

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of the Inter-American Institute for Cooperation on Agriculture (IICA) as of December 31, 2004 and 2003 and the related statements of activities of unrestricted net assets, changes in net assets, and of cash flows for the years then ended. These financial statements are the responsibility of the management of IICA. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management of IICA, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IICA as of December 31, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

As of December 31, 2004, the balance of quotas due from Member States amounting to US\$16,125,987 includes US\$10,738,350 of quotas overdue for more than one year. The General Directorate of IICA considers such balances to be collectible and continues making efforts to collect these balances from each Member State.

As mentioned in Note 4, the IICA's General Directorate changed in 2004 the capitalization policy for furniture and equipment and the useful lives of certain fixed assets.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of IICA as of December 31, 2004 and 2003. The supplementary financial information shown in Exhibits 1, 2 and 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary financial information is the responsibility of the management of IICA. Such information has been subjected to the auditing procedures applied in the audit of the 2004 basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the 2004 basic financial statements, taken as a whole.



March 18, 2005

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2004 AND 2003 (Stated in United States Dollars)

| ASSETS | Notes | December 31, 2004 | | | | December 31, 2003 |
|--------------------------------------------------------------------------|-----------|------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|
| | | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | |
| CURRENT ASSETS: | | | | | | |
| Cash | 2 | US\$43,159,685 | US\$ | US\$ | US\$43,159,685 | US\$31,267,359 |
| Short-term investments | 1e, 3 | <u>26,445,637</u> | _____ | _____ | <u>26,445,637</u> | <u>22,718,205</u> |
| Sub-total | | <u>69,605,322</u> | _____ | _____ | <u>69,605,322</u> | <u>53,985,564</u> |
| Receivables: | | | | | | |
| Quotas from Member States | | 16,125,987 | _____ | _____ | 16,125,987 | 17,473,795 |
| Payments made on behalf of contracts, agreements and grants | | 924,874 | _____ | _____ | 924,874 | 4,111,136 |
| Due from Regular Fund to Trust Fund | 1f | (61,329,008) | 61,329,008 | _____ | _____ | _____ |
| Other | | <u>1,073,759</u> | _____ | _____ | <u>1,073,759</u> | <u>1,445,603</u> |
| Sub-total | | (43,204,388) | 61,329,008 | _____ | 18,124,620 | 23,030,534 |
| Less: Allowance for doubtful accounts | 1h | (279,181) | _____ | _____ | (279,181) | (200,635) |
| Receivables – Net | | <u>(43,483,569)</u> | 61,329,008 | _____ | 17,845,439 | 22,829,899 |
| Inventories | 1g | 54,801 | _____ | _____ | 54,801 | 69,428 |
| Prepaid expenses | | 232,819 | _____ | _____ | 232,819 | 298,891 |
| Other assets | | <u>145,037</u> | _____ | _____ | <u>145,037</u> | <u>208,048</u> |
| Total current assets | | 26,554,410 | 61,329,008 | _____ | 87,883,418 | 77,391,830 |
| PROPERTY, FURNITURE AND EQUIPMENT – Net | 1i, 1j, 4 | <u>2,562,814</u> | _____ | 8,713,171 | 11,275,985 | 13,524,742 |
| TOTAL | | <u>US\$29,117,224</u> | <u>US\$61,329,008</u> | <u>US\$8,713,171</u> | <u>US\$99,159,403</u> | <u>US\$90,916,572</u> |
| LIABILITIES AND NET ASSETS | | | | | | |
| CURRENT LIABILITIES: | | | | | | |
| Accounts payable and accrued expenses | | US\$ 2,495,385 | US\$ | US\$ | US\$ 2,495,385 | US\$ 5,997,677 |
| Purchase commitments | 1l | 197,512 | _____ | _____ | 197,512 | 284,046 |
| Banking line of credit | | _____ | _____ | _____ | _____ | 1,500,000 |
| Other accruals | | <u>622,348</u> | _____ | _____ | <u>622,348</u> | <u>546,349</u> |
| Total current liabilities | | <u>3,315,245</u> | _____ | _____ | <u>3,315,245</u> | <u>8,328,072</u> |
| Provisions for: | | | | | | |
| Repatriation of international professional personnel | 1k | 1,224,226 | _____ | _____ | 1,224,226 | 1,116,847 |
| Recognition of years of service for international professional personnel | 1k | 1,902,492 | _____ | _____ | 1,902,492 | 1,878,959 |
| Recognition of years of service for local personnel | 1k | 1,607,941 | _____ | _____ | 1,607,941 | 1,523,290 |
| Severance indemnities for local personnel | 1k | <u>5,023,504</u> | _____ | _____ | <u>5,023,504</u> | <u>3,855,194</u> |
| Total provisions | | <u>9,758,163</u> | _____ | _____ | <u>9,758,163</u> | <u>8,374,290</u> |
| Total liabilities | | <u>13,073,408</u> | _____ | _____ | <u>13,073,408</u> | <u>16,702,362</u> |
| NET ASSETS: | | | | | | |
| Unrestricted funds: | | | | | | |
| Regular Fund - | | | | | | |
| General Subfund | 1b | 6,208,530 | _____ | _____ | 6,208,530 | 5,220,902 |
| Working Subfund | 1b | 4,075,136 | _____ | _____ | 4,075,136 | 4,075,136 |
| Miscellaneous Income Fund | 1b | 156,707 | _____ | _____ | 156,707 | _____ |
| Institutional Net Rate Fund | 1b | 3,040,629 | _____ | _____ | 3,040,629 | 2,639,141 |
| Fixed Assets Fund | 1b | 2,562,814 | _____ | _____ | 2,562,814 | 4,811,571 |
| Temporarily Restricted Funds: | | | | | | |
| Trust Funds | 1b | _____ | 61,329,008 | _____ | 61,329,008 | 48,754,289 |
| Permanently restricted fund-land | 1b | _____ | _____ | 8,713,171 | 8,713,171 | 8,713,171 |
| Total net assets | | <u>16,043,816</u> | <u>61,329,008</u> | <u>8,713,171</u> | <u>86,085,995</u> | <u>74,214,210</u> |
| TOTAL | | <u>US\$29,117,224</u> | <u>US\$61,329,008</u> | <u>US\$8,713,171</u> | <u>US\$99,159,403</u> | <u>US\$90,916,572</u> |
| CONTINGENCIES | 11 | _____ | _____ | _____ | _____ | _____ |

See accompanying notes to the financial statements.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

STATEMENTS OF ACTIVITIES OF UNRESTRICTED NET ASSETS YEARS ENDED DECEMBER 31, 2004 AND 2003 (Stated in United States Dollars)

| | Notes | 2004 | | | | 2003 | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------|---------------------------------|-----------------------------------|--------------------|-----------------------|--------------------------------------------------------|-----------------------------------|--------------------|---------------------|
| | | Regular Fund Quotas | Miscellaneous Income Fund | Institutional Net Rate Fund | Trust Funds | Total | Regular Fund- Quotas and Miscellaneous Income | Institutional Net Rate Fund | Trust Funds | Total |
| REVENUES: | | | | | | | | | | |
| Quotas from Member States | 1c | US\$27,167,572 | | | | US\$27,167,572 | | | US\$27,167,572 | |
| Recovery of Institutional Net Rate (INR) | 5 | | | US\$5,675,349 | | | | 5,675,349 | US\$5,303,006 | |
| Temporarily restricted funds assets released from restrictions | 1f | | | | US\$100,975,870 | | | 100,975,870 | US\$103,381,839 | |
| Commercial and miscellaneous operations - Net | 6 | | 156,707 | | | 35,186 | | 156,707 | 35,186 | |
| Total revenues | | <u>27,167,572</u> | <u>156,707</u> | <u>5,675,349</u> | <u>100,975,870</u> | <u>133,975,498</u> | <u>27,202,758</u> | <u>5,303,006</u> | <u>103,381,839</u> | <u>135,887,603</u> |
| EXPENSES: | | | | | | | | | | |
| International professional personnel costs | | 9,312,480 | | | | 9,312,480 | 9,516,767 | | 9,516,767 | |
| Local personnel costs | | 6,951,443 | | | | 6,951,443 | 6,911,738 | | 6,911,738 | |
| Scholarships | | 599,162 | | | | 599,162 | 538,250 | | 538,250 | |
| IICA staff travel | | 1,380,919 | | | | 1,380,919 | 1,643,404 | | 1,643,404 | |
| Documents and supplies | | 832,964 | | | | 832,964 | 679,143 | | 679,143 | |
| Acquisition and/or rental of assets and other | | 659,912 | | | | 659,912 | 703,710 | | 703,710 | |
| Maintenance, communications and general services | | 2,214,418 | | | | 2,214,418 | 2,023,990 | | 2,023,990 | |
| Service contracts and transfers | | 2,526,078 | | | | 2,526,078 | 2,366,027 | | 2,366,027 | |
| Annual allowance to CATIE | 7 | 1,000,000 | | | | 1,000,000 | 900,000 | | 900,000 | |
| Annual allowance to Caribbean Agricultural Research and Development Institute (CARDI) | | 200,000 | | | | 200,000 | 200,000 | | 200,000 | |
| Miscellaneous | | 502,568 | | | | 502,568 | 546,978 | | 546,978 | |
| Sub-total of expenses related to quota budget and Working Subfund | | <u>26,179,944</u> | | | | <u>26,179,944</u> | <u>26,030,007</u> | | <u>26,030,007</u> | |
| Temporarily restricted funds assets released from Restrictions | 1f | | | | 100,975,870 | 100,975,870 | | | 103,381,839 | 103,381,839 |
| Disbursements financed with funds from the Institutional Net Rate (INR) | 5 | | | 5,313,202 | | 5,313,202 | 5,644,714 | | 5,644,714 | |
| Total expenses | | <u>26,179,944</u> | | <u>5,313,202</u> | <u>100,975,870</u> | <u>132,469,016</u> | <u>26,030,007</u> | <u>5,644,714</u> | <u>103,381,839</u> | <u>135,056,560</u> |
| Increase (decrease) in unrestricted net assets for the year, before excluding net expenses capitalized as property, furniture and equipment and including depreciation for the year | | 987,628 | 156,707 | 362,147 | | 1,506,482 | 1,172,751 | (341,708) | | 831,043 |
| Exclusion of net capitalized expenses as property, furniture and equipment | | 289,612 | | | | 289,612 | 1,093,384 | | | 1,093,384 |
| Increase (decrease) in unrestricted net assets of the year, before including depreciation for the year | | 1,277,240 | 156,707 | 362,147 | | 1,796,094 | 2,266,135 | (341,708) | | 1,924,427 |
| Inclusion of depreciation for the year | | (2,538,369) | | | | (2,538,369) | (1,018,809) | | | (1,018,809) |
| Increase (decrease) in unrestricted net assets | | <u>US\$ (1,261,129)</u> | <u>US\$156,707</u> | <u>US\$ 362,147</u> | <u>US\$ _____</u> | <u>US\$ (742,275)</u> | <u>US\$ 1,247,326</u> | <u>US\$ (341,708)</u> | <u>US\$ _____</u> | <u>US\$ 905,618</u> |

See accompanying notes to the financial statements.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

STATEMENTS OF CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2004 AND 2003

(Stated in United States Dollars)

| | Net Assets | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------|----------------------|----------------------|---------------------------------|-----------------------------------|-------------------------|------------------------|---------------------------------------------------------------------|------------------------|------------------------|
| | Unrestricted | | | | Temporarily Restricted | | | Permanently Restricted | |
| | Regular Fund | | Miscellaneous Income Fund | Institutional Net Rate Fund | Fixed Assets Fund | Trust Funds | Simón Bolívar Special Fund for Agricultural Development | Land | Total |
| | General Subfund | Working Subfund | | | | | | | |
| BALANCE AT DECEMBER 31, 2002 | US\$3,996,985 | US\$4,126,302 | | US\$2,921,480 | US\$ 4,736,996 | US\$ 43,592,622 | US\$12,834 | US\$ 8,713,171 | US\$ 68,100,390 |
| Restricted contributions received from donors | | | | | | 107,251,338 | | | 107,251,338 |
| Net assets released from restrictions | | | | | | (103,381,839) | | | (103,381,839) |
| Increase (decrease) in unrestricted net assets for the year | 2,266,135 | | | (341,708) | (1,018,809) | | | | 905,618 |
| Prior period adjustments | | | | 59,369 | | | | | 59,369 |
| Write-off of Cuba's quota | 51,166 | (51,166) | | | | | | | |
| Capitalization of net disbursements as property, furniture and equipment | (1,093,384) | | | | 1,093,384 | | | | |
| Net assets released from restrictions | | | | | | | (12,834) | | (12,834) |
| Net increase in disbursements made on behalf of contracts, agreements, and grants receivable from donors | | | | | | 1,292,168 | | | 1,292,168 |
| BALANCE AT DECEMBER 31, 2003 | 5,220,902 | 4,075,136 | | 2,639,141 | 4,811,571 | 48,754,289 | | 8,713,171 | 74,214,210 |
| Restricted contributions received from donors | | | | | | 116,736,851 | | | 116,736,851 |
| Net assets released from restrictions | | | | | | (100,975,870) | | | (100,975,870) |
| Increase (decrease) in unrestricted net assets for the year | 1,277,240 | | 156,707 | 362,147 | (2,538,369) | | | | (742,275) |
| Prior period adjustments | | | | 39,341 | | | | | 39,341 |
| Capitalization of net disbursements as property, furniture and equipment | (289,612) | | | | 289,612 | | | | |
| Net decrease in disbursements made on behalf of contracts, agreements, and grants receivable from donors | | | | | | (3,186,262) | | | (3,186,262) |
| BALANCE AT DECEMBER 31, 2004 | <u>US\$6,208,530</u> | <u>US\$4,075,136</u> | <u>US\$156,707</u> | <u>US\$3,040,629</u> | <u>US\$ 2,562,814</u> | <u>US\$ 61,329,008</u> | <u>US\$</u> | <u>US\$ 8,713,171</u> | <u>US\$ 86,085,995</u> |

See accompanying notes to the financial statements.

**INTER-AMERICAN INSTITUTE FOR COOPERATION
ON AGRICULTURE (IICA)**

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2004 AND 2003**

(Stated in United States Dollars)

| | 2004 | 2003 |
|-----------------------------------------------------------|------------------------|-----------------------|
| OPERATING ACTIVITIES: | | |
| Increase (decrease) in unrestricted net assets | US\$ (742,275) | US\$ 905,618 |
| Plus: Items not requiring cash: | | |
| Prior period adjustments | 39,341 | 59,369 |
| Depreciation | 2,538,369 | 1,018,809 |
| Assets written-off due to change in capitalization policy | 557,236 | |
| Allowance for doubtful accounts | 78,546 | (47,542) |
| Cash provided by (used for) changes in: | | |
| Quotas receivable from Member States | 1,347,808 | (3,933,250) |
| Other receivables | 371,844 | 197,217 |
| Inventories | 14,627 | 34,086 |
| Prepaid expenses | 66,072 | 661,654 |
| Other assets | (378,989) | 23,858 |
| Accounts payable and accrued expenses | (3,502,292) | 1,224,154 |
| Purchase commitments | (86,534) | (169,849) |
| Other accruals | 75,999 | (309,811) |
| Provisions | <u>1,825,873</u> | <u>144,964</u> |
| Net cash provided by (used in) operating activities | <u>2,205,625</u> | <u>(190,723)</u> |
| INVESTING ACTIVITIES: | | |
| Additions to furniture and equipment | (854,941) | (1,341,009) |
| Disposal of furniture and equipment | <u>8,093</u> | <u>247,625</u> |
| Net cash used in investing activities | <u>(846,848)</u> | <u>(1,093,384)</u> |
| FINANCING ACTIVITIES: | | |
| Restricted contributions received from donors | 116,736,851 | 107,251,338 |
| Disbursements made in the execution of trust funds | (100,975,870) | (103,394,673) |
| Banking line of credit | <u>(1,500,000)</u> | <u>1,500,000</u> |
| Net cash provided by financing activities | <u>14,260,981</u> | <u>5,356,665</u> |
| NET INCREASE IN CASH AND SHORT-TERM INVESTMENTS | 15,619,758 | 4,072,558 |
| CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR | <u>53,985,564</u> | <u>49,913,006</u> |
| CASH AND SHORT-TERM INVESTMENTS, END OF YEAR | <u>US\$ 69,605,322</u> | <u>US\$53,985,564</u> |

See accompanying notes to the financial statements.

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2004 AND 2003 (Stated in United States Dollars)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

- a. ***Basis of Presentation*** - The Inter-American Institute for Cooperation on Agriculture (IICA), formerly the Interamerican Institute of Agricultural Sciences, was established on October 7, 1942 pursuant to an initiative of 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:

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

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

- b. ***Accounting policies and Funds managed*** - The financial statements were prepared in conformity with the accounting policies adopted by the IABA, which conform to AICPA's fund accounting policies for not-for-profit organizations. Funds managed by IICA are classified in the accompanying financial statements, according to the accounting policies established by IICA, as Unrestricted Funds, Temporarily Restricted Funds, and Permanently Restricted Funds. Additionally, such funds are classified according to their source and purpose, as follows:

Unrestricted Funds:

- i. ***Regular Fund:*** This fund is comprised of 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 Organization of American States (OAS). In addition, the miscellaneous income, unless the IABA or the Executive Committee has approved it for specific purposes, is recorded in this fund. The purpose of the General Subfund is to finance execution of the regular activities planned and budgeted by IICA, including administration and management.

Working Subfund - The purpose of this subfund is to ensure the normal financial operation of IICA. According to Article 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.

- ii. 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 or the Institutional Net Rate (INR) Fund or donated thereto by a national or international organization. The balance of the Fixed Assets Fund represents the carrying value, net of depreciation, of fixed assets owned by IICA, except for land with permanent use restrictions.
- iii. 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.
- iv. 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.

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 those 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.

Permanently Restricted Fund - Land:

This fund is represented by the original contribution of land to IICA, which has permanent use restrictions (Note 4).

- c. **Budget** - A summary of significant aspects of each fund budget is provided below:
- i. **Regular Fund** - On November 13, 2003, through Resolution IICA/IABA/Res.390 (XII-O/03), IABA approved the 2004 budget for the Regular Fund made up of Member State quotas and other miscellaneous income amounting to US\$27,167,572 and US\$2,832,428, respectively.

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

In the Exhibit 2, a comparative analysis is shown of the budget authorized by IABA, actual expenses and respective over/under execution.
 - ii. **Trust Funds** - Through resolution IICA/IABA/Res.254 (VIII-0/95) 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 purpose agreed upon. 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.
- d. **Monetary Unit and Foreign Exchange Transactions** - The accounting records of IICA are kept in U.S. Dollars (US\$) and the financial statements are expressed in such currency. Assets and liabilities in currencies of countries where IICA activities are developed are translated into U.S. Dollars primarily at official or commercial 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.
- e. **Short-Term Investments** - IICA considers as short-term investments those highly liquid investments and mutual funds. Short-term investments are stated at cost, which approximates market value.
- f. **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 restricted contributions received from donors recorded as temporarily restricted net assets. As the funds are used in the agreed-upon activities, IICA recognizes simultaneously an income for funds released from restrictions and an expense of the 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 included.

Whenever expenses incurred by IICA in the execution of a particular contract, agreement, or grant exceed the amounts contributed, the resulting difference is recorded as an account receivable from the respective donor.

- g. ***Inventories*** - Inventories are composed primarily by office supplies stated at average cost, which does not exceed market value.
- h. ***Allowance for Doubtful Accounts*** - According to IICA/IABA/Res.109 (III-E/86) dated October 28, 1986, IICA adopted the policy of recording an allowance for doubtful accounts.
- i. ***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 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 statement of financial position.
- j. ***Accumulated Depreciation*** - The historical cost of fixed assets is depreciated over the estimated useful lives using the straight-line method.
- k. ***Provisions*** - According to the organization's regulations, in case of resignation or dismissal, IICA pays expenses for repatriation and recognition of years of service of international professional personnel. Such expenses are computed for each official based on years of service and the number of dependents. Likewise, local personnel in certain cases could be entitled to recognition of years of service benefits once they no longer work for IICA. IICA has adopted the policy of recording provisions, entitled "Repatriation of International Professional Personnel", "Recognition of Years of Service for International Professional Personnel" and "Recognition of Years of Service for Local Personnel", respectively, to cover expected disbursements for such concepts.

Where IICA offices are located, local personnel may be entitled to severance indemnities according with applicable legislation in each country. IICA follows the policy of recording an accrual for severance indemnities to cover disbursements related therewith. Actual indemnity payments are charged to the provision.

- l. ***Purchase Commitments*** - In conformity with the Rules of the General Directorate and its Financial Regulations, IICA follows the practice of recognizing a liability in its financial statements for those commitments assumed to acquire goods and services not yet received at year-end.

- m. **Net Assets - Restricted and Unrestricted Funds** - Effective from December 31, 1995, IICA adopted the accounting standards contained in Financial Accounting Standards (FASB) No.116 and 117. In accordance with those standards, IICA records contributions received from donors for specific purposes, as well as any income generated by such contributions, as Net Assets-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.

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).

- n. **Income from Member State Quotas** - According to IABA resolutions, IICA follows the policy of recording assessed quotas as receivable from Member States on the first day of the corresponding fiscal year. According to Article 86 of IICA’s Rules of the General Directorate, such quotas are collectible effective from that date.
- o. **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 devoted 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. RESTRICTED CASH

Cash in banks at December 31, 2004 and 2003 includes funds held in separate bank accounts of US\$37,150,356 and US\$27,554,947 respectively, which may only be used to cover expenditures related to contracts signed by IICA and the respective donors.

3. SHORT-TERM INVESTMENTS

Short-term investments are as follows:

| | 2004 | 2003 |
|---------------------------------------------------------------------------------------|----------------|----------------|
| In Argentinean pesos: | | |
| Time deposits, interest between 2% and 2.50% per annum (2003: 1% and 5.25% per annum) | US\$ 2,479,757 | US\$ 1,531,259 |
| In Mexican pesos: | | |

(Continued)

| | 2004 | 2003 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Money market funds, interest of 2.1% per annum | 2,390,133 | 1,317,691 |
| In Brazilian reais: | | |
| Overnight deposits, interest of 1.22% per annum (2003: 1.73% per annum) | 7,512,463 | 7,111,365 |
| In Guatemalan quetzales: | | |
| Time deposits, interest of 8% per annum (2003: 7% per annum) | 639,386 | 116,105 |
| In US dollars: | | |
| Money market funds, time deposits, and mutual funds, interest between 0.55% and 2.05% per annum (2003: 0.51% and 4% per annum) | 11,914,645 | 9,722,634 |
| Overnight deposits, interest of 1.32% per annum (2003: 0.47% per annum) | 1,413,735 | 2,847,539 |
| Other currencies: | | |
| Time deposits, real estate investment certificates, and other commercial paper, interest between 2.07% and 12.32% per annum (2003: 1.25% and 12.32% per annum) | <u>95,518</u> | <u>71,612</u> |
| Total | <u>US\$26,445,637</u> | <u>US\$22,718,205</u> |

As of December 31, 2004 and 2003, short-term investments of US\$16,212,206 and US\$12,783,014 respectively, are restricted to cover expenditures of contracts signed by IICA and the respective donors.

4. PROPERTY, FURNITURE AND EQUIPMENT

The property, furniture and equipment, including their useful lives, is detailed as follows:

| | 2004 | 2003 |
|------------------------------------------------|-----------------------|-----------------------|
| Unrestricted: | | |
| Buildings (25 years) | US\$ 5,205,177 | US\$ 5,205,177 |
| Vehicles (4 years) | 1,933,686 | 1,783,351 |
| Furniture and equipment (3, 4, 5 and 10 years) | <u>5,487,725</u> | <u>8,175,161</u> |
| Total unrestricted fixed assets | 12,626,588 | 15,163,689 |
| Less: Accumulated depreciation | <u>(10,063,774)</u> | <u>(10,352,118)</u> |
| Total unrestricted fixed assets, Net | 2,562,814 | 4,811,571 |
| Permanently restricted - Land | <u>8,713,171</u> | <u>8,713,171</u> |
| Total | <u>US\$11,275,985</u> | <u>US\$13,524,742</u> |

Property, furniture and equipment do not include fixed assets acquired with resources from special funds (Trust Funds), since such disbursements are considered expenditures related to the execution of specific agreements related to those funds. 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, 2004, the net book value of such assets is US\$1,372,531 (2003: US\$1,556,207).

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.

During 2004, the IICA's General Directorate changed the capitalization policy for fixed assets increasing the minimum capitalizable amount from US\$100 to US\$1,000. Additionally, the useful lives of certain fixed assets, primarily vehicles and equipment, were changed as well. Both changes were retroactively applied and consequently fixed assets with a carrying value of US\$557,236 were written-off and the depreciation expense of the year increased in approximately US\$1,500,000. Such changes are intended to simplify IICA's management and control over its fixed assets as well as to depreciate such assets during their economic useful lives.

5. INCOME AND EXPENSES RELATED TO INSTITUTIONAL NET RATE (INR)

Income and expenses related to Institutional Net Rate (INR) are composed as follows:

| | 2004 | 2003 |
|--------------------------------------------------------------------------|--------------|--------------|
| Income: | | |
| Inter-American Development Bank (IDB) | US\$ 226,518 | US\$ 369,539 |
| Ministry of Agriculture, Livestock, and Food - (MAGA) - Guatemala | 112,846 | 248,179 |
| International Agricultural Development Fund | 82,669 | 72,304 |
| Ministry of Agriculture and Rural Development - Colombia | 213,507 | 418,901 |
| Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina | 303,872 | 361,265 |

(Continued)

| | 2004 | 2003 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) - Organization, Training, Technical Assistance and Research Project - Mexico | 1,916,267 | 1,576,505 |
| Institute for Agriculture and Livestock Development (INDAP) - Chile | 19,403 | 48,858 |
| Ministry of Livestock, Agriculture, and Fisheries - Reinforcement of Plant Health Directorate - Uruguay | 97,996 | 156,230 |
| Government of the United States of America | 174,394 | 118,438 |
| Ministry of National Integration - Brazil | 42,327 | 75,917 |
| Secretariat of Hydro - Infrastructure of the Ministry of National Integration - Brazil | 60,080 | 60,022 |
| World Bank | 86,645 | 163,739 |
| U.S. Agency for International Development (USAID) | 260,640 | 169,016 |
| Ministry of Agrarian Development - Brazil | 624,900 | 228,790 |
| Ministry of National Education - Colombia | 23,381 | 64,684 |
| Other institutions | <u>1,429,904</u> | <u>1,170,619</u> |
| Total | <u>US\$5,675,349</u> | <u>US\$5,303,006</u> |
| Expenses: | | |
| International professional personnel costs | US\$ 752,315 | US\$ 683,668 |
| Local personnel costs | 2,265,016 | 2,001,674 |
| Scholarships | 135,880 | 44,185 |
| IICA staff travel | 220,574 | 242,344 |
| Documents and materials | 145,344 | 190,692 |
| Acquisition and rental of property and equipment | 260,383 | 439,754 |
| Maintenance, communications, and general services | 615,581 | 453,326 |
| Service contracts and transfers | 850,241 | 1,498,917 |
| Other costs | <u>67,868</u> | <u>90,154</u> |
| Total | <u>US\$5,313,202</u> | <u>US\$5,644,714</u> |

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 these contracts and to contribute to the institutional pre-investment activities.

6. COMMERCIAL AND MISCELLANEOUS OPERATIONS

A breakdown of revenues and expenses from commercial and miscellaneous operations is as follows:

| | 2004 | 2003 |
|-------------------------------------------------------------|-----------------------------|-----------------------------|
| Revenues: | | |
| Interest earned from securities | US\$1,930,869 | US\$1,628,196 |
| Proceeds from equipment sales | 81,456 | 171,298 |
| Purchase discounts | 240,542 | 387,750 |
| Book sales commission | 105 | 12,754 |
| Sales of services | 509,309 | 483,430 |
| Other | 270,586 | 186,705 |
| Miscellaneous | <u>15,853</u> | <u> </u> |
| Total revenues from commercial and miscellaneous income | <u>3,048,720</u> | <u>2,870,133</u> |
| Expenses: | | |
| Local personnel costs | 916,960 | 1,235,200 |
| Scholarships | 64,623 | 48,431 |
| IICA staff travel | 68,488 | 10,119 |
| Documents and supplies | 141,470 | 168,448 |
| Acquisition and/or rental of fixed assets and other | 334,772 | 381,366 |
| Maintenance, communications, and general services | 368,971 | 256,101 |
| Service contracts and transfers | 844,323 | 872,305 |
| Other costs | 91,513 | 48,410 |
| Miscellaneous | <u> </u> | <u>3,639</u> |
| Sub-total | 2,831,120 | 3,024,019 |
| Exchange losses (gains), net | <u>60,893</u> | <u>(189,072)</u> |
| Total expenses from commercial and miscellaneous activities | <u>2,892,013</u> | <u>2,834,947</u> |
| Excess of income over expenses | <u>US\$ 156,707</u> | <u>US\$ 35,186</u> |

7. 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 with US\$50,000 to cover CATIE's expenses.
- d. The new agreement will be for a 20-year period, effective from its enacting date, 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, 2004 and 2003, IICA contributed to CATIE in US\$1,000,000 and US\$900,000, respectively, in accordance with the approved allocation in the Program Budget.

8. 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, 2004, management of IICA is not aware of any expenses not yet reimbursed, that would have been questioned or disallowed by the respective donors.

9. TAXES

As an international organization, 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.

10. INACTIVE FUNDS

The Inter-American Board of Agriculture (IABA) approved, through various resolutions, the establishment of the following funds. Nevertheless, as of December 31, 2004 these funds have not received yet any contributions and therefore, remain inactive.

- i. ***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.

The Fund's capital assets shall include all donated items of value, including, but not limited to: cash, stocks, bonds, notes, commercial paper, and other valuable goods tangible and intangible. Capital Assets shall also include that portion of the Fund's annual income allocated to increase and maintain the value of its Capital Assets. Sixty percent of the Fund's net annual income shall be allocated to strengthening the Regular Fund budget of the Institute; and the remainder shall increase and maintain the real value of the Capital Assets of the Fund.

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.

- ii. ***IICA Associates Trust Fund*** - In Resolution IICA/IABA/Res.312 (IX-0/97), 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.

11. CONTINGENCIES

As of December 31, 2004, there are various litigation cases in which IICA is a party, filed through its Offices. These litigations are primarily labor lawsuits, are in different procedural stages, and the amounts claimed are approximately US\$947,000, in the aggregate.

The legal advisors of IICA believe that no material liability will result from these legal proceedings. Nevertheless, the financial statements of IICA for the year ended December 31, 2004, include a provision to cover potential losses from the mentioned litigations.

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**INTER-AMERICAN INSTITUTE FOR COOPERATION
ON AGRICULTURE (IICA)**

SUPPLEMENTARY FINANCIAL INFORMATION

AS OF DECEMBER 31, 2004

INDEX

EXHIBIT

1. Statement of movements of Member States quotas receivable
2. Quota budget and expenses by chapter
3. Execution of external resources by financing source

**INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)
REGULAR FUND**

**STATEMENT OF MOVEMENTS OF MEMBER STATES QUOTAS RECEIVABLE
YEAR ENDED DECEMBER 31, 2004
(Stated in United States Dollars)**

| Country | Quotas collected during the year | | | | | Uncollected quotas at year-end | | | Years Owing |
|----------------------------------|-----------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------------|----------------------|-----------------------|-------------|
| | Uncollected Quotas at beginning of year | Quotas for the year | Prior years | Current year | Total | Prior years | Current year | Total | |
| Antigua and Barbuda | US\$ 10,008 | US\$ 5,502 | | | | US\$ 10,008 | US\$ 5,502 | US\$ 15,510 | 2.82 |
| Argentina | 4,695,850 | 1,347,925 | US\$ 1,015,144 | | US\$ 1,015,144 | 3,680,706 | 1,347,925 | 5,028,631 | 3.73 |
| Bahamas | | 19,256 | | US\$ 28,978 | 28,978 | | (9,722) | (9,722) | |
| Barbados | | 22,007 | | 22,007 | 22,007 | | | | |
| Belize | | 8,253 | | | | | 8,253 | 8,253 | 1 |
| Bolivia | | 19,256 | | | | | 19,256 | 19,256 | 1 |
| Brazil | 8,071,219 | 2,351,992 | 2,337,530 | | 2,337,530 | 5,733,689 | 2,351,992 | 8,085,681 | 3.44 |
| Canada | | 3,400,073 | | 3,400,073 | 3,400,073 | | | | |
| Colombia | 264,201 | 258,582 | 23,379 | | 23,379 | 240,822 | 258,582 | 499,404 | 1.93 |
| Costa Rica | 50,977 | 35,760 | 24,288 | | 24,288 | 26,689 | 35,760 | 62,449 | 1.75 |
| Chile | 103,547 | 148,547 | 70,000 | | 70,000 | 33,547 | 148,547 | 182,094 | 1.23 |
| Dominica | 5,502 | 5,502 | 5,502 | | 5,502 | | 5,502 | 5,502 | 1 |
| Dominican Republic | 47,625 | 49,516 | | | | 47,625 | 49,516 | 97,141 | 1.96 |
| Ecuador | 32,095 | 49,516 | 32,095 | 49,516 | 81,611 | | | | |
| El Salvador | | 19,256 | | 19,256 | 19,256 | | | | |
| Grenada | | 8,253 | | 8,253 | 8,253 | | | | |
| Guatemala | 25,912 | 35,760 | 25,911 | 47,036 | 72,947 | 1 | (11,276) | (11,275) | |
| Guyana | 5,451 | 5,502 | 5,451 | 5,376 | 10,827 | | 126 | 126 | |
| Haití | 38,512 | 19,256 | 38,512 | | 38,512 | | 19,256 | 19,256 | 1 |
| Honduras | (5,780) | 19,256 | | 13,453 | 13,453 | (5,780) | 5,803 | 23 | |
| Jamaica | | 49,516 | | 49,516 | 49,516 | | | | |
| Mexico | | 1,672,528 | | 1,672,528 | 1,672,528 | | | | |
| Nicaragua | 212,519 | 19,256 | 14,050 | | 14,050 | 198,469 | 19,256 | 217,725 | 11.31 |
| Panama | | 35,760 | | 35,760 | 35,760 | | | | |
| Paraguay | 184,341 | 49,516 | 50,336 | | 50,336 | 134,005 | 49,516 | 183,521 | 3.71 |
| Peru | 686,996 | 112,786 | 123,066 | | 123,066 | 563,930 | 112,786 | 676,716 | 6 |
| Saint Kitts and Nevis | | 5,502 | | 5,502 | 5,502 | | | | |
| Saint Vincent and the Grenadines | | 5,502 | | 5,502 | 5,502 | | | | |
| Saint Lucia | | 8,253 | | 8,253 | 8,253 | | | | |
| Suriname | 57,768 | 19,256 | 44,652 | | 44,652 | 13,116 | 19,256 | 32,372 | 1.68 |
| Trinidad and Tobago | | 49,516 | | 49,516 | 49,516 | | | | |
| United States of America | | 16,359,410 | | 16,359,410 | 16,359,410 | | | | |
| Uruguay | 276,092 | 71,523 | 214,569 | | 214,569 | 61,523 | 71,523 | 133,046 | 1.86 |
| Venezuela | 2,710,960 | 880,278 | 2,710,960 | | 2,710,960 | | 880,278 | 880,278 | 1 |
| | <u>US\$17,473,795</u> | <u>US\$27,167,572</u> | <u>US\$ 6,735,445</u> | <u>US\$21,779,935</u> | <u>US\$28,515,380</u> | <u>US\$10,738,350</u> | <u>US\$5,387,637</u> | <u>US\$16,125,987</u> | |

**INTER-AMERICAN INSTITUTE FOR COOPERATION
ON AGRICULTURE (IICA)
REGULAR FUND**

**QUOTA BUDGET AND EXPENSES BY CHAPTER
YEAR ENDED DECEMBER 31, 2004**
(Stated in United States Dollars)

| | Budget | Expenses | (Over) Under Execution | |
|---------------------------------------------------------|-----------------------|-----------------------|------------------------|----------------|
| | | | Amount | Percentage |
| CHAPTER 1: DIRECT TECHNICAL COOPERATION SERVICES | | | | |
| Trade and Agribusiness Development | US\$ 5,992,100 | US\$ 5,707,545 | US\$ 284,555 | 95.25% |
| Technology and Innovation | 4,418,300 | 4,253,109 | 165,191 | 96.26% |
| Agricultural Health and Food Safety | 4,429,400 | 3,655,121 | 774,279 | 82.52% |
| Sustainable Rural Development | 4,415,700 | 4,550,173 | (134,473) | 103.05% |
| Education and Training | 2,813,800 | 3,001,916 | (188,116) | 106.69% |
| Information and Communication | <u>2,384,900</u> | <u>2,337,533</u> | <u>47,367</u> | <u>98.01%</u> |
| Total Chapter 1 | <u>24,454,200</u> | <u>23,505,397</u> | <u>948,803</u> | <u>96.12%</u> |
| CHAPTER 2: MANAGEMENT COSTS | | | | |
| Office of the Director General | 798,900 | 787,273 | 11,627 | 98.54% |
| Directorate of Administration and Finance | <u>914,000</u> | <u>883,438</u> | <u>30,562</u> | <u>96.66%</u> |
| Total Chapter 2 | <u>1,712,900</u> | <u>1,670,711</u> | <u>42,189</u> | <u>97.54%</u> |
| CHAPTER 3: GENERAL COSTS AND PROVISIONS | | | | |
| Governing Bodies | 400,000 | 313,851 | 86,149 | 78.46% |
| Insurance | 250,000 | 311,782 | (61,782) | 124.71% |
| Pensions | 230,000 | 258,652 | (28,652) | 112.46% |
| OAS Administrative Tribunal | 25,000 | 24,051 | 949 | 96.20% |
| External Audit | <u>95,500</u> | <u>95,500</u> | | <u>100.00%</u> |
| Total Chapter 3 | <u>1,000,500</u> | <u>1,003,836</u> | <u>(3,336)</u> | <u>100.33%</u> |
| TOTAL | <u>US\$27,167,600</u> | <u>US\$26,179,944</u> | <u>US\$ 987,656</u> | <u>96.36%</u> |

**INTER-AMERICAN INSTITUTE FOR COOPERATION
ON AGRICULTURE (IICA)**

**EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE
YEAR ENDED DECEMBER 31, 2004**

(Stated in United States Dollars)

| Source | Amount |
|---------------------------|-------------------|
| A. MEMBER STATES | |
| Argentina | US\$ 7,973,810 |
| Bolivia | 216,892 |
| Brazil | 14,385,762 |
| Canada | 177,479 |
| Chile | 608,900 |
| Colombia | 14,670,130 |
| Costa Rica | 450,331 |
| Ecuador | 1,250,150 |
| El Salvador | 1,400,937 |
| Guatemala | 2,196,851 |
| Haiti | 8,198 |
| Honduras | 1,470,966 |
| Jamaica | 137,754 |
| Mexico | 26,818,340 |
| Panama | 1,049,572 |
| Paraguay | 532,752 |
| Peru | 806,045 |
| Saint Lucia | 1,386 |
| Suriname | 45,172 |
| Trinidad and Tobago | 9,981 |
| United States of America | 6,719,152 |
| Uruguay | 1,649,215 |
| Venezuela | <u>149,554</u> |
| Sub-total - Member States | <u>82,729,329</u> |

(Continued)

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE YEAR ENDED DECEMBER 31, 2004

(Stated in United States Dollars)

| Source | Amount |
|------------------------------------------------------------------------------|------------------------|
| b. Other Institutions and Governments | |
| Japanese Agency for International Cooperation | US\$ 227,742 |
| Swiss Agency for Development and Cooperation | 107,889 |
| Central American Bank For Economic Integration | 1,354,455 |
| Inter-American Development Bank | 7,664,614 |
| World Bank | 4,658,962 |
| International Center for Forestry Research | 83,640 |
| Technical Center for Agricultural Development and Netherlands Cooperation | 147,179 |
| European Economic Community | 32,968 |
| Government of Netherlands | 632,779 |
| Government of Japan | 75,025 |
| Government of Switzerland | 138,644 |
| Deutsche Gesellschaft Fur Technische Zusammenarbeit Gmbh | 101,090 |
| International Institute for Investigation on Cattling | 120,905 |
| International Fund for Agricultural Development | 2,027,660 |
| W.K. Kellogg Foundation | 530,299 |
| International Food Policy Research Institute | 64,708 |
| Food and Agriculture Organization of the United Nations | 15,741 |
| United Nations Educational, Scientific and Cultural Organization | 14,640 |
| World Food Program | 19,867 |
| United Nations Development Program | 18,040 |
| Regional Program for Caribbean Scholarships | 35,811 |
| International Network for Improvement of Banana and Plantain | 52,912 |
| Others | <u>120,971</u> |
| Sub-total - Other Institutions and Governments | <u>18,246,541</u> |
| Grand total | <u>US\$100,975,870</u> |
