

**MINISTRY OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERIES  
(LVV)**

**"AGRICULTURAL COMPETITIVENESS PROJECT SURINAME"  
IDB Agreement LOAN NO: 4097/OC-SU – L1020 AND  
NON-REIMBURSABLE INVESTMENT GRANT OPERATIONS  
GRANTED BY EU-CIF Agreement No: DF-SU-G1004**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021**

Ministry of Agriculture, Animal Husbandry and Fisheries (LVV)  
Agricultural Competitiveness Project Suriname-IDB loan no.: 4097/OC-SU – L1020 and  
Non-Reimbursable Investment Grant Operations Agreement No: DF-SU-G1004

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Ministry of Agriculture, Animal Husbandry and Fisheries (LVV)  
Agricultural Competitiveness Project Suriname-IDB loan no.: 4097/OC-SU – L1020 and  
Non-Reimbursable Investment Grant Operations Agreement No: DF-SU-G1004

### **INDEPENDENT AUDITOR'S REPORT**

To: Ministry of Agriculture, Animal Husbandry and Fisheries (LVV)  
Agricultural Competitiveness Project Suriname-IDB

#### **A. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021**

##### **Our opinion**

We have audited the financial statements, which is recorded on the pages 6 till 25 of this report, for the period January 1, 2021 to December 31, 2021 of the Agricultural Competitiveness Project Suriname IDB loan no.: 4097/OC-SU – L1020 and Non-Reimbursable Investment Grant Operations Agreement No: DF-SU-G1004, executed by Ministry of Agriculture, Animal Husbandry and Fisheries (Executing Agency), based in Paramaribo and financed with funds from the Inter-American Development Bank (IDB) and European Union Caribbean Investment Facility (EU-CIF).

In our opinion the accompanying financial statements presents fairly, in all material respects, the cash flows and cumulative disbursements of the Agricultural Competitiveness Project Suriname IDB loan no.: 4097/OC-SU – L1020 and Non-Reimbursable Investment Grant Operations Agreement No: DF-SU-G1004 as of December 31, 2021 in accordance with Cash Basis Accounting and specific requirements of the IDB and EU-CIF.

The financial statements comprise of:

1. the statement of cash flows for the period January 1, 2021 to December 31, 2021;
2. the statement of cumulative investments as at December 31, 2021;
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

##### **Basis for our opinion**

We conducted our audit in accordance with International Standards on Auditing.

Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

##### **Other matters**

We draw attention to the delay of the Project, mainly due to the COVID-19 pandemic as of March 2020 and the several changes of management until reporting date. The SU-L1020 program is scheduled to end in June 2022 and until December 2021 only 11% of the US\$ 17,500,000 IDB-loan has been disbursed. The Project Executing Unit together with the Executing Agency are in discussion with the bank regarding a loan extension.

Our opinion is not modified in respect of this matter.

### **Report on other legal and/or regulatory requirements**

We did not observe situations suggesting non-compliance with the financial clauses in Inter-American Development Bank Loan Agreement No. 4097/OC-SU – L1020 during the period audited by us except for the following:

#### **Management and use of fixed assets**

Fixed assets amounting to US\$ 2,486 financed with IDB loan funds could not be found during physical inventory. As the existence of these fixed assets could not be established nor could the lawful use be concluded as relevant procurement documents were missing.

Based on these findings the Project is not complying with the following contractual clauses: 3.02 Utilization of the resources and 6.05 Use of goods. Therefore, contractual clauses: 8.01 Suspension of disbursement and 8.02 Early termination and cancellation of undisbursed balances, are at risk.

## **B. DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS**

### **Responsibilities of Project management's for the financial statements**

The Project management is responsible for the preparation and fair presentation of the financial statements in accordance with Cash Basis Accounting and specific requirements of the IDB. Furthermore, the Project management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with International Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining and 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 Project Execution Unit internal control;

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paramaribo, March 10, 2022

Tjong A Hung Accountants N.V.



M.S.A. Tjong A Hung CA MSc RA  
Partner

Ministry of Agriculture, Animal Husbandry and Fisheries (LWV)

Agricultural Competitiveness Project Suriname-IDB loan no.: 4097/OC-SU – L1020 and Non-Reimbursable Investment Grant Operations Agreement No: DF-SU-G1004

**STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021 (Expressed in US dollars)**

|  | Notes | 2021              |                |                   | 2020              |          |                   |
|--|-------|-------------------|----------------|-------------------|-------------------|----------|-------------------|
|  |       | IDB               | EU-CIF         | Total             | IDB               | EU-CIF   | Total             |
| <b>CASH RECEIVED</b>   |       |                   |                |                   |                   |          |                   |
| Accumulated cash at beginning of year  |       | 2,149,060         | -              | 2,149,060         | 2,149,881         | -        | 2,149,881         |
| <u>Activity during the period</u>  |       |                   |                |                   |                   |          |                   |
| Disbursements (advance, reimbursements, direct payments and reimbursements guaranteed by letter of credit) | 9     | 1,250,000         | 300,000        | 1,550,000         | -                 | -        | -                 |
| Unused advances of PCF 2 – POC Funds   | 4     | 949               | -              | 949               | -821              | -        | -821              |
| Redeposit of unused funds  |       | 1,250,949         | -              | 1,250,949         | -821              | -        | -821              |
| <b>Total cash received</b>   |       | <b>3,400,009</b>  | <b>300,000</b> | <b>3,700,009</b>  | <b>2,149,060</b>  | <b>-</b> | <b>2,149,060</b>  |
| <b>DISBURSEMENTS MADE</b>  |       |                   |                |                   |                   |          |                   |
| Cumulative cash disbursed at beginning of year   |       | -1,582,568        | -              | -1,582,568        | -953,620          | -        | -953,620          |
| <u>Activity during the year</u>  |       |                   |                |                   |                   |          |                   |
| Payments for goods and services  |       | -                 | -              | -                 | -                 | -        | -                 |
| Agricultural Health and Food Safety  |       | -92,817           | -              | -92,817           | -273,723          | -        | -273,723          |
| Agricultural Research and Technology Transfer  |       | -35,087           | -              | -35,087           | -80,869           | -        | -80,869           |
| Program Administration   |       | -236,955          | -              | -236,955          | -255,504          | -        | -255,504          |
| External Audit   |       | -9,841            | -              | -9,841            | -9,841            | -        | -9,841            |
| Monitoring And Evaluation  |       | -                 | -              | -                 | -                 | -        | -                 |
| Foreign Exchange Gain or Loss  | 4     | -5,629            | -              | -5,629            | -9,011            | -        | -9,011            |
|  |       | -380,329          | -              | -380,329          | -628,948          | -        | -628,948          |
| <b>Total cash disbursements</b>  |       | <b>-1,962,897</b> | <b>-</b>       | <b>-1,962,897</b> | <b>-1,582,568</b> | <b>-</b> | <b>-1,582,568</b> |
| <b>CASH AVAILABLE AS AT DECEMBER 31, 2021</b>  | 3     | <b>1,437,112</b>  | <b>300,000</b> | <b>1,737,112</b>  | <b>566,492</b>    | <b>-</b> | <b>566,492</b>    |

The accompanying notes on pages 7 to 22 form an integral part of the financial statements.

Ministry of Agriculture, Animal Husbandry and Fisheries (LW)

Agricultural Competitiveness Project Suriname- IDB loan no.: 4097/OC-SU – L1020 and Non-Reimbursable Investment Grant Operations Agreement No: DF-SU-G1004

**STATEMENT OF CUMULATIVE INVESTMENTS AS AT DECEMBER 31, 2021 (Expressed in US dollars)**

| Nr.      | CATEGORY OF INVESTMENT                               | CUMULATIVE AT<br>JANUARY 1, 2021 |        |           | MOVEMENT DURING YEAR |        |         | CUMULATIVE AT<br>31-Dec-21 |        |           |
|----------|--|----------------------------------|--------|-----------|----------------------|--------|---------|----------------------------|--------|-----------|
|          |  | IDB                              | EU-CIF | TOTAL     | IDB                  | EU-CIF | TOTAL   | IDB                        | EU-CIF | TOTAL     |
| <b>1</b> | <b>Agricultural Health and Food</b>                  |                                  |        |           |                      |        |         |                            |        |           |
| 1.1      | Safety   | 523,005                          | -      | 523,005   | 92,817               | -      | 92,817  | 615,822                    | -      | 615,822   |
| 1.2      | Plant Health   | 60,046                           | -      | 60,046    | 37,439               | -      | 37,439  | 97,485                     | -      | 97,485    |
| 1.3      | Animal Health  | 200,287 1)                       | -      | 200,287   | 11,705               | -      | 11,705  | 211,992                    | -      | 211,992   |
| 1.4      | Food Safety  | 249,923 1)                       | -      | 249,923   | 30,858               | -      | 30,858  | 280,781                    | -      | 280,781   |
| 1.5      | Laboratory Complex Infrastructure                    | 12,749                           | -      | 12,749    | 12,815               | -      | 12,815  | 25,564                     | -      | 25,564    |
| <b>2</b> | <b>Agricultural Research and Technology Transfer</b> |                                  |        |           |                      |        |         |                            |        |           |
| 2.1      | Agricultural Innovation Projects                     | 446,847                          | -      | 446,847   | 35,087               | -      | 35,087  | 481,934                    | -      | 481,934   |
| 2.2      | Institutional Capacity Building                      | 350,717                          | -      | 350,717   | 17,989               | -      | 17,989  | 368,706                    | -      | 368,706   |
| 2.3      | Open Funding Window for Climate Change Adaptation    | 96,022                           | -      | 96,022    | 4,388                | -      | 4,388   | 100,410                    | -      | 100,410   |
| 2.4      | Cluster Laboratory                                   | -                                | -      | -         | -                    | -      | -       | -                          | -      | -         |
|          |  | 108                              | -      | 108       | 12,710               | -      | 12,710  | 12,818                     | -      | 12,818    |
| <b>3</b> | <b>Program Administration</b>                        |                                  |        |           |                      |        |         |                            |        |           |
| 3.1      | Personnel  | 575,340                          | -      | 575,340   | 236,955              | -      | 236,955 | 812,295                    | -      | 812,295   |
| 3.2      | Equipment & Furniture                                | 413,840                          | -      | 413,840   | -                    | -      | -       | 413,840                    | -      | 413,840   |
| 3.3      | Operation Costs                                      | 149,128                          | -      | 149,128   | -                    | -      | -       | 149,128                    | -      | 149,128   |
| 4        | External Audit                                       | 12,372                           | -      | 12,372    | 236,955              | -      | 236,955 | 249,327                    | -      | 249,327   |
| 5        | Monitoring and Evaluation                            | 28,365                           | -      | 28,365    | 9,841                | -      | 9,841   | 38,206                     | -      | 38,206    |
| 7700     | Foreign Exchange Gain or Loss                        | -                                | -      | -         | -                    | -      | -       | -                          | -      | -         |
|          | Total  | 9,011                            | -      | 9,011     | 5,629                | -      | 5,629   | 14,640                     | -      | 14,640    |
|          |  | 1,582,568                        | -      | 1,582,568 | 380,329              | -      | 380,329 | 1,962,897                  | -      | 1,962,897 |

1) Restated expenditures made in 2019 for the amount of US\$ 14,025.00. The incorrect booking was communicated to the IDB to ensure accuracy of IDB records.

Ministry of Agriculture, Animal Husbandry and Fisheries (LVV)  
Agricultural Competitiveness Project Suriname- IDB loan no.: 4097/OC-SU – L1020 and  
Non-Reimbursable Investment Grant Operations Agreement No: DF-SU-G1004

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021**

### **NOTE 1 – PROGRAM DESCRIPTION**

On June 23, 2017 the Republic of Suriname and Inter-American Development Bank entered into a Loan Agreement No. 4097/OC-SU – L1020 to cooperate in the execution of the Agricultural Competitiveness Project the activities started per December 1, 2017 for a period of five years ending June 23, 2022.

Together with the above loan a non-reimbursable investment operation (“Investment Grant operation” or “IGR”) has been granted to complement the ACP loan, for EUR 2.35 million (approximately US\$ 2.732 million) by the European Union Caribbean Investment Facility (EU-CIF) starting per January 2019 for a period of 30 months. The resources shall be transferred to the IDB, as administrator, by means of a project specific grant subject to the Framework Administrative Agreement between the European Union (EU) and the IDB dated June 10, 2015 (the EU-IDB Framework Agreement).

The ACP loan and the IGR grant will together be referred to as “the Program”.

### **PROGRAM SCOPE AND OBJECTIVES**

#### **Objectives IDB Loan**

The objective of the Program is to contribute to increasing the competitiveness of the agricultural sector through the improvement of animal health, plant health and food safety, and agricultural research and technology transfer services.

#### **Objectives EU-CIF Grant**

The objective of this project is to support the implementation of the ACP loan by addressing critical activities to strengthen the capacity of LVV in agricultural innovation and animal and plant health services. The EU-CIF funds will support the government of Suriname to complete the civil works of the Cluster Laboratory of the LVV. The Cluster Laboratory is a sub-component of component 2 of the ACP loan (see above). The project, in conjunction with the ACP loan, will look for execution synergies with the EU funded Suriname Agriculture Market Access Project (SAMAP) and implemented by the FAO.

### **PROGRAM COMPONENTS**

#### **Objective**

The Program objective is to increase the competitiveness of the agricultural sector through the improvement of animal health, plant health, food safety and agricultural research and technology transfer services.



## Description

In order to achieve the above-mentioned objectives, the Program will encompass the following components:

- Component 1. Agricultural Health and Food Safety;
- Component 2. Agricultural Research and Technology Transfer;
- Component 3. Program Administrations.

### Component 1 - Agricultural Health and Food Safety

This component will have four sub-components:

- 1) Plant Health;
- 2) Animal Health;
- 3) Food Safety; and
- 4) Laboratory Complex Infrastructure.

Climate change impacts and adaptation actions will be considered, when appropriate, in selected activities of this component. For instance, specific training will address the implications of climate change in terms of animal and plant health.

#### *Sub-component 1.1 - Plant Health*

The focus areas of investment are:

- (i) the financing of the reorganization of the plant health service through appropriate legal, institutional and operational frameworks;
- (ii) the establishment of pest surveillance system and traceability systems;
- (iii) the strengthening of the export certification capacity and the import regulatory systems through the implementation of procedures to minimize risks associated with the movement of goods and people;
- (iv) the improvement of plant quarantine facilities;
- (v) the establishment of integrated border controls (infrastructure and procedures) for effective pest exclusion;
- (vi) a pesticide management system for regulating chemicals used in plant health and human health (including the promotion of Integrated Pest Management - IPM);
- (vii) human resources development through training for staff at all levels of the plant health services;
- (viii) the equipment and inputs for the LVV Laboratory Complex in order to provide timely diagnoses with a high degree of confidence and support the selection and application of phytosanitary measures; and
- (ix) the establishing of an area of low fruit flies prevalence, as a pilot program that may be later scaled-up for export purposes.

#### *Sub-component 1.2 - Animal Health*

The focus areas of investment of this sub-component are:

- (i) the establishment of a disease surveillance system including identification and traceability of animals and farms for the national registry, training in epidemiology risk analysis;
- (ii) disease surveillance and control programs, obtaining World Organization for Animal Health (OIE) recognition of disease free status;
- (iii) the organization of simulation exercises for the technical and logistical preparedness in case of disease introduction;
- (iv) the establishment of an animal health information system and equipment and materials for the LVV Laboratory Complex as related to animal health activities;
- (v) specific trainings aimed at increasing the competences of the Veterinary Service Unit; and
- (vi) awareness campaigns for the general public in order to help preventing exotic diseases introduction and to encourage disease notification, strengthening the collaboration between the public and private sectors.

### *Sub-component 1.3 - Food Safety*

The focus areas of investment are:

- (i) financing of the development of national food safety policy;
- (ii) financing of the establishment of a Food Safety Unit (FSU) within LVV;
- (iii) financing of the establishment of a National Codex Committee;
- (iv) development of food safety standards and upgrade to technical regulations following Good Agricultural Practices (GAP) for crops, livestock and aquaculture;
- (v) the financing of development of hygiene code for processors of crops, meat and fish;
- (vi) staff training, including Training of Trainers (ToT) sessions on GAP, hygiene code, risk analysis;
- (vii) master's degrees in agri-food safety and quality assurance abroad;
- (viii) the strengthening of the diagnostic capacity of the Laboratory Complex through training, equipment, materials for residue testing and testing the content of imported pesticides, developing a quality assurance system (ISO 17025) and having laboratory methodologies validated and accredited;
- (ix) strengthening of the registration and inspection system through the preparation of procedural manuals for inspection of primary producers, preparation of procedural manuals for inspection of primary processors, training of plant and meat inspectors, hiring of meat inspectors and plant inspectors, equipment for inspection units (plant, meat, fish) and the development of a quality assurance system (ISO 17020) for inspection units, and accreditation of the inspection units (meat and plant);
- (x) implementation of a surveillance system for food safety hazards;
- (xi) awareness campaigns to the general public on food safety, including a solid collaboration with private sector actors in Suriname;
- (xii) institutional support and training to the Inter Ministerial working Group of Food Safety, which includes the Ministry of Trade, the Ministry of Health and the Ministry of Finance (Custom Department); and
- (xiii) support to the Fish Inspection Institute. This component will directly cooperate with the Bureau of Standards.

### *Sub-component 1.4. - Laboratory Complex Infrastructure*

The completion of the construction of the Laboratory Complex at LVV (useful for all sub components) will be included in this Component and will complement animal and plant health and food safety activities included in the other three sub-components.

## **Component 2 - Agricultural Research and Technology Transfer**

This component will have four sub-components:

- 1) Agricultural Research and Technology Transfer Projects;
- 2) Institutional Capacity Building;
- 3) Open Funding Window for Climate Change Adaptation; and
- 4) Cluster Laboratory.

### *Sub-component 2.1 - Agricultural Research and Technology Transfer Projects*

The sub-component focuses on the strengthening of agricultural research and technology transfer, through the funding of five selected agricultural research and technology transfer projects that will consider climate change adaptation and/or mitigation and will be implemented in collaboration with national and international research and technology transfer centers. The five projects have been identified through a prioritization exercise that took into account the following criteria: economic relevance, market opportunities, yield gaps, and environmental and socio-economic aspects, as well as vulnerability to climate change impacts and contribution to Greenhouse Gas (GHG) emissions. The five pre-selected projects will combine adaptive research, technology validation and technology transfer activities and will focus on the following sub-sectors: rice, open-field vegetables, protected vegetable production, citrus fruits, and minor fruits. Emphasis will be given to gender considerations in the implementation of the projects (specific communication campaigns, focus on gender-sensitive crops, among others) so as to encourage the participation of women.

#### *Sub-component 2.2 - Institutional Strengthening*

This sub-component will focus on staffing and training, considering climate change impacts and adaptation actions of key research and technology transfer stakeholders (research department of LVV, public research centers such as ADRON, among others) in the country. Scholarships to upgrade the educational level of research staff of LVV will also be covered by this sub-component, as well as the establishment of the media unit.

#### *Sub-component 2.3 - Open Funding Window for Climate Change Adaptation*

This sub-component will finance 10 to 15 small research and technology transfer projects (up to a maximum of US\$ 100,000 each), selected through a competitive process. These projects will specifically focus on environmental sustainability and climate change adaptation.

Predefined selection criteria will consider at least the following:

- (i) focus on addressing explicit vulnerability to climate change;
- (ii) contribution to increase resilience to climate change (i.e. how the research and technology transfer could result in decreased variability, increased income or productivity, improvement in socio-economic variables);
- (iii) possible contribution to reduce GHG emissions or use of a low carbon technology; and
- (iv) adequacy and replicability (i.e. how the proposal responds to a pressing need and the potential to apply the technology at a larger scale). LVV departments will join efforts with external research centers, universities, and private sector actors for the implementation of this sub-component. Communication campaigns will ensure maximum visibility of the calls for proposals and emphasis will be given to and the inclusion of female farmers in the projects.

#### *Sub-component 2.4 - Cluster Laboratory and Agriculture health and innovation services*

Agriculture health and innovation services. The main activity is the construction of the Cluster Laboratory, which is a key subcomponent of the research and technology transfer component of the ACP loan. Many research and technology transfer initiatives depend on the laboratory for their development. The cluster laboratory encompasses laboratory facilities for soil, crop protection, seed quality control, post-harvest, weed management and processing. The Cluster Laboratory is currently partially constructed, and its completion will enable complementary financing from the ACP loan for the electrical works and outfitting of the laboratory. In outfitting the laboratory, the equipment selected will be specified as those being convenient (not the most expensive or state-of-the-art) and dependable technology. In addition, the training needs of LVV staff and maintenance needs will be taken into consideration in the implementation of this activity.

This sub-component will cover the finalization (electricity works and outfitting) of the LVV Cluster Laboratory, necessary for its functionality. This laboratory will be used for research purposes and will be complementary to the research projects financed under sub-component 2.1, as all key tests needed for the research projects will be conducted in the Cluster Laboratory.

### **Component 3 – Program Administration**

The component includes sub-components such as:

Personnel, equipment & furniture operation cost, financial cost and project administration.

Within the scope of project administration, financing will be available to design and implement a communications and visibility plan in order to raise awareness among different stakeholders in the sector about the importance of the actions being carried out by the Program.

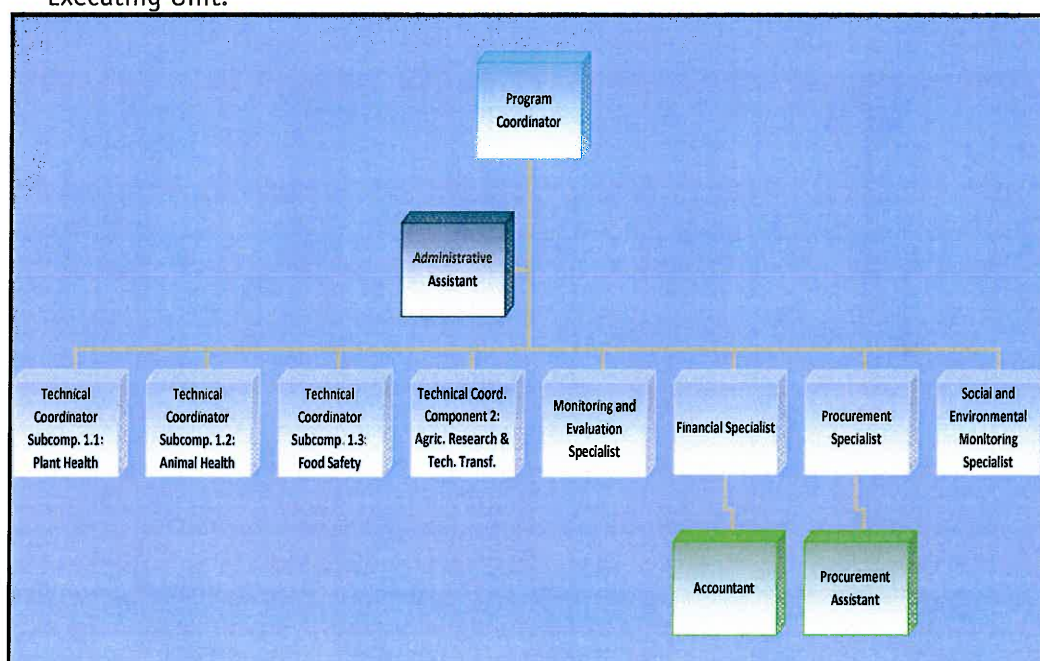
## PROGRAM COSTS AND FINANCING STRUCTURE

The total cost of this operation is twenty million two hundred thirty one thousand and nine hundred and twenty-three US dollars (US\$ 20,231,923), which is financed by the IDB (US\$ 17,500,000) and EU-CIF (US\$ 2,731,923) with no counterpart from the GOS.

The following is the financial plan of the Program:

| CATEGORY OF INVESTMENT  | LOAN AND GRANTS   |                  |                   |             |
|---|-------------------|------------------|-------------------|-------------|
|   | IDB               | EU-CIF           | TOTAL             | %           |
| <b>Component 1. Agricultural Health and Food Safety</b>           | <b>9,928,663</b>  | <b>-</b>         | <b>9,928,663</b>  | <b>49.1</b> |
| 1.1 Plant Health  | 2,801,000         | -                | 2,801,000         | 13.8        |
| 1.2 Animal Health   | 3,860,437         | -                | 3,860,437         | 19.1        |
| 1.3 Food Safety   | 1,867,226         | -                | 1,867,226         | 9.2         |
| 1.4 Laboratory Complex Infrastructure                             | 1,400,000         | -                | 1,400,000         | 6.9         |
| <b>Component 2. Agricultural Research and Technology Transfer</b> | <b>5,770,637</b>  | <b>2,325,041</b> | <b>8,095,678</b>  | <b>40.0</b> |
| 2.1 Agricultural Innovation Projects                              | 2,959,437         | -                | 2,959,437         | 14.6        |
| 2.2 Institutional Capacity Building                               | 696,200           | -                | 696,200           | 3.4         |
| 2.3 Open Funding Window for Climate Change Adaption               | 1,015,000         | -                | 1,015,000         | 5.0         |
| 2.4 Cluster Laboratory  | 1,100,000         | 2,325,041        | 3,425,041         | 16.9        |
| <b>Program Administration</b>                                     | <b>1,250,700</b>  | <b>174,378</b>   | <b>1,425,078</b>  | <b>7.0</b>  |
| <b>External Audit</b>   | <b>250,000</b>    | <b>-</b>         | <b>250,000</b>    | <b>1.2</b>  |
| <b>Monitoring and Evaluation</b>                                  | <b>300,000</b>    | <b>-</b>         | <b>300,000</b>    | <b>1.5</b>  |
| <b>EU-CIF fees</b>  | <b>-</b>          | <b>232,504</b>   | <b>232,504</b>    | <b>1.1</b>  |
| <b>Total</b>  | <b>17,500,000</b> | <b>2,731,923</b> | <b>20,231,923</b> | <b>100</b>  |

Figure 1: Organizational Structure Of Agricultural Competitiveness Program, Structure Of The Program Executing Unit.





### Execution IDB

The Executing Agency (EA) is the Ministry of Agriculture, Animal Husbandry and Fisheries (LVV). The EA of the Program will be the LVV, through the PEU under the Planning and Development Department. The PEU will be responsible for all the fiduciary obligations to manage the Program, including:

- (i) planning of the technical and fiduciary aspects related to the Program activities;
- (ii) procurement of goods, works and services for the Program;
- (iii) the oversight and evaluation of Program activities;
- iv) financial and accounting management of the Program, including the submission of disbursement requests and preparation of financial reports; and
- (v) risk management, including environmental and social risks.

The resources of the EU-CIF Grant will be administrated by the EA in the same manner as it is implementing the resources of from the ACP Loan.

On April 21, 2020 LVV signed a contract for Consultant's Services "*Provision of Consultancy Services for the Project Executing Unit (PEU)*" for SU-L1020, SU-L1052 and SU-G1004 with the Inter-American Institute for Cooperation on Agriculture (IICA). The contract with IICA became effective after the advance payment was received on August 5, 2020. The commencement of services by the IICA led PEU was on September 14, 2020, but assumed official control of the project on November 12, 2020 (official handover of the financial administration to the PEU-IICA).

For the year 2021 the PEU consisted of the following key personnel comprised of LVV appointed staff and Inter-American Institute for Cooperation on Agriculture (IICA) consultants:

### LLV Appointed Staff

- |                                     |                    |                                 |
|-------------------------------------|--------------------|---------------------------------|
| 1. Financial Assistant              | : Ms. S. Bisumbhar | - Up to September 27, 2021      |
| 2. Program Administrative Assistant | : Ms. A. Badloe    | - Up to February 3, 2021        |
| 3. Procurement Assistant            | : Ms. K. Kromoreso | - Start date September 24, 2019 |
| 4. Monitoring & Evaluation Officer  | : Ms. S. Wagimin   | - Up to June 25, 2021           |

### IICA Consultants

- |   |                          |                                 |
|---|--------------------------|---------------------------------|
| 5. Program Manager                                  | : Ms. G. St. Croix       | - Start date September 14, 2020 |
| 6. Financial Specialist                             | : Ms. S. Vin             | - Start date September 14, 2020 |
| 7. Financial Assistant                              | : Ms. M. Smitter         | - Start date November 23, 2020  |
| 8. Procurement Specialist                           | : Ms. C. Brown           | - Up to September 14, 2021      |
| 9. Procurement Specialist                           | : Ms. C. Lopez-King      | - Start date September 1, 2021  |
| 10. Procurement Assistant                           | : Ms. R. Chitoe          | - Start date November 12, 2019  |
| 11. Technical Coordinator                           | : Mr. S. Sewlal          | - Up to June 18, 2021           |
| 12. Technical Coordinator                           | : Mr. J. Vorswijk        | - Start date November 1, 2021   |
| 13. Project Assistant                               | : Ms. R. Joefield-Stakel | - Start date June 21, 2021      |
| 14. Project Administrative Assistant                | : Ms. Jo-Ann Gaddum      | - Start date September 27, 2021 |
| 15. Stakeholder Engagement & Communication Officer: | Ms. M. Neede             | - Start date September 14, 2020 |
| 16. Environmental Health & Safety Specialist:       | Ms. J. Themen            | - Start date September 14, 2020 |

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

### Cash Basis of Accounting

The financial statements of the Program as of December 31, 2021 have been prepared using the cash basis of accounting, which recognizes transactions and acts only when the cash and or its equivalent is received or disbursed by the Project, and not when they give rise to accrue or originate rights or obligations.

### Currency

The Program's accounting records are maintained in U.S. dollars. The financial statements are also presented in U.S. dollars rounded off to the nearest whole US dollar value. The valid exchange rate as at December 31, 2021 is as follow:

|      | December 31,<br>2021 | December 31,<br>2020 |
|------|----------------------|----------------------|
|      | SRD                  | SRD                  |
| US\$ | 20.342               | 14.018               |

Cash receipts and cash disbursements denominated in the currency other than the U.S. dollars were translated using the applicable rate of the Central Bank of Suriname at the date of the transaction.

## NOTE 3 – AVAILABLE CASH BALANCE

The composition of the available cash balance as at December 31, 2021 is as follows:

|                              | December 31, 2021 |                |                  | December 31, 2020 |          |                |
|------------------------------|-------------------|----------------|------------------|-------------------|----------|----------------|
|                              | IDB               | EU-CIF         | Total            | IDB               | EU-CIF   | Total          |
|                              | US\$              | US\$           | US\$             | US\$              | US\$     | US\$           |
| Central Bank of Suriname USD | 1,433,734         | 300,000        | 1,733,734        | 560,126           | -        | 560,126        |
| Central Bank of Suriname SRD | 210               | -              | 210              | 4,571             | -        | 4,571          |
| Petty Cash SRD*              | -                 | -              | -                | 407               | -        | 407            |
| POC SRD                      | 3,168             | -              | 3,168            | 1,388             | -        | 1,388          |
| <b>Total</b>                 | <b>1,437,112</b>  | <b>300,000</b> | <b>1,737,112</b> | <b>566,492</b>    | <b>-</b> | <b>566,492</b> |

\*) The Petty Cash SRD was discontinued since the overall management of the PEU, including the operational expenses, is covered in the contract with the IICA. The balance as reported on December 31, 2020 was deposited on the projects SRD bank account on February 5, 2021 after the approval of the Ministry of Finance and Planning (MoFP).

### Treasury Single Account

For this Program Treasury Single Account is utilized. This account is held by the Ministry of Finance, whereby the Executing Agency is primarily responsible for the funds. Both projects have their own project account, which makes it possible to administrate the cash flow of the project. The process is that Executing Agency sends a request for direct payment with the necessary information after which Finance makes a request for payment and sends it to the Central Bank. The original bank statements are sent to the Executing Agency.

The policy prescribes that deposits of project resources in the bank accounts which accrue interest, commissions etc. for the Executing Agency this income must be contributed to the Program as an integral part of the local or counterpart contribution. These funds may be used for expenses that are similar and/or complementary to eligible project expenses financed by the Bank.

Bank accounts held with the Central Bank do not accrue interest and do not bear monthly fees for maintaining the account. The Program funds are maintained in US dollars only. Payments to local suppliers of goods and services are paid in SRD according to the purchase USD rate of the CBvS, which is SRD 20.342.

#### **NOTE 4 – UNUSED ADVANCES OF PCF 2 – POC FUNDS AND REDEPOSIT OF UNUSED FUNDS FINANCED THE IDB LOAN \*)**

##### **Note 4a – Unused advances of PCF 2 - POC funds**

The main purpose of the PCF2 - POC funds is to make small purchases of goods and services regarding the project.

The unused advances as of December 31, 2020 for US\$ 1,997 was debited to the cash balance of POCF per January 2021 and utilized during the financial year. The advances provided to the project coordinators unused as of December 31, 2021 is a total of US\$ 1,047.

Since it is a report on cash basis, the US\$ 1,047 should be returned and accounted in the following financial year.

|                | 2021<br>US\$ | 2020<br>US\$ |
|----------------|--------------|--------------|
| R. Soeropawiro | -            | 420          |
| A. Djoeneri    | 167          | 285          |
| C. Van Dijk    | -            | 234          |
| W. Ghisaidoobe | 310          | -            |
| S. Ramautar    | 570          | 1,058        |
|                | <u>1,047</u> | <u>1,997</u> |

##### **Note 4b – Foreign Exchange Gain or Loss**

This regards the Foreign Exchange Gain or Loss due to the depreciation of the Surinamese dollar (SRD). As of June 7, 2021 the GoS changed the policy in establishing the US\$ exchange rate which causes the effective exchange rate to be updated 3 times a day. The rates are published on the Central Bank of Suriname website at 10:00 AM, 12:30 PM and 15:00 PM.

The project administration as of December 31, 2021 reflect the exchange rate of 20.342. Due to the fluctuation in the exchange rate the project has suffered a Foreign Exchange Loss of US\$ 5,629.

#### **NOTE 5 – ADVANCES PENDING JUSTIFICATION \*)**

As at December 31, 2021 the amount pending justification to the IDB amounted to US\$ 35,894 (Note 11).

The Program did not have any amount pending justification from the EU-CIF grant for the financial year ended December 31, 2021.

## NOTE 6 – ADVANCES AND JUSTIFICATION \*)

The Project is receiving cash advances of funds from IDB based on a disbursement request. Upon reaching 80% disbursement out of the cash advances, the Project justifies the expenditures and then requests for additional cash advance.

|  | December 31,<br>2021 | December 31,<br>2020 |
|--|----------------------|----------------------|
|  | IDB                  | Total                |
|  | US\$                 | US\$                 |
| Opening balance of advances  | 1,200,787            | 1,200,787            |
| Advances received and recorded during the period                                   | 1,250,000            | -                    |
| Correction regarding justification of advances in OPS                              | 220                  | -                    |
| Less: Justification of advances  | -965,928             | -                    |
| Closing balance as at December 31, 2021  | <u>1,485,079</u>     | <u>1,200,787</u>     |
| The advance of funds balance is composed of the following:                         |                      |                      |
| Cash available balance   | 1,437,112            | 566,492              |
| Payments after last justification 2021 (Note 11)                                   | 39,664               | -                    |
| Payments after last justification 2020   | -                    | 628,948              |
| Payments after last justification 2019   | -                    | 4,675                |
| Remaining payments made after disbursement request 5                               | -                    | 119                  |
| Unused advance of PCF 2-POC funds  | -                    | 821                  |
| Unused advance of PCF 2-POC funds adjustment                                       | -9                   | -                    |
| Over-justifications due to errors in disbursement request no 7                     | -                    | -268                 |
| Pending justification in discussion with IDB regarding component 2 ANJ 9 (Note 11) | -6,328               | -                    |
| Accumulated Foreign Exchange Gains or Losses previous years (see Note 11)          | 14,640               | -                    |
| Closing balance as at December 31, 2021  | <u>1,485,079</u>     | <u>1,200,787</u>     |

\*) For the EU-CIF grant there are no expenditures made regarding the financial year ended December 31, 2021.



## NOTE 7 – PROCUREMENT OF GOODS AND SERVICES

### 7.1. Procurement of goods

The following list of contracts for procurement of goods made by the Program from the beginning until December 31, 2021 is stated here:

| 7.1 Procurement of goods                                     |                        |   |                        |                      |                      |   |         |                  |                   |
|--|------------------------|---|------------------------|----------------------|----------------------|---|---------|------------------|-------------------|
| No.  | Supplier               | Contract description  | Sign date<br>(mo/year) | IDB No-<br>Objection | Reference<br>#       | Investment category                     | PRISM # | Amount<br>in SRD | Amount<br>in US\$ |
| List of contracts for procurement of goods funded by the IDB |                        |   |                        |                      |                      |   |         |                  |                   |
| 1  | INTRAMAR NV            | The purchase of brush cutters and shredder for the Citrus Innovation Project  | March-21               | 19-Feb-21            | CCB/CSU/<br>131/2021 | 2.1 Agricultural<br>Innovation Projects | N/A     |                  | 6,982             |
| 2  | ISCA Technologies Inc. | Purchase of traps and lures in plantations  | Apr-21                 | N/A                  | N/A                  | 1.1 Plant Health                        | N/A     |                  | 1,254             |
| 3  | Tappie's Chicks        | Purchase of chicken manure for the Citrus innovation project  | May-21                 | N/A                  | N/A                  | 2.1 Agricultural<br>Innovation Projects | N/A     |                  | 670               |
| 4  | Agrimex NV             | Purchase of agricultural supplies for the Open Field innovation project   | May-21                 | N/A                  | N/A                  | 2.1 Agricultural<br>Innovation Projects | N/A     |                  | 1,300             |
| 5  | HJ de Vries Agro NV    | Purchase of agricultural supplies for the Open Field innovation project   | May-21                 | N/A                  | N/A                  | 2.1 Agricultural<br>Innovation Projects | N/A     |                  | 714               |
| 6  | Rapid Import Export    | purchase and delivery of magnifying glasses   | June-21                | N/A                  | N/A                  | 1.1 Plant Health                        | N/A     |                  | 1,716             |
| 7  | Prodimex               | Purchase of office supplies for purchase of office furniture/ supplies for the Open Field, Citrus and Minor Fruits innovation projects. | July-21                | N/A                  | N/A                  | 2.1 Agricultural<br>Innovation Projects | N/A     |                  | 1,027             |
| 8  | Dux Company productos  | purchase (Import) of Passion fruit seeds for Minor Fruits Project   | Aug-21                 | N/A                  | N/A                  | 2.1 Agricultural<br>Innovation Projects | N/A     |                  | 1,300             |
| 9  | BOSROKO Group          | production of 2 instructional videos for open field vegetables and minor fruits innovation projects                                     | Oct-21                 | 6-Oct-21             | CCB/CSU/<br>612/2021 | 2.1 Agricultural<br>Innovation Projects | N/A     |                  | 5,000             |
| 10   | BOSROKO Group          | Production of 6 (six) instructional videos for the Open Field Vegetables and Minor Fruits projects                                      | Nov-21                 | 3-Nov-21             | CCB/CSU/<br>724/2021 | 2.1 Agricultural<br>Innovation Projects | N/A     | 330,000          | 16,223            |
| Sub total  |                        |   |                        |                      |                      |   |         |                  | 36,186            |

N/A: No prism number required for amounts below US\$ 25,000, with the exception of individual consultants.

## 7.2. Procurement of services

| 7.2 Procurement of services                                     |                       |   |                     |                  |                  |                                      |          |               |                |
|---|-----------------------|---|---------------------|------------------|------------------|--------------------------------------|----------|---------------|----------------|
| No.   | Contractor / Supplier | Description of Services   | Sign date (mo/year) | IDB no-objection | Reference #      | Investment category                  | PRISM #  | Amount in SRD | Amount in US\$ |
| List of contracts for procurement of services funded by the IDB |                       |   |                     |                  |                  |                                      |          |               |                |
| 1   | BOSROKO Group         | Execution of the production of 2 short movies for the Food safety awareness campaign  | Jan-21              | N/A              | N/A              | 1.2 Animal health                    | N/A      |               | 4,000          |
| 2   | BOSROKO Group         | Procurement of a project logo design including a full branding package  | Jun-21              | N/A              | N/A              | 2.2 Institutional capacity building  | N/A      |               | 2,000          |
| 3   | Suriprint NV          | printing of brochures for the citrus innovation project   | July-21             | N/A              | N/A              | 2.1 Agricultural Innovation Projects | N/A      | 3,730         | 183            |
| 4   | Jeffrey Jones         | Strengthening of the phytosanitary and the sanitary systems in Suriname to facilitate the official inspection and export certification procedures   | Aug-21              | 3-Aug-21         | CCB/CSU/479/2021 | 1.1 Plant Health                     | SUA 2057 |               | 51,750         |
| 5   | Jenna Wijngaarde      | Individual consultant to prepare Memorandum of Understanding (MOUs) between the Ministry of LVV and relevant border agencies  | Nov-21              | 29-Oct-21        | CCB/CSU/695/2021 | 1.1 Plant Health                     | N/A      | 108,900       | 5,353          |
| 6   | Ignacio Gomez         | International consultant for the design of a 3 year surveillance plan for animal and zoonotic diseases/ pathogens   | Dec-21              | 24-Nov-21        | CCB/CSU/755/2021 | 1.2 Animal Health                    | N/A      |               | 17,100         |
| 7   | Jeffrey Jones         | Individual Consultancy to assist the Ministry of LVV and the NPPO Interim Management Team (IMT) to build on the activities undertaken (Phytosanitary and Sanitary systems in Suriname Sanitary; inspection and export certification procedures) to provide and maintain stability to the IMT, and to advise on implementation of the NPPO programs. | Dec-21              | 14-Dec-21        | CCB/CSU/806/2021 | 1.1 Plant Health                     | N/A      |               | 36,750         |
| Sub total   |                       |   |                     |                  |                  |                                      |          |               | 117,136        |
| Total procurement goods and services                            |                       |   |                     |                  |                  |                                      |          |               | 153,322        |

N/A: No prism number required for amounts below US\$ 25,000, with the exception of individual consultants.

**NOTE 8 - INVESTMENT CATEGORIES AND DISBURSEMENTS MADE**

|   | IDB<br>US\$       | EU-CIF<br>US\$   | Total<br>US\$     | IDB<br>US\$      | EU-CIF<br>US\$ | Total<br>US\$    |
|---|-------------------|------------------|-------------------|------------------|----------------|------------------|
| <b>1. Agricultural Health and Food Safety</b>           | <b>9,928,663</b>  | -                | <b>9,928,663</b>  | <b>615,822</b>   | -              | <b>615,822</b>   |
| 1.1. Plant Health                                       | 2,801,000         | -                | 2,801,000         | 97,485           | -              | 97,485           |
| 1.2. Animal Health                                      | 3,860,437         | -                | 3,860,437         | 211,992          | -              | 211,992          |
| 1.3. Food Safety  | 1,867,226         | -                | 1,867,226         | 280,781          | -              | 280,781          |
| 1.4. Laboratory Complex Infrastructure                  | 1,400,000         | -                | 1,400,000         | 25,564           | -              | 25,564           |
| <b>2. Agricultural Research and Technology Transfer</b> | <b>5,770,637</b>  | <b>2,325,041</b> | <b>8,095,678</b>  | <b>481,934</b>   | -              | <b>481,934</b>   |
| 2.1. Agricultural Innovation Projects                   | 2,959,437         | -                | 2,959,437         | 368,706          | -              | 368,706          |
| 2.2. Institutional Capacity Building                    | 696,200           | -                | 696,200           | 100,410          | -              | 100,410          |
| 2.3. Open Funding Window for Climate Change Adaption    | 1,015,000         | -                | 1,015,000         | -                | -              | -                |
| 2.4. Cluster Laboratory                                 | 1,100,000         | 2,325,041        | 3,425,041         | 12,818           | -              | 12,818           |
| <b>3. Program Administration</b>                        | <b>1,250,700</b>  | <b>174,378</b>   | <b>1,425,078</b>  | <b>812,295</b>   | -              | <b>812,295</b>   |
| 4. External Audit                                       | 250,000           | -                | 250,000           | 38,206           | -              | 38,206           |
| 5. Monitoring and Evaluation                            | 300,000           | -                | 300,000           | -                | -              | -                |
| 6. EU-CIF fees  | -                 | 232,504          | 232,504           | -                | -              | -                |
| <b>7700. Foreign Exchange Gain or Loss</b>              | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>14,640</b>    | -              | <b>14,640</b>    |
| <b>TOTAL</b>  | <b>17,500,000</b> | <b>2,731,923</b> | <b>20,231,923</b> | <b>1,962,897</b> | -              | <b>1,962,897</b> |

All the expenditures have proven to be eligible.

## NOTE 9 – DISBURSEMENTS MADE

### Note 9a: Disbursement made IDB loan

| Disbursement<br>Request<br>(DR) Number   | Type          | DR Date      | Co reception<br>Date | Authorization<br>date | US\$             |
|--|---------------|--------------|----------------------|-----------------------|------------------|
| 1  | Receipt       | 22-Nov-17 1) | 19-Dec-17            | 19-Dec-17             | 150,000          |
| 3  | Receipt       | 24-May-18 2) | 28-May-18            | 29-May-18             | 1,000,000        |
| 8  | Receipt       | 6-Dec-19 3)  | 12-Dec-19            | 13-Dec-19             | 1,000,000        |
| 11   | Receipt       | 30-Sep-21 4) | 26-Nov-21            | 2-Dec-21              | 1,250,000        |
|  |               |              |                      |                       | <u>3,400,000</u> |
| 2  | Justification | 24-May-18    | 28-May-18            | 29-May-18             | 142,678          |
| 4  | Justification | 31-Aug-18    | 6-Sep-18             | 11-Sep-18             | 83,573           |
| 5  | Justification | 30-Nov-18    | 11-Feb-19            | 13-Feb-19             | 63,055           |
| 6  | Justification | 11-Jun-19    | 3-Jul-19             | 3-Jul-19              | 270,572          |
| 7  | Justification | 6-Dec-19     | 10-Dec-19            | 12-Dec-19             | 389,335          |
| 9  | Justification | 21-Jun-21    | 21-Jun-21            | 2-Aug-21              | 679,152          |
| 10   | Justification | 28-Sep-21    | 26-Sep-21            | 7-Oct-21              | 271,980          |
| 12   | Justification | 24-Nov-21    | 26-Nov-21            | 1-Dec-21              | 14,796           |
|  |               |              |                      |                       | <u>1,915,141</u> |
| Corrections regarding justification of advances 5, 6 and 7 in 2021 by the IDB in OPS |               |              |                      |                       | <u>-220</u>      |
|  |               |              |                      |                       | <u>1,914,921</u> |
|  |               |              |                      |                       | <u>1,485,079</u> |

- 1) First disbursement, request No. 1 dated November 22, 2017.  
Pursuant to the terms and conditions of the loan contract, the Executing Agency requested the first Advance of Funds on November 22, 2017 for the amount of US\$ 150,000. The Ministry of LVV received the amount of US\$ 150,000 on December 21, 2017. The advance was recorded in the contractual currency (US\$).
- 2) Second disbursement, request No. 3 dated May 24, 2018.  
The Executing Agency requested the second Advance of Funds on May 24, 2018 for the amount of US\$ 1,000,000. The Ministry of LVV received the amount of US\$ 1,000,000 on May 31, 2018. The advance was recorded in the contractual currency (US\$).
- 3) Third disbursement, request No. 8 dated Dec 06, 2019.  
The Executing Agency requested the third Advance of Funds on Dec 06, 2019 for the amount of US\$ 1,000,000. The Ministry of LVV received the amount of US\$ 1,000,000 on Dec 17, 2019. The advance was recorded in the contractual currency (US\$).
- 4) Fourth disbursement, request No. 12 dated September 30, 2021.  
The Executing Agency requested the fourth Advance of Funds on September 30, 2021 for the amount of US\$ 1,250,000. The Ministry of LVV received the amount of US\$ 1,250,000 on December 6, 2021. The advance was recorded in the contractual currency (US\$).

Receipt pertains to the amount requested from IDB and subject to justification when 80% of the fund is used.

Justification pertains to the amount used by the Project out of the advance of funds and reported to the IDB.

Total cash received from IDB as at December 31, 2021 amounted to US\$ 3,400,000 (advance of funds).

#### Note 9b: Disbursement made IDB loan and EU-CIF grant

| Disbursement Request (DR) Number | Type    | DR Date      | Co reception Date | Authorization date | US\$    |
|----------------------------------|---------|--------------|-------------------|--------------------|---------|
| 1                                | Receipt | 23-Sep-21 1) | 20-Oct-21         | 1-Nov-21           | 300,000 |

1) First disbursement, request No. 1 dated September 23, 2021.

Pursuant to the terms and conditions of the loan contract, the Executing Agency requested the first Advance of Funds on September 23, 2021 for the amount of US\$ 300,000. The Ministry of LVV received the amount of US\$ 300,000 on November 3, 2021. The advance was recorded in the contractual currency (US\$).

Receipt pertains to the amount requested from IDB and subject to justification when 80% of the fund is used.

Justification pertains to the amount used by the Project out of the advance of funds and reported to the IDB.

Total cash received from IDB as at December 31, 2021 amounted to US\$ 300,000 (advance of funds).

#### NOTE 10 – RECONCILIATION BETWEEN THE STATEMENT OF CASH FLOWS AND THE STATEMENT OF CUMULATIVE INVESTMENTS

|   | 31-Dec-21        |                |                  | 31-Dec-20      |             |                |
|---|------------------|----------------|------------------|----------------|-------------|----------------|
|   | IDB US\$         | EU-CIF US\$    | Total US\$       | IDB US\$       | EU-CIF US\$ | Total US\$     |
| <b>Per Statement of Cash Flow</b>               |                  |                |                  |                |             |                |
| - Cumulative cash received as at December 31    | 3,400,009        | 300,000        | 3,700,009        | 2,149,060      | -           | 2,149,060      |
| <b>Per Statement of Cumulative Investments</b>  |                  |                |                  |                |             |                |
| - Cumulative investments as at December 31      | -1,962,897       | -              | 1,962,897        | -1,582,568     | -           | -1,582,568     |
| <b>Available cash balance as at December 31</b> | <b>1,437,112</b> | <b>300,000</b> | <b>1,737,112</b> | <b>566,492</b> | <b>-</b>    | <b>566,492</b> |

|   | <u>IDB 2021</u>  | <u>EU-CIF 2021</u> | <u>IDB 2020</u>  |
|---|------------------|--------------------|------------------|
|   | <u>US\$</u>      | <u>US\$</u>        | <u>US\$</u>      |
| Balance as of January 1, 2021                                     | 2,149,060        | -                  | 2,149,881        |
| Advance of Funds  | 1,250,000        | 300,000            | -                |
| Direct Payments/ unused advances PCF-2 POC/<br>Redeposit of funds | 949              | -                  | -821             |
| <b>Total cash received</b>  | <b>3,400,009</b> | <b>300,000</b>     | <b>2,149,060</b> |
| <b>Project Disbursements</b>                                      |                  |                    |                  |
| Repayments  | -                | -                  | -                |
| Payments for goods and services during the year                   | -380,329         | -                  | -628,948         |
| <b>Total Project Disbursements Made</b>                           | <b>-380,329</b>  | <b>-</b>           | <b>-628,948</b>  |
| <b>Cumulative Investments</b>                                     |                  |                    |                  |
| Agricultural Health and Food Safety                               | 615,821          | -                  | 523,005          |
| Agricultural Research and Technology Transfer                     | 481,935          | -                  | 446,847          |
| Program Administration  | 812,295          | -                  | 575,340          |
| External Audit  | 38,206           | -                  | 28,365           |
| Monitoring and Evaluation   | -                | -                  | -                |
| Foreign Exchange Gain or Loss                                     | 14,640           | -                  | 9,011            |
| <b>Total Cumulative Investments</b>                               | <b>1,962,897</b> | <b>-</b>           | <b>1,582,568</b> |
| <b>Available cash as of December 31, 2021</b>                     | <b>1,437,112</b> | <b>300,000</b>     | <b>566,492</b>   |

**NOTE 11 – RECONCILIATION BY INVESTMENT CATEGORIES BETWEEN THE PROGRAM'S RECORDS AND THE IDB'S RECORDS**

This reconciliation clarifies the financials regarding the IDB financing, regarding the EU grant no disbursement was made in financial year 2021.

| COI                                  | Category of Investment                          | <u>Per Program's<br/>Records</u> | <u>Per IDB's<br/>Records</u> | <u>Difference</u> |
|--------------------------------------|---|----------------------------------|------------------------------|-------------------|
| 1                                    | Agriculture Health and Food Safety              | 615,822                          | 585,278                      | 30,544            |
| 2                                    | Agriculture Research and Technology<br>Transfer | 481,934                          | 479,144                      | 2,790             |
| 3                                    | Program Administration                          | 812,295                          | 812,293                      | 2                 |
| 4                                    | External Audit                                  | 38,206                           | 38,206                       | -                 |
| 5                                    | Monitoring and Evaluation                       | -                                | -                            | -                 |
| 7700                                 | Foreign Exchange Gains and losses               | 14,640                           | -                            | 14,640            |
| <b>Total Cumulative Disbursement</b> |   | <b>1,962,897</b>                 | <b>1,914,921</b>             | <b>47,976</b>     |

Details are as follows:

| Description   | Unjustified Expenditures 2021 (*) | Over-Justification ANJ #9 Due to contract cancellation (**) | Cumulative Foreign Exchange Loss (***) | Total Differences |
|---|-----------------------------------|---|--|-------------------|
| <b>1 Agriculture Health and Food Safety</b>           | <b>30,544</b>                     | -   | -                                      | <b>30,544</b>     |
| 1.1 Plant Health                                      | 21,113                            | -   | -                                      | 21,113            |
| 1.2 Animal Health                                     | 5,078                             | -   | -                                      | 5,078             |
| 1.3 Food Safety                                       | 4,353                             | -   | -                                      | 4,353             |
| 1.4 Laboratory Complex Infrastructure                 | -                                 | -   | -                                      | -                 |
| <b>2 Agriculture Research and Technology Transfer</b> | <b>9,119</b>                      | <b>-6,328</b>   | -                                      | <b>2,791</b>      |
| 2.1 Agriculture Innovation Projects                   | 6,681                             | -   | -                                      | 6,681             |
| 2.2 Institutional Capacity Building                   | 2,040                             | -6,328  | -                                      | -4,288            |
| 2.3 Open Funding Window for Climate Change Adaption   | -                                 | -   | -                                      | -                 |
| 2.4 Cluster Laboratory                                | 398                               | -   | -                                      | 398               |
| <b>3 Program Administration</b>                       | <b>1</b>                          | -   | -                                      | <b>1</b>          |
| 3.1 Personnel   | -                                 | -   | -                                      | -                 |
| 3.2 Equipment & Furniture                             | -                                 | -   | -                                      | -                 |
| 3.3 Operation Costs                                   | 1                                 | -   | -                                      | 1                 |
| <b>4 External Audit</b>                               | <b>-</b>                          | -   | -                                      | <b>-</b>          |
| <b>5 Monitoring and Evaluation</b>                    | <b>-</b>                          | -   | -                                      | <b>-</b>          |
| <b>7700 Foreign Exchange Gain or Loss</b>             | <b>-</b>                          | -   | <b>14,640</b>                          | <b>14,640</b>     |
| <b>Total</b>  | <b>39,664</b>                     | <b>-6,328</b>   | <b>14,640</b>                          | <b>47,976</b>     |

**Explanation of the difference**

- \* The expenditures listed in column "Unjustified Expenditures 2021" were not yet justified to the Inter-American Development Bank as of December 31, 2021
- \*\* The contract with G. Malhoe was cancelled after redeposit of unused funds which resulted in an over-justification of expenditures to the IDB. The PEU is in contact with the IDB to adjust the expenditures justified in ANJ #9
- \*\*\* The expenditures listed in column "Cumulative Foreign Exchange Loss" include are the cumulative foreign exchange Gain or Loss over the project.

**NOTE 12 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions sometimes occur after the end of the period date, but before the issue of the financial statements and auditor's report, that has a material effect on the financial statements, and therefore may require adjustment or disclosure in the statements.

For this report no subsequent events are noted.



## 12.1. ACCOUNTS PAYABLE AS AT DECEMBER

### 12.1a Accounts payable IDB

The list of outstanding payables as at December 31, 2021 is as follows:

| Requestor                            | Description of Services  | Amount<br>in US\$    |
|--------------------------------------|--|----------------------|
| Permanent Secretary<br>Animal Health | Consumption for BAVP-training Certificate Ceremony   | 310                  |
| Teamleader A.<br>Djoeneri            | Purchase of cartridges and external portable hard drive for<br>Open Field  | 578                  |
| Project Manager                      | Advertisement REOI Supervision Construction Works Cluster<br>Laboratory  | 442                  |
| Project Manager                      | Advertisement REOI Supervision Electrical and Plumbing<br>Works Cluster Laboratory   | 442                  |
| Project Manager                      | Advertisement of REOI for Individual Consultancy for<br>Supervision of Electrical and Plumbing Installation Works of<br>the Plant Health Laboratory  | 516                  |
| Project Manager                      | Advertisement of RFB for Procurement of works for the<br>execution of the site preparation and building of a Protected<br>Agriculture Structure  | 442                  |
| Project Manager                      | Advertisement of RFB for Procurement of works for the<br>execution of the site preparation and building of a Protected<br>Agriculture Structure Cover materials and Water & micro-<br>climate management system          | 442                  |
| Teamleader S.<br>Ramautar            | Purchase of fuel costs boat transportation team to Alliance<br>for training "Training in "traditional composting" at Citrus<br>State Company Alliance" for the Innovation project<br>'Strengthening of Citrus Production | 692                  |
| Teamleader S.<br>Ramautar            | Training costs for training "Training in "traditional<br>composting" at Citrus State Company Alliance" for the<br>Innovation project 'Strengthening of Citrus Production   | 417                  |
| Teamleader S.<br>Ramautar            | Consumption costs for training "Training in "traditional<br>composting" at Citrus State Company Alliance" for the<br>Innovation project 'Strengthening of Citrus Production  | 556                  |
| Teamleader S.<br>Ramautar            | Purchase of fuel for Strengthening of Citrus Production  | 430                  |
| Teamleader W.<br>Ghisaidoobe         | Clearance costs imported passion fruit seeds   | 100                  |
| Teamleader W.<br>Ghisaidoobe         | Execution of soil analysis and purchase of pesticides and<br>industrial weight scale   | 750                  |
| Teamleader W.<br>Ghisaidoobe         | Purchase of fuel for soil tillage, pruning knife and rice bags   | 701                  |
| Teamleader V. Matau                  | The preparation of ALPP awareness package including<br>broadcasting videos on the television   | 750                  |
| Teamleader V. Matau                  | Purchase fuel, trap-insecticide and alcohol for the fruit fly<br>monitoring-survey in Nickerie   | 750                  |
| P. University of West<br>Indies      | Payment of tuition for student Stippel Zebeda for MSC studies  | 19,799               |
|                                      | <b>Total</b>   | <b><u>28,117</u></b> |

### 12.1b Accounts payable EU-CIF grant

As of December 31, 2021 there were no accounts payable made regarding the EU-CIF grant.



## NOTE 13 - FINANCIAL COSTS GOVERNMENT

The interest and commitment fee regarding the loan is an obligation for the government as agreed in the loan agreement regarding IDB financing. The interest and commitment fee is not applicable for the EU-CIF grant. These are paid by "Bureau voor de Staatsschuld". The amounts regarding interest and commitment fee for 2021 is US\$ 103,169.

|                | December 31, 2021 |                | December 31, 2020 |               |
|----------------|-------------------|----------------|-------------------|---------------|
|                | IDB               | Total          | IDB               | Total         |
|                | US\$              | US\$           | US\$              | US\$          |
| Commitment fee | 76,635            | 76,635         | 38,398            | 38,398        |
| Interest paid  | 26,534            | 26,534         | 26,850            | 26,850        |
| <b>Total</b>   | <b>103,169</b>    | <b>103,169</b> | <b>65,248</b>     | <b>65,248</b> |

### 13.1. Approval of the financial statements

The financial statements of the Agricultural Competitiveness Project Suriname as at and for the year ended were approved by the Executing Agency on March 10, 2022.