

Nineteenth Regular Meeting of the Inter-American  
Board of Agriculture (IABA)

**Reports of the Tropical Agriculture Research  
and Higher Education Center (CATIE) presented  
to the Governing Council**

San Jose, Costa Rica  
25-26 October 2017



Solutions for environment and development  
Soluciones para el ambiente y desarrollo



Education, science and innovation  
for development

Annual Report, 2016





## Mission

Increase sustainable and inclusive human well-being in Latin America and the Caribbean, promoting education, research and outreach for the sustainable management of agriculture and conservation of natural resources

## Vision

To be an excellent international land-grant type of university specialized in agriculture and natural resources that effectively integrates education, research and outreach in alliance with multiple partners and countries through a solid regional scientific platform.



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# From the Director General



CATIE is ready for a new stage of integration and growth. A series of efforts to reorganize the institution has stabilized its operations and laid the foundations to continue working in education, research and development.

In the year 2016, CATIE focused on making decisions based firmly on improving performance. Therefore, it is appropriate in this Annual Report to record the achievements of the Graduate School, Office of Research and Development and all of the other CATIE units that allow us to generate partnerships, agreements and projects to continue working for a better future for farming, livestock and rural communities in the Latin American countries.

This report also presents the efforts of the CATIE staff in human resources, information technology, communication and finances, attributable to the strengthening of talent to improve the well-being of personnel and enhance institutional positioning.

In 2016, CATIE moved forward in its strategic objective to train more professionals by reducing the length of its graduate scientific programs from 24 to 18 months. It also improved processes to optimize academic offerings, the financial model and fundraising for 2017 and 2018.

CATIE now offers a virtual platform with a wide range of graduate programs, diplomas and training courses, facilitating greater accessibility to information and generating an educational process that improves interactivity, communication and knowledge application. Thus, CATIE continues to be one of the best training options in the Latin American region.

Through the updating and development of statistical analysis programs, strengthening of the Institutional Repository, support to country offices, training for producing families through Farmer Field Schools (FFS) and Territorial Business Training Schools, changes in the way it works or creation of Nationally Appropriate Mitigation Actions (NAMAs) in livestock and coffee, among others efforts, CATIE successfully generated a positive impact in policymaking for climate-smart agriculture and conservation of natural resources in the region.

Finally, it is important to note CATIE's contribution to improving livelihoods, food and nutritional security, agricultural and forestry systems and sustainable territories and value chains through implementation of the climate-smart territory approach (CST) in several countries in the region.

I believe that CATIE has an unprecedented opportunity to chart a course to solve problems and achieve objectives. It is evolving in its organizational culture to advance more rapidly and efficiently in every step, building the foundations for the future. We thank the hundreds of people and international, national and local organizations and strategic partners that make our work possible day by day and that give meaning and purpose to it. In 2017, we will continue working and concentrating on our strategic priorities.

  
**Dr. Muhammad Ibrahim**



# Education

## *Leaders capable of managing the complexity of the 21st century*

In 2016, CATIE made progress on its strategic objective to offer relevant training processes by reforming the length and content of its scientific master's degrees from 24 to 18 months. The reform explicitly incorporates—for each one of the areas of specialization—the complex relationships between economic, social and environmental dimensions of production and conservation at the beginning of the 21st century. The process passed the scrutiny of the National Accreditation System for Higher Education (SINAES, Spanish acronym), complying also with the standards of the National Council of Rectors (CONARE), National Council of Private University Higher Education (CONESUP) and Central American University Council (CSUCA) on the educational quality and the required academic loads.

Worth highlighting in this effort is CATIE's gender approach, begun in 1996, which has had a fundamental effect on our graduates. Up to 1995, only 10.5% of the graduates were women, while from 2006 to 2016, 48.3% of the graduating classes were women. In 2016, the four doctorates and more than half of the master's degrees were obtained by women from many various countries in Latin America.

*The master's has given me very valuable tools and knowledge for my development as a researcher, taking more into account the inevitable climate change and its impact on agriculture. My mind has been opened to other issues I knew nothing about. I intend to apply what I have learned in further research, in the publication of scientific articles and on my own agroforestry farm. I wish to share my research with national institutions, above all with those interested in the cultivation of coffee.*

Marvin Alejandro Brenes Loaiza  
Master's Student in Agroforestry and Sustainable Agriculture  
Class of 2015–2016  
Costa Rica

## *Improved institutional processes*

During 2016, CATIE relaunched fundamental processes to ensure its financial sustainability and continuous educational improvement that will conclude in 2017. These processes entail optimization of the content of the current academic offer, establishment of a new financial model and a fundraising strategy for the short, medium and long term. Efforts were also continued to recuperate money from the Scholarship-Loan Program, resulting in a reduction of outstanding loans by 11% from 2015 to 2016 and recovery of USD 128 839.<sup>1</sup> That recuperation was achieved by offering more information to the graduates about the conditions of their debts and sending account statements and

<sup>1</sup> USD 99 482 from the principal, USD 23 393 from current interest and USD 6963 from overdue interest.





payment reminders, among other strategies. Finally, the operating and costs structure of the Training Area were improved to encourage the participation of the research programs in the courses and diplomas, both virtual and in the traditional classroom setting.

### *Master's and doctoral student body*



65 first-year students



88 second-year students

Total: 153 students from 17 countries



### **Graduation 2016**



65 master's students (50% women)

4 doctoral students (women)

### *Expanding virtual education*

As an international university, CATIE offers via its website access to a broad range of graduate programs, diplomas and training courses. Some programs, with topics tied to climate change, bioenergy and food security, were created jointly with the Inter-American Institute for Cooperation on Agriculture (IICA) and the Food and Agriculture Program of the United Nations (FAO) to achieve interinstitutional objectives. Others, such as the Virtual Master's in Integrated Watershed Management and Administration, enabled 21 students to present their preliminary project seminars and take their candidacy examinations from their respective countries: Guatemala, Mexico, Panama, Haiti, Colombia, Ecuador and Costa Rica.

The virtual platform has also been a complement to traditional classroom education, allowing greater accessibility to information and generating an educational process that improves interactivity, communication and application of knowledge. For example, the Academic Master's in Mitigation and Adaptation to Climate Change includes virtual content.

### **Gender equity**



33 women



32 men

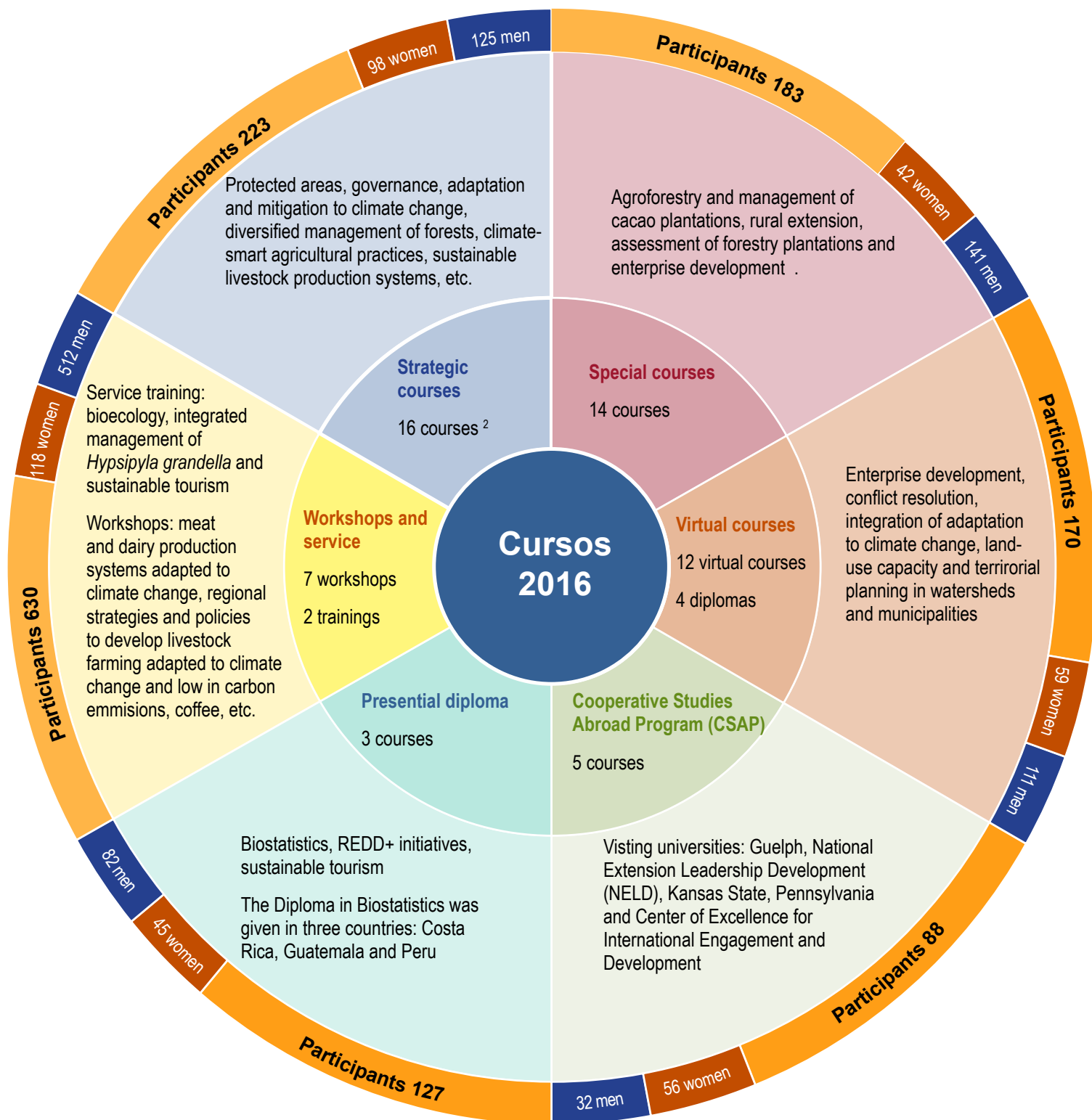
## Training in diverse environments

CATIE continues to be one of the best training options in the Latin America region. The majority of courses are taught at CATIE headquarters, although a significant number are carried out in the member countries, whether linked to research and development projects or strategic alliances with national or regional institutions.

Scholarships for students were available, provided by the Sustainable Agricultural Development Program of the German Technical Cooperation Agency (GIZ/ PROAGRO), Inter-American Development Bank (IDB) and Stockholm Resilience Center (SwedBio).

The Biostatistics Unit met its annual goals regarding graduate courses, the International Biostatistics

In summary, in 2016, 1421 persons received training (418 women and 1003 men) from 35 countries.





Diploma, the Diploma on Research in Agroforestry Systems; support and methodological supervision in master's and doctoral thesis projects; and participation in presentations, conferences and scientific talks.

### *Agreements on knowledge management*

Cooperation with different institutions has helped generate a favorable environment for integrated knowledge management. CATIE has more than 65 agreements in place with academic institutions from around the world, including the following:

- Colombia: National University, Manuela Beltrán University, University of Amazonia and International University Foundation of the American Tropics (Unitrópico)
- Mexico: University of Veracruz
- Peru: National Cultural University of Amazonia, Toribio Mendoza National University and the National University of Central Peru
- United States of America: Montana Tribal College President's Association

### *Knowledge management and dissemination within the reach of all*

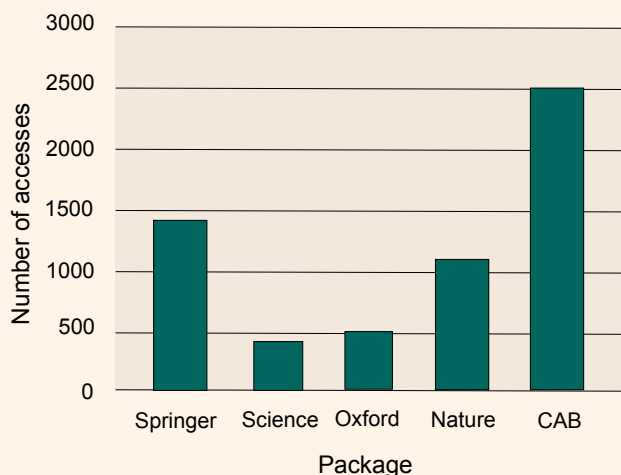
In 2016, the Orton Memorial Library improved accessibility to CATIE's scientific and technical production by strengthening the [Institutional Repository](#) (the main tool for open access) with 552

new bibliographical resources, reaching a total of more than 8000. As a result, it enjoys the position of 1207 in the world by the [Ranking Web of Repositories](#) (and in fifth place in the nation) and was accepted in the [Kimuk National Repository of Costa Rica](#), in the Federated Network of Institutional Repositories of Scientific Publications ([La Referencia](#)) and in [TAPipedia](#).

The library also assisted in placing 29 professional profiles of researchers in Scientific Digital Social Networks (RSDC) and trained 137 persons in the CATIE Graduate Program, in the agronomy program at the University of Costa Rica and in the field of library science at the National University. Finally, it created the [Journals and Bulletins Portal](#) to facilitate access to these types of publications.

Articles downloaded in 2016: 5875 articles from subscribed scientific journals (CGIAR).

Number of accesses 2016 CGIAR Agreement



## Online catalog with 101 104 records accessible through OPAC

Type of service	Specifications	Total sessions	Total users	New users	Pages viewed on internet
Digital Library	BCO website	14 076	8625	2578	42 073
Digital Library	Repository	62 914	48 626	14 534	62 207
Digital Library	Metasearch engine	22 734	19 336	3411	14 703
Digital Library	Journals Portal	1303	924	378	312 304
SIDALC	SIDALC	182 320	182 320	125 394	3 332 212
<b>Totals</b>		<b>283 347</b>	<b>259 831</b>	<b>146 295</b>	<b>3 763 499</b>









# Research

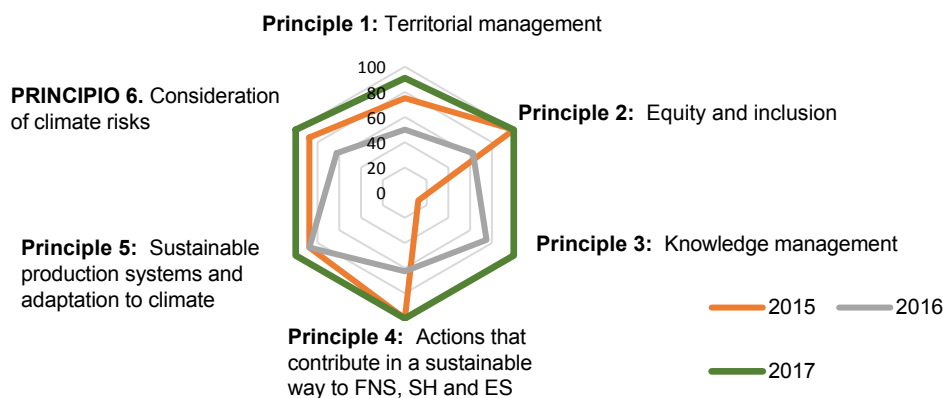
## Research for development

CATIE's Research and Development Division (DID) has as a principal responsibility to contribute to achieving sustainable livelihoods, agricultural and forestry systems, territories and value chains through systematic and interdisciplinary research. Toward this goal, in 2016, personnel in the different DID programs carried out actions that translated into positive effects for the rural population of Central America. This population represents 41.4% of the total population of the region and includes at least 2.3 million families that depend on agriculture.

For example, three local development plans were prepared (two in NicaCentral and one in Trifinio); consolidation of two territorial information systems were supported (Red Gescon in NicaCentral and SINTET in Trifinio); both under the Mesoamerican Agroenvironmental Program (MAP); CSTs were created in 15 countries (through the Ibero-American Model Forest Network) under the Production and

Conservation in Forests Program; and the technical capacities of local, public and private institutions were strengthened in CST topics. As a result, the CST approach was incorporated in the territorial management action plan of the Central American Strategy for Rural Territorial Development (ECADERT) and Trifinio's Food and Nutritional Security Network, among others.

Other actions were to add new institutions to its regional research and development platform (Chinese Academy of Forestry and the Rural Development Agency of Korea); strengthen cooperation with the CGIAR programs—Climate Change, Agriculture and Food Security (CAAFS) and Forests, Trees and Agroforestry (FTA)—and its research centers Bioversity International and the World Agroforestry Center (ICRAF); and develop the 2017–2027 proposal for the Scientific Framework of the Mesoamerican Scientific Cooperation Platform (PCP) Agroforestry Systems with Perennial Crops.



Principles of the CST approach incorporated by governmental institutions in policies in NicaCentral and Trifinio in 2015, 2016 and 2017 (MAP).





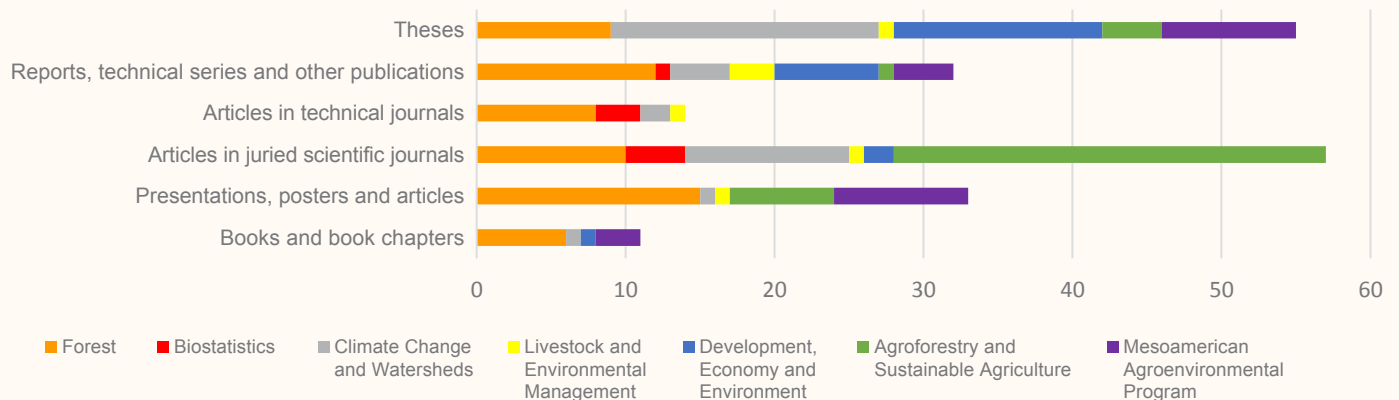
As for the germplasm program, CATIE maintained its collections of coffee, cacao, peach palm and fruits. The orthodox seed collection (Cucurbitaceae, Fabaceae, Solanaceae, Poaceae, Amarantacea), with more than 6000 accessions, was completely reviewed, classified and entered, with photos, in the new digital program to administer the germplasm (created by staff of the Agroforestry and Sustainable Agriculture Program (PAAS)). Also, more than 250 varieties and clones of coffee and cacao were distributed in 10 countries.

In genetic improvement activities, new coffee hybrids were created (project with World Coffee Research and

the Center for International Cooperation in Agricultural Research for Development-CIRAD); an agreement was made with a Dutch business for multiplication and use of more than 800 varieties of tomato, chile and pumpkin; and the agreement with a private Costa Rican enterprise was consolidated to supply 30 000 coffee plants produced by somatic embryogenesis. This last agreement is part of a strategy for multiplication and sale of hybrid coffee plants in Central America and is the first step toward promoting hybrids commercially (as an alternative to traditional varieties), given their qualities of high productivity, tolerance to coffee leaf rust and good cup quality.

Through the business FJA HOLDING S.A., more than 70 000 hybrid coffee plants that are more productive and tolerant to coffee leaf rust have been distributed to small coffee producers in Costa Rica. In addition, 70 000 plants were used on model farms that the business established as part of a pilot plan for production through 2018. During 2017, production is expected to increase to 640 000 plants and for 2018, to one million.

### Publications that contribute to knowledge management



In 2016, DID produced 221 publications (28% were articles in juried scientific journals and 27% were master's and doctoral theses).



## Contribution of CATIE programs in key areas

### Research Program on Development, Economy and Environment (IDEA)

In 2016, the program interacted with agricultural and apicultural producers in three different projects:

#### CASCADA Project

Trained 57 technical extensionists (from public and private sectors) in Honduras, Guatemala and Costa Rica, sharing knowledge on adaptation to climate change and adaptation practices based on ecosystems (EbA) with more than 5000 small-scale agricultural producers.

#### Credit Project: harvest insurance and responsibility for payment to producers

Held workshops with 13 producers in coffee-growing areas in Costa Rica to study the demand for credit in agriculture and the process of decision making and risks for farm owners.

#### PROMIEL Project

Trained 70 persons in areas of business management, technical assistance and equipment, which allowed an increase of 97.5% in yield of the plant and the creation of 10 commercial alliances, equivalent to a million dollars in new business.

The Agribusiness Unit of IDEA strengthened the management of 16 value chains in the agricultural, forestry and livestock sector in eight Latin American countries.

### Production and Conservation in Forests Program (Bosques)

The Bosques Program contributed in a significant way to CATIE goals in 2016:

- It created the Forest Management and Global Climate Office.
- The Latin American Chair on Forest Policy and Economics (CLAPEF) began the Transformations toward a Green Economy in Costa Rica and Vietnam (GreeTS) project.
- It contributed to the implementation of climate-smart territories in 15 countries through its leadership in the Ibero-American Model Forest Network.
- It innovated in the development and implementation of regional secondary-forest management projects with funds from impact investors, in the context of Initiative 20x20 for restoration of degraded lands.
- It produced scientific literature on significant topics for the new Anthropocene Era (for example, the relationship of arboreal biodiversity with carbon capture and storage in natural forests and the ecological connectivity for wild organisms in agricultural landscapes).

The GreeTS project is financed by the Volkswagen Foundation, Wellcome Trust and Riksbankens Jubileum Fund and supported by partners such as the University of Darmstadt, University of London and the Vietnam Academy of Social Sciences.



## Policy impact, forestry actions and conservation in the region:

Costa Rica	Participated in the National Commission for Forest Sustainability (which approved its standard for sustainable management of secondary forests), the Commission for Follow-Up to the National Forestry Development Plan (PNDF) and the Committee of Experts for the Landscape Restoration Master Plan.	Supported the development of concept notes on inclusive productive landscapes.	Led a project on conservation of marine-coastal ecosystems and their ecosystem services for inhabitants of the northern coast.	Delivered interdisciplinary analyses of sites important for conservation to the National System of Conservation Areas (SINAC).
Nicaragua	Evaluated the impact of the Nicaraguan law banning logging, Law No. 585, using the National Forest Inventory (INF).			
El Salvador	Coordinated the new project of technical support for development of the National REDD+ Strategy MbA.			
Honduras	Contributed to the Conservation and Forestry Development Institute (ICF) of Honduras in the development of a sustainable forest management program to restore 500 000 ha of pine forests attacked by weevils.			
Guatemala	Published <i>Estado de conservación de las poblaciones de cinco especies maderables en concesiones forestales de la Reserva de la Biosfera Maya, Guatemala</i> (State of Conservation of the Populations of Five Timber Species in Forest Concessions in the Maya Biosphere Reserve, Guatemala)—a key process for community forest management supported by Bosques since the beginning of the 1990s.			
Central America	Assisted the forestry technical group of the Central American Commission on Environment and Development (CCAD) in the design of a monitoring and implementation system on the impact of forestry policies in the context of PERFOR.	Began the analysis of the synergies of the mechanisms of FLEGT (EU program for application of forest laws, governance and commercial forests) and REDD+ in Guatemala, Honduras, Panama and Colombia.	Supported initiatives in value chains for forest products through synthesis documents in Guatemala, Honduras, Nicaragua and Costa Rica.	

## Agroforestry and Sustainable Agriculture Program (PAAS)

The work of PAAS is organized into three areas:

- 1 Agroforestry (focused on agroforestry systems with perennial crops)
- 2 Transformation of knowledge into capabilities
- 3 Conservation, transfer and use of germplasm of important crops in the region

In 2016, PAAS developed these three areas in the following manner:

- Helped create the first NAMA (Nationally Appropriate Mitigation Action) for coffee in Costa Rica and the world, with the goal of reducing greenhouse gas (GHG) emissions in coffee production and processing.
- Established, in collaboration with the Costa Rica Coffee Institute (ICAFE), a baseline on coffee

production systems and their opportunities and challenges and created a training program for technicians and farmers. The experience was duplicated with the coffee institutes of Guatemala and Honduras.

- Distributed coffee hybrids in Costa Rica, Nicaragua and Guatemala in the first phase of the CGIAR research program called Forest, Trees and Agroforestry (FTA 2011–2016).

The CGIAR Forest, Trees and Agroforestry Program (FTA 2011–2016) includes several international research centers, universities and other actors in the sector. The FTA program studied the use of trees as a resource in farms and patios, trained thousands of technicians and farmers in Mesoamerica and produced manuals such as *Prevención y control de la roya de café* (Prevention and Control of Coffee Leaf Rust); to date, this is the most solicited/downloaded manual by users of the CATIE website.

## Livestock and Environmental Management Program (GAMMA)

The development of sustainable livestock production, adapted to the climate and low in emissions, requires new knowledge and new skills, as well as solid metrics and methodologies to evaluate, monitor and improve performance. Some key actions are mentioned here:

Nicaragua	Measured the degree of compliance with the certification indicators on pilot livestock farms of Muy Muy, Matiguas and Río Blanco. Systematized the incentive mechanisms for sustainable livestock production and green markets and quantified carbon storage and greenhouse gas (GHG) emissions on dual-purpose livestock farms in the municipalities of Matiguás, Río Blanco and Paiwas.
Honduras	Adapted the protocols of the Farmer Field Schools to livestock landscapes in three pilot areas; helped the Ministry of the Environment put together a National Climate Change Agenda and define the role of the livestock sector in reaching the commitments to the United Nations Framework Convention on Climate Change (UNFCCC); created a livestock NAMA (Nationally Appropriate Mitigation Action) with the participation of the Secretariat of Agriculture and Livestock, MiAmbiente+ and the National Federation of Farmers and Ranchers of Honduras (FENAGH); established local coordination roundtables and supported the creation of the National Agenda for Sustainable Livestock in the National Livestock Roundtable; and carried out mapping of meat and dairy value chains, marketing studies, financial investment strategies (green credits) and implementation of new ways to market livestock products.
Costa Rica	Helped generate the national low-emissions livestock strategy and create a livestock NAMA focused on meeting the strategy's goals.

In the region:

- Adjusted the methodologies for measuring methane and nitrous oxide under tropical conditions and developed GHG emissions baselines in the livestock sector of Honduras and Nicaragua.
- Evaluated the adoption of good sustainable livestock practices through payment for environmental services once external financing ends.
- Promoted the climate-smart territories approach upon receiving approval of a project for the use of climate-smart agrosilvopastoral systems in livestock landscapes in Chiapas, the Yucatan Peninsula and Jalisco, Mexico (this project will be implemented by CATIE, IICA, CONABIO and SAGARPA and financed by IKI/BMU-Germany).
- In cooperation with IICA, a regional forum was presented on “Regional Strategies and Policies for the Development of Livestock Farming Adapted to Climate Change and Low in Emissions” and a regional proposal was prepared to implement an agenda for the development of sustainable livestock ranching in Central America.

### Hundreds of professionals and technicians trained on livestock and environment topics

- National Research Institutes (INTA) of Latin America
- Ministry of Environment (MiAmbiente+), Secretariat of Agriculture and Livestock (SAG) and National Federation of Livestock Ranchers in Honduras (in the methodology of Farmer Field Schools in sustainable livestock production)
- Community promoters and extension facilitators who assist indigenous families in the program Integrated Actions in Food and Nutritional Security of Western Guatemala (PAISANO)
- University students in La Molina (Peru), Regional University Center of the Atlantic Coast (Honduras), Autonomous University (Nicaragua) and ECOSUR (Mexico) trained in measuring enteric nitrous oxide and methane



## Climate Change and Watersheds Program (PCCC)

One of the principal achievements of the PCCC in 2016 was the creation of the first CATIE virtual professional master's in Management and Administration of Watersheds. Thus, training is provided to professionals and leaders in the region that duplicate methods and concepts learned in their work in natural resource management.

### Capacity building

- 29 young leaders (most less than 40 years old, 70% women, from 16 countries in the region) in the international course on leadership and governance in processes of planning for adaptation to climate change and mitigation in productive territories (Stockholm Resilience Center).
- 95 participants and 12 professionals in the eighth International Course on Adaptation to Climate Change: the Role of Ecosystem Services.
- 116 persons (57 women and 59 men) in courses in the Leadership School for training in conservation of biodiversity in state protected wildlife areas (PWAs) in Costa Rica.
- 157 persons (88 men and 69 women) in indigenous territories in the national cultural mediator program, directed to indigenous peoples within the framework of development of the National REDD+ Strategy.

### Acciones de asistencia técnica

- The Latin American Chair in Environmental Decisions for the Global Climate (CLADA), responding to a request from the National Insurance Institute of Costa Rica (INS), has created a methodology to help insurance operators in providing insurance to producers of 12 crops. In the Futuragua project, the ASADAs in Guanacaste have been involved to confront the drought and for training in water management. An agreement has also been established with the University of Costa Rica (UCR) School of Communication to develop communication studies and initiatives in social communication to influence management of water resources.
- With implementation of the project WaterClima-LAC: Management of Coastal Zones, methodologies have been created for evaluation of vulnerability to climate change, water ecosystem services, climate risk, etc. This project has had an impact on management in more than 80 institutions and organizations through knowledge exchange, capacity building and resource management.



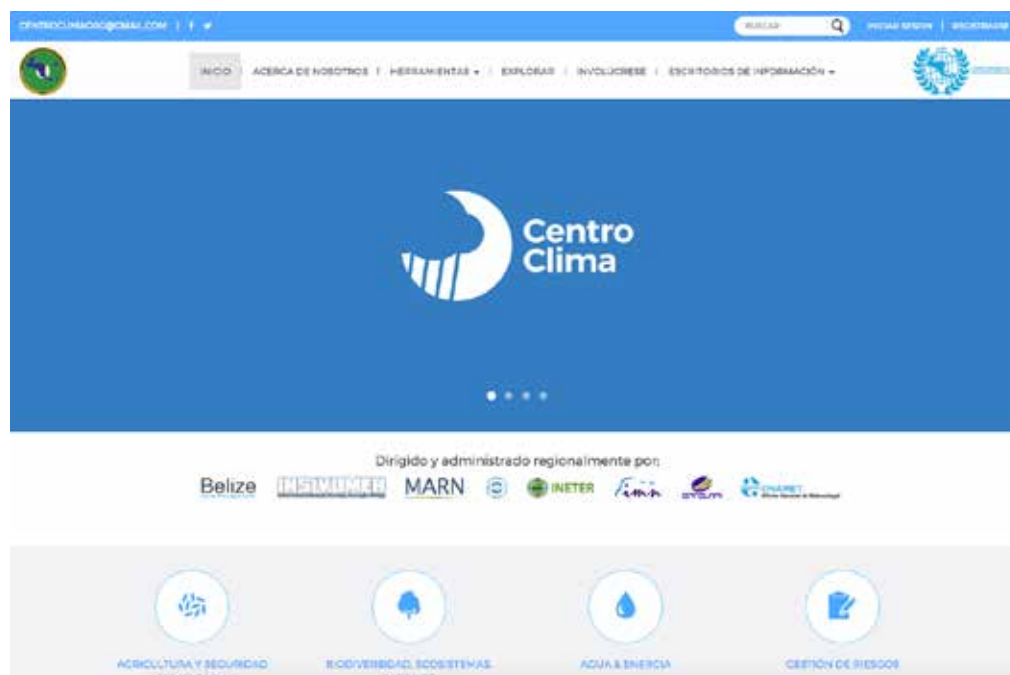
## Regional Climate Change Program (RCCP)

The Regional Climate Change Program is a five-year cooperation initiative of the United States Agency for International Development (USAID) that provides technical assistance to governments and civil society organizations in Central America and the Dominican Republic to promote sustainable territories; improve the availability, access and use of climate information for decision making; and strengthen environmental management. The program is implemented by CATIE, the International Union for Conservation of Nature (IUCN), the Cooperative for Assistance and Relief Everywhere (CARE), Development Alternatives, Inc. (DAI), Terra Global Capital (Terra Global), with technical support of the Environmental Protection Agency of the United States (EPA) and in coordination with the Central America Commission on Environment and Development (CCAD).

The most important program actions in Central America and the Dominican Republic during 2016 were the following:

- Support to development of Restoration Strategies in four countries in the region.

- Support to three countries in the development of their National Emissions Reduction Programs for the World Bank Carbon Fund.
- Development and validation of the guide on “Regional Guidelines for the Application of REDD+ Safeguards in Central America and the Dominican Republic.”
- Creation of the REDD+ Initiatives Diploma, with emphasis on measuring, reporting and verification (MRV) and safeguards.
- Development of the Blue Carbon methodology to quantify the existence of CO<sub>2</sub> in the region’s mangroves.
- Development of methodology to identify and implement synergies between adaptation and mitigation.
- Develop the first regional climate information system, Centro Clima (in collaboration with the Regional Committee on Hydraulic Resources CRRH-SICA, national meteorological institutes and other partners) and tools for use of climate information by users in the sectors of coffee, fishing and energy (small hydroelectric power stations).





- Support training of 10 professionals for master's degrees in topics related to attention to climate change
- Training of more than 953 personas (258 government personnel, universities, civil society and the private sector) in appropriate management of sanitary landfills, wastewater and prosecution in environmental cases, with the support of 20 experts from the Environmental Protection Agency of the United States.
- Two synthesis documents and six internal technical documents related to analysis to encourage synergies between adaptation and mitigation (SAM) of climate change.

## Mesoamerican Agroenvironmental Program (MAP)

In 2016, 2002 families in NicaCentral (Nicaragua) and Trifinio (El Salvador-Guatemala-Honduras), grouped into 122 Farmer Field Schools (74 in NicaCentral and 48 in Trifinio), finished their learning process on topics of climate smart agroecological and agroforestry production both in patios and farms, gender equity, good practices in the home environment and adaptation to climate change.

The families implemented 37 agroecological and agroforestry technologies in their patios (1517) and farms (1377).

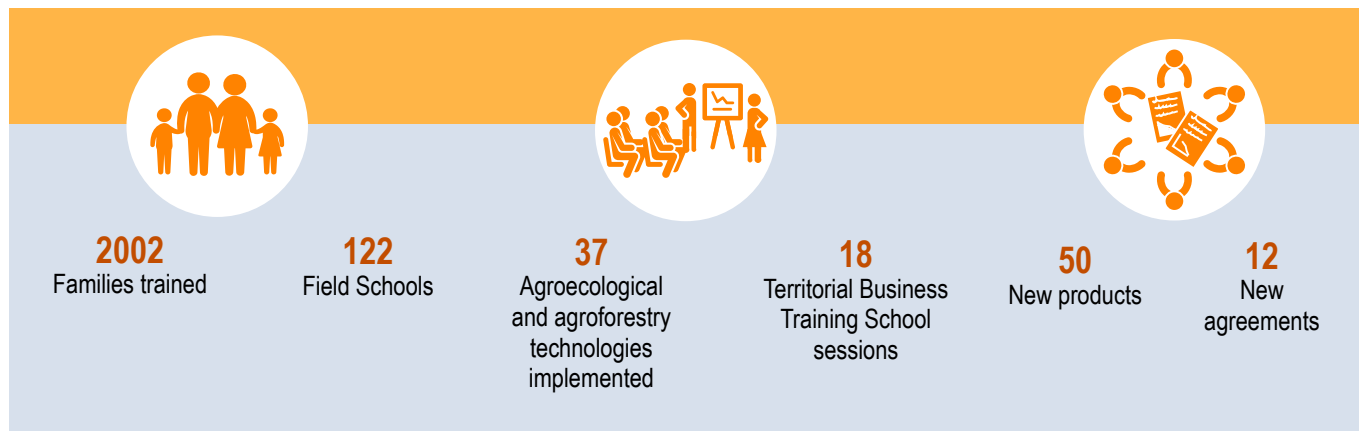
During the year, MAP held 18 sessions of the Territorial Business Training School with a focus on gender equity and climate change, aimed at strengthening social and business skills of the organizations. There were 99 participants (22 women), who now offer 50 new products and whose work serves as a source of income for their families.

MAP personnel offered guidance, financing and logistical support to nine CATIE master's degree students to carry out their thesis and present webinars about CSA and their relation to food and nutritional security. MAP also conducted CSA workshops intended for researchers and decision makers from the Ministry of Agriculture and Livestock and the Ministry of Environment and Energy of Costa Rica.

Finally, MAP signed 12 agreements to scale out what has been learned as well as the CST approach. The agreements were established with producer organizations/associations, educational institutions and with territorial platforms.

The first experience with the CATIE project was to plant in the garden. They brought us little tomato and pepper plants and I put them in a row. I had never done it before. Then, we harvested and saw that we got plenty of produce. The crop doesn't grow the same when done traditionally; when fertilized, it is better—the plant and its fruits develop better. We are going to continue implementing what we have learned.

Lucio Talabera Cordero  
Integrante de ECA-MAP  
Comunidad de La Chata, El Cuá, Nicaragua



## IICA and CATIE Cooperation

CATIE and the Inter-American Institute for Cooperation on Agriculture (IICA) strengthened their relationship during 2016. In 2015, during the meeting of the Inter-American Board of Agriculture (IABA), the ministers passed a resolution calling on the two institutions to develop a cooperation plan to respond to the multiple challenges that confront the region. During the year 2016, CATIE and IICA developed an agenda for cooperation in the areas of higher education, research and cooperation in the countries.

It should be highlighted that CATIE and IICA signed a letter of understanding within the framework of the PROCAGICA project, which is financed by the European Union and which has as its objective development of improved technologies for coffee in the context of the problem of coffee leaf rust (roya). CATIE has also involved IICA in the execution of an agrosilvopastoral project for the conservation of biodiversity in Mexico (whose proposal was approved with funds from IKI in Germany). Progress was also made in cooperation at the country level, including Nicaragua, Guatemala, Belize and Mexico.







# Outreach and Development

## *In alliance with our member countries*

### Guatemala

In 2016, the CATIE National Office led initiatives related to 10 national policies and six international agreements. In coordination with different CATIE programs, 10 agricultural chains were analyzed (Agribusiness Unit); work was carried out with 2033 persons in 33 Farmer Field Schools (FFSs) in the Trifinio area to incorporate the climate-smart territorial approach (CST) in several local development instruments (MAP); and an initiative was developed to implement climate-smart production systems in 15 municipalities in southeastern Guatemala (Phase 1— Livestock and Environmental Management Program and Agroforestry and Sustainable Agriculture Program).

At the local level, the National Office led the first Local Extension System (SLE) to promote a strategic model of municipal coordination in San Juan Comalapa, Chimaltenango, and developed strategic management and sustainability instruments for better administration and co-management of Acatenango Volcano.

#### Capacity building

- 12 964 persona (9638 families) in 30 municipalities in four departments (FFS methodology)
- 1256 persons (technicians, professionals, researchers, managers)
- 10 172 persons through rural extension
- 152 extensionists in the Ministry of Agriculture, Livestock and Food (MAGA)
- 29 researchers from the Institute of Science and Technology (ICTA) and universities through the CATIE International Diploma in Biostatistics
- 32 technicians and professionals via the course on training of trainers in governance and forest management, with emphasis on REDD+
- 24 technicians and professionals in el REDD+ Initiatives Diploma, with emphasis on MRV and safeguards

Three publications aimed at contributing to the processes of integrated rural development, extension and family agriculture

Execution of the budget: USD 1 023 606

*“It is important to receive these trainings since, as, it helps us and the farmers. When the knowledge and the practice are provided, there aren't so many problems in management of the topic to be developed.”*

**Ingrid Chávez Ordoñez, extensionist in family agriculture for MAGA**

### Panamá

In this country, CATIE contributed to actions in sustainable forest management and forest governance; provided technical assistance in strategic planning to the newly created Forestry Office of the Ministry of Environment; strengthened the capacities of 15 organizations that work on projects related to forests (Bosques de Vida or REDD+ community base, GEF-UNDP); provided technical assistance to the National Commission for Rural Territorial Development (in coordination with FAO and IICA); supported development of the climate change plan (with Miambiente, IICA and FAO); and attended the livestock union (National Association of Livestock Producers-ANAGAN) to identify good production practices that reduce greenhouse gas (GHG) emissions.



### Capacity building

- 600 producers
- 175 professionals

Two technological documents: *Manual de producción de madera en fincas ganaderas* (Manual for Timber Production on Cattle Farms) and *Guía de manejo poscosecha de café* (Guide for Postharvest Management of Coffee).

Execution of the budget: USD 230 690

## Honduras

The National Office in Honduras worked on a strategy for adaptation to climate change and management of disaster risks; held two national events to provide support to the National REDD+ Strategy (under the leadership of MiAmbiente+); promoted the CST approach in two pilot sites; contributed to the National Strategy for Adaptation to Climate Change for the Agri-Food Sector (through MAP), held several fairs and congresses; participated in the Regional Congress on “Climate Change: Practical Solutions to Food Insecurity in Central America”; and disseminated technical information in the platforms Global Water Partnership-GWP, National Federation of Farmers and Cattle Producers of Honduras (FENAGH), Honduran Network of Water and Sanitation (RAS-HON) and the cacao chain.

### Capacity building

- 300 forestry SME training events
- 300 families graduated from FFSs

- Documents for the promotion of sustainable agricultural, agroforestry and forestry systems; methodologies for management of family gardens; planning sustainable agriculture in patios; evaluation and monitoring of community forestry; strategy and action plan for forestry promotion and concertation.

Execution of the budget: USD 392 617

## El Salvador

As a member of the Round Table on International Cooperation for Agriculture, CATIE participated in various coordination meetings and two national strategic forums. In coordination with the Mangle Association, the National Office helped develop the Plan for Sustainable Local Development for the Bahía de Jiquilisco Biosphere Reserve (financed by the Initiative for the America Fund-FIAES). It also developed the Management Plan for the Microwatershed of the San José River in Metapán, (Ministry of Agriculture and Livestock-MAG and the International Fund for Agricultural Development-IFAD) and signed a contract with the Ministry of Environment and Natural Resources (MARN) to provide technical assistance in formulation of the National REDD+ MbA Strategy.

### Capacity building

- Technical staff of MAG on use of the “Adaptive Capacity to Climate Change” methodology (through MAP).
- Personnel of local governments (municipalities in La Paz, San Vicente and Usulután) on assessment and analysis of the legal framework for the area of environmental management and land-use planning (through the Water-Clima-LAC).
- 60 technicians and staff of local organizations and the public sector.

Documents for the promotion of sustainable agricultural, agroforestry and forestry systems; methodologies for management of family gardens; planning of sustainable agriculture in patios; evaluation and monitoring of community forestry; and the strategy and plan of action for forestry promotion and concertation.

Execution of the budget: USD 126 787

## Nicaragua

CATIE signed an agreement with the Peñas Blancas Platform, with participation of all actors involved in management of that reserve; continued working with the coordination round table for technical and financial cooperation in Nicaragua (National Network for Watershed Organizations in Nicaragua-RENOC, Latin American Network for Rural Extension Services-RELASER, National Advisory Committee-CAN, and the Global Soil Partnership-GSP; and contributed to the proposal for environmental management planning with the mayor of Rancho Grande and the municipality of El Tuma, La Dalia, in Matagalpa. With regard to technology transfer, the office worked with more than 1800 families in FFSs and established germplasm banks.

### Capacity building

- 5000 persons through forums, courses, workshops and field schools with producer families.
- Technical staff of the Nicaraguan Institute of Agricultural Health (IPSA).

- Reprint of the toolbox for cacao production in agroforestry systems (designed by CATIE) in charge of IPSA.
- Six studies through graduate theses and research by scientific groups.

Execution of the budget: USD 759 011

## Mexico

The high-productivity cacao clones tolerant to frosty pod rot (moniliasis disease) developed by CATIE, together with diverse partners, were put at the disposition of Mexican producers at the end of 2016, in collaboration with the National Institute of Forestry, Agriculture and Livestock Research (INIFAP), Nestlé and the ECOM Agroindustrial Corporation. Also, the regional program Climiforad designed a tool for the analysis of mountain forests' vulnerability to climate change, which was applied in the Izta Popo National Park (and four other territories in Latin America) in collaboration with INIFAP researchers. CATIE also contributed to landscape restoration in Mexico in support of the 20x20 Initiative, assisting the National Forestry Commission (CONAFOR), Reforestamos México, the International Union for Conservation of Nature (IUCN) and Pronatura-Yucatan Peninsula.

### New proposals

- CATIE and Reforestamos México: training of decision makers at the national level and in the southern states of Mexico, of the Wildlife Without Borders-México Program (WWB-MEX) of the Fish and Wildlife Service of the United States.
- CATIE and IICA: introduction, multiplication and distribution of F1 coffee hybrids in five Mexican states, including technical assistance and training of extension services.
- CATIE, IICA, CONABIO and SAGARPA: new project in Chiapas, Yucatan Peninsula and Jalisco to promote agrosilvopastoral systems, climate-smart territories in livestock-producing landscapes (IKI funds-Germany).

### New agreements

- CATIE-Coffee Institute of Chiapas (INCAFECH): assistance of CATIE in setting up the institute and training personnel.
- CATIE-Autonomous University Chiapas (UNACH): academic collaboration, CATIE assistance and training.



## Colombia

CATIE worked with Colombian entities (UN Refugee Agency-UNHCR, International Center for Tropical Agriculture-CIAT, Natura Foundation, government of Risaralda, government of Chocó and universities) to create research and education proposals, focused especially on post-conflict topics and REDD+ for peace, as well as others that respond to the 20x20 Initiative.

### Capacity building

- Courses in the University of Amazonia, University of Applied and Environmental Sciences, University of Ibagué and University of Tolima.

In partnership with Louis Berger Colombia SAS, a proposal was prepared to develop a National Climate Change Plan, a competitive process promoted by USAID. With the business INTEGRATION, another proposal was prepared for technical assistance to the Multi-Annual Indicative Program for Colombia.

## Bolivia

CATIE and FAO delivered the first National Program for Productive Strengthening of the Cacao Sector in Bolivia to the Ministry of Rural Development and Lands (MDR&T); the plan consists of six components for the 2016–2020 period and has a budget of BOB 256 000 000 (about USD 37 000 000). CATIE also presented a study on adaption to climate change for the Yucumo-San Borja and San Borja-San Ignacio highway project, which aims to research and learn about the dynamics of the flooding phenomenon in the plains of the Department of Beni, considering the hydrological and hydrometeorological seasonality under different scenarios of climate variation (such as climate change and El Niño and La Niña).

Within the framework of DS. N°29894, the Ministry of Rural Development and Lands (MDR&T) united efforts with CATIE, FAO and IICA to “support the strengthening and development of sustainable agri-food and production systems in the Bolivian Amazon,” with the goal of improving family incomes, promoting diversified production, strengthening institutional and community capacity, and revaluing local and ancestral knowledge (complemented by technical and scientific expertise) to achieve “living well”—in harmony and balance with Mother Earth.

### Capacity building

- Course on modern cacao farming, in alliance with the municipality of San Carlos and the association of cocoa producers APROCAB. .

### New agreements

- CATIE-GIZ/PROAGRO: applied research activity and training in international courses and to transmit knowledge and experiences to Bolivian students and professionals.

## Management and service offer

The Management and Offer of Technical Services Unit (UGO) informs the Research and Development Division (DID) about calls, tenders and the bids on development topics (extension, technology transfer and project implementation). The DID writes the proposal with the help of UGO or, in the case of national opportunities, with the CATIE National Office in each country. UGO creates the proposals for countries that are not members of CATIE, where there are no offices or when specifically requested to do so.

UGO obtained six consultancies to develop proposals and concept notes (Panama, Bolivia, Peru, Nicaragua); signed three agreements (Costa Rica, Peru) to assist in use of information and the implementation of projects; and helped build capacities in formulation of plans and projects.

At the regional level, it contributed to the implementation of the Regional Climate Change Program and the Climate-Smart Territories project in the region of Junín, Peru (financed by USAID), and the WaterClima project (financed by the European Union).



Peru's Minister of Agriculture and Irrigation, Juan Manuel Hernández, receives the project document "Climate-Smart Territories," financed by USAID in the region of Junín, Peru.

## Support of UGO in the presentation of proposals, by country

Honduras	Proposal: Manchagua Watershed Diagnostic with a Water-Source Risk Management Approach, San Pedro Sula, Honduras, for GIZ. Amount: EUR 40 000
Costa Rica	Proposal: Water Resources Plan for the Arenal River Watershed. Contract signed with the National System of Conservation Areas (SINAC). Amount: USD 80 000  Proposal: Technical Studies for the Regulatory Plan of the Municipality of Buenos Aires, Costa Rica. Order to begin pending. Amount: USD 120 000
Colombia	Proposal: Technical Assistance for Supplementary MIP Measures, in alliance with INTEGRATION (Germany), for the European Union. Amount: EUR 1 600 000
República Dominicana	Proposal: Preparation of Watershed Management Plans and Project Management, for Plan Sierra. Amount: USD 15 000
Panamá	Proposal: Studies on Ecosystem Services of Water Resources, for Natura Foundation. Amount: USD 80 000





# Human Development

## *Strengthening of the CATIE community*

In 2016, the CATIE Office of Human Development (ODI) carried out diverse tasks aimed at strengthening institutional human resources and improving the well-being of its personnel. One of the principal achievements was to the final stage of development of a platform for the Performance Evaluation process, which will allow incentives to staff, improve individual capacities through feedback and align work with institutional objectives and priorities.

With the contribution of all CATIE entities, the ODH was able to hold several integrative group activities, provide talks to the staff on management of finances and support the personnel who participated in the Master's Program in Project Management, taught by the Costa Rican Technological Institute.

CATIE retained 89% of its human talent with an income similar to the previous year and reduced the accounting liability in the reserve for vacations, encouraging personnel to take them. The institutional standards were also revised and adjustments were made to the Regulations for National Staff, with approval by the board of directors. As part of the process of succession, dates for retirement of members of the staff are being planned.

Fifty percent of CATIE personnel participated in Health Week, organized by ODH. Other initiatives to improve the health of the staff include preparation of a manual on use of equipment for personal protection (by job) and an emergency plan, developed together with the Costa Rican Ministry of Health.

*Working at CATIE has been a beautiful experience, I have learned a lot, I can never stop talking about CATIE. I have been working here for 27 years and I believe that working for this institution has been a privilege. CATIE has opened many doors, it is my second home.*

*Rosybel Ramírez, Human Resources*



## Information Technologies and Communication

The main achievements of Information Technology (IT) in 2016 can be grouped in two areas: information system and networks and infrastructure.

Sistemas de información	Redes e infraestructura
<ul style="list-style-type: none"><li>– Se actualizaron los sistemas de información institucionales para realizar el proceso de liquidación de funcionarios. Los ajustes a los sistemas de planillas y recursos humanos permitieron realizar los cálculos del proceso de liquidación masiva.</li><li>– Se crearon nuevas funcionalidades en el sistema de posgrado, las cuales permiten generar los informes solicitados por el Sistema Nacional de Acreditación de la Educación Superior (SINAES) como requisito para la acreditación de carreras.</li><li>– Se desarrollaron nuevas funcionalidades en el sistema de proyectos del CATIE, para incluir listados de proyectos, una nueva interfaz web para poder consultar los proyectos, envío de alertas de entregables, y un repositorio de documentos electrónicos de proyectos y contratos.</li></ul>	<ul style="list-style-type: none"><li>– Se agregó una nueva tarjeta de expansión al equipo principal de red (switch core) de la institución para aumentar el número de conexiones de red entre departamentos.</li><li>– Se mejoró la seguridad y estabilidad de la red en el campus en áreas como Posgrado y Ganadería. Se crearon tres redes virtuales (VLANS) que permiten evitar caídas de la red y mejorar el funcionamiento.</li><li>– Se realizaron planes pilotos para brindar televisión vía Internet en el futuro, lo que beneficiaría principalmente a alojamientos y áreas claves de la institución.</li><li>– Se reparó la torre de comunicaciones y se agregó un nuevo equipo contra rayos, en coordinación con el Instituto Costarricense de Electricidad (ICE).</li><li>– Se implementó un servidor de actualizaciones de software (WSUS) que permite consumir menos tráfico de Internet cada vez que una computadora descarga actualizaciones del sistema operativo. Esto permite que la red del CATIE funcione mejor y con mayor velocidad.</li><li>– Se mejoró la infraestructura de la red del área de Colecciones en Cabiria.</li></ul>

The Office of Communication and Policy (OCI) directed, coordinated and oriented internal and external communication activities of CATIE with the goal of achieving institutional positioning. Some important achievements include the following:

### Coverage of institutional events



- Celebration of the 70th anniversary of the Graduate School (held in the Costa Rican Legislative Assembly).
- Graduation (including the presence of Dr. José Zaglul, rector of EARTH University, who was the main speaker and received a doctor honoris causa).

### Digital communication–social networks



- Preparation of 167 news articles for the web (increase of 88% over the previous year).
- 217 191 visits to the news published on the CATIE website (67% more than in 2015).
- The presence of CATIE in social networks grew, reaching 1 717 215 persons on Facebook and 93 875 on Twitter.
- Two new social networks: Instagram (654 followers) and LinkedIn (472 contacts).
- Some 130 910 users from 194 countries that generated 209 580 sessions, showing an increase of 11% in relation to the previous year.

### Media



- Creation of specific electronic bulletins for internal and external publics, with the goal of keeping them better informed about the work of the institution.
- 163 news articles about CATIE published in local, national and international media (on 11 different areas of the institution's work), managed through press releases and other means.
- Visits to CATIE by recognized mass media, such as the program 7Días of Channel 7 in Costa Rica and CNN in Spanish.





# Finance

## Financial Results

CATIE's new administration, which took office in March 2016, faced great challenges, including a financial and administrative review of the institution. Management has been focused on maintaining the levels of income and expenses within the approved budgets, having greater control and proper financial discipline, and adapting the operational and cost structure to current economic capabilities.

### Financial management—2016

	Unit	2015	2016	Variation
Operational surplus	in USD thousands	(187)	474	353%
Net surplus	in USD thousands	(530)	39	107%
Total assets	in USD thousands	18 418	16 385	(11%)
Total liabilities	in USD thousands	2870	2388	(17%)
Net assets - unrestricted	in USD thousands	7637	7675	-
Net assets - restricted	in USD thousands	7911	6322	(20%)
Institutional liquidity ratio	Times	3.4	3.3	-
Indebtedness	%	2	1	(50%)
Administrative efficiency	%	5	5	-
Recovery of membership quotas	%	29	29	-
Internal financing	in USD thousands	1761	1532	(13%)
Cost coverage of basic functions	%	64	73	14%
Contribution of productive activities	in USD thousands	478	553	16%

The financial results achieved a net surplus of almost USD 39 000—with reductions in income projected in the unrestricted core fund by almost USD 426 000 and the increase in costs of non-financial items (depreciations and others) by almost USD 122 000.

CATIE reduced its portfolio of external agreements (from USD 18 million in 2015 to USD 14.5 million in 2016 (-19%)), therefore reducing its net restricted assets (-20%) and total assets (-11%). The principal reason for the reduction in total assets was a decline in the availability of cash and cash equivalents (USD 1.4 million) and in accounts receivable from member countries (USD 0.5 million).

The level of indebtedness in 2016 declined 50% with respect to 2015 and now is minimal in comparison with total assets. The measures adopted to reduce costs, increase operational efficiency and improve market conditions brought about a USD 35 000 increase in financial contributions to the unrestricted core fund from productive activities and institutional services.

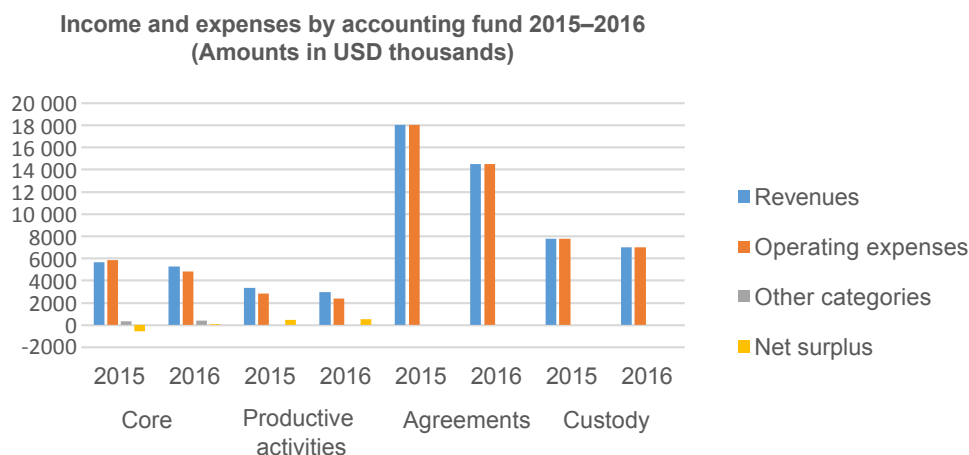


Although the indicators of financial liquidity reflect positive results at the institutional level, they are a challenge for CATIE in the short-term. The low percentage achieved in cancelling membership quotas (29%) and the high level of delinquency (USD 3.5 million), as well as the granting of almost USD 1.5 million in internal financing with delays in its recovery, reflect that the uncommitted financial liquidity (excluding funds from external agreements) is unsatisfactory.

The measures and efforts of the new CATIE administration to reduce costs (promoting greater austerity and optimizing the use of institutional resources) allowed maintenance of administrative efficiency indicators (5%) and improvement in coverage of costs for basic functions (increase of 14%) with respect to 2015.

## *Behavior of revenues and expenses*

In comparison with the year 2015, the income for the different accounting funds fell 15% while operational expenses declined 17%. Nevertheless, in 2016, the operational results went from a deficit of USD 187 000 to an operating surplus of USD 474 000. The accounting losses due to adjustments in the fair value of assets reduced that surplus to USD 39 000.



### **Other achievements in CATIE's financial management during 2016:**

- USD 29.2 million in added income for the different accounting funds.
- USD 399 000 from cost savings in senior management and in administrative and financial support.
- USD 756 000 from reduction in payroll costs of national staff at headquarters, charged to unrestricted funds expected in 2017.
- USD 540 000 from recuperation of quotas owed by member countries.
- USD 168 000 disbursed to pay labor liabilities to staff with budget resources from the year 2016.
- USD 553 000 contribution to the regular core fund by development of productive activities and by self-management (surpassing the goal set for 2016).



## **Financial Report 2016**

**Ordinary Meeting of the Council of Ministers**

October, 2017 , Costa Rica



## **I. Introduction**

The following document includes the execution of the revenues and expenditure budget program for the Tropical Agricultural Research and Higher Education Center (CATIE) for 2016.

During the first two months of 2016, the General Directorate in cooperation with the Center's division leaders and the Budget Office, undertook a review process of the institutional budget program for that year. This process allowed CATIE to make adjustments to the revenue and expenditures projections for the different accounting funds, based on realistic expectations of revenues, considering the changes that occurred to CATIE's project portfolio and the expected behavior of commercial and productive activities.

External fund management activities through donations and specific projects continue to be the main source of revenues for the institution, followed by the payment of membership quotas and surplus from the commercial and service activities. In this sense, there continues to be a failure in payment of membership quotas that directly affects the Center's liquidity and compromises the period's final results.

It must be noted that CATIE's Senior Management has made the necessary efforts to identify new sources of external funding, such as donations, scholarships and agreements with partners that will enable financial sustainability in the short and medium term. Furthermore, the administration has adopted significant measures of financial adjustment, in topics such as employee benefits and savings in the budget in order to reverse the negative financial result of 2015; these adjustments contributed in achieving a positive result of US\$39 (thousand).

Another element that must be highlighted are the funds that operate under the funds in custody system; these provide financial support while donor funds are received. As of March 2016, when the new administration took over, CATIE presented the highest level of overdrafts in these funds (US\$1.5 million). In that sense, the administration issued a plan that seeks to establish an effective administration mechanism to regulate the use of these resources. As of December, these funds were stabilized at US\$ 974 (thousand), and in 2017 more actions will be implemented in the technical programs that manage funds in custody to reduce this overdraft even further.

## **II. Budget Structure and Accounting Funds**

CATIE's revenue and expenditures budget consists of the Core Fund, Commercial Fund, Agreement Fund and Funds in Custody. The separation of these funds is due to the nature of the activities carried out, the origin of the funding resources, and to the existing restrictions in each of the funds. Each fund is an independent financial unit with its own assets, liabilities, net assets, revenues and expenditures.

The Center's Financial Statements identify the restricted or unrestricted nature of the funds and how these are assigned to the following categories:

**Funds for Core Activities:** are unrestricted funds, comprised by resources from IICA contributions and CATIE member countries' quotas, revenues from teaching activities, surpluses from service and commercial farm, monies received from the recovery of indirect costs (RIC) and project overhead (OH), donations and specific contributions from different organisms and governments, as well as administrative management, treasury management and yields from trust funds.

**Service Activities and Commercial Farm Fund:** unrestricted funds, from activities developed at the sugar cane, coffee and beef cattle farms, dairy activities, forest trees and sale of forest seeds. These also include institutional services, such as residences, hotels, transportation, laundry and souvenir sales, among others.

**Agreement Funds:** their use is strictly limited to activities that the donor of the funds has previously stipulated. These resources do not belong to CATIE. The Center is in charge of the execution of the funds according to the terms and regulations established in the respective agreement, contract or letter of understanding.

**Funds in Custody:** are created to control revenues and expenditures at the divisional level. These come from small donations and projects with specific ends, and which must be developed in the short term. Small consultancies and/or projects for amounts less than US\$ 50 thousand, student scholarships for scientific and professional master's programs, scholarships for training courses and technical communication services, among others, also form part of the revenues for this fund.

### III. Financial Results

#### a) Statement of the Financial Situation

	2016	2015	Variation
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalent	4,253	5,634	(1,381)
Investments held to maturity	75	90	(15)
Accounts receivable	3,057	3,566	(509)
Inventories	514	469	45
<b>Total current assets</b>	<b>7,899</b>	<b>9,759</b>	<b>(1,860)</b>
BUILDINGS, FURNITURE AND EQUIPMENT - Net	5,413	5,552	(139)
INTANGIBLE ASSETS	34	51	(17)
BIOLOGICAL ASSETS	896	941	(45)
TRUST FUNDS	1,568	1,542	26
OTHER ASSETS	575	573	2
<b>TOTAL</b>	<b>16,385</b>	<b>18,418</b>	<b>(2,033)</b>
<b>LIABILITIES AND NET ASSET</b>			
<b>CURRENT LIABILITIES:</b>			
Current portion of the long-term debt	128	166	(38)
Commercial accounts payable	72	95	(23)
Employee benefits	1,149	1,477	(328)
Accrued expenses and other accounts payable	891	851	(40)
<b>Total current liabilities</b>	<b>2,240</b>	<b>2,589</b>	<b>(349)</b>
LONG-TERM DEBT	148	281	(133)
<b>Total liabilities</b>	<b>2,388</b>	<b>2,870</b>	<b>(482)</b>
<b>NET ASSETS:</b>			
Unrestricted funds:			
Regular funds	1,332	1,093	239
Property funds	6,343	6,544	(201)
Temporarily restricted funds:			
Agreement funds	4,582	5,525	(943)
Funds in custody	1,740	2,386	(646)
<b>Total net assets</b>	<b>13,997</b>	<b>15,548</b>	<b>(1,551)</b>
<b>TOTAL</b>	<b>16,385</b>	<b>18,418</b>	<b>(2,033)</b>



The Statement of Financial Position as of December 31, 2016 and 2015 shows a negative variation in the total assets of US\$2,000 (thousands) mainly in “Cash and cash equivalents” with a decrease of US\$1,381 (thousands) due to a decrease in revenue for the execution of agreements or their conclusion, specifically the MAP Program, and the LACEEP and Knowledge Management projects. Another key variation was the reduction by US\$509 (thousand) in accounts receivable from overdrafts of funds in custody, advance payments to projects, and the net effect of payments of member country quotas.

The total variation in liabilities showed a reduction of US\$482 (thousand), where the highest impacts were made by reserves to pay for vacation days for national personnel at headquarters after the contract termination process to reduce personnel costs (US\$232 thousand) and reduction of the external debt to Fundatropicos and to Hacienda Juan Viñas (US\$171 thousand).

The total variation in net assets showed a reduction of US\$1,551 (thousand) in restricted funds, mainly in agreements and funds in custody. The line for agreements had the highest impact on this variation, with a negative operative result of US\$1,214 (thousand).

## b) Integrated Statement of Results

	2016					
	Regular unrestricted funds			Temporarily restricted funds		
	Core activity fund	Commercial activity fund	Under-total	Agreements	Custody	Total
<b>Revenues:</b>						
IICA contribution	804	-	804	-	-	804
Member country quotas	650	-	650	-	-	650
Student tuition	680	-	680	-	-	680
Institutional support and overhead	1,781	-	1,781	-	-	1,781
Miscellaneous	219	-	219	-	-	219
Unrestricted funds	-	-	-	14,516	6,989	21,505
Management of goods and services	-	1,421	1,421	-	-	1,421
Agricultural activities	-	1,545	1,545	-	-	1,545
Contributions from trust funds	614	-	614	-	-	614
<b>Total revenues</b>	<b>4,748</b>	<b>2,966</b>	<b>7,714</b>	<b>14,516</b>	<b>6,989</b>	<b>29,219</b>
<b>Expenditures:</b>						
<b>Total expenditures</b>	<b>4,827</b>	<b>2,413</b>	<b>7,240</b>	<b>14,516</b>	<b>6,989</b>	<b>28,745</b>
(Deficit) primary surplus	(79)	553	474	-	-	474
Transfer from the productive activities fund	553	(553)	-	-	-	-
<b>Increase in unrestricted net assets</b>	<b>474</b>	<b>-</b>	<b>474</b>	<b>-</b>	<b>-</b>	<b>474</b>
<b>Other non-current revenues:</b>						
Donation, sale of assets	249	-	249	-	-	249
<b>Total non-current revenue</b>	<b>249</b>	<b>-</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>249</b>
<b>Other non-current expenditures:</b>						
Depreciation cost	465	-	465	-	-	465
Amortization of intangible assets	17	-	17	-	-	17
Loss in value of biological assets	69	-	69	-	-	69
Deterioration of the account receivable	133	-	133	-	-	133
<b>Total non-current expenditures:</b>	<b>684</b>	<b>-</b>	<b>684</b>	<b>-</b>	<b>-</b>	<b>684</b>
<b>Increase in unrestricted net assets after non-current budget allocations</b>	<b>39</b>	<b>-</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>39</b>

The positive result of \$39 (thousand) in operative activities of the year ending December 31, 2016 was a result of a reduction of costs, mainly in employee benefits and savings by reducing personnel. The objective of this was to allow CATIE to have a structure in accordance with its institutional finances. The main operative result in key activities of US\$474 (thousand) stems from the aggressive management of compliance to planned revenues, strict budget control of expenditure overdrafts, the decision to terminate national personnel contracts at headquarters to eliminate employee benefits to reduce costs. However, during the process, CATIE had to handle non-budgeted expenditures of approximately US\$166 thousand in severance pay. The process allowed it to generate a savings of US\$218 thousand in personnel costs by executing accumulated vacation days from periods prior to 2016. In addition to the above, commercial activities contributed US\$554 thousand to the core fund: US\$506 thousand from services and US\$47 thousand from the farms.

However, after the primary result, non-operative revenues and expenditures are incorporated that have a great impact on the final integrated result, mainly in expenditures by depreciation and amortization of fixed assets for US\$482 (thousand), US\$133 (thousand). This has a net effect of applying the deterioration of accounts receivable for US\$400 (thousand) from eight countries that over two years in arrears and for recovered deterioration from payments recovered from the Dominican Republic and Guatemala for US\$266 (thousand). The other non-operative item is the loss in the value of biological assets for US\$69 (thousand), mainly from the dairy herd.

#### **IV. Results from the 2016 budget execution**

When the new Director General took office in March 2016, CATIE began a process to review its cost structure. This process was designed to implement measures to reduce operation costs that would allow it to adjust such structure to current budget capacities. This has been an ongoing process during the last year that seeks to prioritize the institution's strategic activities to enable their continuity and strengthening in the short and medium term. This process resulted in seeking new financial sources with partners in Europe and Asia.

The total amount executed in the revenues budget during 2016 was US\$27.9 million, without taking into consideration revenues related to gains in the fair value of biological assets, sale and disposition of assets, property and equipment donation, nor the new capitalization of investments in biological assets.

Below is a detailed table of revenue execution for CATIE's 2016 budget.



**Table 1: Detail of the 2016 execution of the revenue budget program  
(Amount in US\$ - Thousands)**

Accounting fund	2016 budget	Execution as of December 2016	Budget balance	% of execution
<b>CORE FUND ACTIVITIES</b>	<b>5,726</b>	<b>4,748</b>	<b>978</b>	<b>83%</b>
Member country quotas	1,650	1,454	196	88%
Fundatropicos trust fund	550	614	-64	112%
Administration and Finance - Service	804	209	595	26%
Administration and Finance – Commercial	11	20	-9	177%
Research and Development	1,228	1,022	206	83%
Education	678	680	-2	100%
Outreach	805	737	68	92%
Other budget Items	0	13	-13	0%
<b>COMMERCIAL ACTIVITIES FUND</b>	<b>3,279</b>	<b>2,966</b>	<b>313</b>	<b>90%</b>
Administration and Finance – Services	1,596	1,421	175	89%
Administration and Finance – Commercial	1,683	1,545	138	92%
<b>AGREEMENT FUNDS</b>	<b>13,399</b>	<b>13,733</b>	<b>-334</b>	<b>102%</b>
Research and Development	7,049	5,719	1,330	81%
Outreach	6,242	7,821	-1,579	125%
Commercial	57	119	-62	209%
Administered funds	51	74	-23	145%
<b>FUNDS IN CUSTODY</b>	<b>6,845</b>	<b>6,455</b>	<b>390</b>	<b>94%</b>
Administration and Finance – Services	141	57	84	41%
Administration and Finance – Commercial	326	261	65	80%
Strategic services	200	183	17	91%
Research and development	2,680	2,974	-294	111%
Education	2,497	2,137	360	86%
Outreach	1,001	842	159	84%
<b>TOTAL BUDGET</b>	<b>29,249</b>	<b>27,901</b>	<b>1,348</b>	<b>95%</b>

**a) Execution of budgeted revenues from the core budget and from contributions from productive and commercial activities.**

As in the case of revenues, the core budget presented a level of execution of 83%, equaling US\$4.7 (million), not considering the commercial surplus that contributed US\$553 (thousands) to the core budget, exceeding the contribution plan that was set at US\$545 (thousand).

In the case of the revenue item “Membership quotas”, IICA’s contribution fell short by US\$196 (thousands), a situation which directly affected the center’s liquidity. A component that helped compensate that deficit to some extent was the recuperation of yields from the Fundatropicos Trust Fund for a total of US\$614 (thousand), surpassing income expectations by US\$64 (thousand).

With regards to service activities, the reduction of transportation activities is due to reduced car rental during 2016, mainly due to a reduction in training courses at headquarters programmed for the year, as well as fewer activities from projects that reduced the number of fieldtrips coordinated by each graduate school professor. The hospitality line had a 7% reduction in the period’s revenues, due to a reduction of occupation during the last trimester of the year.

At the same time, the revenue item related to agricultural activities (Administration and Finances – Commercial) showed a better result in coffee, forestry, and dairy activities. For the sugar cane activity, there was a decrease of 5% in what was expected, due to market prices and productivity. The results for the seed bank had a 15% deficit due to clients cancelling orders because of financial factors and adverse climate conditions in their countries.

Despite the situations mentioned above, the reduction of revenues did not affect the contribution of the net operating surplus of commercial activities to the core budget, as there was also a considerable reduction in operative costs.

The Research and Development Division had a US\$206 (thousand) deficit in revenues, mainly due to a under-execution by several projects. This reduced the expected amount of overhead to be charged, added to the fact that some projects were implemented with a delay. Furthermore, the contribution of the division’s funds in custody also presented a under-execution of 12%, related to consulting activities from the technical programs that contribute 10% but which is not paid until the money has been charged.

#### **b) Execution of revenues budgeted in the agreement fund**

In general, agreement funds had an execution of revenues above 2%, but with a difference in the compliance between the research and outreach divisions. The Research and Development Division presented an important under-execution, mainly in the Climate Change and Watersheds program, where a project with the IDB (Technology Transfer Mechanisms) was unable to comply with the activities planned, and therefore, did not receive the expected payment of US\$450 (thousand) from the donor. Likewise, the Agroforestry and Sustainable Agriculture program was unable to finalize all the new project initiatives it had proposed in its budget.

The Outreach Division was able to increase its execution significantly through the EU regional project – WaterClima LAC Coastal Zones, that received an additional US\$535 (thousand) from the European Union; furthermore, the USAID Regional Climate Change Program was able to speed up its execution in the region and thus receive an additional US\$1.2 (million) from the donor.

#### **c) Execution of revenues budgeted in funds in custody**

In general, funds in custody presented an under-execution of 6%, mainly in the Education and Outreach Divisions. In the Education Division, professional master’s programs and the training unit had lower revenues than expected due to a lower number of students enrolled and fewer courses offered, respectively.

With regards to the Outreach Division, technical offices in Honduras and Nicaragua presented a lower execution due to fewer projects that require administrative support from the offices.

On the other hand, the Research and Development Division was able to surpass its revenue budget by 11%, mainly due to the Economics and Environment for Development and the Sustainable Livestock and Environment technical programs.

### **Execution of expenditures budgeted for 2016**

In 2016, the administration implemented strict budget controls, aiming at achieving savings in the execution of expenditures and ensuring financial management in accordance with the approved budget. In this same line, the administration was able to reduce operation costs in 2016. Financial executions of restricted funds showed reasonable results with respect to the approved budgets. Table 2 shows an execution of expenditures of US\$28.9 (million) for 2016, which meant a compliance of 95% according to the plan.

The expenditures budget has a separate line for a reserve of US\$364 (thousand) to cover the deterioration of membership fees in 2016, and an additional line to cover revenue reductions or other unforeseen costs for a total of US\$250 (thousand).

The detailed execution of the Center's expenditures budget for 2016 per type of fund is shown below.



**Table 2: Detail of the 2016 execution of the expenditures budget program  
(Amount in US\$ - Thousands)**

Accounting fund	2016 budget	Execution	Budget balance	% of execution
<b>CORE ACTIVITY FUND</b>	<b>5,038</b>	<b>4,994</b>	<b>44</b>	<b>99%</b>
Governing bodies	794	777	17	98%
Administration and Finance – Services	1,340	1,378	-38	103%
Administration and Finance – Commercial	255	255	0	100%
Strategic services	271	274	-3	101%
Research and Development	1,009	955	54	95%
Education	893	898	-5	101%
Outreach	476	457	19	96%
<b>COMMERCIAL ACTIVITIES FUND</b>	<b>2,734</b>	<b>2,413</b>	<b>321</b>	<b>88%</b>
Administration and Finance-Services	1,051	935	116	89%
Administration and Finance - Commercial	1,683	1,478	205	88%
<b>AGREEMENTS FUND</b>	<b>16,016</b>	<b>14,589</b>	<b>1,427</b>	<b>91%</b>
Commercial	99	100	-1	101%
Research and Development	7,012	7,281	-269	104%
Outreach	8,853	7,135	1,718	81%
Administered funds	52	73	-21	141%
<b>FUND IN CUSTODY</b>	<b>6,810</b>	<b>6,989</b>	<b>-179</b>	<b>103%</b>
Administration and Finance-Services	136	45	91	33%
Administration and Finance - Commercial	294	178	116	60%
Strategic services	200	214	-14	107%
Research and Development	2,903	3,185	-283	110%
Education	2,317	2,598	-281	112%
Outreach	960	768	192	80%
<b>TOTAL BUDGET</b>	<b>30,598</b>	<b>28,984</b>	<b>1,613</b>	<b>95%</b>

**a) Execution of budgeted expenditures for the core budget and productive and commercial activities**

At the level of core expenditures, CATIE's new administration took measures and efforts to reduce costs, promoting greater austerity and optimization in the use of institutional resources, enabling the improvement of results in 2016 compared to 2015. These actions generated savings in the Research and Development and Outreach Divisions as well as in the Governing Bodies.

The under-execution of expenditures helped to minimize the decrease in revenues and to improve the Center's operative results, going from a deficit of US\$187 (thousand) in 2015 to an operative surplus of US\$474 (thousand) in 2016.

While there was a reduction of revenues in the commercial and service activities, there was also a general decrease of 12% in expenditures, in activities such as housing and car rental in the Administration and Finance – services item. Agricultural activities also decreased their costs in sugar cane and coffee harvesting.

#### **b) Execution of expenditures in the agreement fund budget**

2016 was a difficult year for procuring external funding; the procedures for signing agreements and delays in the initial execution of some projects caused under-executions. This impacted on the financial execution of restricted funds, with agreement funds showing the largest decrease. The Director General, with support from other division leaders, has intensified the efforts and strategies to revert these results in the short and medium term.

#### **c) Execution of budgeted funds in custody**

With regards to funds in custody, the Research and Development and Education Divisions over-executed their expenditures budgets between 10% and 12%, respectively; the Economics and Environment for Development (IDEA) program increased the execution of consultancies for the Agribusiness Development Unit (ADU) for US\$70 (thousand) and the program's main component by US\$116 (thousand). Another program that increased its execution was the Sustainable Livestock Management program (GAMMA) by 66%, thanks to new agreements with partners such as USDA, KAREI and the IDB, that has enabled it to finance the program's staff.

The Education Division increased its execution in the CATIE-INCAE Agribusiness Master's program by over US\$62 (thousand) and the Biostatistics Unit was able to launch new courses that contributed to increasing its execution by US\$80 (thousand) above what had been budgeted.

### **V. Financial Indicators**

2016 presented major challenges for CATIE's financial management. CATIE's new administration, that took office in March, 2016, conducted a comprehensive review process of the institution's financial and administrative management. This process has focused on maintaining the level of revenues and expenditures within the approved budgets, exercising greater financial control and discipline, as well as adapting the Center's operational and cost structure to its current economic capacities.

## Financial management during 2016 in numbers.

	Unit	2015	2016	Variation
Operational surplus	thousands of US\$	(187)	474	353%
Net surplus	thousands of US\$	(530)	39	107%
Total assets	thousands of US\$	18,418	16,385	(11%)
Total liabilities	thousands of US\$	2,870	2,388	(17%)
Total assets - unrestricted	thousands of US\$	7,637	7,675	-
Total assets - restricted	thousands of US\$	7,911	6,322	(20%)
Institutional liquidity ratio	Times	3.4	3.3	-
Level of debt	%	2	1	(50%)
Administrative efficiency	%	5	5	-
Recuperation of membership quotas	%	29	29	-
Internal funding	thousands of US\$	1,761	1,532	(13%)
Core functions coverage of costs	%	64	73	14%
Contribution productive activities	thousands of US\$	478	553	16%

Financial results from 2016 enabled a net surplus of nearly US\$39 (thousand). Reductions in the projected revenues for the year in the unrestricted core fund for approximately US\$426 (thousand) and the increase of expenditures related to non-financial budget allocations (depreciation and others) for approximately US\$122 (thousand) impacted on this surplus.

In 2016, CATIE experienced a reduction in its external agreement portfolio that also reduced the restricted net assets by 20% compared to 2015. In turn, this caused a reduction of total assets by 11% between those years. The reduction of available cash or its equivalent for US\$1.4 million and in accounts receivable from member countries for US\$0.5 million were the main items that brought about the mentioned decrease in the Center's total assets.

The Center's level of debt is minimal compared to its total assets, and in 2016 there was a reduction of 50% compared to 2015. The measures adopted to reduce costs, increase operational efficiency and improved market conditions allowed an increase of US\$35 (thousand) in the financial contributions from institutional productive and service activities to the unrestricted core budget in 2016.

Financial liquidity indicators, even though they reflect positive results at the institutional level, still represent a short-term challenge for CATIE, as the low percentage of payment of membership quotas (29%) and the high level of failure to pay was US\$3.5 million, as of 2016. This, in addition to internal financing for approximately US\$1.5 million with delays in the recovery of these funds, keeps the uncommitted financial liquidity (excluding external agreement funds) at low satisfaction levels.

The measures and efforts undertaken by CATIE's new administration to reduce expenditures, promote more austerity and optimize the use of institutional resources, have helped administrative efficiency indicators (5%) and coverage of costs for basic functions (increase of 14%) to maintain or improve their results with regards to 2015.



## **VI. Conclusion**

In conclusion, financial results for 2016 reflect that, despite the adverse circumstances faced by the Center during the year, it was able to maintain and improve key financial indicators. It will need to continue to function under a strict monitoring process to identify opportunities for improvement and to manage those financial risks that could impact on the performance of its strategic functions to benefit the region, especially its member countries.

The organization's current financing model should allow for a greater generation of resources through projects that integrate more technical programs on the long term. CATIE must maintain its negotiation process with donors-partners that will allow it to promote its strategies and priorities. To do so, it must continue with the evolution of its business model according to international trends.

The commitments made by the new administration, with the approval of the Board of Directors, to adopt a more responsible and transparent financial management, focused on giving priority to the Center's strategic functions, were the elements that guided the financial reorganization in 2016 and that will be intensified in 2017.

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of the Tropical Agriculture Research and Training Center (CATIE)

### *Opinion*

We have audited the accompanying financial statements of the Tropical Agriculture Research and Training Center ("CATIE or the Entity"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the statements of activities, changes in net assets, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Tropical Agriculture Research and Training Center ("CATIE or the Entity") as of December 31, 2016 and 2015, its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards.

### *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 the Entity in accordance with the Code of Professional Ethics of the Association of Certified Public Accountant 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.

### *Additional Financial Information*

Our audit was conducted in order to have an opinion on the basic financial statements taken as a whole. The supplemental financial information included in exhibits 1 to 6 is presented in order to report on the status of the fees receivable from member countries and the execution of operations by CATIE. This information is not required by the basic financial statements. This information has been the subject of the audit procedures applied in the audit of the financial statements mentioned above, and in our opinion, is presented fairly, in all material respects, with the financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of the Entity's accompanying financial statements according to the International Financial Reporting Standards 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 Entity's 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 the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Entity are responsible for overseeing the financial reporting process of.

#### *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 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 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 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 the Entity'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 the Entity'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 the Entity to cease to continue as a going concern.



# Deloitte.

- 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 the Entity 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.



Anayancy Porras Barrientos - C.P.A. No.2863  
Insurance Policy No.0116 FIG 7  
Expires: September 30, 2017  
Revenue stamp of Law No.6663, ¢1.000, affixed and paid  
La Ribera de Belén, Heredia, Costa Rica



March 31, 2017

## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

### STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2016 AND 2015

(Expressed in thousands of US dollars)

	Notes	2016	2015
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and cash equivalents	1c, 2	US\$ 4,253	US\$ 5,634
Held-to-maturity investments	1d, 3	75	90
Accounts receivable	1i, 4	3,057	3,566
Inventories	1e, 5	<u>514</u>	<u>469</u>
Total current assets		7,899	9,759
PROPERTY, FURNITURE, AND EQUIPMENT - Net	1g, 1h, 8	5,413	5,552
INTANGIBLE ASSETS	1s	34	51
BIOLOGICAL ASSETS	1k, 6	896	941
TRUST ASSETS	7	1,568	1,542
OTHER ASSETS	1j, 9	<u>575</u>	<u>573</u>
TOTAL		<u>US\$16,385</u>	<u>US\$18,418</u>
<b>LIABILITIES AND NET ASSETS</b>			
CURRENT LIABILITIES:			
Current portion of long-term debt	11	US\$ 128	US\$ 166
Trade accounts payable		72	95
Employee benefits	12	1,149	1,477
Accumulated expenses and other accounts payable	1m, 10	<u>891</u>	<u>851</u>
Total current liabilities		2,240	2,589
LONG-TERM DEBT	11	<u>148</u>	<u>281</u>
Total liabilities		<u>2,388</u>	<u>2,870</u>
NET ASSETS:			
Unrestricted funds:			
Regular funds	1a	1,332	1,093
Plant fund	1a	6,343	6,544
Temporarily restricted funds:			
Agreement fund	1a	4,582	5,525
Funds in custody	1a	<u>1,740</u>	<u>2,386</u>
Total net assets		<u>13,997</u>	<u>15,548</u>
TOTAL		<u>US\$16,385</u>	<u>US\$18,418</u>

The accompanying notes are an integral part of the financial statements.

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**  
(Expressed in Thousands of US Dollars)

Notes	2016						2015						
	Unrestricted Regular Funds			Temporarily Restricted Funds			Unrestricted Regular Funds			Temporarily Restricted Funds			
	Basic Activities Fund	Productive Activities Fund	Sub-total	Agreements	Custody	Total	Basic Activities Fund	Productive Activities Fund	Sub-total	Agreements	Custody	Total	
Income:													
IICA Contribution	US\$ 804		US\$ 804			US\$ 804	US\$ 948		US\$ 948			US\$ 948	
Member country fees	650		650			650	650		650			650	
Tuition of students	680		680			680	727		727			727	
Administrative support and overhead	1,781		1,781			1,781	1,960		1,960			1,960	
Miscellaneous	219		219			219	311		311			311	
Funds released from restrictions				US\$14,516	US\$6,989	21,505				US\$18,019	US\$7,750	25,769	
Management of goods and services		US\$1,421	1,421			1,421		US\$1,535	1,535			1,535	
Agricultural activities		1,545	1,545			1,545		1,804	1,804			1,804	
Trust contributions	7	614	614			614	608		608			608	
Total income	1n	4,748	2,966	7,714	14,516	6,989	29,219	5,204	3,339	8,543	18,019	7,750	34,312
Expenses:													
Personnel	3,935	1,152	5,087	8,173	3,918	17,178	4,745	1,334	6,079	9,786	3,645	19,510	
Travel and per-diem	143	23	166	1,242	269	1,677	228	40	268	1,275	347	1,890	
Communications and printouts	140	42	182	367	177	726	165	45	210	380	284	874	
Building maintenance	48	182	230	113	79	422	63	214	277	201	126	604	
General expenses	352	227	579	1,553	355	2,487	350	260	610	2,313	467	3,390	
Training and scholarships	158	2	160	1,517	1,782	3,459	220	3	223	2,154	2,133	4,510	
Investments (in assets)				242	38	280				433	199	632	
Supplies and costs	51	785	836	148	65	1,049	98	965	1,063	227	207	1,497	
Overhead costs				1,161	306	1,467				1,250	342	1,592	
Total expenses		4,827	2,413	7,240	14,516	6,989	28,745	5,869	2,861	8,730	18,019	7,750	34,499
Primary (deficit) surplus		(79)	553	474			474	(665)	478	(187)			(187)
Transfer from the productive activities fund	1a	553	(553)					478	(478)				
Increase in unrestricted net assets		474		474			474	(187)		(187)			(187)
Other non-current revenues:													
Donation and sale of assets		249		249			249	539		539			539
Total non-current income		249		249			249	539		539			539
Other non-current expenses:													
Depreciation expense	8	465		465			465	430		430			430
Amortization of intangibles		17		17			17	14		14			14
Loss in valuation of biological assets	6	69		69			69	252		252			252
Impairment of accounts receivable - net of recoveries	4	133		133			133	186		186			186
Total non-current expenses		684		684			684	882		882			882
Increase (decrease) in unrestricted net assets after non-current items		US\$ 39	US\$	US\$ 39	US\$	US\$	US\$ 39	US\$ (530)	US\$	US\$ (530)	US\$	US\$	US\$ (530)

The accompanying notes are an integral part of the financial statements.



## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

### STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Thousands of US Dollars)

	Note	Net Assets				Total
		Unrestricted Funds		Temporarily Restricted Funds		
		Regular	Plant	Agreements	Custody	
BALANCE, AS OF DECEMBER 31, 2014		US\$1,630	US\$6,550	US\$ 6,420	US\$ 2,506	US\$ 17,106
Restricted contributions received from donors				16,945	7,616	24,561
Disbursements from restricted funds				(18,095)	(7,750)	(25,845)
Other movements in restricted funds		(164)	151	52	(100)	(61)
Recognition of balances receivable from donors	1/			600	1,161	1,761
Release of restricted funds	1/			(397)	(1,047)	(1,444)
Decrease in funds		<u>(373)</u>	<u>(157)</u>			<u>(530)</u>
BALANCE, AS OF DECEMBER 31, 2015		1,093	6,544	5,525	2,386	15,548
Restricted contributions received from donors				13,734	6,455	20,189
Disbursements from restricted funds				(14,589)	(6,989)	(21,578)
Other movements in restricted funds		(103)	102	(45)	74	28
Recognition of balances receivable from donors	1/			557	975	1,532
Release of restricted funds	1/			(600)	(1,161)	(1,761)
Decrease in funds		<u>342</u>	<u>(303)</u>			<u>39</u>
BALANCE, AS OF DECEMBER 31, 2016		<u>US\$1,332</u>	<u>US\$6,343</u>	<u>US\$ 4,582</u>	<u>US\$ 1,740</u>	<u>US\$ 13,997</u>

The accompanying notes are an integral part of the financial statements.

## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Thousands of US Dollars)

	Notes	2016		2015
<b>OPERATING ACTIVITIES:</b>				
Increase (decrease) in net assets		US\$ 39		US\$ (530)
Adjustments to reconcile the change in net assets with net cash provided by (used in) operating activities:				
Depreciation	8	465		430
Amortization of intangible assets		17		14
Impairment of accounts receivable - member countries	4	400		567
Changes from valuation of biological assets	6	69		262
Financial expenses on loans		28		35
Other movements of restricted funds		(201)		256
Changes in operating assets and liabilities:				
Accounts receivable		109		(969)
Inventories		(45)		(97)
Trade accounts payable		(23)		(16)
Employees' legal benefits		(328)		(3)
Accumulated expenses and other accounts payable		<u>16</u>		<u>(152)</u>
Cash provided by (used in) the operating activities		546		(203)
Interest paid		<u>(4)</u>		<u>(13)</u>
Net cash provided by (used in) the operating activities		<u>542</u>		<u>(216)</u>
<b>INVESTMENT ACTIVITIES:</b>				
Short-term investments		15		
Additions to property, furniture and equipment	8	(122)		(161)
Additions of intangible assets				(15)
Proceeds from the sale of fixed assets	8	16		15
Increase (decrease) of biological assets	6	(24)		(10)
Additions to the trust fund		(26)		(4)
Other financial assets		<u>(2)</u>		<u>(146)</u>
Net cash used in the investment activities		<u>(143)</u>		<u>(321)</u>
<b>FINANCING ACTIVITIES:</b>				
New loans				103
Amortization of debt		(171)		(139)
Temporarily-restricted contributions		20,189		24,561
Disbursements for the execution of temporarily-restricted funds		<u>(21,798)</u>		<u>(26,374)</u>
Net cash used in the financing activities		<u>(1,780)</u>		<u>(1,849)</u>

(Continues)

## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Thousands of US Dollars)

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	<b>2016</b>	<b>2015</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	US\$ (1,381)	US\$ (2,386)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,634</u>	<u>8,020</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>US\$ 4,253</u>	<u>US\$ 5,634</u>

#### TRANSACTIONS THAT DID NOT GENERATE ANY CASH MOVEMENT:

During 2016 and 2015, donations of machinery, vehicles, furniture, and equipment for the sum of US\$220,000 and US\$529,000, respectively. Such donations come from the Agreements Fund for US\$176 and US\$320 for 2016 and 2015, respectively, and from the Custody Fund, for US\$44 and US\$209 for 2016 and 2015, respectively. The transactions mentioned above did not use or generate cash.

(Ends)

The accompanying notes are an integral part of the financial statements.



# TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Thousands of US Dollars)

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

**Nature of Business** - The Tropical Agriculture Research and Training Center ("CATIE") is an international university at a postgraduate level that teaches and trains leaders in agriculture, natural resources, and related fields, so that they are able to face challenges and take advantage of the opportunities of a changing world. Therefore, CATIE has postgraduate programs recognized for their quality and track record; it shows what it does with hundreds of members in several countries, and shares the progress and levels of science and technology in different areas of interest, and the demands and needs of today's world. Its headquarters are located in Turrialba, Costa Rica, and it is formed by thirteen member countries and the Inter-American Institute for Cooperation on Agriculture (IICA). Its mission is to achieve a sustainable and comprehensive human wellbeing in Latin America and the Caribbean by fostering education, research, and an external outreach of sustainable agricultural management and the conservation of natural resources.

CATIE was established in 1973 through a ten-year agreement signed with the Costa Rican Government and IICA. In 1983, this agreement was amended and extended up to year 2000. As indicated in Note 16, in 2000 the parties signed a new agreement for a twenty-year period.

In addition, in 1993, CATIE created the Foundation for Education and Research in the Development and Conservation of Natural Resources of the American Tropics (FUNDATROPICOS), a Costa Rican foundation which main purpose is to achieve the financial sustainability of CATIE through management of donations and other funds received, in order to ensure a fixed income source for the continuance of its operations.

**Basis of Presentation** - CATIE's financial statements are prepared according to the International Financial Reporting Standards (IFRS), and in addition, certain guidelines of the Financial Accounting Standard No.117, issued by the American Institute of Certified Public Accountants of the United States of America, have been adopted (applicable to not-for-profit entities commencing December 1994) (Note 1r), since the IFRS do not include specific matters applicable to not-for-profit entities.

The financial statements have been prepared on the basis of the historical cost, as explained in the following accounting policies.

Generally, historical cost is based on the fair value of the consideration granted in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants

would take those characteristics into account when pricing the asset or liability on the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and, measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** - Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** - Unobservable inputs for asset or liability.

**Significant Accounting Policies** - The significant accounting policies used by CATIE in the preparation of the financial statements are summarized as follows:

a. **Funds Managed by CATIE** - Funds managed by CATIE are classified in the financial statements, according to their restrictions, as Unrestricted Funds, Plant Fund and Temporarily Restricted Funds. These funds are segregated into the following categories based on their source and purpose:

- **Unrestricted Regular Funds** -

- *Basic Activities Fund* - It includes the basic activities of CATIE in promoting and developing the research and education in agriculture, forestry, livestock, and related fields, as established in its original articles of incorporation.

Such activities are mainly financed through member countries fees, IICA's annual contributions, revenues from training activities, specific donations and contributions received for financing these activities, through interests generated on trusts of which CATIE is a beneficiary, and through the administrative and logistical support (overhead) charged to project agreements.

- *Productive Activity Fund* - It comprises those activities developed by CATIE in the agriculture, livestock and management of goods and services fields, which generate an economic benefit. The main productive activities are: cultivation of sugarcane, coffee, and other minor agricultural products, as well as cattle farming, lodging services, and data processing services, among others.
- *Plant Fund* - This Fund controls the real property, furniture and equipment acquired with resources from the Basic Activities Fund and funds donated by national or international organizations. The assets included in this Fund are part of CATIE's available resources to

achieve its institutional goals. The balance of the Plant Fund is represented by the monetary value, net of depreciation, of real and personal property owned by CATIE. This Fund does not include fixed assets acquired with resources from the Agreements Fund, since capital expenditures are recognized as expenses of the respective project. Nevertheless, if such assets are donated, exchanged, or sold to CATIE upon termination of the contract, they will be included in this Fund. Physical control over fixed assets acquired with resources from the Agreements Fund is kept by CATIE, through a fixed assets database.

- **Temporarily Restricted Funds -**

- *Funds in Custody* - Includes funds received from national and international organizations to finance training and education provided by CATIE to some scholarship students and technicians from those institutions, as well as for the execution of certain research projects, which negotiated amount is under US\$50,000. For control purposes, income and expenses related to those funds are recorded separately until their specific purposes are fulfilled.
- *Agreement Fund* - Correspond to funds received by CATIE for the execution of certain agreements and contracts subscribed with national and international organizations, and their use is specifically restricted to the agreed-upon activities of such agreements and contracts. For control purposes, separate accounting records are used for the income and expenses related to those funds. Some of these funds are administered in independent checking accounts, according to the contractual requirements established by the donor. In addition, CATIE has entered into agreements with national and international organizations on which CATIE has no participation or technical responsibility whatsoever. Thus, income and expenses of such funds are not shown as such in the Statement of Activities. The balance administered for this concept as of December 31, 2016 and 2015, amounts to US\$122 (thousands) and US\$120 (thousands), respectively.

- b. **Currency and Foreign Currency Transactions** - The accounting records of CATIE are kept in United States of America dollars (US\$), its functional currency, and the financial statements and its notes, are also expressed in such currency. Monetary assets and liabilities originated in currencies other than their functional currency are translated to US dollars at the exchange rates in effect in each country as of the date of the financial statements.

Transactions made in foreign currency are registered at the exchange rate in force as of the date of the transaction. Assets and liabilities in foreign currency at the end of each accounting period are adjusted at the exchange rate in force as of such date. Exchange rate differences originated from the liquidation of assets and obligations denominated in foreign currency and from the adjustment of balances as of closing date are recognized in the results of the period in which they occurred.

As of December 31, 2016 and 2015, exchange rates for US\$1 at each of the countries where CATIE develops its activities were the following:

Country	Currency	Exchange Rate as of December 31, 2016	Exchange Rate as of December 31, 2015
Belize	Belize Dollar	1.961	1.953
Bolivia	Bolivianos	6.86	6.86
Costa Rica	Colones	548.18	531.94
Guatemala	Quetzales	7.52	7.63
Honduras	Lempiras	23.50	22.37
CEE	Euro	0.9508	0.9206
Nicaragua	Córdobas	29.32	27.93
Peru	Nuevo Sol	3.357	3.35
Dominican Republic	Dominican Pesos	46.59	46.46

- c. **Cash and Cash Equivalents** - The cash accounts include restricted balances, held in separate bank accounts, to be used solely to cover disbursements of the agreements signed by CATIE with different donors, or to receive disbursements contributed by them. These restricted balances amount to a US\$3,823 (thousands) and US\$4,326 (thousands) as of December 31, 2016 and 2015, respectively. All investments with an original maturity of less than three months are considered cash equivalents.
- d. **Held-to-Maturity Investments** - They are investments with fixed maturity dates. CATIE has the intention and ability to hold them until maturity. Held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment, recognizing revenue on an effective yield basis.
- e. **Inventories** - Material and supplies inventories are valued at average cost, which does not exceed its net realizable value. The coffee mill inventory and forest seed bank are valued at amounts that are approximate to its net fair value. The Entity follows the policy of directly including the value of the damaged or obsolete inventories in the operating results, according to the analyses performed on an annual basis.
- f. **Financial Instruments** - All financial assets and liabilities are initially recognized at fair value. After their initial registration, financial assets are adjusted at fair value. Financial assets remain registered at fair value because they consist mainly of cash and cash equivalents, held-to-maturity investments, and accounts receivable. Financial liabilities consist mainly of accounts payable and debt, which are valued at amortized cost. As of December 31, 2016 and 2015, CATIE has not entered into any agreement that involves derivative financial instruments, such as futures, options, and financial swaps.
- g. **Property, Furniture and Equipment** - CATIE follows the policy of recording funds disbursed for the acquisition of property, furniture and equipment as expenses, and it subsequently capitalizes those amounts in the Plant Fund whenever those assets are acquired with resources from the Basic Activities Fund. Therefore, such capitalization is performed based on the acquisition cost of the assets.



CATIE also registers as part of the Plant Fund property, plant and equipment acquired through Funds in Custody as part of the Plant Fund, except in those cases the entity where the person responsible for the fund communicates of the non institutional use of the asset upon termination of the contract or agreement.

- h. **Depreciation** - Depreciation of property, furniture and equipment is made using the straight-line method over the estimated useful lives of the respective assets, as shown below:

Detail	Depreciation Rates
Buildings	2 to 10%
Machinery	6.67 to 20%
Vehicles	10 to 16.67%
Office and home furniture and equipment	10 to 100%
Laboratory equipment	10 to 33.33%
Computer equipment and licenses	10 to 33.33%
Software licenses	20 to 33.33%

Depreciation expense is recorded in the Plant Fund.

- i. **Allowance for Impairment of Accounts Receivable from Member Countries** - As of 2011, CATIE calculates this impairment based on Article 8 of the "General Regulations of CATIE" which state that the Member State in arrears in the payment of their fees for more than 2 full years will have the right to vote in the Superior Council of Ministers. Based on this article, CATIE has recorded impairments for those member country fees that have been in arrears for two years or more.
- j. **Valuation of Other Assets** - CATIE registers the amounts disbursed for the purchase of certificates of investment of Cooperativa de Productores de Leche Dos Pinos, R.L., at historical value. Every year an impairment valuation takes place, taking into consideration the reasonability of the balance.
- k. **Biological Assets** - CATIE follows the practice of capitalizing the disbursements incurred for developing and breeding cattle for the dairy activity. At the end of each accounting period, dairy cattle is valued at its fair value, recognizing a profit or loss from the increase or decrease of the herd.

The sugarcane and coffee plantations are initially registered at cost, which is considered as fair value because it has not had a significant biological transformation. Afterwards, it is measured at fair value, less the costs at point of sale.

Forest plantations are valued at fair value through a methodology that considers the different conditions of the plantations, according to their diameters, plantation management, density, topography, quality of sites, and on the basis of lots measured every year.

In order to determine fair value, biological assets are separated by age and type, calculating the expected present value of the net cash flows by biological asset, in their current condition and location.

- l. **Temporarily Restricted Net Assets** - Funds contributed by national or international organizations to establish the Agreement Funds, Funds in Custody, and Administered Funds, for the execution of agreements, contracts, or specific activities are recorded as temporarily restricted net assets. As they are used in the activities defined in the agreements and contracts, CATIE simultaneously recognizes such amounts as income released from restrictions and as expenses of the Agreement Fund and Funds in Custody in the statement of activities.

When the expenses incurred by CATIE in the execution of an agreement, contract, or specific activity exceed the respective contributions, the excess is recorded as an account receivable from the respective donor.

- m. **Employees' Legal Benefits** - According to the Costa Rican labor law, employees that are dismissed without just cause are entitled to severance pay, equivalent to 20 days of salary for each year of continuous service, with a limit of eight years. However, on December 23, 1998, CATIE, along with a Permanent Employee Committee, agreed that severance pay should be recognized as an actual right and not as an expectation by law. The main clauses of such agreement were the following:

- Since January 1999, CATIE monthly deposits 8.33% of salaries and benefits paid in the Fideicomiso de Cesantía del Personal Nacional del CATIE (Trust for Severance Pay of CATIE's Local Employees), which is administered by the investment fund administration company of Banco Popular y Desarrollo Comunal. As of March 2001, 3% of this provision is transferred to different pension funds selected by employees. Starting in February 2012, 5.33% of severance is deposited in Asociación Solidarista de Empleados (ASOCATIE) (CATIE's Employee Fund), in behalf of the associated employees.
- From September to December 2016, a massive employment termination process was applied for personnel from Costa Rica. The objective was to reduce personnel costs, and along with the Permanent Workers Committee, it was agreed to eliminate additional employee benefits to the 3% law of the Labor Compensation Fund (FOCOPEN), five-year bonuses, as well as annual payments for seniority
- Funds corresponding to severance, plus the accumulated yield, will be returned to each employee only at the moment of leaving CATIE, regardless of the reason of their exit.

For employees working in countries where CATIE has offices, the policy of directly charging expenses and provisioning employees' legal benefits is followed.

- n. **Income Recognition** - CATIE follows the policy of recording all annual fees from member countries and IICA's annual contribution as income of the year. Revenue from managing goods and services is recognized as the services are rendered. Income from commercial activities is recognized when CATIE has transferred to the buyer all risks and benefits of the goods or products.
- o. **Contributions to the International Professional Staff Retirement Fund** - Pursuant to the provisions of the employment agreements of the international professional staff, CATIE and the professionals must jointly contribute to a retirement fund. According to Resolution No.9-94/VII ROJD of the VII Regular

Meeting of CATIE's Board of Directors, the monthly contributions to cover expected disbursements of this Retirement Fund are transferred by CATIE to *Morgan Stanley Investment Funds* and to the OAS Retirement Fund. The management of such funds is the sole responsibility of the international professional staff.

- p. **Use of Estimates** - In preparing the financial statements, Management has to make estimates that affect the reported amounts of certain assets and liabilities, as well as of other income and expenses shown in the financial statements. Actual results could vary from such estimates. Estimates made by management include estimates for impairment of other countries' fees, useful life of property, furniture and equipment, and labor liabilities.
- q. **Vacation** - The Costa Rican laws establish that for each year of work, employees are entitled to certain number of vacation days. The Entity registers on a monthly basis a provision to cover future disbursements for this concept.
- r. **Applicable Regulations of the Financial Accounting Standards No.117, Issued by the American Institute of Certified Public Accountants of the United States of America** - CATIE has adopted certain guidelines of the Financial Accounting Standard No.117. This principle establishes general standards for the presentation of the financial statements and the basic financial information of the not-for-profit organizations.
- s. **Intangible Assets** - Intangible assets with defined useful life and separately acquired are registered at cost less the accumulated amortization and any accumulated impairment loss. Amortization is recognized using the straight-line method on their estimated useful life. The estimated useful life and depreciation method are reviewed at the end of each reporting period, and the effect of any change in the estimate is registered on a prospective basis. Intangible assets with an indefinite useful life that are acquired separately are registered at cost less any accumulated impairment loss.

## 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31 are detailed below:

	<b>2016</b>	<b>2015</b>
Petty cash	US\$ 11	US\$ 11
Cash due from banks	<u>4,234</u>	<u>5,606</u>
Sub-total	4,245	5,617
Cash and cash equivalents:		
In colones:		
Investment fund at sight, with Banco BCT, S.A., with an average annual return of 3.14% (4.09% in 2014)	8	8
In US dollars:		
Investment fund at sight, with Banco BCT, S.A., with an average annual return of 0.97% in 2015	<u>9</u>	<u>9</u>
Total	<u>US\$4,253</u>	<u>US\$5,634</u>

### 3. FINANCIAL INVESTMENTS AT MATURITY

Financial investments at maturity as of December 31 are detailed below:

	<b>2016</b>	<b>2015</b>
Banco G&T Continental, certificates of time deposit in quetzales, 6.25% interest per annum with a maturity in March 2017	US\$66	US\$65
Banco de América Central, certificates of time deposit in dollars, 2.25% interest per annum, with a maturity in May 2017	<u>9</u>	<u>25</u>
Total	<u>US\$75</u>	<u>US\$90</u>

### 4. ACCOUNTS RECEIVABLE

Accounts receivable as of December 31 are detailed below:

	<b>Note</b>	<b>2016</b>	<b>2015</b>
Trade		US\$ 275	US\$ 224
Staff		70	35
Fundatrópicos interest		133	167
Advance payments for the development of projects		176	295
Member country fees		3,501	3,577
Third-party payments for the benefit of agreements	1/	557	600
Third-party payments for the benefit of funds in custody	1/	975	1,161
Others		<u>7</u>	<u>11</u>
Sub-total		5,694	6,070
Less: Allowance for impairment		<u>(2,637)</u>	<u>(2,504)</u>
Total		<u>US\$ 3,057</u>	<u>US\$ 3,566</u>

Accounts receivable from countries correspond to fees not paid to the Entity by member countries, which were established for the implementation of basic activities and are classified as unrestricted funds. Accounts receivable are recovered in the functional currency of the financial statements, are not subject to any discount, and do not bear interest.

A detail of the movement of the allowance for impairment is shown below:

	<b>2016</b>	<b>2015</b>
Balance at the beginning of the year	US\$2,504	US\$2,318
Recovery of estimated accounts	(267)	(381)
Increase in the allowance	<u>400</u>	<u>567</u>
Balance at the end of the year	<u>US\$2,637</u>	<u>US\$2,504</u>



The ageing of accounts receivable from countries is as follows:

	<b>2016</b>	<b>2015</b>
Fees in arrears for less than a year	US\$ 464	US\$ 464
Fees in arrears between one and two years	400	400
Fees in arrears for more than two years	<u>2,637</u>	<u>2,713</u>
Sub-total	3,501	3,577
Allowance for impairment	<u>(2,637)</u>	<u>(2,504)</u>
Balance at the end of the year	<u>US\$ 864</u>	<u>US\$ 1,073</u>

## 5. INVENTORIES

Inventories as of December 31 are as follows:

	<b>2016</b>	<b>2015</b>
Coffee at coffee mill	US\$ 70	US\$ 62
Forest seed bank	287	236
Materials and supplies	104	87
Others	<u>53</u>	<u>84</u>
Total	<u>US\$514</u>	<u>US\$469</u>

Due to the infrastructure and physical conditions where the inventories are stored and their non-perishable nature, Management considers that there will be a low risk and likelihood of incurring in losses due to the obsolescence or low turnover of the inventories; therefore, it is not appropriate to keep an allowance for obsolescence or slow turnover.

## 6. BIOLOGICAL ASSETS

Biological assets consist of dairy cattle, coffee plantations, sugarcane, and wood.

Biological assets are as follows:

	<b>2016</b>	<b>2015</b>
Coffee	US\$ 97	US\$111
Sugarcane	449	412
Wood	114	75
Cattle	<u>236</u>	<u>343</u>
Total	<u>US\$896</u>	<u>US\$941</u>

A summary of the movement of the account of biological assets is shown below:

	<b>2016</b>	<b>2015</b>
Balance at the beginning of the year	US\$941	US\$1,193
Capitalizations	24	10
Adjustments from a change in the fair value	<u>(69)</u>	<u>(262)</u>
Balance at the end of the year	<u>US\$896</u>	<u>US\$ 941</u>

A detail of purchases and births, sales and deaths and valuation adjustments of cattle is as follows:

	<b>Head of Cattle</b>	<b>Cost</b>
Balances as of December 31, 2014	362	US\$ 347
Purchases and births	223	
Sales and deaths	(224)	
Adjustment for valuation	—	(4)
Balances as of December 31, 2015	361	343
Purchases and births	171	
Sales and deaths	(276)	
Adjustment for valuation	—	(107)
Balances as of December 31, 2016	<u>256</u>	<u>US\$ 236</u>

As of December 31, 2016, CATIE had 185 dairy cows (mature assets) and 65 growing calves and heifers that will milk in the future (immature assets) and 6 males. In the year ended December 31, 2016, CATIE produced 899,346 liters of milk, at a fair value, less the estimated costs at point of sale, of US\$0.58 (value estimated at the milking time).

As of December 31, CATIE has the following plantations:

	<b>Number of Planted Hectares</b>	
	<b>2016</b>	<b>2015</b>
Coffee	20	26
Sugarcane	156	162
Wood	<u>102</u>	<u>84</u>
Total	<u>278</u>	<u>272</u>

In 2016, CATIE produced 611 bushels of coffee, of which 312 bushels were planted in the Commercial Farm and the remaining 299 bushels were planted in the different cultivation areas of the experimental farm, at a price of US\$138.23, after deducting the estimated costs at point of sale (amount estimated at the coffee-picking stage).

Moreover, in 2016, 8,284 sugarcane tons were planted with a selling price of US\$37 after deducting the estimated costs at point of sale (amount estimated at the cutting stage).

As of December 31, 2016, 20 hectares of coffee are at a production stage and 156 6 hectares of sugarcane are at a cutting stage. Of 102.3 hectares with forest plantations, 85.3 are at a growth stage, 27 have just been established (less than 5 years).

As of December 31, 2016, sugar cane deliveries for sugar plantations from 2016 to 2019 are kept for 32 hectares of sugar cane plantations, as guarantee to secure a debt with Hacienda Juan Viñas (See Note 11).

## 7. TRUST FUNDS

Trust funds as of December 31 are as follows:

	<b>2016</b>	<b>2015</b>
Contributions to the trust:		
COSUDE II/Fundatrópicos Funds	<u>US\$1,568</u>	<u>US\$1,542</u>

FUNDATROPICOS-CATIE-BCT/2014 Investment Fund Management Trust ("the Trust") was created on May 23, 2014 by the Foundation for Education and Research in the Development and Conservation of Natural Resources in the American Tropics (FUNDATROPICOS) and the Tropical Agriculture Research and Training Center (CATIE) (Trustors), Banco BCT, S.A., (the Trustee) and the Tropical Agriculture Research and Training Center (CATIE) (the Beneficiary). The trust is organized in accordance with the laws of Costa Rica for the management of money, securities, and loans.

The trust is the result of a merger of four trusts: COSUDE I Fundatrópicos Trust, COSUDE II Fundatrópicos Trust and Fundatrópicos Trust, all managed by Banco BCT, S.A, FUNDATROPICOS-CATIE-BCT/2014 Fund and Investment Management Trust, and the last one prevails, which objective is to fund the financial self-sustainability of CATIE, with the development and implementation of research activities, as well as education and other educational activities in the area of agricultural sciences, renewable resources, and other related activities.

The participation of Fundatrópicos in the total balance of net assets in the Trust as of December 31, 2016 amounts to US\$10,924 (thousand) (US\$10,821 thousand in 2015), equal to 87.45% (87.53% in 2015) and the participation of CATIE amounts to US\$1,568 (thousand) (US\$1,542 thousand in 2015) equal to 12.55% (12.47% in 2015).

Fundatrópicos through an agreement with the Administrative Board and CATIE might give joint instructions so that, from the net assets of the Trust but not from its returns, payments are made to third parties that have been related to the Trust's management.

The 8-14/XXVIII and 2-13/extraordinary meeting resolutions by the Administrative Board of Fundatrópicos approved allocating to CATIE 85% of the yields generated by the Trust and capitalizing the remaining 15%. CATIE recognized income amounting to US\$614 (thousand) and US\$608 (thousand) in 2016 and 2015, respectively.

## 8. PROPERTY, FURNITURE AND EQUIPMENT - NET

Property, furniture and equipment as of December 31, 2016, are as follows:

	<b>2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>2016</b>
Historical cost:				
Lands	US\$ 483			US\$ 483
Buildings	6,942	US\$ 52		6,994
Machinery	619	37	US\$ (11)	645
Vehicles	1,257	115	(34)	1,338
Office furniture and equipment	676	37	(36)	677

(Continues)

	<b>2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>2016</b>
Home furniture and equipment	US\$ 246	US\$ 16	US\$ (4)	US\$ 258
Laboratory equipment	293	9	(7)	295
Computer equipment	<u>1,066</u>	<u>76</u>	<u>(66)</u>	<u>1,076</u>
Sub-total	<u>11,582</u>	<u>342</u>	<u>(158)</u>	<u>11,766</u>
Accumulated depreciation:				
Buildings	(3,602)	(140)		(3,742)
Machinery	(318)	(45)	2	(361)
Vehicles	(560)	(111)	29	(642)
Office furniture and equipment	(437)	(42)	34	(445)
Home furniture and equipment	(176)	(13)	4	(185)
Laboratory equipment	(189)	(13)	7	(195)
Computer equipment	<u>(748)</u>	<u>(101)</u>	<u>66</u>	<u>(783)</u>
Sub-total	<u>(6,030)</u>	<u>(465)</u>	<u>142</u>	<u>(6,353)</u>
Total	<u>US\$ 5,552</u>	<u>US\$(123)</u>	<u>US\$ (16)</u>	<u>US\$ 5,413</u>

Property, furniture and equipment as of December 31, 2015 are as follows:

	<b>2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>2015</b>
Historic cost:				
Lands	US\$ 483			US\$ 483
Buildings	6,925	US\$ 17		6,942
Machinery	508	111		619
Vehicles	1,091	198	US\$(32)	1,257
Office furniture and equipment	584	113	(21)	676
Home furniture and equipment	233	14	(1)	246
Laboratory equipment	200	94	(1)	293
Computer equipment	<u>953</u>	<u>143</u>	<u>(30)</u>	<u>1,066</u>
Sub-total	<u>10,977</u>	<u>690</u>	<u>(85)</u>	<u>11,582</u>
Accumulated depreciation:				
Buildings	(3,464)	(138)		(3,602)
Machinery	(279)	(39)		(318)
Vehicles	(482)	(98)	20	(560)
Office furniture and equipment	(423)	(32)	18	(437)
Home furniture and equipment	(164)	(13)	1	(176)
Laboratory equipment	(183)	(7)	1	(189)
Computer equipment	<u>(675)</u>	<u>(103)</u>	<u>30</u>	<u>(748)</u>
Sub-total	<u>(5,670)</u>	<u>(430)</u>	<u>70</u>	<u>(6,030)</u>
Total	<u>US\$ 5,307</u>	<u>US\$ 260</u>	<u>US\$(15)</u>	<u>US\$ 5,552</u>

Donations of machinery, vehicles, furniture, and equipment for the sum of US\$220 (thousand) and US\$529 (thousand) were received during the periods ended December 31, 2016 and 2015, respectively. Such donations come from the Agreements Fund for US\$176 and US\$320 in 2016 and 2015; respectively, and from the Custody Fund, for US\$44 and US\$30 in 2016 and 2015, respectively. The transactions mentioned above did not use or generate cash.



## 9. OTHER ASSETS

Other assets as of December 31 are as follows:

	<b>2016</b>	<b>2015</b>
Contribution certificates, Cooperativa de Productores de Leche, R.L. in colonos	US\$476	US\$482
Security deposit, office lease in Bolivia, Guatemala and Peru	34	34
Performance bond deposits in El Salvador, Panamá, Costa Rica and Nicaragua	41	41
Others	<u>24</u>	<u>16</u>
Total	<u>US\$575</u>	<u>US\$573</u>

The performance bond deposits correspond to deposits given as guarantee of several projects.

## 10. ACCRUED EXPENSES AND OTHER ACCOUNTS PAYABLE

The accumulated expenses and other accounts payable as of December 31 are as follows:

	<b>2016</b>	<b>2015</b>
Miscellaneous projects	US\$337	US\$281
Withholdings	79	84
Accumulated expenses	143	156
Funds in custody	80	87
Interest payable	4	13
Security deposits - bids	13	5
Accounts payable OTN	65	56
Provision for audits	17	17
Others	<u>153</u>	<u>152</u>
Total	<u>US\$891</u>	<u>US\$851</u>

## 11. LONG-TERM DEBT

Long-term debt as of December 31 is as follows:

	<b>2016</b>	<b>2015</b>
FUNDATRÓPICOS, 7.75% interest per annum, maturity in September 2019 in dollars, surety bond	US\$ 256	US\$ 422
Hacienda Juan Viñas, S.A., 6% interest per annum, maturity on June 20, 2019, in dollars, guarantee against sugarcane harvest 2017-2019	<u>20</u>	<u>25</u>
Sub-total	276	447
Less: Current portion of long-term debt	<u>(128)</u>	<u>(166)</u>
Net	<u>US\$ 148</u>	<u>US\$ 281</u>

A detail of the long-term debt maturities is as follows:

<b>Year ended:</b>	<b>2016</b>	<b>2015</b>
December 31, 2016		US\$166
December 31, 2017	US\$128	143
December 31, 2018	92	84
December 31, 2019	<u>56</u>	<u>54</u>
Total	<u>US\$276</u>	<u>US\$447</u>

To grant loans, FUNDATRÓPICOS used funds of the FUNDATROPICOS-CATIE-BCT/2014 trust.

## **12. EMPLOYEE BENEFITS**

CATIE's employee benefits are defined in the personnel regulations for professional international and national staff. These regulations govern not only employee's duties and rights, but also a series of benefits determined by the institutional authorities. Based on the framework about the benefits defined by CATIE, the costs of these benefits for CATIE are assessed.

### **12.1 RECOGNITION OF YEARS OF SERVICE**

CATIE operates this benefit solely for its international staff and it is estimated based on the following weeks in terms of the years of service:

<b>Years of Continuous Service</b>	<b>Weeks to be Paid</b>
02	08
03	10
04	12
05	14
06	16
07	18
08	20
09	22
10	24
11	26
12	28
13	30
14	32
15 or more	34

The present value of the liability from the recognition of the years of service is calculated in terms of the last base salary of the participants. Therefore, an increase in the salary of participants of the plan will increase the plan's liability.

There is a subsidiary ledger with individual accounts by employee. The benefit is paid at the end of the employment relationship to employees with two years of continuous service at CATIE. The total expense recognized in the comprehensive statement of activities was US\$139 (thousand) in 2016 and US\$97 (thousand) in 2015. On the other hand, CATIE recognized payments and adjustments for US\$34 (thousand) in 2016 and US\$131 (thousand) in 2015.

## 12.2 REPATRIATION AND TRAVEL TO HOME COUNTRY

CATIE covers the following expenses at the end of the employment agreements of international professional personnel:

Travel expenses of the employee and dependent family members to their home country according to the airfare at the time of travel.

Moving expenses of household goods up to an amount of US\$6 (thousand).

A lump sum of US\$2,750.

For this benefit, there is also a subsidiary ledger with individual accounts per employee. The benefit is paid at the end of the employment relationship to employees with two years of continuous service at CATIE. The total expense recognized in the comprehensive statement of activities was US\$41 (thousand) in 2016 and US\$164 (thousand) in 2015. On the other hand, CATIE recognized payments and adjustments for US\$23 (thousand) in 2016 and US\$203 (thousand) in 2015.

## 12.3 VACATION FOR NATIONAL STAFF

From September to December 2016, CATIE dismissed and rehired the national staff at the main campus as part of a downsizing process thereby eliminating some employee benefits; as a result of this process, all the staff had to take the accumulated vacation days before the liquidation date, so the labor liability balance from vacations as of December 31, 2016 had to be used entirely; the balance of this benefit became a debt as of December 31, 2016 because the collective vacation days were taken at the end of the year, thereby representing an account receivable from employees for US\$22 (thousand) and a labor liability for US\$232 (thousand) in 2015.

## 12.4 SEVERANCE PAY OF NATIONAL STAFF

The severance pay of the national staff is paid in accordance with the laws in each country. For the Costa Rican employees who are not members of the Employees' Association, CATIE transfers 5.33% of the monthly severance pay to SAFI Banco Popular.

For the remaining countries, CATIE monthly charges the amount of the severance pay to expenses and they are provisioned. CATIE is legally liable for this employee benefit which is recognized for each country as follows.

Country	Calculation Method
Honduras and Guatemala	Salaries earned in the last six months, or a fraction of shorter time, including overtime, salary in kind, usual bonuses, or any other salary, if any. The result is multiplied times 14 months (including 50% of the 13th and 14th month) and then divided by 12 months to obtain the average salary for the compensation.

(Continues)

Country	Calculation Method
El Salvador	One salary is recognized per each year of service or a fraction of a shorter time, with a maximum of 4 minimum salaries per year for an estimated amount of US\$251,70 in 2015, and the maximum annual compensation was US\$1,006.80.
Nicaragua	An average of the last 6 months. The amount payable is calculated by multiplying the average salary times the total years of service in terms of the number of months and the fraction of days.
Panama	Severance pay or the seniority bonus is calculated based on one week of salary per each year of service (1/52).
Dominican Republic	It is calculated by applying 9.29% to the current monthly salary and the result is multiplied times the number of months of service.

The most recent actuarial assessment of the obligation from the aforementioned benefits was conducted on December 31, 2016 by Luis Guillermo Fernández Valverde, Mathematician-Actuary, consultant, and founding member of the Costa Rican Association of Actuaries, member No.8963.

The present value of the obligation from the aforementioned benefits and the cost of the current service and past service were measured using the credit method of the foreseen Unit.

The fair value of the employee benefits according to the results of the actuarial study and the amounts of the employee benefits of CATIE as of December 31 are as follows:

Year 2016						
Benefit	Country	Local Currency (in Thousands)	Exchange Rate	Actuarial Value (in Thousands US\$)	Total CATIE (in Thousands US\$)	Difference (in Thousands US\$)
Personnel's vacation	Main campus	0	0	0	0	0
	Honduras	0	0	0	0	0
	Nicaragua	0	0	0	0	0
	Panama	0	0	0	0	0
	El Salvador	0	0	0	0	0
	International	0	0	0	0	0
	<b>Sub-total</b>				<b>0</b>	<b>0</b>
Personnel's severance pay	Costa Rica	121,320	566.90	214	34	-180
	Guatemala	1,938	7.37	263	129	-134
	Honduras	1,873	22.55	136	64	-72
	Nicaragua	0	-	0	195	195
	Panama	30	1.00	30	2	-28
	El Salvador	38	1.00	38	45	7
	<b>Sub-total</b>				<b>681</b>	<b>469</b>
Years of service and repatriation	Costa Rica	324	1.00	324	486	162
	Costa Rica	28	1.00	28	194	166
	<b>Sub-total</b>				<b>352</b>	<b>680</b>
<b>Total</b>				<b>1,033</b>	<b>1,149</b>	<b>116</b>



Year 2015						
Benefit	Country	Local Currency (in Thousands)	Exchange Rate	Actuarial Value (in Thousands US\$)	Total CATIE (in Thousands US\$)	Difference (in Thousands US\$)
Personnel's vacation	Main campus	99,866	531.94	188	232	44
	Honduras	9	22.37	0	0	0
	Nicaragua	18	27.93	1	0	-1
	Panama	0.2	1.00	0,2	0	-0,2
	El Salvador	0.1	1.00	0,1	0	-0,1
	International	1	1.00	1	0	-1
	<b>Sub-total</b>			<b>190</b>	<b>232</b>	<b>41</b>
Personnel's severance pay	Dominican R.	564	46.46	12	13	0,4
	Guatemala	1,644	7.63	215	227	12
	Honduras	1,873	22.37	84	99	15
	Nicaragua	5,158	27.93	185	184	-1
	Panama	1	1.00	1	1	0
	El Salvador	57	1.00	57	62	5
	<b>Sub-total</b>			<b>554</b>	<b>585</b>	<b>31</b>
Years of service and repatriation	Costa Rica	435	1.00	435	372	-64
	Costa Rica	206	1.00	206	288	83
	<b>Sub-total</b>			<b>641</b>	<b>660</b>	<b>19</b>
	<b>Total</b>			<b>1,385</b>	<b>1,477</b>	<b>92</b>

Reconciliation of employee benefits at December 31 is as follows:

	Year 2016	Year 2015
International personnel provision	US\$ 680	US\$ 660
Labor provisions	469	585
Vacations provisions		232
Total	<u>1,149</u>	<u>1,477</u>
Balances as actuary:		
International personnel provision	352	641
Labor provisions	681	554
Vacations provisions		190
Total	<u>1,033</u>	<u>1,385</u>
Net actuarial (gain) loss	<u>US\$ (116)</u>	<u>US\$ (92)</u>

CATIE's Management has decided not to make any accounting adjustments to the employee benefit balances.

### 13. FINANCIAL INSTRUMENTS

A summary of the main disclosures regarding CATIE's financial instruments is as follows:

### 13.1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods approved, including the recognition criteria, the measurement basis, and the basis on which income and expenses are recognized for each type of financial asset, financial liability, and capital instrument are discussed in Note 1 to the financial statements.

### 13.2 FINANCIAL INSTRUMENT CATEGORY

The classification of financial instruments is as follows:

	<b>2016</b>	<b>2015</b>
Cash and cash equivalents and investments	US\$4,328	US\$5,724
Financial assets:		
Accounts receivable	<u>1,349</u>	<u>1,510</u>
Total	<u>US\$5,677</u>	<u>US\$7,234</u>
Financial liabilities at amortized cost:		
Accounts and notes payable	<u>US\$ 933</u>	<u>US\$1,053</u>
Total	<u>US\$ 933</u>	<u>US\$1,053</u>

### 13.3 LEVERAGE RISK MANAGEMENT

CATIE manages its net asset structure to maximize funds by optimizing the fund and debt balance. The capital structure used consists of debt, cash, and funds. The leverage ratio is as follows:

	<b>2016</b>	<b>2015</b>
Loans and notes payable	US\$ 933	US\$ 1,053
Cash and cash equivalents	<u>(4,328)</u>	<u>(5,724)</u>
Available net cash	<u>US\$ (3,395)</u>	<u>US\$ (4,671)</u>
Net assets	<u>US\$13,997</u>	<u>US\$15,548</u>
Leverage ratio	<u>(24%)</u>	<u>(30%)</u>

### 13.4 EXCHANGE RATE RISK

CATIE performs transactions denominated in foreign currency, and therefore, it is exposed to the risk of exchange rate fluctuations in the quotes of these currencies regarding the US dollar, affecting its activities, financial position, and cash flows. CATIE does not have any spread agreements to mitigate such risk.

The balances of assets and liabilities denominated in foreign currencies in thousands are as follows:

	<b>2016</b>							
	<b>Colones</b>	<b>Quetzales</b>	<b>Lempiras</b>	<b>Córdobas</b>	<b>Euros</b>	<b>Belize Dollar</b>	<b>Dominican Peso</b>	<b>Bolivian Peso</b>
Assets:								
Cash and cash equivalents	¢ 18.740	Q 1,989	L 481	C\$ 166	€1,592	Bz\$ 5	RD\$46	Bs\$1
Financial investments	4.156	498						
Accounts receivable	39.675	39	12	277				
Other assets	<u>260.934</u>							
Total assets	323.505	2,526	493	443	1,592	5	46	1

(Continues)

	2016							
	Colones	Quetzales	Lempiras	Córdobas	Euros	Belize Dollar	Dominican Peso	Bolivian Peso
Liabilities:								
Accounts payable and accrued expenses	¢(136.425)	Q(1,229)	L(1,674)	C\$(7,197)	€	Bz\$(1)	RD\$	Bs
Net position (exposure) in thousand	¢ 289.220	Q 1,297	L(1,181)	C\$(6,754)	€1,592	Bz\$ 4	RD\$46	Bs\$1
	2015							
	Colones	Quetzales	Lempiras	Córdobas	Euros	Belize Dollar	Dominican Peso	Bolivian Peso
Assets:								
Cash and cash equivalents	¢ 133.659	Q 2,912	L 1,977	C\$ 296	€85	Bz\$ 3	RD\$ 112	Bs\$15
Financial investments		498						
Accounts receivable	48.374		8	4,831				
Other assets	257.171							
Total assets	439.204	3,410	1,985	5,127	85	3	112	15
Liabilities:								
Accounts payable and accrued expenses	¢(149.984)	¢(1,836)	¢(2,870)	¢(6,219)	€	Bz\$(1)	RD\$(581)	Bs
Net position (exposure) in thousand	¢ 289.220	Q 1,574	L (885)	C\$(1,092)	€85	Bz\$ 2	RD\$(469)	Bs\$15

**Foreign Exchange Sensitivity Analysis** - The following itemization shows the sensitivity to a decrease or increase in the exchange rate, 5% is the sensitivity rate used by management and represents the best estimate of a variation in the exchange rate.

**Sensitivity to an Increase / Decrease in the Exchange Rate -**

	2016							
	Colones	Quetzales	Lempiras	Córdobas	Euros	Belize Dollar	Dominican Peso	Bolivian Peso
Net position (exposure) in thousands	¢187.080	Q 1,297	L (1,181)	C\$(6,754)	€ 1,592	Bz\$ 4	RD\$ 46	Bs 1
Closing exchange rate	548.18	7.52	23.50	29.32	0.95	1.96	46.59	6.86
Net position in thousands of dollars	US\$ 341	US\$ 172	US\$ (50)	US\$ (230)	US\$1,674	US\$ 2	US\$ 1	US\$
Increase of 5% (loss) profit	US\$ 16	US\$ 8	US\$ (2)	US\$ (11)	US\$ 80	US\$	US\$	US\$
Decrease of 5% (loss) profit	US\$ (18)	US\$ (9)	US\$ 3	US\$ 12	US\$ (88)	US\$	US\$	US\$
	2015							
	Colones	Quetzales	Lempiras	Córdobas	Euros	Belize Dollar	Dominican Peso	Bolivian Peso
Net position (exposure) in thousands	¢289.220	Q 1,574	L (885)	C\$(1,092)	€ 85	Bz\$ 2	RD\$(469)	Bs 15
Closing exchange rate	531.94	7.63	21.37	27.93	0.92	1.95	46.46	6.86
Net position in thousands of dollars	US\$ 544	US\$206	US\$ (40)	US\$ (39)	US\$ 92	US\$ 1	US\$ (10)	US\$ 2
Increase of 5% (loss) profit	US\$ 26	US\$ 10	US\$ (2)	US\$ (2)	US\$ 4	US\$	US\$	US\$
Decrease of 5% (loss) profit	US\$ (29)	US\$(11)	US\$ 2	US\$ 2	US\$ (5)	US\$	US\$ 1	US\$

### 13.5 CREDIT RISK

The financial instruments subject to the credit risk mainly include cash and cash equivalents, investments and accounts receivable.

Cash and cash equivalents and investments are held in strong financial institutions and pose a minimum risk. The credit risk in the accounts receivable is deemed high because payments of member country fees entail significant political factors. CATIE monitors past-due balances.

A description of aged fees is shown in Exhibit 2 of the supplementary information.

### 13.6 LIQUIDITY RISK

The management of CATIE manages the liquidity risk by keeping adequate cash reserves. Moreover, CATIE constantly monitors its cash flows and the matched maturity analysis, which pays a timely attention to the short-term and medium-term obligations. CATIE prepares an annual budget and gives a constant follow up to the cash balances.

The foreseen recovery of financial assets as of December 31, 2016 is as follows:

Financial Assets	Effective Rate	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	More than 1 Year	Total
Interest-bearing instruments	Between 0,01% and 4% per annum	US\$4,253	US\$ 66	US\$ 9		US\$4,328
Non interest-bearing instruments		<u>91</u>	<u>558</u>	<u>700</u>		<u>1,349</u>
Total		<u>US\$4,344</u>	<u>US\$624</u>	<u>US\$709</u>	<u>US\$</u>	<u>US\$5,677</u>

The scheduled payments of the financial liabilities as of December 31, 2016 are as follows:

Financial Liabilities	Effective Rate	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	More than 1 Year	Total
Interest-bearing obligations	Between 6% and 7.75% per annum		US\$ 54	US\$ 74	US\$148	US\$276
Non interest-bearing obligations		<u>US\$200</u>	<u>280</u>	<u>177</u>		<u>657</u>
Total		<u>US\$200</u>	<u>US\$334</u>	<u>US\$251</u>	<u>US\$148</u>	<u>US\$933</u>

The foreseen recovery of financial assets as of December 31, 2015 is as follows:

Financial Assets	Effective Rate	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	More than 1 Year	Total
Interest-bearing instruments	Between 0,01% and 4% per annum	US\$5,634	US\$ 65	US\$ 25		US\$5,724
Non interest-bearing instruments		<u>232</u>	<u>258</u>	<u>302</u>	<u>US\$718</u>	<u>1,510</u>
Total		<u>US\$5,866</u>	<u>US\$323</u>	<u>US\$327</u>	<u>US\$718</u>	<u>US\$7,234</u>

The scheduled payments of the financial liabilities as of December 31, 2015 are as follows:

Financial Liabilities	Effective Rate	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	More than 1 Year	Total
Interest-bearing obligations	Between 6% and 7.75% per annum	US\$ 14	US\$ 40	US\$112	US\$281	US\$ 447
Non interest-bearing obligations		<u>310</u>	<u>80</u>	<u>216</u>	<u>      </u>	<u>606</u>
Total		<u>US\$324</u>	<u>US\$120</u>	<u>US\$328</u>	<u>US\$281</u>	<u>US\$1,053</u>

### 13.7 INTEREST RATE RISK

CATIE has loan obligations that generate fixed interest rates; therefore, it is not subject to fluctuating interest rates.

### 13.8 FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimates of the market fair value are carried out at a specific period of time and are based on relevant market information and information related to the financial instruments. These estimates do not reflect any premium or discount that might result from selling a financial instrument at a given period.

The fair value of financial instruments traded in active markets is estimated based on market price quotations on the dates of the financial statements.

The fair value of the financial instruments not traded in active markets is based on valuation techniques and assumptions based on the market conditions on the dates of the financial statements.

These estimates are subjective and, by nature, they entail uncertainty and a lot of judgment; therefore, they cannot be determined accurately. Any changes to the assumptions and criteria might affect these estimates.

The accounts receivable and payable are assets and liabilities that were not derived from determined or fixed payments and are not quoted in an active market. It is assumed that their carrying amount, less the allowance for impairment, if any, is close to their fair value.

The market value of short-term financial assets and liabilities is close to their carrying amount, mainly due to their maturity.

The methods and assumptions used by CATIE to determine the market fair value of the financial instruments are as follows:

- a. **Cash, Cash Equivalents and Temporary Investments** - The carrying amount of these assets is close to their fair value due to their current nature.
- b. **Accounts Receivable and Payable** - The carrying amount of the financial liabilities in less than one year is close to their fair value due to their short-term nature. CATIE carries out estimates for accounts receivable at their fair value.



- c. **Long-Term Debt** - The estimated fair value of loans payable is estimated based on the discounted amount of the future estimated cash flows. The loan rates are set at market values; therefore, their carrying amount is close to their fair value.

#### 14. OPERATING EXPENSES

According to their functional classification, as of December 31 expenses are detailed below:

	2016	2015
Higher Guidelines, Administrative and Finance and Strategic Services (Institutional Support)	US\$ 3,124	US\$ 3,314
Research Division (Research)	11,176	13,785
Education Division (Teaching)	3,496	4,113
Administrative and Finance Department - Commercial Component (Subsidiary Companies)	2,516	3,589
External Projection Division (Projection)	<u>8,433</u>	<u>9,698</u>
Total	<u>US\$28,745</u>	<u>US\$34,499</u>

#### 15. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

As of December 31, 2016, the following standards and interpretations had been published by the International Accounting Standard Board (IASB):

- a. **Amendments to IFRS and the New Interpretations that are Mandatory for this Year** - During this year, the Entity applied a series of new and amended IFRS issued by the International Accounting Standard Board (IASB), which are mandatory and effective for periods starting on or after January 1, 2016.
- **Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception** - The amendments clarify that the exemption from preparing financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.  
  
The application of these amendments to IFRS 10, IFRS 12, and IAS 28 has had no impact on the Entity's financial statements as the Entity is not an investment entity and does not have any holding company, subsidiary associate or joint venture that qualifies as an investment entity.
  - **Amendments to IFRS 11 - Accounting for Acquisitions or/ Interests in joint Operations** - The amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for joint operation.

Amendments to IFRS 11 must be prospectively applied to acquisitions of an interest in joint operations (where joint operation activities constitute a business as defined in IFRS 3), effective for annual periods beginning on or after January 1, 2016.

The application of these amendments to IFRS 11 has had no impact on the Entity's financial statements.

- **Amendments to IAS 1 - Disclosure Initiative** - The amendments to IAS 1 give some answer to the comments regarding the difficulties that will emerge on the application of the concept of materiality in practice.

The application of these amendments to IAS 1 has not resulted in any impact on the financial performance or financial position of the Entity.

- **Amendments to IAS 16 and IAS 38 - Clarification on Acceptable Methods of Depreciation and Amortization** - The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- When the intangible asset is expressed as a measure of revenue; or
- When it can be demonstrated that revenue and consumption of the economic benefits of the Intangible asset are highly correlated.

Amendments are retrospectively applied in the annual periods that begin on January 1, 2016. The entity currently uses the straight-line method for depreciation and amortization of property, plant, and equipment, and intangible assets, respectively. Therefore, the Entity's management does not estimate that the application of these amendments to IAS 16 and IAS 38 have important effects on the Entity's financial statements.

- **Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants** - The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The application of these amendments to IAS 16 and IAS 41 has not had any impact on the financial statements of the Entity.

- **Annual Improvements to IFRSs 2012-2014 Cycle** - The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarized below:

- The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for- distribution accounting is discontinued.
- The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.
- The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e., the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no effect on the Entity's financial statements.

- b. ***New and Revised IFRSs in Issue but not yet Effective*** - The Entity has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Standard or Interpretation	Ref.	Effective for Annual Periods Beginning on or After
IFRS 9 - <i>Financial Instruments</i>	I	January 1, 2017, with earlier application permitted
IFRS 15 - <i>Revenue from Contracts with Customers</i>	II	January 1, 2018, with earlier application permitted
IFRS 16 - <i>Leases</i>	III	January 1, 2019, with earlier application permitted
Amendments to IFRS 2 - <i>Classification and Measurement of Share-based Payment Transactions</i>	IV	January 1, 2018
Amendments to IFRS 10 and IAS 28 - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	V	Effective date has not determined yet; however, earlier application is permitted
Amendment to IAS 7 - <i>Disclosure Initiative</i>	VI	January 1, 2017, with earlier application permitted
Amendments to IAS 12 - <i>Recognition of Deferred Tax Assets for Unrealized Losses</i>	VII	January 1, 2017, with earlier application permitted

- I. **IFRS 9 - Financial Instruments** - IFRS 9 - Issued in November 2009, introduced new requirements for the classification and measurement of financial assets, IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and In November 2013 to include the new requirements for general hedge accounting, Another revised version of IFRS 9 was issued in July 2014 mainly to include: a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount Outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognized in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in

credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship", Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Entity's management anticipates that the application of IFRS 9 may have a significant impact on the reported amounts regarding the Entity's financial assets and liabilities. However, it is not feasible to provide a fair estimate of such effect until a detailed review has been completed.

- II. **IFRS 15 - Revenue from Contracts with Customers** - IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically the Standard introduces a 5-step approach to revenue recognition:

*Step 1* - Identify the contract(s) with a customer;

*Step 2* - Identify the performance obligations in the contract;

*Step 3* - Determine the transaction price;

*Step 4* - Allocate the transaction price to the performance obligations in the contract;

*Step 5* - Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.



Likewise, IFRS 15 includes guidelines to overcome specific situations. Moreover, the number of required disclosures is increased. In April 2016, the IASB issued *Clarifications to IFRS 15* in relation to the identification of performance obligations, 11 principal versus agent considerations, as well as licensing application guidance.

The Entity's management estimates that the application of IFRS 15 in the future may not have a significant effect on the reported amounts and disclosures made on the Entity's financial statements. However, it is not practicable to provide a fair estimate of such effect until the entity has made a detailed review.

- III. **IFRS 16 - Leases** - IFRS 16 was issued in January 2016 and supersedes IAS 17 "Leases" as well as the related interpretations. This new standard provides a model for the identification of most lease arrangements in the statement of financial position for lessees under one single accounting model for all models, eliminating the distinction between operating and finance leases. However, accounting for lessors remains with the distinction between both lease classifications. IFRS 16 is effective for the periods starting on January 1, 2019, with earlier application permitted for entities that have also adopted IFRS 15, Revenue from Contracts with Customers.

Under IFRS 16, lessees will recognize the right-of-use asset and the related lease liability. The "right of use" is treated as any other non-financial assets, with the corresponding depreciation, while liability bears interest. This usually results on a front-loaded expense profile (contrary to operating leases under IAS 17, where lease expenses are recognized on a straight-line basis) because straight-line depreciation leads to an overall front-loading of the expense throughout time.

Also, financial liability will be measured at present value of the minimum payments payable during the term of the lease, discounted at the interest rate implicit in the lease, provided it can be determined. If such rate cannot be determined, the lessee should use an incremental borrowing rate.

Nevertheless, a lessee can elect to account for lease payments as expense on the straight-line basis within the term of the lease, for contracts ending in 12 months or less, which do not contain purchase options (this election is made by class of asset), and for those contracts where underlying assets show a value that, when new, is not considered significant, for example, minor office equipment or personal computers (this election could be made on an individual basis for each lease agreement).

IFRS 16 provides different transition option, including full retrospective application or the cumulative catch-up approach, where amounts are not restated.

The entity is in the process of determining the potential impacts that will derive in the financial statements for the adoption of this standard, although due to the nature of its operation, a significant impact would not be expected.

- IV. **Amendments to IFRS 2 - Share-based Payment Clarify the Classification and Measurement of Share-based Payment Transactions** - Share-based Payment clarify the classification and measurement of share-based payment transactions. The amendments contain clarifications and measurements addressed to the accounting for cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. Earlier application is allowed. Amendments are to be applied prospectively. Earlier application is allowed.

The application of these amendments would not have an impact on the disclosures or amounts recognized in the financial statements of the Entity.

- V. **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** - The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be prospectively applied.

The application of these amendments to IFRS 10 and IAS 28 may not have an impact on the Entity's current financial statements.

- VI. **Amendments to IAS 7 - Statement of Cash Flows: Disclosure Initiatives** - Amendments to IAS 7, within the disclosure initiative (Amendments to IAS 7) are established with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

To achieve this objective, the IASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Earlier application is allowed.

The Entity's management expects some impact as a result of these amendments.

- VII. **Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses** - IAS 12 provides requirements on the recognition and measurement of current or deferred tax liabilities or assets. The amendments clarify the requirements on recognition of deferred tax assets for unrealized losses, to address diversity in practice.

The application of these amendments would not have an impact on the disclosures or the amounts recognized in the financial statements of the Entity.

## **16. DISBURSEMENTS SUBJECT TO APPROVAL**

Some grant agreements entered into with international organizations, detailed in Exhibit 5 of the supplementary information, stipulate that disbursements for agreed-upon programs executed with grant funds are subject to approval or rejection by those organizations, depending on compliance with the terms of each agreement.

As of December 31, 2016, CATIE's management is not aware of any amount of disbursements subject to reimbursement that have already been rejected by any donors.

## **17. CONTRACTUAL STATUS OF CATIE**

On September 12, 2000, under Law No.8028, the Costa Rican Legislative Assembly ratified the articles of incorporation of CATIE entered into among the Government of Costa Rica, the Inter-American Institute for Cooperation on Agriculture (IICA) and CATIE. The most significant terms of this Law are as follows:

- a. The Inter-American Board of Agriculture will be the highest governing body of CATIE.
- b. CATIE's members 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. 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 fees budget to CATIE's basic budget. The contribution made by IICA in 2016 and 2015 was US\$804 (thousands) and US\$948 (thousands). Each member country of CATIE will annually contribute with no less than US\$50 (thousands) to cover CATIE's expenses.
- d. The agreement will be for a 20-year term as of the effective date and may be renewed for equal consecutive terms.

CATIE's equity consists of: i) the usufruct for the entire term of the articles of incorporation, for the equity consisting of lands, buildings, equipment, and other real and personal property contributed by IICA, plus improvements thereof, ii) all assets CATIE has acquired or will acquire in the future.

- e. Upon termination of the contract, all usufruct property as well as improvements thereof, will be returned to IICA. The remaining assets will be distributed between IICA, the Government of Costa Rica, and regular active members based on contributions made.

## **18. TAXES**

Since CATIE is a not-for-profit international organization, it is exempted of any type of taxes, contributions, and national and municipal rates, whether present or future ones, as well as of any fees regarding customs, national licenses ("patentes"), and other.

## **19. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements have been approved by CATIE's management, and their issue has been authorized for March 31, 2017.

\* \* \* \* \*

**TROPICAL AGRICULTURE RESEARCH  
AND TRAINING CENTER  
(CATIE)**

**AS OF DECEMBER 31, 2016**

**SUPPLEMENTAL FINANCIAL INFORMATION**

**EXHIBIT 1:** Statement of fees of member countries and IICA.

**EXHIBIT 2:** Ageing analysis of pending fees from member countries and IICA.

**EXHIBIT 3:** Budget and execution of income by fund and source.

**EXHIBIT 4:** Budget and execution of expenses by fund and source.

**EXHIBIT 5:** Statement of financial position of agreement funds and funds in custody.

**EXHIBIT 6:** Execution of expenses by fund, division and expense purpose.



## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

## STATEMENT OF FEES OF MEMBER COUNTRIES AND IICA

YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of U.S. Dollars)

	Uncollected Fees at Beginning of Year	Fees for the Year	Fees Collected During the Year			Uncollected Fees at Year-End		
			Previous Years	For the Year	Total Collected	Previous Years	For the Year	Total
Inter-American Institute for Cooperation on Agriculture (IICA)		US\$ 804		US\$804	US\$ 804			
Regular members:								
Government of Belize	US\$ 200	50				US\$ 200	US\$ 50	US\$ 250
Government of Bolivia	570	50				570	50	620
Government of Colombia	612	50				612	50	662
Government of Costa Rica		50		50	50			
Government of El Salvador	200	50				200	50	250
Government of Guatemala	136	50	US\$136	50	186			
Government of Honduras	200	50				200	50	250
Government of Mexico		50					50	50
Government of Nicaragua	173	50	173	36	209		14	14
Government of Panama		50		50	50			
Government of Paraguay	600	50				600	50	650
Government of Dominican Republic	586	50	231		231	355	50	405
Government of Venezuela	300	50				300	50	350
Total	<u>US\$3,577</u>	<u>US\$1,454</u>	<u>US\$540</u>	<u>US\$990</u>	<u>US\$1,530</u>	<u>US\$3,037</u>	<u>US\$464</u>	<u>US\$3,501</u>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER(CATIE)****AGEING ANALYSIS OF PENDING FEES FROM MEMBER COUNTRIES AND IICA  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	<b>Years 1979 - 2008</b>	<b>Year 2009</b>	<b>Year 2010</b>	<b>Year 2011</b>	<b>Year 2012</b>	<b>Year 2013</b>	<b>Year 2014</b>	<b>Year 2015</b>	<b>Year 2016</b>	<b>Total</b>
Government of Belize					US\$ 50	US\$ 50	US\$ 50	US\$ 50	US\$ 50	US\$ 250
Government of Bolivia	US\$220	US\$ 50	US\$ 50	US\$ 50	50	50	50	50	50	620
Government of Colombia	262	50	50	50	50	50	50	50	50	662
Government of El Salvador					50	50	50	50	50	250
Government of Honduras					50	50	50	50	50	250
Government of Mexico									50	50
Government of Nicaragua									14	14
Government of Paraguay	250	50	50	50	50	50	50	50	50	650
Government of Dominican Republic	5	50	50	50	50	50	50	50	50	405
Government of Venezuela			50	50	50	50	50	50	50	350
<b>Total</b>	<b><u>US\$737</u></b>	<b><u>US\$200</u></b>	<b><u>US\$250</u></b>	<b><u>US\$250</u></b>	<b><u>US\$400</u></b>	<b><u>US\$400</u></b>	<b><u>US\$400</u></b>	<b><u>US\$400</u></b>	<b><u>US\$464</u></b>	<b><u>US\$3,501</u></b>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF INCOME BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Income Sources	Basic Fund		
	Budget	Execution	Balance
<b>MEMBER FEES AND CONTRIBUTIONS</b>			
IICA	US\$1,000	US\$ 804	US\$(196)
Member countries	<u>650</u>	<u>650</u>	<u>          </u>
Sub-total	<u>1,650</u>	<u>1,454</u>	<u>(196)</u>
<b>TRUSTS</b>			
Fundatrópicos (COSUDE)	317	365	48
Fundatrópicos (USAID)	<u>233</u>	<u>249</u>	<u>16</u>
Sub-total	<u>550</u>	<u>614</u>	<u>64</u>
<b>ADMINISTRATION &amp; FINANCE</b>			
<b>DIVISION (DAF)</b>			
Administration component			
Treasury	152	120	(32)
Recovery of taxes	35	29	(6)
Work orders (maintenance)	30	14	(16)
Recovery of general services	4	5	1
Exchange rate difference		13	13
Overhead funds in custody DAF	4	3	(1)
Other income	<u>33</u>	<u>38</u>	<u>5</u>
Sub-total	<u>258</u>	<u>222</u>	<u>(36)</u>
Commercial component			
Overhead for funds in custody commercial		11	11
Overhead for projects commercial	<u>11</u>	<u>9</u>	<u>(2)</u>
Sub-total	<u>11</u>	<u>20</u>	<u>9</u>
<b>RESEARCH &amp; DEVELOPMENT DIVISION (DID)</b>			
Institutional contribution MFA-Norway	396	396	
Overhead for projects DID	694	504	(190)
Overhead for funds in custody DID	<u>138</u>	<u>122</u>	<u>(16)</u>
Sub-total	<u>1,228</u>	<u>1,022</u>	<u>(206)</u>

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF INCOME BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Income Sources	Basic Fund		
	Budget	Execution	Balance
EDUCATION DIVISION (DE)			
Master's tuition	US\$ 442	US\$ 455	US\$ 13
PhD's tuition	47	46	(1)
Overhead for professional master degrees	81	70	(11)
Short course tuition	75	74	(1)
Exchange students	8	5	(3)
Biostatistics unit	7	8	1
Library	3	3	
Graduation fees	15	17	2
Graduation tests	<u>1</u>		<u>(1)</u>
Sub-total	<u>679</u>	<u>678</u>	<u>(1)</u>
OUTREACH DIVISION (DPE)			
Recovery of indirect costs USAID	402	443	41
Services offer and management unit	<u>404</u>	<u>295</u>	<u>(109)</u>
Sub-total	<u>806</u>	<u>738</u>	<u>(68)</u>
TOTAL	<u>US\$5,182</u>	<u>US\$4,748</u>	<u>US\$(434)</u>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF INCOME BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Income Sources	Commercial Fund		
	Budget	Execution	Balance
ADMINISTRATION & FINANCE			
DIVISION (DAF)			
Administration component:			
Transportation	US\$ 385	US\$ 290	US\$ (95)
Information technology	<u>348</u>	<u>336</u>	<u>(12)</u>
Sub-total	<u>733</u>	<u>626</u>	<u>(107)</u>
Commercial component:			
Seed orchard	55	51	(4)
Seed bank	400	315	(85)
Rooting of coffee stem cuttings	43	47	4
Lodging and hotel services	744	689	(55)
Laundry	35	29	(6)
Souvenir store	85	76	(9)
Raleigh rental	28	21	(7)
Coffee plantation	27	47	20
Sugarcane plantation	314	300	(14)
Dairy farm	613	675	62
Livestock farm	148	4	(144)
Dairy industry, breeding and replacement	42	59	17
Forest plantation	<u>13</u>	<u>27</u>	<u>14</u>
Sub-total	<u>2,547</u>	<u>2,340</u>	<u>(207)</u>
TOTAL	<u>US\$3,280</u>	<u>US\$2,996</u>	<u>US\$(314)</u>



**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF INCOME BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Income Sources	Agreement Fund		
	Budget	Execution	Balance
<b>RESEARCH &amp; DEVELOPMENT DIVISION (DID)</b>			
Research & development directorate	US\$ 410	US\$ 419	US\$ 9
Mesoamerican agro-environmental program	2,449	1,213	(1,236)
Research, development in economics and environment	1,183	831	(352)
Climate change and basins	1,121	861	(260)
Agro-forestry and sustainable agriculture	894	743	(151)
Livestock and environmental management	1,041	946	(95)
Production and conservation in forests	<u>731</u>	<u>706</u>	<u>(25)</u>
Sub-total	<u>7,829</u>	<u>5,719</u>	<u>(2,110)</u>
<b>ADMINISTRATION &amp; FINANCE DIVISION (DAF)</b>			
Commercial component			
Biotechnology laboratory	<u>99</u>	<u>119</u>	<u>20</u>
Sub-total	<u>99</u>	<u>119</u>	<u>20</u>
<b>OUTREACH DIVISION (DPE)</b>			
Outreach directorate	1,625	1,980	355
Regional climate change program	4,361	4,088	(273)
National Office Guatemala	736	515	(221)
National Office Honduras	269	140	(129)
National Office El Salvador			
National Office Nicaragua	623	899	276
National Office Panama	188	186	(2)
National Office Acre-Brazil	4		(4)
National Office Dominican R.	148	13	(135)
National Office Bolivia			
Sub-total	<u>7,954</u>	<u>7,821</u>	<u>(133)</u>
<b>MANAGED PROJECTS</b>			
National Office Guatemala	<u>79</u>	<u>75</u>	<u>(4)</u>
Sub-total	<u>79</u>	<u>75</u>	<u>(4)</u>
<b>TOTAL</b>	<u><b>US\$15,961</b></u>	<u><b>US\$13,734</b></u>	<u><b>US\$(2,227)</b></u>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF INCOME BY FUND AND SOURCE**

**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Income Sources	Funds in Custody		
	Budget	Execution	Balance
<b>ADMINISTRATION &amp; FINANCE</b>			
DIVISION (DAF)			
Administration component:			
Basic services	US\$ 7	US\$ 23	US\$ 16
Human development	3		(3)
Infrastructure	2		(2)
Concessions	33	34	1
International fair	105		(105)
Commercial component			
Botanical garden	57	47	(10)
NRDC - commercial farm	6	7	1
DCO Investment fund	18	12	(6)
Biotechnology laboratory	130	136	6
Plant genetics collections	<u>24</u>	<u>60</u>	<u>36</u>
Sub-total	<u>385</u>	<u>319</u>	<u>(66)</u>
<b>STRATEGIC SERVICES (SE)</b>			
Communication and Advocacy unit	<u>245</u>	<u>183</u>	<u>(62)</u>
Sub-total	<u>245</u>	<u>183</u>	<u>(62)</u>
<b>RESEARCH &amp; DEVELOPMENT</b>			
DIVISION (DID)			
Research & development directorate	156	134	(22)
Research, development in economics and environment	530	472	(58)
Climate change and basins	1,008	910	(98)
Agro-forestry and sustainable agriculture	425	434	9
Livestock and environmental management	300	332	32
Production and conservation in forests	<u>948</u>	<u>692</u>	<u>(256)</u>
Sub-total	<u>3,367</u>	<u>2,974</u>	<u>(393)</u>
<b>EDUCATION DIVISION (DE)</b>			
Scholarship funds	1,058	949	(109)
Scholarship funds and loans	165	87	(78)
Educational services	85	59	(26)
Master in agro-business	55	74	19
Master in sustainable tourism	84	110	26
Practical master in development	276	188	(88)

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF INCOME BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Income Sources	Funds in Custody		
	Budget	Execution	Balance
Online Education	US\$ 54	US\$ 72	US\$ 18
Training unit	996	466	(530)
Orton Library	8	4	(4)
Biometrics unit	<u>170</u>	<u>129</u>	<u>(41)</u>
Sub-total	<u>2,951</u>	<u>2,138</u>	<u>(813)</u>
OUTREACH DIVISION (DPE)			
Outreach directorate	100	10	(90)
Services offer and management unit	248	265	17
National Office - Mexico	2		(2)
National Office - Belize	12	22	10
National Office - Guatemala	186	221	35
National Office - Honduras	77	88	11
National Office - El Salvador	125	107	(18)
National Office - Nicaragua	175	57	(118)
National Office - Panama	76	57	(19)
National Office - Rep. Dominicana	40	1	(39)
National Office - Acre Brazil			
National Office - Bolivia	<u>90</u>	<u>13</u>	<u>(77)</u>
Sub-total	<u>1,131</u>	<u>841</u>	<u>(290)</u>
TOTAL	<u>8,079</u>	<u>6,455</u>	<u>(1,624)</u>
TOTAL BUDGET AND EXECUTION	<u>US\$32,504</u>	<u>US\$27,903</u>	<u>US\$(4,599)</u>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF EXPENSES BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Sources of Expenses	Basic Fund		
	Budget	Execution	Balance
TOP GUIDELINES (DSU)			
General directorate	US\$ 435	US\$ 439	US\$ (4)
General sub-directorate	108	104	4
Board of Directors	70	69	1
High Council	11	10	1
Internal audit	<u>156</u>	<u>154</u>	<u>2</u>
Sub-total	<u>780</u>	<u>776</u>	<u>4</u>
ADMINISTRATION & FINANCE			
DIVISION (DAF)			
Administration component			
Administration and finance directorate			
Finance and accounting	443	437	6
External audit	36	36	
Human development	230	239	(9)
General services and production	51	53	(2)
Surveillance services	284	292	(8)
Maintenance	231	239	(8)
Integrated waste management	11	11	
Concierge services	<u>67</u>	<u>71</u>	<u>(4)</u>
Sub-total	<u>1,353</u>	<u>1,378</u>	<u>(25)</u>
Commercial component			
Commercial Management	3	4	(1)
La Lola Farm	40	40	
Plant genetics collections	185	185	
Biotechnology laboratory	<u>27</u>	<u>27</u>	
Sub-total	<u>255</u>	<u>256</u>	<u>(1)</u>
Sub-total	<u>1,608</u>	<u>1,634</u>	<u>(26)</u>
STRATEGIC SERVICES(SE)			
Legal services	36	40	(4)
Communication and Advocacy unit	92	91	1
Development and outreach office	98	98	
Transition Process Director General	<u>45</u>	<u>45</u>	
Sub-total	<u>271</u>	<u>274</u>	<u>(3)</u>

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF EXPENSES BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Sources of Expenses	Basic Fund		
	Budget	Execution	Balance
<b>RESEARCH &amp; DEVELOPMENT DIVISION (DID)</b>			
Research & development directorate	US\$ 260	US\$ 231	US\$ 29
Research, development in economics and environment	61	61	
Climate change and basins	82	79	3
Agro-forestry and sustainable agriculture	170	170	
Livestock and environmental management	81	82	(1)
Production and conservation in forests	<u>355</u>	<u>332</u>	<u>23</u>
Sub-total	<u>1,009</u>	<u>955</u>	<u>54</u>
<b>EDUCATION DIVISION (DE)</b>			
Education directorate	302	302	
Fundatrópicos scholarships	123	122	1
Professors technical departments	201	198	3
Orton Library	184	182	2
Biostatistics unit	<u>84</u>	<u>93</u>	<u>(9)</u>
Sub-total	<u>894</u>	<u>897</u>	<u>(3)</u>
<b>OUTREACH DIVISION (DPE)</b>			
Outreach and development directorate	150	141	9
PRCC-UICN operations support	39	41	(2)
National Office - Belize	12	12	
National Office - Mexico	10	11	(1)
National Office - Guatemala	52	51	1
National Office - Honduras	48	47	1
National Office - El Salvador	45	42	3
National Office - Nicaragua	34	32	2
National Office - Dominican Rep.	23	19	4
National Office - Panama	46	45	1
National Office - Bolivia	<u>20</u>	<u>19</u>	<u>1</u>
Sub-total	<u>479</u>	<u>460</u>	<u>19</u>
<b>OTHER BUDGET ITEMS</b>			
Fee for impairment - member countries	364	133	231
Reimbursement for vacation		(219)	219
Doubtful accounts		50	(50)
Difference in Five-Year Provision			
Operating Reserve	<u>325</u>	<u>      </u>	<u>325</u>
Sub-total	<u>689</u>	<u>(36)</u>	<u>725</u>
<b>TOTAL</b>	<u>US\$5,730</u>	<u>US\$4,960</u>	<u>US\$770</u>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF EXPENSES BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Sources of Expenses	Commercial Fund		
	Budget	Execution	Balance
ADMINISTRATION & FINANCE			
DIVISION (DAF)			
Administration component:			
Information technology	US\$ 316	US\$ 281	US\$ 35
Transportation	<u>225</u>	<u>190</u>	<u>35</u>
Sub-total	<u>541</u>	<u>471</u>	<u>70</u>
Commercial component:			
Commercial directorate			
Lodging and hotel services	394	363	31
Laundry	35	31	4
Coffee plantation	124	97	27
Sugarcane plantation	398	322	76
Forest plantation	38	30	8
Livestock farm	130	10	120
Raleigh rental	3	1	2
General dairy industry	462	476	(14)
Dairy industry, breeding and replacement	69	72	(3)
Seed bank	362	376	(14)
Seed orchard	54	48	6
Rooting of coffee stem cuttings	43	46	(3)
Souvenir store	82	70	12
Investments in farms			
Sub-total	<u>2,194</u>	<u>1,942</u>	<u>252</u>
TOTAL	<u>US\$2,735</u>	<u>US\$2,413</u>	<u>US\$322</u>



**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF EXPENSES BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Sources of Expenses	Agreement Fund		
	Budget	Execution	Balance
<b>RESEARCH &amp; DEVELOPMENT DIVISION (DID)</b>			
Research & development directorate	US\$ 410	US\$ 389	US\$ 21
Mesoamerican agro-environmental program	2,449	2,099	350
Research, development in economics and environment	1,190	1,163	27
Climate change and basins	1,094	1,041	53
Agro-forestry and sustainable agriculture	912	874	38
Livestock and environmental management	1,041	1,003	38
Production and conservation in forests	<u>731</u>	<u>712</u>	<u>19</u>
Sub-total	<u>7,827</u>	<u>7,281</u>	<u>546</u>
<b>ADMINISTRATION &amp; FINANCE DIVISION (DAF)</b>			
Biotechnology laboratory	<u>99</u>	<u>99</u>	
Sub-total	<u>99</u>	<u>99</u>	
<b>OUTREACH DIVISION (DPE)</b>			
Outreach directorate	1,949	1,385	564
Regional climate change program	3,730	3,541	189
National Office Guatemala	736	726	10
National Office Honduras	276	279	(3)
National Office El Salvador	1		1
National Office Nicaragua	649	626	23
National Office Panama	165	158	7
Estado de Acre Brazil	4		4
National Office Dominican Rep.	15	13	2
Estado de Bolivia	<u>433</u>	<u>408</u>	<u>25</u>
Sub-total	<u>7,958</u>	<u>7,136</u>	<u>822</u>
<b>MANAGED PROJECTS</b>			
National Office Guatemala	<u>79</u>	<u>73</u>	<u>6</u>
Sub-total	<u>79</u>	<u>73</u>	<u>6</u>
<b>TOTAL</b>	<u>US\$15,963</u>	<u>US\$14,589</u>	<u>US\$1,374</u>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF EXPENSES BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Sources of Expenses	Funds in Custody		
	Budget	Execution	Balance
<b>ADMINISTRATION &amp; FINANCE</b>			
DIVISION (DAF)			
Administration component:			
Basic services	US\$ 7	US\$ 5	US\$ 2
Human development	3	2	1
Infrastructure	2		2
Concessions	33	31	2
International fair	<u>105</u>	<u>7</u>	<u>98</u>
Sub-total	<u>150</u>	<u>45</u>	<u>105</u>
Commercial component:			
Botanical garden	57	27	30
NRDC commercial farm	6	1	5
DCO Investment fund	18	4	14
Biotechnology laboratory	130	118	12
Plant genetics collections	<u>24</u>	<u>28</u>	<u>(4)</u>
Sub-total	<u>235</u>	<u>178</u>	<u>57</u>
<b>STRATEGIC SERVICES(SE)</b>			
Communication and Advocacy unit	<u>245</u>	<u>214</u>	<u>31</u>
Sub-total	<u>245</u>	<u>214</u>	<u>31</u>
<b>RESEARCH &amp; DEVELOPMENT</b>			
DIVISION (DID)			
Research & development directorate	156	133	23
Research, development in economics and environment	530	534	(4)
Climate change and basins	1,008	933	75
Agro-forestry and sustainable agriculture	425	426	(1)
Livestock and environmental management	300	295	5
Production and conservation in forests	<u>948</u>	<u>864</u>	<u>84</u>
Sub-total	<u>3,367</u>	<u>3,185</u>	<u>182</u>

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**BUDGET AND EXECUTION OF EXPENSES BY FUND AND SOURCE**  
**YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Sources of Expenses	Funds in Custody		
	Budget	Execution	Balance
<b>EDUCATION DIVISION (DE)</b>			
Scholarship funds	US\$ 1,204	US\$ 1,149	US\$ 55
Scholarship funds and loans	165	154	11
Educational services	83	86	(3)
Master in agro-business	90	87	3
Master in sustainable tourism	85	73	12
Practical master in development	296	271	25
Training unit	756	534	222
Online education	83	45	38
Orton Library	8	5	3
Biostatistics unit	<u>182</u>	<u>195</u>	<u>(13)</u>
Sub-total	<u>2,952</u>	<u>2,599</u>	<u>353</u>
<b>OUTREACH DIVISION (DPE)</b>			
Outreach directorate and Revolving Fund	100	19	81
Services offer and management unit	248	213	35
National Office - Mexico	12	13	(1)
National Office - Belize	2	2	
National Office - Guatemala	186	173	13
National Office - Honduras	77	66	11
National Office - El Salvador	126	85	41
National Office - Nicaragua	175	101	74
National Office - Panama	76	28	48
National Office - Dominican Rep.	40		40
National Office - Estado Acre Brazil			
National Office - Bolivia	<u>90</u>	<u>68</u>	<u>22</u>
Sub-total	<u>1,132</u>	<u>768</u>	<u>364</u>
<b>TOTAL</b>	<u>8,081</u>	<u>6,989</u>	<u>1,092</u>
<b>TOTAL BUDGET AND EXECUTION</b>	<u>US\$32,509</u>	<u>US\$28,951</u>	<u>US\$3,558</u>

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**  
(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
1	Word Cocoa Fundation	"Selection and Generation of Moniliasis-Resistant Cacao Genotypes and Maintenance and Conservation of the International Cacao Collection"		US\$ 1				US\$ 1		
2	Word Cocoa Fundation	Selection and generation of moniliasis-resistant cacao genotypes and maintenance and conservation of the internation cacao collection					US\$ 45	45		
3	National Autonomous Institute for Agricultural Research	INIAP Specific Technical Cooperation Agreement		29			24	37	US\$ 16	
4	The Center for International Forestry Research	FOREST, AGROFORESTRY PROGRAM (FTA)					148	197	US\$ 49	
5	Inter-American Development Bank (IADB)	Responses and adaptation of coffee to the climate change in Central America (FONTAGRO-CAFADAP)		46	US\$ 56	US\$ 10				
6	Inter-American Development Bank (IADB)	Developing competitive livestock systems with low greenhouse gas emissions in Central America. FONTAGRO FTG/RF-14652-RF Project	US\$ 3			1	98	73		23
7	Inter-American Development Bank (IADB)	Project for the protection of traditional ecological knowledge of indigenous peoples in the border between Honduras and Guatemala ATN/OC14754-RG		147				84		63
8	Inter-American Development Bank (IADB)	Technological Transfer Networks and Mechanisms Relating to Climate Change in Latin America and the Caribbean. No. ATN/FM-14836-RG		277	4			266		7
9	Regional Agricultural Technology Fund	Letter of agreement to conduct the Workshop on methodologies for research on meat and milk production systems adapted to the climate change (April 25 -May 06, 2016)					80	80		
10	INTER-AMERICAN DEVELOPMENT BANK	INNOVATIONS TO PROMOTE THE ADAPTATION TO THE CLIMATE CHANGE OF THE AGRICULTURAL AND LIVESTOCK PRODUCTION SYSTEMS IN LATINA AMERICA AND THE CARIBBEAN					31	3		28
11	Centre de Cooperation Internationale en Recherche Agronomique pour le Developpement	Agreement between the Centre de Cooperation Internationale en Recherche Agronomique pour le Developpement (CIRAD) and the Tropical Agriculture Research and Training Center (CATIE)		33			57	54		36

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**  
(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
12	Centre de Cooperation Internationale en Recherche Agronomique pour le Developpement	Enhancing Adaptation and Resilience to Drought in Dry Tropical Social-Ecological Systems (Investigación y Gestión de Colaboración)	US\$ 20			US\$ 5	US\$ 51	US\$ 74	US\$ 38	
13	CENTRE DE COOPERATION INTERNATIONALE EN RECHERCHE AGRONOMIQUE POUR LE DEVELOPPEMENT	CIRAD - PERSYST DEPARTMENT								1
14	International Centre for Tropical Agriculture	CIAT - CATIE AGREEMENT, Competitive meat and dairy through sustainable intensification and access to niche markets in Nicaragua. C-069-14	11				15	2		US\$ 2
15	International Centre for Tropical Agriculture	Development of CCAFS Baseline (BL) Study in two Central American sites (Tripoint and Central Nicaragua). CCAFS C-120-14	26				26			
16	International Centre for Tropical Agriculture	Partner Sub-Agreement CCAFS (Climate Change, Agriculture, and Food Security _International Centre for Tropical Agriculture (CIAT) C-061-15	12		US\$ 30	30	100	97	9	
17	International Centre for Tropical Agriculture	PARTNER SUB-AGREEMENT CCAFS (CLIMATE CHANGE, AGRICULTURE, AND FOOD SECURITY_CCAFS LIVESTOCK + Ref: C-093-15	38				67	13		16
18	Swiss Agency for Development and Cooperation	Unit for Technical Assistance to Water Harvest Project in Nicaragua		US\$ 680		1	800	562		919
19	Swiss Agency for Development and Cooperation	Promotion adoption of Moringa sp. As an alternative to improve poor farmer live in the Northern dry corridor of Nicaragua. 7F-08758.01		29			60	47		42
20	Food and Agriculture Organization of the United Nations	Climatic Intelligent Agro-Forestry for the Dry Corridor of Central America, Kuxur Rum and Quesungal in Guatemala and Honduras	5				25	35	15	
21	FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS	Assessment of contribution of sustainable forest management to socioeconomic feasibility of REDD+ strategies in Latin America. FAO-CATIE					30	10		20
22	Centre for Agricultural Bioscience International	CABI-PLANTWISE		5			85	85		5
23	German Technical Cooperation Agency(GIZ)	Support to agricultural genebanks Contract 81181611								

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
24	German Technical Cooperation Agreement	CLIFOR Program, PN 11.2163.1-004.00 028/15 /2016/83231879					US\$ 49	US\$ 10		US\$ 39
25	Bioversity International	BIOVERSITY INTERNATIONAL LOA 2013-04 (Convenio Administrativo BIOVERSITY/CATIE para el año 2013) (LoA 2014/10 Adendum		US\$ 6			127	116		17
26	Bioversity International	Integrating approaches for enhancing productivity and Fusarium wilt management in banana Gros Michel (LOA213/52)	US\$ 8				41	42	US\$ 9	
27	Bioversity International	Forestry to enhance the livelihoods and sustain forests in Mesoamerica: How institutional arrangements and value chains affect benefits and resources (LOA:14/006)				12	30	26		16
28	International Plant Genetic Resources Institute	"Assessing the state of art products agro-climatic information in Central America" LoA CCAFS 2014/87	1				33	35	3	
29	Bioversity International	Integration of approaches to improving plant health and Fusarium wilt management in bananas Gros Michel, LOA 2014/51					7	12		
30	Bioversity International	Design and baseline of randomized control trials on crowdsourcing crop improvement in Prueba3 project LOA 2015/76 CATIE/IDEA					1	48	38	11
31	Bioversity International	Systematic comparison of different approaches to a participative assessment of annual crop varieties for climate adaptation (LOA 2015/73 CATIE-MAP)					1	119	95	25
32	BIOVERSITY INTERNATIONAL	Support in creating robust climate information systems on climate and food security in Guatemala	5				47	56	14	
33	United Nations Office for Project Services	Support to the Community Base REDD - Capacity Strengthening					36	16		20
34	United Nations Environment Programme	Acuerdo de financiación a pequeña escala SSFA/REDD-004/2016					84	84		
35	UNITED NATIONS DEVELOPMENT PROGRAMME	Sustainable Forest Management Project and Multiple Global Environmental Benefits					98	78		20
36	Costa Rican Electricity Institute	SERVICE TO ESTABLISH THE MANAGEMENT PLAN FOR THE RIVER COMPENSATION PROJECT FOR PARISMINA RIVER AND DOS NOVILLOS RIVER					3	3		

(Continues)



**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**  
(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016					
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor				
37	Institut de Recherche pour le Developpement	MACACC (Agreemente N° AIRD-13-AGRO-0005-09)		US\$ 25				US\$ 14		US\$ 11				
38	European Union	Strengthened local capacities for the productive development of community forestry and assessment of forest goods and services (DCI-ALA/2014/338-885)				100			131	US\$ 31				
39	European Union	Coastal Area Management - Call "WATERCLIMA LAC" DCI- ENV/2014/350-470				613	US\$ 38	US\$ 88	US\$ 1,456	569	1,550			
40	United Nations Office for Project Services	EcoAdapt Strategies based on ecosystems and innovation in the water management networks to adapt to climate change in the landscapes of Latin America Agreement N° 283163	US\$ 65			10			75					
41	United States Department of Agriculture	Cocoa Disease Resistance "Genetic and Phenotypic Evaluation of Basic Germoplasm, Mapping Populations advanced Full Sib Famillest and Selected Clones of Theobroma Cacao"								46				
42	United States Department of Agriculture	Commercialization of F1 Coffee Hybrid Plant Production Program		19					119	100				
43	International Centre for Tropical Agriculture	Partner Sub-Agreement CCAFS (Climate Change, Agriculture, and Food Security _International Centre for Tropical Agriculture Tropical (CIAT) C-061-15		4					14	10				
44	United States Department of Agriculture	"Evaluation of Improved Cacao (Theobroma cacao) Materials for Agronomic Performance, Reaction to Diseases and Uptake of Cadmium"							10	50	5			
45	United States Department of Agriculture	Low Emissions Cattle Farming /USDA Low Emission Livestock							324	375	51			
46	UNITED STATES DEPARTMENT OF AGRICULTURE	Development of Clones of Theobroma cacao With Resistance to Frosty Pod and Black Pod Using Genomics- assisted Breeding Methodology AGREEMENT 58-6038-6- 009-F							74	55	19			
47	United States Agency for International Development	USAID Regional Climate Change Program RCCP N° 596- 12-000001							130	3	8	4,088	4,130	93
48	United States Agency for International Development	USAID / PROMIEL Strengthened capacities of business organizations of honey producers to foster their business performance, effective interaction in the value chain and the intra-regional trade of their products							38			124	86	

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
49	United States Agency for International Development	Regional alliance to foster quality, value added and the access to the cocoa market in small-producer organizations in Nicaragua, Honduras and El Salvador (ALIARSE)	US\$ 24				US\$ 70	US\$ 46		
50	United States Agency for International Development	Climate-Smart territories as management approach for design, implementation, monitoring and evaluation of climate change projects in Peru		US\$ 55			318	408	US\$ 35	
51	Inter-American Institute for Cooperation on Agriculture	IICA CONSULTANCY								
52	Inter-American Development Bank (IADB)	Technical support to prepare the Eco-Systemic Service Sustainable Management Project: A model for the conservation and sustainable use of the biodiversity of land landscapes (ATN/FM-13485-CR)								
53	University of Gothenburg	Gothenburg EFD FASE II					265	240	US\$ 25	
54	University of Gothenburg	EFD-COMMONS		15				15		
55	United Nations Environment Programme	Climate Technology Centre and Network (SSFA/2013/NFL-5070-2H55-1111-220100)								
56	United Nations Environment Programme	Livestock and Manure Management Component of the Agricultural Initiative of the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC)		3				3		
57	United Nations Environment Programme	Joint UNEP-UNIDO Programme to host and manage the climate Technology Centre and Network Ref., DTIE 14-EN039		17	US\$ 3		140	154		
58	United Nations Environment Programme	Joint UNEP-UNIDO Programme to host and Manage the Climate Technology Centre and Network (CTCN)		51			85	50	86	
59	United Nations Environment Programme	Climate and Clean Air Coalition to Reduce Short Lived Climate Pollutants: achieving SLCP emissions reductions and co-benefits from improved manure management in the livestock sector	19				67	72	24	
60	United Nations Environment Programme	Roadmap to Nationally Appropriate Mitigation Action in Livestock Sector of Honduras and Nicaragua UNEP - NCF4		27				96	69	

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
61	United Nations Environment Programme	Joint UNEP-UNIDO Programme to host and manage the Climate Technology Centre and Network (CTCN) Reference number: DTIE15-EN0104	US\$ 8			US\$ 6				US\$ 2
62	Royal Norwegian Embassy	MESOAMERICAN AGROENVIRONMENTAL PROGRAMME (MAP Norway) Second Phase		US\$1,281				US\$ 1,213	US\$ 2,099	US\$ 395
63	Royal Norwegian Embassy	Knowledge management to innovate sustainable rural development in Guatemala: Strengthening family agriculture and peasant economy.GTM-2707-13/0006		258		2		183	444	1
64	Regional Research Network and Plantain and Banana Development for Latin America and the Caribbean	MUSALAC		14						14
65	US Forest Service	US-Fish- Assessing conservation of mahogany and other forest species		4					4	
66	Fish Wildlife Service	Biodiversity conservation and sustainable cattle production		6					6	
67	Ministry for Foreign Affairs of Finland	FINNFOR II-CATIE/MAP		29	US\$ 2				27	
68	Nestle Ltd.	Genetic Improvement of Cocoa Varieties		51					51	
69	Fundación para la Conservación en Guatemala	Territorial Co-Management for the Conservation and Sustainable Management of the Volcanic Complex of Acatenango-Fuego						78	41	37
70	International Development Research Center	Adaptation of climate change of community water providers in Central America. (AC3) Project Number: 107083-001		100					100	
71	International Development Research Center (IDRC)	To manage the implementation of the "Catalyzing Open and Collaborative Science to Address Global Development Challenges (OCSDNet)"		2				18	22	2
72	International Development Research Center	Using an Environmental Economics Perspective to Influence Policies in Latin America and the Caribbean / Centre File 107959-001 (LACEEP Phase IV)		816					297	519
73	STATE OF ACRE-BRAZIL	State of Acre		7						7
74	World Agroforestry Centre	ICRAF-CATIE		14				19	24	9
75	World Agroforestry Centre	Field sampling in 2013 in the Nicaraguan-Honduran Sentinel Landscape (ICRAF CATIE CRP6-SL-2013-1)								

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
76	Foundation for the Conservation of Natural Resources	Consultancy "Creating a comprehensive incentive model for environmental services to promote environmental conservation and recovery and to increase small-producer income"					US\$ 50	US\$ 46	US\$ 4	
77	Foundation for the Conservation of Natural Resources	Implementation of the concerted business plan for the commercialization of coffee in the sub-basins of Ciri and Trinidad					55	49		6
78	The Nature Conservancy	Adaptation Chiapas TNC/CATIE Promoting the adaptation to agro forest pasture systems and other alternative production systems (SPA), resulting in improved livelihoods, resilience to climate change, and conservation of natural resources, in the State of Chiapas.		US\$ 2				2		
79	Conservación Internacional	CI-ECOSYSTEM-BASED ADAPTATION		56			139	180		15
80	Forever Costa Rica	ACUIFEROS DE POCOCÍ, SISTEMA ACUÁTICO CAÑO NEGRO Y RIO NARANJO SAVEGRE	US\$ 33					14	US\$ 47	
81	Forever Costa Rica	Development of ecological integrity indicators and their respective monitoring protocols at a local level for inland waters and land areas in 32 wildlife protection areas of Costa Rica								57
82	Korea Forest Research Institute	KFRI-IDEA-Payments Ecosystem Program					94	85		22
83	National Biodiversity Institute (INBio)	Debt-for-Nature Swaps, USA - CR (Donation 017-2012-01-10)							3	1
84	Debt-for-Nature Swap USA	AGREEMENT TO RECEIVE DONATION 038-2014-02-010203040506/CATIE-INBIO. Design of a monitoring system for Fund of the First Debt-for-Nature Swap USA-CR. TC 528.94						52	68	16
85	National Biodiversity Institute (INBio)	Strengthening the community management of rural pipelines in areas of influence and connectivity for the Aquifers of Guácimo-Pococí, Priority Area Tortuguero						26	10	16
86	Ministry of the Environment and Natural Resources of Guatemala	Master Plan of National Park L YAXHA-NAKUM-NARANJO				3	7	US\$ 4		
87	EPTISA SERVICIOS DE INGENIERIA S L	PROGRAM ON THE INSTITUTIONAL STRENGTHENING OF DEVELOPMENT POLICIES OF NICARAGUA (POFI)	21					39	16	2
88	Colombian Federation of Livestock	Consultancy FEDEGAN (Donation Agreement TF096465)	3					3		

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
89	The Center for International Forestry Research	Forest Trees and Agroforestry Program (FTA)	US\$ 52					US\$ 52		
90	Quality Institute	Strengthening of national capacities for implementation of the International Treaty on Plant Genetic Resources for Food and Agriculture in Guatemala		US\$ 14				116	US\$ 128	US\$ 2
91	Texas A&M Agrilife Research	Sub-recipient agreement between Texas A&M Agrilife Research and CATIE	47					47		
92	Texas A&M Agrilife Research	Revitalizing the Central American Coffee Sector (Sub-recipient Agreement N° 06-S140670)	11					26	17	US\$ 2
93	Save the Children Federation, Inc.	Program of Integrated Actions on Food Security and Nutrition in the Western Highlands (PAISANO)	11							11
94	National Center for Agricultural and Forestry Technology	Strengthening of Family Agriculture applying Sustainable Technology to Climate Change in El Salvador	68			US\$ 3				65
95	The World Vegetable Center	Production and Evaluation of Vegetables Tripoint		46	US\$ 18				28	
96	Ministry of Foreign Affairs and Trade New Zealand Embassy	Improving Financial Management in Forest Pasture Livestock Farms in Mesoamerica		14					14	
97	US Forest Service	5 Central America Regional Capacity-Building Workshops		23	23					
98	National System of Conservation Areas of the Ministry of Environment and Energy	Development of a management plan for Barranca River N° 2014 000027 00	8					26	18	
99	National System of Conservation Areas of the Ministry of Environment and Energy	Develop a Comprehensive Water Resource Management Plan considering as a case study the basin of Arenal River to achieve a comprehensive management of the watershed. Consulting service agreement between CATIE and SINAC, Contract number PTS-117-SBCC-CF-117		13				64	79	2
100	National System of Conservation Areas of the Ministry of Environment and Energy	Consultancy for Training Local Stakeholders interested in providing non-essential services and developing productive linkages regarding tourism in the Protected Wildlife Areas of the National System of Conservation Areas						100	100	
101	National System of Conservation Areas of the Ministry of Environment and Energy	Training of Municipal Officers within the Framework in the Project for Strengthening Tourism in Protected Wildlife Areas Ref PTS-145-SCC-CF-145						98	98	

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
102	Secretariat General of the Central American Integration System	Design of FMAM Project: Cross-Border Integrated Management with an approach to the watershed to the Mesoamerica Reef		US\$ 1			US\$ 1			
103	British Embassy	Evidence based decision making: Nationally Appropriate Mitigation Actions (NAMA) for the livestock sector of Costa Rica	US\$ 40				US\$ 117	77		
104	Energy, Natural Resources, Environment and Mining Secretariat	GEF HONDURAS PROJECT Delivering Multiple Environmental Benefits through the sustainable management of productive landscapes		33			82	115		
105	Rural Development Administration	RURAL DEVELOPMENT ADMINISTRATION (RDA) OF THE REPUBLIC OF KOREA		50	US\$ 3		55	50	US\$ 52	
106	LUXEMBOURG Agency for Development Cooperation	Addendum 1. Framework Agreement of Technical Cooperation MAE/013-15 1006 entered into by and between LuxDev and CATIE		41			224	199		66
107	Ministry of the Environment of Haiti	Carbon support program No. GRT / FM-11803-HA y TSO / HR-13930- HA HA pouexecuter FMAM-BID Macaya Project on the protection of the upper part of the water basin of Macaya Park, hereinafter "the Project"		4			98	89		13
108	World Resources Institute	Supporting Initiative 20 by 20: A country-led effort to bring Restoring 20 million hectares of degraded lands in Latin America and the Carib-bean into restoration by 2020. Project number 15_III_072_Lateinamerika_A_Initiative 20 by 20					166	147		19
109	Ministry for Foreign Affairs of Finland	Forest and Forest Management in Central America /CATIE -MAP-FINNFOR					45	47	US\$ 2	
110	Energy, Natural Resources, Environment and Mining Secretariat	Nº 16_III_080_Central America_A_Developing sec-ondary forest					91	54		37
111	Citibank International Limited, Luxembourg Branch	Finance in Motion GmbH /Market Opportunities Studies and Environmental and Social Country Risk Assessments					33	35	2	
112	Westfaelische Wihelms-Universitaet	Consortium Agreement for the project: "Green Transformations in the global South (GreeTS): opening the black-box of a pro-active state and management of sustainability trade-offs in Costa Rica and Vietnam"					91	58		33
113	Fundecooperación para el Desarrollo Sostenible	Implementing lessons: Improving the capacities of the inhabitants of Nicoya Peninsula to face the impacts of climate change on water resources (Nº 051-14)					20	14		6

(Continues)



**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF AGREEMENT FUNDS  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Name of Donor	Name of Project	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
			Debtor	Creditor	Debtor	Creditor	Debtor	Creditor	Debtor	Creditor
114	Fundecooperación para el Desarrollo Sostenible	"Technical-financial proposal to study effective practices for the adaptation of priority crops in Costa Rica" CODE (116-14)					US\$ 20	US\$ 19	US\$	1
115	World Coffee Research	WORLD COFFEE RESEARCH 16203					100	138	US\$ 38	
116	Inter-American Institute for Cooperation on Agriculture	Consultancy: Strengthening the capacities of the consortia of local stakeholders to manage and participate in productive linkages prioritized by región. IICA-CRIA-011-2016					108	108		
117	Inter-American Institute for Cooperation on Agriculture	Agreement to delegate the implementation of regional research and agricultural extensión actions within the framework of the Comprehensive Coffee Rust Management Program						10	10	
118	Global Green Growth Institute	GGGI_CONSULTING SERVICES_LPH-2016-0130					126	116		10
119	SwedBio/Stockholm Resilience	Support for the consolidation of a Latin American course on governance, decision analysis and leadership to move from knowledge to action in adaptation and mitigation initiatives					59	58		1
120	Minister of Higher Education on Science and Technology	Financial technological alternatives for the renewal, rehabilitation, and promotion of coffee plantations in the Dominican Republic					13	13		
121	Korea Rural Economic Institute	INTEGRATED SILVOPASTORAL APPROACHES FOR ECOSYSTEM MANAGEMENT					25	18		7
122	FEDERAL MINISTRY FOR THE ENVIRONMENT, NATURE CONSERVATION, BUILDING AND NUCLEAR SAFETY	International Climate Initiative (IKI) Scaling up Biodiversity Conservation through Climatesmart Agrosilvopastoral Practices in Landscapes dominated by Cattle-raising Systems in Three Regions of Mexico						4	4	
	Sub-total Projects		<u>US\$600</u>	<u>US\$5,404</u>	<u>US\$206</u>	<u>US\$161</u>	<u>13,658</u>	<u>14,514</u>	<u>557</u>	<u>4,460</u>
123	Food and Agriculture Organization of the United Nations (FAO)	FAO - Institutional Strengthening		18			73	75		16
124	National Commission of Protected Areas	CONAP / Netherlands		2						2
125	Ministry of Agriculture and Livestock (MAGA)	MAGA AGREEMENT 89-2007		101			3			104
	Sub-total Managed Projects			<u>121</u>			<u>76</u>	<u>75</u>		<u>122</u>
	Total Agreements		<u>US\$600</u>	<u>US\$5,525</u>	<u>US\$206</u>	<u>US\$161</u>	<u>US\$13,734</u>	<u>US\$14,589</u>	<u>US\$557</u>	<u>US\$4,582</u>

(Concludes)

## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

STATEMENT OF FINANCIAL POSITION OF FUNDS IN CUSTODY  
YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of U.S. Dollars)

	Name of Cost Center	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
		Debtor	Creditor	Debits	Credits	Income	Expenses	Debtor	Creditor
1	USAID-Scholarships PRCC		US\$ 182				US\$ 171		US\$ 11
2	Livestock and Environmental Management		75	US\$ 4		US\$ 332	295		108
3	Global Change and Basin Program	US\$ 11		6	US\$ 36	627	613		33
4	Research in Development, Economics and Environment		64			308	317		55
5	Concessions					34	31		3
6	Soil Laboratory		36			22	29		29
7	National Technical Office - Panama	10				57	28		19
8	National Technical Office - Bolivia		85	45		13	68	US\$ 15	
9	Occupational Health						2	2	
10	CATIE International Fair	10					7	17	
11	Training Units	62			143	466	534		13
12	Textbooks and Materials		20			25	43		2
13	Student Life		1			12	13		
14	DAAD Scholarships					40	40		
15	MAG Costa Rica Scholarships					42	27		15
16	National Technical Office - El Salvador	40		4	20	108	85	1	
17	Agriculture and Agro-forestry		37			27	50		14
18	National Technical Office - Nicaragua	2				57	101	46	
19	Integrated Management of Watersheds	31		2		127	151	57	
20	Learning Alliance DER-CA		84			123	163		44
21	Central America Forestry Journal					7	1		6
22	Cacaocultura Latinoamericana		12		18	181	173		38
23	Grupo Café, Profitability and Diversity	24				41	47	30	
24	Commercial Cocoa		7			141	125		23

(Continues)

## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

STATEMENT OF FINANCIAL POSITION OF FUNDS IN CUSTODY  
YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of U.S. Dollars)

Nombre del Centro de Costo	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
	Debtor	Creditor	Debits	Credits	Income	Expenses	Debtor	Creditor
25 NRDC Commercial Farm		US\$ 4			US\$ 7	US\$ 1		US\$ 10
26 Basic Services					23	5		18
27 National Technical Office - Guatemala		12	US\$ 4	US\$ 8	221	173		64
28 Botanical Garden	US\$ 20				47	27		
29 Agro-forestry Advice						2	US\$ 2	
30 Agro-forestry Advice		3				2		1
31 National Technical Office - Honduras	50			25	88	66	3	
32 National Technical Office - Honduras		5	1		4	5		3
33 Café Bonilla Essay		5			39	43		1
34 Communication and Advocacy unit		30			183	214	1	
35 Fundraising - Isabel Gutiérrez					18	18		
36 Outreach and Development Directorate		57	48		10	19		
37 Revolving Fund -Outreach and Development		99	99	1				1
38 Scholarships - CONACYT		2			163	165		
39 Scholarships - World Bank		6			9	15		
40 OAS Scholarships		22			42	51		13
41 Online Education		34			72	45		61
42 Biometrics unit		89		2	129	195		25
43 Scholarships IGERT		5			18	8		15
44 Student Trust for Medical Emergencies		18			1	5		14
45 Student Trust for Medical Emergencies					2	2		
46 Loan Scholarship		305	120		73	154		104
47 Scholarships for Donation		15			34	26		23
48 IADB Scholarships		4			73	76		1
49 Scholarships Students		26			134	152		8
50 Scholarships SENACYT / FUNDACYT		56			21	26		51

(Continues)

## TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)

STATEMENT OF FINANCIAL POSITION OF FUNDS IN CUSTODY  
YEAR ENDED DECEMBER 31, 2016

(Expressed in Thousands of U.S. Dollars)

Name of Cost Center	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
	Debtor	Creditor	Debits	Credits	Income	Expenses	Debtor	Creditor
51 Vanessa Sequeira Scholarship Fund		US\$ 48				US\$ 5		US\$ 43
52 Master in agro-business CATIE - INCAE		26			US\$ 74	87		13
53 IICA - Academic Legacy H. Wallace		108			366	360		114
54 Mercedes Montero Scholarships		13				13		
55 Investment Fund DCO		6			12	4		14
56 Investment Fund - Education Division	US\$ 18				110	73		19
57 Operating Biotech	361				136	118	US\$343	
58 Commercial Hybrids	253						253	
59 National Technical Office - Belize		3				2		1
60 National Technical Office - Mexico		2			22	13		11
61 Services offer and management unit		8	US\$ 4	US\$140	265	213		196
62 Laboratories/ DCO	83						83	
63 Chair for Agro-ecology and Agro Biodiversity		4			31	36	1	
64 Fundraising - Plant genetics collections	20				60	28		12
65 M. Podovan Doctoral Scholarship					4	3		1
66 School Accreditation and Quality		5			1	6		
67 Zaira Ramos Doctoral Scholarship		5			2	6		1
68 Mariela Leandro Scholarships		7				6		1
69 Practical master in development		100			188	271		17
70 National Technical Office - Dominican Rep.	7			7	1			1
71 Commercial Directorate	73						73	
72 Álvaro Umaña Fundraising	36			1	41	54	48	
73 MFA - Norway MAP TC Tripoint		166	30	30	85	52		199
74 National Technical Office - Acre Brazil								

(Continues)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)**

**STATEMENT OF FINANCIAL POSITION OF FUNDS IN CUSTODY  
YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

Name of Cost Center	Balances as of December 31, 2015		Adjustments to Previous Periods		Movements of the Year		Balances as of December 31, 2016	
	Debtor	Creditor	Debits	Credits	Income	Expenses	Debtor	Creditor
75 Chair for Environmental Decisions		US\$ 5		US\$ 10	US\$ 157	US\$ 169		US\$ 3
76 OSF Scholarships								
77 Educational Fund Seed Capital		65			14			79
78 University of Bangor		1						1
79 Wallace Conference			US\$ 2	26				26
80 Course on Diversified Forest Management	US\$ 50	414	24		685	861		164
Total Custody	<u>US\$1,161</u>	<u>US\$2,386</u>	<u>US\$393</u>	<u>US\$467</u>	<u>US\$6,455</u>	<u>US\$6,989</u>	<u>US\$975</u>	<u>US\$1,740</u>

(Concludes)

**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)****EXECUTION OF EXPENSES BY FUND, DIVISION AND EXPENSE PURPOSE****YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Staff	Travel and Per Diem	Communication and Printing	Maintenance of Equipment and Buildings	General Expenses	Training and Scholarships	Investment in Equipment and Infrastructure	Consumables and Specific Costs	Cooperation Agreements - Members	Institutional Support and Overhead	Total
Basic Activity Fund:											
Top Guidelines:	US\$ 613	US\$ 103	US\$ 21		US\$ 40						US\$ 777
Administrative and Finance Division:											
Administration component	1,223	11	34	US\$ 32	107	US\$ 1		US\$ 21			1,429
Commercial component	233		4		17			1			255
Strategic Services	171	7	4	6	25	34		27			274
Research and Development Division	864	5	20	3	61	2		1			956
Education Division	666	7	50	7	48	120					898
Outreach Division	383	9	7	1	56	1					457
Other budget items	<u>(219)</u>				<u>133</u>						<u>(86)</u>
Sub-total Basic Activities	<u>3,934</u>	<u>142</u>	<u>140</u>	<u>49</u>	<u>487</u>	<u>158</u>		<u>53</u>			<u>4,960</u>
Commercial Activity Fund:											
Administration & Finance Division:											
Administration component	346	12	20	45	49						472
Commercial component	<u>806</u>	<u>11</u>	<u>22</u>	<u>137</u>	<u>178</u>	<u>2</u>		<u>785</u>			<u>1,941</u>
Sub-total Commercial Activities	<u>1,152</u>	<u>23</u>	<u>42</u>	<u>182</u>	<u>227</u>	<u>2</u>		<u>785</u>			<u>2,413</u>

(Continues)



**TROPICAL AGRICULTURE RESEARCH AND TRAINING CENTER (CATIE)****EXECUTION OF EXPENSES BY FUND, DIVISION AND EXPENSE PURPOSE****YEAR ENDED DECEMBER 31, 2016**

(Expressed in Thousands of U.S. Dollars)

	Staff	Travel and Per Diem	Communication and Printing	Maintenance of Equipment and Buildings	General Expenses	Training and Scholarships	Investment in Equipment and Infrastructure	Consumables and Specific Costs	Cooperation Agreements - Members	Institutional Support and Overhead	Total
Agreement Funds:											
Administration & Finance Division:											
Commercial component	US\$ 49	US\$ 3	US\$ 7	US\$ 9	US\$ 2	US\$ 8	US\$ 9	US\$ 4		US\$ 8	US\$ 99
Research & Development Division	4,195	433	179	43	986	883	28	82		452	7,281
Education Division	3,929	807	181	60	565	625	205	62		702	7,136
Outreach Division	71				(2)					4	73
Managed Projects											
Total Agreements	<u>8,244</u>	<u>1,243</u>	<u>367</u>	<u>112</u>	<u>1,551</u>	<u>1,516</u>	<u>242</u>	<u>148</u>		<u>1,166</u>	<u>14,589</u>
Funds in Custody:											
Administration & Finance Division:											
Administration component	17	2	2	1	10	1		9		3	45
Commercial component	131		5	7	16			8		10	177
Strategic Services	115		27		71	1					214
Research & Development Division	2,431	163	85	24	56	182	30	43		172	3,186
Education Division	748	73	21	7	108	1,552	1	3		85	2,598
Outreach Division	<u>478</u>	<u>31</u>	<u>37</u>	<u>41</u>	<u>92</u>	<u>46</u>	<u>7</u>	<u>1</u>		<u>36</u>	<u>769</u>
Total Funds in Custody	<u>3,920</u>	<u>269</u>	<u>177</u>	<u>80</u>	<u>353</u>	<u>1,782</u>	<u>38</u>	<u>64</u>		<u>306</u>	<u>6,989</u>
TOTAL	<u>US\$17,250</u>	<u>US\$1,677</u>	<u>US\$726</u>	<u>US\$423</u>	<u>US\$2,618</u>	<u>US\$3,458</u>	<u>US\$280</u>	<u>US\$1,047</u>	<u>US\$</u>	<u>US\$1,472</u>	<u>US\$28,951</u>

(Concludes)

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