



INTER-AMERICAN BOARD OF AGRICULTURE

Eleventh Regular Meeting
Punta Cana, Dominican Republic
26-29 November 2001

**BIENNIAL REPORT OF THE CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE (CARDI)**

IICA/JIA/Doc.263(01)
10 October 2001
Original: Spanish

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**BIENNIAL REPORT
ON THE ACTIVITIES OF
THE CARIBBEAN AGRICULTURAL
RESEARCH AND DEVELOPMENT INSTITUTE**

**CARDI
1999 – 2000**

INTER-AMERICAN
HEADQUARTERS
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1.0 Introduction

CARDI was established in 1975 to provide for the Research and Development needs (R&D) of Agriculture in the Region in response to national agricultural plans and policies. It was also expected to promote the application of new technologies in production, processing, storage and distribution of agricultural products of Member States.

During the intervening years, the role of CARDI in executing its functions has varied from a Farming System Research Approach to an Agricultural Diversification Approach away from the Traditional Export crops to Non-Traditional (domestic) crops in response to the development of Regional Food Plans by the CARICOM Directorate. More recently cooperative research networks in commodity and thematic areas have been established through the PROCICARIBE mechanism with linkages to the international agricultural research system.

The CARICOM Governments developed a new vision for the agricultural sector of the region requiring transformation to sustainable international competitiveness. In pursuit of this vision the Heads of Government of the Caribbean Community (CARICOM) in July 1996 approved a Regional Transformation Programme (RTP) designating CARDI to be the Lead Agency for two (2) of the nine (9) sub-programmes namely:

- Technology Generation, Validation and Transfer; and
• Market Development.

Subsequently, two (2) other areas were added by ministerial decision, namely:

- Technical Assistance Services; and
• Integrated Production and Marketing Programmes.

Then, the Walker Committee was appointed to consider the rationalisation of the operations of the Caribbean Food Corporation (CFC) and CARDI and reported in April 1999. The agribusiness functions of CFC were integrated with those of CARDI thus widening CARDI's mandate. This recommendation was approved by CARDI's Board of Directors (BOD) at its meeting on 17-18 May 1999.

As a result of these changes in the role of CARDI in regional agriculture, the Institute initiated a number of priority-setting exercises involving dialogue with the Ministries of Agriculture and decision-makers in the Agricultural Sector to ensure that its work programmes represented the priority research and development needs of the Member States.

The performance of the Institute during the reporting period was constrained by budget deficits caused by shortfalls in the contributions of member governments. As a result, the

Institute's ability to implement its work programme was seriously compromised. One government temporarily suspended payments in response to the failure of other states to pay and the consequent impact on CARDI's ability to deliver quality service. At the end of 1999, the Governing Body agreed that the Institute should curtail services to those members not meeting their financial obligations. This led to an immediate resumption of payments in all except one case.

In order to adapt to the reduced availability of core resources, the Institute applied further austerity and expenditure control measures; it made adjustments to channel funds to actions of the highest priority and initiated steps to transform its organic structure through decentralisation and the reorganisation of its Headquarters, with a view to reducing costs and increasing efficiency. In addition, it vigorously sought to generate resources from other sources, as the only way to be able to maintain the level of its services in response to growth in demand from its traditional clients.

The details of these actions are presented in the present report covering the period 1999-2000. The report is divided into three parts: (i) firstly, an analysis of the internal activities that took place during the biennium;* (ii) secondly, a brief outline of the highlights of the technical programmes, research coordination networks (PROCICARIBE) and information and communication activities of the Institute; and (iii) finally, a brief report on the status of CARDI's corporate services is presented. Information on the financial status of projects in the 1999-2000 portfolio of CARDI/IICA collaborative projects is provided in the Attachment, as well as copies of the 1999 and 2000 Audited Financial Statements of the Institute.

2.0 Internal Activities

(a) CARDI's Strategic Plan 2000-2005

The Board of Directors (BOD) of CARDI reviewed and approved CARDI's Strategic Plan 2000-2005 at its 47th meeting held in Georgetown, Guyana from 17-18 May 1999. The Board recommended it for approval by the Governing Body (GB) of the Institute which met also in Guyana on May 20, 1999 and reviewed and approved it. The Strategic Plan was an ambitious one requiring the annual funding to increase from EC\$12.6 Million in 2000 to EC\$16.8 Million in 2005, and a new Government Contribution Formula was proposed with the annual Core Budget increased to EC\$10.0 Million.

This new plan for the operation of the Institute required CARDI to modify its strategy from being a Research and Development Institute (whose core business involved the generation of production and post-harvest technologies) to being a *Research for Development Institute* whose goal would be to improve the competitiveness of targeted commodities and to support and/or develop and to market viable Commodity Business Systems providing Technology, Information and Marketing products and services.

* This section of the report represents an edited version of the Report of the Chairman of the Board of Directors of CARDI presented at the 51st Meeting of the Board, 7 May 2001, Port of Spain, Trinidad and Tobago.

The Research for Development Strategy called for a higher staff complement aimed at increasing its capability to address the constraints and to take advantage of new opportunities. The Center for Agribusiness Services (CAS) would need to be strengthened to provide the market development and business planning support services required for the Business Systems Development Programme.

The Information and Communications capability of the Institute would need strengthening to provide the required range of information services to the Thematic and Commodity Networks. The Corporate Services would also need to be expanded. However, the funding to achieve these development goals of further restructuring was not forthcoming during the period under review as donor funding had declined significantly and CARDI's core funding had remained at the same level for the past ten (10) years.

(b) The Status of Re-Structuring of CARDI

The process of re-structuring of the Institute has been proceeding for the last six (6) years and has still not yet been completed. The approved CARDI Strategic Plan 2000-2005 was intended to be the guide to the development of a Medium Term Plan for the period 2000-2002 and Operational and Annual Business Plans for each Department/Unit of the Institute. These Plans would identify the mission, goal, purpose and outputs for the projects to be implemented over the plan period. This Strategic Planning Process arose out of the adoption of a *Business Systems Approach to Research for Development* that had earlier been proposed and approved at the 46th Meeting of CARDI's Board of Directors held in Trinidad from 17-18 November 1998.

The Institute had hoped to increase the impact of its technologies by re-engineering its research management processes through the development of the Commodity System Analysis Methodology (CSAM). With the establishment of the PROCICARIBE Secretariat, CARDI also attempted to provide the leadership in designing a system of regional agricultural research and commodity networks - PROCICARIBE, thus establishing the *Caribbean Agricultural Science and Technology System*. In addition, the Institute's information systems infrastructure was to be further upgraded to improve its internal information management capability and establish the *Caribbean Agricultural Information Service* (CAIS). The Agribusiness Services offered by the Center for Agribusiness Services (CAS) would assist in the transformation of the regional agricultural sector, through commercialization and improved marketing systems.

Although these efforts at re-engineering and restructuring of CARDI are commendable in terms of its response to the changing needs of its stakeholders in the region, this new approach exhibited over planning and was never properly internalized among the staff and resulted in some confusion and lack of direction in addition to the fact that it was never adequately funded. Moreover, the human resource development that was required to aid in the implementation of the new approach had not evolved in the way the system required it to if it was to be successful, and a proper Performance Appraisal System was also not put in place.

(c) Review of CARDI-Final Report and Strategic Planning Workshop

The CARDI Governing Body (GB) at its meeting held in Barbados from 15-17 December 1999 agreed to have an Institutional Review of CARDI done as a matter of priority. The Review would include a management and financial audit with a view to recommending changes necessary in CARDI's structure and functions that could lead to the development of a new Strategic Plan for the Institute. The Director General of IICA was approached and agreed to assist with funding of the Review. IICA was also invited to develop the Terms of Reference.

The Review of CARDI was carried out by a four-man team led by Dr. Keith Roache, a leading Caribbean Agricultural Scientist. It included Dr. Carlos Valverde of ISNAR, the Netherlands, Dr. Flavio Moscardi of EMBRAPA, Brazil and Mr. Byron William, Chartered Accountant, Trinidad and Tobago. The Review was completed in four (4) weeks and included a two-week period of visits to seven (7) CARICOM Member Countries to meet with CARDI staff and stakeholders. A Strategic Planning Workshop followed on 19-20 May 2000 in Trinidad with thirty-nine (39) participants from IICA, Ministries of Agriculture (CARICOM), the Private Sector, UWI, CARDI and members of the Review Team to receive the Draft Report and to discuss and provide feedback before the Report was finalized. This exercise was very useful.

The principal finding of the Review was that the Institute should re-focus on and strengthen its Research and Development (R&D) activities and utilise a Market Driven Systems Approach with the development of strategic alliances. Also, there was extreme centralisation of decision-making in CARDI and some decentralisation was desirable with Country Team Leaders (CTL's) given greater authority and autonomy and requiring additional accountability. Moreover, it was felt that CARDI should assist each Member Country in carrying out a systematic priority-setting exercise involving all stakeholders. It was emphasised strongly that Member States should meet and maintain their budgetary allocations on a timely basis. It was also deemed highly desirable to have private sector representation at the level of the Board of Directors (BOD), the maintenance of the balance of skills on that body and the revision of the Programme and Budget Committee of the Board of Directors to give greater focus on financial matters. Finally, the Review Team urged that CARDI's operations and programmes be managed in a collegial manner and that a simpler Performance Appraisal System of staff be used than the one proposed.

The Strategic Planning Workshop which considered the draft report of the Review gave support to the thrust of the Review and urged that CARDI staff be placed in national offices and/or that CARDI's operations be integrated within the national agricultural research system in Member Countries. It was felt that these arrangements would help to reduce overhead expenses and make more funds available for project implementation. It also stressed the need for an urgent priority-setting exercise.

(d) Priority-Setting Exercise and Strategic Framework 2001-2006

At the Special Meeting of the Governing Body of the Institute held in Barbados in June 2000 the recommendations of the Final Report of the Review of CARDI were accepted and a Sub-Committee was appointed to develop an Action Plan for the implementation of the recommendations. The Sub-Committee recommended to the Governing Body (GB) that the systematic priority-setting exercise contained in recommendation # 6 of the Review be carried out as soon as possible by CARDI's management utilizing the PROCICARIBE priority-setting mechanism. This was agreed by the CARDI Board of Directors at its meeting in July 2000, and that the findings should be presented to the Board of Directors (BOD) meeting scheduled for December 2000 and the next meeting of the Governing Body.

It was expected that the priority-setting process would produce a new or preferred Option for CARDI in terms of a new skills mix and structure in line with available financial resources. Assistance was sought from ISNAR and IICA to provide resource persons to facilitate the process.

A Priority-setting Working Group was established in CARDI led by the Executive Director. The Priority-setting process commenced on 1st August 2000 with meetings of the National Coordinating Committees (NCC's) of PROCICARIBE in all Member Countries followed by meetings of the National Network Coordinators (NNC's). Regional meetings of Regional and National Coordinators of the PROCICARIBE Networks were also held. This was followed by a workshop in October 2000 of CARDI Country Team Leaders (CTL's) and key representatives of regional institutions, the public and private sectors, NGO's and farmer organizations to examine priority-setting at the programme level. The Scoring Method (as adopted by the PROCICARIBE Networks) was used. The CARDI Senior Management Committee reviewed the outputs of the Workshop and the Strategic Options Framework for consideration by the 50th Meeting of the Board of Directors in December 2000 before submission to the next Governing Body (GB) for approval.

A Strategic Framework for CARDI (2001-2006) has been proposed as a result of the Priority-setting exercise, and it has been recommended for the consideration of the Governing Body. This new Strategic Framework reflects the priority research and development needs of the Member Countries determined by an objective exercise using the PROCICARIBE mechanism. A preferred Strategic Option was approved by the 49th Board of Directors Meeting in December 2000. It is a leaner, more focused CARDI with provision for a three (3) year transition period towards a more sustainable institution. The approved Option is built around the CARDI Core Budget of EC\$8.0 Million (i.e. the level of present contributions excluding Guyana). It will be necessary for resource mobilization efforts to provide the additional funds for expanding staff numbers and programmes so that by year 2006 these efforts would yield an additional EC\$7.0 Million per year. It is expected that national programmes would be collaborative with the Ministries of Agriculture and other stakeholders. However, the Option approved by the Board of Directors (BOD) has a down side in that thirteen (13) professional and seventeen (17) technical staff need to be terminated from the Institute during the transition period for it to

remain in line with the level of the Core Budget. This Option may remove from the Institute some key skills required to meet the challenges of a regional agricultural sector faced with increased competition as a result of trade liberalisation.

(e) *Change Management*

As a result of the Review of CARDI and the recommendations made to revitalise the Institute a new *Strategic Framework for CARDI 2001 – 2006* was prepared by the CARDI Management Team for consideration and approval by the Board of Directors and the Governing Body. The Board of Directors has already considered various Options for the Institute and a preferred Option has been sent to the Governing Body for its consideration. This new Strategic Framework 2001-2006 is very different from the *CARDI Strategic Plan 2000-2005* as it has emerged out of the Priority-Setting Exercise which followed the Review of CARDI. A change Management Plan has been proposed for the implementation of the recommendations of the Review to produce (over a transition period of three (3) years) a transformed CARDI with improved quality and impact, decentralisation of responsibility, positive resource mobilisation, a better skills mix and increasing the access to financial, human and physical resources and intensifying collaboration with other national, regional and international partners. It will be expected to use an agro-ecological approach to Research and Development (R&D) to increase productivity through the generation and transfer of appropriate technologies to the solution of problems of production and marketing of primary and processed products that are highly competitive.

(f) *Governance*

The Governing Body (GB), the Board of Directors (BOD) and the Executive Director represent the three (3) levels of decision-making in the management and operation of CARDI. During the period under review the Institute's operations were intensely examined because its Governing Body expressed dissatisfaction with the direction of the Institute in terms of the management of its programmes, finances and human resources. The Governing Body met in Special Meetings in December 1999 and in June 2000. It commissioned a Review of the Institution and also a priority-setting exercise to determine the changes that may be necessary to make CARDI more efficient and effective in its delivery of products and services on a value for money basis. The Governing Body also directed that fiscal restraint be practiced throughout the review period.

The Board of Directors responded to the directives of the Governing Body (GB) and sought to ensure that these exercises were effectively executed as well as to provide an appropriate and acceptable Budget and Work Programme for 2000. It was necessary to break the Budget into two 6-month cycles with supporting Work Programmes. The Institutional Review's cost was met by IICA. Meetings of the Board of Directors (BOD) were held in March, July and December 2000 under new Chairmanship.

The Executive Director, Mr. Hayden Blades, who had completed his second three year Contract at the end of March 2000, resigned from the Institute on 31 July 2000. The search

for a new Executive Director is ongoing, and following advertisement and the assistance of a Search Company, a short list of four (4) acceptable Candidates has been recommended by the Board of Directors (BOD) to the Governing Body (GB) following interviews by a Search Committee of the Board of Directors (BOD). The Executive Secretary of PROCICARIBE, Dr. Compton Paul, was appointed by the Governing Body (GB) to act as Executive Director from 1st August 2000 until a new Executive Director is appointed.

The Review of CARDI asserted that the role of the Board of Directors (BOD) in promoting the work of the Institute needed to be expanded. It was also felt that Private Sector representation on the Board of Directors was desirable and that the Programme and Budget Committee of the Board of Directors should be given expanded Terms of Reference.

3.0 Programmes

A. Technical Programmes

CARDI's technical programmes continued in 1999-2000 but were seriously affected by the need for fiscal constraint. Thus, no new programmes were established and existing programmes were maintained as far as possible. The major programmes of the Institute during the biennium were as follows:

(a) *Plant Genetic Resources*

Antigua and Barbuda, Barbados and Belize remained the major planting material supply centres with lower levels of production in Dominica, Grenada, St Kitts/Nevis and St Lucia. In Antigua and Barbuda, work continued on the production of quality planting material of hot pepper, cucurbits and corn. Funds were accessed through the CARDI/IICA Agreement for the bulk of the validation work on hot pepper production systems.

In Barbados, activities were confined, for the most part, to hot pepper improvement and maintenance of the regional hot pepper germplasm collection. New breeding lines were selected as candidates for new cultivars. The regional hot pepper germplasm collection of 165 accessions and seed of about 300 breeding lines were maintained.

The supply of planting material remains a priority constraint across the region. The upgrade and maintenance of the CARDI Tissue Culture Laboratory in Barbados (at internationally acceptable standards) is therefore a high priority. Significant investment is needed to complete the lab upgrade, including the introduction of internationally acceptable quality management procedures.

Repairs to the Barbados laboratory and the preparation of lands at the Institute's field stations and demonstration training centres for producing planting material also constitute major items of capital expenditure for the Institute. Moreover, the Institute needs to add another plant breeder to its core staff; thus bringing the total to two.

(b) Integrated Pest Management (IPM)

The main IPM work continued to be carried out in Barbados and Jamaica. Parasites were released across Barbados to control the moth-borer population. A total number of 12,453 *Cotesia flavipes* and 43 *Lixophaga diatraea* adults (Cuban fly) emerged in the laboratory. Of the parasites emerged, 10,544 were released in fields across the island.

In Jamaica, activities were ongoing under the following projects;

- Integrated Pest Management of Sweet Potato (*Ipomoea batatas* L.);
- IPM System for Calaloo (*Amaranthus viridis*); and
- Biological Control of the Coffee Berry Borer.

Pest, disease and weed management capability remains a major constraint to the development of the sector. The indiscriminate use of pesticides resulting in high production costs and damage to the environment coupled with limited access to pest resistant high yield accessions to boost competitiveness are cited as some of the associated challenges. The Institute's current level of staffing cannot meet the demand for technical assistance to farmers and specialist support in the design and execution of projects aimed at developing commercially viable production and marketing systems. Moreover, the prohibitive cost of labour utilising traditional weed management systems needs to be addressed. The Institute therefore needs to increase its core staff by two (2) Entomologists and one (1) Weed Specialist.

(c) Post Harvest Technology

Dominica and Grenada continued to be the main centres for the Institute's work in post harvest management technologies; with services also offered in St Kitts and Montserrat. Major accomplishments over the reporting period include:

In Dominica, post harvest quality studies were carried out (i) to determine the optimum harvest interval for "Red peptiole" dasheen *Colocasia esculenta* (L.); and (ii) to assess nematode *Scutellonema bradys* infestation in Guinea yam *Dioscorea rotundata* before and after hot water treatment. Work is ongoing to validate these trials on a larger scale in order to make recommendations at a commercial level.

The demand for training and technical assistance in post harvest management techniques has increased due to:

- Current initiatives to revive intra-regional trade following the successful control of the Pink Mealy Bug.
- The need to conform to international Food Safety and Environmental Regulations, Product Standards and Traceability Requirements to access foreign markets.
- The awareness that sanitary and phytosanitary requirements will increasingly be used to protect markets in developing countries.

- The need to demonstrate conformance to requirements to access markets and differentiate products through the use of internationally recognised product and process certification systems.

CARDI is currently unable to satisfy current demand for post harvest management support services. The establishment and maintenance of packhouses, treatment and other post harvest facilities is also necessary to successfully implement production and marketing technologies developed by the Institute for targeted commodities. The Institute will need to add another Post Harvest Technologist to its core staff.

(d) Crop Production and Marketing Systems

During the biennium, crop production and marketing systems were established and demonstrated for fruits, vegetables, roots, herbs and spices, notably in the OECS and Jamaica.

(e) Small Ruminant Production and Marketing

The major centres for small ruminant development continued to be Jamaica, Trinidad and Tobago and Antigua. In Jamaica, there were breakthroughs in alternative feeding systems and the control of an abnormally high infestation of fleas among goats.

During the period under review, 30 farmers in Trinidad and Tobago received training in marketing, nutrition, animal health and small business management under the Princes Town Small Ruminant Project. As part of the project, a feedlot model based on the Barbados Agricultural Development and Marketing Corporation's (BADMC) model was developed for the benefit of the farmers. Concurrently, literature reviews were initiated for the development of three new projects: *The Effective Use of By-products in Farm-mixed Rations for Ruminant Livestock*; *The Development of Whole Life Cycle Feeding Systems for Small Ruminants*; and *Development of Effective Measures to Control Internal Parasites in Sheep*.

In Antigua and Barbuda, technical assistance was provided to farmers interested in establishing improved pastures seeded with guinea grass and the legume Glycine. Links were also established with farmers and the Antigua Goat farmers Association for the sale of goat kids.

(f) Biometrics

The Biometrician attended a meeting in St Lucia (1-2 February 2000) to finalise the commodity systems analysis methodology and manual in preparation for training workshops in the use of the methodology throughout the region. At this meeting, the completed tests of the manual of four commodities in Antigua (sheep), Grenada (hot pepper) and St Lucia (dasheen and passion fruit) were reviewed. US\$6,885 was made available under the CARDI/IICA Cooperative Agreement to complete the testing of this process and the manual.

Support services were provided to 28 CARDI scientists, technicians and administrators during the reporting period. Data analysed from these CARDI scientists were ANOVA 363 variables and 1588 survey forms.

The Biometrician facilitated a session entitled "Biometrics in Rice Research and Technology Transfer" as part of a five-day workshop on project planning organised by the Caribbean Rice Industry Development Network.

Throughout the reporting period, biometrics services were also provided to a cross-section of external clients, including the UWI Faculty of Agriculture and Natural Sciences, the Ministry of Agriculture/Trinidad and Tobago, CARONI (1975) Limited, UWI students from the Vet School and the Faculty of Engineering.

(g) Organic Farming

The Institute initiated a new programme to provide technical support (through site visits and the preparation of technical packages) in organic husbandry. During the period under review, the Institute received proposals from several internal and external clients.

(h) Hillside Farming and Watershed Management

The major centre for CARDI's work in this thematic area continued to be Jamaica. During the reporting period, 150 Jamaican farmers were sensitised to the benefits of hedgerows while hedgerows were established on 30 farms. Some of the farms on which hedgerows were established were used to successfully assess soil nutrient levels as well as to determine and fertiliser application rates for the main crops.

Results were also met through the updating of the GIS database of the Thomas River Watershed as data became available. GIS has been used to prepare site maps for the Sam Motta Demonstration and Training Centre (DTC), the Mona DTC and the Coffee Berry Biological Control Project.

During the reporting period, the weather station at the Mona DTC was rehabilitated and data such as rainfall intensity, relative humidity, temperature and wind speed/direction can now be recorded.

The major highlights of CARDI's technical programmes are presented (by Country) in Table 1 below.

Table 1
Highlights of CARDI Technical Programmes by Country – 2000

Country	Major Activities
Antigua and Barbuda	Seed production – Hot Pepper, Corn Sheep and Goat - Meat Production, Breeding and Marketing
Barbados	Hot Pepper Improvement for the Caribbean (cv. West Indies Red) Planting materials (including Tissue Culture Materials) Sheep production Sugarcane – IPM
Belize	Cereals (Rice, Corn) and Grain Legumes, (Soyabean, Peanut, Cowpea, R.K. Bean) Hot Pepper production Rice and Seed Paddy evaluation
BVI-British Virgin Islands	Sheep (meat) production and breeding (Virgin Island White) Vegetables production (varietal evaluation)
Dominica	Planting materials (yam, plantain, cassava) Hot Pepper and Root Crops (Yam, Dasheen, Cassava) Post-harvest quality studies (Mango, Papaya, Pineapple)
Grenada	Fruit production and Marketing Hot Pepper production and export Sheep and Goat production systems Hibiscus Pink Mealy Bug Project
Guyana	Rice – CRIDNET programme coordination
Jamaica	IPM Systems Root Crops, Hot Pepper and Coffee Berry Borer Hot Pepper Production Organic farming; Hillside farming systems Sheep and Goat feeding production and marketing systems (small farmers)
Montserrat	Technical assistance (IPM; Livestock development)
St Kitts and Nevis	IPM Systems (Sweet Potato Weevil; Papaya Mealy Bug W.I. Cane Fly) Root Crop (Yam) development Vegetables and hot pepper production and export Sheep and goat production
St. Lucia	Planting materials (yam, plantain, passion fruit) Organic farming systems Fruit production
St Vincent and The Grenadines	IPM Systems Root crop production and planting materials Organic farming Fruit production
Trinidad and Tobago	Organic farming (Urban) Vegetable production systems Technical assistance (Corn and Sorghum) Sheep production and marketing

During the period under review, two (2) of the three (3) Member Countries that were without Country Team Leaders (CTL's), Grenada and St. Vincent and the Grenadines, had them replaced. However, in St Kitts and Nevis the Entomologist continued to act as CTL. Services to Guyana were curtailed during the period under review as a result of the decision of the Governing Body (GB) in December 1999 on arrears to the Institute, and only the CRIDNET Programme activities remained. CARDI's main assets in Guyana were transferred to NARI.

B. Research Coordination and Linkages – PROCICARIBE

The PROCICARIBE Secretariat's activities continued to operate out of CARDI's Headquarters. The major activities covered during the biennium were network administration, coordination and management, the strengthening of global linkages at the hemispheric (FORAGRO), European Union and international (CGIAR) levels and various training activities. In collaboration with Member Countries of PROCICARIBE, eight (8) Commodity and Thematic Networks have now been established:

- CRIDNET - Rice Network
- CIPNET - Integrated Pest Management (IPM) Network
- CAPGERNET - Plant Genetic Resources Network
- CLAWRENET - Land and Water Resources Network
- CARINET - Biosystematics Network
- CARIFRUIT - Fruit Network
- CASRUNET - Small Ruminants Network
- CAPHNET - Post Harvest Network

Regional Coordinators of Networks and National Network Coordinators (NNC's) held meetings with the National Coordinating Committees (NCC's) and Work Programmes were developed. The Technical Advisory Committees to the Networks also functioned. Funding for the PROCICARIBE programme has come principally from donor funding (i.e. from IICA and IDB). Three (3) PROCICARIBE newsletters were produced and circulated during 2000. The Membership of PROCICARIBE also expanded to include the Dominican Republic, Haiti, Cuba and the French territories of Martinique and Guadeloupe. During the reporting period, the PROCICARIBE Secretariat continued efforts to seek external funding to sustain its networking activities.

C. Information and Communications

The Information and Communications Department of CARDI continued to perform an important and crucial role in the production and dissemination of the Institute's information products and services. These included the management and coordination of CARDI's publications, the operation of the documentation and information centre, establishment of the Caribbean Agricultural Information Service (CAIS) and the Regional Branch Office of CTA (Technical Center for Cooperation in Agriculture). The Department maintained a computerised information management system and databases to provide technology

information services (such as Annual Technical Reports, Fact sheets, Technical Bulletins, Newsletters) to internal and external clients.

Limitations of funding and staffing (as well as the need for continuous upgrading of information systems) hampered the Department from achieving the level of efficiency that is expected by the Institute's stakeholders. A major activity of the Department, however, continued to centre around the discharge of its management responsibility for the Regional Branch Office in the Caribbean (RBOC) of the CTA. The latter maintained a favourable track record in providing financial support for the delivery of information products and technical services to the region.

4.0 Corporate Services

(a) *Executive Management*

The Office of the Executive Director has responsibility for financial management, human resource development, public relations, planning and monitoring and resource mobilisation under the direction of the Executive Director. The organisation of meetings of the Governing Body and the Board of Directors and its Committees, as well as conferences or workshops is also undertaken by the Office of the Executive Director. The Internal Audit function falls under this office.

The review of CARDI showed that there was extreme centralisation of the decision-making process through the Office of the Executive Director and feedback was lacking in both administrative and technical matters. It was noted that the Executive Director had no Deputy to assist him in day-to-day activities or to act for him in his absence. This mode of operation affected the Institute's efficiency and effectiveness, particularly in view of CARDI's extensive geographic displacement. The review recommended that CARDI move expeditiously to "a decentralized organisation".

(b) *Financial Administration and Management*

The Accounting and Finance Unit of CARDI is supervised by the Corporate Services Manager and is responsible for the preparation of budgets and the operation of the accounting system. The Annual Budget goes to the Board of Directors through the Programme and Budget Committee for recommendation of approval to the Governing Body. The Annual Accounts of the Institute are audited by an approved Auditing Company.

The Unit experienced great difficulties during the reporting period due, in large measure, to the untimely payment of Contributions by Member Countries. This resulted in serious cash flow problems for the Institute. This situation became particularly acute in light of the fact that the Core Contributions have not changed for the last ten (10) years and no Inflation Factor had been applied or brought into effect. The financial situation of the Institute continued to worsen as a result of the accumulation of Arrears by some Member Countries.

The financial crisis deepened when Guyana declared its inability to meet its Core Contribution of EC\$1.0 Million offering, alternatively, to pay G\$10 Million (equivalent to EC\$153,000). In light of these developments, CARDI's services to Guyana were curtailed following a decision of the Governing Body in December 1999. The overall financial picture is overshadowed by an outstanding liability to staff of some EC\$2.8 Million.

(c) Human Resource Development

The Human Resource Unit of CARDI falls under the Corporate Services Department and has responsibility for the negotiation of the Terms and Conditions of employment with the Institute's Staff. The negotiations with CARDI's Staff for the 1998-2001 Triennium were not concluded, thus causing Professional Staff Contracts to be frustrated.

Moreover, the Performance Appraisal System had not been operationalised as the CARDI Professional Staff, in particular, failed to embrace it. Staff morale (especially at the CARDI Headquarters in Trinidad) was acutely low, as a consequence.

(d) Resource Mobilisation

The Institute has a Resource Mobilisation Unit in the Office of the Executive Director whose aim has been to obtain an increased level of donor funding for research and development activities. The protracted financial crisis facing the Institute hampered resource mobilisation efforts during the period, as traditional donors continued to shy away from supporting its priority programmes and projects.

In the face of these challenges, IICA continued to be a major source of external funding to CARDI for both institutional strengthening and for projects. However, these funds will be significantly reduced over the next three (3) years.

IICA/CARDI Expenditure Report to December 2000										ATTACHMENT
5/25/01 16:07	Budget US\$	Actual US\$ Total Exp. To Dec 99	Actual US\$ Jan to May 00	Actual US\$ Jun to Dec 00	Actual US\$ Total Exp. To Dec 00	Variance US\$				
1999 Projects										
Procaribe II & III	125,245	91,715	4,305	25,032	121,052	4,193				
Information and Communication Systems Development & Linkages	20,000	-			-	20,000				
Validation of Business Systems in St. Kitts/Nevis St. Lucia, Dominica, Grenada, Antigua, St. Vincent Jamaica.	50,000	-		10,097	10,097	39,903				
Comodity Systems Analysis workshops	12,885	5,896	44	6,945	12,886	(1)				
Marketing Research for the regional food sector	40,000	36,201	452		36,654	3,346				
Caribbean Food festival and Exhibition	13,000	19,288			19,288	(6,288)				
Business Systems for the production and Marketing of organically grown products in T&T	16,000	-		993	993	15,007				
Small Ruminants Business development systems in Trinidad & Tobago.	31,850	2,278	412		2,690	29,160				
Project Development Facility	20,000	19,199			19,199	801				
Support to Distance learning	40,000	-		23,500	23,500	16,500				

Unprogrammed Activities	20,000	15,224	612	4,280	20,116	(116)
Sub-Total	388,980	189,801	5,826	70,847	266,474	122,506
Total	388,980	189,801	5,826	70,847	266,474	122,506



Financial Statements of

**CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE**

December 31, 1999



Chartered Accountants

Scotia Centre
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PO Box 1328
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**To the Members of
The Governing Body
Caribbean Agricultural Research and Development Institute**

We have examined the balance sheet of Caribbean Agricultural Research and Development Institute (the Institute) as at December 31, 1999 and the statements of operations and accumulated fund for the sixteen months then ended. These financial statements are the responsibility of the Institute's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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 company, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 1999 and the results of its operations for the sixteen months then ended in accordance with international accounting standards adopted by the Institute of Chartered Accountants of Trinidad and Tobago.

KPMG

Chartered Accountants

Port of Spain
Trinidad, W.I.
November 10, 2000



KPMG, a Trinidad and Tobago partnership,
is a member of KPMG International

H C Rodriguez
P A Davis
R R Alleyne

**CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE**

Statement of Operations

For the sixteen months ended December 31, 1999
(with comparative figures for the year ended August 31, 1998)

	Note	TOTAL	
		1999	1998
Revenue			
Government contributions:			
Annual core budget		\$ 11,733,334	8,800,000
New member		270,250	202,875
Non-government contributions:			
Major Donors	6a	1,441,969	1,766,310
Co-operative Programmes/Technical Assistance	6b	1,658,570	1,123,487
Consultancies		612,431	144,761
Produce sales		281,766	244,965
Interest		227,427	364,448
Miscellaneous		666,801	248,422
Total revenue		16,892,548	12,895,268
Expenditure			
Personnel - professional		5,293,243	3,572,232
Personnel - support		3,944,044	3,036,677
Casual labour		911,854	721,538
Office and general administration (Schedule 1)		2,776,014	2,021,269
Official local travel		101,245	83,693
Official foreign and regional travel		637,644	650,645
Motor vehicle costs		493,771	384,498
Work programme activity		392,656	361,213
Field station and laboratory		439,219	324,604
Training and workshops		713,323	455,379
Board meetings		154,540	68,644
Loss (gain) on disposal of fixed assets		65,565	(28,877)
Total expenditure		15,923,118	11,651,515
Net excess of revenue over expenditure		\$ 969,430	1,243,753

See accompanying notes to financial statements.

Balance Sheet

December 31, 1999
(with comparative figures for August 31, 1998)

	Note	1999	1998
Fixed assets			
Leasehold properties		\$ 627,892	627,892
Buildings		2,618,646	2,568,730
Equipment		6,868,606	6,499,953
Motor vehicles		2,210,631	2,165,918
Livestock		56,328	4,654
		<u>12,382,103</u>	<u>11,867,147</u>
Current assets			
Cash	4a	1,796,909	3,273,074
Fixed deposits	4b	502,072	608,503
Accounts receivable:			
Member governments		8,306,611	5,721,192
Other		552,670	870,540
Projects		12,976	-
Prepaid expenses		20,189	70,798
		<u>11,191,427</u>	<u>10,544,107</u>
Current liabilities			
Current portion of long-term liabilities	5	551,921	677,760
Bank overdrafts	4c	688,563	199,718
Accounts payable and accrued liabilities		998,320	901,260
Due to The University of the West Indies		305,454	247,234
Provision for pension costs		607,141	284,525
Due to employees		813,235	1,147,392
Deferred revenue		135,125	-
		<u>4,099,759</u>	<u>3,457,889</u>
Net current assets		<u>7,091,568</u>	<u>7,086,218</u>
Net long-term liabilities	5	<u>79,051</u>	<u>658,522</u>
Net assets		\$ <u>19,394,620</u>	<u>18,294,843</u>
Represented by:			
Accumulated fund		\$ <u>19,394,620</u>	<u>18,294,843</u>

See accompanying notes to financial statements

Approved on behalf of the Board

 Director

 Director

	CORE		PROJECTS	
	1999	1998	1999	1998
	11,733,334	8,800,000	-	-
	270,250	202,875	-	-
	-	294,377	1,441,969	1,471,933
	-	-	1,658,570	1,123,487
	465,864	144,761	146,567	-
	281,766	244,965	-	-
	197,113	354,496	30,314	9,952
	267,841	181,373	398,959	67,049
	<u>13,216,168</u>	<u>10,222,847</u>	<u>3,676,380</u>	<u>2,672,421</u>
	4,862,524	3,376,457	430,719	195,775
	3,791,576	2,867,375	152,468	169,302
	853,478	650,019	58,376	71,519
	2,198,432	1,659,593	577,582	361,676
	74,513	74,833	26,732	8,860
	353,476	435,276	284,168	215,369
	454,607	369,677	39,164	14,821
	365,006	317,742	27,650	43,471
	373,012	317,521	66,207	7,083
	143,479	137,662	569,844	317,717
	130,890	63,104	23,650	5,540
	65,565	(28,877)	-	-
	<u>13,666,558</u>	<u>10,240,382</u>	<u>2,256,560</u>	<u>1,411,133</u>
	(450,390)	(17,535)	1,419,820	1,261,288

Statement of Accumulated Fund

December 31, 1999
(with comparative figures for August 31, 1998)

	<u>1999</u>	<u>1998</u>
Accumulated fund - beginning of the year	\$ 18,294,843	17,364,066
Foreign currency translation differences	130,347	(312,976)
Net excess of revenue over expenditure	<u>969,430</u>	<u>1,243,753</u>
Accumulated fund - end of the year	\$ <u>19,394,620</u>	<u>18,294,843</u>

See accompanying notes to financial statements

Notes to Financial Statements

December 31, 1999

1. Principal activity

Caribbean Agricultural Research and Development Institute (the Institute) is an autonomous organisation serving the states of the Caribbean Community (CARICOM). The member states are Antigua, Barbados, Belize, British Virgin Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts - Nevis, St. Lucia, St. Vincent and the Grenadines and Trinidad and Tobago.

The Institute's main objective is to contribute to agricultural development through the generation and dissemination of appropriate technology for the benefit of CARICOM.

2. Reporting currency

These financial statements are expressed in the currency of the Eastern Caribbean Currency Authority (EC).

3. Summary of significant accounting principles

(a) Fixed assets

Fixed assets are stated at cost except for certain fixed assets situated in the Leeward and Windward Islands with a value of \$481,000 based on professional valuations as at August 31, 1988.

No depreciation is taken on any fixed assets.

(b) Foreign currency translation

Where the reporting currency of countries, in which some of the Institute's operations are located, is not in EC dollars then the assets and liabilities are translated into EC dollars at the rates of exchange in effect at year-end, and revenue and expenses are translated at average rates. Gains and losses resulting from translation are recorded in the Accumulated Fund.

Transactions in foreign currencies are recorded at the approximate rate of exchange prevailing on the date of the transaction. Gains and losses resulting from foreign currency transactions are recorded in the statement of operations.

(c) Revenue recognition

Government subventions are reported as receivable when awarded. The revenue is recognised as core income in the designated period, which is normally the expected payment date. To the extent these have not been collected, they are reflected in Accounts receivable.

The contributions from external donor agencies for projects are recorded as revenue upon receipt of funds. Undisbursed funds held in project holding bank accounts at year-end are recognised as deferred revenue to the extent that they relate to projects not yet started or where they exceed budgeted expenditure.

Notes to Financial Statements

December 31, 1999
(with comparative figures for August 31, 1998)

4a. Cash			
Cash consists of:			
		<u>1999</u>	<u>1998</u>
Core:			
Current Accounts	\$	658,692	2,176,005
Savings Accounts		566,664	318,268
Petty Cash		13,800	13,133
Cash in Transit		-	34,973
		<u>1,239,156</u>	<u>2,542,379</u>
Projects:			
Current Accounts		61,461	100,035
Savings Accounts		496,289	630,660
		<u>557,750</u>	<u>730,695</u>
	\$	<u>1,796,909</u>	<u>3,273,074</u>

b. Fixed deposits

Fixed deposits consist of:

		<u>1999</u>	<u>1998</u>
Core deposits	\$	-	548,118
Project deposits		<u>502,072</u>	<u>60,385</u>
	\$	<u>502,072</u>	<u>608,503</u>

c. Bank overdrafts

Bank overdrafts consist of:

		<u>1999</u>	<u>1998</u>
Core accounts	\$	<u>688,563</u>	<u>199,718</u>

The bank overdraft is secured by a lien over fixed deposit of \$429,867 at Republic Bank Limited in Trinidad and Tobago.

Notes to Financial Statements

December 31, 1999
(with comparative figures for August 31, 1998)

5. Net Long-term liabilities

Net long-term liabilities consist of:

		<u>1999</u>	<u>1998</u>
a) Due to The Board of Inland Revenue (Trinidad and Tobago)	\$	297,289	535,038
b) Barclays Bank Plc (Barbados)		95,140	416,637
c) (i) Republic Bank Limited (Trinidad & Tobago)		118,592	247,404
(ii) Republic Bank Limited (Trinidad & Tobago)		28,660	67,101
(iii) Republic Bank Limited (Trinidad & Tobago)		52,659	-
d) Barclays Bank Plc (Belize)		18,276	36,801
e) National Commercial Bank - St Vincent		<u>20,356</u>	<u>33,411</u>
		630,972	1,336,282
Less current portion thereof		<u>(551,921)</u>	<u>(677,760)</u>
Net long-term liabilities	\$	<u>79,051</u>	<u>658,522</u>

- a) The amount owing to the Board of Inland Revenue is non-interest bearing and is being repaid directly by the Ministry of Agriculture (Trinidad and Tobago) in monthly installments of \$23,159 until the total liability is repaid.
- b) The amount owing to Barclays Bank Plc is being repaid over thirty six (36) monthly installments of \$22,727 inclusive of interest of 11.75% per annum which commenced May of 1996.
- c) (i) The amount owing to Republic Bank Limited is being repaid over thirty-six (36) monthly installments of \$10,889, inclusive of interest of 18% per annum. Loan amount was increased to \$296,310 (TT\$700,000) as at January of 1998.
- (ii) The amount owing to Republic Bank Limited is being repaid over thirty-six (36) monthly installments of \$3,035, inclusive of interest of 16.24% per annum which commenced January of 1998. The loan is secured by the two motor vehicles purchased with the proceeds.

Notes to Financial Statements

December 31, 1999
(with comparative figures for August 31, 1998)

5. Long-term liabilities (continued)

Long-term liabilities consist of:

- (iii) The amount owing to Republic Bank Limited is being repaid over sixty (60) monthly installments of \$1,612, inclusive of interest of 17.27% per annum which commenced February 1999. The loan is secured by a mortgage bill of sale over a motor vehicle.
- d) This amount owing to Barclays Plc is being repaid over thirty-six monthly installments of \$1,451, inclusive of interest of 10% per annum which commenced on May 1998. This loan is secured by a bill of sale over a tractor registered and stamped to cover \$40,150.
- e) The amount owing to National Commercial Bank - St Vincent is being repaid over forty-eight monthly installments of \$1,090 inclusive of interest at a rate of 14% per annum which commenced on October 1997. The loan is secured by a mortgage bill of sale over a motor vehicle.

6. Non-Government contributions

Non-Government contributions consist of:

	<u>1999</u>	<u>1998</u>
<i>a. Major Donors</i>		
IICA	\$ 949,965	1,176,780
IDB	270,250	337,710
CIDA International	221,754	-
EDF Lome III	-	251,820
	<u>\$ 1,441,969</u>	<u>1,766,310</u>
<i>b. Co-operative Programmes/Technical Assistance</i>		
CRSP - IPM	\$ 294,368	252,862
CTA Workshops	340,371	346,400
CTA Regional Branch Office	494,667	206,092
ISNAR Workshops	54,969	11,520
CDB	128,276	189,234
Other	345,919	117,379
	<u>\$ 1,658,570</u>	<u>1,123,487</u>

Notes to Financial Statements

December 31, 1999
(with comparative figures for August 31, 1998)

7. Fixed Assets at Cost

	Leasehold Properties	Buildings	Equipment	Motor Vehicles	Livestock	Total
Balance - September 1, 1998	627,892	2,568,730	6,499,953	2,165,918	4,654	11,867,147
Additions	-	49,916	482,272	199,051	51,674	782,913
Disposals	-	-	(113,619)	(154,338)	-	(267,957)
Balance - December 31, 1999	627,892	2,618,646	6,868,606	2,210,631	56,328	12,382,103
Balance - August 31, 1997	627,892	2,458,858	5,816,916	2,387,598	16,317	11,307,581
Additions	-	109,872	701,322	158,786	3,406	973,386
Disposals	-	-	18,285	380,466	15,069	413,820
Balance - August 31, 1998	627,892	2,568,730	6,499,953	2,165,918	4,654	11,867,147

8. PAYE and Health Surcharge

As at year-end, there is an amount of \$300,112 (1998 - \$339,857) of unpaid PAYE and Health Surcharge. In accordance with Section 99(4) of the Income Tax Act of Trinidad and Tobago, these unpaid amounts attract a penalty of 50% and from interest of 15% per annum from 1996. These have not been reflected in the accounts.

9. Contingencies

The United States of America Agency for International Development has issued a bill for collection in July 30, 1996 for the amount of (EC\$2,310,518) US\$859,504 in respect of the West Indies Tropical Produce Support Project for the period July 1, 1991 to December 31, 1994. This was as a result of the sub-grant to Caribbean Agricultural Trading Company since accounting records were not available for audit. The bill of collection was issued to both the Institute and the Organisation of Eastern Caribbean States, since they were jointly and severally liable for the funds.

10. Comparative Figures

Certain of the 1998 comparative figures have been reclassified to conform with the financial statements presentation adopted for the current year.

**CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE**

Office and General Administration

For the sixteen months ended December 31, 1999
(with comparative figures for August 31, 1998)

	<u>1999</u>	<u>1998</u>
Bank interest charges	\$ 191,519	169,180
Insurance	152,858	50,039
Computer supplies	27,316	24,528
Rental and repairs - Office equipment	52,492	30,508
- Building	219,315	211,293
Advertising	-	24,211
Utilities	331,915	248,165
Legal and professional	1,191,629	791,249
Other office administration cost	323,155	287,046
Communication services	162,417	73,496
Information services	123,398	111,554
	<u>\$ 2,776,014</u>	<u>2,021,269</u>

Schedule 1

10



Financial Statements of

**CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE**

December 31, 2000



Chartered Accountants

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**To the Members of
The Governing Body
Caribbean Agricultural Research and Development Institute**

We have examined the balance sheet of Caribbean Agricultural Research and Development Institute (the Institute) as at December 31, 2000 and the statements of operations and accumulated fund for the year then ended. These financial statements are the responsibility of the Institute's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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 company, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2000 and the results of its operations for the year then ended in accordance with International Accounting Standards.

KPMG

Chartered Accountants

Port of Spain
Trinidad, W.I.
April 20, 2001



KPMG, a Trinidad and Tobago partnership,
is a member of KPMG International

H C Rodriguez
P A Davis
R R Alleyne

**CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE**

Statement of Operations

For the year ended December 31, 2000

(with comparative figures for sixteen months ended December 31, 1999)

	<u>NOTE</u>	<u>TOTAL</u>	
		<u>2000</u>	<u>1999</u>
Revenue			
Government contributions:			
Annual core budget	\$	8,800,000	11,733,334
New member		202,687	270,250
Non-government contributions:			
Major Donors	6a	623,502	1,441,969
Co-operative Programmes/Technical Assistance	6b	1,781,134	1,658,570
Consultancies		142,058	612,431
Produce sales		239,708	281,766
Interest		118,579	227,427
Miscellaneous		480,941	666,801
Total revenue		<u>12,388,609</u>	<u>16,892,548</u>
Expenditure			
Personnel - professional		3,676,196	5,293,243
Personnel - support		2,550,531	3,944,044
Casual labour		845,981	911,854
Office and general administration (Schedule 1)		1,827,485	2,776,014
Official local travel		48,060	101,245
Official foreign and regional travel		374,537	637,644
Motor vehicle costs		347,531	493,771
Work programme activity		281,762	392,656
Field station and laboratory		233,367	439,219
Training and workshops		581,353	713,323
Board meetings		199,015	154,540
Loss on disposal of fixed assets		30,821	65,565
Total expenditure		<u>10,996,639</u>	<u>15,923,118</u>
Net excess of revenue over expenditure	\$	<u>1,391,970</u>	<u>969,430</u>

See accompanying notes to financial statements.

CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE

Balance Sheet

December 31, 2000

	Note	2000	1999
Fixed assets			
Leasehold properties		\$ 627,892	627,892
Buildings		2,667,095	2,618,646
Equipment		7,092,086	6,868,606
Motor vehicles		2,251,900	2,210,631
Livestock		118,529	56,328
		<u>12,757,502</u>	<u>12,382,103</u>
Current assets			
Cash	4a	1,777,963	1,796,909
Fixed deposits	4b	473,618	502,072
Accounts receivable:			
Member governments		7,786,547	8,306,611
Other		602,598	552,670
Projects		1,439	12,976
Prepaid expenses		57,613	20,189
		<u>10,699,778</u>	<u>11,191,427</u>
Current liabilities			
Current portion of long-term liabilities	5	86,895	551,921
Bank overdrafts	4c	203,284	688,563
Accounts payable and accrued liabilities		648,365	998,420
Due to The University of the West Indies		355,964	305,454
Provision for pension costs		604,677	607,141
Due to employees		568,108	813,235
Deferred revenue		135,125	135,125
		<u>2,602,418</u>	<u>4,099,759</u>
Net current assets		<u>8,097,360</u>	<u>7,091,568</u>
Net long-term liabilities	5	<u>49,440</u>	<u>79,051</u>
Net assets		\$ <u>20,805,422</u>	<u>19,394,620</u>
Represented by:			
Accumulated fund		\$ <u>20,805,422</u>	<u>19,394,620</u>

See accompanying notes to financial statements

Approved on behalf of the Board

 Director

 Director

	CORE		PROJECTS	
	2000	1999	2000	1999
	8,800,000	11,733,334	-	-
	202,687	270,250	-	-
	-	-	623,502	1,441,969
	99,457	-	1,681,677	1,658,570
	82,291	465,864	59,767	146,567
	225,197	281,766	14,511	-
	106,424	197,113	12,155	30,314
	286,557	267,841	194,384	398,959
	<u>9,802,613</u>	<u>13,216,168</u>	<u>2,585,976</u>	<u>3,676,380</u>
	3,455,822	4,862,524	220,374	430,719
	2,378,903	3,791,576	171,628	152,468
	612,992	853,478	232,989	58,376
	1,279,794	2,198,432	547,691	577,582
	36,094	74,513	11,966	26,732
	123,420	353,476	251,117	284,168
	315,148	454,607	32,383	39,164
	238,498	365,006	43,264	27,650
	203,947	373,012	29,420	66,207
	76,144	143,479	505,209	569,844
	189,544	130,890	9,471	23,650
	30,821	65,565	-	-
	<u>8,941,127</u>	<u>13,666,558</u>	<u>2,055,512</u>	<u>2,256,560</u>
	861,486	(450,390)	530,484	1,419,820

Statement of Accumulated Fund

December 31, 2000
(with comparative figures for sixteen months ended December 31, 1999)

	<u>2000</u>	<u>1999</u>
Accumulated fund - beginning of the year	\$ 19,394,620	18,294,843
Foreign currency translation differences	18,832	130,347
Net excess of revenue over expenditure	<u>1,391,970</u>	<u>969,430</u>
Accumulated fund - end of the year	\$ <u>20,805,422</u>	<u>19,394,620</u>

See accompanying notes to financial statements

Statement of Cash Flows

December 31, 2000
(with comparative figures for sixteen months ended December 31, 1999)

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities		
Net excess of revenue over expenditure	\$ 1,391,970	969,430
Adjustments to reconcile net excess of revenue over expenditure to net cash from (used in) operating activities		
Unrealised foreign currency translation differences	18,832	130,347
Loss on disposal of fixed assets	30,821	65,565
Changes in current assets/current liabilities		
Decrease (increase) in accounts receivable	481,673	(2,280,525)
(Increase) decrease in prepaid expenses	(37,424)	50,609
(Decrease) increase in accounts payable and accrued liabilities	(350,055)	97,160
Increase in due to the University of the West Indies	50,510	58,220
(Decrease) increase in Provision for Pension Costs	(2,463)	322,616
Decrease in due to employees	(245,127)	(334,157)
Increase in deferred revenue	-	135,125
Net cash from (used in) operating activities	<u>1,338,736</u>	<u>(785,610)</u>
Cash flows from investing activities		
Purchase of fixed assets	(453,437)	(782,913)
Proceeds from disposal of fixed assets	<u>47,217</u>	<u>202,392</u>
Net cash used in investing activities	<u>(406,220)</u>	<u>(580,521)</u>
Cash flows financing activities		
Proceeds of long-term borrowings	80,703	64,480
Repayment of long-term borrowings	<u>(575,340)</u>	<u>(769,790)</u>
Net cash used in financing activities	<u>(494,637)</u>	<u>(705,310)</u>
Net increase (decrease) in cash and cash equivalents	437,879	(2,071,441)
Cash and cash equivalents at beginning of the year	<u>1,610,418</u>	<u>4,081,295</u>
Cash and cash equivalents at end of the year	\$ <u>2,048,297</u>	<u>1,610,418</u>
Cash and cash equivalents represented by:		
Bank overdraft	\$ (203,284)	(688,563)
Cash at bank and in hand	1,777,963	1,796,909
Fixed deposit	<u>473,618</u>	<u>502,072</u>
	\$ <u>2,048,297</u>	<u>1,610,418</u>

See accompanying notes to financial statements

Notes to Financial Statements

December 31, 2000

1. Principal activity

Caribbean Agricultural Research and Development Institute (the Institute) is an autonomous organisation serving the states of the Caribbean Community (CARICOM). The member states are Antigua/Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts - Nevis, St. Lucia, St. Vincent and the Grenadines and Trinidad and Tobago. The Institute also provides services to the British Virgin Island.

The Institute's main objective is to contribute to agricultural development through the generation and dissemination of appropriate technology for the benefit of CARICOM.

2. Reporting currency

These financial statements are expressed in the currency of the Eastern Caribbean Currency Authority (EC).

3. Summary of significant accounting principles

(a) Fixed assets

Fixed assets are stated at cost except for certain fixed assets situated in the Leeward and Windward Islands with a value of \$481,000 based on professional valuations as at August 31, 1988.

No depreciation is taken on any fixed assets.

(b) Foreign currency translation

Where the reporting currency of countries, in which some of the Institute's operations are located, is not in EC dollars then the assets and liabilities are translated into EC dollars at the rates of exchange in effect at year-end, and revenue and expenses are translated at average rates. Gains and losses resulting from translation are recorded in the Accumulated Fund.

Transactions in foreign currencies are recorded at the approximate rate of exchange prevailing on the date of the transaction. Gains and losses resulting from foreign currency transactions are recorded in the statement of operations.

(c) Revenue recognition

Government subventions are reported as receivable when awarded. The revenue is recognised as core income in the designated period, which is normally the expected payment date. To the extent these have not been collected, they are reflected in Accounts receivable.

The contributions from external donor agencies for projects are recorded as revenue upon receipt of funds. Undisbursed funds held in project holding bank accounts at year-end are recognised as deferred revenue to the extent that they relate to projects not yet started or where they exceed budgeted expenditure.

Notes to Financial Statements

December 31, 2000

4a. Cash

Cash consists of:

	<u>2000</u>	<u>1999</u>
Core:		
Current Accounts	\$ 921,957	658,692
Savings Accounts	411,206	566,664
Petty Cash	6,435	13,800
Cash in Transit	11,052	-
	<u>1,350,650</u>	<u>1,239,156</u>
Projects:		
Current Accounts	22,263	61,461
Savings Accounts	405,050	496,289
	<u>427,313</u>	<u>557,750</u>
	<u>\$ 1,777,963</u>	<u>1,796,909</u>

b. Fixed deposits

Fixed deposits consist of:

	<u>2000</u>	<u>1999</u>
Core deposits	\$ 473,618	-
Project deposits	-	502,072
	<u>\$ 473,618</u>	<u>502,072</u>

c. Bank overdrafts

Bank overdrafts consist of:

	<u>2000</u>	<u>1999</u>
Core accounts	\$ 203,284	688,563

The bank overdraft is secured by a lien over fixed deposit of \$429,867 at Republic Bank Limited in Trinidad and Tobago.

Notes to Financial Statements

December 31, 2000

(with comparative figures for sixteen months ended December 31, 1999)

5. Net Long-term liabilities

Net long-term liabilities consist of:

	<u>2000</u>	<u>1999</u>
a) Due to The Board of Inland Revenue (Trinidad and Tobago)	\$ 22,736	297,289
b) Barclays Bank Plc (Barbados)	-	95,140
c) (i) Republic Bank Limited (Trinidad & Tobago)	-	118,592
(ii) Republic Bank Limited (Trinidad & Tobago)	-	28,660
(iii) Republic Bank Limited (Trinidad & Tobago)	39,763	52,659
d) Barclays Bank Plc (Belize)	5,570	18,276
e) National Commercial Bank (St Vincent)	10,644	20,356
f) Barclays Bank Plc (St Lucia)	38,508	-
g) Citizen Bank Guyana Inc. (Guyana)	<u>19,115</u>	<u>-</u>
	136,335	630,972
Less current portion thereof	<u>(86,895)</u>	<u>(551,921)</u>
Net long-term liabilities	\$ <u>49,440</u>	<u>79,051</u>

- a) The amount owing to the Board of Inland Revenue is non-interest bearing and is being repaid directly by the Ministry of Agriculture (Trinidad and Tobago) in monthly installments of \$23,159 until the total liability is repaid.
- b) The amount owing to Barclays Bank Plc was repaid over thirty six (36) monthly installments of \$22,727 inclusive of interest of 11.75% per annum which commenced May of 1996.
- c) (i) The amount owing to Republic Bank Limited was repaid over thirty-six (36) monthly installments of \$10,889, inclusive of interest of 18% per annum.
- (ii) The amount owing to Republic Bank Limited was repaid over thirty-six (36) monthly installments of \$3,035, inclusive of interest of 16.24% per annum which commenced January of 1998.

Notes to Financial Statements

December 31, 2000

(with comparative figures for sixteen months ended December 31, 1999)

5. Long-term liabilities (continued)

Long-term liabilities consist of:

- (iii) The amount owing to Republic Bank Limited is being repaid over sixty (60) monthly installments of \$1,612, inclusive of interest of 17.27% per annum which commenced February 1999. The loan is secured by a mortgage bill of sale over a motor vehicle.
- d) This amount owing to Barclays Plc is being repaid over thirty-six monthly installments of \$1,451, inclusive of interest of 10% per annum which commenced on May 1998. This loan is secured by a bill of sale over a tractor registered and stamped to cover \$40,150.
- e) The amount owing to National Commercial Bank - St Vincent is being repaid over forty-eight monthly installments of \$1,090, inclusive of interest at a rate of 14% per annum which commenced on October 1997. The loan is secured by a mortgage bill of sale over a motor vehicle.
- (f) The amount owing to Barclays Bank Plc (St Lucia) is being repaid over thirty six (36) monthly installment of \$1,627, inclusive of interest. The current rate of interest is 13.67% per annum which commenced May 2000. The loan is secured by a mortgage bill of sale over a motor vehicle.
- (g) The amounts owing to Citizen Bank of Guyana (Inc.) is being repaid over twelve (12) monthly installments of \$2,976 inclusive of interest of 15% per annum. This loan is unsecured.

6. Non-Government contributions

Non-Government contributions consist of:

	<u>2000</u>	<u>1999</u>
a. Major Donors		
IICA	\$ 406,783	949,965
IDB	67,563	270,250
CIDA International	94,793	221,754
EDF Lome III	<u>54,363</u>	<u>-</u>
	\$ <u>623,502</u>	<u>1,441,969</u>

Notes to Financial Statements

December 31, 2000

(with comparative figures for sixteen months ended December 31, 1999)

6. Non-Government contributions (continued)

Non-Government contributions consist of:

	2000	1999
<i>b. Co-operative Programmes/Technical Assistance</i>		
CRSP - IPM	\$ 212,283	294,368
CTA Workshops	471,627	340,371
CTA Regional Branch Office	296,433	494,667
ISNAR Workshops	12,562	54,969
CDB	136,548	128,276
Coffee Industry Board - Jamaica	217,895	-
CFC	291,817	204,309
Other	141,969	141,610
	<u>\$ 1,781,134</u>	<u>1,658,570</u>

7. Fixed Assets at Cost

	Leasehold		Equipment	Motor		Total
	Properties	Buildings		Vehicles	Livestock	
Balance -						
January 1, 2000	627,892	2,618,646	6,868,606	2,210,631	56,328	12,382,103
Additions	-	48,449	224,125	118,663	62,201	453,437
Disposals	-	-	(645)	(77,393)	-	(78,038)
Balance -						
December 31, 2000	627,892	2,667,095	7,092,086	2,251,900	118,529	12,757,502
Balance -						
September 1, 1999	627,892	2,568,730	6,499,953	2,165,918	4,654	11,867,147
Additions	-	49,916	482,272	199,051	51,674	782,913
Disposals	-	-	(113,619)	(154,338)	-	(267,957)
Balance -						
December 31, 1999	627,892	2,618,646	6,868,606	2,210,631	56,328	12,382,103

8. PAYE and Health Surcharge

As at year-end, there is an amount of \$213,250 (1999 - \$300,112) of unpaid PAYE and Health Surcharge. In accordance with Section 99(4) of the Income Tax Act of Trinidad and Tobago, these unpaid amounts attract a penalty of 50% and interest of 15% per annum from 1996. These have not been reflected in the accounts.

Notes to Financial Statements

December 31, 2000

9. Contingencies

The United States of America Agency for International Development has issued a bill for collection in July 30, 1996 for the amount of (EC\$2,310,518) US\$859,504 in respect of the West Indies Tropical Produce Support Project for the period July 1, 1991 to December 31, 1994. This was as a result of the sub-grant to Caribbean Agricultural Trading Company since accounting records were not available for audit. The bill of collection was issued to both the Institute and the Organisation of Eastern Caribbean States, since they were jointly and severally liable for the funds.

CARIBBEAN AGRICULTURAL RESEARCH
AND DEVELOPMENT INSTITUTE

Office and General Administration

For the year ended December 31, 2000

(with comparative figures for sixteen months ended December 31, 1999)

	<u>2000</u>	<u>1999</u>
Bank interest charges	\$ 130,565	191,519
Insurance	61,835	152,858
Computer supplies	31,239	27,316
Rental and repairs - Office equipment	44,193	52,492
- Building	163,033	219,315
Utilities	266,987	331,915
Legal and professional	748,427	1,191,629
Other office administration cost	238,117	323,155
Communication services	67,928	162,417
Information services	75,161	123,398
	<u>\$ 1,827,485</u>	<u>2,776,014</u>