2013

Annual report – 2013 global projects & financial statement
Projects worldwide

This report will bring you up to date on some exciting developments at EUCORD, and give you a glimpse into where the organization is headed under our Executive director, Guy Sneyers. In 2013, we reached a critical moment in EUCORD’s history: Henk Knipscheer retired after more than 10 years at the head of EUCORD since its creation. Henk Knipscheer was one of EUCORD’s founders and was since then a really active motor for the organization. Under his leadership, EUCORD experienced an important programmatic and financial growth. With Guy Sneyers’ arrival at the head of EUCORD in September 2013, EUCORD hopes to build on the successes of the past and take the organization forward.

In addition to the important changes in human resources, EUCORD has experienced in 2013 a significant growth with the start up of new projects. The sorghum value chain development project in Kenya funded by EUROPEAID completes the currently implemented project on the same thematic funded by Diageo and CFC. Thanks to this contract signed in December 2012, EUCORD reinforced its presence in different regions of Kenya and is able to support a wider number of farmers. EuropeAid is also a new partner for EUCORD.

The CREATE project implemented in three different countries also started in 2013. This project implemented in Ethiopia, Rwanda and Sierra Leone will pursue the collaboration with the private sector through the establishment of PPP namely with Heineken.

The Schokland project to increase food security and improve livelihoods of sorghum and rice producers in Burundi and Congo was supposed to end in 2012. However, it was decided to extend it until end of Dec 2014 in order to consolidate the expected results.

In 2013, EUCORD was active in eleven African countries (Kenya, Tanzania, Uganda, Ethiopia, Rwanda, Sierra Leone, Mali, Guinea, Senegal, Burundi and DR Congo) and hopes to pursue its work in the coming years.
**East Africa**

**East Africa Sorghum Value Chain Development**

**Country**  
Kenya, Tanzania, Uganda

**Project length**  
2011-2015

**Total budget**  
USD 4,044,667

**Funders**  
East African Breweries Ltd., Diageo  
Common Fund for Commodities

**GOAL**
The objective of the project is to implement a public-private-partnership project to develop a stable and high quality sorghum supply chain that will increase incomes of sorghum farmers and enable national beverage industries to substitute imported grains by locally produced sorghum.

**PROJECT DESCRIPTION**
This project will develop a stable and high quality sorghum supply chain in Tanzania, Kenya, and Uganda that will allow the national beverage industry to substitute imported grains by locally produced sorghum by:

- Improving the productivity of the sorghum varieties and cultivation practices;
- Organizing and strengthening producers groups by technical training and facilitating access to inputs and credit;
- Introducing out-growers schemes by facilitating collaboration between medium and large commercial farmers and surrounding groups of smallholder farmers; and
- Strengthen private sector input providers and intermediary long-distance traders through the facilitation of contractual arrangements, introduction of ware-house receipt credit and other credit provisions and business development training.

A qualitative and quantitative increase in sorghum production and the simultaneous provision of a sustainable market will improve the level of food security and living standards of sorghum farmers in Eastern Africa.

**EXPECTED OUTCOMES**
By the end of the project, sorghum farmers will be able to improve productivity and incomes through greater access to improved inputs, technologies, and marketing options via commercial agribusiness. **25,000 farm families** (or 150,000 people according to an average family size of six) will be benefited by the program. Agricultural yield for sorghum will increase to 1750 kg/ha, in an area of over 15,000 hectares. This will inevitably yield 10 million USD in cash income for farmers within the network. These targets are tenfold the target reached in West Africa. It is expected that the project will become fully sustainable within four years. Economic incentives for all stakeholders should then lead to continuation of the established value chain structures and their autonomous management by the beneficiaries.

**ACTIVITIES**

- Introduce better production technologies;
- Facilitate secure access to markets (with local beverage companies);
- Organize farmers in producers/out-growers groups in order to reduce transaction costs for both outputs (sorghum) and inputs (seeds, fertilizers);
**Sorghum Value Chain Development Project in Kenya**

**Country**
Kenya; in 5 counties in semi-arid areas: Embu, Kitui, Makueni, Meru, Tharaka Nithi

**Project length**
2012-2015

**Funders**
EuropeAid

**Total budget**
EUR 806,321

**GOAL**
The overall goal of this three years project is to achieve sustainable rural development and agricultural growth in semi-arid counties in East Kenya.

**PROJECT DESCRIPTION**
The project has three main objectives:

- To improve the level of food security and living standards of sorghum farmers in Kenya by a quantitative and qualitative increase in sorghum production;
- Increase agricultural production and income of farmers to reduce food dependency in semi-arid areas
- Support the structuring of producer organizations and their integration into the sorghum value chain and strengthen marketing capacity of producers through the establishment of a public-private partnership.

**ACTIVITIES**

- Rapid appraisal of sorghum cultivation practices
- Identification and introduction of new sorghum varieties and technologies including soil and water conservation practices
- Training of farmers on best sorghum production and postharvest handling practices
- Economic analyses of alternative cultivation practices
- Identification and mobilization of groups and nucleus farmers
- Strengthening the technical and organizational capacity of farmer groups and nucleus farmers
- Identification, formation and training of village level credit groups
- Improvement of access to seed, fertilizers and other inputs
- Support of communities for contingency plans preparation
- Development and testing of contract templates for the relationships intermediary agent and nucleus farmer, nucleus farmers and out-growers, nucleus farmers and input providers
- Assisting nucleus farmers with the development of business plans through workshops and individual counseling
- Facilitating access to short-term credit for input delivery and long-term credit for equipment
- Brokering contract discussion between agro-processors, agro-dealers and/or whole sale traders, intermediary purchasing agents and producers associations in order to identify long-term contract mechanisms between actors in the sorghum supply chain
- Assisting agro-dealers and intermediary buying agents in developing business plan and facilitate access to credit
- Introduction warehouse receipt procedures
EXPECTED OUTCOMES

- Improvement of the productivity of the sorghum sector by conducting trainings on new sorghum varieties, aspects of quality and quantity and the efficient use of conducive technology and inputs
- Organization of sorghum producer organizations and the strengthening or organizational development in terms of access to savings and credit facilities and marketing
- The Strengthening of market linkages in close collaboration with the local private sector and the producer groups
- Market linkages strengthened by the capacity building of local input and service providers along the sorghum value chain

ACCOMPLISHMENTS

- Beneficiaries have already been selected and purchase of 120 tons of seeds (Gadam and Sila varieties) for the long rainy season is being prepared
- Some trading partners have been selected by East African Breweries (EABL) and EUCORD
**Community revenue enhancement through agricultural technology extension (CREATE)**

**Country**  
Ethiopia, Rwanda, Sierra Leone

**Project length**  
2013 - 2017

**Funders**  
Heineken

**Total budget**  
- Contribution Ministry of Foreign Affairs (Netherlands): USD 2,890,123  
- Contribution Heineken cash: 2.2 million  
- Contribution Heineken kind: 1.9 million

**GOAL**
To reduce poverty through rebuilding agricultural production and increasing food security of barley, maize, and sorghum producers in respectively Ethiopia, Rwanda, and Sierra Leone.

**PROJECT DESCRIPTION**
EUCORD has partnered with Heineken International to assist with the implementation of the Community Revenue Enhancement Through Agricultural Technology Extension project otherwise known as CREATE. EUCORD will be providing organizational capacity support to the local partners including overseeing the annual Memoranda of Understandings (MoU) contracting the commitments and expected obligations of the local and private partners. EUCORD will also partner with local stakeholders to involve women, youth and other marginalized communities in decision making to promote sustainable community development.

**ACTIVITIES**

**Objective 1: Increasing agricultural production capacity of rural households.**
- Developing and strengthening producers’ groups and/or associations
- Training farmers in improved barley, maize and sorghum cultivation and post-harvest technologies
- Leveraging short term credit

**Objective 2: Limiting the dependency on imported commodities in each of the three countries.**
- Establishing long-term partnerships between producer groups and/or nucleus farmers, intermediaries, and agro-producers
- Developing marketing capacities
- Facilitating transport and other logistics

**EVALUATION/TESTIMONIALS**

Heineken Press Release  
**Development of Agriculture through Sorghum Hybrids (DASH)**

**Country**
Mali

**Project length**
2011-2013

**Funders**
Common Fund for Commodities (CFC)
Alliance for a Green Revolution in Africa (AGRA)

**Total budget**
USD 270,503

**GOAL**
To transform subsistence farmers to become market oriented entrepreneurs through the introduction of hybrid sorghum varieties to Malian smallholders and by facilitating the marketing of sorghum to wholesalers and processors.

**PROJECT DESCRIPTION**
The project has four main objectives:

- Introduce hybrid sorghum varieties through on-farm testing and demonstrations to smallholder farmers;
- Strengthen the technical and organizational capacity of extension agents, producers and rural organizations by a series of training sessions;
- Strengthen communication and information flow among stakeholders along the sorghum value chain (e.g. producers, processors, traders, equipment suppliers, consumers);
- Facilitate sorghum marketing to wholesale dealers (for human consumption), poultry farmers, and processors/end-users such as animal feed producers and breweries, in order to add increased value to sorghum.

The project is implemented in close collaboration with Faso Kaba, a private seed company which is producing sorghum seed since 2006; AOPP Association of Professional Rural Organizations of Mali (Association des Organisations Professionnelles Paysannes du Mali); ULPC (Local Union of Cereal Producers) based in the prefectorate of Dioila; the Cooperative of Oure, and Dalabani seed producers (Bougouni, Sikasso region); Institut d’Economie Rurale du Mali (IER); International Crops Research Institute for the Semi-Arid Tropics (ICRISAT).

**ACTIVITIES**

- Trials are carried out in 30 sites in the Koulikoro, Segou, and Sikasso regions and the urban periphery of Bamako;
- Farmer field days and culinary days are organized;
- Farmer group leaders are trained in marketing, commercialization and basic accounting;
- Farmers are trained on sorghum hybrid seed production;
- Newspaper articles, TV broadcasts, and flyers will be produced to inform decision-makers and stakeholders;
- Cooperative managers are trained in stock management techniques and conditioning of products;
- Federations and cooperatives are involved in agricultural trade fairs;
- Exchange visits are organized among producers, wholesalers and processors.

**EXPECTED OUTCOMES**

- Adaptability testing and large-scale sorghum hybrid demonstrations conducted;
• Results shared with sorghum value chain stakeholders through fields days and mass media;
• Organizational capacity of farmer groups strengthened to allow them access to and renewal of hybrid sorghum varieties;
• Sorghum marketing process facilitated with wholesalers and major users or processors e.g. poultry feed manufacturers or breweries.

**Tropical Legumes Project II**

<table>
<thead>
<tr>
<th>Country</th>
<th>Mali</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Funders</td>
<td>International Crops Research Institute for the Semi Arid Tropics (ICRISAT)</td>
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<tr>
<td>Total budget</td>
<td>USD 26,028</td>
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</table>

**GOAL**
To support cooperatives producing certified groundnut seed through the implementation of a participatory selection program of groundnut varieties in rural areas and support the production of efficient varieties of seed.

**PROJECT DESCRIPTION**
This project is a continuation of the 2007 "Improving the Productivity of groundnut in high-risk areas in West Africa Project.” EUCORD’s role is to support cooperatives in three main ways:

- Build the capacity of the cooperatives’ leader;
- Create and train of a network of seed producers;
- Marketing and testing.

**ACTIVITIES**
- Identify sites and farmer collaborators;
- Monitor and test plots of seed production;
- Train farmers on various topics such as: site standards testing, seed harvesting techniques, and conservation of groundnuts;
- Hold training sessions for farmers, seed producers, and those responsible for conducting the tests on seed varieties;
- Provide specific training to groups of women on site selection, crop management, and packaging;
- Identify the preferences of farmers varieties introduced;
- Measure the relative importance of the characteristics of the plant, seed and/or processed groundnut;
- Provide farmers with access to new varieties of groundnuts.

**EXPECTED OUTCOMES**
- A total of 10 MT of certified seed will be produced this year.

**ACCOMPLISHMENTS**
- Trained 440 producers of peanut seed
- Trained 450 producers of groundnut and cowpea seed producers
- Developed 7.5 hectares of farm land for peanut seed production (seed breeder & foundation seed)
- Established 10 hectares for cowpea seed and groundnut seed production (foundation seed)

**Potato Value Chain Development in West Africa**

**Country**  
Guinea and Senegal

**Project length**  
2007-2013

**Funders**  
Common Fund for Commodities (CFC)

**Total budget**  
$ 3,584,026  
CFC: $1.794.476  
Government of Senegal: $147.160  
Government of Guinea: $184.900  
EUCORD contribution in kind: $174.590  
Participating Farmers: $1.182.900  
AGRICO: $100.000

**GOAL**  
The main objective of this project is to develop a more competitive potato sector in West Africa, particularly in Guinea and Senegal, and to increase income at the producer, dealer and processor level. It is believed that a more competitive potato sector will have a positive impact on food security and the fight against poverty.

**PROJECT DESCRIPTION**  
The Senegal component was initiated in the second year of the overall project. An important parameter of the potato sector in Senegal is that the Agriculture Ministry is presently implementing a food security program at the national level, which includes 50% subsidies for potato seeds, in order to support that sub-sector. Coordination with that program is key to the success of the CFC-sponsored potato sector. A loan to farmers allowed the purchase and shipment to Senegal of 20 tons of seeds for Arnova, Ditta and Konsul potato varieties. Those varieties are known to perform well in the local environment. The seeds were purchased for the cold off-season (November 2008 - February 2009). Potatoes are growing to the entire satisfaction of producers participating in the project.

**ACTIVITIES**
- To introduce new sustainable technologies for production, post harvest and storage of potatoes;
- To introduce new sustainable technologies for seed propagation;
- To adapt drip-irrigation techniques to potato seed production;
- To support the emergence of producers and/or propagators able to meet the supply needs;
- To facilitate access to credit;
- To conduct gender sensitivity training;
- To Identify preferred varieties for alternative household preparations (boiled; fried; French fried, chips);
- Develop a marketing strategy for alternative uses of potato uses;
- Facilitate export of consumption potatoes to surrounding countries;
- To conduct workshops and disseminate relevant reports in order to develop information exchange and support mechanisms at the national level among stakeholders such as producers, traders, scientists, extension agents, and ministry officials;
- To leverage additional institutional support to stakeholders.
Central Africa

Increase Food Security and Improve Livelihoods of Sorghum and Rice Producers

Country: Burundi and DR Congo  
Project length: 2009 – 2014  
Donors: Dutch Ministry, Heineken International  
Budget: $7,553,048  
Schoklandfond $2,702,661  
Heineken $ 3,101,228  
Heineken in kind contribution $1,749,159

GOAL
The overall objective of this project is to increase food security and improve access to primary education by integrating farmers into the supply chain of beverage industries.

PROJECT DESCRIPTION
This project, which started on February 1, 2009, is focusing on the inclusion of smallholder farmers into the rice and sorghum value chain, including access to credit and markets. The project permits a simultaneous enhancement of agricultural supply chains for the food and beverage industry while sharing and minimizing the associated risks. It will contribute to improving the livelihood conditions of the households involved by improving food security and generating a regular income. Moreover, by mobilizing social investment funds, the program will involve the community in the development of social projects, such as improving access to primary education in both isolated and impoverished areas. This project is especially focused on the promotion of rice culture in the DRC. A smaller component of the project will support sorghum production in Burundi.

ACTIVITIES
Objective 1. Increase agricultural capacity production of rural households.
- Develop and strengthen producers groups and/or associations.
- Train farmers in improved rice and sorghum cultivation and post-harvest technologies.
- Leverage short term credit.

Objective 2. Limit DRC and Burundi dependency on imported food products.
- Establish six long-term partnerships between producer groups, intermediaries and agro-processors.
- Develop marketing capacities.
- Facilitate transport and other logistics.

Objective 3. Improve primary school conditions and increase school enrolment for children in rice and sorghum producing communities and for children in Kinshasa.
- Mobilize and manage the social funds.
- Support school construction and school facilities.

**ACCOMPLISHMENTS**

*In DRC*
- The brewery is currently sourcing close to 90% of its rice locally, compared to 15% in 2008;
- Close to 50,000 households have received project support and over 30,000 hectares are under improved management;
- The breweries in all locations (except Boma and Lubumbashi) are now close to 100% self-sufficiency in rice;
- Since 2009, Bralima sourced over 39,000 MT of rice from smallholder rice farmers, redirecting more than USD 30 million towards the local economy;
- The average yield in Kisangani increased from 781 to 1,093 kg/ha
- Average net income increased from -$20 to $250.
- An increase in average yield in Bumba, the main source of rice for the Bralima breweries, from 1,170 to 1,347 kg/ha and an increase in average net income from $70 to $170.
- An average $0.60 per day more per household over both regions

*In Burundi*
- The brewery is currently conducting brewing tests to use sorghum as adjunct in Primus beer.
- Farmers have sold 100 MT of white sorghum to the brewery
- Approximately 40% of total production has been used for household consumption.
- Preliminary results indicate that if the brewery includes 5% sorghum in its recipe, it will require 700 MT of sorghum in 2013 and 2,000 MT in 2014.
- EUCORD is following several strategies to increase volumes to overcome unmet goals last year and meet the increasing demand:
  - Strengthening of extension and agronomic support in high potential areas;
  - Motivation of the associations through the allocation of bicycles to facilitate sensitization and monitoring;
  - Increased awareness by organizing information sessions to be attended by local chiefs, supervisors, producer representatives, and other development partners.
Kingabwa Rice Intensification Project

Country: Democratic Republic of Congo
Project length: 2011 – 2014
Donors: USAID/Winrock, Bralima Foundation, CFC
Budget: $2,038,000
   USAID/Winrock $891,353
   Bralima Foundation $270,000
   CFC $120,000
   Match from Schokland project $756,412

GOAL
The overall goal of the Kingabwa Rice Intensification Project is to improve the level of food security and living standards of people who cultivate rice in the Pool Malebo area of Kinshasa by a quantitative and qualitative increase in rice production, through the development of the Kingabwa perimeter.

PROJECT DESCRIPTION
Agriculture accounts for 56.3 percent of GDP, and is the main source of livelihood, especially among the poor (80% of the labor force) in the DRC. In contrast to other food crops, rice production has stagnated since 1996. Since 1994, imports of rice have shown fairly dramatic, if erratic, increases. The local rice supply cannot meet the needs of the country hence the yearly importation of large quantities of rice. This dependency of the DRC from the outside is a serious problem for an economy with very limited foreign currency reserves. Current annual imports of (milled) rice stand at more than 70,000 tons. The special opportunity that the project site offers is due to:
   ▪ the proximity to the urban human food and industrial market;
   ▪ the willingness of a local private sector partner to guarantee access to post-harvest processing facilities and nearby markets; and
   ▪ the involvement of two NGOs with proven track records in the successful implementation of Public-Private Partnership projects.

By converting the Kingabwa swamp into productive irrigated rice farms, the area will provide sustained income to 1,600 of the poorest families in Kinshasa while contributing to the food security of the DRC. This project meets the USAID economic growth strategy for the DRC by:
   ▪ focusing on a geographic area with maximum potential impact;
   ▪ contributing to the self sufficiency of rice, a major food crop; and
   ▪ securing collaboration with the agro-processing industry in order to overcome post-harvest processing, handling, storage, and transport constraints.

ACTIVITIES
By completion of the 36-month Kingabwa Rice Intensification Project, the project will:
   ▪ Expand area of irrigable rice farms to 520 hectares
   ▪ Expand area of other high value crops to 180 hectares
   ▪ Create market linkages for over 1,500 smallholder farmers and producer groups.
   ▪ Create annual on- and off-farm revenue of over $1 million.
- Increase rice productivity to 3.5 MT/ha.
- Train at least 15 farmers in irrigation technology
- Train at least 30 farmers in seed multiplication
- Train at least 300 farmers in improved logistical and processing methods.

ACCOMPLISHMENTS
The project which started in May 2011 has thus far achieved the following results:
- 1,500 meters of storm drains dug;
- 800 meters of rivers cleaned and dredged;
- 100 meters of road rehabilitated;
- 540 beneficiaries assisted;
- 12 associations assisted.
- Assisted 1,385 beneficiaries
- Expanded irrigation to 391 hectares
- Increased rice yield from 2.2 to 2.9 MT/ha
- Generated rice sales worth over USD 300,000.

EVALUATION/TESTIMONIALS
USAID Visit to Kinshasa
https://www.youtube.com/watch?feature=player_embedded&v=C0o5X8rZ9gg

International Politics Energy Culture article
http://inpec.in/tag/democratic-republic-of-congo/

Sustainable Agriculture Initiative article

Common Fund for Commodities article
http://www.common-fund.org/projects/project/the-drc-pool-malebo-kingabwa-rice-intensification-project
## Project funders

<table>
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<tr>
<th>Corporations</th>
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<tbody>
<tr>
<td>East African Breweries Ltd., Diageo</td>
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<td>Heineken</td>
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<td>Agrico</td>
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<td>Ministry of Foreign Affairs from the Netherlands</td>
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<tr>
<td>Government of Senegal</td>
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<td>Government of Guinea</td>
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<tbody>
<tr>
<td>Common Fund for Commodities (UN)</td>
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<tr>
<td>European Commission (EC), EuropeAid (EDF)</td>
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<th>Nonprofits</th>
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<tbody>
<tr>
<td>Alliance for a Green Revolution in Africa (AGRA)</td>
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<td>USAID/Winrock</td>
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<th>Universities and research institutes</th>
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<tbody>
<tr>
<td>International Crops Research Institute for the Semi Arid Tropics (ICRISAT)</td>
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Board of Directors and Officers

Board Members

CHARLES VAN DER STRATEN WAILLET
HEINRICH TOEPFER
HANS MEGENS
FRANK TUGWELL
FRANK EXI
MONIEL VERHOEVEN
Laurence Cockcroft

Key staff

Headquarters

Guy Sneyers
Executive Director

Niels Hanssens
Deputy Executive Director

Philippe Gustin
Adm & Financial Manager

On the field

Sako Karamoko
Regional Coordinator in Mali

Frédéric Mbaki
Country Programme Coordinator in DRC

Paul Muthangya
Project Coordinator in Kenya

Astère Simbashizweko
Project Coordinator in Burundi

Alpha Diallo
Project Coordinator in Guinea

Magatte Ndoye
Project Coordinator in Senegal

Abush Tesfaye
CREATE Project Coordinator in Ethiopia

Aliu Stephen Kafoe
CREATE project manager in Sierra Leone
Financial Statement

Financial Statements

ASSETS

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<td>TOTAL ASSETS</td>
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<td>$1,269,953</td>
<td>$1,264,867</td>
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LIABILITIES AND NET ASSETS

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* 2011 Result was affected by a special category for Severance Liabilities.
### 2013/12

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<th>2011</th>
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<td>- Raw materials, consumables, services</td>
<td>$1,438,595</td>
<td>$1,319,384</td>
<td>$2,136,117</td>
<td>$2,310,919</td>
</tr>
<tr>
<td>- Remuneration, social security costs &amp; pensions</td>
<td>$1,710,446</td>
<td>$1,483,505</td>
<td>$1,483,325</td>
<td>$702,680</td>
</tr>
<tr>
<td>- Other operating charges</td>
<td>$83,610</td>
<td>$12,75</td>
<td>$2,080</td>
<td>$8,333</td>
</tr>
<tr>
<td>= Operating Surplus</td>
<td>$116,797</td>
<td>$75,973</td>
<td>$51,251</td>
<td>$148,704</td>
</tr>
<tr>
<td>+ Financial income</td>
<td>$38,656</td>
<td>$280,947</td>
<td>$271,193</td>
<td>$10,955</td>
</tr>
<tr>
<td>- Financial charges</td>
<td>$53,429</td>
<td>$44,124</td>
<td>$40,151</td>
<td>$48,152</td>
</tr>
<tr>
<td>= Gain (loss) on ordinary activities</td>
<td>$101,605</td>
<td>$28,833</td>
<td>$80,042</td>
<td>$-38,297</td>
</tr>
<tr>
<td>+ Extraordinary income</td>
<td>$1,896</td>
<td>$8,197</td>
<td>$5,234</td>
<td>$55,301</td>
</tr>
<tr>
<td>- Extraordinary charges</td>
<td>$2,306</td>
<td>$16,710</td>
<td>$12,035</td>
<td>$33,225</td>
</tr>
<tr>
<td><strong>TOTAL SURPLUS (LOSS) of the period</strong></td>
<td>$101,196</td>
<td>$43,193</td>
<td>$31,992</td>
<td>$-124,825</td>
</tr>
</tbody>
</table>

**Change in Net Assets**

- $101,196
- $43,193
- $31,992
- $-174,825

**Net Assets at the beginning of Year**

- $408,774
- $365,580
- $353,588
- $281,413

**Net Assets at closure date**

- $509,970
- $408,774
- $365,580
- $353,588

**In 2010 and 2011, large gross revenues were acquired for the sub-awards (ISPs) from the CI project on which no IOR can be charged. This is why the turnover is going down. But this fact doesn’t affect our surplus.**
## CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>31/12/2013</th>
<th>31/12/2012</th>
<th>31/12/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$101,196</td>
<td>$43,193</td>
<td>$11,902</td>
</tr>
<tr>
<td>Depreciation</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loss/(gain) on disposal of fixed assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unrealised (gain)/loss on investments</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Realised loss/(gain) on investment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(I) (Increase)/decrease in:

<table>
<thead>
<tr>
<th></th>
<th>31/12/2013</th>
<th>31/12/2012</th>
<th>31/12/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers (Amounts receivable &lt; 1 year)</td>
<td>$1,687</td>
<td>$147,354</td>
<td>($129,367)</td>
</tr>
<tr>
<td>Deferred Costs</td>
<td>$3,513</td>
<td>($2,566)</td>
<td>$116,405</td>
</tr>
<tr>
<td>Guarantee paid in cash</td>
<td>($1,764)</td>
<td>$1</td>
<td>$3,369</td>
</tr>
<tr>
<td>Accrued Revenues</td>
<td>($138,994)</td>
<td>($128,279)</td>
<td>$272,765</td>
</tr>
</tbody>
</table>

(II) Increase/(decrease) in:

<table>
<thead>
<tr>
<th></th>
<th>31/12/2013</th>
<th>31/12/2012</th>
<th>31/12/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount payable &lt; 1 year</td>
<td>$125,378</td>
<td>$2,489</td>
<td>($30,086)</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td>($303,487)</td>
<td>$163,067</td>
<td>($87,671)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>($212,472)</td>
<td>$225,259</td>
<td>$157,378</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>31/12/2013</th>
<th>31/12/2012</th>
<th>31/12/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net increase/ (decrease) in cash and cash equivalents</strong></td>
<td>($130,684)</td>
<td>$225,260</td>
<td>$209,089</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>$953,344</td>
<td>$728,084</td>
<td>$518,995</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT END OF YEAR</strong></td>
<td>$822,660</td>
<td>$953,344</td>
<td>$728,084</td>
</tr>
</tbody>
</table>