



REPORT

7th session TFNet Board of Trustees

4 July 2013
Ho Chi Minh City, Vietnam



REPORT

7th session
TFNet Board
of Trustees

4 July 2013
Ho Chi Minh City, Vietnam

table of contents

Introduction	1
Agenda Item 1: Welcoming Address by Chairperson, TFNet	1
Agenda Item 2: Adoption Of Provisional Agenda	1
Agenda Item 3: Adoption of Report of 6th Session of BOT, held in Guangzhou, China	2
Agenda Item 4: TFNet Progress Report (2012-2013)	2
Agenda Item 5: Report by Internal Auditors	8
Agenda Item 6: Network Collaboration	11
Agenda Item 6.1: Adoption of the Proposed Amendments to the TFNet Constitution	11
Agenda Item 6.2: African TFNet Network Proposal	11
Agenda Item 6.3: Collaboration with Other Networks	13
Agenda Item 7: Discussion among Country Members on Current Issues and Challenges of Development of Tropical Fruits and Market Access	14
Agenda Item 8: Appointment of Experts	15
Agenda Item 9: Other Matters	15
Agenda Item 9.1: Endorsement of New Members	15
Agenda Item 9.2: Venue of Next Board of Trustees Meeting	16
Agenda Item 9.3: Other Matters Arising	16
Agenda Item 10: Closing Remarks by Chairperson	17
 Annexes	
Annex 1: List of Delegates and Observers	20
Annex 2: Provisional Agenda	23
Annex 3: Minutes of the 6th Board of Trustees Meeting, Guangzhou, China, 21 June 2012	24
Annex 4: TFNet Progress Report (2012-2013)	28
Annex 5: Financial Report	40
Annex 6: Terms of Reference for Internal Audit	58
Annex 7: Internal Audit Draft Report	60
Annex 8: Duties of Bureau Officers	63
Annex 9: List of Experts for Selection as Board Member	64

introduction

The *7th Session of the International Tropical Fruits Network (TFNet) 7th Board of Trustees Session* was held in Ho Chi Minh City, Vietnam on 4 July 2013. The meeting was attended by 30 delegates from 15 countries, namely Australia, China, Fiji, India, Indonesia, Malaysia, New Zealand, Nigeria, Myanmar, Philippines, Sri Lanka, Sudan and Thailand. Representatives from International Organisations Center of Integrated Rural Development for Asia Pacific (CIRDAP) and Agricultural Marketing Association of Asia and the Pacific (AFMA) also attended the meeting. The attendance list is appended in **Annex 1**.

The meeting was chaired by Datuk Mohd. Hashim Abdullah, Secretary General of the Ministry of Agriculture and Agro-based Industry Malaysia who is the current TFNet Chairperson.

The meeting was held in conjunction 2 other events, the *International Symposium on Superfruits: Myth or Truth* on 1-3 July 2013 and the *Workshop on Policy Interventions to Facilitate Smallholder Integration into the Tropical Fruit Value Chain* on 5-6 July 2013.

agenda item 1

WELCOMING ADDRESS BY CHAIRPERSON, TFNET

The Chairperson welcomed Vice Chairpersons Dr. Yi Ganjun from China and Dr. TK Quang from Vietnam, Mr. Kaison Chang from FAO, representatives from member countries, associate members, experts, and observers. He also thanked all present at the meeting for participating in the Superfruits Symposium that was held on 1-3 July 2013.

He also stated that the BOT meeting this year was his third session and that he now understood the objectives and function of TFNet, modality of operation of activities, and the expectations of members.

He also reminded the members that this is the forum for board members to present their recommendations and suggestions in guiding the programmes and activities of TFNet in the years ahead. He also recommended that the Secretariat be evaluated by key performance index based on the planned activities.

agenda item 2

ADOPTION OF PROVISIONAL AGENDA

The Agenda as presented in **Annex 2** was adopted by the Board of Trustees.

agenda item 3

ADOPTION OF REPORT OF 6TH SESSION OF BOT, HELD IN GUANGZHOU, CHINA

The Report of the 6th BOT held on 21st June 2012 in Guangzhou, China was adopted by the delegates without any clarifications or amendments. The report is appended as **Annex 3**.

agenda item 4

TFNET PROGRESS REPORT (2012-2013)

The TFNet Progress Report for the period of 12 months beginning July 2012 until June 2013 was tabled by TFNet CEO, Mr. Yacob Ahmad. The full report is appended in **Annex 4** and the following matters were highlighted.

MEMBERSHIP STATUS ACHIEVEMENT

The current membership status by category is 13 country members, 14 associate, and 123 ordinary members. The member countries are: Australia, Bangladesh, China, Fiji, India, Indonesia, Malaysia, Nigeria, Philippines, Sudan, Sri Lanka, Syria, and Vietnam.

The CEO informed that the Secretariat has made efforts via diplomatic channels, capacity building activities, and personal contacts to increase all membership categories, especially country membership. However, the targeted membership of 176 for the current term (ie., 18 countries, 18 associate and 146 ordinary members) was unachievable.

PROJECTS, CONSULTANCIES, SYMPOSIUM, AND WORKSHOPS

The CEO reported that TFNet carried out 2 projects, 4 symposiums, and 4 workshops during the period. Projects are necessary to create generate income for TFNet while capacity building activities are normally held in member countries based on their needs assessment.

The projects were:

- a. Feasibility study on *Business Strategy and Implementation Plan for the Establishment of Commercial Food Industry Plantation in ECER*, a Malaysian funded project on land evaluation and development of an area of 6000 ha for mixed fruit and cassava. The study is now in the final stage of completion.
- b. An FAO funded study on *Policy Interventions to Facilitate Smallholder Integration*

into Tropical Fruit Markets and Value Chains. This study is conducted on rambutan and pomelo in Vietnam and mangosteens and mango in Indonesia. The final report is expected before the end December 2013.

The International symposiums co-organised by TFNet were:

- a. *First International Symposium On Jackfruit and other Moraceae* held in Mymensingh, Bangladesh on 31 August-2 September 2012
- b. *International Symposium on Superfruits: Myth or Truth?* held in Ho Chi Minh, Vietnam on 1-3 July 2013.

International symposiums supported by TFNet were:

- a. *7th International Post Harvest Symposium* held in Kuala Lumpur, Malaysia on 25 -29 June 2012.
- b. The *5th International Symposium for the Development of Integrated Pest Management for Sustainable Agriculture in Asia and Africa* (5th IPM Symposium) Kota Kinabalu, Malaysia on 18-20 December 2012.

The four workshops held were:

- a. *Technical Review on the Incidence of Rust Diseases in Jackfruit in Malaysia* on 18 September 2012
- b. Workshop on *Value Chain Enhancements to Improve Market Access for Minor Tropical Fruits in the Philippines* held in Davao City, Philippines on 3-4 October 2012
- c. Workshop on *Strategic Development Plan for Pineapple in Malaysia* on 20-22 February 2013
- d. Workshop on *Policy Interventions in Smallholder Integration into Tropical Fruits Value Chain and Markets* held in Ho Chi Minh City on 5-6 July 2013.

FINANCIAL REPORT

The financial report is shown in **Annex 5**.

The major source of income in 2012 is derived from consultancy and professional fees, a sharp decline of 72% from 2011. Total income of USD 120,364 for 2012 declined by 67% from total income of USD383,999 received in 2011. Major expenditures for 2012 are derived from administrative costs and staff costs. Both showed a decline of 46% and 16%, respectively, compared to 2011. Travelling and accommodation for 2012 reduced by 52% as compared to 2011. Total expenditure of USD 301,674 in 2012 showed a decline of 27% from total expenditure in 2011. The deficit for 2012 was covered from accumulated savings from previous years.

The balance sheet showed that TFNet financial resources at the end of 2012 were positive.

COLLABORATION WITH OTHER INTERNATIONAL ORGANISATIONS

TFNet has approached other international organisations for joint collaborations in conducting workshops, conferences, symposiums, and training programs. TFNet has engaged with Arab Organisation for Agriculture Development (AOAD), African-Asian Rural Development Organization (AARDO), Center On Integrated Rural Development In Asia And The Pacific (CIRDAP), Japan International Research Center For Agricultural Science (JIRCAS) and Agricultural and Food Marketing Association for Asia and the Pacific (AFMA).

PROPOSED PROGRAM FOR 2013-2014

TFNet proposed program for 2013 and 2014 will focus on the 3 key components:

- i. Membership
- ii. Financial Sustainability
- iii. Corporate communication - Promotion of the organisation

During last General Assembly, the proposed target for country members in 2013 was 18 countries, however, currently there are 13 country members.

The Secretariat will continue in its efforts to expand the African TFNet country membership through a workshop, which will be held in Khartoum, Sudan. Countries will include Cameroun, Ethiopia, and Kenya. Efforts are ongoing to invite South East Asian countries including Cambodia, Laos, Myanmar, and Thailand. Other countries include Dominican Republic, which can represent Latin America and the Caribbean. Country members of TFNet should also assist in encouraging other countries to join the network.

A total of 2 projects and 5 activities are planned for 2013 and 2014. The activities are 3 workshops, 2 symposiums, and 1 Fruit Promotion Exhibition. The funding for these programmes will be share between the host country and the organisers.

TFNet will continue to seek for opportunities in new projects from both local and international funders. Projects to be proposed are:

- i. A study on *Revitalizing the fruit industry in Malaysia* – Proposal to be sent to the Economic Planning Unit, Government of Malaysia.
- ii. *Tropical Fruit Production in the Comoros Islands for Food Security and Income Generation* – Concept document to be sent to the Arab Organisation for Agriculture Development.

The planned workshops are:

- i. Workshop on *Value Chain Enhancement through Processing of Fruit and Root Crops in the Asia Pacific* – Suva, Fiji in August 2013
- ii. Workshop on *Fruit Fly Management and Enhancement of Tropical Fruit Value Chain and Market Access in East Africa Region* - Khartoum, Sudan in October 2013
- iii. A workshop on *Marketing of Organic Banana in Asia* – Guangzhou, China in November 2013.
- iv. A joint TFNet / AARDO / Cirdap Conference on *Tropical Fruits Production and Processing* in December 2013

- v. Symposium on *Pests and Disease Management of Tropical Fruits* – Kuala Lumpur, Malaysia in June 2014
- vi. *International Tropical Fruit Expo* – Kuala Lumpur, Malaysia in June 2014.

INFORMATION DISSEMINATION

Features such as the fruit information page, TFNet Stat, the Tropical Fruit Directory, and articles on the TFNet website are being continuously updated. The Website also provides facility for feedback on the posted articles. A new feature on the website is information on sanitary and phytosanitary (SPS) regulations of some of the major importing countries of tropical fruits. This information will be regularly updated with the help of member countries and other sources. TFNet also interacts through the social media.

Newsletters are emailed to more than 2000 recipients, and the appointed Bureau officers and members will be requested to contribute articles or news on technology, consumption, and trade.

CONCLUSION

The main challenges faced by TFNet is financial sustainability, increase in membership especially country members, network expansion, and member satisfaction.

More effort is needed for fund raising activities to ensure financial sustainability. TFNet can only function and remain active with participation from members in all categories; therefore more interaction is expected between the secretariat and members in the coming year.

DISCUSSION ON THE PROGRESS REPORT

- i. Chairperson Datuk Mohd. Hashim Abdullah suggested that to complement the efforts of the TFNet Secretariat, the Ministry of Agriculture and Agro-based Industry Malaysia will cooperate with the Foreign Ministry to assist in inviting more countries to join TFNet. Information on TFNet will be provided to the Foreign Ministry. This is foreseen to improve the country membership status of TFNet. He also proposed that this matter will be raised during the AMAF ministerial meeting to be held in September 2013, Malaysia.

This was also supported by the delegate from Sudan. The meeting also agreed that more countries will be members if TFNet offer attractive and beneficial membership services.

- iii. With regard to featured articles for TFNet website, the Chairperson proposed that, for Malaysia, a committee will be set up comprising TFNet, Malaysian Agricultural Research and Development Institute (MARDI), Universiti Putra Malaysia (UPM), and Malaysian Department of Agriculture (DOA). These articles should cover current issues that affect agricultural production and marketing.

- iv. The Chairperson emphasized on the importance of postharvest management in tropical fruit crops. He also highlighted on the losses of agricultural crops due to inefficient post harvest handling and the losses could range from 10-40% in some situations. He also suggested that MARDI organise a symposium on post harvest technology and identifying ways to mitigate losses along value chain.
- v. Board expert member, Dr. Errol Hewett, informed that quantitative information on postharvest losses is available.

The main challenge is the way to translate the losses to the farmers for their awareness. He reiterated that the cooperation among the growers, traders, consumers, and research institution is important so that information related to postharvest losses can be effectively transferred.

- vi. Commenting on the newsletter and website, the delegate from Nigeria suggested that they are willing to provide articles, also by getting associations dealing with tropical fruits to provide them with information for all to share.
- vii. The delegate from Fiji, Mdm. Milikere Nawaikula, agreed on the issue of post harvest losses where in Fiji, fruits and root crops, losses can be up to 40%. There is currently a project funded by Australian Centre for International Agricultural Research (ACIAR) on postharvest management.

With the regard to membership, with 14 members in the island pacific community, there is a possibility to increase membership because every year the Ministers of Agriculture of Pacific Islands meets in Fiji. TFNet could use this forum to explain on the objectives and advantages of being a member of TFNet.

- viii. The delegate from Sri Lanka, Dr. Wijeratne informed that the postharvest losses sometimes exceed 50%. The other issue is the public concern over food safety, including the excessive use of pesticides on the horticulture crops.
- ix. Expert board member, Dr. Sisir Mitra concurred that the issue of postharvest losses is a real concern in India and the region. He proposed that India and other countries should have been included in the project carried out by FAO and TFNet, ie. *Policy Interventions to Facilitate Smallholder Integration into Tropical Fruit Markets and Value Chains in Malaysia and Indonesia*.
- x. The delegate from Philippines, Mr. Danilo Dannug suggested that universities should be involved in capacity building activities because they carry out research, like the TFNet workshop held in the Philippines last year.

Plant quarantine issues should also be addressed to prevent entry of pests and diseases due to movement of planting materials.

- xi. The delegate from China and Vice Chaiperson, Dr. Yi Ganjun raised concern on the financial status of TFNet and suggested that a more stable income from other sources is needed to sustain TFNet's activities. He also emphasized that more activities should be carried out in member countries to justify them joining TFNet and sharing the benefits of being members.

He also proposed to develop a platform or center for exchange of cultivars or planting material within member countries. China can also assist in producing tissue cultured material and training.

- xii. Observer from Nigeria, Dr. Ademola Adelaja while commenting that TFNet is in the right path to improve global development of tropical fruits, the US 5000 one time membership fees for country member is too low and should be reviewed.
- xiii. Observer from CIRDAP, Dr. Cecep Effendi informed that presently, funding from international donors is hard to come by, therefore government grants are still needed to sustain the operations of an organisation. In the case of AARDO, the Government of India provides annual grants to support the functioning of the AARDO office in India. Even some of the funding for CIRDAP activities comes from India.

He also agreed to TFNet proposals to jointly collaborate with CIRDAP and AARDO in carrying out some activities to reduce the cost.

He also mentioned that participating countries should not always expect complementary airfares, rather source funds from their government to reduce the cost of organizing the activities.

- ix. The delegate from Indonesia, Dr. Hassanudin Ibrahim suggested other sources of income other than government, for example by organising major events such as the Fruit Logistica, private companies involved in such events will be able to contribute.

The Indonesian delegate also reminded the meeting that the Indonesian Horticultural Show will be held in Jogjakarta, Central Java in October 2013, and he extends his invitation to all delegates to attend.

- xv. The delegate from FAO, Mr. Kaison Chang argued that in terms of membership, it is similar to having an 'attractive product' for people to buy, therefore TFNet must have products and services that appeal to potential members. In this regard, he suggested that TFNet revisit and reformulates its strategies. There is also the need for TFNet to have an international image to attract members.

He also thanked Malaysia for having a strong leadership in leading the organisation, however, he also felt that being an international organization, other members should also contribute so that more activities can be held in the various countries. In this respect, associate members could contribute more effectively, and TFNet should work towards convincing donors such as African and Asian Development Bank and other funding organisation to carry out projects. TFNet should expand the core list of experts who can be engaged for the projects.

On the postharvest issue, Mr. Kaison stressed that in the tropical fruit sector, postharvest losses are sometimes misconstrued when it can sometimes be rectified by producing and targeting the right market. For example investing in storage facilities to reduce losses during a glut, and targeting production for the market.

- xvi. Observer, Mr. Tengku Malik concurred with the members that post harvest losses are an issue and needs various intervention to reduce losses. He also emphasized that phytosanitary measures and market access issues need to be given attention too. He also stressed on the stringent regulations on the movement of plant materials so as not to spread alien pests.

- xvii. Generally, all delegates concurred with the issue of postharvest losses, and that it should be included as main topic in any capacity building program.
- xviii. In summarizing, the Chairperson emphasized that activities conducted by TFNet should look more at the outcome, rather than output. This is to ensure that the activity is result oriented and beneficial to members and other recipients.
- xix. The TFNet CEO noted all issues raised especially on the assistance of the Malaysian Foreign Ministry to invite more country members, enhancing the international image of TFNet, having the right products or services to attract membership, the importance of postharvest management and its inclusion in any training programs and improving the capability of the Secretariat to secure funds from donors by utilizing the experts who are already in the TFNet domain.

agenda item 5

REPORT BY INTERNAL AUDITORS

The internal auditors appointed during the last General Assembly in Guangzhou, China were Dr. Badreldeen Elshiekh Hassan, delegate from Sudan and Mr. Robert Williams, delegate from Australia.

Dr. Badreldin began by explaining the auditing process and the terms of reference as shown in **Annex 6**.

The Internal Auditing of TFNet Financial and Operation Functions were carried out on 6-7 May 2013. Mr. Robert Williams gave a summary of the draft internal audit report (**Annex 7**) as follows:

a. TFNet Constitution.

The constitution is based on the guidelines set by FAO and is up to date, with recent amendments endorsed at the 5th Session of TFNet General Assembly in Guangzhou, China in June 2012 .

b. TFNet Strategic Plan 2009 – 2011

The current strategic plan expired in 2011, and needs to be updated as soon as possible, despite the Board approving the future expenditure for the next three years at the 5th General Assembly. The current plan is misaligned to the objectives and guiding principles set in the TFNet Constitution. TFNets' activities within the plan need to be clearly aligned to the key objectives. One possible inclusion is TFNet's role in tropical fruit bioversity.

c. Membership.

There were clear indications from the Board that member countries need to be more active in soliciting greater membership into TFNet and that Latin American countries and Multinational National Corporation should be targeted. The audit

team considered that the Secretariat was achieving as much as they could, but needed more resources (personnel) to meet the expectations of the Board. A communication package to highlight the services and 'benefits' of joining TFNet has to be developed.

d. Financial Sustainability – project activity.

TFNet carried out significant number of activities, but did not indicate what the outcomes/outputs were from the various activities. There was no mention of the funding agency and what resources of TFNet are going into the projects.

It has to be realized that TFNet is operating under limited resources and Secretariat is doing an excellent job.

e. Financial Report including external financial audit report.

The accounting software being used has to be updated. The external auditor report also has to be restructured according to the activities. The Secretariat has to determine the cost of maintenance for the office building which is provided by MARDI.

f. Organisation Structure of TFNet Secretariat

The Secretariat currently employs seven staff, including the CEO and general staff. Apparently, more investment in human resources is required, if better outcomes and outputs are expected.

The 2 year contract should be extended to 3 years to ensure continuity in the various activities.

g. Overall General Observations

TFNet has a very efficient staff with good leadership and has sound financial resources. However, it was recommended that the staffing predicament needs to be resolved immediately.

The following recommendations were made to the TFNet Board:

- i. 2013- 2016 Strategic Plan needs to be developed
- ii. Appointment of the expert staff to be accelerated.
- iii. Improvement in the employment contracts
- iv. Restructuring the annual report to provide greater clarity on project activities.
- v. Required a more detail and meaningful report from the external auditor
- vi. Ascertain the future tenure of the TFNet office headquarters by having discussions with the Malaysian Ministry of Agriculture

DISCUSSION ON THE PROGRESS REPORT

- i. Dr. Badreldin commended that TFNet secretariat is efficient in carrying out the duties. But he is more concerned on the membership and the fulfilment of the demands from members.

- ii. Expert member, Dr. Sisir suggest the need to look at the outcomes of the workshop, to evaluate their impact.
- iii. The Chairperson reiterated the focus on outcomes and 'problem solving' from the activities carried out by the Secretariat.
- iv. Dr. Effendi from CIRDAP opined that 2 years employment contract is acceptable. He also suggested that TFNet could engage part time consultants if the need arises.
- v. Mr. Williams suggested that TFNet should have a succession plan to ensure continuity.
- vi. The CEO noted all comments and will take remedial action after the draft audit report has been amended and fine tuned.
- vii. The CEO further clarified the issue of 2 year contract by explaining that it is 2 year renewable contract. Some of the staff have been in TFNet for more than 8 years.
- viii. It was also agreed that filling up the vacant posts of technical staff and the employment of additional staff would improve the capabilities of the Secretariat. However this is only possible if TFNet is awarded long term projects. In order to be financial sustainable, it is better to outsource certain tasks to experts rather than employing them.
- ix. The meeting agreed that a draft strategic plan for 2013 – 2015 be prepared by the end of July 2013 by a task force headed by Mr. Bob Williams. The task force will comprise of Dr. Badreldin from Sudan, Mr. Danilo Dannug from the Philippines and Dr. Adenike Olufaji.
- x. The TFNet CEO will make an assessment of the current staff requirements and make necessary adjustments to improve human resources in the Secretariat, taking into consideration its financial standing.

POTENTIAL OF DOMINICAN REPUBLIC AS A TFNET MEMBER

- i. In this additional agenda, CEO invited His Excellency Mario Arvelo Ambassador of the Dominican Republic (DR) to the United Nations Rome-Based Agencies to give his views on the possibility of DR becoming a member of TFNet and the focal point for Latin American and Caribbean countries.
- ii. His Excellency Ambassador Mario Arvelo thanked the Chairperson for allowing him to brief at the Board Meeting. He informed that Deputy Minister Agnes Cishek was unable to attend, and he will brief the Minister on the outcome of this meeting. He mentioned that DR is member of a number of regional associations on tropical fruits. Ambassador Arvelo also made the commitment that the DR is willing to fully integrate with TFNet and reach out to Latin America countries to be involved in TFNet activities. DR is extremely interested in participating in the global initiative related to tropical fruits. He also mentioned that since it is a political decision and he will strongly recommend to the Minister on the benefit of being a member of TFNet and will respond as soon as possible before the summer ends.

- iii. The Chairperson thanked the DR Ambassador for his commitment to help TFNet to reach out to the Latin American and the Caribbean Islands. The Chairperson will also make effort to meet the Malaysian ambassadors in various countries to help expand TFNet's country membership.

agenda item 6

NETWORK COLLABORATION

agenda item 6.1

AFRICAN TFNET NETWORK PROPOSAL

The CEO informed that African TFNet Network was formalised during the Workshop in Lagos, Nigeria in April 2011.

The CEO further explained that in order for the Regional Network to function effectively, more countries in the region should become member of TFNet.

Dr. Adelaja from Nigeria informed that this is the right moment to initiate the network. He requested that TFNet to take initiative in collaborating with Nigeria. He requested a seed money US\$25,000 for putting up the facilities and operate the regional network. He will submit the modus operandi of the network as soon as possible to the TFNet Secretariat. Members will include from the academia, food processors, producers and traders.

Dr. Badreldin informed that the planned workshop in Sudan in October 2013, will invite representative from East African countries such as Kenya, Ethiopia, Somalia, Tanzania, Zambia and Nigeria. These countries will be requested to become members of the African TFNet Network.

The meeting agreed that the TFNet network be expanded to include more members from the different regions. African focal point Nigeria will prepare and submit a proposal for the modus operandi and operations of the Afri TFNet. Country membership from African countries are expected to increase after the October workshop in Sudan.

agenda item 6.2

APPOINTMENT OF BUREAU OFFICERS IN MEMBER COUNTRIES

The chairperson explained that the Bureau officers to be appointed by the focal points in member countries as liaison officers. The role of the Bureau Officer is to provide information on market and prices of fruits, seasonal calendar and provide current news in the tropical fruit scene in the member countries. Regular information

from liaison officers will help TFNet Secretariat to analyse and publish them in the website for members, traders and public to benefit. He also urged members to co-operate in this effort.

The CEO explained that the Secretariat needs active participation from Bureau officers (BO) to submit articles on the production, problems and challenges so that TFNet can continuously upload these articles for member's knowledge and benefits. Notes on the role of bureau officers have already been distributed to delegates before the meeting.

The duties of Bureau officers are shown in **Annex 8**.

DISCUSSION ON THE APPOINTMENT OF BUREAU OFFICERS

- i. Dr. Misra, delegate from India suggested that probably get experts from the respective countries to contribute articles for TFNet website.
- iii. Dr. Effendi from CIRDAP informed that it requires a clear objective and term of reference to appoint BO. He further explained that CIRDAP has three layers of officers and still face communication problems.
- ii. Dr. Hassanuddin, delegate from Indonesia agreed that the terms of reference for a BO must be clear.
- iii. Dr. Adelaja informed that they too have posted newsletters in their websites. He promised that he will try to send more information from their country. He said that he will invite more associates to join the regional network and contribute to TFNet.
- iv. The representative from Sri Lanka suggested that appointing of an existing communication officer from the Ministry of Agriculture to become BO will be sufficient.
- iv. The representative from Sudan suggested that a permanent contact person need to be established for sustainable communication and reporting.
- v. Mr. Williams, delegate from Australia mentioned that BO responsibilities could be multitasking and the coverage could be too broad and could range from crop type, years of data, price movement and etc. So to get a comprehensive information will be a difficult task. TFNet should provide the format for reporting especially the required crop information.
- vi. Ms. Nilawan, delegate from Thailand informed that the information on seasonal flowering and fruit production varies according to weather and region, resulting in information that may not be very accurate.
- vii. Dr. Quang, delegate from Vietnam informed that Vietnam could provide the necessary information required by TFNet and vice versa

- viii. Delegate from India, Dr. Misra suggested that the Secretariat should contact the Agriculture Ministry of India directly on this.
- ix. The representative from Philippines mentioned that he do not foresee any problem on this. The department will provide the information needed by TFNet.
- x. Dr. Yi Ganjun, delegate from China supported the setting up of Bureau officers. He also proposed that only experts should be providing information from different fields such as fruit growers and traders associations. There is also the possibility of producing annual reports from the information gathered from each member country.
- xi. Expert member, Dr. Hewett informed that there are existing organizations providing these information, eg. the avocado association of S. Africa and TFNet need to collaborate with them.
- xii. Observer Dr. Juejan from AFMA informed that AFMA has almost the same set up as TFNet. Usually members do agree to provide information but due to different priorities and interest, it become ineffective over time. Generally, it takes time to build relationships. There are always issues of reward for producing articles. It would be fair to pay for the information.
- xiii. Delegate from Indonesia, Dr. Hasanudin suggested that the Bureau officers should be from the Ministry of Agriculture and not from the academic. The request for information must also be in line with the objectives of TFNet. He suggested that the information should cover on production, trade values of fruits and seasonal variation. Indonesia will submit the name of the BO as soon as possible.
- xiv. The Chairperson informed that Malaysia will appoint an officer from the Malaysian Agricultural Research and Development Institute (MARDI) as a Bureau Officer to provide the relevant information required.
- xv. The meeting agreed that all country members should contribute more to the Secretariat by appointing Bureau Officers or contact persons to provide TFNet with information including data and news. TFNet secretariat will request all member countries to submit the names of the Bureau Officer, as soon as possible.

agenda item 6.3

COLLABORATION WITH OTHER NETWORKS

The CEO presented on the development of the meetings with AARDO, AOAD, AFMA, etc. All have agreed to collaborate together for joint activities including workshops, conferences and symposiums.

The meeting agreed that network collaboration can help save costs, besides having more countries to participate.

agenda item 7

DISCUSSION AMONG COUNTRY MEMBERS ON CURRENT ISSUES AND CHALLENGES OF DEVELOPMENT OF TROPICAL FRUITS AND MARKET ACCESS

- i. Mr. Robert Willams from Australia proposed that a new Strategic Plan for 3-5 years need to be developed to guide the annual action plan. With regard to germplasm exchange, he also emphasised that, the following factors need to be considered seriously.
 - Issues on intellectual property
 - Compliance to international agreements
 - Plant quarantine issues, pest and diseases, etc
- ii. Dr. Quang, delegate from Vietnam informed that Vietnam produced and export a range of tropical and sub tropical fruits. He welcomed investors to participate in the production, processing and export of fruits.
- iii. The chairperson responded that it is not easy to set up processing factories in Vietnam. However, Dr. Min Chau from SOFRI informed that there are many foreign companies have already invested in fruit processing though more are encouraged. The chairperson agreed to encourage some Malaysia investors to invest in Vietnam.
- iv. Dr. Adelaja from Nigeria informed that FAO has already established germplasm exchange program. Countries interested can use the facilities.
- v. Mr Misra from India informed that any materials imported and exported have to go through specific channels and need to comply to the quarantine procedures.
- vii. Mr. Robert William from Australia informed that Australia and New Zealand have the most stringent sanitary and phytosanitary regulation (SPS) and also toughest market to penetrate. The SPS regulations change regularly depending the risk assessment of the pest and diseases, food safety regulation and post harvest treatment. The risk assessment process takes 4-6 years depending on the fruits diversity of pest and diseases. Continuous negotiation between the regulatory authorities of negotiating countries is important and helpful for getting market access.
- viii. Dr Wijretne from Sri Lanka concurred the importance of germplasm exchange among countries not only commercial varieties but also native varieties for research and breeding purposes.
- ix. The main issue discussed was about the exchange of genetic resources among country members for research or commercial purposes. The Secretariat will look at the possibilities, including existing agreements on germplasm exchange and prepare a report. The issue of exports and SPS regulations has to be negotiated between Governments.

agenda item 8

APPOINTMENT OF EXPERTS

The CEO informed the members that TFNet Secretariat received nine applications from candidates. All the names and curriculum vitae were circulated to members. The details are in **Annex 9**.

The applicants were:

1. Dr Hannah Jaenicke (free lance Consultant)
2. Dr. Janie Liew Heng Mei (Assoc Professor, School of Business & Economics, Universiti Malaysia Sabah)
3. Prof. Julian Heyes (Professor of Postharvest Technology, Massey University)
4. Jocelyn A. Eusebio-Eusebio (Director, PICCARD)
5. Dr. Constantinos Stathopoulos (Senior Lecturer, University of Newcastle (Australia))
6. Dr. Shoichi Ito (Professor, Food & Agricultural Policies), Kyushu University
7. Professor Zora Singh (Professor Horticulture, Curtin University, Perth, Western Australia)
8. Dr. Mohamad Roff (Dep. Director, Horticulture Research Center, (MARDI), Malaysia)
9. Dr. Zhong Guangyan (Director, Institute of Fruit Tree Research, Guangdong Academy of Agricultural Sciences (IFTR-GDAAS))

After the casting of votes by board members voted the following two candidates were appointed as expert members of the Board of Trustees (2013 – 2017) .

1. Assoc. Prof Dr. Janie Hiew Heng Mei, Universiti Sabah Malaysia
2. Dr. Hannah Jaenicke , Consultant

agenda item 9

OTHER MATTERS

agenda item 9.1

ENDORSEMENT OF NEW MEMBERS

The board agreed to endorse for the following members.

COUNTRY MEMBERS: Sri Lanka

ORDINARY MEMBERS

1. Dr. Phebe Ding, Malaysia
2. Chek Zaini Hassan, Malaysia
3. Katsuya Ichinose, Japan
4. Kazuyoshi Yuasa, Japan
5. Robert Nissen, Vietnam
6. Selby Xavier, Vietnam
7. Takefumi Hayashi, Japan
8. Tatsushi Ogata, Japan
9. Tengku Ab. Malik bin Tengku Maamum
10. Dr. Zabaedah Mahmud

agenda item 9.2

VENUE OF NEXT BOARD OF TRUSTEES MEETING

- i. The chairperson proposed that the next Board of Trustees meeting will be held in Malaysia in June 2014. The members unanimously agreed to the proposal. The chairperson also indicated that other events planned during the Board of Trustees meeting are:
 - a. Symposium on post harvest and pest and disease management
 - b. International Tropical Fruit Exposition – member countries will be invited to participate. The event aims to facilitate business matching among the participants
- ii. The representative from the Food and Agriculture Organisation (FAO), Mr. Kaison Chang proposed that Malaysia host the next FAO Intergovernmental Group on Banana and Tropical Fruit in conjunction with the other events in June 2014. This meeting will be attended by representatives from all FAO member countries.

The Chairperson responded positively to the proposal however, it needs to be approved by the Malaysian Cabinet. The Ministry of Agriculture and Agro-based Industry Malaysia will prepare a paper for this approval.

agenda item 9.3

OTHER MATTERS ARISING

- i. Dr. Baldreldin thanked the Chairperson for presiding over the session. He also requested the CEO to maintain the cordial relationship and follow up on the issues discussed in the meeting. He also informed the meeting that the term of reference for internal auditors has been circulated to the members.
- ii. Dr. Errol informed that ISHS will be organising an International Horticulture Congress, Brisbane, Australia from 17-20 Aug 2014. He hoped member countries will encourage scientists to participate at the congress. He also suggested TFNet to participate and promote its function.

- iii. Mr. Robert Williams informed that the Strategic Plan for next 3-5 years will be submitted to TFNet Secretariat by end of the month.
- v. Ms Kwek from Crop for Future informed that they continuously update Wikipedia articles to drive usage traffic.
- vi. Mr. Mahpudz Shariff from Sime Darby, Malaysia informed that we need to engage with multinational companies such as Nestle, Unilever and others to increase the associate members for future collaboration.
- vii. Dr Nguyen Min Chau from SOFRI, requested permission to link TFNet website with their website.
- v. The chairperson emphasized that TFNet Secretariat to work closely with all members and support their activities.

agenda item 10

CLOSING REMARKS BY CHAIRPERSON

In his concluding remarks, the Chairperson thanked all members of the Board and observers, and emphasised that some important issues and challenges for TFNet were raised especially after presentation of the progress report and the internal audit report. He also reminded the Secretariat to take appropriate and remedial action to address these issues. Besides the challenges of financial sustainability, expansion of membership and sourcing for potential projects, the Secretariat should also try to engage members to contribute more to TFNet.

On the appointment of bureau officers in each country members, the Chairperson reminded members to quickly appoint the officer in order to facilitate exchange of information and news on tropical fruit which will improve the link with the Secretariat.

He urged the TFNet Secretariat to promote TFNet through their website and newsletter, or through a major promotional event such as a tropical fruit exposition. The pool of experts and resource persons also need to be expanded.

He also emphasised that with the establishment of the African Network and plans to set up Latin America and the Caribbean Network, TFNet should prepare a new operating model supported by inputs by representatives from these countries. The chairperson conveyed that the Malaysian Government takes pride in hosting TFNet and fully support all the efforts of TFNet through their various activities. However, he reiterated that member countries, experts and associate members should also support and contribute to the organisation to strengthen its role as a preferred network for references and activities related to tropical fruit production, consumption and trade.

The Chairperson took the opportunity to thank the Vice Chairpersons, FAO representative, country members and observers for their participation and

contributions in the meeting. He also thanked the Ministry of Agriculture and Rural Development, Viet Nam for hosting this meeting. The Chairperson invited all delegates to the 6th session of the board meeting which will be held in Malaysia in June 2014.

The 6th TFNet Board of Trustees Session was adjourned at 4.20 pm.

annexes

annex 1

LIST OF DELEGATES AND OBSERVERS

Country / FAO Representative:

1. H. E. Datuk Mohd Hashim Abdullah - **Chairperson**
Representative of the Government of Malaysia
2. Dr. Yi Ganjun - **Vice Chairperson**
Representative of the Government of P.R China
3. Dr. Trinh Khac Quang - **Vice Chairperson**
Representative of the Government Vietnam
4. Mdm. Meliakere Nawaikula
Representative of the Government of Fiji
5. Dr. Hasanuddin Ibrahim)
Representative of the Government of Indonesia
6. Dr Danilo T. Dannug (representing Dr. Clarito Barron)
Representative of the Government of Philippines
7. Dr. Elshiekh Badreldeen Monamad Elhassan
Representative of the Government Sudan
8. Dr. Adenita Olusolape Olufolagi
Representative of the Government of Nigeria
9. Mr. Robert Williams
Representative of the Government of Australia
10. Mr. Ashok Kumar Misra
Representative of the Government of India
12. Dr. DBT Wijeratne
Representative of the Government of Sri Lanka
13. Mr. Kaison Chang
Representative of Food and Agriculture Organisation (FAO)
14. Mr. Yacob Ahmad - **Secretary**
Chief Executive Officer, International Tropical Fruits network (TFNet)

Associate members

1. Ms. Kwek Mei Jiun (representing Dr. Michael Hermann)
Crops for the Future, Malaysia
2. Mr. Mahpuds bin Shariff
Sime Darby Foods and Beverages Marketing Sdn Bhd, Malaysia

Expert Members of TFNet

1. **Professor Dr. Errol W. Hewett**
Massey University, New Zealand
2. **Professor Dr. Sisir Kumar Mitra**
Faculty of Agriculture, Bidhan Chandra Krishi Viswavidyalaya, India

Observers

1. **Mrs. Ninlawan Leeungculsatien**
Senior Expert of Fruit Crops, Horticultural Research Institute,
Department of Agriculture, Thailand
2. **Dr. Than Than Sein**
Consultant to Myanmar Fruits, Flower and Vegetable Association, Myanmar
3. **Dr. Cecep Affendi**
International Organisations Center of Integrated Rural Development for Asia
Pacific (CIRDAP)
4. **Dr. Juejen Tangtermthong**
Executive Director, Agricultural and food Marketing Association for
Asia and the Pacific, Bangkok, Thailand
5. **Dr. Nguyen Minh Chau**
Director, Southern Fruit Research Institute, Vietnam
6. **Mr. Tengku Malik Tengku Mahmood**
Malaysia Agricultural Research and Development Institute, Malaysia
7. **Dr. Edna A. Anit**
Assistant Director, Philippine Council for Agriculture Aquatic and Natural
Resources Research and Development (PCAARRD), Philippines
8. **His Excellency Mario Arvelo**
Ambassador of the Dominican Republic to the United Nations Rome-Based
Agencies, Dominican Republic
9. **Dr. Babasola Ayodele Adelaja**
National Horticultural Research Institute (NIHORT), Nigeria
10. **Dr. Roedhy Poerwanto**
Bogor University, Indonesia
11. **Mr. Achmad Widodo Heru**
Department of Horticulture, Indonesia
12. **Ms. Margarita Brattlof**
Food and Agriculture Organisation
13. **Mr. Mohd Arif**
Ministry of Agriculture and Agro-based Industry, Malaysia

TFNet Secretariat

1. Mr. K. Palasuberniam
2. Ms. Hariyatul Asni Abdul. Rani
3. Mr. Christian Cangao
4. Mr. Mohd. Khairul Najmi
5. Ms Noor Baah Abdol Said
6. Mr. Nguyen Van Son

Unable to attend

1. **Mr. Anwar Faruque**
Representative of the Government of Bangladesh
2. **Mr. Muawya Jaber Abdul Rahman**
Representative of the Government of Syria

PROVISIONAL AGENDA

Time	Items	Detail
8.30 am		Introduction by CEO , TFNet
8.45 am	AGENDA ITEM 1.0	Welcome address by His Excellency Datuk Mohd Hashim Abdullah
	AGENDA ITEM 2.0	Adoption of Provisional Agenda
	AGENDA ITEM 3.0	Adoption of 6th Session of BOT 2012, held in Guangzhou, China
	AGENDA ITEM 4.0	TFNet Progress Report 2012-2013
	AGENDA ITEM 5.0	Report by TFNet Internal Auditors
10.00 am	Tea Break	
10.15 am	AGENDA ITEM 6.0	Network collaboration
	AGENDA ITEM 6.1	African TFNet Network Proposal
	AGENDA ITEM 6.2	Appointment of Bureau officers in member countries
	AGENDA ITEM 6.3	Collaboration with other Network
11.30am	AGENDA ITEM 7.0	Discussion among country members on current issues and challenges of development of tropical fruits and market access
1.00pm	LUNCH	
2.00pm	AGENDA ITEM 8.0	Appointment of Experts Panel of TFNet
2.30 pm	AGENDA ITEM 9.0	Other Matters
	AGENDA ITEM 9.1	Endorsement of New Members
	AGENDA ITEM 9.2	Venue for next BOT Meeting 2014
	AGENDA ITEM 9.3	Other Matters Arising
4.15 pm	AGENDA ITEM10	Closing Remarks by Chairperson
4.30pm	TEA BREAK	

annex 3

MINUTES OF THE 6TH BOARD OF TRUSTEES MEETING

GUANGZHOU, CHINA

21 JUNE 2012

Country / FAO Representative:

1. **H. E. Dato' Mohd Hashim Abdullah - Chairperson**
Representative off the Government of Malaysia
2. **Dr. Yi Ganjun - Vice Chairperson**
Representative of the Government of P.R China
3. **Dr. Trinh Khac Quang - Vice Chairperson**
Representative of the Government Vietnam
4. **Mdm. Meliakere Nawaikula**
Representative of the Government of Fiji
5. **Mr. Achmad Widodo Heru (representing Dr. Hasanuddin Ibrahim)**
Representative of the Government of Indonesia
6. **Dr HT Carpiso (representing Dr. Clarito Barron)**
Representative of the Government of Philippines
7. **Dr. Elshiekh Badreldeen**
Representative of the Government Sudan
8. **Mr. Robert Williams**
Representative of the Government of Australia
9. **Mr. Kaison Chang**
Representative of Food and Agriculture Organisation (FAO)
10. **Mr. Yacob Ahmad - Secretary**
Chief Executive Officer
International Tropical Fruits Network (TFNet)

Associate members

1. **Mr. Khoo Teng Kew (representing Dr. Michael Hermann)**
Crops for the Future, Malaysia
2. **Mr. Cheah Kiu Lye**
Sime Darby foods and Beverages Marketing Sdn Bhd, Malaysia

Expert Members of TFNet

1. **Professor Dr. Errol W. Hewett**
Massey University, New Zealand
2. **Professor Dr. Sisir Kumar Mitra**
Faculty of Agriculture
Bidhan Chandra Krishi Viswavidyalaya, India

Observers

1. **H.E. Wassfi Hassan El Sreihin**
Secretary General
Afro-Asian Rural Development Organisation (AARDO)
2. **H.E. Commodore Esala Teleni,**
Embassy of the Republic of Fiji
3. **Mr. Nianjun Shen**
Common Fund for Commodities
4. **Mr. Frank Lam**
Inter-American Institute for Cooperation in Agriculture (IICA)
5. **Dr. Nguyen Minh Chau**
Southern Fruit Research Institute, Vietnam
6. **Mr. Zulkifli Yaacob**
Ministry of Agriculture and Agro-based Industry, Malaysia
7. **Dr. Hanisah Hussein**
Ministry of Agriculture and Agro-based Industry, Malaysia
8. **Mr. Suffian Yek**
Malaysian Agricultural Attache to China

TFNet Secretariat

1. **Mr. K. Palasubermaniam**
2. **Ms. Hariyatul Asni Abdul. Rani**
3. **Mr. Christian Cangao**
4. **Mr. Mohd. Khairul Najmi**

Unable to attend

1. **Mr. VK Singh**
Representative of the government of India
2. **Mr. Anwar Faruque**
Representative of the Government of Bangladesh

3. Mr. Muawya Jaber Abdul Rahman
Representative of the Government of Syria
4. Dr. Adenike Olusolape Olufolaji
Representative of the Government of Nigeria

1. Introduction

The 6th Session of TFNet Board of Trustees was held in Guangzhou, People's Republic of China on 21st June 2012. It was attended by 8 country representatives, 2 Associate members, 2 expert members, representative from Food and Agriculture Organisation (FAO), Rome and the TFNet Secretariat. Observers from AARDO, the Fijian Ambassador to China, Common Fund for Commodities (CFC) and Inter-American Institute for Cooperation in Agriculture (IICA) also attended the meeting.

The representative of the Government of Malaysia, Dato' Mohd Hashim Abdullah was re-elected as the Chairperson of TFNet Board of Trustees for the term 2012-2015 in the General Assembly, which preceded the board meeting. The Vice Chairpersons elected were Dr. Yi Ganyun and Dr. Trinh Khac Quang, representatives from China and Vietnam, respectively.

The Chairperson thanked all the members of the board for having confidence and nominating him to continue to chair the Board of TFNet for the period 2012-2015. He also assured that Malaysia will continue to support all the activities organised by TFNet in the future.

2. Extension of Term of current CEO/appointment of CEO.

The Chairperson sought the opinion of the board members on the extension of term of current CEO whose term is expiring on September 2012.

The board members agreed to extend the CEO for another 2 years starting from October 2012 till September 2014.

3. Venue of Next Board of Trustees Meeting

The Representative from Vietnam Dr. Trinh Khac Quang made an offer to host the next BOT meeting in Ho Chi Minh City, Vietnam during the fruit festival, which will be held during the 1st week of June 2013.

4. Closing Remarks by Chairperson

In his concluding remarks, the Chairperson thanked all the delegates for attending the TFNet Board of Trustees meeting for 2012. He expressed his confidence that with the level of strong commitments by the members, TFNet will continue to be relevant in developing the tropical and sub-tropical fruit industry globally.

He also congratulated the newly elected board members and hope they would continue to get engaged with the common agenda of improving the productivity and marketability of the tropical fruits. He requested board members to assist the TFNet Secretariat to attract more members and propose projects that can generate income and more importantly to promote and secure a more respectable image for this organisation.

The Chairperson also informed that the Malaysian Government is supportive of the efforts of TFNet and has agreed to contribute an annual allocation of USD 260,000 for TFNet to continue to carry out its activities.

The Chairperson indicated that TFNet will be invited to attend the Malaysian Ministry of Agriculture and Agro-based Industry Management Meetings.

The Chairperson thanked the President of Guangdong Academy of Agricultural Sciences, Dr. Yii Ganjun, the Director of Fruit Tree Research and his staff for their wholehearted support and cooperation in hosting this meeting. He also expressed his appreciation to members of the board and observers for all their contributions in this meeting.

The Chairperson took the opportunity and invited the board members, observers and the TFNet secretariat to participate and visit Malaysia Agriculture, Horticulture and Agro tourism International show (MAHA International 2012) in Kuala Lumpur on 23rd November to 2nd December 2012.

Finally, he thanked TFNet secretariat for successfully organising this meeting.

TFNET PROGRESS REPORT (2012-2013)

1. INTRODUCTION

This report covers the activities of TFNet for the 12 months period beginning July 2012 until June 2013, based on the programs proposed at the last General Assembly in Guangzhou, China.

In the last 12 months, projects and activities of TFNet had focused on three key agendas, in accordance to the strategic plan proposed in 2009. The agendas are:

- i. to increase membership, especially country, private sector and other networks
- ii. to be financially self sustaining
- iii. to promote TFNet as an active International Organisation committed to

Activities conducted to support the key programs include:

- i. Communicating and meeting Ministry officials in countries that are potential members and tying up with other networks, international organisations and the private sector to be members of TFNet.
- ii. Preparing project proposals to funders
- iii. Involved directly or as co-organizers in capacity building activities such as workshops, conferences and symposiums.
- iv. Improved corporate communications through the website and newsletters
- v. Conducting consultancies and studies.

Efforts to invite member into TFNet, especially countries have been intensified by having more regional activities and collaborating with other networks and promoting through the website and newsletter.

The main challenge of TFNet is to be able to sustain itself financially. TFNet has continued its efforts to source and bid for new projects. For the period reported, these efforts have not yielded positive results.

2. TFNET MEMBERSHIP

The Secretariat has made efforts via diplomatic channels, institutional approaches and personal contacts to increase country membership. TFNet had also invited potential countries to participate as observers during the TFNet BOT meetings and other functions. The membership target for 2012 – 2013 and actual achievement is shown in Table 1.

Table 1: TFNet Membership status 2011 - 2013

Membership category	2011 (actual)	2012 (target)	2012 (actual)	2013 (target)	up to June 2013
Country	10	14	12	18	13
Associate	13	15	14	18	14
Ordinary	116	119	122	140	123
Total	139	148	144	176	150

The current membership status by category is 13 country members, 14 associate and 123 ordinary members. The member countries are: Australia, Bangladesh, China, Fiji, India, Indonesia, Malaysia, Nigeria, Philippines, Sudan, Sri Lanka, Syria and Vietnam.

The potential country members are Cambodia, Laos, Myanmar, Cameroun, Ethiopia, Kenya and the Dominican Republic.

Efforts are ongoing to invite countries to join TFNet through workshops, conferences, meetings and collaboration with other organisations such as Inter-American Institute for Cooperation in Agriculture (IICA), African Asian Rural Development Organisation (AARDO), Arab Organisation for Agricultural Development (AOAD) and Council for integrated rural Development for Asia and the Pacific (CIRDAP).

Efforts are still underway to encourage membership from Latin American countries and to establish the Latin American TF Network.

3. ACTIVITIES OF TFNET

Major activities of TFNet during the report period were capacity building programs and consultancies. The capacity building activities organized or co-organized by TFNet included symposiums, seminars, and workshops.

3.1. Projects and Consultancies

The Secretariat is still involved in the completion of a consultancy on 'Business strategy and implementation plan for the establishment of food production parks in the East Coast Economic Region of Malaysia'. The project has been delayed and the project completion report is now being prepared.

The other is an FAO funded study on 'Policy interventions for smallholders integration into the tropical fruit value chain and market access'. This study is conducted in Vietnam for rambutan and pomelo and in Indonesia for mango and mangosteen. Table 2 shows the details of the projects and consultancies carried out during this period.

Table 2: Projects and Consultancies carried out by TFNet

No	Title	Source of Funds	Details	Outcome
1	Business Strategy and Implementation Plan for the Establishment of Commercial Food Industry Plantations (CFIP) in ECER	ECERDC-Govt of Malaysia	Feasibility study to develop 6000 ha for mixed fruits cultivation and cassava for starch production in Malaysia.	The project is expected to be completed by July 2013 and the final report will be submitted by end of Dec 2013.
2	FAO project: Study on policy interventions to facilitate smallholder integration into tropical fruits markets / value chains.	FAO	Objective i.To understand the challenges facing tropical fruit smallholder farmers in value chain integration and market access ii.To identify policy interventions that can enhance smallholder integration in the value chain iii.Provide capacity to policy makers in the implementation of policies that will improve smallholder integration	Crops selected: Indonesia: Mango & mangosteen Vietnam: Pomelo & Rambutan Project initiated: April 2013 Surveyed: 240 smallholders, collectors, wholesalers Final Report: before 31 December 2013.

3.2. Seminars and Symposiums

TFNet was fully involved as joint organizers for 2 International Symposiums, namely the First International Symposium on Jackfruit and other Moraceae in Bangladesh in September 2012, and the International Symposium on Superfruits: Myth or Truth? in Vietnam in July 2013 (Table 3).

TFNet was involved as a supporting role in sponsorship and as part of the organising committee in the 7th Postharvest Symposium and 5th Integrated Pest Management Symposium, both held in Malaysia (Table 4).

Table 3: Symposiums jointly organised with TFNet 2012-2013

Date	Title	Organisers	Details	Outcome
31 Aug - 2 Sept 2012	First International Symposium On Jackfruit and other Moraceae family. – Mymensingh, Bangladesh	Bangladesh Agricultural University, ISHS and TFNet	i. 60 participants with resource persons from India, Bangladesh, TFNet ii. This first international jackfruit symposium discussed the cultivars, production technologies, post harvest management and processed products from the jackfruit. Processing of the fruit to improve the market situation of the fruit during the glut season.	Identified the shortcoming in the value chain and proposed the way forward in the improvement of value chain of tropical fruits and marketing. The participants from Bangladesh actively participated in the discussion
1-3 July 2013	International Symposium on Superfruits: myth or truth? – Ho Chi Minh, Vietnam	FAO, TFNet and MARD of Vietnam	i. 100 participants from 16 countries. ii. 32 speakers and 10 poster presenters iii. Definition of Superfruits and the list of potential tropical fruits as superfruits. iv. Market study on superfruits v. List of potential superfruits.	The symposium provided platform for defining the term of "superfruits and creating a brand name for better marketing especially in tropical fruits

Table 4: Symposiums jointly organised with TFNet 2012-2013

Date	Title	Organisers	Details	Outcome
25-29th June 2012	7th International Post Harvest Symposium, Kuala Lumpur, Malaysia	MARDI, UPM,& TFNET.	i. 500 from 40 countries with 150 oral presenters and 80 postal presenters ii. The event saw the participation of well known experts in the postharvest field providing information on recent postharvest technologies for horticultural crops. It also helped to foster international network and collaboration.	The symposium provided a platform for post harvest technologist from the developing and developed countries to exchange information on the information and expertise, and also helped to foster international network and collaboration. The participants agreed that it benefited them and well organised.
18-20 Dec 2012	The 5th International Symposium for the Development of Integrated Pest Management for Sustainable Agriculture in Asia and Africa (5th IPM Symposium) Kota Kinabalu, Malaysia	MARDI, Niigata Uni. Japan, TFNet, DOA Sabah, University Sabah Malaysia, Malaysian Cocoa Board	222 from 14 countries with 33 oral presenters and 77 poster presenters The symposium provided a platform for participants to discuss on recent developments in the field on IPM. This includes working examples and the constraints of implementing an IPM program.	The symposium provided a platform for crop protectionist from the developing & developed countries to review the existing information, technology & knowledge on IPM. Also enabled to share expertise and foster international network and collaboration.

3.3. Workshops

There were 3 workshops organised during the period of reporting and 1 to be held in July 2013. In Malaysia, a workshop to review the occurrence of rust like symptoms on jackfruit, a current malady that affects the fruit, especially varieties grown for the minimally processed market. TFNet was involved as session chair, moderator and produced a report for follow up action by the Government.

A workshop was organised jointly by TFNet and the Bureau of Plant Industries, Philippines in Davao, Mindanao on 3-4 October 2012. A total of 35 participants and resource persons from more than 3 countries participated in this workshop. A strategic planning workshop to enhance the Malaysian pineapple industry was conducted in February 2013 and a workshop to discuss a recent study on tropical fruit value chain and farmers' integration will be discussed in Ho Chi Minh City, Vietnam on 5-6 July 2013. The details of the workshops TFNet organised and participated is in Table 5.

Table 5: Workshops conducted between July 2012- June 2013

Date	Title	Organisers	Details	Outcome
18 Sept 2012	Technical Review on the Incidence of Rust Diseases in jackfruit in Malaysia	Dept of Agriculture, Malaysia, MARDI and TFNet	i. 60 Officers from Dept. of Agriculture, MARDI, FELDA, Universiti Pertanian and the Fruit Growers Association. ii. TFNet –acted as the Moderator to discuss on the issues and way forward	A report has been sent to DOA & MARDI on the plan of action to address the Rust like symptoms that has been affecting the jackfruit industry
3-4 Oct 2012	Workshop on 'Value Chain Enhancements to Improve Market Access for Minor Tropical Fruits in the Philippines', Davao City, Philippines	Bureau of Plant Industry, Philippines and TFNet	i. 35 participants (farmers, researchers, govt officers) from Philippines, Resource persons from PCAARRD, Malaysia, Vietnam and TFNet ii. Identified the gaps in the value chain of minor tropical fruits such as pomelo, rambutan and jackfruit. iii. Action plan on the way forward in the improvement of value chain of tropical fruits	Identified the shortcoming in the value chain and proposed the way forward in the improvement of value chain of tropical fruits.
20-22 Feb 2013	Workshop on Strategic Development Plan for Pineapple in Malaysia	Pineapple Board, Malaysia	i. 60 officers from Pineapple Board, MOA ii. TFNet as presenter and resource person.	Proposed plans for formulating a strategic plan to revitalize the Malaysian pineapple industry.
5-6 July 2013	Workshop on 'Policy interventions in smallholder integration into tropical fruits value chain and markets.	FAO, TFNet	i. 25 participants from 10 countries ii. based on study on 4 fruit types conducted in Indonesia and Vietnam iii. Workshop participants to formulate policies and propose implementation on enhancing smallholder integration into tropical fruits value chain.	To help the policy makers in the implementation of policies that will improve smallholder integration

4. OTHER ACTIVITIES

The other activities of the Secretariat involve discussions about having joint collaborations with other international organisations in their capacity building activities. The proposed activities are listed in Table 6.

Table 6: TFNet and Establishment of Links with Partners

Year	Activity	Collaborative Partners	Details	Outcome
5 Nov 2012	Discussion with Director General of Arab Organisation for Agricultural Development (AOAD) For future collaboration	AOAD	TFNet informed the vision and function of the organisation	i. The meeting agreed to organise a joint workshop in Sudan on post harvest and fruit fly management with the Dept. of Horticulture, Sudan. ii. Expansion of country membership of African & Arab countries through workshop iii. To collaborate on a project on tropical fruit in the Comoros Islands
19 Nov 2013	Discussion with Director General of Center on Integrated Rural Development for Asia and Pacific (CIRDAP)	CIRDAP	TFNet informed the vision and function of the organisation and ways to nurture future collaboration	Discussion on further collaboration in capacity building activities especially on tropical fruit production, post harvest and market access
18 Mac 2013	Discussion With Japan International Research Centre For Agricultural Sciences (Jircas)'S Officers On Issues On Tropical Fruit Breeding And Production	JIRCAS	TFNet conducted the session with 16 officers from various Government agricultural agencies, universities and the private sector attended the discussion.	The participants discussed the issues and challenges that can be further explored with the support via funding and cooperation of JIRCAS on tropical fruits

TFNet maintains its links with African-Asian Rural Development Organization (AARDO) and will collaborate on a conference in 2013.

TFNet is also involved with CAB International on a project to disseminate information through hand held devices. For the period recorded, the proposed collaboration with IICA has not materialized.

5. TFNET WEBSITE AND INFORMATION DISSEMINATION

5.1. The TFNet Website

The website is being continuously updated, including features such as the fruit information page, TFNet Stats, the Tropical Fruit Directory and articles. The Secretariat would all members to use it as a discussion site to exchange information. The blog like feature of the website is suitable for this interaction. Members are also requested to send in articles or information tropical fruits in their countries for everyone to share. This will be coordinated by the bureau officer from each country.

In addition, information on the phytosanitary requirements of tropical fruits by major importing countries is added on in the website for members, exporters and importers to benefit.

5.2. Newsletter

E-newsletters are emailed to all members and others to promote TFNet activities. Members have been requested to provide information and news that can be published. Since November 2011, TFNet e-newsletters are circulated every 2-3 months.

5.3. Expert / Resource person registration

This feature was incorporated in the website to source for experts in the various fields, who will be available to TFNet when carrying out projects. TFNet is continuously making effort to increase the pool of experts in various fields and so far 59 have registered.

6. FINANCE AND ADMINISTRATION

6.1. Internal Auditing of TFNet Financial and Operation Functions

Internal Auditing of TFNet Financial and Operational functions was carried out by Mr. Robert William (representative from Australia) and Dr. Badreldeen Elshiekh Hassan (representative from Sudan) on 6-7 May 2013. A report will be submitted during the meeting.

6.2 Audited Financial Report (External Auditor)

TFNet appointed a new external auditor beginning this year to audit TFNet financial accounts. The audited financial report for the year ending 31 December 2012 is summarized in the Income and Expenditure Statement in table 7 and also the trend of income and expenditure for the last two years.

	2012 USD	2011 USD
INCOME		
Grant	-	44,935
Consultancy and professional fees	80,455	290,155
Gain on foreign exchange	-	720
Interest received and receivables	27,709	29,839
Membership and registration fees	9,144	10,410
Seminar and exhibition	2,245	7,719
Discount received	117	221
Other income	695	-
	120,364	383,999
EXPENDITURE		
Administrative costs	56,188	103,889
Advertising and promotion	3,108	1,071
Auditors' remuneration	1,613	1,742
Depreciation of property, plant and equipment	5,011	5,122
Staff costs	184,325	218,625
Workshop and seminar	22,546	27,196
Travelling and accommodation	26,592	55,931
Loss on foreign exchange	2,291	1,049
	301,674	414,625
SURPLUS/(DEFICIT) FOR THE YEAR	(181,311)	(30,626)

Notes:

1. In 2012, major source of income is derived from consultancy and professional fees, a sharp decline of 72% from year 2011.
2. Total income of USD 120,364 for the year 2012 declined by 67% from total income of USD383,999 received in year 2011.
3. Major expenditures for the year 2012 are derived from administrative costs and staff costs. Both showed a decline of 46% and 16% respectively. Travelling and accommodation for the year 2012 reduced by 52% as compared to the year 2011.
4. Total expenditure of USD 301,674 in year 2012 showed a decline of 27% from total expenditure in year 2011.
5. The deficit for the year was covered from accumulated savings from previous years.

Table below showing the Balance Sheet of TFNet for the year ended 31 December 2012.

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)		
BALANCE SHEET AS OF 31 DECEMBER 2012		
	2012 (USD)	2011 (USD)
ASSETS		
Non-Current Asset		
Property, plant, and equipment	6,830	10,432
	<u>6,830</u>	<u>10,432</u>
Current Assests		
Other receivables	224,915	224,904
Fixed deposits	798,237	976,074
Cash and bank balances	138,417	138,426
	<u>1,161,569</u>	<u>1,339,404</u>
TOTAL ASSETS	<u>1,168,398</u>	<u>1,349,836</u>
EQUITY AND LIABILITIES		
Equity attributable to the shareholders of the company		
Accumulated surplus	1,165,624	1,346,933
	<u>1,165,624</u>	<u>1,346,933</u>
LIABILITIES		
Current liabilities		
Other payables and accruals	2,774	2,903
	<u>2,774</u>	<u>2,903</u>
TOTAL EQUITY AND LIABILITIES	<u>1,168,398</u>	<u>1,349,836</u>

7. TFNet PROGRAMS AND ACTIVITIES FOR 2013 – 2014

TFNet plans for 2013 and 2014 will focus on the 3 key components:

- i. Membership
- ii. Financial Sustainability
- iii. Corporate communication - Promotion of the organisation

7.1. Membership

The Secretariat will continue in its efforts to expand the membership for African countries through a workshop, which will be held in Khartoum, Sudan. Efforts are ongoing to invite South East Asian countries including Cambodia, Laos, Myanmar and Thailand. Country members of TFNet should also assist in encouraging other countries to join. The expected membership by 2014 is shown in Table 8.

Table 8: Membership target and achievement

Membership category	2012 (target)	2013 (target)	2014 (target)	up to June 2013
Country	14	18	22	13
Associate	15	18	22	14
Ordinary	119	140	160	123
Total	148	176	204	150

During last General Assembly, the proposed target for country members in 2013 was 18 countries, however, currently there are 13 country members.

7.2. Establishment of TFNet Regional Network

TFNet is expected to expand the African Network through the workshop that is being planned in Khartoum, Sudan together with Arab Organisation for Agriculture Development (AOAD) in October 2013. The establishment of the Latin American Tropical Fruit Network is still on hold.

7.3. Projects and Financial Sustainability

TFNet will continue to seek for opportunities in new projects to both local and international funders. Projects to be proposed:

- i. A study on 'Revitalizing the fruit industry in Malaysia' – Proposal to be sent to the Economic Planning Unit, Government of Malaysia.
- ii. Tropical Fruit production in the Comoros Islands for food security and income generation – Concept document to be sent to the Arab Organisation for Agriculture Development.

7.4. Corporate Communication

TFNet uses its established linkages and network and through the website and newsletter to communicate between the Secretariat and stakeholders. It is hoped that with the appointment of bureau officers in the member countries, the link between the Secretariat and members can be further enhanced.

8. Proposed capacity building and promotional activities (2013-2014)

The programs and activities proposed are based on more on capacity building activities such as workshops and symposiums, as in table 9. These activities are joint collaboration with partners of TFNet such as AOAD, AARDO, CIRDAP, GDAAS, Governments and the private sector. Table 9 shows the workshops and seminars planned for 2013-2014.

Table 9: Workshops and seminars planned in 2013-2014

Date	Title	Organisers	Details
August 2013	Workshop on value chain enhancement through processing of fruit and root crops in the Asia pacific – Suva, Fiji	Govt of Fiji, TFNet, SPAT of Indonesia	i. 20 participants (smallholders and food processors) ii. 2 trainers from Indonesia will train the farmers on the use of vacuum machine for fruit chips production and other processing technologies
Oct 2013	Workshop on Fruit Fly Management and Enhancement of Tropical Fruit Value Chain and market Access in East Africa Region- Khartoum, Sudan	AOAD, Govt of Sudan and TFNet	i. 26 participants from Sudan, Ethiopia, Kenya, Uganda, Nigeria, Oman, Saudi Arabia, Yemen ii. Resource persons from TFNet, ICIPE, India, FAO
Nov 2013	A workshop on marketing of organic banana in Asia – Guangzhou, China	CFC, Fruit Tree Institute, GDAAS, China, TFNet	i. 30 participants comprising banana growers, traders, wholesalers, retailers of banana from China, Malaysia, Indonesia, Philippines and Vietnam. ii. Resource persons from GDAAS, China
Dec 2013	Conference on tropical fruits production and processing	AARDO, TFNet, CIRDAP	i. Theme 'Tropical fruit for food security and income generation in rural communities'
June 2014	Symposium on Pests and disease management of Tropical Fruits – Kuala Lumpur, Malaysia	Govt of Malaysia & TFNet	i. Expecting more than 300 participants (farmers, extension staff, researchers)
June 2014	International Tropical Fruit Expo – Kuala Lumpur, Malaysia	Govt of Malaysia, TFNet, Private Sector	i. Invitation to producers, traders, wholesalers, retailers, input and service providers ii. In conjunction with the symposium on Pests and Diseases iii. Business matching activities

9. Proposed budget for 2013-2014

The proposed budget for the period 2013-2014 is shown in table 10.

Table 10: Proposed budget for 2013-2014 (USD)

	Expenditure	2013	2014
A	Program/Project		
1	Capacity Building (Symposium, Seminar/ Workshop)	30,000	30,000
2	Tropical Fruit Expo		50,000
3	Projects Proposed		
	i. Tropical fruit development in Comoros Island		50,000
	ii. Revitalising Malaysian fruit industry		40,000
	iii. FAO Study on Tropical Fruit Value Chain	35,000	
4	Promotion of TFNet organisation by participating in various international fora	10,000	10,000
5	Board of Trustee Meeting	30,000	30,000
	Sub-total	105,000	210,000
B	Administrative Cost	220,000	230,000
	Total	325,000	440,000
C	Income		
	Consultancy/Project	75,000	150,000
	Membership/Registration fees	10,000	10,000
	Seminar and Exhibition	15,000	40,000
	Total	90,000	200,000
	Deficit	(235,000)	(240,000)

10. FINANCIAL FORECAST

The proposed budget for the period 2013-2014 is shown in Table 10.

- i. Fees from new member countries, associate members and ordinary members
- ii. Professional Services (Consultancies, symposiums and workshops)
- iii. Grant by government

11. CONCLUSION

The main challenges faced by TFNet is increasing membership, serving members and to sustain financially. Though the membership is expected to grow gradually, efforts has to be made to enhance fund raising activities. TFNet will continue to focus on sourcing of funding through projects and consultancies for the coming years.



ARIFIN AHMAD & CO. AF 1080
Chartered Accountants

87B, Jalan SG 3/10, Pusat Bandar Sri Gombak,
68100 Batu Caves, Selangor Darul Ehsan.
Tel: 03-6189 5735 / 03-6187 5735 Fax: 03-6189 6652

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

Report on the Financial Statements

We have audited the financial statements of **INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)** which comprise the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 19.

Boards' Responsibility for the Financial Statements

The Board of the Organisation are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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



ARIFIN AHMAD & CO. AF 1080
Chartered Accountants

87B, Jalan SG 3/10, Pusat Bandar Sri Gombak,
68100 Batu Caves, Selangor Darul Ehsan,
Tel: 03-6189 5735 / 03-6187 5735 Fax: 03-6189 6652

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF TRUSTEES OF
INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)**

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Organisation as of 31 December 2012 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Organisation have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Organisation, as a body, in accordance with section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ARIFIN AHMAD & CO
Chartered Accountants (Malaysia)
AF 1080

BASRI BIN HARUN
Partner of the firm
2358/10/14 (J)
Chartered Accountant

Date : 26 JUN 2012

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

STATEMENT BY CHAIRMAN

I, Dato' Che Mohd Hashim bin Abdullah, (I/C No.:541008-03-5307), being the Chairman of International Tropical Fruits Network (TFNet) to the Board of Trustee, state that in my opinion, the financial statements and notes set out on pages 6 to 19 are properly drawn up in accordance with the approved accounting standards in Malaysia so as to give a true and fair view of:

- a) the state of affairs of the Organisation as at 31 December 2012 and of its results of operations for the year ended on that date; and
- b) cash flows of the Organisation for the year ended 31 December 2012



DATO' CHE MOHD HASHIM BIN ABDULLAH
Chairman

Serdang
Date : 26 JUN 2012

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

STATEMENT BY THE SECRETARIAT

I, Yacob Bin Ahmad, (I/C No.:510424-01-5311), being the Chief Executive Officer of **INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)** and secretary to the Board of Trustee, state that in my opinion, the financial statements set out on pages 6 to 19 are drawn up in accordance with the approved accounting standards in Malaysia so as to give a true and fair view of:

- a) the state of affairs of the Organisation as at 31 December 2012 and of its results of operations for the year ended on that date; and
- b) cash flows of the Organisation for the year ended 31 December 2012



YACOB BIN AHMAD

Serdang

Date : 26 JUN 2012

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

**DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL
MANAGEMENT OF INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)**

I, **HARIYATUL ASNI BINTI ABDUL RANI**, being the officer primarily responsible for the financial management of **INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)**, do solemnly and sincerely declare that the financial statements set out on pages 6 to 19 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)

HARIYATUL ASNI BINTI ABDUL RANI)

(I/C No.: 710130-09-5092) at Batu Caves)

in the state of Selangor Darul Ehsan)



HARIYATUL ASNI BINTI

ABDUL RANI

Before me:



Commissioner for Oaths

Batu Caves

Date: **26 JUN 2012**

No. 51A, Jalan SG 3/10,
Pusat Bandar Sri Gombak
68100 Batu Caves,
Selangor Darul Ehsan

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	<u>21,172</u>	<u>32,340</u>
		<u>21,172</u>	<u>32,340</u>
Current Assets			
Other receivables	6	697,236	697,203
Fixed deposits		2,474,535	3,025,830
Cash and bank balances		<u>429,092</u>	<u>429,120</u>
		<u>3,600,863</u>	<u>4,152,153</u>
TOTAL ASSETS		<u><u>3,622,035</u></u>	<u><u>4,184,493</u></u>
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the Company			
Accumulated surplus		<u>3,613,435</u>	<u>4,175,493</u>
		<u>3,613,435</u>	<u>4,175,493</u>
LIABILITIES			
Current Liabilities			
Other payables and accruals	7	<u>8,600</u>	<u>9,000</u>
		<u>8,600</u>	<u>9,000</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,622,035</u></u>	<u><u>4,184,493</u></u>

The notes on pages 10 to 19 form an integral part of these financial statements.

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 RM	2011 RM
OTHER INCOME			
Grant		-	139,300
Consultancy and professional fees		249,409	899,479
Realised gain on foreign exchange		-	2,232
Interest received and receivables		85,899	92,500
Membership and registration fees		28,345	32,270
Seminar and exhibition		6,959	23,930
Discount received		362	684
Miscellaneous income		2,158	-
		<u>373,132</u>	<u>1,190,395</u>
EXPENDITURE			
Administrative costs	8	174,183	322,057
Advertising and promotion	9	9,635	3,319
Auditor's remuneration		5,000	5,400
Depreciation of property, plant and equipment		15,533	15,877
Staff costs	10	571,409	677,739
Workshop and seminar	11	69,892	84,309
Travelling and accomodation	12	82,435	173,387
Realised loss on foreign exchange		7,103	3,251
		<u>935,190</u>	<u>1,285,339</u>
DEFICIT FOR THE YEAR		<u><u>(562,058)</u></u>	<u><u>(94,944)</u></u>

The notes on pages 10 to 19 form an integral part of these financial statements.

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Accumulated Surplus RM
Balance as at 31 December 2010	4,270,437
Deficit for the year	<u>(94,944)</u>
Balance as at 31 December 2011	4,175,493
Deficit for the year	<u>(562,058)</u>
Balance as at 31 December 2012	<u><u>3,613,435</u></u>

The notes on pages 10 to 19 form an integral part of these financial statements.

INTERNATIONAL TROPICAL FRUITS NETWORK (TFNet)

**CASH FLOWS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit of income	(562,058)	(94,944)
Adjustment for:		
Bad debt written-off	8,728	-
Depreciation	15,533	15,877
Interest income	(85,899)	(92,500)
Operating Deficit Before Changes In Working Capital	<u>(623,696)</u>	<u>(171,567)</u>
(Increase) / Decrease in:		
Receivables	(8,761)	(17,080)
Increase / (Decrease) in:		
Payables	(400)	2,438
Cash Used In Operations	<u>(632,857)</u>	<u>(186,209)</u>
Interest received	85,899	92,500
Net Cash Used In Operating Activities	<u>(546,958)</u>	<u>(93,709)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,365)	(130)
Net Cash Used In Investing Activities	<u>(4,365)</u>	<u>(130)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	(551,323)	(93,839)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	3,454,950	3,548,789
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u><u>2,903,627</u></u>	<u><u>3,454,950</u></u>
Cash and cash equivalents at end the financial year comprise the following:		
Cash in hand	26,110	17,444
Bank balances	402,982	411,676
Fixed deposits	2,474,535	3,025,830
	<u><u>2,903,627</u></u>	<u><u>3,454,950</u></u>

The notes on pages 10 to 19 form an integral part of these financial statements.

1. PRINCIPAL ACTIVITIES

International Tropical Fruits Network (TFNet) is an independent global network set up under the auspices of the Food and Agriculture Organisation (FAO) of the United Nations and was declared as an International Organisation on 23 January 2003 through the gazetting of the International Tropical Fruits Network (Privileges and Immunities) Regulations 2003. It is both intergovernmental and inter-institutional in nature and reports its activities to the subgroups on tropical fruits of the FAO inter-governmental group on bananas and on tropical fruits. TFNet act as a network to promote the production, processing, marketing, consumption and international trade of tropical fruits. The objectives of TFNet are:

- a) to systematically collect, analyse, document and disseminate information on production, processing, marketing, consumption and international trade of tropical fruits to all members;
- b) to promote, coordinate and support conservation of germplasm, research and development and transfer of technologies in production and post-harvest handling including downstream processing for industrial use;
- c) to facilitate the expansion of international trade of tropical fruits;
- d) to enhance human resource development in the tropical fruits sector;
- e) to organise generic market promotion in collaboration with exporters and importers aimed at strengthening customer knowledge of the nutritional value of tropical fruits;
- f) to monitor and evaluate the impact of international and regional agreements on production, marketing, consumption and international trade of tropical fruits; and
- g) to facilitate technical and economical cooperation in the tropical fruits sector in pursuance of sustainable production, strengthening of domestic market, poverty eradication and food security.

2. BASIS OF PREPARATION

a) Compliance

The financial statements of the Organisation have been prepared in accordance with the provision of the International Tropical Fruits Network Regulations 2003 and Accounting Standards for Private Entities.

b) Presentation currency

The currency expressed in the financial statements is in Ringgit Malaysia and the amounts are expressed in unit of Ringgit.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Organisation's financial risk management policy seeks to ensure that adequate financial resources are available for the development of Organisation's businesses whilst managing its risk. The Organisation operates within clearly defined

guidelines that are approved by the Board and the Organisation's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Organisation's and the policy in respect of the major areas of treasury activity are out as follows:

a) Foreign currency risk

The Organisation is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-organisation where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The organisation's policy is to minimise the exposure of overseas operating to transaction risk by matching local currency income against local currency costs.

b) Liquidity and cash flow risk

The Organisation seeks to achieve a balance between certainty of funding and flexible, cost effective borrowing structure. This is to ensure that at the minimum, all projected net borrowings needs are covered by committed facilities. Also, the objective for debts maturity is to ensure that the amount of debts maturity in any one year is not beyond the Organisation means to repay and refinance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organisation adopts the following accounting policies.

a) Basis of accounting

The financial statements have been prepared on the historical cost basis unless otherwise disclosed in the accounting policies below.

b) Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

Depreciation is provided on the straight-line method in order to write off the cost of each asset to its residual value over its estimated useful life. The principal rates used are as follows:

Computer	33%
Furniture and fittings	20%
Motor vehicles	20%
Office equipment	10%

Property, plant and equipment are written down to recoverable amount if, in the opinion of the officer's, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

c) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off in the period in which they are identified. An allowance is made for doubtful debts

based on a review of all outstanding amounts at the balance sheet date.

d) Foreign currency transaction and balances

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those prevailing at the transaction dates.

Monetary assets and liabilities in foreign currency at balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling on that date.

The closing rates used in translation were as follows:

	2012 RM	2011 RM
1 US Dollar	3.10000	3.10000
1 Thai Baht	0.10200	0.10200
1 Indonesian Rupiah	0.00035	0.00035
1 China Renminbi	0.04500	0.04500

Exchange gains and losses are charged to the income statement.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, short term demand deposits and highly liquid investment which are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

The Organisation adopts the indirect method in the preparation of cash flow statement.

f) Impairment of assets

The carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investments in subsidiaries, associates and jointly controlled entity) are reviewed for impairment when there is an indication that their values might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

An impairment loss is recognised as an expense in the income statement immediately, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset

is carried at revalued amount. A reversal of an impairment loss on the same revalued asset is credited directly to revaluation surplus. To the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

g) Payables

Payables are stated at cost which is fair value of the consideration to be paid in the future for goods and services received.

h) Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

i) Employee benefits

1. Short term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Company.

2. Defined contribution plan

The Company's contributions to defined contribution plans are charged to the income statement in the financial year to which they relate. Once contributions have been paid, the Company has no further payment obligation. Companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan.

j) Revenue recognition

Grant received is recognised on receipt basis.

Members' annual subscriptions and registration fees, fixed deposit interest and income from seminars, exhibitions and other activities are recognized on accrual basis.

k) Financial instruments

Financial instruments are recognised when a contractual relationship has been established.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends, gains and losses relating to the financial instruments classified as liability are reported as expenses or income and distributions in respect of financial instruments classified as equity charged to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and

settle the liability simultaneously.

The Company's accounting policies and the method adopted in respect of each class of financial; instruments and further information thereof are disclosed in the individual accounting policy statements or notes to the financial statements associated with those financial instruments.

l) Government grants

Grant in recognition of specific expenses is taken to income over the period necessary to match them with related cost they are intended to compensate.

5. PROPERTY, PLANT AND EQUIPMENT

Cost

Particulars	As at 01.01.2012 RM	Acquired RM	Disposed RM	As at 31.12.2012 RM
Computer equipments	176,381	4,365	-	180,746
Furniture and fittings	43,842	-	-	43,842
Motor vehicles	77,474	-	-	77,474
Office equipment	85,418	-	-	85,418
	383,115	4,365	-	387,480

Accumulated Depreciation

Particulars	As at 01.01.2012 RM	Charge for current year RM	Disposed RM	As at 31.12.2012 RM
Computer equipments	162,217	11,190	-	173,407
Furniture and fittings	43,841	-	-	43,841
Motor vehicles	77,473	-	-	77,473
Office equipment	67,244	4,343	-	71,587
	350,775	15,533	-	366,308

Net Book Value

Particulars	Net Book Value		Depreciation
	2012 RM	2011 RM	2011 RM
Computer equipments	7,339	14,164	2,583
Furniture and fittings	1	1	4,752
Motor vehicles	1	1	-
Office equipment	13,831	18,174	8,542
	21,172	32,340	15,877

a) During the financial year, the Organisation acquired property, plant and equipment at an aggregate cost of RM4,365 (2011 : RM130) by way of cash payments.

b) Included in property, plant and equipment of the Organisation are fully depreciated property, plant and equipment with a total cost of RM310,250 (2011: RM286,490) which are still in use.

6. OTHER RECEIVABLES

	2012 RM	2011 RM
Membership fees in arrears	112,031	120,759
Workshop and consultancy fees	585,205	576,444
	<u>697,236</u>	<u>697,203</u>

7. OTHER PAYABLES AND ACCRUALS

	2012 RM	2011 RM
Non-trade payables	1,367	7,767
Accruals	7,233	1,233
	<u>8,600</u>	<u>9,000</u>

8. ADMINISTRATIVE COSTS

	2012 RM	2011 RM
Bank charges	343	352
Bad debts written-off	8,728	-
Books	-	704
Car maintenance	4,217	2,951
Computer maintenance	220	3,741
Consumables	1,701	2,628
Consultant fee	83,824	118,650
Daily allowance	22,504	60,456
Domain name charges	300	250
Entertainment	-	1,092
Food and refreshments	1,378	11,323
Gift and donation	310	-
Honorarium	2,480	2,440
Insurance premium	7,920	15,841
Interpretation	-	4,484
Maintenance charges	35	-
Meal allowance	492	73
Meeting package	1,361	34,830
Miscellaneous expenses	74	5,527
Office maintenance	1,666	900
Passport renewal and visa	1,506	1,918
Petrol, parking and toll	4,916	5,295
	<u>143,975</u>	<u>273,455</u>

8. ADMINISTRATIVE COSTS (CONT'D)

	2012 RM	2011 RM
Balance brought forward	143,975	273,455
Postage and courier	1,244	981
Printing and stationery	8,562	15,239
Rental	3,000	630
Service charge	432	600
Service tax	324	250
Stamp duty	-	25
Sundry accounts	1,413	2,587
Translation	-	920
Transportation	470	3,288
Telephone and fax	7,128	8,137
Tips	-	107
Wages	7,635	7,703
Web page package	-	8,135
	<u>174,183</u>	<u>322,057</u>

9. ADVERTISING AND PROMOTION

	2012 RM	2011 RM
Souvenir	<u>9,635</u>	<u>3,319</u>

10. STAFF COSTS

	2012 RM	2011 RM
Entertainment allowances	36,000	36,000
EPF and SOCSO	43,134	53,215
Incentives	20,795	44,646
Medical expenses	3,325	4,657
Overtime claim	1,978	571
Pension	13,280	13,280
Salaries and wages	446,664	506,047
Special allowance	6,233	19,323
	<u>571,409</u>	<u>677,739</u>

The number of employees of the Company at the end of the year was 7 (2011:8) persons.

11. WORKSHOP AND SEMINAR

	2012 RM	2011 RM
Seminar package	69,892	84,309

12. TRAVELLING AND ACCOMODATION

	2012 RM	2011 RM
Accommodation	2,214	11,770
Airplane tickets	78,723	159,031
Airport tax	158	784
Extra luggage	836	-
Mileage claims	142	708
Taxi fares	316	1,064
Train tickets	46	30
	82,435	173,387

13. FINANCIAL INSTRUMENTS

a) Interest rate risk

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are as follows :-

<u>2012</u>	Less than <u>1 year</u>	1 to 5 <u>years</u>	Later than 5 <u>years</u>	<u>Total</u>	Effective interest rate <u>during the year</u>
	RM	RM	RM	RM	
<u>Financial assets</u>					
Fixed deposits with licensed banks	2,474,535	-	-	2,474,535	40:60
 <u>2011</u>	 Less than <u>1 year</u>	 1 to 5 <u>years</u>	 Later than 5 <u>years</u>	 <u>Total</u>	 Effective interest rate <u>during the year</u>
	RM	RM	RM	RM	
<u>Financial assets</u>					
Fixed deposits with licensed banks	3,025,830	-	-	3,025,830	40:60

b) Credit risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

The Organisation has no significant concentration of credit risk with any single counterparty. In respect of investments in cash and hedging transactions, the policy is to transact with financial institutions that have at least a short term counterparty rate.

At 31 December 2012, the Organisation has no significant credit risk associated with its exposure to potential counterparty for failure to settle outstanding foreign currency and interest rate hedge transactions.

c) Fair value

The carrying amounts of financial assets and liabilities of the Company at the balance sheet date approximate their fair values.

annex 6

INTERNAL AUDIT TERMS OF REFERENCE (IN LINE WITH THE CURRENT STRATEGIC PLAN)

Role:

The Internal Auditor provides service to the Board of Trustees and Secretariat of International Tropical Fruits Network (TFNet). The internal auditor is responsible for conducting an objective and independent appraisal of TFNets' financial and operational activities. The Internal Auditor reports to the Board of Trustees and thereby provides an assurance on the arrangements for financial control and governance as well as other relevant information.

It remains the duty of the Chief Executive Officer and the Secretariat, not the Internal Auditor, to operate these arrangements, to determine whether or not to accept audit recommendations and to recognize and accept the risks of not taking action.

Maintain excellent working relationships and rapport with all staff at the TFNet Secretariat.

Scope of work:

The scope of internal audit work should cover all operational and management controls and should not be restricted to financial statements. This does not imply that all systems will be subject to review, but that all will be included in the audit risk assessments and hence considered for review following the assessment of risk.

The scope of work for internal audit includes, but not limited to the followings:

1. Oversee and conduct internal audit activities for all TFNet financial and operational functions including monitoring and evaluating programs implemented by the Secretariat.
2. Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
3. Reviewing the roles, functions and activities of TFNet to ensure compliance with policies, plans, procedures, laws and regulations as stated in the TFNet Constitution.
4. Ascertain to the extent possible that TFNet's assets are accounted for and safeguarded from losses.
5. Serve in advisory capacity for the TFNet Secretariat and make recommendations for improving management systems, approach and processes.
6. Share internal audit findings and recommendations with TFNet external auditors.
7. The Internal Auditor may also conduct any special reviews requested by the Board of Trustees, provided such reviews do not compromise its objectivity or independence, or achievements of the approved audit plan.

Duration of Service:

The duration for Internal Audit service is for a 3 year term.

Time and length of Audit:

Audit should be done not less than 3 months prior to TFNet Board of Trustees Meeting/General Assembly.

Length per audit should be within 2 days and report should be submitted within one month from the date of audit works.

Responsibilities:

The Internal Auditor is required to give opinion to the Secretariat and Board of Trustees, through the Board of Trustees Meeting and the General Assembly on the activities listed in the scope of work.

The Internal Auditor has no executive role, nor does it have any responsibility for the development, implementation or operation of systems.

It is not within the remit of the Internal Auditor to question the appropriateness of policy decisions. However, internal audit is required to examine the arrangements by which such decisions are made, monitored and reviewed.

Access, authority and confidentiality:

Authority is granted for full and unrestricted access to all TFNet records, physical properties, and staff relevant to any area under review. All employees are requested to assist Internal Auditor in fulfilling its function.

Documents and information obtained by Internal Auditor will be handled in the same prudent and confidential manner as those employees normally accountable for them.

The Internal Auditor also agrees to comply with any requests from the External Auditors for access to any further information, files or working papers obtained or prepared during audit work that they need to discharge their responsibilities.

Reporting:

A written report will be prepared and issued following the conclusion of each audit or review and will be distributed as appropriate. A copy of each report will be forwarded to the Chief Executive Officer and members of the Board of Trustees.

The audit report ordinarily will contain the Auditee's response and corrective action (to be) taken in regard to the specific findings and recommendations, including a timetable for anticipated completion and a justification for any recommendations not addressed.

Internal audit shall monitor the appropriate follow-up on audit findings and recommendations. All significant findings will remain in open issues file until cleared.

Reports should be submitted in English language.

INTERNAL AUDIT REPORT

Prepared by Mr. Robert Williams and Dr. Badreldin Elshiekh M. Elhassan

Introduction:

In reference to the 5th session of the International Tropical Fruit Network General Assembly and the 6th Board of Trustees held in Guangzhou, China on June 21, 2012, the Board, as a requirement of the TFNet Constitution (article 8.3), appointed representatives from Australia (Mr. Bob Williams) and Sudan (Dr. Badreldin Elshiekh M. Elhassan) as internal auditors for the TFNet.

Background:

TFNet was established in August 2000 as a Sub-Group on Tropical Fruits of the FAO Inter-governmental Group on Bananas and on Tropical Fruits, within the Committee on Commodities with Problems. It operated without a Board until 2007. This is the first internal audit of TFNet since the establishment of the Board.

A preliminary terms of reference based around the requirement outlined in the constitution, was developed by TFNet CEO Dr. Yacob Ahmad, Mr. Williams and Dr. Kaison Chang, FAO, in February 2013. The TOR have been marked as Draft and is to be approved by the Board at the July 2013 meeting, and hence the audit report will also be marked as Draft, based on the Draft TOR.

The audit committee met with the CEO and the senior staff to perform the audit on 6-7 May 2013 in Malaysia. The material provided by the CEO included;

1. TFNet Constitution.
2. TFNet Strategic Plan 2009 – 2011
3. 2012 Report to the General Assembly and Board of Trustee
4. Financial report, including external financial audit report.
5. Organisation structure of TFNet secretariat.

Audit Report:

1. TFNet Constitution
 - a. The constitution is based on the guidelines set by FAO and is up to date, with recent amendments agreed to at the 6th Meeting of the Board of Trustees.
2. TFNet Strategic Plan 2009 – 2011
 - a. The current strategic plan expired in 2011, and needs to be updated as soon as possible, despite the Board approving the future expenditure for the next three years at the 6th Meeting of the Board of Trustees.
 - b. The current plan does not align to the objectives of TFNet Constitution or the guiding principles.
 - c. Activities within the plan need to be clearly aligned to the key objectives.

- d. Possible inclusions into a new plan should be what role TFNet now has since tropical fruits is not a Bioversity program.

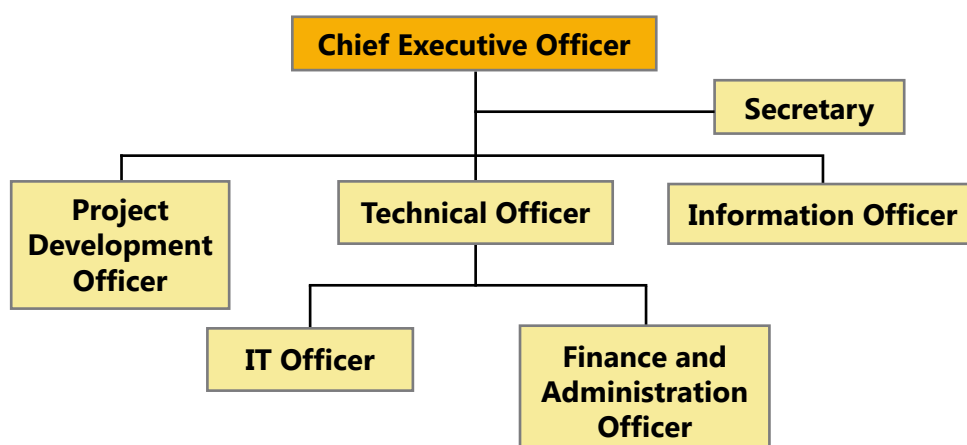
3. 2012 Report to the General Assembly and Board of Trustee

- a. Membership. There was clear indications from the Board that member countries need to be more active in soliciting greater membership into TFNet and that Latin American countries and Multinational National Corporation should be targeted. The audit team considered that the secretariat were achieving as much as they could, but need more resources (personnel) to meet the expectations of the Board. Additionally potential new members need to see the benefits they can gain in becoming a member of TFNet. Hence resources need to be allocated into demonstrating achievements of TFNet. (as per a recommendation in the report – page 15)
- b. Financial Sustainability – project activity. The report documents significant number of activities, but does not indicate what the outcomes/outputs are from the activities, what key strategies within the strategic plan they align to, what is the status of the activity, who is the funding agency, and what resources of TFNet are going to the project. An expanded format to Table 7 of the report was discussed with the TFNet team. Much of the data they had in different formats and the audit team considered that this style of information would inform the Board more about the individual projects, plus this information could be used to promote the achievements of TFNet. The report would also demonstrate where greater return on investment to TFNet can be achieved. Again resources (personnel) is a limiting factor. The secretariat is doing an excellent job, but the audit team considered a shared wall chart (could also be electronic) showing timeframes and responsibilities under each activity would improve internal communications.

4. Financial report, including external financial audit report.

- a. The accounting software being used is old and very time costly. New software needs to be purchased as soon as possible.
- b. The external auditor report is not meaningful and it is suggested that they restructure their report by project activity, including TFNet management. This will provide clearer understanding as to where financial resources are achieving greatest benefit.
- c. The financial situation of TFNet is sound and reserves are wisely invested.
- d. Assets. The TFNet head office has a very good building in Mardi covering an area of 650 square meter provided by the Ministry of Agriculture in Malaysia. The offices are well furnished and well equipped with computers, lap tops and internal network. All other facilities like electric power and water supply are provided by the Ministry of Agriculture. There are seven offices, one meeting room, two toilets rooms, kitchen and mosque. There is however uncertainty about facility maintenance eg repairs to guttering and the tenure on the lease is uncertain. Both of which need clarification with the Ministry.

5. Organisation structure of TFNet secretariat.
The structure of the Secretariat is as follows:



Staff:

There are six staff, including the CEO, plus one driver and one part time cleaner. The future success of TFNet is in a severe crisis. There needs to be significant improvement in employment conditions eg two year contracts out to three year contracts. A pathway for staff succession to maintain continuity in project delivery is needed. The project manager position is vacant and needs to be filled now. Consider having a staff member from MoA seconded for the project Officers position. The contract for the Technical Manager ends on the first July. The CEO is nearing retirement and a plan for replacement needs to be considered.

General Observations:

1. TFNet has a very efficient staff with good leader.
2. TFNet has sound financial resources.
3. TFNet has a staffing crisis that needs to be resolved immediately

The Board needs to consider the following recommendations:

1. Develop a 2013- 2016 Strategic Plan.
2. Accelerate the appointment of the expert staff to improve TFNet capabilities to adopt the decisions of the 5th General Assembly and to implement recommendations from this audit report.
3. Consider appropriate employment contracts.
4. Instruct the secretariat to restructure part of the report to provide greater clarity on project activities.
5. Instruct the secretariat to direct the external auditor to provide a more meaningful report.
6. Have a representative of the Board open discussions with the Malaysian Ministry of Agriculture, on the future tenure of the TFNet office headquarters.

Mr. Bob Williams:

..... Date:

Dr. Badreldin Elshiekh M. Elhassan

..... Date:

DUTIES OF BUREAU OFFICERS

One of the steps taken by the Secretariat to enhance communication with the members is to request for countries to appoint a contact person or Bureau Officer. The Bureau Officer will be selected from the office of the focal point of the country member.

A TFNet Bureau or Liason Officer is the contact person selected from a country member to liase with the Secretariat, to communicate and coordinate their activities. The bureau officer shall be from the office of the focal point of the country member.

Duties of the bureau office:

- i. To communicate with the Secretariat all requests made by the focal point on issues of membership, events and country participation
- ii. To communicate with other agencies and private sector on latest developments or issues concerning tropical fruits
- iii. To source for information or news on tropical fruits which will be sent to the Secretariat to update the website and newsletter.
- iv. To source for information on ex-farm, wholesale and retail prices of tropical fruits grown in the country
- v. To report on the tropical fruit calendar of the country, especially during flowering and harvesting of the various fruit types. The officer will also indicate if there is glut during the season.

annex 9

LIST OF EXPERTS FOR SELECTION AS BOARD MEMBER

1. Dr. Hannah Jaenicke

Designation: Consultant

Experience:

- Self employed. Consultant in Project Management and Evaluation: Agrobiodiversity, Marketing and Rural Development (From April 2010 - Ongoing)
- International Water Management Institute (IWMI), Colombo, Sri Lanka (October 2005 – March 2010)
- Global Coordinator, Crops for the Future (July 2009 – March 2010)
- Director, International Centre for Underutilised Crops (ICUC) (2005 – 2009)
- Natural Resources International Ltd., East Malling, U.K. - Deputy Manager of DFID's centrally-funded Forestry Research Programme (FRP) (November 2001 - September 2005)
- International Centre for Research in Agroforestry (ICRAF, now World Agroforestry Centre), Nairobi, Kenya (May 1992 – November 2001)
- Scientist and leader, Propagation Systems Project (1995 – 2001)
- Associate MPTS Database Manager (1992 – 1994)
- Council for Tropical and Subtropical Agricultural Research (ATSAF), Bonn, Germany - Coordinator, European Tropical Forest Research Network (ETFRN) (June 1991 – April 1992)

Additional note:

A dynamic programme coordinator and team leader who, after starting as a plant researcher, focussed on programme management in increasingly responsible positions. Has a doctorate in tree physiology and a subsequent career in international development and food security. Integrates academic and development expertise with a focus on alleviating hunger and poverty and improving livelihoods. Spent 10 years living in Africa and 4.5 in Asia. Has great interest in the training and mentoring of younger people, and provides strategic leadership to R&D partners. Has a keen eye for communication of research and development results to enhance impact at several levels. Experienced in proposal writing and evaluation.

2. Prof. Julian Heyes

Designation: Professor of Postharvest Technology, Massey University

Experience:

- Postharvest Technology. Knowledge and capability development including training undergraduate and graduate students in postharvest quality retention for fruit and vegetables for fruit and vegetable sector companies and research institutes in NZ and overseas.
- Senescence research. Knowledge about the role of (a) water stress and (b) carbohydrate partitioning in the regulation of post-harvest senescence in vegetables and flowers for the science community (publications) and growers (industry-oriented papers and grower presentations).
- Post-harvest phytochemical metabolism. Knowledge about the impact of post-

harvest handling procedures on the phytochemical and vitamin complement of fresh and minimally-processed produce for the science community (publications), growers (industry-oriented papers and grower presentations) and the general public (print, radio, web-based learning).

- Commercial projects. Consultancy work, namely post-harvest quality retention for kiwifruit; development of sustainable edible fern industry; organic post-harvest handling procedures; options for using potato waste; post-harvest handling systems for cut-flowers, sea-freight for capsicums for many clients including ZESPRI International, Maori Collectives, FAO/UNIDO, HortNZ, FloraFed, NZ Asparagus Council.

Additional note:

I have been managing collaborative research programmes for many years now, with perhaps the most demanding task being the administration of the Nutrigenomics Programme (\$3.2M pa), comprising 50 staff in four research organisations. I was administrator from its inception in 2004 to 2009. I also co-led the successful negotiation of the Future Vegetables research programme (\$4.735M pa), in collaboration with Horticulture New Zealand, in 2007; and the successful re-bidding of the Vital Vegetables trans-Tasman programme (\$4M pa) on the completion of its first five-year contract in 2008. As Science Group Manager for Plant & Food Research I was responsible for 40 staff in four groups working on strategic and applied research for the horticulture and seafood industries. I was responsible for the strategic and applied research relating to Fresh Whole Foods and assisted with the development of the Institute strategy for expanding its seafood research. I have authored 59 consultancy reports for commercial clients in New Zealand and overseas. I hold a postgraduate diploma in Global Development Studies and have contributed to the development of high-value horticulture as an option particularly for South East Asian countries, through my involvement with the Tropical Fruit Network and Action.

3. Jocelyn A. Eusebio-Eusebio

Designation: Director, Crops Research Division, Philippine Council for Agriculture and Aquatic Resources Research and Development (PCAARRD).

Experience:

- Chief Science Research Specialist at the Crops Research Division (CRD), PCARRD
- International Crops Research Institute for the Semi-Arid tropics (ICRISAT) - Chairman, Steering Committee of the Cereals and Legumes Asia Network (CLAN) of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), November 2006 to 2008 and Country CLAN Coordinator, 2001 to date.
- Asian Vegetable Research and Development Center (AVRDC) - the World Vegetable Center - National Principal Investigator, Asian Vegetable Research and Development Center (AVRDC), Asian Development Bank (ADB) and PCARRD project on the " Promoting utilization Indigenous Vegetables (IVs) for improved nutrition of resource-poor households in Asia", May 2004 to 2007.
- Asian Vegetable Research and Development Center (AVRDC) - the World Vegetable Center - National Principal Investigator, Asian Vegetable Research and Development Center (AVRDC), Asian Development Bank (ADB) and PCARRD project on the " Promoting utilization Indigenous Vegetables (IVs) for improved nutrition of resource-poor households in Asia", May 2004 to 2007.
- Bioversity International (formerly IPGRI); 1) Country Coordinator , International Plant Genetic Resources Institute (IPGRI) (now Bioversity International) and PCARRD with support from RDA a project on the Medicinal Plants Research In Asia: Development of Descriptors and Information Documentation, 2003 to

2006. 2) Program Coordinator, DOST and PCARRD National Integrated Banana R and D Program with International Network for the Improvement of Banana and Plantain (INIBAP) -Asia Pacific, 2004 to 2007. 3) National Coordinator, Bioversity International (formerly IPGRI)-PCARRD and Department of Agriculture, Bureau of Agricultural Research (DA-BAR) project on " Conservation and use of tropical fruit species (mangosteen, jackfruit, pili, durian) diversity in the Philippines", May 2004 to December 2009

- Australian Centre for International Agricultural Research; 1)National Coordinator, ACIAR and PCARRD project on the " Integrated Pest Management and Supply Chain Improvement for Mangoes in the Philippines and Australia", and " Management of Postharvest diseases of sub-tropical and tropical fruits using their natural resistance mechanisms", May 2005 to 2008. 2) Country Coordinator of ACIAR-PCARRD Southern Philippines Fruits and Vegetables Program , 2008 to date
- Plant Resources for South-East Asia (PROSEA) - Country officer, Plant Resources of South-East Asia (PROSEA) – Philippines,(November 2003 to December 2006)
- International Center for Underutilized Crops (ICUC) - National Program Coordinator, International Center for Underutilized Crops (ICUC)/ National Lottery Charity Board/ PCARRD project on " Underutilized Tropical Fruits in Asia Network (UTFANET) : Germplasm evaluation, propagation, and management of jackfruit, mangosteen, and pummelo". (April 2000 to 2004)
- International Potato Center –SAPPRAD Program; 1) Potato Program Coordinator of the Southeast Asian Potato and Sweetpotato Research and Development funded by International Potato Center and ACIAR/AIDAB. 2) Asian Sweetpotato and Potato Research Program (ASPRAD) Interim Regional Coordinator, Southeast Asian Potato Program for Research and Development (SAPPRAD) (February 1997 to December 1998)

4. Dr. Constantinos Stathopoulos

Designation: Senior Lecturer, University of Newcastle (Australia)

Experience:

- University of Newcastle (Australia)-Program convener: Bachelor of Food Science and Human Nutrition (01/2010-present)- Senior lecturer (12/11-present) - Lecturer (02/08-12/11)
- Teagasc, Moorepark Food Research Centre (Ireland) - Research officer (10/06/-02/08)
- Loei Rajabhat University (Thailand) - Lecturer in English, Adjunct lecturer in Food technology (6/05-10/06)
- IACR Long Ashton Research Station-Rothamsted Research (UK)-Post Doctoral Scientist (12/01- 12/04)
- University of Reading (Reading, UK) - Ph.D. student (10/1998-10/01)
- Food Research Centre, University of Lincolnshire and Humberside (Grimsby, UK) - Research advisor (01/ 1998-09/1998)

5. Dr. Shoichi Ito

Designation: Professor (Food and Agricultural Policies), Laboratory of Food and Agricultural Policies, Graduate School and Faculty of Agriculture, Kyushu University

Experience:

Research Activities - The main topics are as follows:

- Strategic policies on international food supply and demand
- Global rice supply, demand, and trade
- Structural changes in international agriculture and trade
- Japanese rice supply and demand policies
- Agricultural Cooperatives in Japan
- U.S. agricultural policies
- International agricultural development and ODA programs

Additional note:

International field surveys have been the major sources of his research. Hosting various international/domestic symposiums. Working with several domestic and international graduate students as the major advisor. Putting various kinds of international prices of the major grains and soybeans as well as individual countries' supply/demand data and graphs for many ag. products on the website: <http://worldfood.apionet.or.jp>

6. Prof. Zora Singh

Designation: Foundation Professor Horticulture, Curtin University, Perth, Western Australia

Experience: My research in horticulture primarily focuses on (1) Production Technology, (2) Postharvest Physiology, and (3) Genetic transformation of fruit and other horticultural crops.

- National and international Research Awards
- Research publications, New Concepts and/or Processes and Technologies - Total publications 304, book chapters 15, and papers in refereed journals 98, in refereed proceedings of conferences 55 and presented in national and international conferences 135
- Technologies; 1) Development of gene transfer technology in mango. 2) Development of controlled atmosphere (CA) technology in mango. 3) Development of Postharvest disinfestation technology for bush tomatoes 4) Extending storage life for plums (<http://www.sciencedaily.com/releases/2008/09/080929123953.htm>) 5) 'Pink Lady™' Apple Fruit Colour Development. 6) Developed bare root transplantation technology of Indian Jujube (Referred paper 52 in publications list please) was recommended by PAU, Ludhiana for commercial transplanting of ber (Package of Practices for Vegetable and Fruit Crops published by Punjab Agricultural university, Ludhiana. pp. 117).
- Research grants and purchase of laboratory equipment: Research grants awarded/managed including purchase of laboratory equipment (Total 1.27 million dollars), the research grants (\$ 922,412) and laboratory equipment (\$ 350,000).
- Mentoring Postdoctoral Research Fellows (and /International Research Scientists (19): Mentored 19 research scientists in the area of Production and Postharvest Horticulture from various parts of the world.
- Presented research work in International Symposia/Conferences: (Total 85)
- Invited plenary addresses/papers at conferences (Total 19)
- Invited and Chaired session in national and international conferences: (Total 20)
- Involved in Organising 14 International Conferences as a Member of international Scientific/Editorial Committee.
- Involvement in Professional Societies: Member of various sections and commissions of ISHS; (i) Section Pome and Stone Fruits, (ii) Section Tropical and Subtropical Fruits, (iii) Section Vine and Berry Fruits, (iv) Commission Biotechnology and Molecular Biology, (v) Commission Education, Research Training and Consultancy, (vi) Commission Quality and Post Harvest Horticulture. (1) Elected

- member of Institute of Biology, UK, (2) Member of Higher Education Research and Development Society of Australasia, (3) Member International Society of Horticultural Science (4) Member American Society of Horticultural Science, (5) Member Australian Society for Horticultural Science, (6) Member Australian Society of Viticulture and Oenology, (7) Member American Pomological Society, (8) International Society of Citriculture, (9) Life Member Horticultural Society of India, (10) Life Member Indian Science Congress Association
- Editorship: Member Board of Reviewers / Scientific Committee of 13 national and international journals.

7. Associate Prof. Janie Liew Heng Mei

Designation: Associate Professor, School of Business and Economics, Universiti Malaysia Sabah

Experience:

Supply Chain Management, Project Management, Network Management including the promotional and marketing aspects involved in each categorization from planning and design, implementation, monitoring and control of specific modular specialty.

- Head of Department (2002 - 2005) - SAMB Trust, Greece
- Socio-Economics Coordinator (1999 - 2002) - WWF Malaysia, Kota Kinabalu, Malaysia
- Country Manager (1985 - 1999) - BTA, United Kingdom

8. Dr. Mohamad Roff

Designation: Deputy Director, Horticulture Research Center, Malaysia Agricultural Research and Development Institute (MARDI), Malaysia

Experience:

- Research experience in vegetable and fruits pathology and organic farming
- Member of the technical committee, Pesticide Board, Malaysia
- Member of the Asean-India Working Group in Agriculture
- Published 3 books: Major Insects Pests of Vegetables in Malaysia, Major Diseases of Vegetables in Malaysia and Organic Vegetable Cultivation, 65 articles in referred journals and more than 130 articles in proceedings

9. Dr. Zhong Guangyan

Designation: Director, Institute of Fruit Tree Research, Guangdong Academy of Agricultural Sciences (IFTR-GDAAS)

Experience: Researcher experience on citrus diseases



TFNet

Linking People, Technology, and Market

Box 334, UPM Post Office,
43400 Serdang, Selangor, Malaysia
Tel: 603-89416589
Fax: 603-89416591

www.itfnet.org