



BAKER TILLY
REPÚBLICA DOMINICANA

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme,
Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)
December 31, 2016
(With the independent auditors' report)
Financial Statements



an independent member of

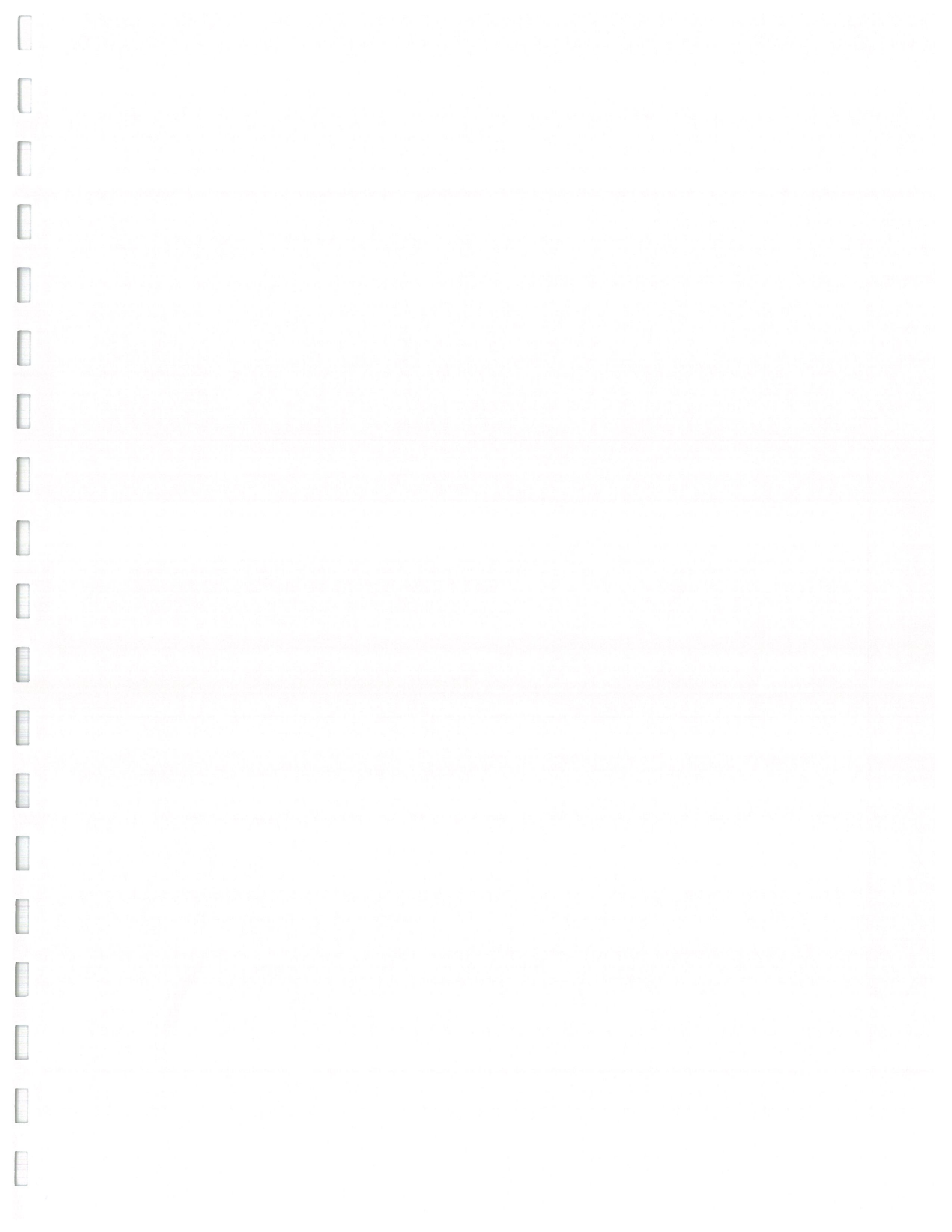
BAKER TILLY
INTERNATIONAL

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme,
Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)

December 31, 2016

(With the independent auditors' report)

Financial Statements



Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th
EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1-3
---	-----

FINANCIAL STATEMENTS	
Statements of financial position	4
Statements of comprehensive income	5
Cash flow statements	6

NOTES TO THE FINANCIAL STATEMENTS	7-13
-----------------------------------	------

REPORT OF THE INDEPENDENT AUDITORS

To the Board of Directors of:

Caribbean Export Development Agency

Haiti – Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

Opinions and conclusions resulting from the audit

We have audited the financial statements of **Caribbean Export Development Agency Haiti – Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834**, which comprise the statement of financial position as of December 31st, 2016, and the income, cash flows and changes in equity statements, corresponding to the year ended on that date, as well as the notes to the financial statements that include a summary of the significant accounting policies.

In our opinion, the accompanying financial statements fairly present, in all material aspects, the financial situation of **Caribbean Export Development Agency Haiti – Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834**, as of December 31st, 2016, its financial performance and cash flows for the year ended on that date, in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Foundation of Opinion

We have carried out our audit in accordance with the International Auditing Standards (IAS's) modified by the Institute of Authorized Public Accountants of the Dominican Republic (ICPARD). Our responsibilities under these standards are described later in the "Auditor Responsibilities in relation to the Audit of Financial Statements" section of our report. We are independent of the entity, in accordance with the Code of Ethics for Accounting Professionals of the Council of International Standards of Ethics for Accountants (IESBA Code of Ethics), together with the ethical requirements issued by the ICPARD, which are applicable to our audit of the financial statements, and we have complied with the other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Responsibilities of the administration and those responsible for the government of the entity in relation to the financial statements

The management of the entity is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SMEs), promulgated by the International Accounting Standards Board (IASB), and of the internal control that the administration considers necessary to allow the preparation of financial statements free of material errors due to fraud or error.

In the preparation of the financial statements, management is responsible for evaluating the entity's ability to continue as a going concern, revealing, as appropriate, matters related to ongoing business and using the current business accounting base, except that the administration intends to liquidate the entity or cease its operations, or has no other more realistic alternative than doing so. Those responsible for the government oversee supervising the process of presenting the financial reports of the entity.

Auditor's responsibilities in relation to the audit of the financial statements

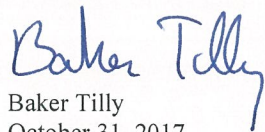
Our objectives are to obtain reasonable assurance that the financial statements are free of material errors, due to fraud or error, and issue an audit report that contains our opinion. Reasonable assurance is a high degree of security, but it does not guarantee that an audit conducted in accordance with the International Auditing Standards always detects a material error when it exists. The errors may be due to fraud or error and are considered material if, individually or in aggregate form, they could reasonably be expected to influence the economic decisions that users make, based on the financial statements. As part of an audit in accordance with the International Auditing Standards modified by the Institute of Certified Public Accountants of the Dominican Republic, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. As well:

- We identify and evaluate the risks of material errors in the financial statements, due to fraud or error, design and perform audit procedures to respond to those risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material error resulting from a fraud is higher than that which results from an error, since the fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or the annulment of internal control.
- We obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion about the effectiveness of the entity's internal control.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the administration.
- We evaluate the general presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a way that achieves a reasonable presentation.

- We conclude on the proper use by the administration of the accounting principle of ongoing business and, based on the audit evidence obtained, we conclude on whether there is a material uncertainty related to events or conditions that may generate significant doubt about the ability of the entity to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our audit report, on the corresponding disclosures in the financial statements or, if such disclosures are not appropriate, that we express an amended opinion. Our conclusions are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the entity to not continue as a going concern.
- We obtained sufficient and appropriate audit evidence regarding the entity's financial information to express an opinion on the financial statements. We are responsible for the direction, supervision and execution of the entity's audit. We are solely responsible for our audit opinion.
- We communicate with the heads of the entity's government regarding, among other matters, the scope and timing of the planned audit and the significant audit findings, as well as any significant deficiencies in internal control that we identified during our audit.
- We also provide those responsible for the government of the entity with a statement that we have complied with the applicable ethical requirements regarding independence, and we have communicated all the relationships and other matters that can reasonably be expected to affect our independence and, where applicable, the corresponding safeguards.

Of the matters communicated to those responsible for the corporate governance of the entity, we determined those matters that were of most importance in the audit of the financial statements of the current period and that, therefore, are the key audit matters.

We describe those matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter, or when, in extremely rare circumstances, we determine that a matter should not be reported in our report because, reasonably, we can expect that the adverse consequences of doing so would outweigh the public interest benefits of such communication.


Baker Tilly
October 31, 2017



CARIBBEAN EXPORT DEVELOPMENT AGENCY
 (Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th
 EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2016 and 2015

(Values expressed in €)

	Notes	2016	2015
ASSETS			
Cash	3	1,105,023	2,815,563
Amounts due from related funds	4	10,821	2,015
Prepaid expenses		1,650	1,694
Total assets		1,117,494	2,819,272
 LIABILITIES AND NET ASSETS			
<i>Liabilities</i>			
Accounts payable	5	195,980	35,219
Grant commitments		-	180,868
Deferred income	6	910,633	2,601,146
Amounts due to related funds		10,173	1,762
Total liabilities		1,116,786	2,818,995
 <i>Net assets</i>			
General fund		708	277
Total liabilities and net assets		1,117,494	2,819,272

Approved by the Board of Directors on:

July 16th 2018

Signed on its behalf by:

Kayfealy

Notes are an integral part of the accompanying financial statements.

CARIBBEAN EXPORT DEVELOPMENT AGENCY

(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF,
implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

STATEMENTS OF COMPREHENSIVE INCOME

As of December 31, 2016 and 2015

(Values expressed in €)

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
REVENUE			
Funding revenue	6	1,690,513	1,304,727
Interest income on short term deposits		431	277
EXPENSES PER COMPONENT	7		
Trade and Investment		(418,262)	(488,497)
Customs		(410,647)	(34,139)
Private Sector		(727,630)	(639,043)
Administration/Programme Implementation		(133,974)	(143,048)
Surplus for the year		<u>431</u>	<u>277</u>

Notes are an integral part of the accompanying financial statements.

CARIBBEAN EXPORT DEVELOPMENT AGENCY
 (Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF,
 implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

STATEMENTS OF CASH FLOWS

As of December 31, 2016 and 2015

(Values expressed in €)

	2016	2015
Cash provided from operating activities		
Surplus for the year	431	277
Changes in operating assets and liabilities		
Decrease (increase) in prepaid expenses	43	(168)
Increase in due from related funds	(8,806)	(294)
Increase (Decrease) in accounts payable	160,762	(15,418)
Increase in due to related funds	8,411	294
Increase (Decrease) in Deferred Operating Income	(1,871,381)	2,038,345
Net cash (used in) provided by operating activities	(1,710,540)	2,023,036
Cash at the beginning of the year	2,815,563	792,527
Cash at the end of the year	<u>1,105,023</u>	<u>2,815,563</u>

Notes are an integral part of the accompanying financial statements.

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2016 and 2015
(Values expressed in €)

1. Project overview

Caribbean Export is the only regional trade and investment promotion agency in the African, Caribbean and Pacific (ACP) group. Established in 1996 by an Inter-Governmental Agreement as the trade promotion Agency of the 15 Member States of CARIFORUM.

In July 2005, they assumed an investment promotion mandate after the 14th CARIFORUM Council of Ministers meeting and established collaborative links with the French Caribbean Outermost Regions (FCORs), with the English and Dutch Overseas Countries and Territories (OCTs) and with Cuba.

Caribbean Export has evolved over the past 20 years from an Implementing Management Unit of the CARICOM Regional Trade Development Programme (CRTDP) as established in 1988, to the CARICOM Export Development Project (CEDP), which in 1996 became the Caribbean Export Development Agency.

The 10th EDF Haiti-Dominican Republic Programme of Bilateral Economic and Trade Cooperation in the Context of the CARIFORUM-EC Economic Partnership Agreement (EPA) was launched in Port-au-Prince, Haiti on September 18, 2012.

The EUR 7,200,000 programme is managed by Caribbean Export and financed under the 10th EDF Caribbean Regional Indicative Programme (RIP) as well as from the 10th EDF National Indicative Programme (NIP) of Haiti and the Dominican Republic. The Programme seeks to promote the development of Haiti and the Dominican Republic by supporting the regional integration process that takes into consideration the demands of sustainable development and the needs of poverty reduction strategies.

The component which is executed by the Agency through its Sub-Regional Office in the Dominican Republic and a Programme Office in Haiti aims to:

- Strengthening the capacity to develop, enforce and implement trade policies and regulations and supporting investment promotion;
- Facilitating trade flows and strengthening the customs administrations;
- Directly assisting business support organization and small and medium sized enterprises.

The Agency carries numerous work programme activities within the context of Bi-National programmes such as study tours, export promotion activities.

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2016 and 2015
(Values expressed in €)

2. Basis of presentation and principles of accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's). Accounting policies have been consistently applied in the financial statements of Caribbean Export Development Agency.

The financial statements are presented to reasonable values from their historic cost, except by certain assets and liabilities that are presented to their reasonable value with other method.

Functional currency and presentation

The financial statements are presented in euro, currency used by the Organization for the presentation of their financial statements, as established in the contribution agreement signed with the European Union.

Transactions in foreign currencies

Since July 2015, the contributions for the development of the Program are received and registered in Euros by the Organization, this being the functional currency of the Program. However, part of the funds are sporadically converted and transferred to other accounts of the Organization in pesos (RD \$) in the DR, as well as in dollars and Gourde (US \$ and HTG) in Haiti, to facilitate local payments related to the implementation of the Program. The transactions in these different currencies are converted to the functional currency for reporting purposes, using the exchange rate equivalent to the funds transferred from the Euros account to each of the aforementioned bank accounts, to cover the transactions of a particular period. According to the agreement with the European Union in the year 2012, the Organization will not recognize gains or losses from exchange, resulting from conversion.

Cash

The Organization considers as cash all the funds deposited in cashier and the banks, as well as small investments in securities with an expiration of less or equal to three months, counted from the acquisition date.

Accounts payable

It is a present obligation of legal character or implied to the date of the financial statements of the Organization, which can be determined reliably and as a result of past events, to its expiration and to cancel it, the Organization expects to rid themselves of resources that include or have included benefits.

Revenue recognition

Revenues are recognized at the time of the transaction. These revenues are generated by cash transfers. The income is recognized as the projects advance, they are not recognized as income until used for the purposes defined, in this case, the contribution will remain in a passive account toward the donor.

Advances from European Union

European Union transfers cash to executing agencies, the transfer is recorded as an advance and the programme expenses are recorded when incurred.

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2016 and 2015
(Values expressed in €)

Deferred income

The Agency recognizes deferred revenues when the advances are received from the European Union and recognizes revenue when the expenses related to the program are recorded. Unspent amounts are classified in the deferred revenue liabilities section of the statement of financial position.

Advances for travel expenses

The advances for travel expenses consist in pay out to staff or contractors for travel related activities.

Expenses and components

The Agency classify their expenses in four components. The classification allows the Agency to have a better segregation of their expenditures. The components also subdivide in subcomponents and they proceed to elaborate the budget based on the subcomponents.

The four components are the following:

1. Trade and Investment (TI)
2. Customs (CT)
3. Private Sector Development (PS)
4. Administration (AD)

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2016 and 2015
(Values expressed in €)

3. Cash

As of December 31, 2016 and 2015, a detail of cash is as follows:

	2016	2015
Petty cash	355	355
Cash in banks	1,104,668	2,815,208
	1,105,023	2,815,563

4. Amounts due from related funds

As of December 31, 2016 and 2015, the amounts due from related funds is as follows:

	2016	2015
Haiti office due to SRO	10,172	1,762
Travel Advace to staff-Binat	395	-
SRO CPART	254	253
	10,821	2,015

5. Accounts payable

As of December 31, 2016 and 2015, the accounts payable are of €195,980 and €35,219, respectively. Corresponding to suppliers and contracted services.

6. Deferred operating income

Deferred operating income is recognized at the date of the statement of financial position. Funds relating to program implementation are included as deferred income and are credited to the statement of comprehensive income in the same year as the relevant expenses are incurred.

The Programme is funded by the European Union, where the first pre-financing was EUR €2,455,109 in 2012 and a 2nd pre-financing was received in July 2015 for EUR €3,162,204. During the year 2016 and 2015 €1,690,513 and €1,304,727 were recognized in income to match expenses incurred. The balance of €910,633 and €2,601,146 were recorded in deferred operating income on the statement of financial position at December 2016 and 2015. There are no unfulfilled conditions or contingencies attached to this amount.

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2016 and 2015
(Values expressed in €)

7. Expenses per component

A detail of the expenses per component as of December 31, 2016 and 2015, is as follows:

Trade and Investment (TI)	2016 (€)	2015 (€)
<i>Trade Policies and Regulations</i>		
Technical assistance-short term	50,567	102,681
Trade Development Expert (Technical assistance long term)	39,117	46,940
Trade missions	23,127	56,174
Financial Assistant (long term support)	20,489	37,431
Project Assistant (long term support-HT)	16,058	22,913
Thematic joint working groups	9,012	11,673
Public/Private Sector Dialogue	8,070	2,725
Purchase of equipment for beneficiaries	7,406	66
Training	7,161	17,227
Survey and needs analysis of participating institutions	-	9,359
Total sub component	181,007	307,189
<i>Investment Promotion</i>		
Investment missions	71,009	70,788
Investment Promotion Expert (technical assistance- long term)	46,940	46,940
Training	42,951	13,512
Public/Private Sector Dialogue	42,350	12,610
Administrative Assistant (long term support)	24,190	24,190
Thematic joint working groups	9,815	13,260
Technical assistance-short term	-	8
Total sub component	237,255	181,308
Total, Component	418,262	488,497

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by
Caribbean Export under the contribution Agreement FED 2012/295-834.)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2016 and 2015
(Values expressed in €)

Customs (CT)	2016 (€)	2015 (€)
Training	223,187	-
Technical assistance short term	77,490	-
Public/private sector dialogues	50,050	-
Financial assistant (long term support)	29,910	29,910
Financial Expert	15,236	-
Thematic joint working groups	13,384	2,491
Purchase of equipment for beneficiaries	1,390	-
Customs Expert (Technical assistance long term)	-	1,738
Total Component	410,647	34,139

Private Sector Development (PS)	2016 (€)	2015 (€)
<i>Technical support to the Private Sector initiatives</i>		
Commercial Mission	220,407	248,114
Public/private sector dialogues	53,032	7,124
Training	50,838	17,520
Private sector development expert (Technical assistance long term)	37,266	46,940
Deputy Programme Manager (Salary)	36,595	42,631
Technical assistance- short term	30,767	-
Surveys, needs analysis, studies	12,046	4,037
Thematic joint working groups	10,663	8,482
Specific programmes with development Inst/prog. (EIB, PNUD, CDE...)	-	20,727
Total sub component	451,614	395,575

Caribbean Export Development Agency
(Haiti - Dominican Republic Bi-national Cooperation Programme, Trade Component, under the 10th EDF, implemented by Caribbean Export under the contribution Agreement FED 2012/295-834.)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended in December 31, 2016 and 2015
(Values expressed in €)

Direct assistance grants scheme for SMEs and BSOs

Delivery of Assistance	226,436	190,019
Project Assistant (long term support-DR)	24,190	24,190
Co-ordination, Monitoring & Evaluation	19,005	-
Promotion of Grant Scheme	5,267	12,370
Purchase of equipment for beneficiaries	1,118	16,889
Total sub component	<u>276,016</u>	<u>243,468</u>
Total Component	<u><u>727,630</u></u>	<u><u>639,043</u></u>

	2016	2015
	<u>(€)</u>	<u>(€)</u>

Administration/Programme implementation (AD)

Organizational Structuring

Rent and maintenance (2 Offices)	70,281	61,426
Utilities/materials/bank charges/insurance	32,840	30,594
Equipment & materials Purchase and Installation	1,479	6,653
Salaries and emoluments (2 Messengers/chauffeurs)	7,472	3,077
Motor Vehicules (purchase and insurance (2))	54	35,555
Total sub component	<u>112,126</u>	<u>137,305</u>

Coordination, evaluation and promotion of the Bi national Programme

Monitoring/Audit/Evaluation (b)	15,318	191
Steering Committee meetings (2 per year)	4,591	-
Meetings	1,782	3,910
Promotion, public relations and visibility	157	1,642
Total sub component	<u>21,848</u>	<u>5,743</u>
Total component	<u><u>133,974</u></u>	<u><u>143,048</u></u>