



Forty-first Regular Meeting of the Executive Committee

**2020 Financial statements of IICA and report of the  
external auditors**

IICA/CE/Doc. 722 (21) - Original: Spanish

San Jose, Costa Rica  
28-29 June 2021



## **INDEPENDENT AUDITORS' REPORT**

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

### *Opinion*

We have audited the accompanying financial statements of the Inter-American Institute for Cooperation on Agriculture (IICA), which comprise the statements of net assets as of December 31, 2020 and 2019 and the statement 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.

In our opinion the financial statements present fairly, in all material respects, the financial position of IICA as of December 31, 2020 and 2019 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.

### *Basis for Opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of IICA in accordance with the Code of Professional Ethics of the Association of Certified Public Accountants of Costa Rica and the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Supplementary Information in Relation to the Financial Statements and the Auditor's Report*

The other information comprises the details included in Exhibits No.1 to 3 the movements of Member States quotas receivable, budget and expenses by chapter and the execution of external resources by financing source, which is included for the benefit of the reader. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information, and we do not express any form of opinion on it.

In relation to our audit of the financial statements, our responsibility is to read the other information and, by doing so, consider if that is materially consistent with the financial statements or with our knowledge we obtained during our audit, or otherwise if it seems to be materially distorted. If, based on the work that we have done, we are able to conclude that there is an important inaccuracy of this other information, we are obliged to report such matter to you. We do not have anything to report on it.



*Responsibilities of Management and Those Charged with the IICA's Governance with the Financial Statements*

Management is responsible for the preparation and fair presentation of IICA's accompanying financial statements according to the generally accepted accounting principles in the United States of America and for the 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.

In the preparation of financial statements, Management is responsible for assessing the IICA ability to continue as a going concern, disclosing as it may be necessary, the matters related to the going concern principle and using such accounting basis, unless management either intends to liquidate of IICA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of IICA are responsible for overseeing the financial reporting process of the Inter-American Institute for Cooperation on Agriculture.

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

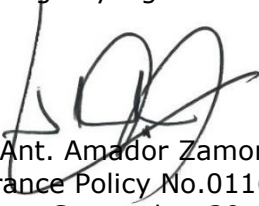
As part of an audit in accordance with the International Standards on Auditing (ISA), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or non-fraud related error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from non-fraud related error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 IICA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on IICA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to

the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available at the date of the auditor's report. However, future events or conditions may cause IICA to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with governance at IICA regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



José Ant. Amador Zamora - C.P.A. No.2760

Insurance Policy No.0116 FIG 7

Expires: September 30, 2021

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

May 19, 2021



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

**STATEMENTS OF NET ASSETS  
DECEMBER 31, 2020 AND 2019**  
(Stated in United States Dollars)

	Notes	December 31, 2020			Total	December 31, 2019
		Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>ASSETS</b>						
CURRENT ASSETS:						
Cash	1e, 2	US\$27,197,874			US\$ 27,197,874	US\$ 32,246,099
Cash equivalents	1e, 3	55,713,647			55,713,647	41,321,359
Investments held to maturity	1f, 4	10,012,104			10,012,104	18,785,000
Subtotal		92,923,625			92,923,625	92,352,458
Receivables:						
Quotas from member states		17,292,625			17,292,625	12,954,374
Allowance for doubtful accounts	1g	(7,474,095)			(7,474,095)	(6,231,279)
Quotas from member states - net		9,818,530			9,818,530	6,723,095
Payments made on behalf of contracts, agreements and grants	1g	337,865			337,865	2,209,085
Due from regular fund to trust fund	1g	(49,784,837)	US\$49,784,837			
Other		106,003			106,003	188,334
Receivables - net		(39,522,439)	49,784,837		10,262,398	9,120,514
Advances of external resources allocated	1p	541,176			541,176	355,537
Prepaid expenses	1h	79,659			79,659	97,870
Other assets		47,283			47,283	46,490
Total current assets		54,069,304	49,784,837		103,854,141	101,972,869
PROPERTY, FURNITURE AND EQUIPMENT - Net	1i, 1j, 5	984,400		US\$8,713,171	9,697,571	10,028,579
<b>TOTAL ASSETS</b>		<u>US\$55,053,704</u>	<u>US\$49,784,837</u>	<u>US\$8,713,171</u>	<u>US\$113,551,712</u>	<u>US\$112,001,448</u>
<b>LIABILITIES AND NET ASSETS</b>						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses		US\$ 7,239,720			US\$ 7,239,720	US\$ 2,374,723
Other accruals		340,668			340,668	334,092
Total current liabilities		7,580,388			7,580,388	2,708,815
Provisions for:						
Repatriation and transfer of international professional personnel	1k	1,123,078			1,123,078	1,290,638
Recognition of years of service for international professional personnel	1k	1,520,986			1,520,986	1,644,336
Recognition of years of service for local personnel	1k	3,041,668			3,041,668	3,111,605
Other termination benefits	1k, 12	10,559,111			10,559,111	9,185,219
Other liabilities of projects	12	13,347,301			13,347,301	14,739,243
Total provisions		29,592,144			29,592,144	29,971,041
Total liabilities		37,172,532			37,172,532	32,679,856
NET ASSETS:						
Unrestricted funds:						
Regular fund:						

(Continues)

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

**STATEMENTS OF NET ASSETS  
DECEMBER 31, 2020 AND 2019**  
(Stated in United States Dollars)

	Notes	December 31, 2020			Total	December 31, 2019
		Unrestricted	Temporarily Restricted	Permanently Restricted		
General sub-fund	1b	US\$ 7,651,605			US\$ 7,651,605	US\$ 2,425,170
Working sub-fund	1b	4,094,736			4,094,736	4,094,736
Miscellaneous income fund	1b	667,896			667,896	30,897
Indirect cost recovery fund	1b	4,482,535			4,482,535	3,708,609
Fixed assets fund	1b	984,400			984,400	1,315,408
Restricted funds:						
Trust funds	1b		US\$49,784,837		49,784,837	59,033,601
Permanently restricted fund – land	1b			US\$8,713,171	8,713,171	8,713,171
Total net assets		<u>17,881,172</u>	<u>49,784,837</u>	<u>8,713,171</u>	<u>76,379,180</u>	<u>79,321,592</u>
TOTAL LIABILITIES AND NET ASSETS		<u>US\$55,053,704</u>	<u>US\$49,784,837</u>	<u>US\$8,713,171</u>	<u>US\$113,551,712</u>	<u>US\$112,001,448</u>
CONTINGENCIES	13	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>

(Concluded)

See accompanying notes to the financial statements.

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

**STATEMENTS OF ACTIVITIES OF UNRESTRICTED NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Stated in United States Dollars)

	Notes	2020					2019				
		Regular Fund Quotas	Miscellaneous Income Fund	Indirect Cost Recovery Fund	Trust Funds	Total	Regular Fund Quotas	Miscellaneous Income Fund	Indirect Cost Recovery Fund	Trust Funds	Total
<b>REVENUES:</b>											
Quotas from member states	1c	US\$29,574,100				US\$ 29,574,100	US\$29,574,100				US\$ 29,574,100
Indirect Cost Recovery (ICR)	6			US\$9,352,841		9,352,841			US\$8,383,614		8,383,614
Temporarily restricted fund assets released from restrictions	1g				US\$129,949,510	129,949,510				US\$113,462,498	113,462,498
Commercial and miscellaneous operations - net	7		US\$636,999			636,999		US\$5,246			5,246
<b>Total revenues</b>		<u>29,574,100</u>	<u>636,999</u>	<u>9,352,841</u>	<u>129,949,510</u>	<u>169,513,450</u>	<u>29,574,100</u>	<u>5,246</u>	<u>8,383,614</u>	<u>113,462,498</u>	<u>151,425,458</u>
<b>EXPENSES:</b>											
International professional personnel		9,314,401				9,314,401	10,872,801				10,872,801
Local professional and general service		8,319,464				8,319,464	9,486,204				9,486,204
Training and technical events		425,995				425,995	1,659,178				1,659,178
Official travel		103,268				103,268	688,321				688,321
Documents and materials and supplies		553,918				553,918	459,681				459,681
Plant, equipment and furniture		130,710				130,710	464,754				464,754
General services		1,779,697				1,779,697	1,827,883				1,827,883
Work and services contracts, and transfers		883,043				883,043	1,419,594				1,419,594
Annual allowance to CATIE	8	853,400				853,400	1,000,000				1,000,000
Other costs		1,983,769				1,983,769	2,189,108				2,189,108
Sub-total of expenses related to quota budget and working sub-fund		24,347,665				24,347,665	30,067,524				30,067,524
Temporarily restricted fund assets released from restrictions	1g				129,949,510	129,949,510				113,462,498	113,462,498
Disbursements financed with funds from the Indirect Cost Recovery (ICR)	6			8,578,915		8,578,915			9,195,367		9,195,367
Commercial and miscellaneous operations - net	7										
<b>Total expenses</b>		<u>24,347,665</u>		<u>8,578,915</u>	<u>129,949,510</u>	<u>162,876,090</u>	<u>30,067,524</u>		<u>9,195,367</u>	<u>113,462,498</u>	<u>152,725,389</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		5,226,435	636,999	773,926		6,637,360	(493,424)	5,246	(811,753)		(1,299,931)
Exclusion of net capitalized expenses as property, furniture and equipment		179,682				179,682	635,965				635,965
Increase (decrease) in unrestricted net assets for the year, before including depreciation of the year		5,406,117	636,999	773,926		6,817,042	142,541	5,246	(811,753)		(663,966)
Inclusion of depreciation of the year		(510,690)				(510,690)	(531,109)				(531,109)
<b>Increase (decrease) in unrestricted net assets</b>		<u>US\$ 4,895,427</u>	<u>US\$636,999</u>	<u>US\$ 773,926</u>	<u>US\$</u>	<u>US\$ 6,306,352</u>	<u>US\$ (388,568)</u>	<u>US\$5,246</u>	<u>US\$ (811,753)</u>	<u>US\$</u>	<u>US\$ (1,195,075)</u>

See accompanying notes to the financial statements.



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

**STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

(Stated in United States Dollars)

	Notes	Net Assets						Temporarily Restricted	Permanently Restricted	Total
		Regular Fund		Unrestricted						
		General Sub-fund	Working Sub-fund	Miscellaneous Income Fund	Indirect Cost Recovery Fund	Fixed Assets Fund	Trust Funds			
BALANCE AT DECEMBER 31, 2018 (RESTATED)		US\$2,918,594	US\$4,094,736	US\$ 25,651	US\$4,520,362	US\$1,210,552	US\$ 50,211,296	US\$8,713,171	US\$ 71,694,362	
Increase (decrease) in unrestricted net assets		142,541		5,246	(811,753)	(531,109)			(1,195,075)	
Restricted contributions received from donors	1b						120,754,874		120,754,874	
Net assets released from restrictions							(113,462,498)		(113,462,498)	
Capitalization of net disbursements as property, furniture and equipment		(635,965)				635,965				
Net increase in disbursements made on behalf of contracts, agreements, and grants receivable from donors							1,529,929		1,529,929	
BALANCE AT DECEMBER 31, 2019		2,425,170	4,094,736	30,897	3,708,609	1,315,408	59,033,601	8,713,171	79,321,592	
Increase (decrease) in unrestricted net assets		5,406,117		636,999	773,926	(510,690)			6,306,352	
Restricted contributions received from donors	1b						122,571,966		122,571,966	
Net assets released from restrictions							(129,949,510)		(129,949,510)	
Capitalization of net disbursements as property, furniture and equipment		(179,682)				179,682				
Net increase in disbursements made on behalf of contracts, agreements, and grants receivable from donors							(1,871,220)		(1,871,220)	
BALANCE AT DECEMBER 31, 2020		<u>US\$7,651,605</u>	<u>US\$4,094,736</u>	<u>US\$667,896</u>	<u>US\$4,482,535</u>	<u>US\$ 984,400</u>	<u>US\$ 49,784,837</u>	<u>US\$8,713,171</u>	<u>US\$ 76,379,180</u>	

See accompanying notes to the financial statements.

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

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

(Stated in United States Dollars)

	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Increase (decrease) in unrestricted net assets	US\$ 6,306,352	US\$ (1,195,075)
Plus: Items not requiring cash:		
Interest income from investments	(2,299,576)	(3,725,646)
Depreciation	510,690	531,109
Allowance for doubtful accounts	1,242,816	1,433,400
Cash provided by (used in) changes in:		
Quotas receivable from member states	(4,338,251)	2,953,527
Other receivables	44,739	(50,671)
Prepaid expenses	(167,428)	(113,518)
Other assets	(793)	8,430
Accounts payable and accrued expenses	4,864,997	(511,868)
Other accruals	6,576	(143,953)
Provisions	<u>(378,897)</u>	<u>896,202</u>
Net cash provided by operating activities	<u>5,791,225</u>	<u>81,937</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition (disposals) of investments held to maturity	8,772,896	(8,115,000)
Interest income received on investments	2,337,168	3,711,594
Additions to furniture and equipment	(183,257)	(642,957)
Disposal of furniture and equipment	<u>3,575</u>	<u>6,992</u>
Net cash provided by (used in) investing activities	<u>10,930,382</u>	<u>(5,039,371)</u>
<b>FINANCING ACTIVITIES</b>		
Restricted contributions received from donors	122,571,966	120,754,874
Disbursements made in the execution of trust funds	<u>(129,949,510)</u>	<u>(113,462,498)</u>
Net cash (used in) provided by financing activities	<u>(7,377,544)</u>	<u>7,292,376</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,344,063	2,334,942
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>73,567,458</u>	<u>71,232,516</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>US\$ 82,911,521</u>	<u>US\$ 73,567,458</u>

See accompanying notes to the financial statements.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (Stated in United States Dollars)

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### 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), consisting of a representative from each Member State.
- Executive Committee, consisting of twelve Member States.
- General Directorate.

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

- b. **Basis of Presentation and Funds Managed** - The financial statements have been prepared in accordance with the generally accepted accounting principles in the United States of America (USGAAP), and are presented according to the 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 consists of two sub-funds:

- i. General Sub-fund - Activities of this sub-fund 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 Sub-fund is to finance execution of the regular activities planned and budgeted by IICA, including administration and management.

- ii. Working Sub-fund - The purpose of this sub-fund is to ensure the normal financial operation of IICA. According to Article No.89 of the Rules of the General Directorate, the sub-fund 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 Indirect Cost Recovery (ICR) Fund or donated thereto by a national or international organization. The balance of the Fixed Assets Fund represents the carrying amount, net of depreciation, of fixed assets owned by IICA, except for land with permanent use restrictions.
      - *Indirect Cost Recovery (ICR) 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 Indirect Cost Recovery Fund balance consists of the recovery of Indirect Cost (ICR) 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 consists of the balance of those proceeds from the General Sub-fund 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 26, 2017, through Resolution IICA/IABA/Res.511 (XIX-O/17) IABA approved the 2019 and 2018 budget for the Regular Fund made up of Member State quotas and other miscellaneous

income amounting to US\$29,574,100 and US\$3,500,000, respectively. On October 31, 2019, through Resolution IICA/IABA/ Res.523 (XX-O/19) IABA approved the 2021 and 2020 budget for the Regular Fund made up of Member State quotas and other miscellaneous income amounting to US\$29,574,100, and US\$2,500,000 respectively for both periods. Miscellaneous income consists of estimated income to be generated and of resources from the miscellaneous income fund.

The above resolution authorizes the Director General to transfer amounts between budget chapters, provided that the total transfers do not significantly affect the priorities approved.

In the Exhibit No.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 perform 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 include 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 those that IICA intends and has the capacity hold until they mature. They are recorded at cost and valued using the amortized cost method.
- g. **Due from Regular Fund and Temporarily Restricted Net Assets** - Funds contributed by institutions and Member States (counterparts) 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 counterparts 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 counterparts, 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.

IICA has the policy to record an allowance for doubtful accounts that show recoverability arrears, once the corresponding analyses have been made. As of December 31, 2020 and 2019, the amount of the allowance for doubtful accounts represented US\$7,474,095 and US\$6,231,279, respectively.

- h. **Prepaid Expenses** - Prepaid expenses are primarily made up of office supplies and materials. IICA initially recognizes them at cost, accounting for them as an asset and subsequently derecognises based on their consumption.
- i. **Property, Furniture, and Equipment** - IICA has adopted the policy of charging the amounts disbursed for the acquisition of fixed assets to current period expenses, and, subsequently, capitalizing those amounts in the Fixed Assets Fund. Such capitalization is recorded at original acquisition cost of the asset or the market value in effect at the donation date, if they are donated. Minor repairs and maintenance expenses are charged to results of the annual activities. Such practice enables IICA to compare expenditures with annual budgeted amounts for the acquisition of fixed assets and, at the same time, to present such amounts as capitalized assets in the statement of net assets.
- j. **Accumulated Depreciation** - The historical cost of fixed assets is depreciated over their estimated useful lives using the straight-line method.

Below is a detail of estimated useful lives:

<b>Property, Furniture, and Equipment</b>	<b>Estimated Useful Lives</b>
Buildings	25 years
Furniture and office equipment	3 to 10 years
Vehicles	4 years

- k. **Employees Benefits** - According to the organization's regulations, in case of expiration of contract, 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 employees benefits for severance indemnities to cover future disbursements for this concept, considering the actuarial probabilities of future events, future salary increases and the time value of money. Actual termination payments are charged to the provision.

- l. **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 it 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).

- m. **Revenue Recognition** - IICA recognizes quota revenue from Member States when performance obligations are met through the transfer of control, these quotas are fixed in accordance with the resolution of the Inter-American Board of Agriculture. IICA recognizes an account receivable at the beginning of the period, as this represents the given time at which the right to consideration becomes unconditional, as it only requires the passage of time before the payment expires.

Miscellaneous income is recognized as a performance obligation fulfilled over time. Revenues are recognized based on measuring progress towards full compliance with the performance obligation.

- n. **Indirect Cost Recovery (ICR)** - As established in certain contract agreements signed with donors (Member States, international organizations, etc.), IICA recovers indirect costs incurred in the execution of these agreements, 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 Indirect Cost Recovery (ICR) Fund.

- o. **Accounts Payable** - IICA recognizes liabilities in its financial statements when it transfers the ownership of the goods and receives the corresponding service.

- p. **Advances of External Resources Allocated** - IICA delivers advances to external entities that carry out activities related to Institute projects. The expenditures for such projects are recorded as soon as the settlement of account paperwork is submitted. These advances are related to projects financed with external resources.

- q. **Use of Estimates** - The preparation of financial statements in accordance with USGAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes. Results could differ from these estimates. Material estimates that are particularly susceptible to significant changes relate mainly to the allowance for doubtful accounts, determination of the useful lives of property, furniture and equipment, other assets and provisions for accrued expenses, employees benefits and other liabilities.

- r. **Financial Instruments** - Financial instruments of IICA are initially recorded at fair value and consist of cash on hand and due from banks, investments, accounts receivable, accounts payable and other liabilities. As of December 31, 2020 and 2019, the carrying amount of short-term financial instruments approximates their fair value due to their current nature.

IICA has not signed any contracts involving derivative financial instruments.

- s. **Accounting Pronouncements Pending Adoption** - In February 2016, the FASB issued ASU 2016-02, Leases, which introduces a lessee model that brings most leases on the balance sheet. The new standard also aligns many of the underlying principles of the new lessor model with those of ASC 606, the FASB's new revenue recognition standard (e.g., those related to evaluating when profit can be recognized). Furthermore, the ASU addresses other concerns related to the current leases model. For example, the ASU eliminates the requirement in current U.S. GAAP for an entity to use bright-line tests in determining lease classification. The ASU also requires lessors to increase the transparency of their exposure to changes in value of their residual assets and how they manage that exposure. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2021 with early application permitted. [The Company is currently evaluating the impact of this ASU.]

## 2. CASH

Cash due from banks as of December 31, 2020 and 2019 for US\$27,197,874 and US\$32,246,099, respectively. This amounts includes funds held in separate bank accounts of US\$21,116,516 and US\$30,210,097, 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:

	2020	2019
In Argentine pesos:		
Time deposits, interest of 34% and per annum	US\$ 15,545	
In Mexican pesos:		
Money market funds, interest between 0.99% and 1.08% per annum(2019: between 0.95% and 4.5% per annum)	19,296,150	US\$19,397,875
In Brazilian reais:		
Money market funds, interest of 0.15% per annum (2019: between 4.08% and 4.32% per annum)	11,373,279	17,186,710
In U.S. dollars:		
Overnight deposits, interest between 0.5% and 2.5% per annum in both periods		9,004
Mutual funds, interest 1.1% per annum (2019: from 1.58% per annum)	<u>25,028,673</u>	<u>4,727,770</u>
Total	<u>US\$55,713,647</u>	<u>US\$41,321,359</u>

As of December 31, 2020 and 2019, cash equivalents of US\$38,227,977 and US\$36,584,584, respectively, are restricted to cover expenditures of contracts signed by IICA and the respective donors.



#### 4. INVESTMENTS HELD TO MATURITY

Investments held to maturity are detailed below:

	<b>2020</b>	<b>2019</b>
In US dollars:		
Time deposits at Banco Bradesco, S.A., interest rate 34.66% maturing between October and November 2023	US\$ 6,232,104	
Time deposits at BAC San José, annual interest rate between 2.15% and 3.82% (2019: between 3.26% and 4.12 per annum), with maturity between February and June 2020	3,780,000	US\$ 2,285,000
Time deposits at Bank of America, annual interest rate from 1.80% to 1.88% with maturity between January and March 2020		<u>16,500,000</u>
Total	<u>US\$10,012,104</u>	<u>US\$18,785,000</u>

As of December 31, 2020 and 2019, investments held to maturity US\$10,012,104 and US\$10,460,301; respectively, are restricted to cover disbursements for contracts signed between IICA and the respective counterparts.

#### 5. PROPERTY, FURNITURE AND EQUIPMENT - NET

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

	<b>2020</b>	<b>2019</b>
Unrestricted:		
Buildings (25 years)	US\$ 5,418,054	US\$ 5,418,053
Vehicles (4 years)	2,471,694	2,647,158
Furniture and equipment (3, 4, 5 and 10 years)	<u>5,008,908</u>	<u>5,356,932</u>
Total unrestricted fixed assets	12,898,656	13,422,143
Less: Accumulated depreciation	<u>(11,914,256)</u>	<u>(12,106,735)</u>
Total unrestricted fixed assets - net	984,400	1,315,408
Permanently restricted - land	<u>8,713,171</u>	<u>8,713,171</u>
Total	<u>US\$ 9,697,571</u>	<u>US\$ 10,028,579</u>

Property, furniture and equipment do not include fixed assets acquired with resources from specific funds (Trust Funds), since such disbursements are considered expenditures related to the execution of specific agreements related to 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.

According to an agreement entered into 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 INDIRECT COST RECOVERY (ICR)

On October 13, 1997, through Resolution IICA/IABA/Res.310 (IX-O/97), the Inter-American Board of Agriculture agreed to establish the Indirect Cost Recovery (ICR) 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 Indirect Cost Recovery (ICR) are broken down as follows:

	<b>2020</b>	<b>2019</b>
Income:		
Ministry of Agriculture and Livestock - Ecuador	US\$ 40,811	US\$ 64,475
Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina	87,556	183,288
Ministry of Agriculture, Livestock and Food - Guatemala	153,758	213,557
National Health Service, Food Safety and Food Quality (SENASICA) - Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) - National Agrarian Registry (RAN) - México	6,053,032	5,768,775
United States Department of Agriculture (USDA)	94,548	162,412
Ministries of Agriculture, Livestock and Procurement, Agrarian Development, Mines and Energy - Brazilian Institute of Environment and Renewable Natural Resources - Brazil	285,761	359,559
Secretariat of Agriculture and Livestock - Honduras	1,224,331	379,210
Agencies and Organizations of International Cooperation	536,029	707,769
Secretariat of Central American Agricultural Council (SCAC)	8,298	23,126
Ministry of Agriculture and Livestock Paraguay	178,436	51,376
Government of Peru	163,854	
Other institutions	526,427	470,067
Total	<u>US\$9,352,841</u>	<u>US\$8,383,614</u>

(Continues)

	<b>2020</b>	<b>2019</b>
Expenses:		
International professional personnel	US\$ 405,700	US\$ 451,626
Local professional and general services personnel	5,540,223	5,489,052
Training and technical events	75,431	131,196
Official travel	39,333	196,828
Documents and materials and supplies	171,260	253,378
Plant, equipment and furniture	460,587	451,989
General services	876,646	990,643
Work and services contracts, and transfers	913,157	1,085,848
Other costs	<u>96,578</u>	<u>144,807</u>
Total	<u>US\$8,578,915</u>	<u>US\$9,195,367</u>

## **7. COMMERCIAL AND MISCELLANEOUS OPERATIONS**

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

	<b>2020</b>	<b>2019</b>
Revenues:		
Interest earned from investments and cash equivalents	US\$ 456,532	US\$ 878,435
Proceeds from equipment sale	41,290	76,708
Sale of general services	23,504	55,460
Others	<u>120,794</u>	<u>166,823</u>
Total revenues from commercial and miscellaneous operations	<u>642,120</u>	<u>1,177,426</u>
Expenses:		
Local professional and general services personnel	649,090	775,470
Training and technical events	2,200	33,480
Official travel	5,148	15,810
Documents and materials and supplies		60,094
Plant, equipment and furniture	27,556	76,105
General services		363,624
Performance, contracts and transfers	77,507	230,587
Other costs	<u>95,166</u>	<u>171,496</u>
Subtotal	856,667	1,726,666
Exchange (gains) - net	<u>(851,546)</u>	<u>(554,486)</u>
Total expenses from commercial and miscellaneous operations	<u>5,121</u>	<u>1,172,180</u>
Excess of expenses over income	<u>US\$ 636,999</u>	<u>US\$ 5,246</u>

## **8. TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

On September 27, 2000, the Costa Rican Legislative Assembly reformed, via Law No. 8028, the text of Law No. 6873, ratifying 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 agreement will be for a 20-year period, effective from its enacting date, renewable for equal consecutive terms. This term expired in 2020, and the agreement has been renewed for a 20-year period.
- 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, 2020 and 2019, IICA contributed to CATIE US\$853,400 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 entered into 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, 2020, 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 entered into 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, 2020, 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 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. OTHER TERMINATION BENEFITS

IICA conducted actuarial studies for provisions for personnel benefits as of December 31, 2020 and 2019. The following is a summary of the actuarial calculations on the benefits of IICA employees:

	2020	2019
Amounts recognized in statement of financial position:		
Defined benefit obligation	US\$4,753,821	US\$4,901,316
Current liabilities	<u>3,677,310</u>	<u>3,880,751</u>
Total liability	<u>US\$4,753,821</u>	<u>US\$4,901,316</u>
Net periodic benefit cost / (income):		
Current service cost	US\$ 426,829	US\$ 392,282
Interest cost	199,626	213,005
Inflationary Effect on Financial Labor Cost	6,049	7,893
Inflationary Effect on Projected Benefit Liability	63,555	79,251
Effect from reduction of liabilities	26,277	
Past service from modification to plan		
Unrecognized net actuarial (gain) / loss	<u>(199,085)</u>	<u>46,437</u>
Net periodic benefit cost / (income) final	<u>US\$ 523,251</u>	<u>US\$ 738,868</u>
Net liability / (asset) recognized at beginning of the year	US\$4,901,316	US\$4,375,727
Net periodic benefit cost / (income)	523,252	738,868

(Continues)

	<b>2020</b>	<b>2019</b>
Benefit payments	US\$ (750,254)	US\$ (510,716)
Net liability / (asset) recognized at end of the year	4,674,314	4,603,879
Retained profits and losses for previous periods		161,157
Accumulated other comprehensive incomes	<u>79,507</u>	<u>136,280</u>
Total liability	<u>US\$4,753,821</u>	<u>US\$4,901,316</u>

Additionally, during 2020 and 2019, actuarial studies were performed in reference to termination benefits for some projects financed by external funds. The counterparty assumes these costs and has transferred to IICA the funds for the payment of its obligation when appropriate. The result of these studies according to USGAAP is summarized below:

	<b>2020</b>	<b>2019</b>
Changes in benefit obligation:		
Benefit obligation at beginning of year (on real basis)	US\$4,598,139	US\$ 3,586,838
Current service cost	889,927	554,499
Interest cost	297,224	285,094
Actuarial loss	3,341,789	3,144,289
Benefit payments	<u>(318,037)</u>	<u>(2,307,576)</u>
Benefit obligation at end of year	<u>US\$8,809,042</u>	<u>US\$ 5,263,144</u>
Amount recognized in the statement of financial position:		
Accrued (prepaid) liability (non-current liabilities)	<u>US\$5,948,462</u>	<u>US\$ 4,598,139</u>
Amount recognized in accumulated other comprehensive income:		
Transition obligation	US\$ 614,653	US\$ 583,387
Net loss (gain)	<u>3,341,789</u>	<u>3,144,289</u>
Amount recognized in accumulated other comprehensive incomes	<u>US\$3,956,442</u>	<u>US\$ 3,727,676</u>
Information for plan with an accumulated benefit obligation in excess of plan assets:		
Projected benefit obligation	US\$5,948,462	US\$ 4,598,139
Accumulated benefit obligation	<u>3,528,254</u>	<u>2,805,789</u>
Accumulated benefit obligation in excess of plan assets	<u>US\$3,528,254</u>	<u>US\$ 2,805,789</u>
Net periodic benefit cost / (income):		
Current service cost	US\$ 889,927	US\$ 554,499
Interest cost	297,224	285,094
Amortization of transition obligation	50,847	41,498
Amortization of net loss (gain)	201,597	93,886
Reduction / Early Liquidation of Obligations		<u>1,671,451</u>
Net periodic benefit cost / (income) final	<u>US\$1,439,595</u>	<u>US\$ 2,646,428</u>

(Continues)

	<b>2020</b>	<b>2019</b>
Items not yet recognized as a component of net periodic benefit cost:		
Transition obligation	US\$ 614,653	US\$ 583,387
Net loss (gain)	<u>3,341,789</u>	<u>3,144,289</u>
Total	<u>US\$3,956,442</u>	<u>US\$ 3,727,676</u>
Reconciliation on net balance:		
Amount recognized in accumulated other comprehensive income	US\$3,956,442	US\$ 3,727,676
Accrued (prepaid) liability	<u>5,948,462</u>	<u>4,598,139</u>
Benefit obligation at the end of the year	<u>US\$9,904,904</u>	<u>US\$ 8,325,815</u>
Reconciliation of accrued (prepaid) benefit cost:		
Accrued (prepaid) benefit cost (beginning of the year)	US\$4,598,139	US\$ 3,586,837
Net periodic benefit cost	1,439,595	2,646,827
Benefits payment	(318,037)	(2,307,576)
Net periodic other comprehensive incomes	<u>228,766</u>	<u>672,051</u>
Accrued (prepaid) benefit cost (end of the year)	<u>US\$5,948,463</u>	<u>US\$ 4,598,139</u>

Actuarial studies were performed by independent experts not related to IICA, who possess appropriate qualifications and experience preparing such reports.

### **13. CONTINGENCIES**

**General** - As of December 31, 2020, IICA is a party in various lawsuits filed through its Delegations. These lawsuits deal basically with labor and/or commercial complaints related primarily to projects and are in different procedural stages.

The financial statements of IICA for the year ended December 31, 2020, include a provision of US\$215,916 to cover potential losses from these lawsuits. According to the legal advisors of IICA considered sufficient these legal obligations.

**AIS Program in Colombia** - Throughout 2020, IICA closely monitored developments in connection with the suspension ordered in 2010 by the Colombian Government of all disbursements, projects and new contracts associated with an agricultural subsidy program known as Agro Ingreso Seguro (AIS) managed by IICA on behalf of the Ministry of Agriculture and Rural Development (MADR). The Institute believes that this situation was influenced by factors outside the control of IICA, arising out of political clashes during the pre-electoral campaign of 2009-2010, exacerbated by relentless media coverage.

The suspension was followed by the anticipatory termination of agreements with AIS project beneficiaries and IICA sub-contractors. All this has given rise to actual lawsuits and the risk of other similar actions. However, according to experts on this matter, some of these actions have expired and others are under final review by the Office of the Comptroller General of the Republic in Bogota, with a high chance of resulting in a favorable ruling for the Institute, as explained below.

In February 2015, IICA received a formal notification informing it that it was being sued by the MADR for the sum of around US\$2.7 million, for possible breach of contract related to the AIS Program. The court green-lighted the lawsuit and IICA is currently awaiting a ruling from the court.

The Office of the Comptroller General of the Republic (CGR) and Departments informed IICA of its decision to include the Institute in a review of alleged responsibility in detriment of the financial resources of the Government of Colombia, in the amount of approximately US\$2.1 million, for activities aimed at publicizing the AIS Program. As a result of this situation, no state entity may sign contracts or agreements with IICA that involve resources belonging to the Colombian State. The final review process is being conducted.

The Institute still aims to reach a solution to its differences with the Government regarding AIS, and in particular, Resolution No.191. In the event those differences remain in the judicial arena, there are a number of arguments in the Institute's favor. They include: the co-responsibility of the MADR, the beneficiaries and the consultants: force majeure of the Government: the lack of due process; and the actions of oversight bodies which made it impossible to complete the Program as scheduled and with the resources allocated. Moreover, IICA enjoys immunity from legal process under its Basic Agreement with the Government of Colombia and its agreements with other Member States where its principal assets are held.

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

#### **14. SUBSEQUENT EVENTS**

**COVID-19** - The appearance of the Coronavirus COVID-19 in China, and its global expansion, led to the viral outbreak that the World Health Organization designated a pandemic in March 2020.

Countries throughout the hemisphere where IICA operates have taken consistent measures, such as declaring states of emergency or public calamity due to COVID-19. They have issued a variety of executive orders to take such measures as limitations on rights to freedom of movement, transit and circulation of people at specified times; limitations on large gatherings of people and suspension of public performances; and setting controls on certain articles, goods, supplies or services involved in the prevention, treatment, containment and response to the virus.

During 2020, this situation was monitored by IICA's management to assess any adverse effect that could be generated and to date the Institute has not been significantly affected in its operations, as reflected in its financial statements as of December 31, 2020. An approach aimed at offering innovative methods of service, promoting digital agriculture, and increasing the use of information and technology to face the different sanitary restrictions, as well as the opportune measures for the containment of expenses, allowed to foresee savings to protect the financial position, and allowed the Institute to maintain both its services and a reasonable financial situation.

In support of the Member States, the Institute has coordinated virtual ministerial meetings at the hemispheric, subregional and bilateral levels. It created the High-Level Advisory Council on Food Security and the Advisory Council on Communication. It developed the IICA monitor and blog on food security issues and held a hackathon. It is holding meetings with the goal of strengthening relations with the hemisphere's private agricultural sector, including multinational companies, associations, producers, and rural women.



All the Institute's Delegations have been successfully using flexible work-from-home arrangements, allowing IICA to effectively continue its work and offer new solutions. However, the future effects of this pandemic are very uncertain, and it is not clear what measures the different governments and authorities may be adopting in response to them. It is therefore impossible to reliably quantify the impact on the Institute's financial position, results of operations and future cash flows. IICA continues to monitor and evaluate this situation.

The pandemic we are living through will have a place in the history books. IICA has responded with quick, responsible, effective action, implementing financial austerity measures and adapting to this changed, unprecedented world we are living in.

Today, more than ever, IICA is united, working together to build a strengthened and revitalized institution.

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

**SUPPLEMENTARY FINANCIAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

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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, 2020**  
(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		
	US\$			Prior Years	Current Year	Total	Prior Years	Current Year	Total
Antigua & Barbuda	US\$	27,400	US\$ 7,600	US\$ 27,400	US\$ 7,600	US\$ 35,000			
Argentina		826,500	1,126,500	826,500		826,500		US\$1,126,500	US\$ 1,126,500
Bahamas			20,800		20,800	20,800			
Barbados			13,100					13,100	13,100
Belize			7,600		7,600	7,600			
Bolivia		42,200	21,100	42,200		42,200		21,100	21,100
Brazil		4,706,512	3,652,000	1,054,512		1,054,512	US\$ 3,652,000	3,652,000	7,304,000
Canada			2,873,400		2,873,400	2,873,400			
Colombia		1,344,800	480,200				1,344,800	480,200	1,825,000
Costa Rica		64,458	77,600	64,458	31,871	96,329		45,729	45,729
Chile			429,400		324,297	324,297		105,103	105,103
Dominica			7,600		7,600	7,600			
Dominican Republic		3,736	82,100				3,736	82,100	85,836
Ecuador		193,816	121,400				193,816	121,400	315,216
El Salvador			34,800					34,800	34,800
Grenada		7,600	7,600	7,600	7,600	15,200			
Guatemala			63,900		63,900	63,900			
Guyana			8,200		8,200	8,200			
Haiti			10,700		10,700	10,700			
Honduras			15,800		15,800	15,800			
Jamaica			20,600		19,780	19,780		820	820
Mexico			1,896,800		1,896,800	1,896,800			
Nicaragua			9,300		9,300	9,300			
Panama			62,000		62,000	62,000			
Paraguay			34,300		32,124	32,124		2,176	2,176
Peru		304,000	304,000	291,002		291,002	12,998	304,000	316,998
Saint Kitts and Nevis			7,600		7,600	7,600			
Saint Lucia		1,500	7,600	1,500	7,600	9,100			
Saint Vincent & the Grenadines			7,600		5,632	5,632		1,968	1,968
Suriname			10,700						
Trinidad & Tobago		52,800	52,800	52,800		52,800		52,800	52,800
United States of America		12,373	17,435,300	12,373	17,435,300	17,447,673			
Uruguay			95,300					95,300	95,300
Venezuela		5,366,679	568,800				5,366,679	568,800	5,935,479
<b>Total</b>		<u>US\$12,954,374</u>	<u>US\$29,574,100</u>	<u>US\$2,380,345</u>	<u>US\$22,855,504</u>	<u>US\$25,235,849</u>	<u>US\$10,574,029</u>	<u>US\$6,718,596</u>	<u>US\$17,292,625</u>

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

**PROGRAM BUDGET AND EXPENSES BY CHAPTER  
YEAR ENDED DECEMBER 31, 2020**

(Stated in United States Dollars)

	Budget	Expenses	<b>(Over) Under Execution</b>	
			<b>Absolute</b>	<b>Percentage</b>
CHAPTER 1: Direct technical cooperation services	US\$28,926,876	US\$20,912,681	US\$ 8,014,195	72%
CHAPTER 2: Management costs	1,766,619	1,764,658	1,961	100%
CHAPTER 3: General costs and provisions	1,186,000	2,365,769	(1,179,769)	199%
CHAPTER 4: Renewal of infrastructure and equipment	<u>194,605</u>	<u>158,266</u>	<u>36,339</u>	<u>81%</u>
Total	<u>US\$32,074,100</u>	<u>US\$25,201,374</u>	<u>US\$ 6,872,726</u>	<u>79%</u>

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

**EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Stated in United States Dollars)

	Source	Amount
<b>a. Member States</b>		
Antigua & Barbuda		US\$ 707
Argentina		1,559,494
Bahamas		17,047
Brazil		4,088,580
Chile		147,138
Costa Rica		1,010,438
Ecuador		406,399
El Salvador		533,035
United States of America		911,547
Guatemala		2,196,103
Honduras		22,608,693
Mexico		82,126,668
Nicaragua		101,948
Panama		17,978
Paraguay		2,543,978
Peru		1,781,482
Dominican Republic		53,457
Surinam		88,774
Trinidad & Tobago		127,546
Uruguay		295,094
Subtotal - Member States		<u>120,616,106</u>
<b>b. Other Institutions and Governments</b>		
Korea International Cooperation Agency		44,468
Spanish Agency for International Development Cooperation		56,933
Swiss Association for the Development of Agriculture and Rural Areas		180,690
Australian High Commission		42,452
Inter-American Development Bank		52,132
World Bank		31,744
Caribbean Biodiversity Fund		89,691
Tropical Agricultural Research and Higher Education Center		302,547
International Center for Tropical Agriculture		97,095
International Potato Center		203,376
Technical Centre for Agricultural and Rural Cooperation		48,253
Coca Cola Company		66,017
Commission of the European Communities		5,027,889
Deutsche Gesellschaft für Internationale Zusammenarbeit		391,462
Bahia Water and Sanitation Company, S.A.		986,530
EQUINOCCIO		30,824

(Continues)

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

**EXECUTION OF EXTERNAL RESOURCES BY FINANCING SOURCE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Stated in United States Dollars)

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<b>Source</b>	<b>Amount</b>
International Fund for Agricultural Development	US\$ 693,597
Italo Ecuadorian Fund for Sustainable Development	46,285
The University Of Tennessee Institute of Agriculture	46,490
Korea Institute for Development Strategy	77,181
Market Information Organization of the Americas	108,582
United Nations Food and Agriculture Organization	94,678
International Coffee Organization	109,661
World Trade Organization	75,962
United Nations Development Program	32,146
The Cropper Foundation	20,350
The State University Of New Jersey	90,496
National University of Colombia	43,895
World Resources Institute	62,396
Others	<u>179,582</u>
Subtotal - Other Institutions and Governments	<u>9,333,404</u>
Grand total	<u>US\$129,949,510</u>

(Concluded)

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