analysis is shown of the detailed budget, actual expenses and respective over/under execution.

c.2. Trust Funds Through resolution IICA/IABA/Res.254 (VIII-O/95) dated September 19, 1995, IABA authorized the Director General to use the resources provided to IICA through the institutions and Member States related to contracts, agreements, and grants, for the agreed upon purposes. The mentioned resolution authorized the Director General to accept contributions and donations, and to subscribe contracts or agreements, as long as they are consistent with the objectives of IICA programs and that the Executive Committee of IICA is notified in advance of contracts or agreements exceeding US\$500,000.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

2. Significant Accounting Policies

- 2.1. Monetary Unit and Foreign Currency Transactions** - The accounting records of IICA are kept in United States Dollars (US\$) and the financial statements are expressed in such currency. Assets and liabilities in currencies of the countries where IICA's activities are developed are translated into U.S. Dollars at official exchange rates in effect in each country. Transactions in such currencies are translated into U.S. Dollars using monthly average exchange rates. When determining its financial position and results of activities, IICA values and adjusts the balances of assets and liabilities that are recoverable or payable in the local currency of countries where activities are developed. The resulting differences are applied to the results of the period in which they are incurred.
- 2.2. Cash and Cash Equivalents** - Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value with original maturity of less than 3 months.
- 2.3. Investments Held to Maturity** - Investments held to maturity are recorded at cost and are valued under the cost method. The fair value of investments measured at cost is not required to be estimated when there are no events or changes in circumstances that could have an adverse effect on the fair value of the investment. IICA does not have the intention of selling these investments, and it is more likely than not that IICA will not be required to sell them prior to the recovery of the value of their amortized cost.
- 2.4. Due From Regular Fund and Temporarily Restricted Net Assets** - Funds contributed by institutions and Member States (donors) to establish Trust Funds for executing contracts, agreements, and grants are recorded as restricted contributions received from donors within temporarily restricted net assets. As the funds are used in the agreed-upon activities defined in those contracts, agreements and donations, IICA recognizes them simultaneously an income released from restrictions and an expense of Trust Funds in the Statement of Activities of Unrestricted Net Assets. Generally, funds received from donors to execute contracts, agreements, and grants are managed by IICA as part of current assets of the Regular Fund. To identify the portion of funds corresponding to resources received from donors, an asset account entitled "Due from Regular Fund to Trust Funds" is used.

Whenever expenses incurred by IICA in the execution of a specific contract, agreement or grant, exceed the amounts contributed to date or are reimbursable, the excess is recorded as a balance receivable from the respective donor.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

- 2.5. Inventories** - Inventories are comprised mainly of office supplies and materials, and are measured at the average cost which does not exceed its fair market value.
- 2.6. Accounts Receivable** - Accounts receivable are non-derived financial assets with fixed or determined payments which are not quoted in active markets. After initial recognition at cost, accounts receivable's collection is analyzed periodically, and an allowance is recorded for any accounts classified as doubtful with the corresponding charge to the period. Accounts declared uncollectible are credited to accounts receivable and debited to the allowance.
- 2.7. Property, Furniture and Equipment** - IICA has adopted the policy of charging the amounts disbursed and/or committed for the acquisition of fixed assets to current period expenses, and, subsequently, capitalizing those amounts in the Fixed Assets Fund. Such capitalization is recorded at original acquisition cost of the asset or, in the case of donated assets, the market value in effect at the donation date, if they are donated. Minor repairs and maintenance expenses are charged to results of the annual activities. Such practice enables IICA to compare expenditures with annual budgeted amounts for the acquisition of fixed assets and, at the same time, to present such amounts as capitalized assets in the balance sheet.

IICA defines in its contracts, agreements and/or covenants subscribed with donors, clauses related to the final receivers of property, furniture and equipment acquired by the projects and transferred as donations at the end of the projects. Therefore, it does not require to apply a time restriction related to the useful lives of donated assets when their donors did not define such terms.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

- 2.8. Accumulated Depreciation** - The historic cost of property, plant and equipment is depreciated under the straight line method, based on their estimated useful lives.

Below is a detail of estimated useful lives:

	Estimated Useful Lives
Buildings	25 years
Furniture and equipment	3 to 10 years
Vehicles	4 years

- 2.9. Provisions** - According to the organization's regulations, in case of resignation or dismissal, IICA pays expenses for transfer, repatriation and recognition of years of service of international professional personnel. Such expenses are computed based on years of service of each employee and the number of dependents. Likewise, the national personnel may be entitled to recognition for length of service once they leave IICA, except in those countries where local laws require either payment of fourteen or more salaries per year, or payment of severance equal to half or more of monthly salaries per year of service, in the event of voluntary or involuntary termination.

Where IICA offices are located, local personnel may be entitled to termination benefits according to applicable legislation in each country. IICA follows the policy of recording an accrual for severance indemnities to cover future disbursements for this concept. Additionally, a provision for post-employment benefits for contractual agreements is recorded based upon the different national labor legislations and on the assumption that these would be settled as of the date of the financial statements and without considering the actuarial probabilities of future events, future salary increases and the time value of money. Actual termination payments are charged to the provision.

- 2.10. Net Assets - Restricted and Unrestricted Funds** - IICA applies the accounting standards contained in the Statement of Financial Accounting Standards FASB ASC Topic 958, Not For Profit Entities. In accordance with those standards, IICA records contributions received from donors for specific purposes, as well as any income generated by such contributions, as part of its net assets, in Temporarily Restricted Funds. The balance of each Temporarily Restricted Fund decreases when available resources are used for established purposes, and is disclosed as "net assets released from restrictions" in the Statement of Changes in Net Assets and in the Statement of Activities of Unrestricted Net Assets.

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The balance of Unrestricted Funds increases with the excess of income over expenses from IICA's activities (increase in unrestricted net assets), as determined at year-end. Likewise, such balance decreases when there is an excess of expenses over income (decrease in unrestricted net assets).

- 2.11. Revenue Recognition** - IICA recognizes revenue from Member State fees at the beginning of the year in accordance with the IABA resolutions. Additionally, IICA recognizes miscellaneous revenues as the services are provided.
- 2.12. Recovery of Institutional Net Rate (INR)**- As established in certain contract agreements signed with donors (Member States, international organizations, etc.), IICA recovers indirect costs incurred in the execution of trust funds, as a recognition of the administrative efforts performed by IICA to manage such contracts. Such reimbursement is recognized by IICA as income when earned and increases the balance of the Institutional Net Rate (INR) Fund.
- 2.13. Accounts Payable** - IICA recognizes liabilities in its financial statements when the ownership of goods is transferred and the service is received.
- 2.14. Generally Accepted Accounting Principles in the United States of America (USGAAP)**

2.14.1 Recently adopted accounting standards

The accounting policies adopted by the IICA to prepare its financial statements as of December 31, 2012 are consistent with those used to prepare the financial statements as of December 31, 2011.

Amendments to generally accepted accounting principles in the United States of America issued by the Financial Accounting Standard Board (FASB) which are effective since or after January 1st, 2012 did not have a significant effect on its financial statements.

Inter-American Institute for Cooperation on Agriculture - IICA
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(expressed in US dollars)

2.14. Generally Accepted Accounting Principles in the United States of America (USGAAP)

2.14.2. Accounting standards issued but not yet effective

Generally accepted accounting policies or their interpretations issued but not yet effective as of December 31, 2012 of the IICA's financial statements are listed below. The IICA intends to adopt these standards or interpretations, as they are applicable to its activities, when they enter into effect:

ASU No.2012-05 Not-for-Profit Entities (NFPs): Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows (Topic 230) Issued in October, 2012

Amendments in ASU 2012-05 require an NFP to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash.

Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities by the NFP. ASU 2012-05 is effective for interim and annual periods beginning after June 15, 2013 but early adoption is permitted.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

2.15. Significant accounting judgments, estimates and assumptions

Financial statement preparation requires Administration to make judgments, estimates, and use assumptions affecting reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities as of the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

Below are the judgments, estimates and assumptions indicated by Administration:

2.15.1 Judgments

In applying IICA's accounting policies, Administration has used the following judgments, which have an effect on the amounts recognized in the financial statements:

Quotas receivable from Member States

IICA includes in its activities the annual income from Member States' quotas, and therefore a balance receivable that remains as of the financial statements. IICA has determined, based on the convention on the Institute ratified by each Member State, that all balances receivable will be recoverable, regardless of their age and therefore it does not consider that an allowance for doubtful accounts should be recognized over these balances.

2.15.2 Estimates and assumptions

The main assumptions related to future events and other sources of estimates subject to variations as of the financial statements, which due to their nature carry a high risk of causing significant adjustments to the asset and liability amounts in next year's financial statements, are presented below:

Impairment of non-financial assets

IICA considers that there are no indications of impairment for any of its non-financial assets as of the financial statements and conducts impairment tests when there are indications that recorded values of non-financial assets may not be recovered. Additionally, during the years ended December 31, 2012 and 2011, IICA has not needed to recognize any impairment expenses related to non-financial assets.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
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(expressed in US dollars)

3. Cash

Cash in banks as of December 31, 2012 and 2011, includes funds held in separate bank accounts of US\$21,335,942 and US\$31,955,391, respectively, which should be used exclusively to cover disbursements from contracts signed by IICA and the counterparts.

4. Cash Equivalents

Cash equivalents are as follows:

	<u>2012</u>	<u>2011</u>
In Argentinean pesos:		
Time deposits, annual interest rates from 16.50% to 17.75% per year (2011: 14.50% to 15.50%)	US\$ 6,646,770	US\$ 1,926,010
In Mexican pesos:		
Money market funds, annual interest rate of 4.35% (2011: 0.55%)	8,337,772	104,229
Time deposits, annual interest rates of 4.96%	-	6,727,992
In Brazilian reals:		
Money market funds, annual interest rate of 6.24% and 6.6% (2011: 10.92% to 11.4%)	18,589,078	20,650,665
In Dominican pesos:		
Money market funds, annual interest rate 10%	2,976,427	-
In US dollars:		
Overnight investments, annual interest rate of 0.05% and 0.01% (2011: 0.05%)	661,888	739,279
Time deposits and investment funds, annual interest rate from 0.15% to 2 % (2011: 0.17% and 1.10%).	3,810,114	31,392,550
	US\$ <u>41,022,049</u>	US\$ <u>61,540,725</u>

As of December 31, 2012 and 2011, cash equivalents of US\$38,808,749 and US\$48,776,228, respectively, are restricted in their use to cover disbursements for contracts signed by IICA and the respective counterparts.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

5. Investments Held to Maturity

Investments held to maturity are detailed as follows:

	<u>2012</u>	<u>2011</u>
In Argentinean pesos:		
Time deposits at 17.5% interest rate	US\$ 1,440,329	US\$ -
In US Dollars:		
Time deposits at BAC San José, annual interest rate from 2.26% to 2.76%	496,350	-
Time deposits at Bank of America, annual interest rate from 0.37% to 0.55% (2011: 0.30% to 0.32%).	<u>32,000,000</u>	<u>10,000,000</u>
	US\$ <u>33,936,679</u>	US\$ <u>10,000,000</u>

As of December 31, 2012, investments held to maturity for US\$16,894,884 (US\$0 in 2011), are restricted to cover disbursements for contracts signed between IICA and the respective counterparts.

6. Property, Furniture and Equipment, net

Property, furniture and equipment, are detailed as follows:

	<u>2012</u>	<u>2011</u>
Unrestricted:		
Buildings	US\$ 5,205,177	US\$ 5,205,177
Vehicles	2,484,862	2,371,699
Furniture and equipment	<u>5,174,444</u>	<u>5,380,942</u>
Total unrestricted fixed assets	12,864,483	12,957,818
Less: accumulated depreciation	<u>(11,255,144)</u>	<u>(11,243,196)</u>
Unrestricted fixed assets - net	1,609,339	1,714,622
Permanently restricted :		
Land	<u>8,713,171</u>	<u>8,713,171</u>
	US\$ <u>10,322,510</u>	US\$ <u>10,427,793</u>

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
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(expressed in US dollars)

6. Property, Furniture and Equipment, net

Property, furniture and equipment do not include fixed assets acquired with resources from specific funds (Trust Funds), since such disbursements are considered expenditures related to the execution of specific agreements related to each fund. However, in accordance with the provisions of each agreement, when assets are donated, exchanged, or sold to IICA, they are recognized in the accounting records as part of the Fixed Assets Fund.

Land located in Costa Rica (San Isidro de Coronado, Turrialba and Limón) was donated to IICA by the Government of Costa Rica. However, once IICA concludes its official mission or terminates its functions in Costa Rica, this property and any improvements thereto shall be returned to the Government of Costa Rica. Income capitalized for this donation is shown in the financial statements of IICA as part of Net Assets - Permanently Restricted Funds. Throughout the years, IICA has built several administrative facilities and related infrastructure on the properties donated by the Government of Costa Rica. These improvements to donated properties have no restrictions of use and are being amortized over their estimated useful lives. As of December 31, 2012 and 2011, the net book value of such assets is US\$70,260 and US\$88,049, respectively.

According to an agreement subscribed between the Government of Costa Rica and IICA, the Tropical Agricultural Research and Training Center (CATIE) was granted usufruct rights to land and buildings located in Turrialba and Limón, Costa Rica.

7. Income and Expenses Related to the Institutional Net Rate (INR)

On October 13, 1997, through Resolution IICA/IABA/Res.310 (IX-0/97), the Inter-American Board of Agriculture agreed to establish the Institutional Net Rate (INR) Fund. The purpose of this fund is to finance the additional costs incurred by the Institute in the execution of contracts and to contribute to the institutional pre-investment activities.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

7. Income and Expenses Related to the Institutional Net Rate (INR)

Below is a detail of revenues and expenses associated with the Institutional Net Rate (INR):

Income:	2012	2011
Ministry of Agriculture and Rural Development - Colombia	US\$ 73,807	US\$ 545,194
Ministry of Agriculture and Livestock - Ecuador	140,420	202,374
Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina	1,051,947	1,222,920
Ministry of Agriculture and Livestock - El Salvador	2,864,418	1,305,662
National Health Service, Food Safety and Food Quality (SENASICA) - Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) – Mexico	4,769,330	4,305,804
Government of the United States of America Ministries of Agriculture, Livestock and Procurement, Agrarian Development; Mines and Energy - Brazilian Institute of Environment and Renewable Natural Resources - Brazil	187,326	128,946
Secretariat of Agriculture and Livestock - Honduras	106,613	738,906
International Cooperation Agencies	315,855	324,161
Other institutions	503,477	332,978
Total	US\$ <u>10,692,809</u>	US\$ <u>9,716,712</u>
Expenses:		
International professional personnel	US\$ 876,261	US\$ 793,912
Local professional and general services personnel	5,529,893	5,025,797
Training and technical events	367,794	224,815
Official travel	357,399	397,370
Documents and materials and supplies	204,935	195,724
Plant, equipment and furniture	435,397	471,985
General services	1,530,705	816,460
Performance, contracts and transfers	968,381	650,644
Other costs	127,536	160,316
Total	US\$ <u>10,398,301</u>	US\$ <u>8,737,023</u>

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
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(expressed in US dollars)

8. Commercial and Miscellaneous Operations

The results of commercial and miscellaneous operations are detailed below:

	2012		2011
Revenues:			
Interest on investments and cash equivalents	US\$ 1,767,095	US\$	2,468,115
Proceeds from equipment sale	284,330		133,620
Purchase discounts	191,616		452,552
Sale of services	54,719		22,986
Others	100,362		29,298
Total revenues from commercial and miscellaneous operations	<u>2,398,122</u>		<u>3,106,571</u>
Expenses:			
International professional personnel	127,051		227,136
Local professional and general services personnel	2,022,455		2,325,733
Training and technical events	191,680		206,176
Official travel	273,443		226,056
Documents and materials and supplies	153,733		243,886
Plant, equipment and furniture	320,321		149,379
General services	629,175		702,680
Performance, contracts and transfers	576,504		595,943
Other costs	50,549		64,387
Miscellaneous services	32,772		10,997
Sub-total	<u>4,377,683</u>		<u>4,752,373</u>
Exchange (gains) losses - net	<u>(223,058)</u>		<u>183,044</u>
Total expenses for commercial and miscellaneous operations	<u>4,154,625</u>		<u>4,935,417</u>
Excess of expenses over income	US\$ <u>(1,756,503)</u>	US\$	<u>(1,828,846)</u>

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
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(expressed in US dollars)

9. Tropical Agriculture Research and Training Center (CATIE)

On September 12, 2000, under Law No. 6873 the Costa Rican Legislative Assembly ratified CATIE's creation contract entered into by the Government of Costa Rica, IICA and CATIE. The most significant terms of this Law are as follows:

- a. The Inter-American Board of Agriculture will be the superior governing body of CATIE.
- b. CATIE's members (partners) may be regular or special. The regular members will be IICA, the Government of Costa Rica, and the Governments of the remaining member countries of IICA, which incorporate into CATIE via acceptance of the contract. Special members will include international governmental and non-governmental organizations, international centers, and private organizations with similar purposes as those of CATIE.
- c. IICA will contribute up to a maximum of 5% of IICA's quotas budget to CATIE's basic budget. The use of those contributions may be subject to an audit by IICA, when considered necessary. Each member country of CATIE will annually contribute US\$50,000 to cover CATIE's expenses.
- d. The new agreement will be for a 20-year period, and may be renewed for equal consecutive terms.
- e. CATIE is entitled to the following: i) usufruct rights to land, buildings, equipment, and other property contributed by IICA, plus improvements thereto, during the entire term of the contract, and ii) all assets CATIE has acquired or will acquire in the future.
- f. Upon termination of the contract, all usufruct property as well as improvements thereto, will be returned to IICA. The remaining assets will be distributed between IICA, the Government of Costa Rica, and regular active members based on quotas paid.

During the years ended December 31, 2012 and 2011, IICA contributed to CATIE US\$988,600 and US\$976,300 per annum, respectively, in accordance with the approved allocation in the Program Budget.

Inter-American Institute for Cooperation on Agriculture - IICA
Notes to the Financial Statements
December 31, 2012 and 2011

(expressed in US dollars)

10. Disbursements Subject to Approval

Some grant agreements subscribed with international organizations establish that disbursements for agreed-upon programs executed with grant funds are subject to approval or rejection by those same organizations, depending on compliance with the agreement terms.

As of December 31, 2012, IICA's Management is not aware of any expenses not yet reimbursed, that would have been questioned or disallowed by the respective donors.

11. Taxes

IICA is exempt from income and sales taxes in Costa Rica and other countries where it operates. With respect to other taxes, such as contributions and present or future national and municipal taxes, customs duties, national licenses, among others, the exemption is dependent upon the agreements subscribed with the Governments of those countries.

12. Inactive Funds

The Inter-American Board of Agriculture (IABA) approved, through various resolutions, the establishment of the following funds. Nevertheless, as of December 31, 2012 these funds have not yet received any contributions and therefore, remain inactive.

Patrimonial Fund - The purpose of this fund is to establish an endowment for the partial financing of IICA's activities. The fund balance would be made up of donations and other voluntary contributions from governments, individuals, private institutions, and other donors, as well as a portion of the Fund's annual income deposited in the endowment to increase and preserve its real value.

Capital Assets donated to the Fund, including all reinvested income to increase and maintain the real value of the Fund's Capital Assets, shall not be expensed for a 20 year-period from the date of the IABA resolution creating the Fund.

IICA Associates Trust Fund - In Resolution IICA/IABA/Res.312 (IX-O/97), dated October 13, 1997, the Inter-American Board of Agriculture approved the creation of the IICA Associates Trust Fund. The status of IICA Associate is granted to certain permanent observers, international, regional, and national organizations, and other non-IICA Member States. The Fund's balance is to be made up of contributions from such Associates, Member States and other donors to this Fund, and will be governed by the corresponding rules and regulations of the Institute and its Statutes approved by the Executive Committee.

Inter-American Institute for Cooperation on Agriculture - IICA
Notas a los Estados Financieros
31 de diciembre de 2012 y 2011

(expresados en dólares estadounidenses)

13. Contingencies

General - As of December 31, 2012, IICA is a party in various lawsuits filed through its Offices. These lawsuits deal basically with labor and/or commercial complaints related primarily to projects and are in different procedural stages.

The legal advisors of IICA believe that no material liability will result from these legal proceedings. The financial statements of IICA for the year ended December 31, 2012, include a provision of US\$201,960 to cover potential losses from these lawsuits.

AIS Program in Colombia - Throughout 2012 IICA closely monitored developments in connection with the suspension by the Colombian Government of all disbursements, projects and new contracts associated with an agricultural subsidy program known as Agro Ingreso Seguro (AIS), managed by IICA on behalf of the Ministry of Agriculture and Rural Development (MADR). The Institute believes that this situation was influenced by factors outside the control of IICA, arising out of political clashes during the last pre-electoral campaign of 2009-2010, exacerbated by relentless media coverage.

The suspension was followed by the anticipatory termination of agreements with AIS project beneficiaries and IICA sub-contractors. All this has given rise to actual lawsuits and concerns about the possibility of others, as further discussed below.

By Resolution No. 191 of June 2010, the MADR declared IICA in default of its obligations under one of the AIS agreements, in the amount of approximately US\$7.9 million. The Ministry has sued the Colombian insurance company which guaranteed those obligations by way of a performance bond. The Government brought the suit, notwithstanding the fact that it has since recovered more than 80% of this amount from beneficiaries who it claims were mistakenly awarded that same amount in AIS subsidies.

So far, the insurer has vigorously opposed the suit, arguing, *inter alia*, violations of due process, unjust enrichment, and that the Ministry itself was responsible for the defaults alleged. But if it the insurer loses, it may seek recovery from IICA under a subrogation clause in the bond.

Following the suspension of one of the AIS agreements in December 2010, a group of IICA sub-contractors prejudiced by the suspension threatened legal action against the Institute. Nonetheless, they have since backed away from those threats and it seems very unlikely that they will pursue them.

The Institute is still hopeful that there will be an eventual solution to its differences with the Government regarding AIS, and in particular, Resolution No. 191. In the event those differences remain in the judicial arena, there are a number of arguments

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December 31, 2012 and 2011

(expressed in US dollars)

in the Institute's favor. They include: the co-responsibility of the MADR, the beneficiaries and the consultants; force majeure of the Government; the lack of due process; and the actions of oversight bodies which made it impossible to complete the Program as scheduled and with the resources allocated. Moreover, IICA enjoys immunity from legal process under its Basic Agreement with the Government of Colombia and its agreements with other Member States where its principal assets are held.

Under these circumstances, it is not possible at this time to make a reliable estimate of the likely damages arising out of AIS. As an international organization, and considering that the administration is mindful of the interest of the governments in IICA's mission, the Institute continues to work with the Government of Colombia to bring the AIS program to a successful and amicable conclusion.

14. Subsequent event

There is no knowledge of any subsequent event, from the date of the financial statements to their authorization on May 9, 2013, which requires changes to the amounts presented in the authorized financial statements or disclosures in the notes thereto.

Supplementary Financial Information

Appendix

- I Statement of Movements of Member States Quotas Receivable
- II Program Budget and Expenses by Chapter
- III Execution of External Resources by Financing Source

**Inter-American Institute on Cooperation for Agriculture - IICA
Statement of Movements of Member States Quotas Receivable
Year Ended December 31, 2012**

**Appendix I
1 of 1**

(expressed in US dollars)

Country	Balances not collected at beginning of year	Quotas collected during the year			Balances not collected at year end		
		Quotas for the year	From prior years	For the year	Total	From prior years	For the year
Antigua and Barbuda	US\$ -	6,100	US\$ -	6,100	US\$ 6,100	US\$ -	US\$ -
Argentina	-	883,300	-	883,300	883,300	-	-
Bahamas	-	17,100	-	17,100	17,100	-	-
Barbados	-	12,400	-	12,400	12,400	-	-
Belize	-	6,100	-	6,100	6,100	-	6,100
Bolivia	12,654	13,500	12,654	-	12,654	13,500	13,500
Brazil	-	2,734,600	-	1,941,718	1,941,718	-	-
Canada	-	3,293,300	-	3,293,300	3,293,300	-	-
Colombia	-	288,600	-	288,600	288,600	-	-
Costa Rica	67,527	60,800	67,527	60,800	128,327	-	-
Chile	-	327,100	-	327,100	327,100	-	-
Dominica	-	6,100	-	6,100	6,100	-	6,100
Dominican Republic	102,329	70,700	70,256	-	70,256	32,073	102,773
Ecuador	-	71,000	-	71,000	71,000	-	-
El Salvador	-	32,900	-	-	-	-	-
Grenada	12,104	6,100	-	-	-	12,104	32,900
Guatemala	102,882	51,400	-	-	-	102,882	18,204
Guyana	504	6,400	504	5,382	5,886	-	154,282
Haiti	-	9,400	-	-	-	9,400	1,018
Honduras	-	14,000	-	-	-	-	9,400
Jamaica	-	25,600	-	13,000	13,000	-	1,000
Mexico	-	2,383,300	-	2,383,300	2,383,300	-	25,600
Nicaragua	85,435	9,400	40,705	-	40,705	44,730	9,400
Panama	-	45,500	-	45,500	45,500	-	-
Paraguay	-	26,800	-	26,231	26,231	-	569
Peru	-	189,300	-	-	-	-	189,300
Saint Kitts and Neves	-	6,100	-	6,100	6,100	-	6,100
Saint Lucia	5,354	6,100	5,354	6,100	11,454	-	-
Saint Vincent and the Grenadines	-	6,100	-	-	-	-	-
Suriname	-	9,400	-	9,400	9,400	-	-
Trinidad and Tobago	-	49,500	-	49,500	49,500	-	-
United States of America	-	16,359,400	-	16,359,400	16,359,400	-	-
Uruguay	49,791	61,200	49,791	-	49,791	61,200	61,200
Venezuela	1,889,021	601,300	1,322,342	-	1,322,342	566,679	1,167,979
Total	2,327,601	27,689,900	1,569,133	25,805,331	27,374,464	758,468	1,884,569
	US\$	US\$	US\$	US\$	US\$	US\$	US\$

**Inter-American Institute on Cooperation for Agriculture - IICA
Program Budget and Expenses by Chapter
Year Ended December 31, 2012**

**Appendix II
1 of 1**

(expressed in US dollars)

	Budget	Disbursements	Excess (Deficit)	
			Absolute	Percentage
CHAPTER 1: DIRECT TECHNICAL COOPERATION SERVICES:				
Agribusiness and Commercialization Program	US\$ 7,448,346	US\$ 6,752,304	US\$ 696,042	91%
Innovation for Productivity and Competitiveness Program	8,763,906	8,518,377	245,529	97%
Agricultural Health and Food Safety Program	7,555,754	6,907,188	648,566	91%
Agriculture, Territories and Rural Well-Being Program	6,396,220	6,337,950	58,270	99%
Total Chapter 1	30,164,226	28,515,819	1,648,407	95%
CHAPTER 2: MANAGEMENT COSTS:				
Office of the Director General	719,907	630,701	89,206	88%
Secretariat of Corporate Services	1,050,143	1,110,809	(60,666)	106%
Total Chapter 2	1,770,050	1,741,510	28,540	98%
CHAPTER 3: GENERAL COSTS AND PROVISIONS:				
Government Bodies	400,000	386,521	13,479	97%
Insurance	391,531	400,619	(9,088)	102%
Pensions to Former Directors	287,650	263,139	24,511	91%
Contribution to the Administration of the Retirement and Pension Fund	25,000	21,449	3,551	86%
Contribution to the OAS Administrative Court	25,000	24,050	950	96%
External Audit	95,500	107,813	(12,313)	113%
Emergency Assistance Program for Staff	20,000	6,107	13,893	31%
Total Chapter 3	1,244,681	1,209,698	34,983	97%
CHAPTER 4: RENEWAL OF INFRASTRUCTURE AND EQUIPMENT				
Renewal of Infrastructure and Equipment	610,643	562,248	48,395	92%
Total Chapter 4	610,643	562,248	48,395	92%
Total	US\$ 33,789,600	US\$ 32,029,275	US\$ 1,760,325	95%

Inter-American Institute on Cooperation for Agriculture - IICA
Execution of External Resources by Financing Source
Year Ended December 31, 2012

Appendix III
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(expressed in US dollars)

Source	Amount
a. Member States	
Argentina	US\$ 18,368,443
Belize	30,851
Brazil	15,349,784
Canada	1,564,004
Chile	3,462
Colombia	885,206
Costa Rica	1,969,554
Dominican Republic	2,033
Ecuador	2,494,899
El Salvador	42,234,561
Guatemala	265,554
Haiti	1,208,751
Honduras	6,643,681
Jamaica	84,255
Mexico	65,106,727
Nicaragua	45,397
Panama	271,623
Paraguay	133,062
Peru	96,845
Saint Lucia	7,891
Suriname	7,725
United States of America	2,077,158
Uruguay	1,141,117
Venezuela	19,308
Sub-total - Member States	US\$ <u>159,921,892</u>

Continued...

Inter-American Institute on Cooperation for Agriculture - IICA
Execution of External Resources by Financing Source
Year ended December 31, 2012

Appendix III
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(expressed in US dollars)

b. Other Institutions and Governments

Agricultural Research for Development	40,347
Australian Agency for International Development	80,916
Caribbean Agricultural Research and Development Institute	190,833
Engineering and Consulting, S.L.	223,354
European Union	1,442,930
Federation of Agricultural Cooperatives of Catalonia	25,384
Food and Agriculture Organization of the United Nations	315,543
German Society for International Cooperation	19,968
Institute National Polytechnic of Toulouse	70,278
Inter-American Development Bank	572,292
International Development Research Centre	55,983
International Federation of Organic Agriculture Movements	12,651
International Fund for Agricultural Development	591,149
International Maize and Wheat Improvement Center	32,186
Latin American Integration Association	12,150
Market Information Organization of the Americas	164,741
Ministry of Foreign Affairs of Finland	659,293
Spanish Agency for International Development Cooperation	815,444
Swiss Agency for Development and Cooperation	997,127
Technical Center for Agricultural and Rural Cooperation - Holland	93,938
United Nations	63,315
University of Michigan State	121,713
University of Minnesota	16,305
World Food Programme	1,223,156
World Trade Organization	647,102
Others	23,739
Sub-total - Other institutions and governments	<u>8,511,838</u>
Total general	US\$ <u><u>168,433,729</u></u>