A C P - E U C O T O N O U A G R E E M E N T

AFRICAN, CARIBBEAN AND PACIFIC GROUP OF STATES	COUNCIL OF THE EUROPEAN UNION

Brussels, 20 July 2021
(OR. en)

ACP-UE 2102/21

COVER NOTE

From:	Chairman of the Executive Board of the Technical Centre for Agricultural and Rural Cooperation (CTA)
To:	Co-President of the ACP-EU Committee of Ambassadors
Subject:	Technical Centre for Agricultural and Rural Cooperation (CTA) - 2020 Audit Report of the CTA

Delegations will find attached the 2020 Audit report of the CTA as well as the financial statements of the Centre.

Centre technique de coopération agricole et rurale
Accord de Cotonou ACP-UE

Technical Centre for Agricultural and Rural Cooperation
ACP-EU Cotonou Agreement

CTA

In all correspondence on this matter
please quote our ref no.: DIR/210707/dkl

Wageningen, 7 July 2021

H.E. Mr Iztok Jarc
Co-Chair of the OACPS-EU Committee of Ambassadors
Permanent Representative of Slovenia to the EU
c/o General Secretariat of the Council of the EU
Rue de la Loi 175
B-1048 Brussels

Dear Co-Chair,

Subject: CTA Financial Statements and Audit Report 2020

In accordance with Decision No. 5/2013 Art. 6.2 (k) of the OACPS-EU Committee of Ambassadors of 7 November 2013 on the Statutes of the Technical Centre for Agricultural and Rural Cooperation (CTA), I am pleased to transmit to you herewith the approved CTA 2020 Financial Statements and Audit Report duly signed by the Director of the Centre and the Chair of the Executive Board.

In view of the approval of the Financial Statements and Audit Report, and in accordance with the afore-mentioned decision and article, the Executive Board wishes to recommend to the OACPS-EU Committee of Ambassadors that the Director be granted a discharge in relation to the implementation of the 2020 budget.

The Executive Board remains at the disposal of the Committee of Ambassadors for any further clarifications which it may require.

Please accept, Co-Chair, the assurances of our highest consideration.

Augusto Correia

Professor Augusto Correia
Chairman of the CTA Executive Board

Encl.:

cc. Mr Zoltán Martinusz, Director, Co-Secretary of the OACPS-EU Council of Ministers
Dr Leonard Mizzi, Head of Unit, INTPA.F.3, European Commission

Siège/Headquarters: Agro Business Park 2, 6708 PW Wageningen, Pays-Bas/ The Netherlands
Poste/Post: PO Box 380, 6700 AJ Wageningen, Pays-Bas/ The Netherlands
Tel: +31 (0) 317 - 467100
Fax: +31 (0) 317 - 460067
Email: cta@cta.int

Brussels office/Antenne de Bruxelles
39 rue Montoyer, B-1000 Bruxelles, Belgique
Tel: +32 (0) 2 - 5137436
Fax: +32 (0) 2 - 5113868
Email: cta.bxl@cta.int

Le CTA est financé par l'Union européenne
The CTA is funded by the European Union
www.cta.int

Phone: +32 (0)2 778 01 00
Fax: +32 (0)2 771 56 56
www.bdo.be

The Corporate Village
Da Vincilaan 9, Box E.6
Elsinore Building
B-1930 Zaventem

TECHNICAL CENTRE FOR AGRICULTURAL AND RURAL COOPERATION

Independent auditor's report on the financial statements as of and for the year ended 31 December 2020

BDO

TECHNICAL CENTRE FOR AGRICULTURAL AND RURAL COOPERATION INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2020

To the Chairman of the Executive Board of the
Technical Centre for Agricultural and Rural Cooperation (CTA)

In accordance with the terms of our engagement letter dated 23 May 2019 and with Article 26 of the Financial Regulation of the CTA (Decision n°3/2006 of the ACP-EC Committee of Ambassadors of 27 September 2006, Document ACP-CE 2122/06), we have audited the accompanying financial statements of the Technical Centre for Agricultural and Rural Cooperation (hereafter abbreviated as « CTA ») for the year ended on 31 December 2020.

Our independent auditor's mandate will expire on the meeting of the ACP-EU Committee of Ambassadors which will deliberate on the financial statements closed on 31 December 2020. We have performed the audit of the financial statements of the CTA for 9 consecutive years.

REPORT ON THE FINANCIAL STATEMENTS

Unqualified opinion

We have audited the financial statements of the CTA, which comprise the balance sheet as at 31 December 2020, the statement of revenues and expenditures for the year then ended and a summary of significant accounting policies and other explanatory information, characterised by a balance sheet total of 2.200 (000) EUR, a statement of revenues and expenditures showing a positive operational result of 223 (000) EUR and an overall result of 195 (00) EUR.

In our opinion, the financial statements give a true and fair view of the CTA's net equity and financial position as at 31 December 2020, as well as of its results for the year then ended, in accordance with requirements and the accounting principles imposed by the Financial Regulation of the CTA and summarized in the notes of the financial statements.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the '*Independent auditor's responsibilities for the audit of the financial statements*' section in this report. We have complied with all the ethical requirements that are relevant to the audit of financial statements in Belgium, including those concerning independence.

We have obtained from the Executive Board and the officials of the CTA the explanations and information necessary for performing our audit.

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

Responsibilities of Executive Board for the drafting of the financial statements

The Executive Board of the CTA is responsible for the preparation of financial statements that give a true and fair view in accordance with the requirements and the accounting principles imposed by the Financial Regulation of the CTA, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible for assessing the CTA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent 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 independent 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 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 ISAs, 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 CTA's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CTA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the CTA to cease to continue as a going concern;

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

We communicate with the Executive Board 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 identified during our audit.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Statement related to independence

Our audit firm and our network did not provide services which are incompatible with the audit of financial statements and our audit firm remained independent of the CTA during the terms of our mandate.

Other statement

This report has been drawn up solely for the use of the CTA within the framework of Article 26 of the Financial Regulation. It should not be used by any other party or for other than its intended purpose. This report may however be disclosed to the official authorities and bodies having regulatory or statutory rights of access to it.

Zaventem, 9 June 2021

BDO Réviseurs d'Entreprises SRL
Independent auditor
Represented by Noëlle Lucas
Registered Auditor

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For the year ended 31 December

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Financial statements

Technical Centre for Agricultural and Rural Cooperation (CTA)

June 2021

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1 Governance Report

The Technical Centre for Agricultural and Rural Cooperation (CTA, hereafter: The Centre) was established in 1983 under the Lomé Convention between the African, Caribbean and Pacific Group of States (ACP) and the European Union Member States. Since 2000, it has operated within the framework of the ACP-EU Cotonou Agreement and is funded by the European Union.

The Centre's objectives are set out in the Strategic Plan 2016-2020, as per article 2 of the statutes and identify the strategic goals, which contribute to the Centre's mission of food security, prosperity and sound natural resources management. CTA's activities contribute directly toward achieving the UN's Sustainable Development Goals (SDGs) with specific focus on:

- Goal 1 No poverty: End poverty in all its forms everywhere.
- Goal 2 Zero hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- Goal 5 Gender equality: Achieve gender equality and empower all women and girls.
- Goal 8 Decent work and economic growth: Promote inclusive and sustainable economic growth, employment and decent work for all.
- Goal 13 Climate action: Take urgent action to combat climate change and its impacts.

CTA is primarily funded by the European Development Fund but also receives additional funding through a diverse set of international partners. CTA is active in 79 ACP countries.

CTA's mission is to advance food security, resilience and inclusive economic growth in Africa, the Caribbean and the Pacific through innovations in sustainable agriculture. The vision of CTA is smallholder agriculture as a vibrant, modern and sustainable business that creates value for farmers, entrepreneurs, youth and women, and produces affordable, nutritious and healthy food for all.

The ACP-EU Cotonou Agreement ended December 31, 2020 and will not be renewed, or might be renewed but not in its current configuration. Consequently, the joint supervisory authorities of CTA have decided that the Centre is to close per December 31, 2020. The subsequent closure period has been extended until July 2021.

Executive Board

The Centre's Executive Board was set up to provide support, monitor and control the technical, administrative and financial aspects of all the Centre's activities as per Article 5 of the statutes. The tasks of the Executive Board are laid down in Article 6 of the statutes.

Based on their professional qualifications in the fields of agriculture and rural development and/or information and communication policies, science, management and technology and as per Article 5 of the statutes, the appointed members to the Executive Board of the Technical Centre for Agricultural and Rural Cooperation (CTA) were in 2020:

European Union	ACP Group of States
Professor Augusto Manuel Correia (Chairman)	Dr. Abel Kpawilina-Namkoisse (Vice-chair)
Dr. Helena Johansson	Dr. Boitshoko Ntshabele
Professor Frederike Praasterink	Mr David Joseph Hunter

Meetings of the Executive Board are attended by observers from the European Commission, the General Secretariat of the Council of the European Union and the Secretariat of the ACP States.

Approval of the Financial Statements and Discharge of the Director of CTA

As per Article 6 of Decision No. 5/2013 of the ACP-EU Committee of Ambassadors of 7 November 2013 on the Statutes of the Technical Centre for Agricultural and Rural Cooperation (CTA), the Executive Board:

Art. 6.2j: Approved the annual financial statements for the year ended December 31, 2020, based on the examination of the audit report; and

Art. 6.2k: Transmitted the annual financial statements and audit report for the year ended December 31, 2020, together with a recommendation to the attention of the Committee of Ambassadors, in view of granting the discharge in relation to the implementation of the budget for the financial year 2020 to the Director.

Augusto Correia

Professor Augusto Manuel Correia,
Chairman of the Executive Board

Wageningen, June, 2021

2 Management Report

The Technical Centre for Agriculture and Rural Cooperation (CTA) is pleased to present herewith the financial statements for the year ended 31 December 2020. The financial statements comprise the statement of financial position, the statement of revenue and expenditures as well as the notes to the statements. The statement of changes in the reserve fund is included in the notes to the financial statements.

The Centre is responsible for the preparation and presentation of the financial statements on the basis of accounting as described in the Financial Regulations of the Technical Centre for Agricultural and Rural Cooperation (CTA), dated 27 September 2006, Decision No. 3/2006 of the ACP-EC Committee of Ambassadors (hereafter: the Financial Regulations). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of financial statements that are free from material misstatements.

The management of the Centre accepts its responsibility for the preparation of the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the Financial Regulations. The Centre further accepts its responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Centre's management is of the opinion that the financial statements have been drawn up properly and in accordance with generally accepted accounting standards. To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements for the year ended December 31, 2020 give a true and fair overview of the financial position of the Centre.

Dr. Ibrahim Khadar
Director

Wageningen, June 2021

3 Financial Report

3.1 Introduction

This financial report presents the financial statements and financial results for the year ended December 31, 2020. Numbers are presented in Euro, which is the functional and reporting currency of the Centre, and all values in the tables are rounded to the nearest thousand. The accounting policies have been consistently applied for all the years presented. The financial statements have been prepared based on the historical cost method.

All accounts are established on a "Revenue and expenditure" modified accrual basis and the accounting is done based upon the rules of "double-entry" method. This means that expenditures are recognized when incurred and paid and matched at the same time with their related revenues. For the Operating Grant however, costs incurred can be recognized as a liability at year end and paid subsequently in next year.

Fixed assets and inventories are not recognized in the statement of financial position, amounts are expensed when they are paid.

3.2 Financial Results

The Centre ends the financial year 2020 with a positive result of € 195K (2019: € 209K).

	2020		2019	
	(x €1.000)		(x € 1.000)	
Operational result				
Revenue	15,279		21.670	
Expenditure	-15,056		-21.438	
		223		**232**
Non-operational result		-28		-23
Overall result		**195**		**209**

3.3 Establishment of the Budget

In the framework of the overall strategic plan 2017-2020, and within the limits of the overall budget allocated to the Centre by the Financial Protocol, a draft annual work programme and budget was approved by the Executive Board of CTA and sent to the European Commission for their approval. The CTA Action Grant Programme of Work and related budget 2017-2020 FED/2016/381-559 was signed in March 2017 for an amount of € 52,000,000. The Operating Grant, for the Centre's operational expenditure for 2020, amounts to € 3,000,000 and was signed in December 2018.

3.4 Structure of the Report

The financial report for the year ended December 31, 2020 comprises three parts:

1 The Auditor's Report

As in previous year, BDO Brussels was assigned to audit the financial statements 2020. As required by Article 26 of the Financial Regulations, the Executive Board appoints the auditors to audit the books and the cash of the Centre, to:

- verify that the inventories and balance sheets have been drawn up in a regular manner and in good faith and to ensure that the information given regarding the accounts of the Centre is correct;
- to establish that all revenue has been received and all expenditure incurred in a lawful and regular manner;

- that financial management has been sound;
- certify that the financial statements have been drawn up properly and in accordance with international accounting standards, and that they give a true and fair overview of the financial position of the Centre.

2 Financial Statements
The financial statements consist of the statement of financial position, a statement of revenue and expenditures as well as the notes to the financial statements.
The accounting policies used are set out in the notes to the financial statements. The individual notes contain additional information to clarify and detail the relevant line items of the statement of financial position and statement of revenue and expenditures. In addition, this part of the report includes the off-balance assets and liabilities.

3 Annexes
The following annexes have been included:

Annex 1 Financial overview of the Operating Grant 2020
Annex 2 Financial overview of the Action Grant 2017 –2020
Annex 3 Financial overview of the non-institutional Grants

3.5 Statement of Financial Position

	31-Dec-20		31-Dec-19	
	(x € 1.000)		(x € 1.000)	
Current assets				
Advance payments (3.8.1)	0		1.391	
Invoices received (3.8.2)	40		80	
Grant receivables (3.8.3)	0		320	
Prepaid expenditure (3.8.4)	0		209	
Other receivables (3.8.5)	166		293	
		206		**2.293**
Cash				
Cash and Bank (3.8.6)		**1,994**		**20.608**
Total Assets		**2,200**		**22.901**
Equity				
Reserve fund (3.9)		**695**		**500**
Financial obligations				
Provident Fund (3.10.1)	226		6.019	
Institutional support (3.10.2)	642		14.795	
Other funding (3.10.3)	81		115	
		949		**20.929**
Current liabilities				
Accrued expenses (3.11.1	515		1.391	
Accounts payable (3.11.2)	41		81	
		556		**1.472**
Total Equity and Liabilities		**2200**		**22.901**

3.6 Statement of Revenue and Expenditure

	2020 (x € 1.000)		2019 (x € 1.000)	
Institutional Grants				
Operating grants				
2020: FED/2018/401-939	2,975		-	
2019: FED/2018/400-541	-		2.720	
Action grants				
2017/20: FED/2016/381-559	10,858		16.902	
		13,833		**19.622**
Other Grants				
Non-EDF		**1,223**		**1.816**
Other Revenue				
Revenue from taxes		109	176	
Other income		114	56	
		223		**232**
Total Revenue		**15,279**		**21.670**
Institutional Grants				
Operating grants				
2020: FED/2018/401-939	2,975		-	
2019: FED/2018/400-541	-		2.720	
Action grants				
2017/20: FED/2016/381-559	10,858		16.902	
		13,833		**19.622**
Other Grants				
Non-EDF	1,223		1.816	
		1,223		**1.816**
Total Expenditures		**15056**		**21.438**
Operational Result		**223**		**232**
Non-operational result				
Interest and bank costs	-28		-15	
Other income			-8	
Total Non-operational result		**-28**		**-23**
Overall result		**195**		**209**

3.7 Notes to the Financial Statements

3.7.1 General information

As laid down in Article 3 of Annex III to the ACP-EU Agreement, the Centre's mission is to strengthen policy and institutional capacity development and information and communication management capacities of ACP agricultural and rural development organisations. The Centre shall assist such organisations in formulating and implementing policies and programmes to reduce poverty, promote sustainable food security, preserve the natural resource base, and thus contribute to building self-reliance in ACP rural and agricultural development.
The Centre's headquarter is situated in Wageningen in the Netherlands, with an office in Brussels, Belgium, which was closed beginning 2020.

The financial statements of the Centre for the year ended 31 December 2019 were approved by the Executive Board at EB40 on November 13, 2020. The Director was discharged for budget implementation, and these statements were authorized for issue on 22 December, 2020 by the ACP-EU Committee of Ambassadors in accordance with the Financial Regulations.

3.7.2 Accounting Policies

Statement of compliance and basis of preparation

The financial statements have been prepared in compliance with the Financial Regulations of the Technical Centre for Agricultural and Rural Cooperation (CTA), dated 27 September 2006, Decision No. 3/2006 of the ACP-EC Committee of Ambassadors and international accepted accounting standards. The financial year runs from January 1st up to and including December 31st. The budget and accounts are kept in euros.
Appropriations entered in the budget are authorized for a period of one year. However, appropriations duly committed during the financial year but not paid at December 31 of the year are carried over to the following financial year. These appropriations which have been carried over to the following financial year are clearly distinguished in the accounts of the current financial year.

Going concern and subsequent events

The CTA closed its operations before the end of December, 2020. The office in Brussels, Belgium closed in the first quarter of 2020. Based onthe Social Plan as approved by the Executive Board on 8 November 2019, provisions have been made to reduce the work force from February 2020 on and hand over the assets before final closure.

As CTA uses the modified cash accounting principle, no provisions are taken into account at the end of December 2020 and there is no impact on the assets recognized.

Foreign currency transactions

Transactions in foreign currencies are accounted for at the applicable bank rate of exchange on the date of the payment. Current assets and liabilities denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate of the recording date.

Revenue recognition

Grants

The revenue from grants represents actual expenditures incurred by the Centre which meet the criteria for eligibility as stipulated in the contractual conditions of the grant contracts. Where grants are not spent as stipulated in the contracts, they must be returned to the donors.

Income tax and interest

Income tax and interest are recognized when the Centre's right to receive payments is established.

Other income

Amounts received by the Centre on projects after the request for balance payment is sent, are reported as other income.

Expenditure recognition

Grants

Expenditure represents eligible expenditure that are charged to the specific projects undertaken by the Centre. These expenditures are charged on the basis of the project budgets submitted. Accordingly, the Centre is contractually bound to use these grants only for the purpose of the projects.
The expenditure at year-end closing is recognized when the services or products have been delivered or when the activities have been undertaken during the financial year, irrespective if these have been paid in the financial year or after. Any amount of expenditure above the amount received during the year will be recognized as a grant receivable.

Fixed assets

Purchases of movable and immovable property are recorded as expenditure of the year in the Statement of Revenue and Expenditure. These assets are not recognized in the Statement of Financial Position nor depreciated. Fixed assets are entered into account as off-balance sheet. Presented amounts in the notes are indicative, based at historical costs less accumulated outflows (sales, disposals, and loss) and depreciations.

In accordance with the Financial Regulation of the Centre, dated 27 September 2006, Decision No. 3/2006 of the ACP-EC Committee of Ambassadors, movable property with a value of less than €350.00 is not entered in the fixed assets' register. Property in the asset register is stated at acquisition cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on assets is charged on a straight-line basis over the useful life of the asset: Furniture in 5 – 10 years and Equipment in 3 – 5years.

3.8 Current Assets

3.8.1 Advance Payments

	31-Dec-20		31-Dec-19	
	(x € 1.000)		(x € 1.000)	
Advances to be justified				
PMI Programme			858	
KMC Programme			191	
Non-Institutional Grants			64	
		0		**1.113**
Project debtors to be justified				
PMI Programme			214	
KMC Programme			64	
Non-Institutional Grants			-	
		0		**278**
Total		**0**		**1.391**

Advances to be justified

The amount contains payments that are already processed at the end of the financial year, in line with article 25 of the Financial Regulations. Advances granted on ongoing projects are recorded as "Advances to be justified" until they are cleared and expensed, based on the receipt of the relevant supporting documents.

Project debtors to be justified

Payments on projects which are more than 1-year-old are classified as "project debtors to be justified". Project debtors over 365 days are provided for, based on estimated irrecoverable amounts, determined by reference to past default experience.

3.8.2 Invoices Received

These are invoices to be paid in following year (before VAT). The expenditure of the invoices received are recognised when the bank payment is processed.

3.8.3 Grant Receivables

The position at year-end 2019 corresponds to the balance payment to be received on the executed operating grant contract 2019. In view of the closure, no more payments will be received. Any remaining balance to be received will be cleared against balances to be paid (please see paragraph 3.10.2).

3.8.4 Prepaid Expenditure

In line with the Centre's Financial Regulations, the balance at year end 2019 corresponds to the salaries of international statutory staff for January 2020, paid in December 2019. The budget imputation occurred in January 2020.

3.8.5 Other Receivables

	31-Dec-20		31-Dec-19	
	(x € 1.000)		(x € 1.000)	
Other receivables		166		293
Total		**166**		**293**

The other receivables are all short term. No provision was required for doubtful collection. Under the Other Receivables the VAT receivable is included.

Given the legaland tax status of CTA, the Centre is not required to pay value added tax. VAT on invoices from Dutch suppliers with service over an amount of € 225 can be recovered from the Dutch Tax Authorities on a quarterly basis. Non-Dutch suppliers are informed on the Centre's VAT exempt status and are not allowed to charge VAT. The value Added Tax position represents the claimed but not yet received VAT Q2, Q3 and Q4 2020.

3.8.6 Cash and Banks

	31-Dec-20		31-Dec-19	
	(x € 1.000)		(x € 1.000)	
Bank	1,994		20.604	
Cash on hand	0		4	
Total		**1,994**		**20.608**

Bank

Cash at bank earns interest at floating rates based on daily bank deposit rates. All bank amounts are unrestricted, except for the bank guarantee account of € 83,376. Further details on the bank guarantee are provided under the off-balance liabilities.

Cash on hand

The balance included in the accounts corresponds to the balance of the cashbook.

3.9 Equity

Overview of Reserve fund:

	31-Dec-20 (x € 1.000)	31-Dec-19 (x € 1.000)
As per January 1	500	291
Operational result	223	232
Non-operational result	-28	-23
As per December 31	**695**	**500**

Operational result

The Centre ends the financial year 2020 with a positive operational result of € 223K (2019: € 232K). After bank costs the Centre ends the year 2020 with a positive total result of € 195K (2019: € 209K). Following the recommendation of the 25th CTA Executive Board meeting, dated 19-20 November 2015, the result was added to the Reserve Fund.

3.10 Financial Obligations

3.10.1 Provident Fund

On August 13, 2019 CTA made use of the clause to terminate the agreement with Utmost, until then the service provider for the Provident Fund. The decision was made in light of the foreclosure of CTA in 2020. The Executive Board approved the administrative procedure to administer the Provident Fund by CTA itself as of October 1, 2019.

The individual's Provident Fund entitlements are retained by CTA and is paid in one single lumpsum:

i. In the case of termination of the employment.
ii. At the date of retirement of the staff member.
iii. In the case of death of a staff member to his/her designated beneficiaries.

Utmost transferred the built up capital (specified per individual) in September 2019 for a total amount of € 12.798.120. At the end of 2019, employees, former employees and other beneficiaries received an amount of € 7.038.728 in total. For the months of October 2019 – December 2019 an amount of in total € 259.863 (minus charges, € 135) was deposited, consisting of CTA's and employee's contributions. The balance of € 6.019.161 was transferred to a separate dedicated bank account at year-end 2019.

Remaining entitlements were paid in 2020, with exception of € 226K. This amount relates to a deceased former employee, the heirs of whom were identified in February 2021.

The following summary can be provided:

Provident Fund	31-Dec-20 (x € 1.000)		31-Dec-19 (x € 1.000)	
Per January 1st		6,019		
Deposit by Utmost of the Provident Fund as at October 1, 2019			12.798	
Contributions by CTA and employees			260	
				13,058
Transfers to employees, former employees and other beneficiaries (if applicable)		5,793		7,039
Total		**226**		**6.019**

3.10.2 Institutional Support

Institutional Grants	31-Dec-20 (x € 1.000)		31-Dec-19 (x € 1.000)	
Institutional support				
2017- 2020: FED/2016/381-559/2017	13,000		13,000	
2017- 2020: FED/2016/381-559/2018	13,069		13,069	
2017- 2020: FED/2016/381-559/2019	18,995		18,995	
Pre-financing	45,064		45,064	
Expensed:				
2017- 2020: FED/2016/381-559/2017	-4,170		-4,170	
2017- 2020: FED/2016/381-559/2018	-11,597		-11,597	
2017- 2020: FED/2016/381-559/2019	-16,902		-16,902	
2017- 2020: FED/2016/381-559/2020	-10,858			
		1,537		12,395
operating grants				
2019: FED/2018/400-541 (pre-financing)	2,400			
2019: FED/2018/400-541 (expensed)	-2,720			
		-320		
2020: FED/2018/401-339 (pre-financing)	2,400		2,400	
2020: FED/2018/401-339 (expensed)	-2,975			
		-575		2,400
Total		**642**		**14,795**

Based on the terms and conditions of the individual grants, a certain amount or percentage of the budgeted amount can be paid as an initial pre-financing payment (e.g. 80% in the case of operating grant contracts). The position at year-end corresponds to the received pre-financing payment of the executed grant contracts that has not been spent in the year of receipt or during previous years of the implementation period.

3.10.3 *Other Funding*

	31-Dec-20 (x € 1.000)		31-Dec-19 (x € 1.000)	
Non-EDF				
Other European Funding			21	
International Organisations	61		72	
Governmental Organisations			-274	
Other Organisations			296	
		61		115
Other				
Contribution on EDF project		20		
Total		**81**		**115**

Based on the terms and conditions of the individual grants, up to 100% of the budgeted amount can be paid as an initial pre-financing payment. The position at year-end corresponds to the received pre-financing payment of non-closed grant contracts that has not been spent during 2020 or previous years of the implementation period. Details on the unspent funds and expenditure on other grants are included in Annex 3: Financial overview of non-institutional grants. At December 31, 2020, also a contribution from a third party with regards to an EDF project was not executed yet.

3.11 Current Liabilities

3.11.1 *Accrued Expenses*

	31-Dec-20 (x € 1.000)		31-Dec-19 (x € 1.000)	
Advances to be justified				
PMI Programme			858	
KMC Programme			191	
Non-Institutional Grants			64	
		0		**1.113**
Project debtors to be justified				
PMI Programme			214	
KMC Programme			64	
Non-Institutional Grants			-	
		0		**278**
Indemnities to be paid		515		
Total		**515**		**1.391**

Indemnities to be paid pertains to the indemnities for local staff and some reimbursements to international staff per December 31, 2020 which were paid in 2021.

3.11.2 Accounts Payable

Creditors

Creditors are non-interest bearing and are settled within the 60-day terms.

4 Off-balance Assets and Liabilities

4.1 Fixed Assets

A fixed assets register is kept guaranteeing that the property is kept safe so that they can continue to produce benefits over a long period. The clear and up-to-date register allows easy identification of the physical assets concerned. A complete physical inventory of all assets is done at least once a year.

In view of the closure of the Centre, items that would become redundant have been offered to staff leaving at a representable price, and to NGO's, free of charge. More valuable items that are useful for the OACPs will be transported to their office in Brussels, or sold to their benefit.

	Furniture (x € 1.000)	Equipment (x € 1.000)	Total (x € 1.000)
As per January 1st			
Acquisition cost	116	423	**539**
Accumulated depreciation	-70	-334	**-404**
Book value	**46**	**89**	**135**
Adjustments			
Acquisitions	0	0	**0**
Depreciations	-7	-29	**-36**
Sold to staff / transferred to NGOs	-39		**-39**
	-46	-29	**-75**
Book value as per Dec 31rd	**0**	**60**	**60**

4.2 Liabilities

At the end of the year 2020 the Centre has the following guarantees and credit facilities from the ABN-AMRO Bank: Ref. NLHG002060, renting guarantee to the respective owner of the Wageningen office, with a balance of € 83.376 deposit in savings account.

Annexes

The annexes to the financial statements have been prepared in accordance and compliance with the Financial Regulations and International Accounting Standards.

Annex 1 – Financial Overview of this year's Operating Grant

Description	Unit	Signed Budget 2020 EUR	Project expenditure 01-08/2020	Project expenditure 09-12/2020	Total expenditure 2020
Human resources					
1.1 Salaries (local staff)					
1.1.1 Technical	Per month	230.872	328.678	202.944	531.621
1.1.2 Administrative / support staff	Per month				
1.2 Salaries (international staff)	Per month	941.509	552.425	495.300	1.047.725
1.3 Per diems for missions / travel					
1.3.1 Abroad (staff assigned to the Action)	Per diem	11.000	3.316	0	3.316
1.3.2 Local (staff assigned to the Action)	Per diem	11.600	2.056	0	2.056
1.3.3 Seminar/conference participants	Per diem	7.890	3.663	594	4.257
1.4 Other HR expenditure					
1.4.1 Staff benefits	Per month	236.137	321.660	-4.953	316.707
1.4.2 Training	Per month	60.000	4.167	4.910	9.077
1.4.3 HR Services	Per month	8.000	29.085	10.362	39.447
1.4.4 Temporary staff	Per month	480.000	137.494	43.553	181.047
1.5 Governance structure	Per meeting	23.443	20.155	7.650	27.805
Subtotal Human Resources		**2.010.452**	**1.402.699**	**760.360**	**2.163.059**
Travel					
2.1. International travel	Per month	51.000	13.510	0	13.510
2.2 Local transportation	Per month	7.333	1.144	653	1.796
Subtotal Travel		**58.333**	**14.654**	**653**	**15.307**
Equipment and supplies					
3.2 Furniture, computer equipment	Per month	3.000	0	0	0
Subtotal Equipment and supplies		**3.000**	**0**	**0**	**0**
Local office					
4.1 Vehicle costs	Per month	5.600	9.892	1.889	11.781
4.2 Office rent	Per month	111.833	184.564	61.922	246.486
4.3 Consumables - office supplies	Per month	3.250	2.229	1.210	3.439
4.4 Other services	Per month	522.532	146.666	155.950	302.617
Subtotal Local office		**643.215**	**343.352**	**220.972**	**564.323**
Other costs, services					
5.5 Expenditure verification / Audit	Per month	85.000	422	37.896	38.318
5.6 Administrative and legal expertise	Per month	200.000	110.583	83.858	194.440
Subtotal Other costs, services		**285.000**	**111.005**	**121.753**	**232.758**
Total Operating Grant FED/2018/401-939		**3.000.000**	**1.871.709**	**1.103.737**	**2.975.447**

Annex 2 – Financial Overview of the Action Grant 2017-2020

Description	Signed budget 2017-2020	Project expenditure 2017	Project expenditure 2018	Project expenditure 2019	Project expenditure 1.1.2020-31.08.2020	Project expenditure 01.09.2020 - 31.12.2020	Total Project Expenditure (2017-31.12.2020)	Remaining budget 2017-2020
Human resources								
1.1 Salaries (Local staff)								
1.1.1 Local Staff	2.765.546	453.938	691.739	580.064	368.355	69.687	2.163.784	601.762
1.2 Salaries (International staff)								
1.2.1 PMI	9.442.856	1.483.298	1.747.327	1.890.337	1.132.779	262.906	6.516.647	2.926.209
1.2.2 KMC	5.081.910	772.134	989.836	891.078	254.077	29.051	2.936.177	2.145.734
1.2.3 LME	1.344.324	166.911	310.164	376.632	180.627	3.518	1.037.852	306.472
1.3 Per diems for missions / travel								
1.3.1 Abroad (staff assigned to the Action)	120.340	21.387	53.235	58.238	14.243	-	147.103	- 26.763
1.3.2 Local (staff assigned to the Action)	13.720	720	14.653	9.952	1.717	-	27.042	- 13.322
1.3.3 Seminar/conference participants	902.076	9.587	434.278	206.944	56.466	1.565	708.840	193.236
1.4, Other HR								
1.4.1 Staff benefits	790.400	146.206	196.574	131.741	3.776.711	659.751	4.910.983	- 4.120.583
1.4.2 Training	120.000	7.024	25.132	21.276	12.064	5.480	70.976	49.024
1.4.3 Temporary staff	528.000	2.700	93.786	115.184	30.823	1.856	244.349	283.651
Subtotal Human Resources	**21.109.172**	**3.063.905**	**4.556.725**	**4.281.447**	**5.827.861**	**1.033.814**	**18.763.753**	**2.345.419**
Travel								
2.1 International travel	1.811.387	59.958	358.592	519.409	61.781	427	1.000.167	811.220
2.2 Local transportation	100.478	4.619	5.526	22.554	3.474	26	36.198	64.280
Subtotal Travel	**1.911.865**	**64.577**	**364.117**	**541.963**	**65.254**	**453**	**1.036.365**	**875.500**
Equipment and supplies								
3.1 Leasing	-	-	15.692	12.722	7.433	11.047	46.894	- 46.894
3.2 Furniture computer equipment	1.599.200	324.876	357.974	228.320	105.892	66.986	1.084.048	515.152
3.3 Machines, tools	12.000	-	224	227	-	233	684	11.316
Subtotal Equipment and Supplies	**1.611.200**	**324.876**	**373.890**	**241.270**	**113.324**	**78.266**	**1.131.626**	**479.574**
Other costs, services								
5.1 Publications	4.700.400	396.588	1.033.087	827.211	199.124	34.082	2.490.091	2.210.309
5.2 Studies, research	2.438.109	27.520	642.123	1.598.133	465.426	85.298	2.818.500	- 380.391
5.3 Expenditure verification audit	80.000	-	1.367	9.756	30.641	26.867	68.631	11.369
5.4 Evaluation costs	753.584	-	23.785	93.173	63.979	-	180.937	572.647
5.5 Translation, interpreters	182.267	20.279	60.754	110.890	19.773	-	211.696	- 29.429
5.7 Costs of conferences / seminars	1.005.168	485	294.131	673.695	74.846	36.903	1.080.060	- 74.892
5.8. Visibility actions	1.119.298	-	45.345	27.693	63	-	73.101	1.046.197
5.9 Training costs	401.600	-	28.542	37.470	40.300	-	106.312	295.288
5.10 IT, apps and web services and development	1.657.333	17.764	541.951	831.099	374.154	159.809	1.924.776	- 267.443
5.11 Innovation support	439.535	-	102.315	123.496	62.657	17.485	305.952	133.583
5.12 Financial support third parties	14.590.468	254.328	3.528.927	7.504.872	1.665.094	382.060	13.335.280	1.255.188
Total Other costs, services	**27.367.763**	**716.964**	**6.302.326**	**11.837.485**	**2.996.058**	**742.503**	**22.595.336**	**4.772.426**
Total Action Grant FED/2016/381-559	**52.000.000**	**4.170.322**	**11.597.058**	**16.902.166**	**9.002.498**	**1.855.037**	**43.527.080**	**8.472.920**

Annex 3 – Financial overview of non-institutional Grants

Description	Donor	Received Previous Years	Received Funds 2020	Expenditure Previous Years	Expenditure 2020	Balance of Grants to Other Income	Carry Forward
Capitalizing on experiences for greater impact in rural development	IFAD	€ 1,396,031	€ -	€ 1,354,223	€ 25,123	€ 16,685	€ -
Leveraging the Development of Local Food Crops and Fisheries Value Chains for Improved Nutrition and Sustainable Food Systems in the Pacific Islands	IFAD	€ 1,571,944	€ 33,443	€ 1,241,078	€ 361,885	€ 2,424	€ -
Youth Economic Empowerment through Agribusiness in Kenya	IFAD	€ 319,016	€ 846,582	€ 636,042	€ 468,763	€ -	€ 60,792
Hosting Agreement between CTA and CGIAR	CGIAR	€ 113,876	€ 172,959	€ 103,519	€ 174,665	€ 8,651	€ -
Total International Organisations & NGOs		**€ 3.400.867**	**€ 1.052.984**	**€ 3.334.862**	**€ 1.030.436**	**€ 27.760**	**€ 60.792**
Market-Led, User-Owned ICT4Ag-Enabled Information Service (MUIIS)	NSO (NL) etc	€ 2,876,226	€ 292,412	€ 3,090,388	€ 114,298	€ -36,048	€ -
Godan - Open Data Research and Capacity Building	DFID (UK)	€ 300,236	€ 16,838	€ 267,833	€ 43,704	€ 5,537	€ -
Advocating and scaling up new learnings in agri-food systems	AGRICORD (NL)	€ 285,433	€ -	€ 242,495	€ 35,300	€ 7,638	€ -
Total National Organisations		**€ 3,461.895**	**€ 309,250**	**€ 3,600,716**	**€ 193,302**	**€ -22.873**	**€ -**
Total Non-institutional Grants		**€ 6,862,762**	**€ 1,362,233**	**€ 6,935,578**	**€ 1,223,738**	**€ 4.888**	**€ 60.792**