

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 financial statements of the Inter-American Institute for Cooperation on Agriculture (IICA), which comprise the balance sheets as at December 31, 2011 and 2010 and the statements of activities of unrestricted net assets, changes in net assets, and of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. At December 31, 2011 and 2010, the IICA maintains employee benefit provisions amounting to US\$5,158,520 and US\$7,595,863, respectively, which are not computed based on an actuarial or similar study to support the amount of the obligation. Also, at December 31, 2011 there are other employee benefit provisions that have actuarial studies whose book values of US\$9,431,207 at that date present an overstatement of US\$676,966 with respect to the results of such studies. Consequently, IICA's liabilities and net assets at December 31, 2011 and 2010 and the changes in its net assets for the years then ended are affected in amounts not determined by IICA's management.
2. The financial statements for the year ended December 31, 2010 include liabilities amounting to US\$468,902, that correspond to purchase commitments of goods and services that have not been received at the end of the year, which should not be recognized as liabilities in accordance with accounting principles generally accepted in the United States of America. Consequently, at December 31, 2010 the liabilities are overstated in US\$468,902, the net assets at the beginning of the year ended December 31, 2010 are understated in US\$254,253 and the expenses for the year then ended are overstated in US\$192,188.

Qualified Opinion

In our opinion, except for the effects of the matters explained in paragraphs 1 and 2 of the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of IICA as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in accordance with the generally accepted accounting principles in the United States of America.

Emphasis of Matters

Without qualifying our audit opinion, as stated in Note 12 to the financial statements, IICA is facing possible legal claims related to the execution in Colombia of the Agro-Ingreso Seguro Program.



Rolando Güell Camacho - C.P.A. No.708

Insurance Policy No.0116 FIG 3

Expires: September 30, 2012

Law stamp of Law No.6663 for ¢1.000, attached and paid



June 19, 2012

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

BALANCE SHEETS
DECEMBER 31, 2011 AND 2010
(Stated in United States Dollars)

	Notes	December 31, 2011			December 31, 2010	
		Unrestricted	Temporarily Restricted	Permanently Restricted		Total
ASSETS						
CURRENT ASSETS:						
Cash	1e, 2	US\$ 31,979,082			US\$ 31,979,082	US\$ 45,462,067
Cash equivalents	1e, 3	61,540,725			61,540,725	68,224,464
Investments held to maturity	1f, 4	<u>10,000,000</u>			<u>10,000,000</u>	
Sub-total		<u>103,519,807</u>			<u>103,519,807</u>	<u>113,686,531</u>
Receivables:						
Quotas from member states		2,327,601			2,327,601	1,681,854
Payments made on behalf of contracts, agreements and grants		630,025			630,025	206,635
Due from regular fund to trust fund	1g	(69,651,493)	US\$69,651,493			
Other		<u>361,078</u>			<u>361,078</u>	<u>884,176</u>
Sub-total		(66,332,789)	69,651,493		3,318,704	2,772,665
Less: Allowance for doubtful accounts	1i	<u>(264,928)</u>			<u>(264,928)</u>	<u>(264,928)</u>
Receivables - net		<u>(66,597,717)</u>	69,651,493		<u>3,053,776</u>	<u>2,507,737</u>
Inventories	1h	70,265			70,265	97,931
Prepaid expenses		80,906			80,906	385,992
Other assets		<u>178,315</u>			<u>178,315</u>	<u>192,031</u>
Total current assets		37,251,576	69,651,493		106,903,069	116,870,222
PROPERTY, FURNITURE AND EQUIPMENT - Net	1j, 1k, 5	<u>1,714,622</u>		US\$8,713,171	<u>10,427,793</u>	<u>10,793,064</u>
TOTAL ASSETS		<u>US\$ 38,966,198</u>	<u>US\$69,651,493</u>	<u>US\$8,713,171</u>	<u>US\$117,330,862</u>	<u>US\$127,663,286</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses		US\$ 1,595,354			US\$ 1,595,354	US\$ 2,314,602
Other accruals		<u>1,039,007</u>			<u>1,039,007</u>	<u>306,369</u>
Total current liabilities		<u>2,634,361</u>			<u>2,634,361</u>	<u>2,620,971</u>
Provisions for:						
Repatriation and transfer of international professional personnel	1l	1,307,406			1,307,406	1,403,603
Recognition of years of service for international professional personnel	1l	1,263,161			1,263,161	1,422,702
Recognition of years of service for local personnel	1l	2,210,648			2,210,648	2,074,585
Other termination benefits	1l	<u>11,383,572</u>			<u>11,383,572</u>	<u>12,151,157</u>
Total provisions		<u>16,164,787</u>			<u>16,164,787</u>	<u>17,052,047</u>
Total liabilities		<u>18,799,148</u>			<u>18,799,148</u>	<u>19,673,018</u>
NET ASSETS:						
Unrestricted funds:						
Regular fund:						
General subfund	1b	4,260,499			4,260,499	4,253,451
Working subfund	1b	4,094,736			4,094,736	4,094,736
Miscellaneous income fund	1b	7,120,160			7,120,160	8,949,006
Institutional net rate fund	1b	2,977,033			2,977,033	2,075,243
Fixed assets fund	1b	1,714,622			1,714,622	2,079,893
Temporarily restricted funds:						
Trust funds	1b		69,651,493		69,651,493	77,824,768
Permanently restricted fund - land	1b			US\$8,713,171	8,713,171	8,713,171
Total net assets		<u>20,167,050</u>	<u>69,651,493</u>	<u>8,713,171</u>	<u>98,531,714</u>	<u>107,990,268</u>
TOTAL LIABILITIES AND NET ASSETS		<u>US\$ 38,966,198</u>	<u>US\$69,651,493</u>	<u>US\$8,713,171</u>	<u>US\$117,330,862</u>	<u>US\$127,663,286</u>
CONTINGENCIES	12	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>

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, 2011 AND 2010

(Stated in United States Dollars)

	Notes	2011				2010					
		Regular Fund Quotas	Miscellaneous Income Fund	Institutional Net Rate Fund	Trust Funds	Total	Regular Fund Quotas	Miscellaneous Income Fund	Institutional Net Rate Fund	Trust Funds	Total
REVENUES:											
Quotas from member states	1c	US\$27,298,240				US\$ 27,298,240	US\$27,298,240				US\$ 27,298,240
Recovery of Institutional Net Rate (INR)	6			US\$9,716,712		9,716,712			US\$8,749,463		8,749,463
Temporarily restricted funds assets released from restrictions	1g				US\$165,578,508	165,578,508				US\$143,143,313	143,143,313
Total revenues		<u>27,298,240</u>		<u>9,716,712</u>	<u>165,578,508</u>	<u>202,593,460</u>	<u>27,298,240</u>		<u>8,749,463</u>	<u>143,143,313</u>	<u>179,191,016</u>
EXPENSES:											
International professional personnel costs		9,502,599				9,502,599	10,706,297				10,706,297
Local personnel costs		8,850,441				8,850,441	8,400,825				8,400,825
Training		735,775				735,775	774,573				774,573
Official travel		1,050,338				1,050,338	1,317,576				1,317,576
Documents and supplies		485,931				485,931	631,603				631,603
Acquisition and/or rental of assets and other		530,217				530,217	481,592				481,592
Maintenance, communications and general services		2,649,987				2,649,987	1,769,028				1,769,028
Service contracts and transfers		1,748,965				1,748,965	1,376,396				1,376,396
Annual allowance to CATIE	8	976,300				976,300	1,000,000				1,000,000
Annual allowance to Caribbean Agricultural Research and Development Institute (CARDI)		200,000				200,000	200,000				200,000
Miscellaneous		560,639				560,639	634,336				634,336
Sub-total of expenses related to quota budget and working subfund		<u>27,291,192</u>				<u>27,291,192</u>	<u>27,292,226</u>				<u>27,292,226</u>
Temporarily restricted funds assets released from restrictions	1g				165,578,508	165,578,508				143,143,313	143,143,313
Disbursements financed with funds from the Institutional Net Rate (INR)	6			8,737,023		8,737,023			8,787,109		8,787,109
Commercial and miscellaneous operations - net	7		US\$ 1,828,846			1,828,846		US\$1,999,144			1,999,144
Total expenses		<u>27,291,192</u>	<u>1,828,846</u>	<u>8,737,023</u>	<u>165,578,508</u>	<u>203,435,569</u>	<u>27,292,226</u>	<u>1,999,144</u>	<u>8,787,109</u>	<u>143,143,313</u>	<u>181,221,792</u>
Increase (decrease) in unrestricted net assets for the year, before excluding net expenses capitalized as property, furniture and equipment and including depreciation of the year		7,048	(1,828,846)	979,689		(842,109)	6,014	(1,999,144)	(37,646)		(2,030,776)
Exclusion of net capitalized expenses as property, furniture and equipment		598,573				598,573	439,491				439,491
Prior period adjustments				(77,899)		(77,899)			(90,492)		(90,492)
Increase in unrestricted net assets for the year, before including depreciation of the year		605,621	(1,828,846)	901,790		(321,435)	445,505	(1,999,144)	(128,138)		(1,681,777)
Inclusion of depreciation of the year		(963,844)				(963,844)	(1,040,498)				(1,040,498)
Decrease in unrestricted net assets		<u>US\$ (358,223)</u>	<u>US\$(1,828,846)</u>	<u>US\$ 901,790</u>	<u>US\$</u>	<u>US\$ (1,285,279)</u>	<u>US\$ (594,993)</u>	<u>US\$(1,999,144)</u>	<u>US\$ (128,138)</u>	<u>US\$</u>	<u>US\$ (2,722,275)</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, 2011 AND 2010

(Stated in United States Dollars)

	Net Assets					Temporarily Restricted	Permanently Restricted	Total
	Regular Fund		Unrestricted Miscellaneous Income Fund	Institutional Net Rate Fund	Fixed Assets Fund			
	General Subfund	Working Subfund						
BALANCE AT DECEMBER 31, 2009	US\$4,258,001	US\$4,084,172	US\$10,948,150	US\$2,203,381	US\$ 2,680,900	US\$ 80,557,713	US\$8,713,171	US\$ 113,445,488
Increase (decrease) in unrestricted net assets for the year	445,505		(1,999,144)	(37,646)	(1,040,498)			(2,631,783)
Prior period adjustments				(90,492)				(90,492)
Decrease in unrestricted net assets	445,505		(1,999,144)	(128,138)	(1,040,498)			(2,722,275)
Restricted contributions received from donors						141,934,107		141,934,107
Net assets released from restrictions						(143,143,313)		(143,143,313)
Capitalization of net disbursements as property, furniture and equipment	(439,491)				439,491			
Transfer from the General Subfund to the Working Subfund	(10,564)	10,564						
Net decrease in disbursements made on behalf of contracts, agreements, and grants receivable from donors						(1,523,739)		(1,523,739)
BALANCE AT DECEMBER 31, 2010	4,253,451	4,094,736	8,949,006	2,075,243	2,079,893	77,824,768	8,713,171	107,990,268
Increase (decrease) in unrestricted net assets for the year	605,621		(1,828,846)	979,689	(963,844)			(1,207,380)
Prior period adjustments				(77,899)				(77,899)
Decrease in unrestricted net assets	605,621		(1,828,846)	901,790	(963,844)			(1,285,279)
Restricted contributions received from donors						156,981,843		156,981,843
Net assets released from restrictions						(165,578,508)		(165,578,508)
Capitalization of net disbursements as property, furniture and equipment	(598,573)				598,573			
Net decrease in disbursements made on behalf of contracts, agreements, and grants receivable from donors						423,390		423,390
BALANCE AT DECEMBER 31, 2011	<u>US\$4,260,499</u>	<u>US\$4,094,736</u>	<u>US\$ 7,120,160</u>	<u>US\$2,977,033</u>	<u>US\$ 1,714,622</u>	<u>US\$ 69,651,493</u>	<u>US\$8,713,171</u>	<u>US\$ 98,531,714</u>

See accompanying notes to the financial statements.

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

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010**
(Stated in United States Dollars)

	2011	2010
OPERATING ACTIVITIES		
Decrease in unrestricted net assets	US\$ (1,207,380)	US\$ (2,631,783)
Plus: Items not requiring cash:		
Prior period adjustments	(77,899)	(90,492)
Depreciation	963,844	1,040,498
Allowance for uncollectible accounts		3,980
Cash provided by (used in) changes in:		
Quotas receivable from Member States	(645,747)	644,463
Other receivables	523,098	(744,288)
Inventories	27,666	(7,805)
Prepaid expenses	305,086	163,890
Other assets	13,716	(45,800)
Accounts payable and accrued expenses	(719,248)	(800,983)
Other accruals	732,638	(83,364)
Provisions	<u>(887,260)</u>	<u>2,428,104</u>
Net cash used in operating activities	<u>(971,486)</u>	<u>(123,580)</u>
INVESTING ACTIVITIES		
Acquisition of investments held to maturity	(10,000,000)	
Additions to furniture and equipment	(609,977)	(446,350)
Disposal of furniture and equipment	<u>11,404</u>	<u>6,859</u>
Net cash used in investing activities	<u>(10,598,573)</u>	<u>(439,491)</u>
FINANCING ACTIVITIES		
Restricted contributions received from donors	156,981,843	141,934,107
Disbursements made in the execution of trust funds	<u>(165,578,508)</u>	<u>(143,143,313)</u>
Net cash used in financing activities	<u>(8,596,665)</u>	<u>(1,209,206)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,166,724)	(1,772,277)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>113,686,531</u>	<u>115,458,808</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>US\$ 93,519,807</u>	<u>US\$ 113,686,531</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, 2011 AND 2010 (Stated in United States Dollars)

1. NATURE OF BUSINESS, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

- a. *Nature of Business* - The Inter-American Institute for Cooperation on Agriculture (IICA), formerly the Inter-American 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:

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

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

- b. *Basis of Presentation and Funds Managed* - The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (USGAAP), and are presented according to the American Institute of Certified Public Accountants (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

- **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 is recorded in this fund, unless the IABA or the Executive Committee has approved it for specific purposes. The purpose of the General Subfund is to finance execution of the regular activities planned and budgeted by IICA, including administration and management.
 - **Working Subfund** - The purpose of this subfund is to ensure the normal financial operation of IICA. According to Article No.89 of the Rules of the General Directorate, the subfund balance shall not exceed 15% of annual quotas approved for the corresponding fiscal year, unless otherwise decided by IABA or the Executive Committee. This fund is constituted by the proceeds from the balances of uncommitted appropriations financed by quotas outstanding at each fiscal year-end and by additional funds specifically assigned by IABA or the Executive Committee.
- **Fixed Assets Fund** - The Fixed Assets Fund is used by IICA to control unrestricted property, furniture and equipment, which have been either acquired with resources from the Regular Fund and the Institutional Net Rate (INR) Fund or donated thereto by a national or international organization. The balance of the Fixed Assets Fund represents the carrying value, net of depreciation, of fixed assets owned by IICA, except for land with permanent use restrictions.
- **Institutional Net Rate (INR) Fund** - The objective of this Fund is to finance additional costs incurred by IICA, in the execution of contracts, agreements, and grants subscribed by donors (Member States, international organizations, and others) for specific purposes and to contribute to the Institute's pre-investment activities. The Institutional Net Rate Fund balance is comprised of the recovery of Institutional Net Rate (INR) in the management of projects executed by IICA with external resources.
- **Miscellaneous Income Fund** - This fund was created by the IABA through resolution IICA/IABA/Res.400 (XII-O/03) dated November 13, 2003, with the purpose of covering immediate financial needs of IICA. The Miscellaneous Income Fund is comprised of the balance of those proceeds from the General Subfund that are not committed in the Regular Fund budget at the end of the fiscal year in which they were received.

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 5).

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

- **Regular Fund** - On October 30, 2009, through Resolution IICA/IABA/Res.453 (XV-O/09) IABA approved the 2011 and 2010 budget for the Regular Fund made up of Member State quotas and other miscellaneous income amounting to US\$27,298,239 and US\$6,100,000, respectively.

The 2011 and 2010 miscellaneous income corresponds to US\$4,100,000 of budgeted income for that year and transfers of US\$2,000,000 from the available balance of the Miscellaneous Income Fund.

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 detailed budget, actual expenses and respective over/under execution.

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

d. **Monetary Unit and Foreign Exchange Transactions** - The accounting records of IICA are kept in United States Dollars (US\$) and the financial statements are expressed in such currency. Assets and liabilities in currencies of the countries where IICA's activities are developed are translated into U.S. Dollars at official exchange rates in effect in each country. Transactions in such currencies are translated into U.S. Dollars using monthly average exchange rates. When determining its financial

position and results of activities, IICA values and adjusts the balances of assets and liabilities that are recoverable or payable in the local currency of countries where activities are developed. The resulting differences are applied to the results of the period in which they are incurred.

- e. ***Cash and Cash Equivalents*** - Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value with original maturity of less than 3 months.
- f. ***Investments Held to Maturity*** - Investments held to maturity are recorded at cost and are valued using the amortized cost method.
- g. ***Due from Regular Fund and Temporarily Restricted Net Assets*** - Funds contributed by institutions and Member States (donors) to establish Trust Funds for executing contracts, agreements, and grants are recorded as restricted contributions received from donors within temporarily restricted net assets. As the funds are used in the agreed-upon activities, IICA recognizes simultaneously an income for funds released from restrictions and an expense of Trust Funds in the Statement of Activities of Unrestricted Net Assets. Generally, funds received from donors to execute contracts, agreements, and grants are managed by IICA as part of current assets of the Regular Fund. To identify the portion of funds corresponding to resources received from donors, an asset account entitled “Due from Regular Fund to Trust Funds” is used.

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

- h. ***Inventories*** - Inventories are composed primarily of office supplies stated at average cost, which does not exceed market value.
- i. ***Allowance for Doubtful Accounts*** - IICA adopted the policy of recording an allowance for doubtful accounts based on accounts with collection problems.
- j. ***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 balance sheet.
- k. ***Accumulated Depreciation*** - The historical cost of fixed assets is depreciated over their estimated useful lives using the straight-line method.

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

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

- m. **Net Assets - Restricted and Unrestricted Funds** - IICA applies the accounting standards contained in the Statement of Financial Accounting Standards FASB ASC Topic 958, Not-For-Profit Entities. In accordance with those standards, IICA records contributions received from donors for specific purposes, as well as any income generated by such contributions, as 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. **Revenue Recognition** - IICA recognizes the revenue from the quotas of the Member States as well as miscellaneous income as the services are provided.
- 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.
- p. **Accounts Payable** - Starting from the year ended December 31, 2011, IICA recognizes liabilities in its financial statements when it transfers the ownership of the goods and receives the corresponding service. Previously, it had the policy of recognizing them based on the commitments agreed to with suppliers.

- q. ***Recently Adopted Accounting Pronouncements*** - In January 2010, the FASB issued ASU No. 2010-06 - Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements (“ASU 2010-06”). ASU 2010-06 requires new and revised disclosures for recurring or non-recurring fair value measurements, specifically related to significant transfers into and out of Levels 1 and 2, and for purchases, sales, issuances, and settlements in the roll forward of activity for Level 3 fair value measurements. ASU 2010-06 also clarifies existing disclosures related to the level of disaggregation and the inputs and valuation techniques used for fair value measurements. The new disclosures and clarifications of existing disclosures about fair value measurements were effective January 1st, 2010, except for the disclosures about activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of this guidance did not have an impact on our financial statements and related disclosures.

In March 2010, the FASB issued ASU No. 2010-11 - Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives (“ASU 2010-11”) which is included in the Certification under ASC 815. This update clarifies the type of embedded credit derivative that is exempt from embedded derivative bifurcation requirements. Only an embedded credit derivative that is related to the subordination of one financial instrument to another qualifies for the exemption. This guidance became effective for the Company’s beginning January 1st, 2010. The adoption of this guidance did not have an impact on our financial statements and related disclosures.

On January 1, 2011, the Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standard Update (“ASU”) No. 2009-13 - Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements - a consensus of the FASB Emerging Issues Task Force which contains new guidance on accounting for revenue arrangements with multiple deliverables. When vendor specific objective evidence or third party evidence for deliverables in an arrangement cannot be determined, a best estimate of the selling price is required to separate deliverables and allocate arrangement consideration using the relative selling price method. The new guidance includes new disclosure requirements on how the application of the relative selling price method affects the timing and amount of revenue recognition. The adoption of this guidance did not have an impact on the Company’s financial statements.

On January 1, 2011, the Company adopted FASB ASU No. 2010-29, Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations. The amendments in this update specify that if a public company presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments also expand the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business

combination included in the reported pro forma revenue and earnings. The amendments apply to all business combinations that are material on an individual or aggregate basis.

- r. ***Recently Issued Accounting Pronouncements Pending Adoption*** - In April 2011, the FASB issued ASU No. 2011-02, Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring. The amendments in this update provide additional guidance to assist creditors in determining whether a restructuring of a receivable meets the criteria to be considered a troubled debt restructuring. The amendments in this update are effective for the first interim or annual period beginning on or after June 15, 2011, and should be applied retrospectively to the beginning of the annual period of adoption. However, as a result of applying these amendments, an entity may identify receivables that are newly considered impaired; for purposes of measuring impairment of those receivables, an entity should apply the amendments in this ASU prospectively for the first interim or annual period beginning on or after June 15, 2011.

In May 2011, the FASB issued ASU No.2011-04, Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which updated the guidance in ASC Topic 820, Fair Value Measurement. ASU 2011-04 clarifies the application of existing fair value measurement requirements including (1) the application of the highest and best use and valuation premise concepts, (2) measuring the fair value of an instrument classified in a reporting entity's shareholders' equity, and (3) quantitative information required for fair value measurements categorized within Level 3. ASU 2011-04 also provides guidance on measuring the fair value of financial instruments managed within a portfolio, and application of premiums and discounts in a fair value measurement. In addition, ASU 2011-04 requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The amendments in this guidance are to be applied prospectively, and are effective for interim and annual periods beginning after December 15, 2011, and early application is not permitted.

In June 2011, the FASB issued ASU No. 2011-05, Presentation of Comprehensive Income, which updated the guidance in ASC Topic 220, Comprehensive Income. Under the amendments in this ASU, an entity has the option to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income and a total amount for comprehensive income. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.

This new guidance was originally proposed to be effective for fiscal years, and interim periods within those years, beginning after December 15, 2011 and applied retrospectively. In October 2011, the FASB proposed to indefinitely defer the specific requirement to present items that are reclassified from other comprehensive income to net income alongside their respective components of net income and other comprehensive income on the face of the respective statements; entities still must comply with the existing requirements during the deferral period. The remaining requirements of ASU 2011-05 are effective for the Company as of the beginning of our first quarter of 2012.

In September 2011, the FASB issued ASU No. 2011-08, Testing Goodwill for Impairment, which amends the guidance in ASC 350-20. The amendments in ASU 2011-08 provide entities with the option of performing a qualitative assessment before performing the first step of the two-step impairment test. If entities determine, on the basis of qualitative factors, it is not more likely than not that the fair value of the reporting unit is less than the carrying amount, then performing the two-step impairment test would be unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. If the carrying amount of a reporting unit exceeds its fair value, then the entity is required to perform the second step of the goodwill impairment test to measure the amount of the impairment loss, if any. ASU 2011-08 also provides entities with the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the first step of the two-step impairment test. ASU 2011-08 is effective for interim and annual periods beginning after December 15, 2011 but early adoption is permitted.

The IICA does not anticipate the adoption of these new accounting principles will have a material effect on its financial position, changes in its net assets and its cash flows.

2. RESTRICTED CASH

Cash in banks at December 31, 2011 and 2010 includes funds held in separate bank accounts of US\$31,955,391 and US\$40,807,415, respectively, which may only be used to cover expenditures related to contracts signed by IICA and the respective donors.

3. CASH EQUIVALENTS

Cash equivalents are as follows:

	2011	2010
In Argentinean pesos:		
Time deposits, interest between 14.50% and 15.50% per annum (2010: 11% and 11.30% per annum)	US\$ 1,926,010	US\$ 904,883
In Mexican pesos:		
Money market funds, interest of 0.55% per annum (2010: 0.55% per annum)	104,229	104,229
Time deposits, interest of 4.96% per annum (2010: 5.24% per annum)	6,727,992	6,598,818
In Brazilian reais:		
Money market funds, interest between 10.92% and 11.4% per annum (2010: 9.8% and 11% per annum)	20,650,665	22,068,018
In Chilean pesos:		
Money market funds, interest of 0.22% per annum		36,310
In U.S. dollars:		
Overnight deposits, interest of 0.05% per annum	739,279	5,854,564
Time deposits and mutual funds, interest between 0.17% and 1.10% per annum (2010: 0.34% and 3% per annum)	<u>31,392,550</u>	<u>32,657,642</u>
Total	<u>US\$61,540,725</u>	<u>US\$68,224,464</u>

As of December 31, 2011 and 2010, cash equivalents of US\$48,776,228 and US\$44,193,729, respectively, are restricted to cover expenditures of contracts signed by IICA and the respective donors.

As of December 31, 2011, approximately 52% of the cash equivalents were placed with Bank of America, one of the largest banks of the United States of America. The remaining 48% was primarily placed with leading banks in Brazil, México and Argentina.

4. INVESTMENTS HELD TO MATURITY

Investments held to maturity of US\$10,000,000 correspond to certificates of deposit for a period of four and five months period, established in US dollars, bearing interest between 0.30% and 0.32% per annum, at Bank of America, maturing in January 2012.

5. PROPERTY, FURNITURE AND EQUIPMENT - NET

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

	2011	2010
Unrestricted:		
Buildings (25 years)	US\$ 5,205,177	US\$ 5,205,177
Vehicles (4 years)	2,371,699	2,394,246
Furniture and equipment (3, 4, 5 and 10 years)	<u>5,380,942</u>	<u>5,427,116</u>
Total unrestricted fixed assets	12,957,818	13,026,539
Less: Accumulated depreciation	<u>(11,243,196)</u>	<u>(10,946,646)</u>
Total unrestricted fixed assets - net	1,714,622	2,079,893
Permanently restricted - land	<u>8,713,171</u>	<u>8,713,171</u>
Total	<u>US\$ 10,427,793</u>	<u>US\$ 10,793,064</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, 2011, the net book value of such assets is US\$88,049 (2010: US\$271,726).

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.

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

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

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

	2011	2010
Income:		
Ministry of Agriculture and Rural Development - Colombia	US\$ 545,194	US\$1,801,060
Ministry of Agriculture and Livestock - Ecuador	202,374	262,639
Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina	1,222,920	527,478
Ministry of Agriculture and Livestock - El Salvador	1,305,662	185,852
National Health Service, Food Safety and Food Quality (SENASICA) - Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) - Mexico	4,305,804	2,414,239
Government of the United States of America	128,946	117,234
Ministries of Agriculture, Livestock and Procurement, Agrarian Development, Mines and Energy - Brazilian Institute of Environment and Renewable Natural Resources - Brazil	738,906	1,863,818
Secretariat of Agriculture and Livestock - Honduras	324,161	634,433
International Cooperation Agencies	332,978	201,777
Other institutions	<u>609,767</u>	<u>740,933</u>
Total	<u>US\$9,716,712</u>	<u>US\$8,749,463</u>
Expenses:		
International professional personnel costs	US\$ 793,912	US\$ 714,204
Local personnel costs	5,025,797	5,653,540
Training	224,815	68,256
Official travel	397,370	273,525
Documents and supplies	195,724	190,601
Acquisition and / or rental of assets and other	471,985	97,255
Maintenance, communications and general services	816,460	1,042,494
Service contracts and transfers	650,644	604,242
Other costs	<u>160,316</u>	<u>142,992</u>
Total	<u>US\$8,737,023</u>	<u>US\$8,787,109</u>

7. COMMERCIAL AND MISCELLANEOUS OPERATIONS

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

	2011	2010
Revenues:		
Interest earned from cash equivalents	US\$ 2,468,115	US\$ 3,047,017
Proceeds from equipment sales	133,620	121,311
Purchase discounts	452,552	276,165
Book sales commission	21	721
Sales of services	22,986	440,412
Other	<u>29,277</u>	<u>51,011</u>
Total revenues from commercial and miscellaneous income	<u>3,106,571</u>	<u>3,936,637</u>
Expenses:		
International personnel costs	227,136	182,052
Local personnel costs	2,325,733	1,729,665
Training	206,176	519,600
Official travel	226,056	517,502
Documents and supplies	243,886	423,163
Acquisition and / or rental of assets and other	149,379	271,437
Maintenance, communications and general services	702,680	1,127,047
Service contracts and transfers	595,943	1,026,633
Other costs	64,387	127,065
Miscellaneous	<u>10,997</u>	<u>6,874</u>
Sub-total	4,752,373	5,9341,038
Exchange losses - net	<u>183,044</u>	<u>4,743</u>
Total expenses from commercial and miscellaneous activities	<u>4,935,417</u>	<u>5,935,781</u>
Excess of income over expenses	<u>US\$(1,828,846)</u>	<u>US\$(1,999,144)</u>

8. TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

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

- a. The Inter-American Board of Agriculture will be the superior governing body of CATIE.
- b. CATIE's members (partners) may be regular or special. The regular members will be IICA, the Government of Costa Rica, and the Governments of the remaining member

countries of IICA, which incorporate into CATIE via acceptance of the Contract. Special members will include international governmental and non-governmental organizations, international centers, and private organizations with similar purposes as those of CATIE.

- c. IICA will contribute up to a maximum of 5% of IICA's quotas budget to CATIE's basic budget. The use of those contributions may be subject to an audit by IICA, when considered necessary. Each member country of CATIE will annually contribute US\$50,000 to cover CATIE's expenses.
- d. The new agreement will be for a 20-year period, 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, 2011 and 2010, IICA contributed to CATIE US\$976,300 and US\$1,000,000 per annum, respectively, in accordance with the approved allocation in the Program Budget.

9. 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, 2011, management of IICA is not aware of any expenses not yet reimbursed, that would have been questioned or disallowed by the respective donors.

10. 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.

11. INACTIVE FUNDS

The Inter-American Board of Agriculture (IABA) approved, through various resolutions, the establishment of the following funds. Nevertheless, as of December 31, 2011 these funds have not yet received any contributions and therefore, remain inactive.

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

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

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

12. CONTINGENCIES

General - As of December 31, 2011, IICA is a party in various lawsuits filed through its Offices. These lawsuits deal basically with labor and/or commercial complaints related primarily to projects and are in different procedural stages. The amounts being sought by the claimants total approximately US\$662,000.

The legal advisors of IICA believe that no material liability will result from these legal proceedings. The financial statements of IICA for the year ended December 31, 2011, include a provision of US\$201,960 to cover potential losses from these lawsuits.

AIS Program in Colombia - Throughout 2011, IICA closely monitored developments in connection with the suspension by the Colombian Government of all disbursements, projects and new contracts associated with an agricultural subsidy program known as Agro Ingreso Seguro (AIS), managed by IICA on behalf of the Ministry of Agriculture and Rural Development (MADR).

IICA believes that the Ministry's decision was based entirely on political considerations arising out of partisan political clashes during the last pre-electoral campaign in 2009-2010, exacerbated by relentless media coverage of alleged wrongdoing on the part of MADR officials in relation to AIS; criticism of the mechanism used by the Government to contract with IICA; and an effort by some of the officials under investigation to scapegoat IICA.

The termination of the agreements resulted in the cancellation of consulting contracts, suspension of projects and disputes regarding alleged non-compliance in project implementation. The Ministry executed against a performance bond of approximately US\$7.9 million issued by a Colombian insurance company, to recover damages. If the insurer is required to pay, it may take action against IICA. Nonetheless, the majority of the amounts claimed against the insurer have been returned to the Government through arrangements with the beneficiaries whose irrigation and drainage projects gave rise to the charges of default. Given that it is not known whether the Government of Colombia may make claims the amounts of these cannot be determined at present. Likewise, the consultants who have been affected may seek redress from IICA.

An assessment of the possibility of litigation reveals there are factors that are in the Institute's favor, such as the co-responsibility of the MARD, the beneficiaries and the consultants; force majeure of the government; the lack of due process; unjust enrichment; and the actions of oversight bodies which made it impossible to complete the Program as scheduled and with the resources allocated. Consideration should also be given to the immunity from jurisdiction the Institute enjoys under the Basic Agreement between IICA and the Government of Colombia, in the event that efforts to reach an amicable resolution of the conflict with the parties concerned are not fruitful. Under these circumstances, it is not possible to make a reliable estimate of any likely damages at this time. As an international organization, and considering that the administration is mindful of the interest of the governments in IICA's mission, the Institute continues to work with the Government of Colombia to bring the AIS program to a successful conclusion.

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

SUPPLEMENTARY FINANCIAL INFORMATION

YEAR ENDED DECEMBER 31, 2011

INDEX

EXHIBIT

1. Statement of Movements of Member States Quotas Receivable
2. Program 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, 2011**

(Stated in United States Dollars)

Country	Uncollected Quotas at Beginning of Year		Quotas for the Year	Quotas Collected During the Year			Uncollected Quotas at Year-End					
				Prior Years	Current Year	Total	Prior Years	Current Year	Total			
Antigua & Barbuda	US\$	12,156	US\$	6,052	US\$12,156	US\$	6,052	US\$	18,208			
Argentina				883,304			883,304		883,304			
Bahamas				21,182			21,182		21,182			
Barbados				16,505			16,505		16,505			
Belize				6,052			6,052		6,052			
Bolivia		29,161		12,655	29,161		29,159		US\$ 12,655		US\$	12,655
Brazil		17,576		2,187,765	17,576		2,187,765		2,205,341			
Canada				3,785,469			3,785,469		3,785,469			
Colombia				230,798			230,798		230,798			
Costa Rica		41,152		51,441	25,067		25,067		US\$ 16,085		51,441	67,526
Chile				295,168			295,168		295,168			
Dominica				6,052			6,052		6,052			
Dominican Republic		101,982		56,668	56,321		56,321		45,661		56,668	102,329
Ecuador				56,943			56,943		56,943			
El Salvador				28,884			28,884		28,884			
Grenada		6,052		6,052			6,052		6,052		6,052	12,104
Guatemala		51,441		51,441			51,441		51,441		51,441	102,882
Guyana		6,424		6,052	6,424		5,548		11,972		504	504
Haiti				12,379			12,379		12,379			
Honduras				12,379			12,379		12,379			
Jamaica				33,836			33,836		33,836			
Mexico				2,239,482			2,239,482		2,239,482			
Nicaragua		73,056		12,379			12,379		73,056		12,379	85,435
Panama		9,157		44,839	9,157		44,839		53,996			
Paraguay		(1,163)		34,111			32,948		32,948			
Peru				152,122			152,122		152,122			
Saint Kitts & Nevis				6,052			6,052		6,052			
Saint Lucia		6,466		6,052	6,466		698		7,164		5,354	5,354
Saint Vincent & the Grenadines		6,052		6,052	6,052		6,052		12,104			
Suriname				12,379			12,379		12,379			
Trinidad & Tobago				41,813			41,813		41,813			
United States of America				16,359,412			16,359,412		16,359,412			
Uruguay				49,791			49,791		49,791		49,791	49,791
Venezuela		<u>1,322,342</u>		<u>566,679</u>					<u>1,322,342</u>		<u>566,679</u>	<u>1,889,021</u>
Total		<u>US\$1,681,854</u>		<u>US\$27,298,240</u>	<u>US\$168,380</u>		<u>US\$26,484,113</u>		<u>US\$26,652,493</u>	<u>US\$1,514,637</u>	<u>US\$812,964</u>	<u>US\$2,327,601</u>

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

PROGRAM BUDGET AND EXPENSES BY CHAPTER

YEAR ENDED DECEMBER 31, 2011

(Stated in United States Dollars)

	Budget	Expenses	(Over) Under Execution	
			Absolute	Percentage
CHAPTER 1: DIRECT TECHNICAL COOPERATION SERVICES:				
Agribusiness and Commercialization Program	US\$ 7,053,130	US\$ 6,800,030	US\$ 253,100	96.41
Innovation for Productivity and Competitiveness Program	8,732,330	8,627,615	104,715	98.80
Agricultural Health and Food Safety Program	7,121,998	6,909,015	212,983	97.01
Agriculture, Territories and Rural Well-Being Program	<u>6,757,156</u>	<u>6,502,966</u>	<u>254,191</u>	<u>96.24</u>
Total chapter 1	<u>29,664,614</u>	<u>28,839,626</u>	<u>824,988</u>	<u>97.22</u>
CHAPTER 2: MANAGEMENT COSTS:				
Office of the Director General	682,870	700,732	(17,862)	102.62
Secretariat of Corporate Services	<u>1,026,289</u>	<u>940,149</u>	<u>86,140</u>	<u>91.61</u>
Total chapter 2	<u>1,709,159</u>	<u>1,640,881</u>	<u>68,278</u>	<u>96.01</u>
CHAPTER 3: GENERAL COSTS AND PROVISIONS:				
Governing Bodies	400,000	135,142	264,858	37.79
Insurance	441,802	382,039	59,763	86.47
Pensions of Former Directors	287,650	258,385	29,265	89.83
Contribution to the Administration of the Retirement and Pension Fund	25,000	20,608	4,392	82.43
Contribution to the OAS Administrative Tribunal	25,000	24,050	950	96.20
External Audit	95,500	47,775	47,725	50.03
Emergency Assistance Program for Staff	<u>50,000</u>	<u>4,467</u>	<u>45,533</u>	<u>8.93</u>
Total chapter 3	<u>1,324,952</u>	<u>872,466</u>	<u>452,486</u>	<u>65.85</u>
CHAPTER 4: RENEWAL OF INFRASTRUCTURE AND EQUIPMENT:				
Renewal of Infrastructure and Equipment	<u>699,514</u>	<u>679,596</u>	<u>19,918</u>	<u>97.15</u>
Total chapter 4	<u>699,514</u>	<u>679,596</u>	<u>19,918</u>	<u>97.15</u>
Total	<u>US\$33,398,239</u>	<u>US\$32,032,569</u>	<u>US\$1,365,671</u>	<u>95.91</u>

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

**EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE
YEAR ENDED DECEMBER 31, 2011**

(Stated in United States Dollars)

Source	Amount
a. Member States	
Argentina	US\$ 21,636,629
Bolivia	59,288
Brazil	20,969,836
Canada	2,455,417
Colombia	10,050,613
Costa Rica	2,117,719
Chile	37,433
Dominican Republic	598,124
Ecuador	3,645,175
El Salvador	26,942,785
Guatemala	139,563
Haiti	468,947
Honduras	6,806,595
Jamaica	208,846
Mexico	58,491,509
Nicaragua	29,566
Panama	177,983
Paraguay	52,782
Saint Lucia	85,390
United States of America	1,476,386
Uruguay	1,290,837
Venezuela	<u>39,836</u>
Sub-total - Member States	<u>157,781,259</u>
b. Other Institutions and Governments	
Andean Community Secretary General	23,861
Bioversity International	50,004
Commission of the European Communities	1,637,436
Commonwealth Secretariat	10,098
Engineering and Consulting	98,530
Federation of Agricultural Cooperatives of Catalonia	24,672
Food and Agriculture Organization of the United Nations	177,694

(Continues)

INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE YEAR ENDED DECEMBER 31, 2011

(Stated in United States Dollars)

Source	Amount
Institute Italo Latin American	US\$ 70,629
Institute National Polytechnique of Toulouse	37,957
Inter-American Development Bank	396,822
International Coffee Organization	104,561
International Development Research Centre	112,840
International Federation of Organic Agriculture Movements	16,780
International Fund for Agricultural Development	1,658,842
Market Information Organization of the Americas	150,063
Mexican International Cooperation Fund for Development with Iberoamerica	95,266
Ministry of Foreign Affairs of Finland	164,088
Organization of American States	8,046
Oxfam International	3,655
Pan American Health Organization	19,375
Sector Programme Support Phase II to Agriculture	14,766
Swiss Agency for Development and Cooperation	1,193,907
Technical Center for Agriculture and Rural Cooperation - Holland	79,323
The Caribbean Agricultural Research and Development Institute	129,849
United Nations Development Fund for Women	114,925
University of Chapingo	14,838
University of Michigan State	57,847
University of Minnesota	13,152
World Bank	108,993
World Food Programme	402,983
World Trade Organization	780,214
Others	<u>25,233</u>
Sub-total - Other Institutions and Governments	<u>7,797,249</u>
Grand total	<u>US\$165,578,508</u>

(Concluded)

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