Questions /answers in relation to WorldVeg’s tender on external audit of its financial statements (2020-FIN-001).

**Question.** How critical is the technical criterion of having clients in the agricultural research/universities fields in the overall consideration.

**Answer.** Understanding of the assignment and of the specific needs of international not for profit organizations like WorldVeg is one of the criteria. Experience with different types of donor funding and requirements by donors for organizations like us is more relevant than experience with organizations working in the specific field of agriculture.

**Question.** In addition to the general audit, there are also project-specific audits required by donors (RFP, pp. 3,10), could you please provide an example or two so we can gauge the nature and scope of these audits?

**Answer.** We have attached one example (donor GIZ). In the past years only GIZ has requested these kind of audits. This was for projects ranging from 100,000 to 1.2m Euro. The audit scope will depend on the donor and the project agreement.
WORLD VEGETABLE CENTER

Receipts and Disbursements Statement for project “Attraction in Action: Using pheromones and other safe and sustainable management strategies to reduce losses from insect pests and plant diseases on vegetable legumes and leafy brassicas in Southeast Asia” supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

For the period April 1, 2014 to December 31, 2017
(The Center project-no: 10000237)

WITH REPORT OF INDEPENDENT AUDITORS

*The Center Project No.:10000237
Report of Independent Auditors

To the Board of Directors
World Vegetable Center

We have examined the accompanying statement of fund utilization for the project
Attraction in Action: Using pheromones and other safe and sustainable management
strategies to reduce losses from insect pests and plant diseases on vegetable legumes
and leafy brassicas in Southeast Asia”. This project was executed under an agreement
(project processing No. 13.1432.7-001.00 / Contract No. 81170262) between Deutsche
Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the World Vegetable
Center for the period April 1, 2014 to December 31, 2017. Our examination was
conducted in accordance with International Standards on Auditing 805, the Center’s
internal Regulations and, accordingly, included such tests of accounting records and
such other auditing procedures as we considered necessary in the circumstances.

As stated in Note 2, the accounts of the fund are maintained on the basis of cash received
and disbursements made.

In our opinion, the aforementioned statement presents fairly the receipts and
disbursements in project fund for Attraction in Action: Using pheromones and other
safe and sustainable management strategies to reduce losses from insect pests and plant
diseases on vegetable legumes and leafy brassicas in Southeast Asia” provided by GIZ
for the period specified, on the basis described above.

In connection with our examinations, we noted no indication that the Center was not in
compliance with the requirements for fund expenditures as stipulated in the agreement
with GIZ. It should be noted, however, that our examinations were not directed
primarily toward obtaining knowledge of such non-compliance.

*The Center Project No.:10000237
This report is for GIZ and the Center internal usage only and cannot be used for any other purpose.

KPMG

CPA: 許振隆

Tainan, Taiwan, R.O.C
May 11, 2018
WORLD VEGETABLE CENTER

RECEIPTS AND DISBURSEMENTS STATEMENT OF THE PROJECT FUND

“ATTRACTION IN ACTION: USING PHEROMONES AND OTHER SAFE AND SUSTAINABLE MANAGEMENT STRATEGIES TO REDUCE LOSSES FROM INSECT PESTS AND PLANT DISEASES ON VEGETABLE LEGUMES AND LEAFY BRASSICAS IN SOUTHEAST ASIA.”

PROJECT NO. 13.1432.7-001.00 / CONTRACT NO. 81170262

PROVIDED BY DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GmbH

For The Period April 1, 2014 to December 31, 2017.

(Expressed in EURO)

FUND RECEIVED

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 01, 2014</td>
<td>€ 200,000.00</td>
</tr>
<tr>
<td>November 28, 2014</td>
<td>200,000.00</td>
</tr>
<tr>
<td>October 02, 2015</td>
<td>200,000.00</td>
</tr>
<tr>
<td>April 27, 2016</td>
<td>200,000.00</td>
</tr>
<tr>
<td>July 11, 2016</td>
<td>200,000.00</td>
</tr>
<tr>
<td>November 07, 2016</td>
<td>190,000.00</td>
</tr>
<tr>
<td><strong>Total Funds Received</strong></td>
<td><strong>€ 1,190,000.00</strong></td>
</tr>
</tbody>
</table>

DISBURSEMENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>€ 513,015.03</td>
</tr>
<tr>
<td>Supplies &amp; Operations</td>
<td>341,223.87</td>
</tr>
<tr>
<td>Equipment</td>
<td>8,065.95</td>
</tr>
<tr>
<td>Training / Workshops</td>
<td>82,715.99</td>
</tr>
<tr>
<td>International Travel</td>
<td>61,285.68</td>
</tr>
<tr>
<td>Publications</td>
<td>2,533.81</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>9,115.00</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>182,044.67</td>
</tr>
<tr>
<td><strong>Total Disbursements</strong></td>
<td><strong>€ 1,200,000.00</strong></td>
</tr>
</tbody>
</table>

BALANCE

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ (10,000.00)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.

*The Center Project No.:10000237
WORLD VEGETABLE CENTER
NOTES TO STATEMENT OF PROJECT FUND

“ATTRACTION IN ACTION: USING PHEROMONES AND OTHER SAFE AND SUSTAINABLE MANAGEMENT STRATEGIES TO REDUCE LOSSES FROM INSECT PESTS AND PLANT DISEASES ON VEGETABLE LEGUMES AND LEAFY BRASSICAS IN SOUTHEAST ASIA.”

PROJECT NO. 13.1432.7-001.00 / CONTRACT NO. 81170262
PROVIDED BY DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GmbH

1. GENERAL
World Vegetable Center (the Center) entered into an agreement with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH for project Attraction in Action: Using pheromones and other safe and sustainable management strategies to reduce losses from insect pests and plant diseases on vegetable legumes and leafy brassicas in Southeast Asia.” (Project No. 13.1432.7-001.00 / Contract No. 81170262). This project is funded by a grant of Euro 1,200,000 from GIZ with duration from April 1, 2014 to December 31, 2017.

2. BASIS OF RECEIPTS AND DISBURSEMENTS STATEMENT
The accounts of the fund are maintained on the basis of cash received and disbursements made. The Center records its transactions in the currencies in which these are denominated. The accompanying statement reflects actual transactions in Euro, and the Euro equivalents of transactions in other currencies based on the exchange rates prevailing on the date of the transaction.

3. EQUIPMENT
The procurement of equipment was carried out in accordance with the regulations of the Center. Within the whole project duration, the procurement of equipment whose costs exceed 1,000 Euro was as follow:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repair of screen house at KPS</td>
<td>Euro 1,397.2</td>
</tr>
</tbody>
</table>

*The Center Project No.:10000237*
4. INDIRECT COSTS
Indirect Costs are calculated on the basis of 20% for the Center, 11% for Humboldt (HUB, the collaborator), 20% for International Centre of Insect Physiology and Ecology (ICIPE, the collaborator), 15% for General Directorate of Agriculture (GDA, the collaborator), 15% for Department of Agriculture (DOA, the collaborator) and 15% for Vietnam Academy of Agriculture (VAAS, the collaborator) of direct costs incurred in accordance with the Agreement and can be charged to the project.

5. FUND RECEIVED
The contract 81170262 governing this project states in article 1.4: “The amount of €10,000 shall be withheld from the last payment. The amount withheld shall be disbursed without further request as soon as all obligations by AVRDC arising from the Agreement, in particular those regarding the evidence of use of the funds for the purpose stipulated and the reporting, have been met.”

It is expected that after this report has been sent to GIZ, GIZ will disburse an additional 10,000 Euro in which case the total funds received will be 1,200,000 Euro and the balance of the project will be 0 Euro.