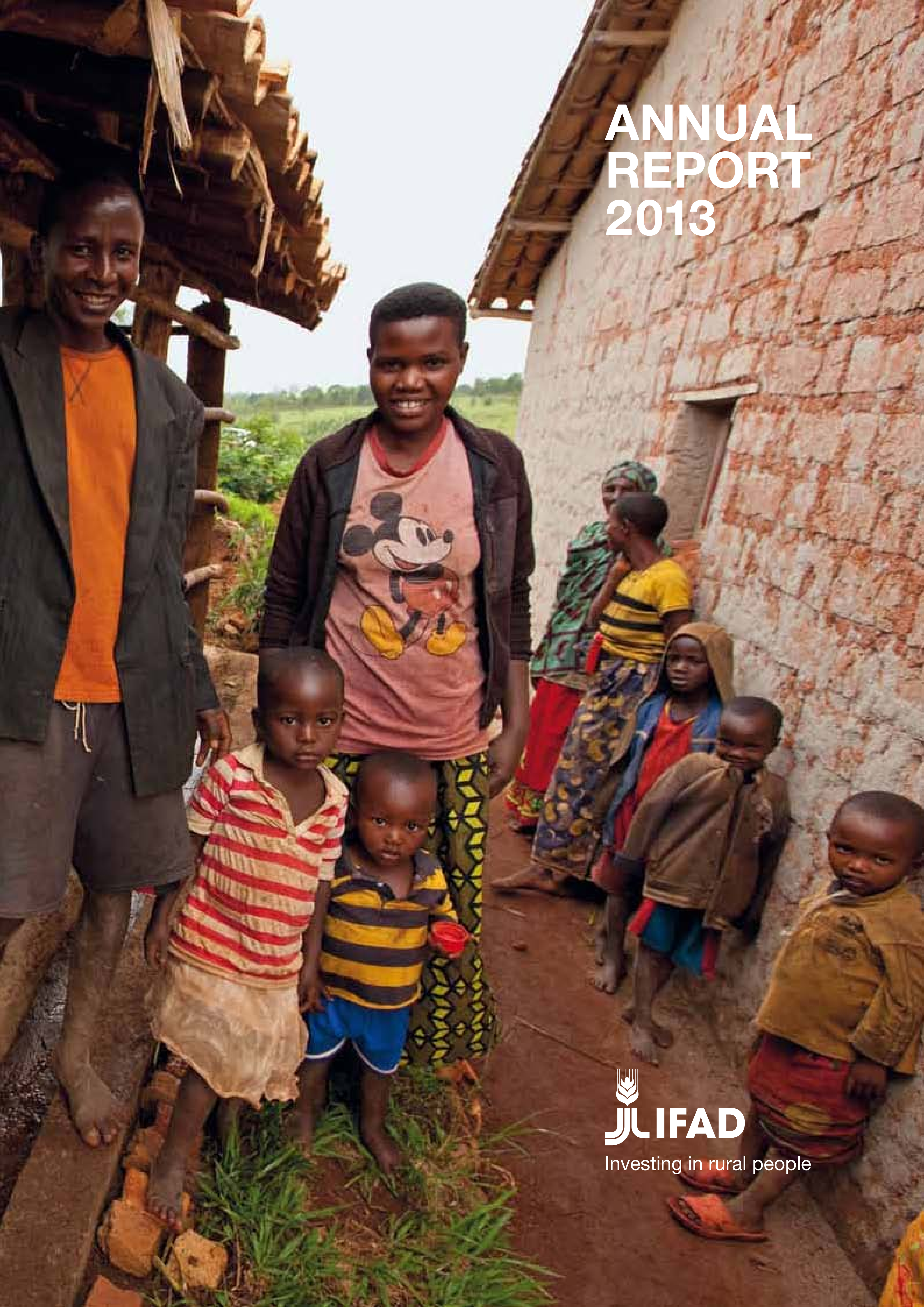
# ANNUAL REPORT 2013



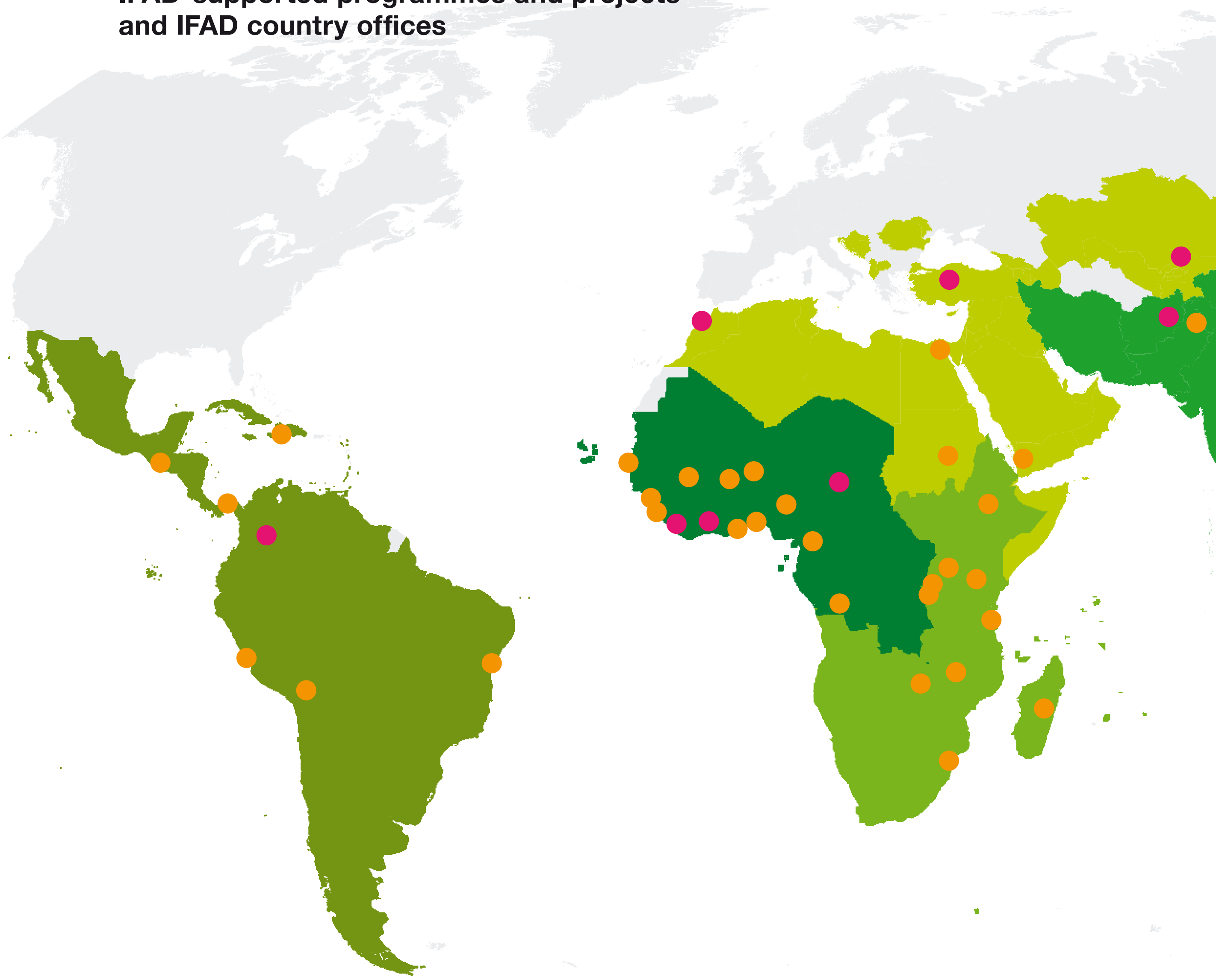
IFAD

Investing in rural people

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided about US$15.8 billion in grants and low-interest loans to projects that have reached some 430 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.*

* As at time of press, June 2014

## IFAD-supported programmes and projects and IFAD country offices



**Latin America and the Caribbean**
41 projects

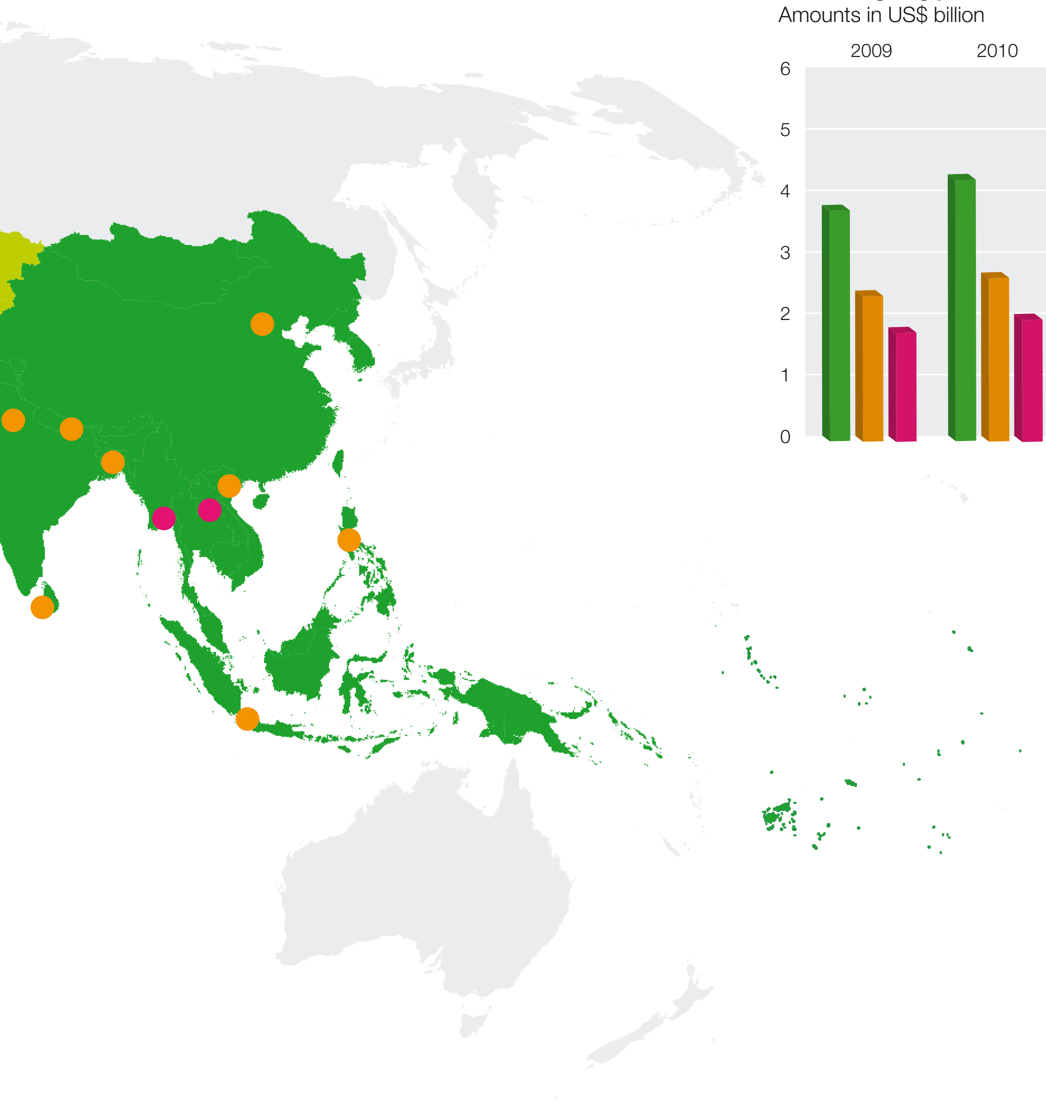
| | |
|---|---|
| Argentina | 3 |
| Belize | 1 |
| Bolivia (Plurinational State of) | 3 |
| Brazil | 4 |
| Colombia | 1 |
| Dominican Republic | 2 |
| Ecuador | 3 |
| El Salvador | 3 |
| Grenada | 1 |
| Guatemala | 2 |
| Guyana | 1 |
| Haiti | 3 |
| Honduras | 3 |
| Mexico | 2 |
| Nicaragua | 2 |
| Panama | 1 |
| Paraguay | 1 |
| Peru | 3 |
| Venezuela (Bolivarian Republic of) | 2 |

**West and Central Africa**
52 projects

| | |
|---|---|
| Benin | 1 |
| Burkina Faso | 4 |
| Cabo Verde | 1 |
| Cameroon | 2 |
| Central African Republic | 1 |
| Chad | 2 |
| Congo | 2 |
| Côte d'Ivoire | 2 |
| Democratic Republic of the Congo | 2 |
| Gabon | 1 |
| Gambia (The) | 4 |
| Ghana | 4 |
| Guinea | 3 |
| Liberia | 2 |
| Mali | 4 |
| Mauritania | 3 |
| Niger | 3 |
| Nigeria | 3 |
| Sao Tome and Principe | 1 |
| Senegal | 2 |
| Sierra Leone | 4 |
| Togo | 1 |

**Near East, North Africa and Europe**
44 projects

| | |
|---|---|
| Albania | 1 |
| Armenia | 1 |
| Azerbaijan | 2 |
| Bosnia and Herzegovina | 1 |
| Djibouti | 1 |
| Egypt | 4 |
| Gaza and the West Bank | 1 |
| Georgia | 1 |
| Jordan | 1 |
| Kyrgyzstan | 2 |
| Lebanon | 1 |
| Morocco | 4 |
| Republic of Moldova | 2 |
| Sudan | 6 |
| Syrian Arab Republic | 3 |
| Tajikistan | 2 |
| Tunisia | 2 |
| Turkey | 3 |
| Uzbekistan | 1 |
| Yemen | 5 |



**IFAD's ongoing portfolio, 2009-2013**
Amounts in US$ billion


### East and Southern Africa
44 projects

| | |
|---|---|
| Angola | 1 |
| Botswana | 1 |
| Burundi | 3 |
| Comoros | 1 |
| Eritrea | 2 |
| Ethiopia | 4 |
| Kenya | 4 |
| Lesotho | 2 |
| Madagascar | 4 |
| Malawi | 2 |
| Mozambique | 4 |
| Rwanda | 2 |
| Seychelles | 1 |
| South Sudan | 1 |
| Swaziland | 1 |
| Uganda | 3 |
| United Republic of Tanzania | 5 |
| Zambia | 3 |

### Asia and the Pacific
60 projects

| | |
|---|---|
| Afghanistan | 2 |
| Bangladesh | 7 |
| Bhutan | 1 |
| Cambodia | 3 |
| China | 6 |
| India | 9 |
| Indonesia | 4 |
| Lao People's Democratic Republic | 4 |
| Maldives | 2 |
| Mongolia | 1 |
| Nepal | 5 |
| Pakistan | 2 |
| Papua New Guinea | 1 |
| Philippines | 3 |
| Sri Lanka | 3 |
| Timor-Leste | 1 |
| Tonga | 1 |
| Viet Nam | 5 |

### IFAD country offices
- 2013
- planned 2014-2015

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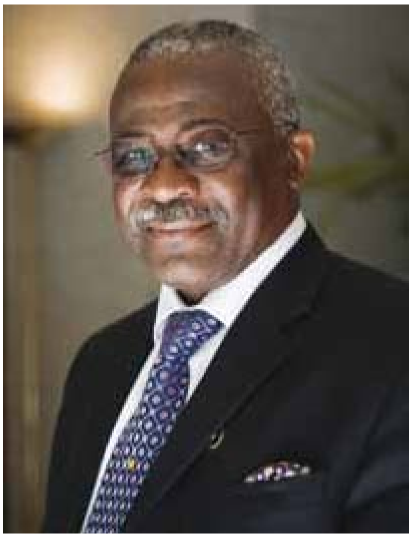
# President's foreword



As we celebrate the International Year of Family Farming 2014, the world is slowly waking up to what IFAD, our Member States and our many partners have known for many years: smallholder family farmers play a central role in our food systems. In Asia and sub-Saharan Africa, smallholder family farms feed up to 80 per cent of the population. Worldwide, there are about 500 million smallholder farms and 2 to 2.5 billion people depend on those farms for their livelihoods.

Despite their enormous contribution, it is a cruel and unacceptable irony that many of the people most responsible for feeding the world are themselves malnourished and extremely poor. It has been estimated that about half of the hungry people in the world today are small farmers and this is one of the reasons why investing in rural people and in rural transformation is a highly effective way of reducing hunger and poverty.

In this year's report, among highlights of our work and results, you can read about how IFAD strives to ensure that the needs of smallholders figure in major international policy discussions about poverty. Below, I also note ongoing efforts to reform the inner workings of our organization, and evidence of our continued commitment to empower young people in rural areas.

### Food and nutrition security

Food and nutrition security has always been an integral component of IFAD's approach. In a project highlighted on page 18, for example, we enabled women farmers in India to resurrect minor millets – including finger millets, little millets and Italian or foxtail millets. These are once-common crops that deliver up to 30 times more calcium than rice, as well as higher levels of iron, fibre and micronutrients. In addition to access to seeds, the project offered training that led to a 30 per cent increase in yields.

While we have already achieved good results in individual projects, we know we can make all of our investments both more nutrition-specific and more nutrition-sensitive and we are working with our partners and Members to sharpen and accelerate our efforts in this vital area. Indeed, you will see that many of the programmes and projects approved in 2013 include a focus on improving nutrition.

We are proud to be on the Steering Committee of the African Union's Year of Agriculture and Food Security 2014. The Year aims to sustain the momentum of agricultural development in Africa and transform the agricultural sector to drive poverty reduction, inclusive growth and sustainable development. Improved agricultural performance has a direct impact on food security and better nutrition, job creation and resilience.

## 2014 and beyond

IFAD is an active member of the International Steering Committee for the United Nations International Year of Family Farming 2014. During 2013, IFAD focused on country-level activities for IYFF-2014, aiming to kick-start policy changes for the benefit of smallholder family farmers. We approved a US$500,000 grant to the World Rural Forum (WRF) to engage civil society in 11 countries and 5 regions, and a grant of US$150,000 to help WRF manage and monitor activities during the Year.

Looking further ahead, the Millennium Development Goals (MDGs), which have framed the world's collective efforts to drive development, have a target date of 2015. As a member of several high-level processes to determine a successor to the MDGs, and working in close partnership with FAO and WFP, IFAD has been reminding policy makers that rural women and men must play a central role in any agenda to eradicate poverty and promote inclusive growth. In May, I established a post-2015 task force to coordinate IFAD's involvement in these various processes, and promote our vision for productive, resilient and sustainable rural areas.

## Reform and replenishment

Our post-2015 task force is part of an ongoing drive to respond quickly to emerging issues and enhance results. In recent years, we have created several departments and offices to build upon our role as a knowledge organization and advocate for rural people, to strengthen our internal capacity and to mobilize additional resources. In this way, we can continue to meet, and hopefully exceed, the expectations of our Members and partners.

In this report, you can learn how our Ethics Office works to maintain the highest ethical standards and read about actions taken to enhance transparency and disclosure. Information is also given on our zero-tolerance principle regarding corruption, fraud and collusion, and the confidential, anonymous mechanism for complaints and allegations.

In 2013, IFAD had US$5.4 billion invested in an ongoing portfolio of 241 programmes and projects, an increase in value of nearly 40 per cent over the US$4.0 billion invested in 217 projects in 2009. 2013 was also the first year of the Ninth Replenishment period (IFAD9), and we stayed on track to meet commitments to Member States. Total pledges to IFAD9, including complementary contributions, surpassed US$1.41 billion, or 94 per cent of our target.

In 2014, we are holding the Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10), which will set our agenda for 2016-2018. Despite the substantial growth in our portfolio, the demand for IFAD's services far outstrips supply. Hence a key element of the IFAD10 Consultation will be identifying innovative approaches and mechanisms to maximize our reach, mobilize additional resources and enhance our impact.

Indeed, we are already diversifying our funding base through new partnerships. In 2013, we formed a strategic alliance with Intel Corporation to support smallholders through mobile and high-tech farm extension services in Asia. At the beginning of 2014, we signed a public-private partnership agreement with Unilever aimed at strengthening the livelihoods of smallholder farmers around the world by boosting productivity, linking them to markets and building resilience.

## A global organization

Working better with existing partners and forging new, mutually beneficial relationships are viable strategies to boost our impact. Yet IFAD's increasingly global reach also stems from our own expanded presence in the field. By the end of 2013, IFAD had 40 country offices, up from 15 in 2007. With the continued support of Members, we will add another 10 offices by 2015. These changes have made us a truly global organization.

The benefits of an increased country presence are enormous. According to evaluations, country offices enhance performance in areas such as policy dialogue, scaling up and efficiency. They also increase the flow of disbursements and enable us to respond more quickly to requests from Member States.

At the same time, we need to ensure that our far-flung network of offices and staff does not become disconnected. To nip this potential issue in the bud, we held our first Global Staff Meeting shortly before this foreword was written. The meeting brought more than 600 staff members from around the world to Rome for two days of intense interaction, concrete knowledge sharing, education and team-building. During the meeting we also celebrated outstanding achievements by staff members with the 2013 staff awards (see page 56).

## Securing a future for young people

I've often heard it said that we need to make farming more attractive to young people, both for their sake and for a world that depends on the contributions of smallholders to food security. I think the only solution is to ensure that farmers of all ages can earn a decent living. In this way, young women and men are more likely to remain in rural areas than to pull up their roots in search of a better future in urban centres.

In this report, you can read about the young rural women and men participating in IFAD-supported projects who learned new skills to help them start businesses, find work and make a profit from farming. In Côte d'Ivoire, for example, we are helping ex-combatants to integrate into agropastoral cooperatives and associations, and to pursue self-employment in agricultural production, market gardening or farming.

## A final thought

As we look back on the first year of IFAD9, we remain grateful for the confidence of our Member States and partners in our shared enterprise: investing in rural people to drive rural transformation.

Although we need hard data to validate our work, we cannot ignore the anecdotal evidence of human stories. The pride of a mother who sends her children to school well-fed and well-nourished can never be captured on a spreadsheet. This kind of result, however, is at the heart of what we do.

Therefore, alongside the charts and tables in this report are stories of success and hope. Sandile Mkhabela, a young farmer in Swaziland, is a case in point. One of thousands of young farmers who benefited from a smallholder irrigation project cofinanced by IFAD, Mkhabela has become proficient at producing oyster mushrooms. He began training six other young people and looking for ways to franchise his business.

His philosophy easily captures a sentiment that must continue to drive all of our work at IFAD: "If you don't stop, you can always find a way."

KANAYO F. NWANZE
President of IFAD

Milk collection and testing at the Mungano dairy farmers' cooperative society in Eldoret →
Kenya: Smallholder Dairy Commercialization Programme
©IFAD/Susan Beccio

# Programme of work in 2013

This chapter spotlights key areas of our work around the world. We look at each of the five IFAD regions in turn, summarizing the situation and the challenges that rural people face. Poverty rates in rural areas are consistently higher than those in urban centres in all regions. The programmes and projects we fund focus on rural communities, with particular concern for vulnerable groups such as women, the young, indigenous peoples and marginalized sections of the population.

We then look at the issues at the top of regional agendas in 2013 and highlight the results and impact of the projects we support. Stories from the field show some of the women and men who have been able to change their lives as a result of IFAD's investments.

Climate-smart interventions are being mainstreamed across all regions. During 2013, we approved US$103.2 million in grant financing for climate change adaptation efforts in 10 vulnerable countries under the Adaptation for Smallholder Agriculture Programme (ASAP), which channels climate finance to smallholder farmers so that they can improve their resilience to climate change. The programme was launched in 2012 and won a 2013 Momentum for Change Lighthouse Activity award from the United Nations Climate Change Secretariat, recognizing IFAD's innovative work.

ASAP is made possible by the generous contributions of eight donor countries: Belgium, Canada, Finland, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

## West and Central Africa

24 countries: Benin, Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, Togo

### Overview

Economic and social indicators predict that West and Central Africa will remain the fastest growing African region over the coming decade. Indeed, Côte d'Ivoire, Liberia, Niger and Sierra Leone ranked among the world's top 10 fastest growing economies in 2012. The Democratic Republic of the Congo, Ghana, Mauritania and Nigeria also posted impressive economic growth.

Much of this success has been driven by high prices for primary commodities such as oil and minerals, expansion of the service sector, and

### Portfolio management highlights

- 52 ongoing programmes and projects in partnership with 22 recipient governments in the region at the end of 2013
- US$1,042.3 million invested by IFAD in the region's ongoing portfolio
- 5 new programmes and projects in Guinea, Mali, Nigeria, Senegal and Sierra Leone for a total IFAD investment of US$198.7 million – this total includes 1 ASAP grant of US$15.0 million for the project in Nigeria
- additional financing worth US$46.1 million provided to ongoing programmes and projects in Burkina Faso, Cabo Verde, Liberia and Mali
- 2 grants approved in 2013 for a total of US$3.4 million
- 22 ongoing grants with a total value of US$20.0 million

demand from within the region itself. Growth in agricultural production has also been a contributing factor. This is important, because growth in this sector has a stronger effect on poverty reduction than growth in other sectors.

The tripling of foreign investment and increased trade with major emerging economies over the past decade have also helped fuel expansion of the banking and telecommunications sectors. About half the population in West Africa and a third in Central Africa now have access to and use mobile telephones.

In most countries, however, extreme poverty remains unacceptably high, particularly in rural areas. Due in part to discouraging indicators for undernourishment, child malnutrition and underweight children, most countries will not meet the Millennium Development Goals (MDGs) by 2015. In response, many governments are adopting pro-poor economic policies that aim to bring more prosperity to disadvantaged rural areas.

Nearly half of the region's countries are classified as fragile states by the World Bank. Economic, political and social instability, along with the multifaceted effects of climate change, are major risk factors. Negative impacts are mutually reinforcing: in arid Sahel countries, for example, conflict can undermine the fragile resilience of communities in the face of droughts, and conflict can arise over scarce resources.

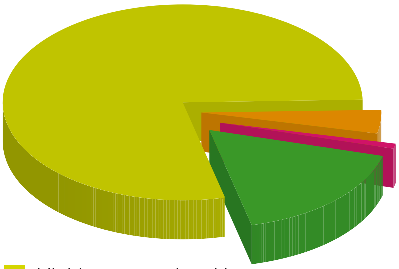
The total population in the region is 500 million, with 55.3 per cent living in rural areas. Some 43.9 per cent live in extreme poverty, on less than US$1.25 per day.[1] The region continues to undergo a profound demographic shift. Due to high fertility and declining mortality rates, the median age is less than 18 years. By 2020, more than half of the people in West and Central Africa are expected to be living in cities – the highest rate of urbanization on the continent. However, agriculture still accounts for 30 per cent of economic activity in the region, providing livelihoods for 60 per cent of the working population.

## Our work and results in 2013

In 2013, major areas of focus for our programme of work in West and Central Africa included:

- value chains and markets
- rural finance
- natural resource management and climate change
- young people in post-conflict countries.

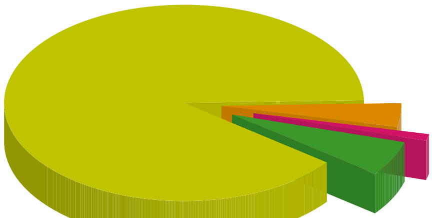
**CHART 1a**
**IFAD loans by lending terms and DSF grants, 1978-2013[a]**
Share of total of US$2 725.4 million



- Highly concessional loans US$2 145.8 million - 79%
- Intermediate loans US$105.2 million - 4%
- Ordinary loans US$21.3 million - 1%
- DSF grants US$453.1 million - 17%

[a] Any discrepancy in totals is the result of rounding.

**CHART 1b**
**Loan disbursements by lending terms and DSF disbursements, 1979-2013[a]**
Share of total of US$1 427.2 million



- Highly concessional loans US$1 230.9 million - 86%
- Intermediate loans US$60.3 million - 4%
- Ordinary loans US$15.7 million - 1%
- DSF grants US$120.3 million - 8%

[a] Loan disbursements relate solely to Regular Programme loans and exclude the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. Any discrepancy in totals is the result of rounding.

[1] Raw data sourced from the *Human Development Report 2013* of the United Nations Development Programme.

### Value chains and markets

Private investment in agriculture, which has surpassed official development assistance (ODA), is the main engine of growth for rural economies. Under the right conditions, it can help raise incomes and strengthen food security, enabling farmers to reach markets and gain access to technology, services, innovation and knowledge. IFAD-supported projects play an important role in creating favourable conditions for public-private sector partnerships to flourish.

In Liberia, for example, IFAD funded the first project in the country to establish a partnership between the public and private sectors. In this case, a private exporter joined forces with the Ministry of Agriculture to revitalize smallholder coffee and cocoa plantations. The company has invested more than US$1.0 million for training, vehicles and capital to help three cooperatives rehabilitate some 1,000 hectares. It pays farmers up to 50 per cent more than traditional intermediaries, as well as a 10 per cent commission to the cooperatives. By year's end, the company was set to expand its investment, which will rehabilitate up to 15,000 hectares of cocoa and coffee.

In Sao Tome and Principe, a partnership between the Government, IFAD, the French Development Agency and five European companies is strengthening the value chains for cocoa, coffee and spices – all important export crops. The programme is using organic and Fairtrade certifications and linking producers to European markets. Some 5,500 households, representing about 26,000 people, are benefiting in a wide variety of ways. Having improved the quality of their cocoa to meet European standards, smallholders are accessing new markets and earning higher prices for their product. Producer associations have invested the premiums paid by buyers in communal health facilities, benefiting the whole community.

Overall, the programme has helped revitalize the local economy and stemmed the migration of people to the cities in search of work: more than 8,000 individuals are linked directly or indirectly to the programme, and one of the four supported cooperatives has become self-sustaining.

### Rural finance

Rural households need access to credit to manage cash flows, sustain their agricultural activities and plant the seeds for new businesses. IFAD has developed rural finance programmes throughout the region, adapted to the needs of smallholders, particularly women. Between 2011 and 2012, the total number of borrowers in our projects increased from about 145,000 to nearly 195,000, including more than 82,000 women. The number of voluntary savers also increased from more than 157,000 to more than 292,000 – over 190 per cent of the annual target.

IFAD-funded rural finance work in Sierra Leone is one example of success. We have helped to build the largest network of rural microfinance institutions in the country, which now comprises 51 financial service associations and 13 community banks. We advised on good business practices and principles, accounting procedures, internal controls and delivery of loans and other services. A tailor-made management information system ensures transparent and accountable reporting. After three years, 40 per cent of the network has reported positive retained earnings at levels that suggest the institutions could eventually become self-sufficient.

The IFAD-supported Northern Rural Growth Programme in Ghana has developed a cashless credit scheme that has successfully linked farmers to all stages of the value chain – from dealers, service providers and extension agents to processors and marketers. Based on tripartite agreements between financial institutions, input and service providers, and off-takers, farmers receive inputs and services on credit. Once the off-takers – who are mainly traders or agribusinesses – make their payments to the farmers through formal bank transfers, the financial institution can easily deduct the principal and interest earned to recover the loan.

This scheme has so far leveraged US$2.3 million from 24 rural and community banks in northern Ghana. The programme has also set up local value chain committees in more than 40 rural districts to help smallholder farmers access markets, technology and finance. The Ministry of Food and Agriculture plans to scale up this approach across the country to promote market-driven and inclusive value chain development.

### Natural resource management and climate change

The countries in the region, particularly those in the Sahel, are extremely vulnerable to climate change. Production systems, which are already under pressure to produce more to feed growing populations, are being hit hard by disrupted weather patterns and extreme conditions. Degradation of natural resources is also a major concern, with competition for land and water intense in some areas.

IFAD promotes local technologies and approaches to achieve regreening, including various water and soil conservation technologies and tree regeneration techniques. Good results have been seen in Burkina Faso, where two IFAD-supported programmes have focused on managing soil fertility using indigenous soil and water conservation techniques. Lands known locally as *zipélé* – or barren soils – have been reclaimed and brought back under cultivation. *Neer-tamba*, a new project approved in 2013, will continue work in areas suffering from erratic rainfall, increasing drought and land degradation.

IFAD is also supporting regreening in other countries in the Sahel – Mali, Niger and Senegal – through two large grants implemented by the World Agroforestry Centre (ICRAF) and the Centre for International Cooperation, VU University Amsterdam.

IFAD's Adaptation for Smallholder Agriculture Programme (ASAP), launched in 2012, has become the largest global financing source dedicated to supporting the adaptation of poor smallholder farmers to climate change. Two new ASAP-funded initiatives were approved in the region during the year: an adaptation and agribusiness support programme in the savannah belt of Nigeria, and a project fostering agricultural productivity in Mali.

ASAP operations provide capacity-building for smallholder farmers and strengthen their access to climate information and improved tools for making decisions. They also invest in rural infrastructure and protection against weather-induced damage and provide technologies for efficient water use and clean energy.

Eleven ongoing projects in the region receive grants from the Global Environment Facility (GEF), for a total of about US$45.0 million. The grants fund climate change adaptation, sustainable land management and biodiversity conservation.

### Young people in post-conflict countries

After a conflict ends, physical and emotional scars, along with a disrupted education, can leave young people ill-equipped and marginalized. But, at the same time, young women and men have enormous capacity to adapt, and can be more open to emerging technologies and opportunities than older adults. IFAD-supported programmes for youth in post-conflict countries aim to give young women and men the skills to earn a living and help their communities recover and prosper.

In Côte d'Ivoire, a project supporting agricultural development and marketing is building a critical mass of rural producers who can take on leadership roles and create business opportunities. In 2013, the project concentrated on helping ex-combatants in the Savanes, Vallée du Bandama and Zanzan regions to integrate into agropastoral cooperatives and associations, or to pursue self-employment in agricultural production, market gardening or farming. All participants, including young people, are trained in value chain, marketing and negotiation skills, as well as in small-scale processing, storage, packaging and distribution.

In Sierra Leone, it is estimated that 20,000 ex-combatants with a farming background – half of whom are young people – could be reabsorbed into the agriculture sector, which could have a beneficial impact on food security. The IFAD-supported project is targeting young ex-combatants living with disabilities in the Kailahun, Kenema, Kono and Koinadugu areas. Following a needs assessment, the project is providing young people with funds to lease or purchase agricultural land, farm inputs, grain stores, rice mills, drying floors, and food processing and storage equipment.

## Story from the field
### A nationwide project scales up IFAD's impact in The Gambia

A new project in The Gambia is scaling up proven land and water management practices across the country. Known in the Mandinka language as *Nema* – meaning prosperity – the IFAD-supported initiative builds on achievements made over 30 years in partnership with smallholder farmers.

The new project is the result of a government request for IFAD to take the lead in implementing the Gambia National Agricultural Investment Plan 2011-2015, which aims to transform the agriculture sector from subsistence to an increasingly efficient market system. The initiative is crucial to The Gambia's economic growth, given that agriculture employs over 70 per cent of the population; more than half of these agricultural workers are women.

"Women are the core rice and vegetable producers in The Gambia, and *Nema* has been designed by them and with them," said Moses Abukari, IFAD's country programme manager. "It will also create job opportunities for young people in agribusiness."

During its first year of operation, *Nema* laid the groundwork. It produced 25 watershed development plans (five times the 2013 target) and formed 28 farmer organizations, whose membership was generally split evenly between men and women. The project also signed contracts with Gambian service providers (both public and private) for training in areas such as business management, seed certification, farmers' field schools and literacy for women farmers.

Through *Nema*, IFAD is supporting the Government in setting up a functional monitoring and evaluation framework for the agriculture sector. In order to create a baseline map for the project, local professionals are being trained to apply earth observation technologies to monitor rice crops. This is part of an ongoing pilot partnership between IFAD, the European Space Agency and Sarmap, a private Swiss company.

*Nema* is already having an impact on policy development at the country level. Through the project, IFAD is working with the Government to draw up a national rice development strategy in collaboration with key partners such as the Coalition for African Rice Development. The project has also helped strengthen the country programme approach, building synergies among the four ongoing IFAD-supported projects in The Gambia.

Mariama Jarju, landowner and mother of 10, harvests rice with her farm workers in Aljamdou village

The Gambia: Participatory Integrated Watershed Management Project



## East and Southern Africa

22 countries: Angola, Botswana, Burundi, Comoros, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, South Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia, Zimbabwe

### Overview

Across East and Southern Africa, positive indicators such as GDP growth belie the rising rates of income inequality and high levels of hunger. GDP growth rates for 2012 of 4.9 per cent in East Africa and 4.3 per cent in Southern Africa mask stark disparities and inequalities in income both among and within countries. There are also significant variations in poverty levels within countries. The overwhelming majority of poor people continue to live in rural areas, where IFAD works.

World Bank analysis reveals scant correlation between changes in GDP and changes in poverty rates. However, evidence shows that rising GDP driven by agricultural growth is more effective at reducing poverty than growth driven, for example, by booming extractive industries. It is believed that growth deriving from staple crop production may have a higher impact on poverty than growth driven by export crops, such as coffee, tea and tobacco.

High levels of hunger persist in the vast majority of countries. According to the International Food Policy Research Institute's 2012 Global Hunger Index ranking, a total of 18 countries in the region are considered to have serious, alarming or extremely alarming levels of hunger, with Burundi and Eritrea in the last of these categories.

Most of the MDGs remain stubbornly unattainable by the target of 2015. Only Swaziland and Uganda have come close to cutting extreme poverty by half. Even for MDGs where the region appears on track, such as universal primary education, high dropout rates put progress at risk. Agriculture, an occupation with high exposure to the negative impacts of climate change, engages 60 per cent of the region's population.

The total population of the region is about 341.8 million, with 73.7 per cent living in rural areas. On average, about 50.6 per cent of the population lives in extreme poverty, on less than US$1.25 a day.[2] Poverty rates by country range from 0.3 per cent in the Seychelles to 81.3 per cent in Burundi and Madagascar.

### Our work and results in 2013

The areas of key focus for IFAD's work in East and Southern Africa include:

- information and communication technologies (ICTs)
- natural resource management and climate change
- off-farm employment
- rural finance
- gender equality and women's land rights.

#### Information and communication technologies

ICTs can make a huge difference to poor rural people's lives, giving them access to essential information and services. Using mobile phones, for example, farmers can access banking services remotely or obtain real-time information on the weather or markets. Penetration in the region has increased exponentially, with mobile subscriptions rising by more than 600 per cent between 2005 and 2013, and 63 per cent of the population having mobile subscriptions in 2013.

### Portfolio management highlights

- 44 ongoing programmes and projects in partnership with 18 recipient governments in the region at the end of 2013
- US$1,183.8 million invested by IFAD in the region's ongoing portfolio
- 5 new programmes and projects in Ethiopia, Rwanda, the Seychelles, Uganda and Zambia for a total IFAD investment of US$159.3 million – this total includes 1 ASAP grant of US$7.0 million for the project in Rwanda
- additional financing worth US$15.4 million provided to an ongoing project in Rwanda
- 3 new results-based country strategic opportunities programmes (RB-COSOPs) for Kenya, Rwanda and Uganda
- 5 grants approved in 2013 for a total of US$4.1 million
- 15 ongoing grants with a total value of US$16.3 million

[2] Raw data sourced from the *Human Development Report 2013* of the United Nations Development Programme.

IFAD-funded initiatives in the region are increasingly focusing on cost-effective technologies that meet local needs. In Mozambique, extension agents have been equipped with low-cost pocket projectors so they can display farmer-to-farmer extension videos. In Swaziland, a rural finance programme is partnering with MTN, a local mobile phone operator, to pilot "mobile money" and self-service, mobile-operated automated teller machines (ATMs). MTN's monthly report for September 2013 showed that more than 170,000 transactions were processed, for a total value of about US$2.7 million.

In Botswana, the European Space Agency is working with the IFAD-supported Agricultural Services Support Project on six sites to monitor land use and crop health through satellite imagery. Data generated by satellites, or remote sensing, will help the Ministry of Agriculture obtain an objective assessment of vegetation coverage in rural areas. This information can be used to determine the impact of agricultural practices that are being promoted, and suggest appropriate adjustments. The data may also be used to set up an early-warning system with a focus on desertification.

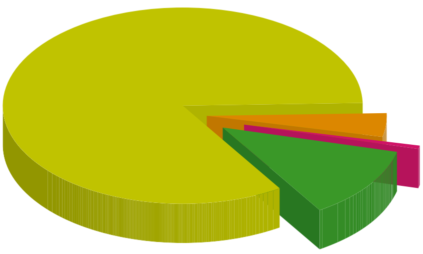
### Natural resource management and climate change

Despite being the lowest emitters of $CO_2$, African countries overall are likely to pay the highest price for climate change. High dependence on rainfed agriculture for livelihoods and food leaves poor rural people acutely vulnerable. Together with other donors, and communities themselves, IFAD is working to build resilience.

The Mount Kenya East Pilot Project for Natural Resource Management, completed in late 2012, increased incomes, improved biodiversity, reduced conflict between wildlife and humans, and enhanced access to domestic and irrigation water. More than 500,000 people benefited from improved farm productivity and food security. The new Upper Tana Catchment Natural Resources Management Project will scale up activities from 5 to 24 river basins, empowering rural communities to manage soil and water resources sustainably.

In Kenya and Rwanda, an innovative IFAD initiative is promoting renewable energy and reducing household consumption of fuelwood. The Making Biogas Portable: Renewable Technologies for a Greener Future Project enables families to use clean-burning gas produced from animal waste as a fuel source, easing women's workloads and preventing chronic respiratory diseases and eye infections from smoke. Using less wood and charcoal is also saving poor households about US$20 per month. In addition, the bioslurry produced by the biogas digester is replacing expensive chemical fertilizers, resulting in significantly higher production of vegetables, maize and beans.

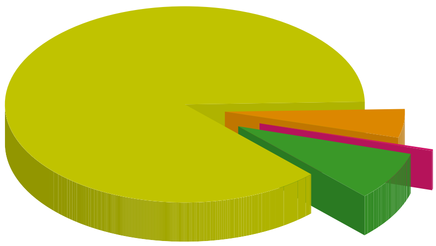
**CHART 2a**
**IFAD loans by lending terms and DSF grants, 1978-2013[a]**
Share of total of US$2 893.4 million



Highly concessional loans
US$2 430.5 million - 84%
Intermediate loans
US$109.0 million - 4%
Ordinary loans
US$13.7 million - 0.5%
DSF grants
US$340.2 million - 12%

[a] Any discrepancy in totals is the result of rounding.

**CHART 2b**
**Loan disbursements by lending terms and DSF disbursements, 1979-2013[a]**
Share of total of US$1 828.5 million



Highly concessional loans
US$1 587.0 million - 87%
Intermediate loans
US$97.5 million - 5%
Ordinary loans
US$3.4 million - 0.2%
DSF grants
US$140.5 million - 8%

[a] Loan disbursements relate solely to Regular Programme loans and exclude the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. Any discrepancy in totals is the result of rounding.

Through the Lower Usuthu Smallholder Irrigation Project in Swaziland, IFAD is helping reduce land degradation, preserve biodiversity and mitigate the impact of climate change through sustainable land management practices. Women in the community of Vikizijula, for example, have learned to build water-harvesting tanks, improving food security and family hygiene while generating income by building tanks for others in the community.

### Off-farm employment

Landholdings become smaller as they are divided and handed down to the next generation. At the same time, increased use of animal power and farm mechanization reduces the need for labour. Creating jobs off the farm for rural people is thus an important part of IFAD's strategy for the region. Results reported in 2013 show some 30 projects training nearly 56,000 people in income generation, business entrepreneurship and vocational activities.

In Rwanda, a nine-year investment project supporting rural small businesses and microenterprises completed its work in 2013. An apprenticeship programme was a vital part of this initiative. In all, about 12,000 young people – half of them women – were trained in trades such as tailoring, carpentry, weaving, welding, mechanics and electrical work. More than 4,200 people attended adult literacy courses, and about 12,500 were trained in community management.

In line with the Government of Rwanda's vision of developing an efficient private sector to transform agriculture, the newly approved IFAD-funded Post-Harvest and Agribusiness Support Project will create jobs along the value chains for maize, cassava, beans, potatoes and dairy products. The project also aims to promote climate-resilient processing techniques and storage facilities.

### Rural finance

The vast majority of poor people living in rural areas have no secure way to save money, get credit or transfer funds. Greater use of external inputs such as improved seeds and fertilizer, increased mechanization on the farm and along the value chain, and the development of income-earning activities such as microbusinesses all require access to finance for capital and operating expenses. IFAD's support for rural financial services increases rural people's access to diversified financial services, including loans, savings and remittances, and microinsurance.

In its first phase, the IFAD-supported Rural Financial Intermediation Programme in Ethiopia enabled 3 million people to access financial services. Building on these results, the second phase is targeting people in pastoral and agropastoral lowlands by encouraging microfinance institutions to open about 1,000 new savings and loans cooperatives. The programme aims to deliver financial services to nearly 7 million households by 2019.

### Gender equality and women's land rights

Empowering women by promoting gender equality is not only a question of human rights, it is also vital to improving food and nutrition security and enabling poor rural women and men to overcome poverty. Secure access to land and other resources is a key element in achieving gender equality in rural areas.

In Kenya, IFAD worked to increase household incomes for Maasai women pastoralists in the Amboseli area with support from Finnish supplementary funding. Most of the more than 1,200 people benefiting from project activities were women or young people. Participants learned improved techniques for fattening livestock, and processing and marketing skills – all of which enabled them to fetch higher prices for their animals. New grass species were also planted, increasing crop tolerance to drought, restoring the pasturelands and improving animal nutrition. Participants were also given basic training in animal health practices, and about 19,000 cattle, sheep and goats were vaccinated.

While women are legally entitled to own land in Ethiopia, customary and social norms favour men. IFAD is supporting a natural resource management project in the Lake Tana watershed that uses land certificates to secure equal rights to land for all. The project has also introduced sustainable management of community-owned resources and taught new skills that help rural people develop innovative ways of earning money. With land certification, women heads of households can now fully assert their rights to use and transfer landholdings through heredity, donation or rent. In the target area of the Amhara region, more than half the women heads of households have received land certificates.

## Story from the field
### Making money out of mushrooms

At age 29, Sandile Mkhabela saw his first mushroom. "I was curious to know what it was and how it tasted, but I knew right away that there was something special about it," he says. Flash forward, and three years later Mkhabela is most likely the only oyster mushroom producer in the lower Usuthu region of Swaziland. After receiving technical and business training, he created his "mushroom workshop" using plastic bottles, an old refrigerator and an unused shed.

And with that Mkhabela had his business. Mkhabela is one of thousands of young farmers who have benefited from a smallholder irrigation project cofinanced by IFAD, GEF, the Government of Swaziland and the communities involved. Agriculture provides employment to 75 per cent of the country's population, but farming families face a number of obstacles that prevent them from breaking out of poverty. In some areas, such as where Mkhabela lives, there is limited availability of water. The project was implemented in 2011 to provide income-generating opportunities for families with limited access to water by working with the resources they already had.

The project will reach more than 4,000 families in the region by 2015, with many of them expected to increase their household income by 30 per cent or more.

Producing mushrooms requires simple technology, basic equipment, and not a lot of water. Mushrooms are easy to cultivate and take a relatively short period of time to mature, which means quick cash for unexpected family needs, such as when the roof needed to be replaced after a big storm destroyed Mkhabela's family home. Mkhabela's brother provides marketing and investment advice, while his mother develops new recipes. "Doing this as a family means that I have support," Mkhabela says. "But I pay for it – my mother likes to use the mushrooms for her own cooking, reducing my profits," he says, laughing.

The idea of growing mushrooms is spreading. Mkhabela is currently training six other young people in his community. "I am starting to look at how to franchise my business. I am not going to stop – if you don't stop, you can always find a way."

Young entrepreneur Sandile Mkhabela in his workshop with a crop of oyster mushrooms

Swaziland: Rural Finance and Enterprise Development Programme

©IFAD/Guy Stubbs

## Asia and the Pacific

34 countries: Afghanistan, Bangladesh, Bhutan, Cambodia, China, Cook Islands, Democratic People's Republic of Korea, Fiji, India, Indonesia, Islamic Republic of Iran, Kiribati, Lao People's Democratic Republic, Malaysia, Maldives, Marshall Islands, Mongolia, Myanmar, Nauru, Nepal, Niue, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Samoa, Solomon Islands, Sri Lanka, Thailand, Timor-Leste, Tonga, Tuvalu, Vanuatu, Viet Nam

### Overview

Among the world's developing regions, Asia and the Pacific has arguably witnessed the most dramatic overall transformation since 2000. Between 1990 and 2010, the absolute number of poor people declined from about 1.5 billion to 758 million. In addition to achieving the MDG of halving poverty, the region has also made significant progress in areas such as health, education and access to safe drinking water.

Despite these advances, however, Asia and the Pacific is still home to almost two thirds of the world's poor people, and two thirds of the world's 842 million undernourished and hungry people. Ecosystem degradation, limited infrastructure, restricted access to markets, and weak social services all combine to keep rural areas mired in poverty.

Agriculture continues to employ between one and two thirds of the working population. However, slower growth in the sector has affected livelihoods, widening the income gap between urban and rural areas. High food prices have reduced the real incomes of poor households, and the benefits of transformation in the agrifood industry have not reached smallholder farmers.

Women and indigenous peoples are particularly marginalized. Almost half of adult women in South Asia are unable to read, while throughout Asia and the Pacific women earn less income, have less say over how they earn that income, and have less access to credit and other services. Of the 300 million indigenous people in the world, 70 per cent live in Asia and the Pacific; one third of these people are poor, and they are often isolated from markets, vital services and infrastructure.

For many countries in the region, the multidimensional challenges of food security, climate change, social inclusion and economic opportunity need to be tackled together with efforts to reduce poverty.

The total population in the region is 3,820.8 million, with 57.7 per cent living in rural areas. Some 19.2 per cent live in extreme poverty, defined as less than US$1.25 per day.[3]

### Our work and results in 2013

In 2013, the projects we supported focused on:

- connecting rural producers to markets and creating jobs
- invigorating and transforming rural communities
- strengthening the capabilities of women and young people
- expanding the use of climate-smart technologies and sustainable resource management practices
- partnering with the private sector to drive rural growth.

#### Portfolio management highlights

- 60 ongoing programmes and projects in partnership with 18 recipient governments in the region at the end of 2013
- US$1,765.2 million invested by IFAD in the region's ongoing portfolio
- 6 new programmes and projects in Bangladesh, China, the Lao People's Democratic Republic, Pakistan and Viet Nam (2 projects) for a total IFAD investment of US$186.1 million – this total includes 1 ASAP grant of US$12.0 million for 1 project in Viet Nam
- additional financing worth US$41.1 million provided to ongoing programmes and projects in Afghanistan, Bangladesh, India and Nepal
- 3 new results-based country strategic opportunities programmes (RB-COSOPs) for Cambodia, Nepal and Sri Lanka
- 9 grants approved in 2013 for a total of US$12.0 million, including 1 grant of US$4.0 million for rapid recovery from Typhoon Haiyan in the Philippines
- 21 ongoing grants with a total value of US$18.0 million

[3] Raw data sourced from the *Human Development Report 2013* of the United Nations Development Programme.

### Connecting rural producers to markets and creating jobs

Weak infrastructure and services often cut rural producers off from input suppliers and agricultural markets, and from the knowledge and information that could help them improve productivity and diversify their income-earning activities.

In Bangladesh, a project to develop market infrastructure linked small producers along the value chain in the charland regions, which are among the country's poorest areas. The project helped develop about 430 kilometres of roads and more than 60 rural markets, as well as providing financial and business services to more than 18,500 people. A market impact study reported that the number of buyers and sellers increased by 33 per cent, while the volume of trade and new investments in markets and neighbouring villages increased by 44 per cent.

The IFAD-supported Agriculture, Marketing and Enterprise Promotion Project in Bhutan showed how technical support, training and credit could benefit people in remote, mountainous areas. Better farming techniques increased production, particularly of cash-crop potatoes and oranges, while new farm roads and marketing tools helped improve access to markets. The project reached about 132,000 people, more than half of them women.

### Invigorating and transforming rural communities

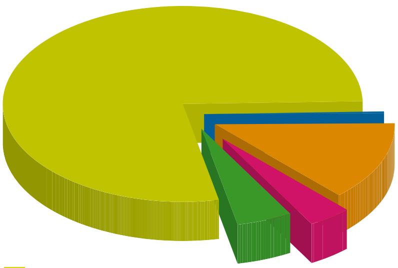
Lack of opportunity in rural areas drives young people to migrate to cities and abroad, and keeps those left behind locked in poverty. IFAD invests in agricultural and rural development to help build vibrant communities where a new generation of farmers, fishers and other small entrepreneurs can make a living and flourish.

Savings and credit groups supported by IFAD in rural Viet Nam have enabled their members in villages to adopt new crop varieties, buy seedlings and take up backyard poultry activities. With credit discipline high, 98-100 per cent of loans are paid off on time. The Ha Tinh Rural Development Project, for example, established more than 2,500 village-level savings and credit groups that serve about 26,000 members. In response to a recent evaluation, IFAD plans to reinforce the entrepreneurial skills of farmer groups, connecting them to value chain opportunities supported by other projects, and transforming networks of savings groups into sustainable microfinance schemes.

### Strengthening the capabilities of women and young people

Empowering women and young people is vital to transforming life in rural communities. IFAD focuses on facilitating economic empowerment,

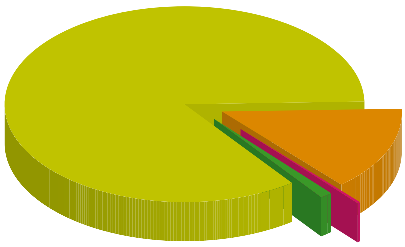
**CHART 3a**
**IFAD loans by lending terms and DSF grants, 1978-2013[a]**
Share of total of US$4 648.3 million



Highly concessional loans
US$3 599.6 million - 77%
Intermediate loans
US$609.9 million - 13%
Ordinary loans
US$207.7 million - 4%
Blend loans
US$15.0 million - 0.3%
DSF grants
US$216.1 million - 5%

[a] Any discrepancy in totals is the result of rounding.

**CHART 3b**
**Loan disbursements by lending terms and DSF disbursements, 1979-2013[a]**
Share of total of US$3 145.3 million



Highly concessional loans
US$2 630.3 million - 84%
Intermediate loans
US$422.9 million - 13%
Ordinary loans
US$15.1 million - 0.5%
DSF grants
US$77.0 million - 2%

[a] Loan disbursements relate solely to Regular Programme loans. Any discrepancy in totals is the result of rounding.

strengthening participation and leadership skills, and reducing drudgery, particularly for women and girls. As in other regions, youth unemployment is a major challenge addressed by IFAD-supported activities.

For example, programmes in Afghanistan, India and Viet Nam provide young people with practical training and work experience, and connect them to potential employers. In Cambodia, the Rural Livelihoods Improvement Project established 16 young farmer clubs during 2013, which enabled more than 320 students or jobless young people – over half of them women – to receive basic agricultural training so they can contribute to family incomes and become skilled and self-sustaining adults.

Our work also strives to enable women to take full advantage of their legal rights. In Bangladesh, the Char Development and Settlement Project is ensuring that land titles are issued in the name of both women and their husbands. This joint ownership strengthens the women's influence in family decisions involving land and other household matters. In 2013, land titles were approved for more than 1,200 poor families on newly accreted coastal lands known as chars.

### Expanding the use of climate-smart technologies and sustainable resource management practices

In Asia and the Pacific, climate change has multifaceted impacts, ranging from rising sea levels that flood agricultural land with salt water, to early or delayed rains that disrupt production cycles. Supporting smallholder farmers in their efforts to adapt to climate change is one area of work that IFAD is strengthening in the region. This will include additional financing through IFAD's recently launched Adaptation for Smallholder Agriculture Programme (ASAP).

Cicia Island in Fiji has opted for organic agriculture in an effort to protect livelihoods and the environment. With support from the Pacific Organic and Ethical Trade Community and an IFAD grant to the Secretariat of the Pacific Community, the island has declared that only organic agriculture will be practised. The IFAD-funded initiative offers a low-cost way to achieve organic certification that will provide remote rural communities such as Cicia with access to niche markets in Suva, and eventually further afield. The project focuses particularly on virgin coconut oil, which is currently being produced by Cicia women.

A programme to conserve the environment and reduce poverty in the provinces of Ningxia and Shanxi in China has improved crop and fodder production by an estimated 35 per cent. Some 89 per cent of participants adopted recommended practices that have improved irrigation by reducing canal leakage and water loss. In addition, the programme has developed 4,500 hectares of forest, planted more than 5,200 trees along roadsides and farmland, and restored nearly 14,000 hectares of natural pastureland through reseeding, rodent control and fencing.

### Partnering with the private sector to drive rural growth

As in many developing regions, a decrease in government-led intervention in agriculture in Asia and the Pacific has created opportunities for innovative partnerships between government, the private sector and donors. IFAD-funded projects in the region are increasingly engaging with private-sector partners as prospective investors, service providers and integral partners in agricultural development.

In the Solomon Islands, a rural development programme supports small, low-cost investments in infrastructure, agricultural services and capacity-building in rural areas, which generate high social benefits. Private investors matched equity grants from the programme at a ratio of more than 6:1, generating more than US$6.6 million. This approach, which reduced risk and encouraged rural business development, is now being replicated in Tonga.

In the Maldives, IFAD has leveraged private-sector co-investment in key value chains that target poor rural people. These include value chains for finfish, sea cucumber, seaweed and Maldivian clownfish. The project has strengthened community-based groups, enabling them to provide quality goods and services to hotel resorts.

## Story from the field
### Resurrecting a more nutritious staple crop in India

In a community in southern India, it's "back to the future" as farmers resurrect a hardy, nutritious grain that had lost favour in recent decades.

Fifty years ago, millet was a staple crop in this area. It has up to 30 times more calcium than rice, and much higher levels of iron, fibre and micronutrients, which are important benefits in a country with 30 per cent of the world's malnourished children. Millets are robust crops that need little water and are able to survive in harsh conditions, making them far more resilient to climate change than rice or wheat.

"It's good for your health, it's good for your agriculture, it's good for income and it's good for India's national food security," said Professor M.S. Swaminathan, founder of the MS Swaminathan Research Foundation.

But over the past 50 years, almost half the millet cultivation in India has been replaced with more lucrative cash crops and government-subsidized rice. An IFAD-supported project is working to bring millet back from obscurity. Work began in the early 1990s, when research determined that lack of seeds was one reason why people had turned to other crops. So in the villages of Kolli Hills in Tamil Nadu State, the women formed a group to collect and share their seeds. The project supported training in different farming methods, such as planting in rows. The result was a 30 per cent increase in yields. The project also provided grinding mills, reducing the time needed to pound a kilogram of millet from one hour to five minutes.

To turn millet into a marketable brand, the farmers wrote up recipes and opened a shop, and their products are now being distributed across the state.

"Now we have started adding value to millet production," explained farmer Latha Chandra Kumar. "Now we are earning money, which we use for our children's education and our family expenses."

Millet has also entered the national spotlight. India's new food security bill lists minor millets as one of the crops the state buys directly from farmers for national distribution. With that inducement, the past is becoming the future, as a largely forgotten staple crop retakes its place in the fields of India.

Women prepare millet recipes for distribution to shops in Tamil Nadu State

India: Grant to Bioversity International: On-farm Conservation of Local Agrobiodiversity



## Latin America and the Caribbean

33 countries: Antigua and Barbuda, Argentina, The Bahamas, Barbados, Belize, Plurinational State of Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, Bolivarian Republic of Venezuela

### Overview

The total population of Latin America and the Caribbean is about 597.7 million, with 20.7 per cent living in rural areas.[4] With the exception of Haiti, the nations of the region have attained middle-income status, with average per capita income of more than US$5,000. According to the International Monetary Fund's *World Economic Outlook*, the region's GDP is expected to grow by about 3.6 per cent annually over the next five years.

Between 1990 and 2013, in countries for which data is available, poverty rates fell from 48 per cent to 28 per cent. Extreme poverty rates fell from 23 per cent to 12 per cent.[5] Nevertheless, the gap between rural and urban populations is still wide: in 2010, the rural poverty rate was twice as high as that of urban areas, and four times as high in terms of extreme poverty, particularly among marginalized groups.

According to the World Bank's *Global Monitoring Report 2013*, the region has cut poverty in half, achieving the first MDG. While Latin America and the Caribbean as a region leads the world in income inequality, recent evidence shows that some countries have made progress in this area. Two factors account for this achievement: a fall in the earnings gap between skilled and low-skilled workers; and an increase in pro-poor policies and social protection programmes.

As countries urbanize and offer more jobs off the farm, improving poor rural people's access to markets and strengthening the value chains that link producers to markets are becoming important tools to reduce rural poverty. Indeed, the region is fast developing intermediate cities, which operate as development poles and drivers of economic growth. Hence, one quarter of IFAD's portfolio in Latin America and the Caribbean is dedicated to developing markets, rural microenterprises and small businesses.

### Our work and results in 2013

The work of the Latin America and the Caribbean Division during 2013 focused on the following areas:

- strengthening producer organizations to drive development
- increasing access to financial services
- promoting public-private partnerships.

#### Strengthening producer organizations to drive development

Organizations of small producers are a springboard for farmers, enabling them to compete in markets and to access financing, technical assistance and other public goods and programmes. Strengthening these organizations is essential to reducing rural poverty, and hence IFAD's portfolio encompasses support for both technical programmes and policy in this area. Our work includes initiatives at the project, national and regional levels.

### Portfolio management highlights

- 41 ongoing programmes and projects in partnership with 19 recipient governments in the region at the end of 2013
- US$617.9 million invested by IFAD in the region's ongoing portfolio
- 5 new programmes and projects in Brazil (2 projects), Cuba, Honduras and Nicaragua for a total IFAD investment of US$97.1 million – this total includes 1 ASAP grant of US$8.0 million for the project in Nicaragua
- 1 ASAP grant of US$10.0 million approved as additional financing for an ongoing programme in the Plurinational State of Bolivia
- 1 new results-based country strategic opportunities programme (RB-COSOP) for Haiti
- 6 grants approved in 2013 for a total of US$4.4 million
- 21 ongoing grants with a total value of US$24.4 million

[4] Raw data sourced from the *Human Development Report 2013* of the United Nations Development Programme.

[5] Economic Commission for Latin America and the Caribbean (ECLAC). 2013. *Social Panorama of Latin America 2013*. Santiago de Chile.

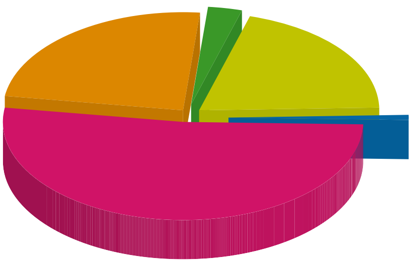
At the project level, in Peru, IFAD is working with poor Quechua and Aymara families in the southern highlands. The goal is to help these families improve the quality and marketability of their products, preserve traditional knowledge, manage natural resources better, and diversify their sources of income. One of the most innovative features of the project is the direct transfer of funds to communities, enabling small-scale farmers and microentrepreneurs to obtain technical assistance that will make their products competitive in national, regional and international markets. As of June 2013, the project had reached about 16,000 families, working with their respective producer organizations to develop more than 500 business plans.

At the country level, IFAD also supports rural policy dialogue groups through a regional grant to the Latin American Center for Rural Development (RIMISP – *Centro Latinoamericano para el Desarrollo Rural*). The grant operates in Colombia, Ecuador, El Salvador and Mexico. The groups mobilize local leaders, business people and academics, as well as representatives from community organizations and NGOs. They discuss pressing issues related to rural development and work to advance national agendas for family farming and rural poverty reduction. They also enable local governments to obtain feedback on legislation, policies and specific programmes geared towards poor rural people.

At the regional level, in a grant-funded project engaging 12 national organizations from 7 countries, IFAD is helping members of the Southern Common Market (MERCOSUR) Confederation of Family Farmer Producer Organizations (*Coordinadora de Organizaciones de Productores Familiares del MERCOSUR*) to influence the development of public policies for family agriculture. In some countries of the region, up to 60 per cent of food is produced by family farmers. Public policies and institutions have been created and fiscal spending has been geared towards this sector in an attempt to trigger pro-poor rural economic growth and development. IFAD also supports a complementary initiative in the Southern Cone of Latin America, working with government officials and producer organizations to help create a policy framework that is favourable to family and smallholder farmers.

In an effort to step up the results of our engagement in policy dialogue, a regional workshop was held in April 2013 in Montevideo, Uruguay,

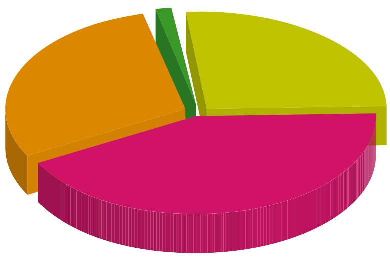
**CHART 4a**
**IFAD loans by lending terms and DSF grants, 1978-2013[a]**
Share of total of US$2 023.3 million



Highly concessional loans
US$411.4 million - 20%
Intermediate loans
US$488.0 million - 24%
Ordinary loans
US$1 058.3 million - 52%
Blend loans
US$14.3 million - 1%
DSF grants
US$51.2 million - 3%

[a] Any discrepancy in totals is the result of rounding.

**CHART 4b**
**Loan disbursements by lending terms and DSF disbursements, 1979-2013[a]**
Share of total of US$1 390.8 million



Highly concessional loans
US$365.8 million - 26%
Intermediate loans
US$406.3 million - 29%
Ordinary loans
US$601.4 million - 43%
DSF grants
US$17.2 million - 1%

[a] Loan disbursements relate solely to Regular Programme loans. Any discrepancy in totals is the result of rounding.

to assess different policy dialogue models being used by IFAD in Latin America. Government representatives from the Southern Cone, IFAD grantees and IFAD staff attended, and a follow-up workshop was held at IFAD in Rome in October. Issues discussed included a common definition of policy engagement, experiences in countries across different continents, and the challenges of measuring the results of policy engagement.

### Increasing access to financial services

Enabling poor rural women and men to increase their productivity is vital to reducing rural poverty in Latin America. However, this demands strengthening rural people's access to a broad range of public goods and services such as education and training, infrastructure, and financing sources and services. Small producers require financial products designed particularly to meet their needs. Most countries in the region are in a position to achieve this through national development banks and microfinance institutions.

In Honduras, an initiative based on rural savings and credit associations (CRAC – *cajas rurales de ahorro y crédito*) is providing rural businesses and marginalized community groups with access to financing. The initiative has proven particularly successful for women, young people and ethnic groups, who lack collateral to obtain credit. A project in the Yoro department, for example, has set up 18 rural savings and credit schemes to benefit small-scale farmers and indigenous Tolupan tribes, who contribute either in cash or in kind. In the central part of the country, a programme has expanded the CRAC model beyond producer organizations to suppliers of formal and informal financial services.

In the north-east of Brazil, the *Dom Helder Câmara* Project successfully facilitated small family farmers' access to credit. Although the federal government provides credit to family farmers through public development banks, many poor and small family farmers lack the resources, capacity and information to take advantage of this programme. IFAD therefore helped small family farmers prepare proposals for the banks, and then implement their projects once approved. Through this model, beneficiaries had access to US$25.0 million in credit lines, equalling the total amount of IFAD's loan in support of the project. The Brazilian experience showed how IFAD-funded projects can enable target populations to obtain access to existing public programmes, and to leverage complementary resources.

### Promoting public-private partnerships

The private sector is key to ensuring the sustainability of any public intervention, particularly where projects develop value chains to strengthen small producers' access to markets. In Latin America and the Caribbean, IFAD has helped develop strategic alliances between smallholder organizations and larger private-sector players. The main objective is to maximize the inclusion of small producers in larger and higher-value markets, while ensuring that marginalized groups also benefit. We also show how it is possible to engage with small-scale rural producers in a socially and environmentally responsible manner, creating models that can be taken up by others.

In El Salvador, two projects are enabling producer organizations to sell vegetables to international and domestic supermarkets such as Walmart and Select. Between November 2012 and April 2013, Volcano Summit – a cooperative of 20 young farmers, 9 of whom are women – generated profits of about US$22,000. During the same period, producer organizations such as ACOPENELA and APICBAÑAS generated revenues of more than US$205,000.

In Ecuador, the Development of the Central Corridor Project supports nearly 200 small rural enterprises managed by organizations or family associations. The 180 members of Bramafértil Association in Bramadora parish, Manabi province, for example, successfully commercialized bananas. Through the project, these producers have established a storage centre, bought equipment and acquired transportation to strengthen their businesses. They can now negotiate better prices with the multinational company Chiquita.

## Story from the field
### Empowering farmers to take charge of irrigation

Severe deforestation in Haiti means that rains easily sweep away soils and crops, and silt up dams and valleys downstream. In the valley of Nan Carré, in the country's North-West department, past rehabilitation attempts focused on the irrigated valleys, producing limited and short-lived results.

But now IFAD is working with the German NGO *Welthungerhilfe* (*Agro Action Allemande*) and the World Food Programme on a more holistic and sustainable approach.

Part of the early problems with sustainability stemmed from lack of organization and capacity: the farmers lacked the skills to maintain irrigation canals. The second phase of the Small-scale Irrigation Development Project is empowering communities by helping farmers create watershed associations and subcommittees to care for irrigation systems and terraces.

On the upper slopes and gullies, farmers have planted bananas, beans, potatoes, sugar cane and taro, alongside mango, papaya and avocado trees. The irrigated areas are reserved for cash crops such as aubergines, carrots, leeks, onions and tomatoes.

At first, extra income was used to cover basic household needs such as food and school fees. But now some farmers are looking to obtain credit so they can buy seeds for the next harvest. Some are also investing in more lucrative crops and planning to build storage facilities and produce seeds.

To date, the project has rehabilitated more than 900 hectares of land in the north-west, and created 16 irrigated systems. All told, 650 households can now achieve better food security and incomes.

"Before, we would plant and if there wasn't enough rain – which was often – we lost everything," says farmer Oltin Saint Filet.

"Now water is plentiful year-round. The project has taught us new production techniques and how to prepare soils, and has encouraged us to try cash crops," he says.

Farmer Oltin Saint Filet tends his irrigated plot in Nan Carré
Haiti: Small-scale Irrigation Development Project
©IFAD/Sarah Morgan

## Near East, North Africa and Europe

34 countries and Gaza and the West Bank: Albania, Algeria, Armenia, Azerbaijan, Bosnia and Herzegovina, Croatia, Cyprus, Djibouti, Egypt, Georgia, Iraq, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Republic of Moldova, Romania, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tajikistan, The former Yugoslav Republic of Macedonia, Tunisia, Turkey, United Arab Emirates, Uzbekistan, Yemen

### Overview

This is a diverse region where some countries are rapidly urbanizing and others are still largely dependent on agriculture. As a result, rates of progress are mixed. Oil-exporting countries have enjoyed historically high growth rates, while oil importers continue to face an economic slowdown, especially Arab countries in political transition. Even within the subregion of Europe and Central Asia, where the outlook is generally more favourable, recovery from the recession has been uneven.

The total population of the region is 544.2 million, with about 42.9 per cent living in rural areas.[6] Overall, the region has made good progress in achieving the MDGs. For example, the share of people living in extreme poverty has halved in most countries; an average of 4.8 per cent of the total population now lives on less than US$1.25 a day.

However, rural poverty rates are much higher: an estimated one third of the rural population still lives below national poverty lines. Low productivity, along with poor access to markets and finance, remains a key challenge. Unemployment for young people has worsened since 2001, and now stands at 28 per cent – the highest rate of any region. Many countries have invested in education, but do not generate enough highly skilled jobs for new graduates. In fact, many states have labour shortages in the agriculture sector because young women and men have left for the cities in search of better opportunities.

High levels of food insecurity – often related to conflict and volatile food prices – affect several countries in the region, including Egypt, the Sudan, the Syrian Arab Republic and Yemen. However, studies suggest that the region is making use of between only 35 and 50 per cent of its agricultural potential. Better water and nutrient management, along with greater adaptation to climate change, could significantly increase productivity.

### Our work and results in 2013

Our programme of work in the Near East, North Africa and Europe focuses on the following areas:

- natural resource management and climate change
- market access and value chain development
- agricultural productivity and food security
- rural finance and support for entrepreneurs
- vulnerable groups.

#### Portfolio management highlights

- 44 ongoing programmes and projects in partnership with 19 recipient governments and Gaza and the West Bank in the region at the end of 2013
- US$785.2 million invested by IFAD in the region's ongoing portfolio
- 4 new programmes and projects in Djibouti, Kyrgyzstan, the Republic of Moldova and Yemen for a total IFAD investment of US$83.9 million – this total includes 3 ASAP grants of US$6.0 million for the programme in Djibouti, US$10.0 million for the programme in Kyrgyzstan and US$10.2 million for the programme in Yemen
- 2 new results-based country strategic opportunities programmes (RB-COSOPs) for Bosnia and Herzegovina, and the Sudan
- 5 grants approved in 2013 for a total of US$4.8 million
- 55 ongoing grants with a total value of US$52.5 million

[6] Raw data sourced from the *Human Development Report 2013* of the United Nations Development Programme.

### Natural resource management and climate change

Smallholder farmers rely on the environment and natural resources for their livelihoods. IFAD works with rural communities in the region to help them overcome interconnected challenges that include degraded ecosystems, water scarcity, competition for suitable land, and a changing climate.

Through ASAP, IFAD undertook climate risk modelling for Djibouti, Kyrgyzstan and Yemen to improve climate resilience, mitigate risks and maximize potential benefits. In Yemen, climate-hazard maps for flash floods, soil erosion, water harvesting and cropping potential were produced. These maps were used as models to test the sensitivity of the four indicators to plausible changes in annual rainfall and temperature by the 2050s. When combined with distributions of settlements, the models identified "hotspots" of social vulnerability in each village, which will be included in adaptation plans.

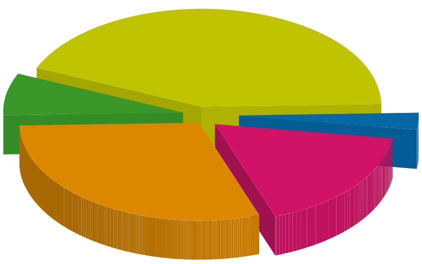
Farmers in Gaza and the West Bank are reclaiming unused terrain and turning it into productive land. Since the IFAD-supported programme began work in 2010, 12 villages have reclaimed more than 2,100 *dunums* (about 210 hectares), and planted about 52,000 olive and fruit trees, and thyme seedlings. In addition, the programme has built 17 kilometres of roads, more than 81,000 square metres of retaining walls and nearly 13,000 cubic metres of water cisterns. These improvements have benefited about 5,000 people by increasing the cultivated area, reducing soil erosion and improving the production of high-quality olive oil for sale at premium prices. As a result of the project's work, women are playing a bigger role in community life and there is an increased demand for seasonal labour.

### Market access and value chain development

Many poor rural producers lack strong links to markets. IFAD works to strengthen small producers' connections to value chains and help them increase their incomes.

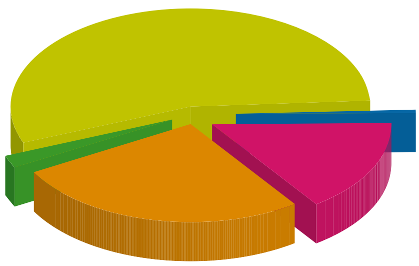
An IFAD-supported project in West Noubaria, Egypt, has turned an inhospitable desert into arable land and linked farmers to local and export markets. The project was designed to create jobs for new graduates and to reclaim 100,000 hectares of unused land to produce food and crops for sale. It offered loans for agricultural inputs and trained farmers in improved agricultural techniques. A drip irrigation system has more than doubled water savings, allowing farmers to diversify and plant new cash crops.

**CHART 5a**
**IFAD loans by lending terms and DSF grants, 1978-2013**[a]
Share of total of US$2 231.1 million




[a] Any discrepancy in totals is the result of rounding.

**CHART 5b**
**Loan disbursements by lending terms and DSF disbursements, 1979-2013**[a]
Share of total of US$1 521.6 million




[a] Loan disbursements relate solely to Regular Programme loans. Any discrepancy in totals is the result of rounding.

The project provided vital assistance to producers in forming and strengthening farmers' marketing associations. Six associations were established, with a total membership of more than 47,000 smallholders. More than 60 contracts have been signed between associations and export and processing companies to sell a range of commodities including apricots, artichokes, beans, grapes, peaches, peanuts, peppers, potatoes and tomatoes.

A programme to strengthen rural financial services and markets in the Republic of Moldova reached more than 1,000 micro, small and medium-sized enterprises – well over the target. In addition to financing entrepreneurs, the programme also gave training to more than 1,000 participants, upgrading their technical and management skills. In keeping with its focus on linking credit for poor farmers to improved market access, the programme built or upgraded 29 market structures to complement on- and off-farm investments. More than 105,000 rural people have benefited.

### Agricultural productivity and food security

Increasing poor rural people's productivity, boosting their incomes and strengthening their food security are key parts of IFAD's work.

An agropastoral programme supported by IFAD in south-east Tunisia has improved livestock routes, farm and feeder roads and hydraulic infrastructure for nomadic livestock on more than 125,000 hectares. This approach has generated many benefits. Feed costs for small ruminants have fallen, transport costs for herders and livestock keepers have been reduced by half, and travel times have been cut by up to 70 per cent. At the same time, improved soil and water conservation techniques have captured more run-off. These achievements have improved the recharge of aquifers and increased the yield of olive trees by 32 per cent. Given the programme's success in environmental sustainability and enhancement of agricultural productivity and food security, the Government of Tunisia has requested a second phase.

As part of its goal to regenerate livelihoods for smallholder farmers, an IFAD-supported project in the Gash Delta in the Sudan trained more than 15,000 people, over half of them women. The project expanded the average area cultivated by farmers by about 27 per cent. In addition to increasing sorghum productivity by 23 per cent, the project increased herd sizes and boosted milk productivity. It also helped to expand microfinance services into rural areas. Household spending increased by an average of 160 per cent, and families' food security improved.

### Rural finance and support for entrepreneurs

Increasing access to financial services in rural areas brings many challenges, including weak infrastructure, limited capacity of service providers and low levels of client education. In response, IFAD is developing strong partnerships with domestic microfinance institutions and equity investment companies in the region.

In north-west Azerbaijan, IFAD improved access to credit for individual farmers and the members of water user associations and women's groups. With their small and seasonal loans, recipients invested in livestock or production of field crops, fruit and vegetables, such as potatoes. Credit activities had a repayment rate of more than 99 per cent and reached 85 villages, many of them in remote mountainous areas.

In Bosnia and Herzegovina, a project to strengthen rural businesses provided credit to about 1,300 farmers and 50 small and medium-sized enterprises, some of them receiving more than one loan. Most of the loans supported dairy farming and milk processing, which created a significant number of new jobs. Ultimately, the project helped poor farmers move from subsistence agriculture to partly or fully commercial operations, and enabled entrepreneurs to create or expand businesses on- and off-farm.

### Vulnerable groups

IFAD targets rural communities that lack adequate access to basic infrastructure and services. Within these communities, we give special attention to the most vulnerable: young people, women and socially excluded groups.

A community resource management project in Al-Dhala, Yemen, overcame prevailing social constraints to empower women. Training women as midwives, credit managers and village extension workers gave them greater visibility and recognition both at home and in the community. Investments in village wells, biogas facilities and grain-milling machines dramatically reduced the time spent fetching water and collecting fuelwood, enabling women to take part in literacy training and income-generating activities. Nearly 16,000 women graduated from more than 800 literacy classes, while some 2,000 women learned sewing, handicrafts and other skills.

An IFAD-supported project in the mountain zones of Al-Haouz province in Morocco worked with rural women to improve their access to credit and their involvement in community decision-making. The project helped establish 20 women's associations, and nearly 5,000 women benefited from literacy classes. In the village of Ouaouisseft, a 3-kilometre feeder road built by the project enabled women to save time on water transportation, and this in turn helped them to pursue new ways of generating income. They started growing and selling herbs and medicinal plants, and made money from embroidery-related activities. These enterprising women also set up a childcare facility in their village so that they could earn an income without their children being neglected. The original purpose of the road was to reduce transportation costs, but it has given the community much more. These advances have increased the women's self-confidence and begun the long process of transforming gender attitudes: women now participate actively in community life, and their contributions are appreciated.

## Story from the field
### Fruitful investments stimulate growth in rural Armenia

Close to Yerevan, the capital of Armenia, the company SIS Natural has been producing a variety of fruit juices since 2000. In 2012, it received an equity investment and a subordinated loan from an IFAD-funded programme to buy technology for hygienic bottling and to invest in specialized training for staff.

Through the Fund for Rural Economic Development in Armenia (FREDA), IFAD provides equity investments and subordinated loans to help stimulate economic growth and improve the performance of agricultural value chains. In addition to SIS Natural, FREDA has invested in a winery, fish farming, sheep and poultry production, and a milk-processing plant, among other initiatives. As a result, the number of people employed by the FREDA investee companies has increased by 35 per cent, the value of purchases from rural suppliers has risen by 560 per cent, and households selling to the companies have seen a 53 per cent increase in income from sales.

A leader in the local market, SIS Natural buys more than 20 types of fruit and vegetables from producers – including blackcurrants, apples, apricots, tomatoes, cherries and pomegranates. In 2012, after the investment enhanced its production and marketing capacity, the company bought 1,100 tons of fresh fruit – nearly triple the amount purchased directly from smallholders in the previous year.

SIS Natural's investment in new equipment for the production of juice concentrate has created additional demand for targeted fruit and vegetables, enabling farmers to invest in other productive activities such as improving cultivation and expanding the area of cultivated land. This has increased household incomes still further.

The company is improving livelihoods and quality of life, both in the factory and among farmers.

"I am very satisfied with my job," says Atoyan Zorik, who has been working in the sterilization area for the past year. "I have elderly parents, and a son in the army, and I can take care of all of them."

Despite its new technology, SIS Natural also relies on traditional knowledge for quality control. "First we use the laboratory," says Sargis Torgomi Tigranyan, who works as chief technologist and production manager. "Second, I try the juice on my 12-year-old son to see if he likes it."

Sargis Torgomi Tigranyan, SIS Natural's chief technologist and production manager
Armenia: Farmer Market Access Programme
©IFAD/Marco Salustro

# New initiatives and new programmes

## IFAD and the global context

Major changes are taking place in the international development architecture and the global economic system. These are shaping rural transformations worldwide and are critical to the design of interventions in support of agricultural and rural development. In order to better understand and respond to these trends, IFAD has been an active contributor to several concurrent processes, with present and future implications for our work.

During 2013, we began a process of "horizon scanning" that will inform other strategic planning processes. The aim is to foster review and exchange to identify and assess critical external developments and their implications for IFAD. Three initial priority thematic areas have been identified for review and discussion: engaging in fragile and conflict-affected states and situations; challenges in middle-income countries; and global public goods issues. Results will feed into key activities such as policy dialogue, discussion of priority thematic areas, resource mobilization and partnership development, and country programming.

Horizon scanning was one of several initiatives undertaken by IFAD to maintain the organization's relevance and effectiveness as an advocate for, and investor in, agricultural and rural development and rural people.

## The post-2015 agenda

The future design of a global agenda for post-2015 development dominated international discourse during 2013. IFAD engaged with the main processes in order to make sure that the concerns of rural people were heard. We delivered the message that no poverty eradication and inclusive growth agenda can succeed without serious attention to rural areas, rural sectors and smallholder and family agriculture. Rural women and men – farmers, small entrepreneurs, workers – today face a very dynamic environment with new opportunities, vulnerabilities and risks. Through the right investments, tools and partnerships, rural people can make a key contribution to sustainable development. A more productive, sustainable and resilient smallholder and family agriculture can and will play many roles in creating a better future – feeding more populated urban areas, providing decent jobs and incomes, delivering environmental services and fostering social cohesion.

In 2013, the two main forums for initial elaborations of a future post-2015 agenda were United Nations-led consultations and reflections on a successor framework for the Millennium Development Goals (MDGs), and discussions on Sustainable Development Goals (SDGs) led by the Member States. These processes included mechanisms set up by Member States or at the request of the United Nations Secretary-General, for example the General Assembly Open Working Group on SDGs; the High-level Panel of Eminent Persons on the Post-2015 Development Agenda; the Intergovernmental Committee of Experts on Sustainable Development Financing; and national, regional and global consultations led by the United Nations Development Group. IFAD is part of the United Nations System Task Team on the Post-2015 Development Agenda that supports these mechanisms. In May, IFAD's President established a post-2015 task force to coordinate institutional engagements across these processes and promote IFAD's vision of a vibrant, sustainable rural future.

## The International Year of Family Farming

The International Year of Family Farming in 2014 (IYFF-2014) affords a special opportunity to draw attention to the role that smallholder

← Ana Sofia Amaya, treasurer of a local production cooperative in Chapeltique, harvests green peppers
El Salvador: Rural Territorial Competitiveness Programme

farmers and rural people play in food and nutrition security. IFAD was the first international agency to formally support the call of civil society and farmer organizations for a United Nations international year devoted to family farming. In all its diversity, family farming is the predominant form of agriculture worldwide. It plays a major role in supplying the food requirements of rapidly expanding rural populations, and generates food and income for hundreds of millions of rural people, including the poor and marginalized. It creates jobs for women, men and young people, both within their family farms and in related enterprises along food and agricultural value chains. The World Rural Forum (WRF) is the recognized International Coordinator of Civil Society for the IYFF-2014, including about 360 civil society organizations from 60 countries that support the campaign.

In our engagement in the IYFF, we are focusing on country-level activities as a way to trigger national and regional policy change in favour of smallholder and family farming. IFAD has been supporting the civil society campaign for the IYFF since its outset, and in 2013 we approved a US$500,000 grant to WRF to support civil society involvement in 11 countries and 5 regions. A further grant of US$150,000 was approved to support the facilitation and monitoring of the Year. This will be coordinated by the Food and Agriculture Organization of the United Nations (FAO). It will focus on supporting smallholder and family farmer organizations in developing countries so that they can participate in and influence IYFF processes at the regional and global levels. The grant will also support the monitoring of national-level policy debates and changes triggered by the IYFF and the establishment of a knowledge-sharing platform managed by FAO.

IFAD is also an active member of the International Steering Committee for the IYFF-2014, alongside other Rome-based agencies, civil society and farmer organizations and selected FAO member countries.

## The Committee on World Food Security

IFAD has continued to provide support to the United Nations system's Committee on World Food Security (CFS). The reformed CFS has emerged as a key international multistakeholder forum that provides inputs and guidance for addressing global challenges in relation to rural development and food and nutrition security. It brings together governments, international organizations, private-sector actors, civil society groups and farmer organizations. IFAD is engaged in and supports the CFS. We also provide inputs to key CFS debates and processes. In 2013 these included support to the CFS Open-Ended Working Group on Monitoring, the Policy Roundtable on Investing in Smallholder Agriculture for Food Security and Nutrition, a special event during the CFS session on natural resource management for food security in the context of the post-2015 development agenda, and the development of an agenda for action to address food insecurity in protracted crises.

The Rome-based agencies facilitated the annual CFS session and promoted consensus among the various stakeholders on policy development to improve global food and nutrition security. In addition to active staff involvement, IFAD's contribution included approval of a grant of US$200,000 towards the core costs of the CFS Secretariat. Arrangements for the Rome-based agencies to share costs for the CFS are currently being reviewed with a view to formalizing an agreement.

IFAD's ongoing collaboration with the other Rome-based food agencies in the above and other areas continued in 2013.

## IFAD's work with indigenous peoples

The first global meeting of the Indigenous Peoples' Forum was hosted by IFAD in February 2013. The culmination of 35 years of engagement with indigenous peoples, the forum was held in response to requests by indigenous peoples for a more systematic dialogue with United Nations agencies. Representatives of indigenous peoples pledged to work with IFAD and governments to create sustainable development models for their peoples. They also called on IFAD for more capacity-building, increased efforts to encourage participation by indigenous peoples, and more effective and systematic implementation of IFAD's Policy on Engagement with Indigenous Peoples. Their recommendations were reported in the synthesis of deliberations of the meeting (http://www.ifad.org/english/indigenous/forum/

synthesis.htm), which was delivered at the thirty-sixth session of IFAD's Governing Council. IFAD is responding to the recommendations of the forum and the regional action plans agreed upon with regional divisions.

In another first for IFAD and indigenous peoples, a learning route on natural resource management and indigenous knowledge was organized in a tripartite partnership between the Asia Indigenous Peoples Pact, the NGO Corporation for Regional Rural Development Training (PROCASUR) and IFAD. The learning route was a result of strong partnerships built up over years of collaboration, and a joint report was published to share lessons learned (http://www.ifad.org/english/indigenous/pub/forests.pdf).

The upcoming World Conference on Indigenous Peoples scheduled for September 2014 will be an important opportunity for indigenous peoples and governments to work towards better implementation of the United Nations Declaration on the Rights of Indigenous Peoples at the country level. We have taken a leading role among international financial institutions and United Nations organizations in our engagement with indigenous peoples, and in 2013 we approved a grant to the International Work Group for Indigenous Affairs to support indigenous peoples' participation in the processes leading to the 2014 World Conference and beyond.

## Strengthening farmer organizations in Africa

The Support to Farmers' Organizations in Africa Programme (SFOAP) is an innovative initiative working to strengthen African farmer organizations and enable them to evolve into more stable, performing and accountable organizations that effectively represent their members and advise them on farming enterprises. The main phase of SFOAP kicked off in 2013. This followed a pilot phase (2009-2012) that fostered the institutional development of regional and national farmer organizations, their leadership capacity and their ability to lobby and advocate. The results were confirmed by an external independent evaluation financed by the European Commission (EC). Also as a result of the pilot phase, the Panafrican Farmers' Organization (PAFO) was launched, the first continental organization of African farmers.

The main phase of SFOAP will run for five years (2013-2017) with a total cost of €19.9 million. It will be cofinanced by IFAD, the European Union, the Swiss Agency for Development and Cooperation (SDC) and the French Development Agency (AFD – *Agence Française de Développement*). SFOAP is implemented at the regional level by four regional networks of farmer organizations in sub-Saharan Africa – the Eastern Africa Farmers Federation (EAFF), the *Plateforme Régionale des Organisations Paysannes d'Afrique Centrale* (PROPAC), the *Réseau des Organisations Paysannes et de Producteurs de l'Afrique de l'Ouest* (ROPPA) and the Southern African Confederation of Agricultural Unions (SACAU) – and by the *Union Maghrébine des Agriculteurs* (UMAGRI). The programme is currently supporting 68 national farmer organizations in 49 countries, their regional networks and PAFO.

The programme aims to strengthen and consolidate the institutional capacities of farmer organizations and give them a greater say in agricultural policies and programmes. In addition, the main phase supports the development of farmer organizations' economic services to facilitate the integration of smallholder farmers into value chains. This is done by first supporting a limited number of cases and then promoting exchanges of successful experiences with a view to their replication and scaling up. SFOAP also aims to build the capacity of PAFO to participate in decision-making and influence policy processes on agricultural and rural development at the regional and international levels (http://www.ifad.org/farmer/2013/sfoap_main.pdf).

## The multi-donor Financing Facility for Remittances

Remittances, the money migrant workers send home, provide a lifeline for migrants' families, many of whom live in poor and remote rural areas. In 2013, more than US$450.0 billion in remittances reached developing countries, with 40 per cent going to rural areas. Considering that remittances to developing countries total around four times official development assistance and often exceed foreign direct investment, the potential returns for developing countries are enormous if remittances are channelled into effective rural and agricultural development.

Since 2006, IFAD's multi-donor Financing Facility for Remittances (FFR) has been pioneering innovative instruments to provide migrants, their families and their countries with better options for economic and social development. Through nearly 50 projects in more than 40 countries, FFR has brought to light many challenges surrounding migration and development, to help governments and development institutions move forward.

The Facility launched two initiatives in 2013. The Diaspora Investment in Agriculture initiative began in Somalia and Djibouti to foster job growth. The African Postal Financial Services Initiative, in partnership with the European Union, the World Bank, the United Nations Capital Development Fund, the Universal Postal Union and the World Savings Bank Institute, was implemented to facilitate the role of postal operators in leveraging remittances for development.

In May 2013, IFAD and the World Bank convened the fourth Global Forum on Remittances, in Bangkok, Thailand, bringing together 350 policymakers, private-sector players and civil society leaders to chart a course for leveraging the development impact of remittances sent home each year in Asia and globally. At the Forum, a regional report highlighting the immensity of remittances in Asia was presented.

More than 60 million migrant workers from Asia are responsible for more than half of all remittance flows to developing countries. All told, it is estimated that one out of every ten Asian families depend on money sent from abroad for their food, clothing and shelter.

## The International Land Coalition

The year 2013 was also an important one for the International Land Coalition (ILC), a global alliance of civil society and intergovernmental organizations housed at IFAD. For more than 10 years, the ILC has worked as a reference organization to foster people-centred land governance. In 2013, it facilitated multistakeholder platforms for promoting national land reforms in 20 countries, with a special emphasis on the land and territorial rights of women and indigenous peoples. The ILC also increased its knowledge outreach through the Land Portal, which counts 1,150 users and more than 30,000 resources. In addition, the Land Matrix launched its Global Observatory with an updated dataset that allows tracking of large-scale land acquisitions from negotiation to implementation. In April 2013, the Global Land Forum of the ILC brought 273 people from 47 countries to Guatemala to discuss territorial governance and food security in the context of shifting patterns of land use throughout the developing world. The conference culminated in the ILC Assembly of Members, which approved 36 new members – bringing the total to 156 organizations – and adopted the Antigua Declaration, which recognizes the multiple dimensions of land and supports models of development based on local food and natural resource management systems.

## The Platform for Agricultural Risk Management

In December, the Platform for Agricultural Risk Management (PARM) was launched. PARM is an outcome of the G8 and G20 discussions on food security and agricultural growth. The Platform aims to identify, assess and quantify agricultural risks in partner countries and to develop strategies to tackle these risks. It will foster the exchange of experience and knowledge among all the practitioners involved. PARM will also endeavour to improve collaboration between the public and private sectors and academia, to create strong public-private partnerships.

The four-year initiative is supported by AFD, the EC, the Government of Italy, the New Partnership for Africa's Development (NEPAD) and IFAD. The PARM Secretariat will be hosted at IFAD and will initially focus on eight countries in Africa: Cabo Verde, Cameroon, Ethiopia, Liberia, Mozambique, Niger, Senegal and Uganda. In addition, PARM will engage with countries such as The Gambia that have already mobilized resources for national agricultural risk management activities from other donor-supported programmes.

## Policy engagement and knowledge management

IFAD continues to strengthen the links between our strategic engagements in policy processes and the work we support on the ground, recognizing the substantial challenges that still lie ahead for rural development. Fundamental structural misalignments between demand and supply in the agricultural and food sectors persist. This creates space for speculation and market volatility, and generates risk aversion among investors, while remnants of policy biases that work against agricultural producers dampen the supply response. And yet it is projected that the world will need to produce 60 per cent more food by 2050. It is not clear who will produce this food, where and how. IFAD continues to study these dynamics and to advocate for relevant, efficient and effective policy choices, development strategies and investment programmes, in order to achieve a transformation in the agriculture sector and global food systems that will provide a favourable environment for smallholder farmers. IFAD is also engaged in the G20 initiative established to enhance food market transparency and encourage coordination of policy action in response to price volatility and market uncertainty: the Agricultural Market Information System.

Policies affect every dimension of the institutional and legal context in which poor rural people pursue their livelihoods, and so shape the economic opportunities that are open to them. Our engagement in policy processes at the country level is ever-more important, both because it can help to create new opportunities for poor rural people and because it is increasingly requested of us by our Member States. In early 2013, an action plan for policy engagement was established, and during the year work started to strengthen IFAD's influence on policy at the country level, and to give strategic coherence to existing initiatives. Country strategic opportunities programme (COSOP) and project design documents were reviewed to explore the extent to which projects sought to influence the broader country-level agenda, and suggestions were made for strengthening this area. A policy adviser joined design missions for Cambodia, Ghana, Indonesia, Nigeria and Tunisia, specifically to develop proposals that will enable IFAD-supported projects to contribute more effectively to national policy processes.

Efforts were also made to build in-house capacity for country-level policy engagement. We conducted training for country programme managers and held a workshop to increase understanding, share experiences and lessons learned, and exchange ideas about monitoring and measuring policy engagement and impact. We also started a stock-taking exercise to get a clear picture of the range and main thematic areas of country programme managers' current engagement in policy.

Knowledge – gathering, disseminating and applying it – is increasingly important to IFAD's work and to project effectiveness. Knowledge is also essential for successful innovation and scaling up. In 2013, IFAD developed a knowledge management framework to foster the exchange of knowledge and experience internally and with partners and clients. The framework aims to strengthen IFAD's strategic positioning and visibility and to position the reduction of rural poverty as a priority at the national and global levels. It also draws on the link between knowledge and better results and impacts, and hence seeks to facilitate the flow of country-level knowledge and the uptake of effective approaches for agricultural and rural development.

## New programmes and projects

### West and Central Africa

#### Scaling up work linking farmers to value chains in Senegal

A new IFAD-supported project in Senegal will focus on helping smallholder farmers connect to value chains, scaling up good results from ongoing interventions in the country. The Agricultural Value Chains Support Project will continue to strengthen organizations of crop farmers and animal producers and help them to forge durable links to value chains, including through storage to reduce post-harvest losses, processing to add value, and effective marketing. The project will also help young people set up microenterprises and small rural businesses to raise their incomes.

The project will work to increase yields of rainfed crops such as millet, cowpeas and sesame, and irrigated horticultural crops. This will enable farmers to diversify production and increase revenues. Improved technologies for harvesting and storage will reduce wastage. At the same time, stronger farmer organizations will benefit from contracts with traders and market agents that guarantee higher prices and increase agricultural production. Through these activities, the project will also create jobs in rural areas along selected value chains.

All told, the project will reach 25,000 farming households directly and touch about 250,000 individuals indirectly. Building the capacity of farmer organizations to become self-financing or to obtain loans, for example, will help ensure that the poorest and most vulnerable farmers have access to seed, fertilizer and other technologies.

In response to strong demand from young people, large-scale irrigated horticultural schemes will be supported in several ways. Communities and beneficiaries will cofinance construction and equipment. A firm commitment to maintenance will be required in order to guarantee sustainability. Proven and locally manageable technologies will be used.

## East and Southern Africa

### New skills and technologies for young farmers in Madagascar

A new ten-year programme to ramp up agricultural productivity and modernize the sector has started work across Madagascar and is providing training, particularly for young rural women and men. The Vocational Training and Agricultural Productivity Improvement Programme, also known as FORMAPROD, aims to reach about 7 million people – about 20 per cent of the country's population.

Although agricultural productivity in Madagascar has increased substantially in recent years, technical innovation and mechanization are needed to build on the momentum. This is why vocational training for small rural producers and modernization of their farms are central to the country's agricultural development and to inclusive growth. The programme will focus particularly on providing training and support to vulnerable groups, including young people who have not completed their schooling and young women who are heads of households.

Working directly with other ongoing IFAD-supported projects, FORMAPROD will identify and train young farmers, agricultural technicians and extension agents, and support continuous vocational training in all 13 regions. Through investments to improve agricultural infrastructure and productivity, the programme will support the National Strategy for Agricultural and Rural Training and regional training efforts. With its relatively long timescale, the initiative contributes to Madagascar's efforts to train future generations of farmers and make small-scale farming a professional, modern business.

## Asia and the Pacific

### Building climate resilience in Bangladesh

Bangladesh is one of the most disaster-prone countries in the world because of its geographical location and low deltaic floodplain. Climate change is expected to increase the severity and frequency of cyclones and floods, causing widespread destruction of land, roads, houses and other assets, and threatening progress made in reducing poverty.

The new Coastal Climate-Resilient Infrastructure Project will strengthen the resilience of smallholder farmers, small traders, microentrepreneurs, landless people and destitute women and will improve their food security and incomes.

The project is a partnership between IFAD, the Asian Development Bank, Germany's Reconstruction Credit Institute (*Kreditanstalt für Wiederaufbau*) and the Government of Bangladesh, with a total investment of US$150.0 million. It is expected to reach 3.5 million people in coastal areas.

Areas for intervention have been selected on the basis of poverty, vulnerability, remoteness and infrastructure. The project will focus on improving roads and market services, while increasing the capacity of communities to adapt to climate change. This work will include ensuring that roads are climate-resilient, building 25 cyclone shelters, and supporting community radio programmes to keep people living in remote areas informed with up-to-date weather and market information.

For construction work, the project will scale up a successful approach from other IFAD-supported projects: labour contracting societies. These are composed of poor rural women who are trained as contractors to build roads and markets, giving them a valuable opportunity for wage labour. Experience has shown that roads built in this way are better constructed and more resistant than those built by outside contractors.

## Latin America and the Caribbean

### Strengthening cooperatives in Cuba

Cuba is undergoing a number of transformations in its productive sector. Agriculture and domestic food production are top priorities. To help modernize the capacities of agricultural cooperatives, a new IFAD-supported project will work to increase the productivity of maize and bean producers and the organizations they belong to. This, in turn, will improve living conditions for farming families in 18 municipalities within the Oriental region of the country.

Cooperatives already generate 80 per cent of Cuba's agricultural production. Building on this foundation, the project will strengthen the capacity of these organizations through training in environmentally sustainable grain production, post-harvesting technologies and business management, and the acquisition of productive assets.

In addition, the project will support agricultural service providers and enable them to meet the needs of maize and bean producers more effectively. This will also have a positive impact on other users of such services. Activities will include technical training, putting grain drying and processing plants into operation, and developing new production and post-harvesting handling technologies for these strategic crops.

The project will directly benefit some 13,000 farming families, or about 52,000 people. Another 104,000 people will benefit indirectly through improved services for grain production and processing. In this way, the project is expected to help meet the country's increasing demand for maize and beans.

## Near East, North Africa and Europe

### Sharing agricultural lessons across countries in the region

A recently approved grant-funded programme will strengthen South-South cooperation at both programme and policy levels, with the aim of increasing agricultural development, enhancing food and water security, and reducing poverty.

The programme will target 1,000 young people and women working in agriculture in Algeria, Egypt, Morocco, Turkey and Uzbekistan. Knowledge exchanges and other forms of cooperation will enable participating farmers to share innovative solutions to saving water, cultivating water-efficient crops, breeding cattle and building resilience through agricultural cooperatives. Hungary will provide specific support in agricultural biotechnology.

At the policy level, the programme will build capacity for knowledge sharing among ministries of agriculture in the five participating countries. An inter-ministerial network supported by an online platform will enable countries to share lessons, including legislative analysis. National-level consultation boards will help scale up results in each country.

The United Nations Office for South-South Cooperation will work with local partners to document practical solutions and transferable technologies. An online resource will help scale up and replicate best practices. In this way, the programme will benefit other relevant IFAD-supported programmes in the region and beyond.


VMLU-258

# Measuring and improving results

## Report on IFAD's Development Effectiveness

The first Report on IFAD's Development Effectiveness (RIDE) in the Ninth Replenishment (IFAD9) period shows progress towards our ambitious targets. The RIDE measures IFAD's performance against indicators in the Results Measurement Framework 2013-2015 and commitments made for IFAD9.

With the new Results Measurement Framework, we became the first multilateral organization to set a target for the number of people taken out of poverty – 80 million by the end of 2015. In order to measure this accurately, we will undertake 30 impact evaluations.

This year's RIDE shows good progress in terms of delivery. Disbursements of funds to client governments have increased. The average time from project approval to first disbursement has decreased, as has the time required for processing withdrawal applications. These are strong indicators that we are increasing our efficiency, a key focus for IFAD9.

Outreach also improved in 2013, with 33 per cent more poor people in rural areas receiving services from IFAD-supported projects than in 2012. In particular, the number of people trained in running small businesses and obtaining access to markets rose significantly. This reflects increased attention to linking smallholders to markets through value chain projects.

The share of women participating in projects continues to be high, at about 50 per cent. This is a key indicator of the inclusiveness of IFAD-supported projects and their gender balance.

The efficiency of projects themselves and government performance are the areas where progress is proving most difficult. This is because reaching poor people in remote locations is challenging and costly. These are often the areas where public service delivery is weakest.

Achieving sustainable impact in fragile states is a corporate priority. We are reviewing our performance in fragile states to strengthen our business model in these countries. Together with the Food and Agriculture Organization of the United Nations (FAO), we have launched a programme focusing on projects in fragile institutional and social contexts, where performance problems are most severe.

Climate change is a severe threat to the livelihoods of poor rural people. IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) is the largest climate change initiative for smallholders in the world. At the 2013 United Nations Climate Change Conference in Warsaw, ASAP won an award for innovation in climate finance.

## Quality support for programme design

Top-quality project design is a basic building block for impact in the countries where IFAD works. We use a two-step system to review and improve the design of programmes and projects: quality enhancement and quality assurance.

In 2013, 26 programmes and projects – including six Global Environment Facility (GEF) projects – went through the new quality enhancement process introduced during the last quarter of 2012, and 27 quality assurance reviews were held. The reformed process aims to ensure that projects reach the stage of quality enhancement while there are still ample resources and time available to make changes if necessary. The new system uses in-house technical capacity in a way that provides more effective and efficient support to the country programme manager-based delivery model, by improving teamwork and strengthening support to country offices throughout the life cycle of projects.

In April 2013, the reformed quality enhancement process was assessed through an online survey and face-to-face interviews. The results were broadly positive. There was full

← Organic cocoa seedlings being developed in a nursery near Monte Forte, where growers belong to a cooperative that collects all of the cocoa beans and sells in bulk to France

Sao Tome and Principe: Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme

©IFAD/Susan Beccio

agreement that change was needed and that the new process was more useful. The feedback received led to further improvements, including clarification of and guidance on the roles and responsibilities of the country programme management team during the quality enhancement process.

During 2013, the participation of technical staff and consultants in implementation support missions increased over the previous year, rising from 36 to 40 missions. Participation in these missions is focused on technical, institutional and policy issues, including monitoring and evaluation systems. Participation in field missions is key to the new operational model for quality enhancement, whose main objective is to provide more direct support to design teamwork rather than pursuing a compliance approach.

During the year, 63 per cent of the projects reviewed by the quality assurance function were judged to need few or minor changes, while 37 per cent required substantive design modifications. Reviewers frequently highlighted issues related to the need to:

- strengthen aspects of design related to monitoring and evaluation
- incorporate consistently lessons learned from previous projects
- improve economic and financial analysis in IFAD-supported projects
- strengthen logical frameworks and performance indicators.

In 2013, IFAD began using a new set of quality-at-entry indicators, in line with the IFAD9 Results Measurement Framework. Quality assurance reviewers judged 93 per cent of the projects reviewed during the year to be satisfactory in terms of overall quality of project design (Table 1). They also judged 89 per cent of projects likely to achieve their development objectives, compared with 83 per cent in 2012, 88 per cent in 2011, and 86 per cent in 2010.

## Ethics, internal oversight and anticorruption

IFAD established the Ethics Office in 2011 to protect the image and reputation of the organization and to help ensure that the highest ethical standards are maintained at every level. The Ethics Office provides confidential guidance to staff and managers to enhance workplace values, integrity and respect. By the end of 2013, the Office had conducted more than 370 confidential consultations on matters relating to the Code of Conduct and issues involving possible misconduct under IFAD's anti-harassment policy. Between 2012 and 2013, the Office experienced an increase of more than 45 per cent in requests for such advice. The Ethics Office cooperates with the Office of Audit and Oversight as necessary.

Working to enhance transparency and resolve conflicts of interest, the Ethics Office also manages the Annual Certification of Compliance with IFAD's Code of Conduct and Disclosure of any Assets or Income Sources outside of IFAD programme and the expanded financial disclosure programme for selected staff members. While management has full confidence in the integrity of staff, IFAD attaches the utmost importance to ensuring and being able to demonstrate that internal control measures designed to prevent conflicts of interest are in place.

**TABLE 1**
**Quality-at-entry ratings, 2013**

| RMF indicators | Description | Moderately satisfactory or better ratings[a] (percentage) |
|---|---|---|
| 4.3.1 | Overall average | 93 |
| 4.3.2 | Overall average for projects in fragile states only[b] | 80 |
| 4.3.3 | Gender[c] | 78 |
| 4.3.4 | Monitoring and evaluation | 85 |
| 4.3.5 | Projects receiving positive ratings on scaling up[d] | 76 |

[a] Quality-at-entry ratings are based on a scale of 1-6, where 1 is highly unsatisfactory and 6 is highly satisfactory. The percentage indicates the proportion of projects receiving a rating of 4 or more out of the total number of projects.

[b] In 2013, 10 of the projects reviewed (37 per cent) were located in fragile states. The ratings presented reflect only projects in fragile states.

[c] Gender quality assurance ratings differ from those presented in the 2012 Annual Report because the gender rating criteria changed between 2012 and 2013.

[d] Scaling-up ratings are based on 18 projects that explicitly identify themselves as "scaling-up" activities.

The ethics function has been successfully integrated into IFAD. This is because the Ethics Office:

- is independent, reporting directly to the Office of the President and the Vice-President, so that matters of concern can be raised and addressed without fear of reprisal or a conflict of interest on the part of the Ethics Officer
- has a level of authority that ensures that decisions and recommendations are taken seriously at all levels
- cooperates with the Office of Audit and Oversight, the Office of the General Counsel and the Human Resources Division, as and when appropriate
- is connected to IFAD's core business, contributing to risk mitigation across the organization in order to build an ethical culture that advances our overall objectives.

IFAD is committed to fighting irregular practices such as corruption, fraud and collusion that prevent funding from reaching poor rural people. Throughout 2013, we continued to devote staff and other resources to performing audits and promptly conducting investigations, while ensuring operational continuity. This is in line with IFAD's zero-tolerance principle.

At the same time, IFAD's Office of Audit and Oversight strengthened its coordination with counterpart offices in United Nations agencies and international financial institutions. Common training sessions were held, investigative and audit tools shared, and joint investigations conducted into allegations of irregularities that concerned IFAD and other institutions.

The Office of Audit and Oversight continued to support IFAD management's assertion of the effectiveness of controls over financial reporting by testing and providing an independent opinion on the effective functioning of key internal controls.

The Office also made presentations on anticorruption awareness and prevention in orientation sessions for new staff and during the fiduciary forums held for finance officers from IFAD-funded projects.

IFAD has a confidential and anonymous mechanism through which complaints and allegations can be made (http://www.ifad.org/governance/anticorruption/how.htm). In 2013, 39 allegations were received as of 31 December, compared with 33 received in 2012. These included external corruption and internal misconduct allegations. The 2012 Annual Report on Investigation and Anticorruption Activities was published in April 2013 (http://www.ifad.org/governance/anticorruption/report/2013/e.pdf).

## Independent evaluation

This year marks the tenth anniversary of IFAD's independent evaluation function with direct reporting lines to the Executive Board. To commemorate this occasion, the Independent Office of Evaluation of IFAD published a booklet presenting an overview of the Office's activities through the years, an account of lessons learned and observations from partners.

## Overview of the eleventh Annual Report on Results and Impact of IFAD Operations

The 2013 Annual Report on Results and Impact of IFAD Operations (ARRI) consolidates and summarizes the results and impact of IFAD-funded operations on the basis of evaluations conducted by the Independent Office of Evaluation in 2012 and previous years. This ARRI introduces a new data series based only on project completion report validations and project performance assessment data, and presenting data by year of project completion, rather than year of evaluation.

This year's ARRI shows that the relevance of IFAD-supported projects remains generally high, confirming the importance of the Fund as a global organization promoting sustainable small-scale agricultural development. The rural poverty impact of IFAD-supported operations has shown improvements since 2005-2007. An upward trend is also visible in project performance and overall achievement in projects completed since 2009-2011. IFAD's performance as a partner during 2011-2013 is the best since the ARRI was first issued in 2003. IFAD-supported operations also get high scores for promoting innovative approaches and scaling up, both areas that are fundamental to achieving a wider impact on rural poverty. The ARRI also reveals that IFAD-supported operations do well at promoting gender equality and women's empowerment, an area in which the Fund is developing a comparative advantage, a track record and specialization.

Although the general picture is positive, a large number of projects continue to achieve moderately satisfactory performance, while hardly any are rated highly satisfactory for the evaluation criteria assessed. This means that there are opportunities for further improvement overall. Moreover, two areas flagged in the past remain problematic: efficiency of operations, and sustainability of benefits. These are the two evaluation criteria for which the results are weakest.

Governments' performance as partners of IFAD has also not shown much improvement over time. And monitoring and evaluation continues to be a challenge. All these areas require a change in approach in order to achieve better results.

Understanding exceptional projects is the learning theme for this year's ARRI. The review revealed a strong association between factors such as design, management and context in all types of countries. Project management emerged as a very important but underemphasized determinant of project performance in all country contexts.

Fragility, conflict and poverty increasingly coincide. Therefore, IFAD's relatively poor performance in fragile and/or conflict-affected states represents an important challenge. The forthcoming corporate-level evaluation of IFAD's work in fragile situations aims to provide a critical opportunity for significant rethinking and change.

External benchmarking shows that the performance of IFAD-funded operations since about the year 2000 has been broadly similar to that of World Bank operations globally. At the regional level, the performance of IFAD-supported operations is on a par with that of the African Development Bank in Africa and better than that of the Asian Development Bank in Asia and the Pacific. This is reassuring, given that the rural contexts in which IFAD works are often more challenging and the nature of our operations is generally more demanding.

Every year, IFAD management provides a written response to the ARRI, which is presented to the Executive Board and available online. Management broadly agreed with the conclusions of the ARRI 2013 and welcomed the methodological improvements in this year's report, which responded to comments made last year, in particular the suggestion for using completion cohorts to improve the robustness of the sample projects used in the ARRI. IFAD's self-evaluation system showed similar performance trends to those identified in the ARRI, particularly the improvements in a number of performance areas.

Management also agreed that economic efficiency and sustainability of benefits are the two weakest areas of performance, although it reports higher and gradually improving performance. Regarding performance in fragile and/or conflict-affected states, management agrees that this is an important issue. Indeed, this year's Annual Review of Portfolio Performance has assessed the difference in performance between fragile and non-fragile situations in detail. Management welcomed the forthcoming corporate-level evaluation of interventions in fragile and conflict-affected situations and flagged the need to apply a robust system of categorization, given that nearly half the fragile and/or conflict-affected states are also middle-income countries.

## Other evaluation activities in 2013

Two corporate-level evaluations were published: on IFAD's Institutional Efficiency and Efficiency of IFAD-funded Operations, and on IFAD's Supervision and Implementation Support Policy. The overarching recommendation of the evaluation on efficiency was for the organization to "raise the bar for IFAD's own performance as a partner to promote scaled-up impact of IFAD-supported operations". This is the first step towards excellence in all aspects of operations, and towards developing IFAD-supported projects and country programmes that can scale up impact.

The second evaluation highlighted that IFAD's move towards direct supervision is having a positive impact on project performance. Overall, direct reporting increased from 14 per cent of the project portfolio in 2007 to 93 per cent in 2011. Directly supervised projects fare better than those supervised by cooperating institutions, particularly in the performance indicators that matter most to IFAD, such as targeting, food security, gender and institution-building.

The evaluation also identified eight main areas for improvement of supervision and implementation support activities at the operational and strategic levels: flexibility, efficiency, client orientation, reporting on results, and evidence-based policy dialogue, at the operational level; and ownership, managing expectations, and scaling up, at the strategic level.

Country programme evaluations were completed for Ecuador, Indonesia and Madagascar. In Ecuador, findings indicate that the programme contributed positively to rural development, and IFAD is regarded as a trusted partner. Strong alignment between IFAD's mission and government priorities offers promising prospects for collaboration. However, results have been limited, as political instability has affected programme effectiveness.

The evaluation for Indonesia found marked progress in social infrastructure enhancement but limited results related to on-farm and off-farm development and agricultural productivity. The evaluation underlined the importance and potential of the Government-IFAD partnership for rural poverty reduction. Both sides express interest in this partnership and commitment to strengthening it.

In Madagascar, the evaluation found that the project portfolio had continued to perform well despite a challenging political crisis in 2009. IFAD and the Government gave sufficient attention to non-lending activities (policy dialogue, knowledge management, partnership-building and grants) – including in the sensitive area of land tenure policy dialogue – and set up a good monitoring system at the country strategic opportunities programme (COSOP) level. The Government and IFAD will need to agree on how to provide extended support to project areas after project closure.

As part of IFAD-wide commitments under the Ninth Replenishment, the Independent Office of Evaluation conducted its first impact evaluation of an IFAD-funded project: the Sri Lanka Dry Zone Livelihood Support and Partnership Programme. This evaluation used mixed methods, including qualitative and quantitative techniques. For the first time at IFAD, a quantitative survey was conducted, involving 2,560 households, both those receiving and those not receiving project support. The evaluation found that the project played an important role in exposing smallholder farmers to new crops and improved agricultural techniques. However, the effects on household assets and expenditures were mixed, according to the project's monitoring and evaluation data.

The Office completed three evaluation syntheses: IFAD's Engagement with Cooperatives, Results-based Country Strategic Opportunities Programmes, and Water Conservation and Management. The first synthesis found that while cooperatives are relatively easy to set up, it is difficult to ensure that they function effectively because their committee members and staff may lack the required knowledge and experience. However, properly operated cooperatives and similar farmer organizations can reach out and help large numbers of rural people to improve their incomes and living conditions, and they therefore merit continued support.

The second synthesis concluded that RB-COSOPs have generally been aligned with the strategic objectives of IFAD and the partner country. Nevertheless, some areas are not sufficiently addressed, such as engagement with the private sector, and pathways towards scaling up. The water synthesis concluded that, overall, IFAD's engagement with the water sector has been improving. However, the Fund must continue to strengthen engagement with natural resources and ecosystem management, undertake climate-related risk analysis, and include adaptive measures in project design.

## Reforming human resources to empower people and deliver results

Throughout 2013, IFAD continued to move ahead with the change and reform agenda to empower staff and deliver results. The corporate action plan addressed the following six main areas:

- Strengthening the transparency and effectiveness of recruitment processes. This included supporting the consideration of internal candidates, with a focus on increasing opportunities for career growth. Attention was also paid to gender and geographic balance in compliance with IFAD's human resources policy (www.ifad.org/gbdocs/eb/95/e/EB-2008-95-R-60.pdf). Recruitment times were shortened, with recruitments completed within 100 days on average.

- Helping consultants get on board as efficiently as possible. A portal was launched to help IFAD consultants get started quickly on their assignments. This is a comprehensive source of information on issues such as contracts, security clearances and templates for reports.
- Building a management development programme to strengthen people management skills across the organization. The pilot programme, involving 20 managers, was launched in 2013 and completed in March 2014. Based on the results, a regular programme will be designed for a larger number of managers. The pilot programme will also be the basis for the design of a directors' management development programme to be launched in 2014.
- Ensuring better rotation opportunities to motivate staff and foster professional development. The first IFAD rotation exercise was launched in October 2013. This will be an annual voluntary exercise.
- Re-establishing a process of conversion from fixed-term to indefinite contracts in the context of an improved accountability and performance management framework.
- Ensuring full compliance by management and staff with IFAD's Code of Conduct and core values. During 2013, a new competency framework was developed, which is clearly linked to IFAD's core values. It will be used in key human resources processes, including recruitment, performance management and staff development.

In 2013, we also launched a new consolidated staff awards programme to recognize staff who exemplify IFAD's core values. And we introduced a new reward and recognition framework, which will take effect in 2014. Up to 15 per cent of staff will be eligible for monetary and non-monetary rewards.

IFAD's presence in the field continues to grow. As of 31 December 2013, we had 21 international Professional staff members, 6 Associated Professional Officers, 42 National Officers and 20 General Service staff members in IFAD country offices around the world (see map inside front cover).

Staff numbers and statistics as of 31 December 2013 were as follows:

- Total staff numbered 547, including staff of the Independent Office of Evaluation of IFAD and Associated Professional Officers.
- Of the total, 293 were in the Professional and higher categories, 42 in the National Officer category, and 212 in the General Service category.
- The National Officer, Professional and higher categories included nationals from 86 Member States.
- Women constituted 46 per cent of Professional and higher categories staff, 21 per cent of the National Officer category, and 81 per cent of the General Service category.
- Overall, 58 per cent of IFAD staff members are women.

Sabah Hassan Aldin pours threshed wheat into a bag to store and transport it →
Egypt: West Noubaria Rural Development Project

# Financing data and resource mobilization

The tables and charts in this chapter give detailed information about IFAD's loans and grants from 1978 to the end of 2013. You can see the size of the ongoing portfolio in each of our regions, and track new approvals. We also show types of investment and rates of disbursements. Table 2 brings together key figures for the last five years and gives cumulative totals since we began work in 1978.

## Core resources and supplementary funds in 2013

IFAD's financing is drawn from several sources. These include our initial capital, investment income, loan reflows, and contributions from Member States and multilateral institutions. Member State contributions come through regular replenishments, held every three years, and in the form of supplementary funds.

## Ninth Replenishment of IFAD's Resources (2013-2015)

2013 was the first year of IFAD's Ninth Replenishment period (IFAD9), for which Member States agreed to a target of US$1.5 billion in new contributions to finance agricultural and rural development projects across the developing world. The target represented a 25 per cent increase over IFAD's Eighth Replenishment (2010-2012), and IFAD is currently financing a programme of loans and grants of US$2.95 billion over the three-year period. This target includes a thematic window to make the projects we support more resilient to the effects of climate change through implementation of ASAP (see page 6).

For IFAD9, our programme of loans and grants – together with cofinancing funds, domestic contributions from entities operating in developing Member States, and other non-IFAD funds administered by IFAD – will be worth a total of US$7.5 billion in investments.

Total pledges as of 31 December 2013, including complementary contributions, which are a subset of additional resources from Member States, amounted to more than US$1.41 billion, representing 94 per cent of the IFAD9 target of US$1.5 billion. Instruments of contributions (IOCs) received (including payments with no prior IOC deposit) amounted to more than US$1.37 billion, representing 97 per cent of the total pledges of regular and complementary contributions.

During 2013, we continued to identify strategic options for diversifying our resource mobilization instruments and building new partnerships in order to adapt to the changing global context of development finance. These partnerships are geared to ensuring that investments in agricultural and rural development are made in a sustainable manner and go beyond traditional grant contributions. They are also designed to maximize IFAD's capacity to meet emerging development challenges and priorities.

The exploration of new partnerships includes Islamic and ethical investors, and the private sector. We formed a global strategic partnership with the Intel Corporation to support smallholders through mobile and IT farm extension services in Asia. We also held discussions with multinational agrifood companies to learn about their priorities when they engage with smallholders and to look at the potential for leveraging their buying power in support of small producers. And we increased the alignment of key programmes with the work of major foundations working on the same priorities (for example, in Nigeria with the Bill & Melinda Gates Foundation), for better coordination and greater development impact.

## Supplementary funds

Supplementary funds are grant resources provided to IFAD in addition to replenishment

**TABLE 2**
**IFAD at a glance, 1978-2013[a, b]**

| | | 2009 | 2010 | 2011 | 2012 | 2013 | 1978-2013 |
|---|---|---|---|---|---|---|---|
| **Operational activities[c, d]** | | | | | | | |
| **Loan and DSF grant approvals** | | | | | | | |
| Number of programmes and projects | | 31 | 32 | 34 | 33 | 25 | 948 |
| Amount | US$ million | 644.1 | 777.7 | 947.2 | 963.0 | 731.1 | 14 521.3 |
| **Grant approvals** | | | | | | | |
| Number | | 99 | 88 | 83 | 90 | 63 | 2 551 |
| Amount | US$ million | 47.0 | 51.2 | 50.4 | 71.5 | 50.0 | 919.0 |
| **ASAP Trust Fund** | | | | | | | |
| Number | | - | - | - | 1 | 10 | 11 |
| Amount | US$ million | - | - | - | 4.9 | 103.0 | 108.0 |
| **Total IFAD loan and grant operations** | US$ million | **691.1** | **828.9** | **997.6** | **1 039.4** | **884.0** | **15 549.2** |
| **Cofinancing** | US$ million | **308.1** | **662.2** | **412.2** | **420.3** | **342.2** | **9 926.6** |
| Multilateral | | 280.2 | 565.2 | 213.2 | 153.3 | 207.1 | 7 558.0 |
| Bilateral | | 24.6 | 74.5 | 159.4 | 183.0 | 93.2 | 1 769.4 |
| NGO | | 0.7 | 10.4 | - | 3.5 | - | 44.9 |
| Other[e] | | 2.5 | 12.2 | 39.6 | 80.5 | 41.9 | 554.2 |
| **Domestic contributions** | US$ million | **362.3** | **924.8** | **834.3** | **599.5** | **568.6** | **12 830.0** |
| **Total programme and project cost[f]** | US$ million | **1 321.1** | **2 370.2** | **2 198.3** | **2 003.0** | **1 748.5** | **37 487.6** |
| **Programmes and projects** | | | | | | | |
| Number of effective programmes and projects under implementation | | 217 | 231 | 238 | 256 | 241 | - |
| Number of programmes and projects completed | | 24 | 21 | 26 | 21 | 43 | 685 |
| Number of programmes and projects in pipeline | | 65 | 74 | 64 | 79 | 84 | - |
| Number of approved programmes and projects initiated by IFAD | | 25 | 27 | 32 | 32 | 24 | 785 |
| Number of recipient countries/territories (current portfolio) | | 91 | 96 | 97 | 99 | 98 | - |
| **Loan disbursements** | US$ million | 428.5 | 457.6 | 549.7 | 534.5 | 482.6 | 9 234.0 |
| **DSF grant disbursements** | US$ million | 13.8 | 39.4 | 76.3 | 118.4 | 142.5 | 398.9 |
| **Loan repayments[g]** | US$ million | 256.8 | 274.1 | 287.0 | 271.1 | 261.1 | 4 739.7 |
| **Membership and administration** | | | | | | | |
| Member States – at end of period | | 165 | 165 | 167 | 169 | 172 | - |
| Professional staff – at end of period[h, i] | | 235 | 260 | 298 | 312 | 321 | - |

Sources: Project and Portfolio Management System; IFAD financial statements for 1978-2013; IFAD's Accounting System.

[a] IFAD loans and debt sustainability framework (DSF) grants for investment programmes and projects are denominated in special drawing rights (SDRs). For the reader's convenience, tables and charts use figures shown in US$ equivalents, as per the President's report for each programme or project approved by the Executive Board. Any discrepancy in totals is the result of rounding.

[b] 1986-1995 figures include the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

[c] Excludes fully cancelled programmes and projects. Excludes the Programme Development Financing Facility.

[d] The Smallholder Commercialization Programme approved in 2011 for Sierra Leone is supervised by IFAD and entirely funded by a grant from the Global Agriculture and Food Security Program (GAFSP). The programme is counted under the number of programmes and projects but has no IFAD financing.

[e] Includes financing under basket or similar funding arrangements, financing from private-sector resources and financing that was not confirmed at the time of Executive Board approval.

[f] Includes DSF grants and component grants, and excludes grants not related to investment projects.

[g] Loan repayments relate to principal and interest repayments and include repayments on behalf of Heavily Indebted Poor Countries (HIPC) Debt Initiative countries and the Spanish Food Security Cofinancing Facility Trust Fund.

[h] Approved positions (excluding those of the President and Vice-President).

[i] Includes National Officers in country offices.

contributions.[7] They are earmarked for cofinancing specific initiatives and projects, as indicated in the relevant agreements between IFAD and the donors concerned.

The major agreements reached during 2013 were with partners including the European Commission and the Governments of Canada, France, Germany, Italy, the Netherlands and Switzerland. These agreements support nutrition-sensitive agriculture, food production, and value chain development. They also provide funds for the establishment of the multi-donor Platform for Agricultural Risk Management (PARM) (see page 32), and natural resource management with a special focus on land and responsible investment in agriculture, in partnership with the Global Land Tool Network. In 2013, IFAD also adhered to the United Nations Development Programme (UNDP) multi-donor trust fund established by the three Rome-based agencies and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) for

**TABLE 3**
**Summary table of supplementary funds for thematic and technical assistance and cofinancing received in 2013**[a]
Amounts in US$ million

| Donor | Thematic and technical assistance | Cofinancing (excluding parallel cofinancing) | Total |
|---|---|---|---|
| *CGIAR* | *20.8* | - | |
| *Farmer organizations* | *4.8* | - | |
| *Eritrea* | - | *1.2* | |
| *Mozambique* | - | *7.6* | |
| *Burundi* | - | *6.3* | |
| *Kenya* | - | *5.8* | |
| *PARM* | *1.1* | - | |
| **European Commission total** | **26.6** | **20.8** | **47.4** |
| Netherlands | 5.1 | 4.8 | 9.9 |
| Canada | 5.0 | - | 5.0 |
| Switzerland | 1.7 | - | 1.7 |
| France | 1.4 | - | 1.4 |
| Italy voluntary contribution | 1.3 | - | 1.3 |
| Denmark | - | 0.9 | 0.9 |
| OFID Somalia | - | 0.7 | 0.7 |
| OFID Sao Tome and Principe, Ghana | - | 0.6 | 0.6 |
| Republic of Korea | 0.5 | - | 0.5 |
| Estonia | 0.1 | - | 0.1 |
| **Total** | **41.6** | **27.8** | **69.4** |

[a] Any discrepancy in totals is the result of rounding.
OFID = OPEC Fund for International Development; PARM = Platform for Agricultural Risk Management.

**TABLE 4**
**Ongoing programme and project portfolio by region**[a]
As at end December 2013

| | Number of programmes and projects | IFAD financing[b] (US$ million) |
|---|---|---|
| West and Central Africa | 52 | 1 042.3 |
| East and Southern Africa | 44 | 1 183.8 |
| Asia and the Pacific | 60 | 1 765.2 |
| Latin America and the Caribbean | 41 | 617.9 |
| Near East, North Africa and Europe | 44 | 785.2 |
| **Total**[c] | **241** | **5 394.3** |

Source: Project and Portfolio Management System.
[a] The ongoing portfolio consists of approved programmes and projects that have reached effectiveness and have not yet been completed.
[b] Amounts as per the President's report for each programme or project approved by the Executive Board. Amounts include loans, DSF grants and component grants for investment programmes and projects. Grants unrelated to programmes and projects are not included.
[c] Any discrepancy in totals is the result of rounding.

[7] The main resources of IFAD are those as defined in Article 4 of the Agreement Establishing IFAD. Supplementary funds are other contributions accepted to supplement these resources to enhance IFAD's operations and to build strategic linkages and partnerships with members. The supplementary funds referred to in this section finance specific programmes or activities and include resources that flow through IFAD to cofinance IFAD loan-supported programmes and projects. They do not include Associate Professional Officer resources or funds that IFAD administers on behalf of partner organizations hosted on its premises (the Global Mechanism and the International Land Coalition) or the Global Environment Facility.

the Joint Programme on Accelerating Progress towards the Economic Empowerment of Rural Women, and to the quadripartite agreement between Switzerland and the three Rome-based agencies on food-waste reduction.

Overall in 2013, IFAD received US$69.4 million in supplementary funds under agreements signed in 2013 and previous years. Table 3 shows supplementary funds received during the year.

## Ongoing portfolio

IFAD's portfolio of ongoing programmes and projects continued to grow in value in 2013 (Table 4). At the end of the year, there were 241 programmes and projects at work around the world, funded by IFAD investments worth US$5.4 billion in partnership with 96 recipient governments and Gaza and the West Bank (see map inside front cover). External cofinancing and funds from domestic sources for the ongoing portfolio amounted to US$6.8 billion, bringing the total value of these programmes and projects to US$12.2 billion.

## Cofinancing of IFAD-supported programmes and projects

Cofinancing from our partners multiplies the value of the development interventions that we support. It includes resources from bilateral and multilateral donors, and domestic contributions from recipient governments and project participants themselves.

Levels of cofinancing are affected by many external factors and may vary greatly from year to year. In 2013, multilateral cofinancing rose to US$207.1 million from US$153.3 million in 2012 and provided the bulk of external cofinancing for newly approved programmes and projects (Table 2 and Chart 6).

**TABLE 5**
**Financing of IFAD-supported programmes and projects, 1978-2013**
Amounts in US$ million

| | 1978-1999 | 2000-2005 | 2006-2011 | 2012 | 2013 | 1978-2013 |
|---|---|---|---|---|---|---|
| IFAD[a, b] | 6 518.3 | 2 400.9 | 3 990.8 | 983.3 | 837.7 | 14 731.0 |
| Cofinanced[c] | 5 864.0 | 1 092.0 | 2 208.0 | 420.3 | 342.2 | 9 926.6 |
| Domestic | 7 006.1 | 1 687.4 | 2 968.5 | 599.5 | 568.6 | 12 830.0 |
| **Total[d, e]** | **19 388.3** | **5 180.3** | **9 167.3** | **2 003.0** | **1 748.5** | **37 487.6** |
| Number of programmes and projects[f] | 551 | 152 | 187 | 33 | 25 | 948 |

Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme or project approved by the Executive Board. Financing for programmes and projects includes loans, DSF grants and component grants. It does not include other grants unrelated to programmes and projects.

[b] Figures include IFAD financing for Indonesia's National Programme for Community Empowerment in Rural Areas approved in 2008.

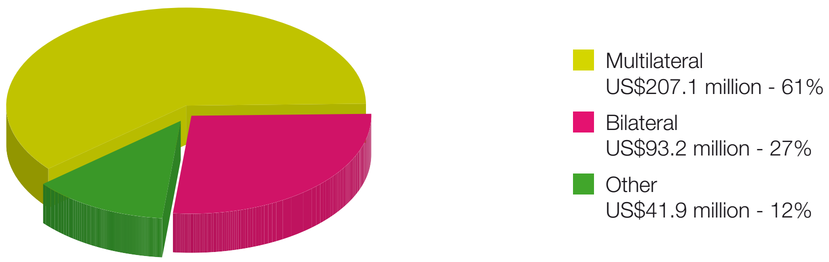
[c] Includes cofinancing that may not have been confirmed at the time of Executive Board approval.

[d] Total amounts may include additional financing for previously approved programmes and projects.

[e] Any discrepancy in totals is the result of rounding

[f] Fully cancelled or rescinded programmes and projects are not included.

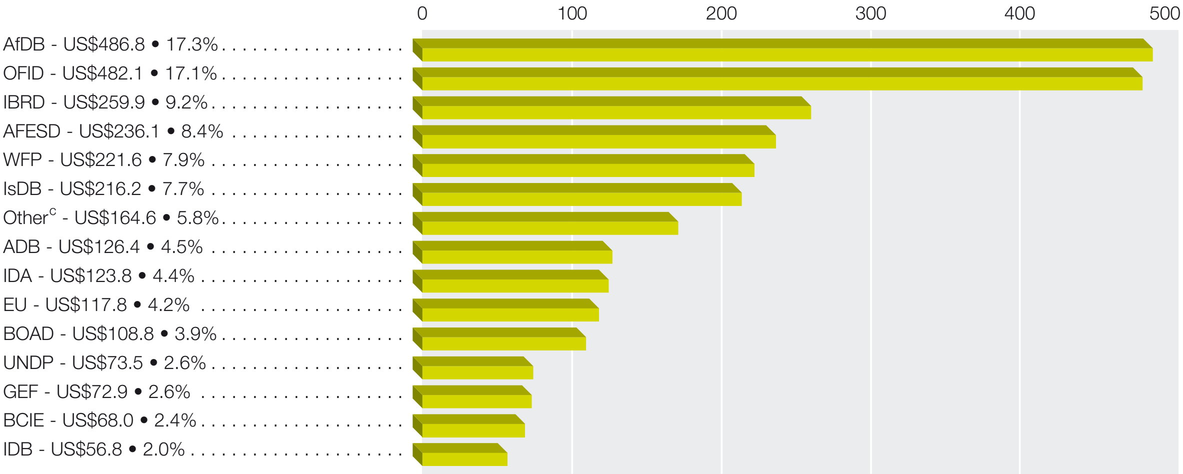
**CHART 6**
**Cofinancing of IFAD-supported programmes and projects, 2013**
Share of total of US$342.2 million[a]




Source: Project and Portfolio Management System.

[a] Any discrepancy in totals is the result of rounding.

**CHART 7**
**Cofinancing of IFAD-initiated programmes and projects by multilateral donors, 1978-2013[a, b]**
Amounts in US$ million



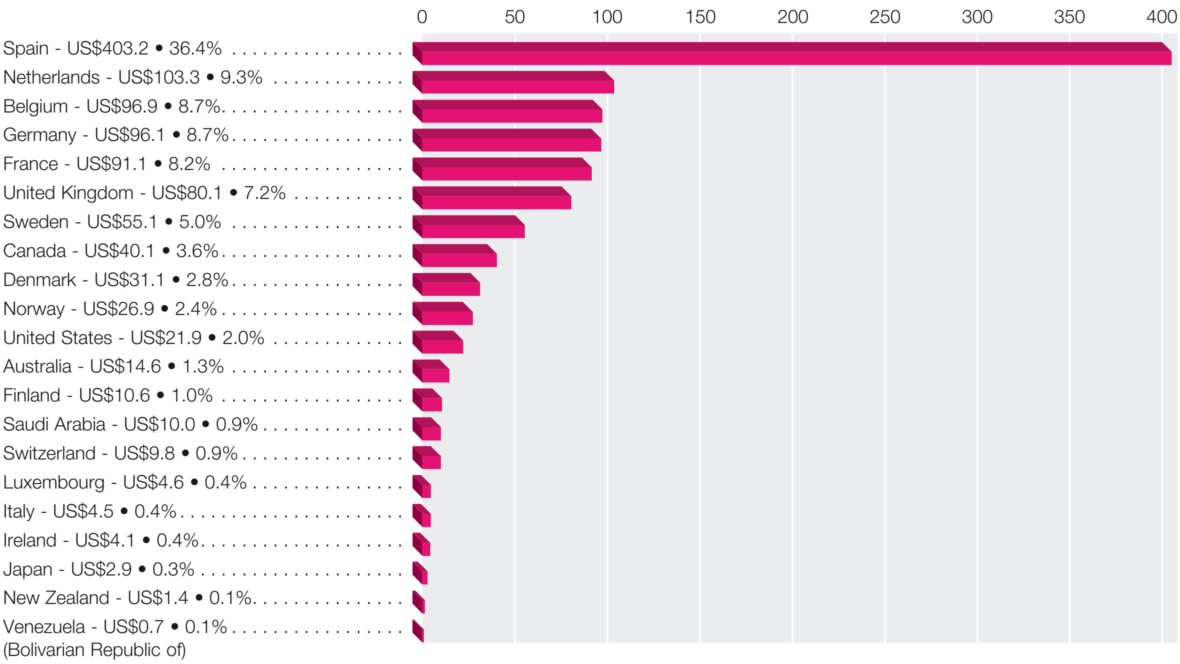

Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme or project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of US$2,815.0 million. Multilateral participation in basket or similar funding arrangements is not included.

[b] ADB = Asian Development Bank; AfDB = African Development Bank; AFESD = Arab Fund for Economic and Social Development; BCIE = Central American Bank of Economic Integration (*Banco Centroamericano de Integración Económica*); BOAD = West African Development Bank (*Banque Ouest Africaine de Développement*); EU = European Union; GEF = Global Environment Facility; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; IDB = Inter-American Development Bank; IsDB = Islamic Development Bank; OFID = OPEC Fund for International Development; UNDP = United Nations Development Programme; WFP = World Food Programme.

[c] Other cofinanciers include: Arab Authority for Agricultural Investment and Development (AAAID), Africa Fund, Arab Bank for Economic Development in Africa (BADEA), Andean Development Corporation (CAF – *Corporación Andina de Fomento*), Caribbean Development Bank (CDB), Economic Community of West African States (ECOWAS) Bank for Investment and Development (EBID), Food and Agriculture Organization of the United Nations (FAO), Global Agriculture and Food Security Program (GAFSP), International Finance Corporation (IFC), International Labour Organization (ILO), Inter-American Institute for Cooperation on Agriculture (IICA), Strategic Climate Fund (SCF), United Nations Capital Development Fund (UNCDF), United Nations International Drug Control Programme (UNDCP), United Nations Fund for Drug Abuse Control (UNFDAC), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF) and United Nations Development Fund for Women (UNIFEM) (now United Nations Entity for Gender Equality and the Empowerment of Women [UN Women]).

**CHART 8**
**Cofinancing of IFAD-initiated programmes and projects by donor Member States (bilateral), 1978-2013[a]**
Amounts in US$ million




Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme and project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of US$1,109.2 million. Bilateral participation in basket or similar funding arrangements is not included.

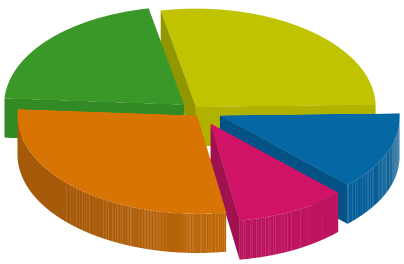
Chart 7 shows the top 15 multilateral cofinanciers of IFAD-initiated programmes and projects to date. The list is headed by the African Development Bank, the OPEC Fund for International Development, the International Bank for Reconstruction and Development (of the World Bank Group) and the Arab Fund for Economic and Social Development. Together, these four represent more than 50 per cent of total multilateral cofinancing of US$2.8 billion.

Chart 8 ranks bilateral donors to programmes and projects initiated by IFAD, with Spain, the Netherlands and Belgium at the top of the chart. Together, these countries have provided more than 54 per cent of total bilateral cofinancing to IFAD-initiated projects, worth US$1.1 billion since we started work in 1978.

IFAD's Executive Board approved the Spanish Food Security Cofinancing Facility Trust Fund in 2010. It consists of a loan from the Government of Spain of €285.5 million (US$400.0 million) and a grant of €14.5 million (US$20.3 million).

As at 31 December 2013, the Board had approved €299.7 million from the trust fund to scale up IFAD-supported projects: 11 in Latin America and the Caribbean (€154.0 million), 4 in West and Central Africa (€32.4 million), 4 in East and Southern Africa (€49.3 million), 3 in Asia and the Pacific (€35.6 million), and 3 in the Near East, North Africa and Europe (€28.4 million).

**CHART 9**
**Regional distribution of IFAD financing for programmes and projects approved in 2013[a]**
Share of total of US$837.7 million




Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme or project approved by the Executive Board. Financing for programmes and projects includes loans, DSF grants and component grants. It does not include other grants unrelated to programmes and projects.

**TABLE 6**
**IFAD financing for programmes and projects by region, 1978-2013[a, b]**
Amounts in US$ million

| | 1978-1999 | 2000-2005 | 2006-2011 | 2012 | 2013 | 1978-2013 |
|---|---|---|---|---|---|---|
| **West and Central Africa** | | | | | | |
| Total amount | 1 127.2 | 449.2 | 678.4 | 268.9 | 244.8 | 2 768.5 |
| Number of projects and programmes | 120 | 35 | 41 | 7 | 5 | 208 |
| **East and Southern Africa** | | | | | | |
| Total amount | 1 120.9 | 468.9 | 1 030.4 | 130.9 | 174.7 | 2 925.8 |
| Number of projects and programmes | 100 | 30 | 38 | 4 | 5 | 177 |
| **Asia and the Pacific** | | | | | | |
| Total amount | 2 136.9 | 728.2 | 1 265.3 | 340.1 | 227.2 | 4 697.6 |
| Number of projects and programmes | 139 | 37 | 44 | 10 | 6 | 236 |
| **Latin America and the Caribbean** | | | | | | |
| Total amount | 1 036.4 | 349.7 | 406.4 | 149.6 | 107.1 | 2 049.3 |
| Number of projects and programmes | 99 | 20 | 29 | 8 | 5 | 161 |
| **Near East, North Africa and Europe** | | | | | | |
| Total amount | 1 096.9 | 404.9 | 610.3 | 93.9 | 83.9 | 2 289.9 |
| Number of projects and programmes | 93 | 30 | 35 | 4 | 4 | 166 |
| **Total IFAD financing[c]** | **6 518.3** | **2 400.9** | **3 990.8** | **983.3** | **837.7** | **14 731.0** |
| **Total number of programmes and projects[d]** | **551** | **152** | **187** | **33** | **25** | **948** |

Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme or project approved by the Executive Board. Financing for programmes and projects includes loans, DSF grants and component grants. It does not include other grants unrelated to programmes and projects.

[b] Total amounts may include additional financing for previously approved programmes and projects.

[c] Any discrepancy in totals is the result of rounding.

[d] Fully cancelled or rescinded programmes and projects are not included.

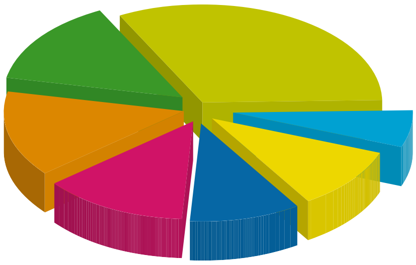
## Priority country and regional financing

We continue to prioritize assistance to least developed countries and countries with low food security. Of 2013 programme and project financing, 72.8 per cent was for low-income, food-deficit countries (as classified by FAO) and 52.6 per cent for the United Nations-classified least developed countries. From a regional perspective, IFAD's two sub-Saharan African regions received 50 per cent of new financing for programmes and projects in 2013 (Chart 9). Table 6 shows financing by region since 1978.

## Financing by sector

The primary focus of IFAD's work is on fostering agriculture and inclusive rural development. More than 30 per cent of investments in our current portfolio support agriculture and natural resource management, the basic building blocks of rural economies (Chart 10). Rural financial services, and markets and related infrastructure each account for about 14 per cent of funds invested. These two sectors play a key role in driving inclusive economic growth in the rural areas where we work, enabling poor rural women and men to build their businesses and to process, transport and sell their produce.

**CHART 10**
**IFAD current portfolio financing by sector (at end 2013)**



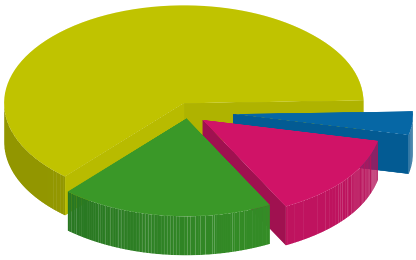
- Agriculture and natural resource management[a] - 32%
- Rural financial services - 14%
- Markets and related infrastructure - 14%
- Other[b] - 13%
- Community-driven and human development - 10%
- Policy and institutional support - 10%
- Small and microenterprises - 6%

Source: Project and Portfolio Management System.

[a] Agriculture and natural resource management includes irrigation, rangelands, fisheries, research, extension and training.

[b] Other includes communications, culture and heritage, disaster mitigation, energy production, monitoring and evaluation, management and coordination, and post-crisis management.

**CHART 11**
**IFAD loans by lending terms, and DSF grants, 2013**
Share of total of US$731.1 million[a]



- Highly concessional loans US$460.6 million - 63%
- Ordinary loans US$105.0 million - 14%
- Blend loans US$29.3 million - 4%
- DSF grants US$136.2 million - 19%

Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme or project approved by the Executive Board. Amounts include Regular Programme loans, Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification loans and DSF grants.

**TABLE 7**
**Summary of IFAD loans by lending terms, and of DSF grants, 1978-2013[a, b]**
Amounts in US$ million

| | 1978-1999 | 2000-2005 | 2006-2011 | 2012 | 2013 | 1978-2013 |
|---|---|---|---|---|---|---|
| **DSF grants** | | | | | | |
| Amount | - | - | 767.1 | 315.0 | 136.2 | 1 218.4 |
| Number of grants | - | - | 76 | 17 | 11 | 104 |
| **Highly concessional loans** | | | | | | |
| Amount | 4 415.1 | 2 011.3 | 2 356.3 | 314.1 | 460.6 | 9 557.5 |
| Number of loans | 391 | 128 | 124 | 18 | 21 | 682 |
| **Hardened loans** | | | | | | |
| Amount | - | - | 54.1 | 5.0 | - | 59.1 |
| Number of loans | - | - | 4 | 1 | - | 5 |
| **Intermediate loans** | | | | | | |
| Amount | 1 404.0 | 166.7 | 371.1 | 35.4 | - | 1 977.1 |
| Number of loans | 120 | 11 | 15 | 3 | - | 149 |
| **Blend loans** | | | | | | |
| Amount | - | - | - | - | 29.3 | 29.3 |
| Number of loans | - | - | - | - | 2 | 2 |
| **Ordinary loans** | | | | | | |
| Amount | 643.3 | 230.3 | 407.9 | 293.5 | 105.0 | 1 680.0 |
| Number of loans | 52 | 13 | 31 | 13 | 5 | 114 |
| **Total amount** | **6 462.4** | **2 408.3** | **3 956.5** | **963.0** | **731.1** | **14 521.3** |
| **Total number of loans and DSF grants[c, d]** | **563** | **152** | **250** | **52** | **39** | **1 056** |

Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme or project approved by the Executive Board. Includes Regular Programme loans, Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification loans and DSF grants. Includes a loan on highly concessional terms approved in 2005 for Indonesia made up of unused proceeds of a loan approved in 1997 on intermediary terms.

[b] Any discrepancy in totals is due to rounding.

[c] A programme or project may be financed through more than one loan or DSF grant and thus the number of loans and DSF grants may differ from the number of programmes or projects shown in other tables.

[d] Fully cancelled or rescinded loans are not included.

**TABLE 8**
**Summary of IFAD loans by lending terms, and of DSF grants, by region, 1978-2013[a, b]**
Amounts in US$ million

| | West and Central Africa | East and Southern Africa | Asia and the Pacific | Latin America and the Caribbean | Near East, North Africa and Europe | Total |
|---|---|---|---|---|---|---|
| **DSF grants** | | | | | | |
| Amount | 453.1 | 340.2 | 216.1 | 51.2 | 157.7 | 1 218.4 |
| Number of grants | 33 | 25 | 20 | 9 | 17 | 104 |
| **Highly concessional loans** | | | | | | |
| Amount | 2 145.8 | 2 430.5 | 3 599.6 | 411.4 | 970.3 | 9 557.5 |
| Number of loans | 195 | 165 | 196 | 41 | 85 | 682 |
| **Hardened loans** | | | | | | |
| Amount | - | - | - | - | 59.1 | 59.1 |
| Number of loans | - | - | - | - | 5 | 5 |
| **Intermediate loans** | | | | | | |
| Amount | 105.2 | 109.0 | 609.9 | 488.0 | 665.0 | 1 977.1 |
| Number of loans | 11 | 11 | 36 | 51 | 40 | 149 |
| **Blend loans** | | | | | | |
| Amount | - | - | 15.0 | 14.3 | - | 29.3 |
| Number of loans | - | - | 1 | 1 | - | 2 |
| **Ordinary loans** | | | | | | |
| Amount | 21.3 | 13.7 | 207.7 | 1 058.3 | 378.9 | 1 680.0 |
| Number of loans | 3 | 4 | 5 | 73 | 29 | 114 |
| **Total amount** | **2 725.4** | **2 893.4** | **4 648.3** | **2 023.3** | **2 231.1** | **14 521.3** |
| **Percentage of total IFAD loans and DSF grants** | **18.8** | **19.9** | **32.0** | **13.9** | **15.4** | **100.0** |
| **Total number of loans[c, d] and DSF grants** | **242** | **205** | **258** | **175** | **176** | **1 056** |

Source: Project and Portfolio Management System.

[a] Amounts as per the President's report for each programme or project approved by the Executive Board. Includes Regular Programme loans, Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification loans and DSF grants. Includes a loan on highly concessional terms approved in 2005 for Indonesia made up of unused proceeds of a loan approved in 1997 on intermediary terms.

[b] Any discrepancy in totals is due to rounding.

[c] A programme or project may be financed through more than one loan or DSF grant and thus the number of loans and DSF grants may differ from the number of programmes or projects shown in other tables.

[d] Fully cancelled or rescinded loans are not included.

## Allocation of programme and project financing by instrument and terms

Loans on highly concessional terms continue to make up the bulk of our financing for investment programmes and projects (Table 7).[8] More than 60 per cent of new financing approved during the year was in the form of highly concessional loans – worth a total of US$460.6 million. DSF grants made up nearly 19 per cent of the total, followed by ordinary loans with 14 per cent and blend loans with 4 per cent (Chart 11).

As a share of our cumulative financing portfolio since 1978, highly concessional loans and DSF grants represent about 74 per cent of the total, well over the two-thirds target set out in IFAD's Lending Policies and Criteria. Table 8 shows investments by lending terms and region.

## Disbursements

Disbursements of IFAD loans and DSF grants amounted to US$625.1 million in 2013 (Tables 9 and 10). Over the period 1979-2013, cumulative disbursements of loans under the Regular Programme amounted to US$8,917.8 million, representing 76 per cent of effective commitments at the end of 2013 (Table 11). This compared with US$8,435.2 million disbursed by the end of 2012, which made up 75 per cent of effective commitments.

## Managing IFAD's liquidity, cash flow and financial policies

IFAD manages investments and cash flow activities worth US$2.3 billion for the regular programme of work and US$0.7 billion for supplementary programmes and trust funds.

**TABLE 9**
**Annual loan disbursement by region under the Regular Programme, 1979-2013[a]**
Amounts in US$ million

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 1979-2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| West and Central Africa | 61.4 | 62.3 | 57.8 | 61.8 | 64.4 | 66.8 | 66.0 | 74.4 | 94.2 | 74.8 | 1 306.9 |
| East and Southern Africa | 70.2 | 75.9 | 88.6 | 89.4 | 85.4 | 106.4 | 99.4 | 104.3 | 140.4 | 136.2 | 1 688.0 |
| Asia and the Pacific | 73.1 | 93.1 | 127.2 | 122.0 | 99.1 | 129.2 | 158.0 | 230.7 | 172.2 | 148.0 | 3 068.3 |
| Latin America and the Caribbean | 49.1 | 42.3 | 57.4 | 63.4 | 79.1 | 61.6 | 64.0 | 72.9 | 65.7 | 54.2 | 1 373.5 |
| Near East, North Africa and Europe | 57.6 | 68.0 | 55.9 | 62.1 | 96.1 | 73.5 | 70.1 | 67.3 | 61.9 | 69.4 | 1 481.1 |
| **Total[b]** | **311.4** | **341.6** | **386.9** | **398.7** | **424.1** | **437.5** | **457.5** | **549.6** | **534.5** | **482.6** | **8 917.8** |

Source: Loans and Grants System.

[a] Loan disbursements relate solely to Regular Programme loans and exclude the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, and DSF financing.

[b] Any discrepancy in totals is the result of rounding.

**TABLE 10**
**Annual DSF disbursement by region, 2007-2013**
Amounts in US$ million

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2007-2013 |
|---|---|---|---|---|---|---|---|---|
| West and Central Africa | - | 1.1 | 1.9 | 8.5 | 23.3 | 36.2 | 49.2 | 120.3 |
| East and Southern Africa | 1.0 | 3.6 | 5.2 | 16.8 | 27.3 | 41.7 | 44.9 | 140.5 |
| Asia and the Pacific | 0.9 | 1.7 | 4.6 | 8.8 | 13.9 | 24.3 | 22.9 | 77.0 |
| Latin America and the Caribbean | - | - | 0.6 | 0.9 | 2.9 | 6.6 | 6.2 | 17.2 |
| Near East, North Africa and Europe | - | - | 0.9 | 3.8 | 7.5 | 9.1 | 19.2 | 40.5 |
| Global | 0.1 | 0.1 | 0.6 | 0.7 | 1.4 | 0.5 | - | 3.4 |
| **Total[a]** | **2.0** | **6.5** | **13.8** | **39.4** | **76.3** | **118.4** | **142.5** | **399.0** |

Source: Loans and Grants System.

[a] Any discrepancy in totals is the result of rounding.

[8] IFAD provides loans on four different types of lending terms: highly concessional loans that carry no interest charge, have a service charge of 0.75 per cent and are repaid over 40 years; loans on hardened terms that carry no interest charge, have a service charge of 0.75 per cent and are repaid over 20 years; intermediate loans that carry a variable interest charge equivalent to 50 per cent of the reference interest rate and are repaid over 20 years; and ordinary loans that carry a variable interest charge equal to the reference interest rate and are repaid over 15 to 18 years.

In 2013 the volume of cash transactions reached record levels of US$6.0 billion for the Regular Programme and US$1.9 billion for supplementary programmes and trust funds, a significant increase of 5 per cent compared with 2012 and a 30 per cent increase compared with the average of the Eighth Replenishment period. The increase is mainly driven by the continued expansion of regular and supplementary programmes and trust fund activities.

An overall investment strategy review was carried out in order to ensure continued liquidity for disbursements and to maximize investment returns within established risk parameters. The aim was to align IFAD's investments with the growth in net outflows – due to the increase in the programme of loans and grants – and the weak return outlook. As a result, modifications were made to the policy asset allocation towards the end of the year.

As part of ongoing efforts to strengthen risk management, and in the context of the corporate review of business continuity, the business continuity plan and arrangements were validated and enhanced. To improve efficiency further, workflows were reviewed for cross-divisional processes. New software was also introduced to facilitate compliance management for investments and cash operations.

As co-chair of the Finance and Budget Network Working Group on Common Treasury Services, IFAD continues to play a leading role in United Nations system-wide efforts to increase the operational efficiency of treasuries. IFAD Treasury hosts and administers the dedicated United Nations Treasury Community of Practice website, which continues to be the principal forum for interaction among United Nations treasuries.

In line with the corporate focus on IFAD's presence in the countries where we operate, and the growing number of country offices (see map inside front cover), business and legal negotiations with eligible banks were finalized and an IFAD country office decentralization working group was set up to find solutions to support IFAD country offices more effectively.

**TABLE 11**
**Loan disbursement by region and lending terms under the Regular Programme, 1979-2013[a]**
Amounts in US$ million

| | Highly concessional | Intermediate | Ordinary | Hardened | Total |
|---|---|---|---|---|---|
| **West and Central Africa** | | | | | |
| Amount | 1 230.9 | 60.3 | 15.7 | - | **1 306.9** |
| Percentage of total loan effective commitment | 73 | 100 | 87 | - | **74** |
| **East and Southern Africa** | | | | | |
| Amount | 1 587.0 | 97.5 | 3.4 | - | **1 688.0** |
| Percentage of total loan effective commitment | 74 | 95 | 26 | - | **75** |
| **Asia and the Pacific** | | | | | |
| Amount | 2 630.3 | 422.9 | 15.1 | - | **3 068.3** |
| Percentage of total loan effective commitment | 78 | 86 | 7 | - | **76** |
| **Latin America and the Caribbean** | | | | | |
| Amount | 365.8 | 406.3 | 601.4 | - | **1 373.6** |
| Percentage of total loan effective commitment | 88 | 94 | 63 | - | **76** |
| **Near East, North Africa and Europe** | | | | | |
| Amount | 833.6 | 400.1 | 237.7 | 9.7 | **1 481.1** |
| Percentage of total loan effective commitment | 90 | 71 | 69 | 22 | **74** |
| **Total amount** | **6 647.7** | **1 387.1** | **873.3** | **9.7** | **8 917.8** |
| **Total percentage of total loan effective commitment** | **78** | **84** | **57** | **22** | **76** |

Source: Loans and Grants System.

[a] Loan disbursements relate solely to Regular Programme loans and exclude the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, and DSF financing.

## IFAD's approach and support to debt relief and debt management

Debt relief and debt management make an important contribution to reducing poverty. During 2013, IFAD continued to give full support to work at the international level addressing the existing debt of poor countries through the Heavily Indebted Poor Countries (HIPC) Debt Initiative. We also continued to use our debt sustainability framework (DSF) to ensure that vulnerable countries did not accumulate future debt.

Since the HIPC Debt Initiative was set up, many countries have made substantial progress in gaining access to debt relief. More than 97 per cent of eligible countries (36 out of 38) have passed their decision points, qualifying for HIPC Debt Initiative assistance from IFAD. Thirty-four countries have now reached completion point – at which they receive full and irrevocable debt reduction – and two are in the interim period between the decision and completion points.

Our total commitments so far amount to approximately US$572.3 million of debt service relief in nominal terms. As at 31 December 2013, IFAD had provided US$419.7 million in debt relief to the 34 completion point countries.

During 2013, nearly 19 per cent of the total value of approved financing for investment programmes and projects was in the form of DSF grants. Eleven grants were approved, for a total value of US$136.2 million (Table 7).

Programme participants at work in small vegetable plots in Bac Giang village, Ha Tinh province →
Viet Nam: Programme for Improving Market Participation of the Poor in Ha Tinh and Tra Vinh Provinces

# Awards

## Staff awards

Every year, we nominate outstanding colleagues to receive staff awards. The 2013 awards ceremony was held at the end of our first ever Global Staff Meeting, a two-day team-building event that brought together over 600 IFAD employees from all over the world.

Staff won awards for their exceptional contributions in one of four categories:

- leadership – at any level in the organization
- innovation or extraordinary initiative
- facilitation of change
- upholding IFAD's core values: focus on results, integrity, professionalism and respect.


Associate Vice-President Kevin Cleaver receives the Presidential Award at the Global Staff Meeting 2014


Over 600 staff members at the opening ceremony of IFAD's first Global Staff Meeting

### Leadership
Abdelhamid Abdouli
Allegra Saitto

### Innovative project/ Extraordinary initiative
Antonella Cordone

**LGS team:**
Sunil Abishaikh
Gabriella Donzelli
James Ewing
Daniela Frau
Tiziana Galloni
Simone Giorgi
David Hartcher
Saman Karunaratne
Alessandro Lembo
Andrea Marchetti
Allegra Saitto

**FFR team:**
Pedro De Vasconcelos
Rosanna Faillace
Mauro Martini

### Facilitator of change
Lucy Gizzi
Irene Li

### IFAD core values
Sennai Kebedom
Mayte Illan Rives
Atsuko Toda

### Presidential Award
Kevin Cleaver

### Honourable mention
Alessandra Casano of the FFR team
Carla De Donato, Kim Harvey and Fabrizio Forte for the action taken following a car accident outside IFAD headquarters in November 2013


Staff award winners 2013 with the President of IFAD (from left to right): Sunil Abishaikh, Tiziana Galloni, Lakshmi Menon, Simone Giorgi, Allegra Saitto, Alessandro Lembo, Daniela Frau, Antonella Cordone, Andrea Marchetti, Gabriella Donzelli, Abdelhamid Abdouli, Sennai Kebedom, Kanayo F. Nwanze, Mayte Illan Rives, Atsuko Toda, David Hartcher, Irene Li, Lucy Gizzi, Pedro De Vasconcelos, Rosanna Faillace, Mauro Martini

## Awards to IFAD

During 2013, IFAD received a number of awards from Member State governments, indicating a growing awareness of agricultural development and IFAD's work. In April, IFAD and our sister Rome-based agencies – the Food and Agriculture Organization of the United Nations and the World Food Programme – were made **honorary citizens of the city of Rome** in recognition of our consistent commitment to the fight against hunger and poverty. The agencies' work in support of food security and sustainable development and to improve the living conditions of rural populations was also recognized.

In July, the United States Treasury awarded the **Development Impact Honors** award to IFAD and the African Development Bank for a joint project in rural Uganda that is improving infrastructure and market access, connecting smallholder farmers to markets and helping them become more competitive. In the same month, IFAD also received the **Témoignage Officiel de Satisfaction** (official testament of satisfaction) from the President of the Regional Office of the Association of Municipalities of Niger, based in Maradi.

During a trip to Latin America in August, IFAD's President Kanayo F. Nwanze received the **Diploma de la Ciudad** (City Diploma) from the Municipal District of Sibayo, Province of Caylloma in Arequipa, Peru. IFAD was also recognized by the President of the Republic and the State Secretary of Honduras for our valuable contribution to the Honduran agro-alimentary sector.

The IFAD-supported Post-Tsunami Coastal Rehabilitation and Resource Management Programme in Sri Lanka was named **2013 Project of the Year** by the United Nations Office for Project Services in October. The programme, which is jointly financed by IFAD and the Government of Sri Lanka, was chosen for its comprehensive planning and efficiency, and commended for its delivery and performance.

The Adaptation for Smallholder Agriculture Programme (ASAP) was honoured with a **Momentum for Change Lighthouse Activity** award in November 2013 for its innovative work in using climate finance to support climate change adaptation activities that deliver social and economic benefits to smallholder farmers. The award is issued by the United Nations Climate Change Secretariat.

Internally, we launched the **Gender Award** in 2013 to advance our efforts in promoting gender equality by recognizing those projects that best address gender inequality and empower women in each region. The winning projects were the Sunamganj Community-Based Resource Management Project in Bangladesh (Asia and the Pacific), the District Livelihoods Support Programme in Uganda (East and Southern Africa), the Rural Development and Modernization Project for the Eastern Region of El Salvador (Latin America and the Caribbean), the Western Sudan Resources Management Programme in the Sudan (Near East, North Africa and Europe), and the Northern Rural Growth Programme in Ghana (West and Central Africa).

Saahakeyan Marinè, aged 29, is head of the laboratory at Wines 365 in Yerevan →
Armenia: Farmer Market Access Programme

# SUMMARY OF 2013 PROGRAMMES, PROJECTS AND GRANTS

## Programmes and projects

For information on programmes and projects in the pipeline:
http://www.ifad.org/operations/pipeline/index.htm

### West and Central Africa

**GUINEA: National Programme to Support Agricultural Value Chain Actors (PNAAFA) –Lower Guinea and Faranah expansion**

The PNAAFA programme area will be expanded to include the eight prefectures in Lower Guinea and three prefectures in the administrative region of Faranah (Dabola, Dinguiraye and Faranah), making this a programme of national scope from 2014. The expanded programme will support rice and market gardening value chains, which are crucial for smallholders in the target area. The rice value chain has experienced significant growth recently and local production is gaining market share against imports, but potential to increase production and modernize processing and marketing remains underexploited.

**Debt sustainability grant amount:** SDR 15.2 million (approximately US$23.0 million)
**Total programme cost:** estimated at US$40.1 million, of which national government will provide US$4.2 million, beneficiaries US$2.2 million, the Saudi Fund for Development US$4.2 million and CAFODEC Finances SA US$0.6 million
**Approximate reach:** 55,000 households
**Directly supervised by IFAD**

**MALI: Rural Youth Vocational Training, Employment and Entrepreneurship Support Project (FIER)**

The FIER project will be tested in two regions, Koulikoro and Sikasso, for a period of 18 months and extended to other regions after the mid-term review, in consultation with the Government. Project coverage will eventually be nationwide. Support will be provided to young people, particularly young women, who lack technical and management skills and access to financing for new income-generating activities. Producer organizations, which also contributed to the formulation of the project, will contribute to activities such as facilitation and training and will receive support enabling them specifically to respond to the demand for greater involvement of young people.

**Loan amount:** SDR 10.8 million (approximately US$16.6 million)
**Debt sustainability grant amount:** SDR 10.8 million (approximately US$16.6 million)
**Total project cost:** estimated at US$52.1 million, of which national government will provide US$4.1 million, beneficiaries US$4.0 million, the Fostering Agricultural Productivity Project US$8.5 million and decentralized financial systems US$2.4 million
**Approximate reach:** 100,000 beneficiaries
**Directly supervised by IFAD**

**NIGERIA: Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt**

The programme will target moderately poor and "core poor" households in the seven states of Nigeria's savannah belt. It is expected to promote sustainable productivity among smallholders, particularly women and young people, and to improve their access to input and output markets. The increased investment in commodity value chains should also generate employment opportunities. The Adaptation for Smallholder Agriculture Programme (ASAP) will support activities to build climate resilience in hotspots identified through a climate change vulnerability analysis.

**Loan amount:** SDR 45.7 million (approximately US$70.0 million)
**Debt sustainability grant amount:** SDR 0.31 million (approximately US$0.48 million)
**ASAP grant:** US$15.0 million
**Total programme cost:** estimated at US$93.6 million, of which national government will provide US$5.75 million and beneficiaries US$1.4 million
**Approximate reach:** 1.4 million beneficiaries
**Directly supervised by IFAD**

**SENEGAL: Agricultural Value Chains Support Project (PAFA) – extension**

PAFA covers the central and northern groundnut region and the Louga agropastoral region, which together amount to 27 per cent of the country's entire area. The extended project will build on the contribution made so far to improving the livelihoods of family farms in these regions. It will also target microenterprises and small businesses in relevant value chains, and involve young people, women and vulnerable households wherever possible. It is expected to improve food security, raise incomes for small-scale producers and create employment for rural people in the target groups.

**Loan amount:** SDR 22.6 million (approximately US$35.0 million)
**Total project cost:** US$51.2 million, of which national government will provide US$13.1 million and beneficiaries US$3.0 million
**Approximate reach:** 25,000 households
**Directly supervised by IFAD**

**SIERRA LEONE: Rural Finance and Community Improvement Programme (RFCIP) –Phase II**

The programme aims to reduce rural poverty and household food insecurity on a sustainable basis. It will contribute to development of the agriculture sector through improved access to rural financial services. In order to fill the void in districts not covered by the first phase of the programme and to consolidate gains made so far, RFCIP Phase II will scale up the programme to the national level and forge links with other IFAD- and donor-supported projects. These links will strengthen and expand the rural financial system so that it can continue to meet the needs of rural communities in the long term.

**Loan amount:** SDR 7.4 million (approximately US$11.2 million)
**Debt sustainability grant amount:** SDR 7.4 million (approximately US$11.2 million)
**Total programme cost:** estimated at US$38.1 million, of which national government will provide US$4.5 million, beneficiaries US$3.5 million, the National Social Security and Insurance Trust or other donor US$6.9 million and the International Finance Corporation US$1.0 million
**Approximate reach:** 285,000 households
**Directly supervised by IFAD**

## East and Southern Africa

**ETHIOPIA: Pastoral Community Development Project III**

The project will improve access to social and financial services for Ethiopia's pastoralists and agropastoralists, which should help to increase and stabilize their incomes, promote better health and nutrition and facilitate access to education. Through the project, communities will also have access to advisory services that will support them in identifying viable investment opportunities and strengthen their resilience against severe environmental hazards. Technical support will be provided to strengthen and/or diversify production systems and encourage innovation. The project will also build the capacity of pastoralists to participate in policy dialogue and decision-making related particularly to pastoralist development issues.

This third phase scales up the Pastoral Community Development Project, leverages US$110.0 million from the International Development Association (IDA) and is expected to extend project coverage to most pastoral and agropastoral districts in Ethiopia.

**Loan amount:** SDR 55.3 million (approximately US$85.0 million)
**Total project cost:** estimated at US$210.2 million, of which national government will provide US$1.0 million, beneficiaries US$14.2 million and the IDA US$110.0 million
**Approximate reach:** 600,000 households
**Directly supervised by IFAD and the World Bank**

**RWANDA: Post-Harvest and Agribusiness Support Project**

Initially, ten districts will be selected on the basis of poverty incidence, potential for value chain development, and land area devoted to specific crops. The project will focus on smallholder farmers already participating in the Government's crop intensification programme and enable them to capture a higher share of the value of their produce. An ASAP grant will support the demonstration of pro-poor, climate-resilient approaches that can be adopted by agribusinesses in the post-harvest stages of crop and dairy production. The project is expected to contribute to improved food security in the face of increasing climate uncertainty.

**Loan amount:** SDR 8.8 million (approximately US$13.4 million)
**Debt sustainability grant amount:** SDR 8.8 million (approximately US$13.4 million)
**ASAP grant:** US$7.0 million
**Total project cost:** estimated at US$83.3 million, of which national government will provide US$3.4 million, beneficiaries US$11.5 million and cofinancing by national financial institutions and the private sector US$34.5 million (target)
**Approximate reach:** 32,400 households
**Directly supervised by IFAD**

**SEYCHELLES: Competitive Local Innovations for Small-scale Agriculture Project**

The project will promote equitable economic growth and employment for poor rural people – primarily on the islands of La Digue, Mahé and Praslin, where most of the population lives – by supporting sustainable agricultural and fishery practices. It will increase and diversify market access for smallholder farmers and fishers, promote the use of profitable small-scale production technologies, create agricultural microenterprises and employment, and contribute to infrastructure improvements. The project will also develop the capacity of public and private institutional stakeholders that provide services to the target group.

**Loan amount:** SDR 2.0 million (approximately US$3.0 million)
**Total project cost:** estimated at US$3.7 million, of which national government will provide US$0.3 million, beneficiaries US$0.1 million and cofinancing approximately US$0.3 million (private sector US$0.1 million and other donors US$0.2 million)
**Approximate reach:** 2,000 participants (e.g. farmers, fishers) and 7,500 additional households
**Directly supervised by IFAD**

**UGANDA: Project for Financial Inclusion in Rural Areas**
The project aims to develop sustainable financial institutions to serve rural communities and enable rural households in the poorer, more remote areas of the country to improve their economic activities and livelihoods. It will target financially excluded people who earn money but have no access to financial services, either formal or informal. The project will also invest in building the capacity of community-based savings and credit groups that have the potential to become sustainable. As well as promoting social inclusion, the increased access to financial services is expected to generate savings, support loans and contribute to invigorating the rural economy.
**Loan amount:** SDR 19.3 million (approximately US$29.0 million)
**Grant amount**: US$1.0 million
**Total project cost:** estimated at US$36.6 million, of which national government will provide US$4.9 million, beneficiaries US$1.4 million and cofinancing by the Canadian Co-operative Association (grant recipient) US$0.25 million
**Approximate reach:** 576,000 households
**Directly supervised by IFAD**

**ZAMBIA: Rural Finance Expansion Programme**
Programme coverage is national, although priority will be given to areas not served, or underserved, by financial services. Participating institutions will include financial service providers prepared to expand their operations, and other service providers with capacity for developing community-based financial institutions. The programme will focus on reaching microentrepreneurs, small business owners and smallholder farmers, particularly women and young people. It builds on the IFAD-funded Rural Finance Programme that was completed in September 2013.
**Loan amount:** SDR 5.5 million (approximately US$8.4 million)
**Total programme cost:** estimated at US$26.3 million, of which national government will provide US$2.6 million, participating institutions US$3.3 million and cofinancing by the Spanish Food Security Cofinancing Facility Trust Fund €9 million (approximately US$8.4 million)
**Approximate reach:** 140,000 households
**Directly supervised by IFAD**

## Asia and the Pacific

**BANGLADESH: Climate Adaptation and Livelihood Protection Project**
The project will scale up successful climate change responses within the IFAD-supported Haor Infrastructure and Livelihood Improvement Project (HILIP), which has been under implementation since 2012. It will introduce a number of innovations, such as developing low-cost robust village protection systems that use only local materials, and promoting climate-resilient value chains. The project, financed by an ASAP grant, will allow policy dialogue initiated under the HILIP to be increased and will build capacity and knowledge to help communities protect their livelihoods and deal with climate-related shocks.
**ASAP grant:** US$15.0 million
**Total project cost:** estimated at US$15.0 million
**Approximate reach:** 240,600 people
**Directly supervised by IFAD**

**BANGLADESH: Coastal Climate-Resilient Infrastructure Project**
The project will strengthen the resilience of smallholder farmers, small traders, microentrepreneurs, landless people and destitute women, and increase their food security and incomes. This will be achieved by improving road connectivity for people living in selected districts of south-western Bangladesh, facilitating their access to markets and social services, and enhancing the marketing of farm and non-farm produce. The project will also increase the capacity of communities to adapt to climate change, for example by strengthening their ability to cope with volatile climate conditions and meet their basic needs during climatic shocks, and by ensuring that roads are compliant with climate-resilient standards.

**Loan amount:** SDR 26.1 million (approximately US$39.5 million)
**Debt sustainability grant amount:** SDR 0.7 million (approximately US$1.0 million)
**Total project cost:** estimated at US$150.0 million, of which national government will provide US$31.2 million, cofinancing by the Asian Development Bank US$50.0 million, *Kreditanstalt für Wiederaufbau* US$8.8 million and others (to be determined) US$19.5 million
**Approximate reach:** 235,000 households or 3.5 million people
**Directly supervised by IFAD**

**CHINA: Shiyan Smallholder Agribusiness Development Project**
The project will be implemented in the Shiyan area, a mountainous and hilly location in Hubei province where poverty is above average as a result of factors such as limited land resources, poor infrastructure, lack of technology, and frequent natural calamities. The project will provide productive assets, develop commercial agriculture through access to improved value chains and remunerative markets, and support the development of pro-poor farmer cooperatives and local rural finance and agricultural service providers. It is expected to enable small farmers to participate in commercial farming and achieve a sustainable improvement in their livelihoods.

**Loan amount:** SDR 28.5 million (approximately US$43.8 million)
**Total project cost:** estimated at US$116.9 million, of which national government will provide US$20.1 million, beneficiaries US$24.5 million and partner banks US$28.5 million
**Approximate reach:** 255,000 households or 1.02 million people
**Directly supervised by IFAD**

**LAO PEOPLE'S DEMOCRATIC REPUBLIC: Southern Laos Food and Nutrition Security and Market Linkages Programme**
The programme will target five districts in three southern provinces that are among the poorest in the country. Its aim is to achieve sustainable food and nutrition security and to increase the incomes of households in the target area. The programme will intensify and diversify farming systems to improve nutrition as well as the productivity and quality of food and cash crops. It will support the development of partnerships between farmers and private businesses that establish fair and remunerative prices for farmers. The programme will also assist farmers in activities such as obtaining access to finance, developing business plans and making contract arrangements.

**Debt sustainability grant amount:** SDR 6.47 million (approximately US$9.72 million)
**Total programme cost:** estimated at US$12.3 million, of which national government will provide US$0.6 million, beneficiaries US$0.5 million, cofinancing by the private sector and private banks US$1.5 million and by the United Nations Human Settlements Programme (UN-HABITAT) US$348,000; retroactive financing amounting to US$0.6 million will be available for eligible expenditures
**Approximate reach:** 10,500 households or 63,000 direct beneficiaries
**Directly supervised by IFAD**

**PAKISTAN: Livestock and Access to Markets Project**

The project is expected to enhance the livelihoods of poor households in the western part of Punjab – an area that still has deep pockets of poverty – by improving productivity in the livestock sector, which has potential that remains largely untapped. It will address the main constraints holding the sector back, such as high rates of mortality and disease among animals, limited access to markets, and lack of a strong policy, regulatory and institutional framework.

**Loan amount:** SDR 22.4 million (approximately US$34.5 million)
**Debt sustainability grant amount:** SDR 0.4 million (approximately US$0.6 million)
**Total project cost:** estimated at US$40.8 million, of which national government will provide US$3.4 million, beneficiaries US$1.9 million and cofinancing by municipal administrations US$0.5 million; retroactive financing amounting to US$0.2 million will be available for eligible expenditures
**Approximate reach:** 112,500 households
**Directly supervised by IFAD**

**VIET NAM: Project for Adaptation to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces**

The project will be conducted in the provinces of Ben Tre and Tra Vinh, where rising coastline temperatures, increased salinity intrusion and erratic rainfall patterns are resulting in changes to river flow and riverbank erosion. These changes, in turn, lead to a reduced supply of potable water, losses in aquaculture, livestock production and annual and perennial crops, and overuse of groundwater resources. The project will build climate change knowledge and support planning and other measures to counteract these problems and enable communities in the project area to achieve sustainable livelihoods.

**Loan amount:** SDR 14.3 million (approximately US$22.0 million)
**ASAP grant:** US$12.0 million
**Total project cost:** estimated at US$49.3 million, of which national government will provide US$7.6 million and beneficiaries US$7.8 million
**Approximate reach:** 30,000 households
**Directly supervised by IFAD**

**VIET NAM: Sustainable Rural Development for the Poor Project in Ha Tinh and Quang Binh Provinces**

The project will invest in climate-smart, socially equitable and profitable rural development models that promote pro-poor market linkages and value chains and more competitive rural businesses in the upland areas of Ha Tinh and Quang Binh. It will focus on poor rural households with land and labour resources, unskilled unemployed rural people, ethnic minority communities that lack income and skills, landless people, and small-scale rural traders and value chain entrepreneurs. The project will also support the development of more inclusive financial services and will finance the establishment of women’s credit and savings groups.

**Loan amount:** SDR 14.9 million (approximately US$22.5 million)
**Debt sustainability grant amount:** SDR 0.3 million (approximately US$0.5 million)
**Total project cost:** estimated at US$46.2 million, of which national government will provide US$6.2 million, beneficiaries US$7.0 million and cofinancing by the Spanish Food Security Cofinancing Facility Trust Fund US$10.0 million (€7.9 million)
**Approximate reach:** 61,200 households
**Directly supervised by IFAD**

## Latin America and the Caribbean

**BOLIVIA (PLURINATIONAL STATE OF): Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia with funding from the Adaptation for Smallholder Agriculture Programme (ACCESOS-ASAP)**

ACCESOS-ASAP will fund activities to increase resilience and support planning, adaptation and risk mitigation in 15 municipalities considered to be particularly vulnerable to the impacts of climate change. The target area is inhabited mainly (70 per cent) by indigenous peoples – Quechua, Aymara and Guaraní. The activities will complement those conducted under the ACCESOS programme, which began in 2013. ACCESOS-ASAP will support smallholders facing frequent drought or flooding, and farm wage workers without job security or secure access to land. It will increase the capacity of participating households to adapt to climate change, which should translate into more secure agricultural production, higher incomes and better nutrition.

**ASAP grant:** US$10.0 million
**Total project cost:** estimated at US$13.4 million, of which national government will provide US$1.4 million, municipalities US$1.1 million and beneficiaries US$0.4 million
**Approximate reach:** 11,000 households
**Directly supervised by IFAD**

**BRAZIL: Rural Sustainable Development Project in the Semi-Arid Region of Bahia (Pro-Semi-Arid Project)**

The project will be implemented in 30 municipalities of the semi-arid, northern region of Bahia State where poverty and vulnerability rates are high. It will consolidate some of the economic activities conducted through the *Gente de Valor* project, which concluded in 2012. The project will develop human and social capital, raise production rates, increase income generation and create agricultural and non-agricultural employment. It will work with small cooperatives and farmer organizations with potential for growth that can be realized in the short term.

**Loan amount:** SDR 29.3 million (approximately US$45.0 million)
**Total project cost**: estimated at US$105.8 million, of which the Bahia state government will provide US$50.0 million and beneficiaries US$10.8 million
**Approximate reach:** 70,000 households
**Directly supervised by IFAD**

**BRAZIL: Policy Coordination and Dialogue for Reducing Poverty and Inequalities in Semi-Arid Northeast Brazil (*Dom Helder Câmara* project)**

The project is geographically focused on the semi-arid, north-east area of Brazil, where a large share of the country's extremely poor people live. It aims to enhance policy implementation, replicate successful experiences from previous IFAD projects, and improve and increase rural production and family income. It builds on lessons learned during the first phase of the *Dom Helder Câmara* project, which ended in 2010, so that successful innovations implemented in that phase can be disseminated and scaled up among beneficiaries of this and other IFAD projects currently under implementation. The project will contribute to improving coordination among government agencies in the implementation of public policies and to the access of rural communities to public programmes for family farming. It will also increase the capacity of poor rural people and their organizations to influence the policies and institutions that affect their livelihoods.

**Loan amount:** SDR 2.0 million (approximately US$3.0 million)
**Total project cost:** estimated at US$125.3 million, of which national government will provide US$82.1 million, beneficiaries US$25.2 million and cofinancing by the Spanish Food Security Cofinancing Facility Trust Fund €11.4 million (approximately US$15.0 million)
**Approximate reach:** 74,000 households
**Directly supervised by IFAD**

**CUBA: Cooperative Rural Development Project in the Oriental Region (PRODECOR)**

The project will support the modernization of agriculture in Cuba. It will increase production and productivity, mainly of maize and beans, in 18 municipalities in the Oriental region and improve living conditions for farming families organized into cooperatives. The project will also strengthen the capacity of smallholder cooperatives and agricultural service providers in business management and sustainable production, for example through training and the introduction of post-harvest handling technologies.

**Loan amount:** SDR 6.85 million (approximately US$10.2 million)
**Debt sustainability grant amount:** SDR 0.34 million (approximately US$0.5 million)
**Total project cost:** estimated at US$45.3 million, of which national government will provide CUP 7.6 million (approximately US$7.6 million) and cofinancing by the Spanish Food Security Cofinancing Facility Trust Fund €20.8 million (approximately US$27.0 million)
**Approximate reach:** 13,000 households
**Directly supervised by IFAD**

**HONDURAS: Project for Competitiveness and Sustainable Development in the South-Western Border Region (PRO-LENCA)**

The project will be implemented in 42 municipalities in Intibucá, La Paz and Lempira that have been selected on the basis of criteria such as poverty incidence, extent of social and environmental vulnerability, presence of indigenous people, and availability of agricultural resources and existing markets. It is expected to improve incomes, employment opportunities, food security and general living conditions for poor rural people. The project will concentrate on supporting smallholder farmers, rural artisans, small-scale vendors and microentrepreneurs, particularly women, young people and indigenous groups.

**Loan amount:** SDR 9.5 million (approximately US$14.3 million)
**Total project cost:** estimated at US$34.1 million, of which national government will provide US$1.3 million, beneficiaries US$4.0 million and cofinancing by the OPEC Fund for International Development or other cofinancier approximately US$14.5 million
**Approximate reach:** 13,500 households
**Directly supervised by IFAD**

**NICARAGUA: Adapting to Markets and Climate Change Project (NICADAPTA)**

The project will focus on coffee growing and on households belonging to family farmer cooperatives and indigenous and Afro-Caribbean groups. The project aims to improve incomes and quality of life for rural households by increasing their share of the value of the coffee and cocoa produced, facilitating their access to markets and increasing their resilience to the impacts of climate change. It will thus enable participating households to contribute to the country's socio-economic development.

**Loan amount:** SDR 5.3 million (approximately US$8.0 million)
**Debt sustainability grant amount:** SDR 5.3 million (approximately US$8.0 million)
**ASAP grant:** SDR 5.3 million (approximately US$8.0 million)
**Total project cost:** US$37.0 million, of which national government will provide US$3.3 million, beneficiaries US$2.6 million and cofinancing by the Central American Bank for Economic Integration or other lender or finance institution US$7.0 million
**Approximate reach:** 40,000 households
**Directly supervised by IFAD**

## Near East, North Africa and Europe

**DJIBOUTI: Programme to Reduce Vulnerability in Coastal Fishing Areas**

The programme will be implemented in selected areas identified by the United Nations Environment Programme as "multi-risk areas affected by climate change". The overall objective is to support poor and vulnerable households in rural coastal areas affected by climate change to improve their resilience and promote participatory management of marine resources. Conservation work and sustainable use of coastal resources supported through the programme are expected to strengthen the resilience of coastal inhabitants. The programme will also promote the management of regional fisheries value chains, which represent the main economic activity, and will develop capacity for policy dialogue to ensure that climate considerations are integrated into national strategies.

**Loan amount:** SDR2.75 million (approximately US$4.1 million)
**ASAP grant**: US$6.0 million
**Total programme cost:** estimated at US$13.3 million, of which national government will provide US$2.8 million, beneficiaries US$0.04 million and cofinancing by the Food and Agriculture Organization of the United Nations US$0.1 million, the World Food Programme US$0.24 million equivalent (food for work), the Djibouti Research Institute (CERD – *Centre d'étude et de recherche*) US$0.2 million and savings and credit unions US$0.08 million
**Approximate reach:** 15,300 households
**Directly supervised by IFAD**

**KYRGYZSTAN: Livestock and Market Development Programme II**

The programme is a geographical expansion of the previous Livestock and Market Development Programme to the regions of Batken, Jalal-Abad and Osh, with financing from ASAP to help mainstream climate adaptation measures into community pasture management plans. It is aimed at raising animal productivity, diversifying income sources and strengthening climate resilience in pasture communities. The programme will focus on supporting livestock producer households, particularly vulnerable households and those headed by women, and on building the capacity of community veterinarians in order to improve animal health and nutrition in the target areas.

**Loan amount:** SDR 7.2 million (approximately US$11.0 million)
**Debt sustainability grant amount:** SDR 7.2 million (approximately US$11.0 million)
**ASAP grant:** US$10.0 million
**Total programme cost:** estimated at US$39.5 million, of which national government will provide US$0.3 million, beneficiaries US$7.1 million and cofinancing by the Republican Association of Pasture Users' Unions US$0.2 million
**Approximate reach:** 300,000 households
**Directly supervised by IFAD**

**REPUBLIC OF MOLDOVA: Inclusive Rural Economic and Climate Resilience Programme**

The programme will support the introduction of more climate-resilient agricultural practices and the development of more inclusive agricultural value chains. It will improve access to financial services for microenterprises, small and medium-sized businesses, and young entrepreneurs. It will also increase the resilience of the rural sector by developing infrastructure (e.g. water supply, rural roads and market places) that is more able to withstand climate and economic shocks. The programme will cover all rural areas of the Republic of Moldova, with the exception of climate change interventions, which will focus on the more vulnerable areas, mainly in central and southern parts of the country.

**Loan amount:** SDR 10.5 million (approximately US$16.1 million)
**Grant amount:** SDR 0.3 million (approximately US$0.5 million)
**Total programme cost:** estimated at US$46.3 million, of which national government will provide US$11.0 million, beneficiaries US$7.5 million and cofinancing by the Danish International Development Agency US$5.0 million, the Global Environment Facility US$4.3 million and participating financial institutions US$1.9 million
**Approximate reach:** 24,000 households or 62,000 people
**Directly supervised by IFAD**

**YEMEN: Rural Growth Programme**
The programme will scale up the successful activities of three IFAD-funded projects in Yemen, two of which have now closed. Implementation will begin in five governorates that are vulnerable to climate change and have high population densities and high rates of rural poverty and food insecurity – Al Dhala, Dhamar, Hodeida, Lahej and Taiz. When funding becomes available, the programme will be expanded into additional governorates. Its main objectives are to empower rural communities, particularly women, diversify livelihoods, improve management of natural resources, and support the development of more resilient infrastructure.
**Debt sustainability grant amount:** SDR 9.76 million (approximately US$15.0 million)
**ASAP grant:** US$10.2 million
**Total programme cost:** estimated at US$127.4 million, of which national government will provide US$9.3 million, beneficiaries US$21.0 million and cofinancing by the Agriculture and Fisheries Production Promotion Fund US$12.8 million, the European Union US$16.1 million, the Global Environment Facility US$10.0 million, the Islamic Development Bank US$15.4 million and microfinance banks/institutions US$17.7 million
**Approximate reach:** 176,000 households
**Directly supervised by IFAD**

## Grants

IFAD grants support the development and application of innovative approaches and technologies that enable poor rural people to improve their livelihoods and lift themselves out of poverty. We give grants to governments, research organizations, non-governmental and civil society organizations and other centres of excellence involved in rural poverty reduction.

The grants foster pro-poor policies and institutions that are essential for effective rural poverty reduction and inclusive economic growth. Some IFAD grants are country-specific, while others are regional or even global, depending on the nature of the innovation and the scope of intervention. Since 1978, IFAD has committed US$919.0 million in grants (Table 2).

In 2013, we approved grants worth a total of US$50.0 million. This includes US$42.9 million for global and regional grants and US$7.1 million for grants in specific countries. These grants have supported research on a wide range of themes, including strengthening poor people’s access to, and the effective management of, natural resources; promoting rural microfinance and rural financial innovations; improving the inclusiveness of agricultural value chains; promoting economic opportunities for young rural people; and promoting pro-poor policy engagement.

IFAD grants are implemented mostly in marginal areas and adverse agroecological zones. This ensures that the most vulnerable and marginalized rural people are reached. Smallholder farmers and poor rural women and men play an active part in the agricultural research projects we support. Where possible, rural women and men are involved in defining the priorities and activities and in monitoring the results.

Through the IFAD grant programme, we have also strengthened our partnerships with cofinancing partners and centres of excellence involved in agricultural research for development (AR4D). Investment in AR4D is increasingly recognized as essential to food and nutrition security. It also makes a key contribution to the broader development agenda, as set out in the emerging post-2015 development goals and the Sustainable Development Goals.

Many independent studies have confirmed high returns to investment in AR4D, and have underlined the catalytic impact that AR4D has on rural development, in general, and on rural poverty reduction, in particular. As a result, donor interest in AR4D has increased, as witnessed by the growth of investments in the recently reformed Consultative Group on International Agricultural Research (CGIAR) system. IFAD is a member of the CGIAR Fund Council, which serves as a strategic financing body to harmonize funding decisions, ensure accountability, and approve and finance CGIAR research programmes.

In 2013, in line with these developments and considerations, the President of IFAD approved the establishment of a dedicated AR4D window within IFAD's global/regional grants window to sharpen the focus of grant investments on the most promising sources of sustainable pro-poor agricultural technologies. The window supports agricultural research institutions (both CGIAR and non-CGIAR) that have a proven track record in the resource-poor and disadvantaged environments where IFAD works. In 2013, IFAD-supported grants funded under the AR4D window totalled US$12 million.

IFAD also manages European Commission funds for AR4D, specifically targeting CGIAR-led pro-poor applied research programmes. Through various agreements signed since 2007 with the EC, the budget has totalled more than US$300 million over the past five years. About 80 per cent of the grants IFAD finances under the AR4D window are for programmes that are jointly identified, designed and financed with the EC funds managed by IFAD.

***Summary of large grants***

During the year, the Executive Board approved 21 large grants, each worth more than US$500,000, and totalling US$32.5 million.

**International Centre for Integrated Mountain Development: Improving Livelihoods and Enhancing Resilience of the Rural Poor in the Hindu Kush Himalayas to Environmental and Socio-Economic Changes (US$1.2 million).** The programme will assess the impacts of socio-economic and environmental changes on poor people. It will pilot and validate innovative livelihood options for poor women and men living in mountain areas. It will also build the capacities of partner institutions to respond to socio-economic and environmental challenges.

**Food and Agriculture Organization of the United Nations: Capacity Development for Better Management of Public Investments in Small-scale Agriculture in Developing Countries (US$2.0 million).** The pilot programme will improve fragile states' capacity to plan, manage and implement agricultural programmes, resulting in better development outcomes. It will strengthen the capacity of stakeholder organizations through a learning-by-doing approach: the aim is to improve the performance of approximately 15 problem projects in 10 countries.

**Republic of Mozambique: Strengthening Artisanal Fishers' Resource Rights Project (€500,000).** The goal is to improve the livelihoods of artisanal fishing communities by developing their security over, and management of, natural resources. It will strengthen the engagement of organizations representing the communities. It will also map, document and register natural resource rights. And it will encourage partners to share their experiences and develop common strategies.

**International Work Group for Indigenous Affairs: IFAD Support to the Processes of the United Nations World Conference on Indigenous Peoples (US$900,000).** The programme will help to implement the provisions of the United Nations Declaration on the Rights of Indigenous Peoples. It will operate at the national level in favour of communities of indigenous peoples in selected countries in Africa, Asia, the Pacific, and Latin America and the Caribbean.

**United Nations Human Settlements Programme: Land and Natural Resource Tenure Security Learning Initiative for East and Southern Africa – Phase 2 (US$1.4 million).** The overall goal is to contribute to the development and integration of pro-poor tools and approaches for securing poor rural people's rights over land and natural resources in development initiatives.

**African Rural and Agricultural Credit Association: AFRACA Development Programme 2013-2015 (US$1.0 million).** The overall goals are to enhance wealth and job creation, increase food security and reduce poverty among rural and farming communities in sub-Saharan Africa. These goals will be achieved by improving the communities' access to good-quality, sustainable financial products.

**International Rice Research Institute: Reducing Risks and Improving Rice Livelihoods in South-East Asia through the Consortium for Unfavourable Rice Environments (US$1.5 million).** The programme targets rice farmers in the upland systems and in areas affected by drought, submergence and soil and salinity problems. The overall goal is to provide the farmers with better access to varietal and management technologies that can improve household food security and reduce poverty.

**World Agroforestry Centre: Climate-smart, tree-based co-investment in climate change adaptation and mitigation in Asia (US$1.5 million).** The programme has three main aims. First, it will assess farmers' vulnerability to climate change and synthesize local ecological knowledge in order to reduce that vulnerability. Second, it will enable communities to devise climate-smart, tree-based adaptation best practices. And third, it will integrate gender-responsive, culture-sensitive climate change mitigation and adaptation actions into mainstream policies and programmes.

**Latin American Centre for Rural Development: Policy Processes for Large-scale Impact (US$1.8 million).** The programme will create a more conducive environment for poor people living in rural areas in the participating countries to overcome poverty. This will be done in three main ways. First, strategies, policies, legal frameworks and national programmes will be improved. Second, innovative rural development investment instruments will be investigated and discussed with policymakers. And third, IFAD will introduce innovative tools and processes for policy dialogue.

**Asian Farmers Association for Sustainable Rural Development: Medium-term Cooperation Programme with Farmers' Organizations in the Asia and the Pacific Region – Phase II (US$2.0 million).** Through strengthening the capacity of poor people living in rural areas, and their organizations, the project aims to help the rural poor achieve better livelihoods. It is also designed to have a positive socio-economic impact on rural development.

**Centre for Entrepreneurship Education and Development: Creating Opportunities for Rural Youth in West and Central Africa (US$2.0 million).** The overall goal is to enable young rural women and men to create sustainable farm and non-farm businesses. This will be done by building participants' entrepreneurial capacities, promoting enhanced peer-to-peer learning, and giving young people greater access to complementary business development services.

**International Institute for Water and Environmental Engineering: Upgrading Leadership and Results-based Management Skills for IFAD-financed Programmes in West and Central Africa (US$1.6 million).** The programme aims to improve the project performance and impact of IFAD-financed schemes to alleviate rural poverty in West and Central Africa. This will be achieved through upgrading the skills of project/programme managers/coordinators and main partners, including government staff, in the key challenge areas.

**International Institute of Tropical Agriculture: Enhancing the Competitiveness of High-Quality Cassava Flour Value Chains in West and Central Africa (US$2.5 million).** The project aims to achieve food security and reduce poverty. Various strategies will be adopted to achieve these aims. First, the generation, dissemination and adoption of improved cassava production and processing technologies will be promoted through agricultural innovations and a better understanding of farming techniques. Second, integrated best-bet options for production, processing and marketing will be developed and piloted. And third, evidence-based models for sustainable value chain development will be developed and promoted.

**United Nations Economic Commission for Latin America and the Caribbean: Programme for Inclusive Growth, Rural Productive Policy and Participatory Value Chains in Latin America and the Caribbean (US$1.5 million).** The programme will encourage small rural producers, businesses and local organizations to participate in value chains. The aim is to increase participants' incomes and productivity and mitigate the risks to which they are exposed. The scheme will support the development of strategies, policy dialogue, and government and stakeholder capacity-building. It will also help to develop participatory methodologies and analytical tools for formulating policies.

**Asia-Pacific Rural and Agricultural Credit Association: Project to Document Global Best Practices on Sustainable Models of Pro-Poor Rural Financial Services in Developing Countries (US$1.1 million).** The project aims to reduce poverty and improve food security for rural communities. This will be done by helping rural finance providers and governments to extend financial services on a sustainable basis, through the application of best practices suited to their unique operating environments.

**International Bank for Reconstruction and Development: Developing Inclusive Financial Systems for Improved Access to Financial Services in Rural Areas with the Consultative Group to Assist the Poor (US$1.5 million).** The goal is to provide access to a wide range of sustainable rural financial services – particularly for smallholder households and people living in extreme poverty – through an inclusive financial system. By building stronger partnerships in the field, the programme will improve IFAD's operational effectiveness and enable its rural finance interventions to have a greater impact.

**United Nations Office for South-South Cooperation: South-South and Triangular Cooperation for Agricultural Development and Enhanced Food Security in the Near East, North Africa and Europe Region (US$1.8 million)**. Using a holistic approach, the programme aims to strengthen the positions from which beneficiary countries address the South-South cooperation agenda when pursuing their individual and shared agricultural development priorities.

**International Center for Agricultural Research in the Dry Areas: Integrated Agricultural Production Systems for the Poor and Vulnerable in Dryland Areas (US$1.5 million)**. The goal is to improve the livelihoods of smallholder farmers in the Nile Valley and sub-Saharan Africa region. It will increase farmers' resilience in three ways: first, by promoting the adoption of best-bet technologies that are climate-proofed; second, by making quality inputs available; and, third, by aligning agricultural production with a value chain approach in an innovative research-to-business (R2B) platform.

**International Center for Tropical Agriculture: Increasing Food Security and Farming Systems for Resilience in East Africa through Wide-scale Adoption of Climate-Smart Agricultural Practices (US$2.0 million)**. The programme will integrate meta-analyses of climate-smart agricultural practices, real-time land health assessments, crop suitability modelling, socio-economic appraisals, multidimensional trade-off analyses, and on-farm participatory evaluations of climate-smart agricultural practices. The overall aim is to identify, test and implement locally appropriate practices.

**International Water Management Institute: Opportunities to Enhance Smallholder Agriculture in sub-Saharan Africa through Sustainable Water, Land and Ecosystem Management (US$2.0 million).** The goals are to reduce rural poverty and improve environmental security and the sustainability of food production. This will be achieved by addressing multiple aspects of development in land areas, river basins and regions.

**Canadian Cooperative Association: Developing a Sustainable Savings and Credit Cooperative Union under the Project for Financial Inclusion in Rural Areas in Uganda (US$1.0 million)**. The goal is to increase the rural population's access to and use of financial services in a sustainable manner. The focus will be on helping the Uganda Cooperative Savings and Credit Union to become a dynamic, business-focused cooperative union.

## Stories from the field

***More money from honey: smallholder farmers in Africa and the Near East benefit from training and modernization***

Kenyan beekeepers won a prestigious international award for their honey, and prices tripled thanks to work funded by an IFAD grant to the International Centre of Insect Physiology and Ecology (icipe). The grant supported improvements in beekeeping and silk farming practices in 19 countries in Africa and the Near East.

When the project began in 1996, beekeeping yields were low and the honey was of poor quality. Today, beekeepers participating in the programme use modern but low-cost methods adapted from traditional practices through field-based research.

The initiative began work in Kenya and Uganda. Applied research was conducted on the rearing, selection, multiplication and distribution of bee colonies. Participants received help in establishing modern apiaries. Laboratories were built or upgraded for analysis of products and diagnosis of diseases. Capacity-building was a major part of the project, with more than 10,000 producers taking part in training.

To aid in selling the upgraded honey, 12 market centres were set up in Egypt, Ethiopia, Kenya, Madagascar, South Sudan, the Sudan and Uganda. More than 2,000 beekeepers were trained in organic certification, to obtain access to Fairtrade and organic markets. The project also disseminated market information through radio, television, brochures and the Internet to reach farmers in isolated areas.

The results are significant. Production of quality honey rose from 2.5 tons in 2002 to 17.3 tons in 2011, with many new beekeepers participating. The price more than tripled, from US$0.58 to US$1.80 per kilogram. In addition, 54 tons of certified organic honey sold for US$2.50 per kilogram. Honey produced by Kenyan farmers in the initiative won a top international award in a blind tasting at a trade fair in Germany in 2009.
Bees are also productive pollinators. For example, in Mwingi, Kenya, farmers who introduced beehives recorded productivity increases of 10 to 18 per cent in their tomatoes, cucumbers and beans, and a 15 per cent increase in family income.

More and better honey improved food and nutrition security for the families taking part. Crop yields increased because bigger bee populations improved pollination. Cash incomes also grew owing to increased production and more competitive pricing of honey. Another benefit was more equitable distribution of income, as these rural small enterprises provide employment for marginalized groups such as women, young people and landless workers.

Moreover, the IFAD-funded programme was able to transform a very inefficient and low-producing apiculture subsector in sub-Saharan Africa. The traditional production system resulted in unhygienic and low-value honey, which in turn resulted in poor marketability. The programme addressed these constraints by introducing modern beehive technology using locally available material. This allowed the introduction of new products, such as propolis, royal jelly and bees' venom, in addition to high-quality organically certified honey that commands a premium price and is marketable internationally as well as locally. The results of this programme are now being scaled up through a grant of €13.1 million from the European Commission.

### *The benefits of bamboo: support for livelihoods, the environment and women's empowerment*

An IFAD grant-supported programme has demonstrated the enormous potential of bamboo in contributing to rural poverty reduction in several countries in Africa. One of the fastest growing plants on earth, bamboo has been used to create jobs, economically empower women and protect the environment.

Bamboo is a perennial crop that provides year-round income, generating jobs for women and men. It is fast growing and easy to cultivate. It grows on degraded land and reduces erosion and reliance on threatened forests. It can be processed into a huge variety of products, including furniture, boats, kitchen utensils, incense sticks, charcoal and footwear. It also provides food and nutrition security as food and animal feed. Bamboo is earthquake-proof, has greater tensile strength than steel, and withstands compression better than concrete – which is why it is so valuable in construction. Used as a substitute for concrete, it also reduces emissions of greenhouse gases. These are among the many reasons why bamboo is referred to as the "poor man's timber".

Since 1997, IFAD has supported the International Network for Bamboo and Rattan (INBAR) in developing and transferring technologies for smallholder bamboo and rattan production across Africa, Asia and Latin America. IFAD's most recent grant to INBAR supported a three-year programme to improve livelihoods and reduce environmental degradation in Ethiopia, Madagascar, Mozambique and the United Republic of Tanzania.

The programme, which finished in September 2013, targeted unemployed young rural people, households headed by women, and disadvantaged groups such as the landless.

Bamboo training centres were established in all four countries, and farmers were helped to plant bamboo. More than 100 bamboo nurseries were established and 7 new species were introduced in new locations. More than 1,000 people received training, enabling them to improve bamboo quality. They also learned how to make bamboo products, including charcoal briquettes, which are good for the environment and require less labour than traditional charcoal. Production sites were set up in rural areas to provide jobs for those who need them most. Several sites were dedicated to building desks for local schools.

Bamboo on sale for animal feed in Ethiopia. Grant to International Network for Bamboo and Rattan (INBAR): Mainstreaming Pro-Poor Livelihoods and Addressing Environmental Degradation with Bamboo in Eastern and Southern Africa
©IFAD/Rama Rao

Women and men work in different aspects of bamboo production, and the programme focused on activities typically undertaken by women, such as processing and crafts. About 5,000 women in the United Republic of Tanzania, many of them single mothers, now have stable incomes from making and selling bamboo briquettes. In segments such as furniture and construction, production systems were modified to encourage women to get involved.

South-South cooperation was another important aspect of the programme. Staff from India trained people in Ethiopia and Madagascar, and an Ethiopian staff member then trained communities in Mozambique and the United Republic of Tanzania. The programme has also enabled communities to substitute wood-based fuels with bamboo, thus contributing to energy security and reducing environmental degradation.

Table 12

**Summary of grant financing, 2009-2013**

(Amounts in US$ million)[a]

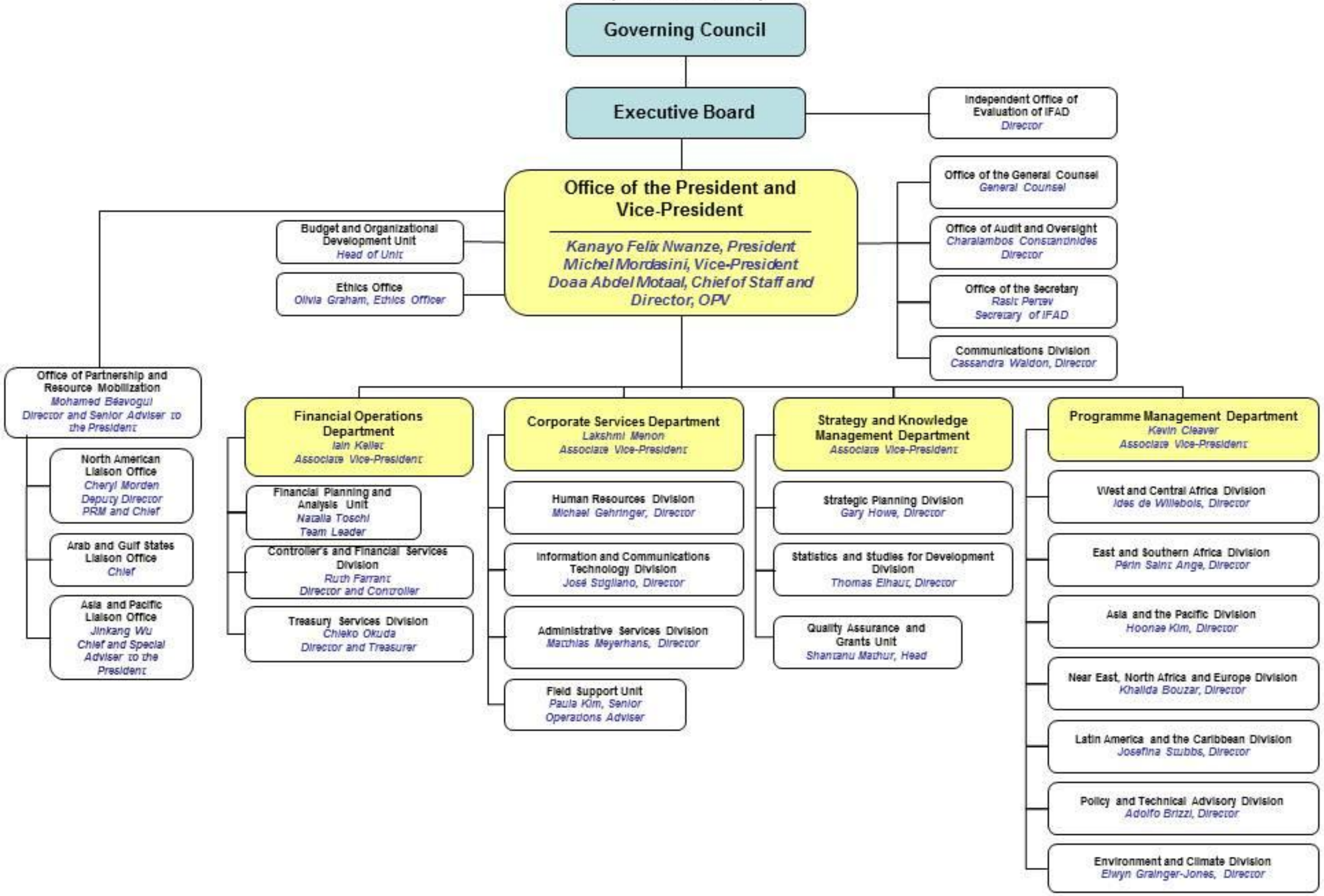
| | | 2009 | % | 2010 | % | 2011 | % | 2012 | % | 2013 | % | 2009-2013 | % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Global/regional grants** | | | | | | | | | | | | | |
| | Amount | 35.7 | 75.8 | 37.1 | 72.5 | 41.7 | 82.9 | 53.7 | 75.2 | 42.9 | 85.8 | 211.1 | 78.2 |
| | Number of grants | 70 | | 54 | | 68 | | 70 | | 48 | | 310 | |
| **Country-specific grants** | | | | | | | | | | | | | |
| *Stand-alone* | Amount | 3.6 | 7.7 | 4.5 | 8.8 | 2.6 | 5.2 | 1.5 | 2.1 | 3.5 | 7.0 | 15.7 | 5.8 |
| | Number of grants | 16 | | 16 | | 5 | | 4 | | 8 | | 49 | |
| *Loan component* | Amount | 6.6 | 14.2 | 6 | 11.7 | 4.6 | 9.1 | 14.8 | 20.8 | 3.6 | 7.2 | 35.6 | 13.2 |
| | Number of grants | 7 | | 10 | | 6 | | 14 | | 7 | | 44 | |
| **Total country-specific** | Amount | 10.2 | 21.9 | 10.4 | 20.3 | 7.2 | 14.3 | 16.3 | 22.9 | 7.1 | 14.2 | 51.2 | 19.0 |
| | Number of grants | 23 | | 26 | | 11 | | 18 | | 15 | | 93 | |
| **Other DSF grants** | | | | | | | | | | | | | |
| | Amount | 1.1 | 2.4 | 3.7 | 7.2 | 1.5 | 3 | 1.4 | 2.0 | 0 | 0 | 7.7 | 2.9 |
| | Number of grants | 6 | | 8 | | 4 | | 2 | | 0 | | 20 | |
| **Total** | **Amount** | **47** | **100** | **51.2** | **100** | **50.4** | **100** | **71.5** | **100** | **50.0** | **100** | **270.1** | **100** |
| | **Number of grants** | **99** | | **88** | | **83** | | **90** | | **63** | | **423** | |

*Sources:* Oracle Business Intelligence (CFS), Quality Assurance and Grants Unit grants tracking sheet, Strategy and Knowledge Department, Grants and Investment Projects System.

[a] Any discrepancy in totals is the result of rounding.

# ORGANIZATION, MEMBERSHIP AND REPRESENTATION

IFAD Organizational Structure
(as at 31 December 2013)



### *Membership and representation*

As of 31 December 2013 IFAD had a total membership of 172 countries – 24 in List A, 12 in List B and 136 in List C, of which 50 in Sub-List C1, 54 in Sub-List C2 and 32 in Sub-List C3.

**List A**

Austria
Belgium
Canada
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Italy
Japan
Luxembourg
Netherlands
New Zealand
Norway
Portugal
Spain
Sweden
Switzerland
United Kingdom
United States

**List B**

Algeria
Gabon
Indonesia
Iran (Islamic Republic of)
Iraq
Kuwait
Libya
Nigeria
Qatar
Saudi Arabia
United Arab Emirates
Venezuela (Bolivarian Republic of)

**List C**

**Sub-List C1**
**Africa**

Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cabo Verde
Central African Republic
Chad
Comoros
Congo
Côte d'Ivoire
Democratic Republic of the Congo
Djibouti
Egypt
Equatorial Guinea
Eritrea
Ethiopia
Gambia (The)
Ghana
Guinea
Guinea-Bissau
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mauritius
Morocco
Mozambique
Namibia
Niger
Rwanda
Sao Tome and Principe
Senegal
Seychelles
Sierra Leone
Somalia
South Africa
South Sudan
Sudan
Swaziland
Togo
Tunisia

**Sub-List C2**
**Europe, Asia and the Pacific**

Afghanistan
Albania
Armenia
Azerbaijan
Bangladesh
Bhutan
Bosnia and Herzegovina
Cambodia
China
Cook Islands
Croatia
Cyprus
Democratic People’s Republic of Korea
Fiji
Georgia
India
Israel
Jordan
Kazakhstan
Kiribati
Kyrgyzstan
Lao People’s Democratic Republic
Lebanon
Malaysia
Maldives
Malta
Marshall Islands
Mongolia
Myanmar
Nauru
Nepal
Niue
Oman
Pakistan
Papua New Guinea
Philippines
Republic of Korea
Republic of Moldova
Romania
Samoa
Solomon Islands
Sri Lanka
Syrian Arab Republic
Tajikistan
Thailand

**Sub-List C3**
**Latin America and the Caribbean**

Antigua and Barbuda
Argentina
Bahamas (The)
Barbados
Belize
Bolivia
Brazil
Chile
Colombia
Costa Rica
Cuba
Dominica
Dominican Republic
Ecuador
El Salvador
Grenada
Guatemala
Guyana
Haiti
Honduras
Jamaica
Mexico
Nicaragua
Panama
Paraguay
Peru
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Suriname
Trinidad and Tobago
Uruguay

**Sub-List C1**
**Africa**

Uganda
United Republic of Tanzania
Zambia
Zimbabwe

**Sub-List C2**
**Europe, Asia and the Pacific**

The former Yugoslav Republic of Macedonia
Timor-Leste
Tonga
Turkey
Tuvalu
Uzbekistan
Vanuatu
Viet Nam
Yemen

## *List of Governors and Alternate Governors*[9] *of IFAD Member States*

**As of 31 December 2013**[10]

| Member | Governor | Alternate Governor |
|---|---|---|
| **AFGHANISTAN** | Zia Uddin Nezam | — |
| **ALBANIA** | Ridvan Bode<br>*(January - October 2013)*<br><br>Shkelqim Cani<br>*(October 2013 - )* | —<br>*(January - February 2013)*<br><br>Ndoc Fasllia<br>*(February 2013 - )* |
| **ALGERIA** | Rachid Benaissa<br>*(January - September 2013)*<br><br>Abdelwahab Nouri<br>*(September 2013 - )* | Rachid Marif |
| **ANGOLA** | Afonso Pedro Canga | Florêncio Mariano da Conceição de Almeida |
| **ANTIGUA AND BARBUDA** | — | — |
| **ARGENTINA** | — | — |
| **ARMENIA** | Sergo Karapetyan | Zohrab V. Malek |
| **AUSTRIA** | Edith Frauwallner | Klaus Oehler |
| **AZERBAIJAN** | Vaqif Sadiqov | — |
| **BAHAMAS (THE)** | Lawrence S. Cartwright<br>*(January - February 2013)*<br><br>V. Alfred Gray<br>*(February 2013 - )* | Eldred E. Bethel |
| **BANGLADESH** | Abul Maal Abdul Muhith | Monzur Hossain |
| **BARBADOS** | — | — |
| **BELGIUM** | Vincent Mertens de Wilmars | — |
| **BELIZE** | — | — |
| **BENIN** | —<br>*(January - July 2013)*<br><br>Katé Sabaï<br>*(July - September 2013)*<br><br>Fatouma Amadou Djibril<br>*(September 2013 - )* | Abdoulaye Toko<br>*(January - July 2013)*<br><br>Rosemonde Deffon Yakoubou<br>*(July 2013 - )* |

[9] At its thirty-sixth session, on 13 and 14 February 2013, Her Excellency Marie-Josée Jacobs (Luxembourg) served as chairperson of the Governing Council. Mr Bambang Brodjonegoro (Indonesia) and His Excellency Miguel Ruíz Cabañas Izquierdo (Mexico) served as vice-chairpersons.

[10] Dates in parentheses indicate when a Governor/Alternate Governor is appointed and when he or she steps down. Where no date is given this indicates that the Governor/Alternate Governor was appointed before January 2013 and/or will continue to serve after December 2013.

| | | |
|---|---|---|
| **BHUTAN** | Pema Gyamtsho<br>*(January - August 2013)*<br><br>Yeshey Dorji<br>*(August 2013 - )* | Daw Penjo |
| **BOLIVIA (PLURINATIONAL STATE OF)** | Antolín Ayaviri Gómez | Eduardo Ugarteche Paz Soldán |
| **BOSNIA AND HERZEGOVINA** | Nerkez Arifhodzic | Vesna Njegić<br>*(January - September 2013)*<br><br>Vesela Planinic<br>*(September 2013 - )* |
| **BOTSWANA** | Oreeditse Sola Molebatsi | Micus Chimbombi |
| **BRAZIL** | Miriam Aparecida Belchior | Carlos Augusto Vidotto<br>*(January - May 2013)*<br><br>—<br>*(May 2013 -)* |
| **BURKINA FASO** | Lucien Marie Noël Bembamba | Lassané Kabore |
| **BURUNDI** | Tabu Abdallah Manirakiza | Odette Kayitesi |
| **CABO VERDE** | José Eduardo Barbosa<br>*(January 2013)*<br><br>—<br>*(January - April 2013)*<br><br>Manuel Amante da Rosa<br>*(April 2013 - )* | Sónia Cristina Martins |
| **CAMBODIA** | Chan Sarun | — |
| **CAMEROON** | Clémentine Ananga Messina | Dominique Awono Essama |
| **CANADA** | Diane Jacovella | Michael Gort<br>*(January - August 2013)*<br><br>Cheryl Urban<br>*(August 2013 - )* |
| **CENTRAL AFRICAN REPUBLIC** | Fidèle Gouandjika<br>*(January - September 2013)*<br><br>Marie Noëlle Koyara<br>*(September 2013 - )* | David Banzokou |

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| **CHAD** | Djimé Adoum<br>*(January - February 2013)*<br><br>Dangde Laoubele Damaye<br>*(February - October 2013)*<br><br>Ngariera Rimadjita<br>*(October - November 2013)*<br><br>Moussa Mahamat Agrey<br>*(November 2013 - )* | Oumar Chaibou |
| **CHILE** | Oscar Godoy Arcaya | Konrad Paulsen Rivas |
| **CHINA** | Zheng Xiaosong | Zou Jiayi |
| **COLOMBIA** | Juan Manuel Prieto Montoya<br>*(January - June 2013)*<br><br>—<br>*(June 2013 - )* | María Victoria Salcedo Bolívar |
| **COMOROS** | Fouad Mohadji<br>*(January - July 2013)*<br><br>Abdou Nassur Madi<br>*(July 2013 - )* | Mohamed Ali Soilihi |
| **CONGO** | Rigobert Maboundou | Mamadou Kamara Dekamo |
| **COOK ISLANDS** | — | — |
| **COSTA RICA** | — | — |
| **CÔTE D'IVOIRE** | — | — |
| **CROATIA** | Damir Grubiša | — |
| **CUBA** | Rodrigo Malmierca Díaz | Milagros Carina Soto Agüero |
| **CYPRUS** | George F. Poulides | Christina Pitta<br>*(January - November 2013)*<br><br>Spyridon Ellinas<br>*(November 2013 - )* |
| **DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA** | Kim Chun Guk | — |
| **DEMOCRATIC REPUBLIC OF THE CONGO** | — | Hubert Ali Ramazani |
| **DENMARK** | Charlotte Slente<br>*(January - August 2013)*<br><br>Morten Jespersen<br>*(August 2013 - )* | Maj Hessel |
| **DJIBOUTI** | Mohamed Ahmed Awaleh | Badri Ali Bogoreh |
| **DOMINICA** | Matthew Walter | — |

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| **DOMINICAN REPUBLIC** | Mario Arvelo Caamaño | — |
| **ECUADOR** | Carlos Vallejo López<br>*(January - March 2013)*<br><br>—<br>*(March 2013 - )* | Javier Ponce Cevallos |
| **EGYPT** | Salah Mohammed Abd El Mo'men<br>*(January - May 2013)*<br><br>Ahmed Mahmoud Ali el-Gizawi<br>*(May - November 2013)*<br><br>Ayman Abouhadid<br>*(November 2013 - )* | Mohamed Farid Monib<br>*(January - February 2013)*<br><br>Amr Mostafa Kamal Helmy<br>*(June 2013 - )* |
| **EL SALVADOR** | Aida Luz Santos de Escobar | María Eulalia Jiménez Zepeda |
| **EQUATORIAL GUINEA** | — | — |
| **ERITREA** | Arefaine Berhe | Zemede Tekle Woldetatios |
| **ESTONIA** | —<br>*(January - February 2013)*<br><br>Ruve Šank<br>*(February 2013 –* | —<br>*(January - February 2013)*<br><br>Siim Tiidemann<br>*(February 2013 - )* |
| **ETHIOPIA** | Tefera Derbew | Gessese Mulugeta Alemseged |
| **FIJI** | Ropate Ligairi | — |
| **FINLAND** | Anne Sipiläinen | Pasi Hellman<br>*(January - September 2013)*<br><br>Riikka Laatu<br>*(September 2013 - )* |
| **FRANCE** | Delphine D'Amarzit<br>*(January - August 2013)*<br><br>Anthony Requin<br>*(August 2013 - )* | — |
| **GABON** | Julien Nkoghe Bekale | Rachelle Ewomba-Jocktane |
| **GAMBIA (THE)** | Fatou Gaye<br>*(January - November 2013)*<br><br>Solomon Owens<br>*(November 2013 - )* | Bala Garba Jahumpa<br>*(January - February 2013)*<br><br>—<br>*(February - May 2013)*<br><br>Lang Yabou<br>*(May 2013 - )* |

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|---|---|---|
| **GEORGIA** | David Kirvalidze<br>*(January - May 2013)*<br><br>Shalva Pipia<br>*(June 2013 - )* | Konstantine Gabashvili<br>*(January 2013)*<br><br>—<br>*(February - September 2013)*<br><br>Karlo Sikharulidze<br>*(September 2013 - )* |
| **GERMANY** | Uta Böllhoff | Martin Dippl |
| **GHANA** | Kwesi Ahwoi<br>*(January - March 2013)*<br><br>Clement Kofi Humado<br>*(March 2013 - )* | Evelyn Anita Stokes-Hayford |
| **GREECE** | Michael Cambanis<br>*(January - March 2013)*<br><br>—<br>*(March 2013 - )* | Nike Ekaterini Koutrakou |
| **GRENADA** | Michael Denis Lett<br>*(January - April 2013)*<br><br>Roland Bhola<br>*(April 2013 - )* | — |
| **GUATEMALA** | —<br>*(January - September 2013)*<br><br>Stephanie Hochstetter Skinner-Klée<br>*(September 2013 - )* | Sylvia Wohlers de Meie |
| **GUINEA** | Marc Yombouno<br>*(January 2013 - )* | —<br>*(January - July 2013)*<br><br>Mamady Condé<br>*(July 2013 - )* |
| **GUINEA-BISSAU** | — | — |
| **GUYANA** | Leslie Ramsammy | George Jervis |
| **HAITI** | —<br>*(January - September 2013)*<br><br>Wilson Laleau<br>*(September 2013 - )* | — |
| **HONDURAS** | Jacobo Regalado Weizemblut | Nehemías Martínez |
| **HUNGARY** | Zoltán Kálmán | Balázs Hamar |
| **ICELAND** | Jón Erlingur Jónasson<br>*(January - April 2013)*<br><br>Maria Erla Marelsdóttir<br>*(April 2013 - )* | Hermann Örn Ingólfsson |
| **INDIA** | Palaniappan Chidambaram | Shaktikanta Das |

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|---|---|---|
| **INDONESIA** | Bambang Brodjonegoro | Lukita Dinarsyah Tuwo |
| **IRAN (ISLAMIC REPUBLIC OF)** | Mahmoud Barimani<br>*(January - February 2013)* | — |
| | Hamid Baeidi-Nejad<br>*(February 2013 - )* | |
| **IRAQ** | Izuldine Aldawla | Hassan Janabi |
| **IRELAND** | Patrick Paul Hennessy<br>*(January - August 2013)* | Jarlath O'Connor<br>*(January - September 2013)* |
| | —<br>*(August - October 2013)* | —<br>*(October 2013 - )* |
| | Bobby McDonagh<br>*(October 2013 - )* | |
| **ISRAEL** | — | — |
| **ITALY** | Vieri Ceriani<br>*(January - May 2013)* | — |
| | Fabrizio Saccomanni<br>*(May 2013 - )* | |
| **JAMAICA** | —<br>*(January - February 2013)* | —<br>*(January - February 2013)* |
| | Roger Clarke<br>*(February 2013 - )* | Donovan Stanberry<br>*(February 2013 - )* |
| **JAPAN** | Masaharu Kohno | Yoshiki Takeuchi |
| **JORDAN** | Jaafar Hassan<br>*(January - April 2013)* | Radi Al-Tarawneh |
| | Ibrahim Saif<br>*(April 2013 - )* | |
| **KAZAKHSTAN** | — | — |
| **KENYA** | Sally Kosgei<br>*(January - June 2013)* | Josephine Wangari Gaita |
| | Felix Kiptarus Koskei<br>*(June 2013 - )* | |
| **KIRIBATI** | Tiarite George Kwong | Manikaoti Timeon |
| **KUWAIT** | Mustafa Jassem Al-Shamali<br>*(January - September 2013)* | Hesham I. Al-Waqayan |
| | Sheikh Salem AbdulAziz Al-Saud Al-Sabah<br>*(September 2013 - )* | |
| **KYRGYZSTAN** | — | — |
| **LAO PEOPLE'S DEMOCRATIC REPUBLIC** | Phouphet Khamphounvong | — |

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|---|---|---|
| **LEBANON** | Gloria Abouzeid | Rania Khalil Zarzour |
| **LESOTHO** | Lits'oane Simon Lits'oane | Mathoriso Molumeli |
| **LIBERIA** | Florence Chenoweth | Peter Korvah |
| **LIBYA** | — | — |
| **LUXEMBOURG** | Marie-Josée Jacobs *(January - April 2013)*<br><br>Marc Spautz *(May - December 2013)*<br><br>Romain Schneider *(December 2013 - )* | — |
| **MADAGASCAR** | Ravatomanga Rolland | — |
| **MALAWI** | Jermoth Ulemu Chilapondwa | Andrew Timothy Daudi *(January - February 2013)*<br><br>Jeffrey H. Luhanga *(February 2013 - )* |
| **MALAYSIA** | — | — |
| **MALDIVES** | Ahmed Shafeeu | Mohamed Iaad Hameed |
| **MALI** | — *(January 2013)*<br><br>Baba Berthe *(February - September 2013)*<br><br>Bocary Tereta *(September 2013 - )* | Gaoussou Drabo *(January - September 2013)*<br><br>— *(September 2013 - )* |
| **MALTA** | Justin Zahra | Stefan Cachia |
| **MARSHALL ISLANDS** | — | — |
| **MAURITANIA** | Sidi Ould Tah | Moctar Ould Dahi |
| **MAURITIUS** | Satya Veyash Faugoo | Moheenee Nathoo |
| **MEXICO** | Miguel Ruíz Cabañas Izquierdo | — |
| **MONGOLIA** | — | Shijeekhuu Odonbaatar |
| **MOROCCO** | Moha Marghi | Ali Lamrani |
| **MOZAMBIQUE** | Aiuba Cuereneia | Waldemar Fernando de Sousa |
| **MYANMAR** | Myint Hlaing | Swai Tint |
| **NAMIBIA** | John Mutorwa | Petrus N. Iilonga |
| **NAURU** | — | — |

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| **NEPAL** | Baburam Bhattarai<br>*(January - April 2013)*<br><br>Tek Bahadur Thapa Gharti<br>*(April 2013 - )* | Jaya Mukunda Khanal |
| **NETHERLANDS** | Lilianne Ploumen | Gerda Verburg |
| **NEW ZEALAND** | Trevor Donald Matheson | Catherine Rae McGregor<br>*(January - November 2013)*<br><br>Anthe Crawley<br>*(November 2013 - )* |
| **NICARAGUA** | Mónica Robelo Raffone | — |
| **NIGER** | Oua Saidou<br>*(January - October 2013)*<br><br>Abdou Labo<br>*(October 2013 - )* | Amadou Touré |
| **NIGERIA** | Akinwumi A. Adesina | Yerima Lawan Ngama |
| **NIUE** | — | — |
| **NORWAY** | Astrid Emilie Helle<br>*(January - September 2013)*<br><br>Leni Stenseth<br>*(September 2013 - )* | Espen Gullikstad |
| **OMAN** | Isshaq Al-Roqqeishy | Said Nasser Al-Harthy |
| **PAKISTAN** | —<br>*(January - May 2013)*<br><br>Mir Hassan Domki<br>*(May - July 2013)*<br><br>Sikandar Hayat Khan Bosan<br>*(July 2013 - )* | Javed Iqbal<br>*(January - May 2013)*<br><br>Muhammed Shehzad Arbab<br>*(May - July 2013)*<br><br>Nargis Sethi<br>*(July 2013 - )* |
| **PANAMA** | Frank George De Lima Gercich | Guido Juvenal Martinelli Endara |
| **PAPUA NEW GUINEA** | Don Polye | — |
| **PARAGUAY** | Manuel Adolfo Ferreira Brusquetti<br>*(January - August 2013)*<br><br>Germán Hugo Rojas Irigoyen<br>*(August 2013 - )* | Ramón Isidoro Ramírez Caballero<br>*(January - August 2013)*<br><br>Pedro Daniel Correa Ramírez<br>*(August 2013 - )* |
| **PERU** | Alfredo Arosemena Ferreyros | — |
| **PHILIPPINES** | Cesar V. Purisima | — |

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| **PORTUGAL** | —<br>*(January - February 2013)* | Renata Mesquita<br>*(January - February 2013)* |
| | Cláudia Isabel Anacleto Pereira da Costa de Cerca Coelho<br>*(February 2013 - )* | Rosa Maria Fernandes Lourenço Caetano<br>*(February 2013 - )* |
| **QATAR** | Abdullah bin Mubarak bin Aaboud al-Midhadhi<br>*(January - June 2013)* | Soltan Saad S.K. Al-Moraikhi<br>*(January - October 2013)* |
| | —<br>*(June 2013 - )* | —<br>*(October 2013 - )* |
| **REPUBLIC OF KOREA** | Kim Young-Seok<br>*(January - October 2013)* | Park Sujin<br>*(January - April 2013)* |
| | Bae Jae-hyun<br>*(October 2013 - )* | Lee Eun Jeong<br>*(April 2013 - )* |
| **REPUBLIC OF MOLDOVA** | Viorel Gutu | Elena Matveeva |
| **ROMANIA** | Octavian Liviu Bumbu<br>*(January - February 2013)* | —<br>*(January - July 2013)* |
| | Achim Irimescu<br>*(February 2013 - )* | Dana Manuela Constantinescu<br>*(July 2013 - )* |
| **RWANDA** | Agnes Matilda Kalibata | — |
| **SAINT KITTS AND NEVIS** | — | — |
| **SAINT LUCIA** | — | Hurbert Emmanuel |
| **SAINT VINCENT AND THE GRENADINES** | — | — |
| **SAMOA** | —<br>*(January 2013)* | —<br>*(January 2013)* |
| | Faumuina Tiatia Liuga<br>*(February 2013 - )* | Tialavea F.T. Seigafolava Hunt<br>*(February 2013 - )* |
| **SAO TOME AND PRINCIPE** | —<br>*(January 2013)* | Carlos Gustavo dos Anjos<br>*(January 2013)* |
| | Hélio Silva Vaz de Almeida<br>*(February 2013 - )* | António Álvaro da Graça Dias<br>*(February 2013 - )* |
| **SAUDI ARABIA** | Fahad bin Abdulrahman Balghunaim | Sulaiman al-Turki |
| **SENEGAL** | Abdoulaye Baldé<br>*(January - September 2013)* | —<br>*(January - April 2013)* |
| | Papa Abdoulaye Seck<br>*(September 2013 - )* | Seynabou Badiane<br>*(April 2013 - )* |

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| **SEYCHELLES** | —<br>*(January - September 2013)*<br><br>Bernard Francis Shamlaye<br>*(September 2013 - )* | — |
| **SIERRA LEONE** | Joseph Sam Sesay | Jongopie Siaka Stevens |
| **SOLOMON ISLANDS** | — | — |
| **SOMALIA** | —<br>*(January - May 2013)*<br><br>Abdirizak Omar Mohamed<br>*(May 2013 - )* | Ibrahim Hagi Abdulkadir |
| **SOUTH AFRICA** | —<br>*(January - June 2013)*<br><br>Nomatemba Tambo<br>*(June 2013 - )* | —<br>*(January - June 2013)*<br><br>Marc Jürgens<br>*(June 2013 - )* |
| **SOUTH SUDAN** | Betty Achan Ogwaro | Martin Elia Lomurö |
| **SPAIN** | Francisco Javier Elorza Cavengt | Raúl Bartolomé Molina<br>*(January - September 2013)*<br><br>Vicente Canelles Montero<br>*(October 2013 - )* |
| **SRI LANKA** | John Asitha Ivon Perera<br>*(January - May 2013)*<br><br>—<br>*(May 2013 - )* | Gothami Indikadahena |
| **SUDAN** | Abdul Halim Ismail Al Mutaafi | Ahmed Magdoub Ahmed |
| **SURINAME** | Jaswant Sahtoe | — |
| **SWAZILAND** | Clement M. Dlamini<br>*(January - November 2013)*<br><br>Moses Vilakati<br>*(November 2013 - )* | Bongani Masuku |
| **SWEDEN** | Hanna Hellquist | Per Örnéus |
| **SWITZERLAND** | Michel Mordasini<br>*(January 2013 - November 2013)*<br><br>—<br>*(December 2013 - )* | Raymund Furrer |
| **SYRIAN ARAB REPUBLIC** | Sobhi Ahmad Abdallah<br>*(January - November 2013)*<br><br>Ahmad Al-Qadri<br>*(November 2013 - )* | Amer Husni Lutfi |
| **TAJIKISTAN** | Sulton Valiev | — |

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| **THAILAND** | Chavalit Chookajorn | — |
| **THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA** | — | — |
| **TIMOR-LESTE** | Mariano Assanami Sabino | — |
| **TOGO** | Ouro Koura Agadazi | Akla-Esso M'Baw Arokoum |
| **TONGA** | — | — |
| **TRINIDAD AND TOBAGO** | — *(January - May 2013)* | — *(January - May 2013)* |
| | Devant Maharaj *(May 2013 - )* | John C.E. Sandy *(May 2013 - )* |
| **TUNISIA** | Riadh Bettaïeb *(January - May 2013)* | — |
| | Lamine Doghri *(May 2013 - )* | |
| **TURKEY** | Mehmet Mehdi Eker | Hakki Akil |
| **TUVALU** | — | — |
| **UGANDA** | Maria Kiwanuka | — |
| **UNITED ARAB EMIRATES** | Obeid Humaid Al Tayer | Maryam Hassan Al Shenasi *(January - September 2013)* |
| | | Younis Haji Al Khouri *(September 2013 - )* |
| **UNITED KINGDOM** | — *(January - February 2013)* | Elizabeth Nasskau *(January 2013 - )* |
| | Neil Briscoe *(February 2013 - )* | |
| **UNITED REPUBLIC OF TANZANIA** | Christopher Chiza | James Alex Msekela |
| **UNITED STATES** | Timothy F. Geithner *(January - August 2013)* | Daniel S. Sullivan *(January - August 2013)* |
| | Jacob J. Lew *(August 2013 - )* | — *(August 2013 - )* |
| **URUGUAY** | Gustavo Aníbal Álvarez Goyoaga *(January - November 2013)* | — |
| | — *(November 2013 - )* | |
| **UZBEKISTAN** | — | Yashin Khidirov |
| **VANUATU** | — | — |
| **VENEZUELA (BOLIVARIAN REPUBLIC OF)** | Edmée Betancourt de García | Gladys Francisca Urbaneja Durán |

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|---|---|---|
| **VIET NAM** | Truong Chi Trung | Nguyen Thanh Do |
| **YEMEN** | Farid Ahmed Mujawar | Khalid Abdulrahman Al-Akwa |
| **ZAMBIA** | — | — |
| **ZIMBABWE** | Joseph M. Made | — |

## *List of Executive Board Representatives*

**As of 31 December 2013**[11]

| **MEMBER** | | **ALTERNATE MEMBER** | |
|---|---|---|---|
| **List A** | | | |
| **CANADA** | Ann Adair Heuchan<br>*( - August 2013)*<br><br>Michael Gort<br>*(August 2013 - )* | **FINLAND** | Merja Ethel Sundberg |
| **FRANCE** | –<br>*( - September 2013)*<br><br>Martin Landais<br>*(September 2013 - )* | **BELGIUM** | Marc Heirman |
| **GERMANY** | Michael Bauer | **SWITZERLAND** | Christina E. Grieder<br>*(March 2013 - )* |
| **ITALY** | Stefania Bazzoni<br>*( - July 2013)*<br><br>Raffaella Di Maro<br>*(July 2013 - )* | **PORTUGAL** | Ana Barreto |
| **JAPAN** | Hideya Yamada | **DENMARK** | Maj Hessel |
| **NORWAY** | Jostein Leiro | **SWEDEN** | Erik Jonsson |
| **UNITED KINGDOM** | Elizabeth Nasskau | **NETHERLANDS** | Ronald Elkhuizen<br>*( - July 2013)*<br><br>Wierish Ramsoekh<br>*( July 2013 - )* |
| **UNITED STATES** | Karen Mathiasen | **SPAIN** | Francisco Capote |
| **List B** | | | |
| **KUWAIT** | Yousef Ghazi Al-Bader | **UNITED ARAB EMIRATES** | Yousuf Mohammed Bin Hajar |
| **NIGERIA** | Yaya O. Olaniran | **QATAR** | Soltan Saad S.K. Al-Moraikhi<br>*( - October 2013)*<br><br>-<br>*(October 2013 - )* |

[11] Dates in parentheses indicate when a Representative is appointed and when he or she steps down. Where no date is given, this indicates that the Representative was appointed before January 2013 and/or will continue to serve after December 2013.

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|---|---|---|---|
| **SAUDI ARABIA** | Bandar Bin Abdel Mohsin Al-Shalhoob | **INDONESIA** | Hari Priyono |
| **VENEZUELA (BOLIVARIAN REPUBLIC OF)** | Beatriz Bolívar | **ALGERIA** | Nourdine Lasmi |

**List C**

**Sub-List C1**

| | | | |
|---|---|---|---|
| **ANGOLA** | Carlos Alberto Amaral | **MAURITIUS** | Ram Prakash Nowbuth |
| **EGYPT** | Magdi Anwar Hassanein<br>*( - November 2013)*<br><br>Abdelbaset Ahmed Aly Shalaby<br>*(November 2013 - )* | **EQUATORIAL GUINEA** | -<br>*( - November 2013)*<br><br>Josefina Milam Tang<br>*(November 2013 - )* |

**Sub-List C2**

| | | | |
|---|---|---|---|
| **CHINA** | Liang Ziqian<br>*( - March 2013)*<br><br>Zhang Zhengwei<br>*(March 2013 - )* | **PAKISTAN** | - |
| **INDIA** | Shaktikanta Das | **TURKEY** | Vedat Mirmahmutoğullari<br>*(April 2013 - )* |

**Sub-List C3**

| | | | |
|---|---|---|---|
| **BRAZIL** | Benvindo Belluco | **ARGENTINA** | Gustavo O. Infante |
| **MEXICO** | Miguel Ruíz Cabañas Izquierdo | **GUATEMALA** | -<br>*( - September 2013)*<br><br>Stephanie Hochstetter Skinner-Klée<br>*(September 2013 - )* |

## PUBLICATIONS IN 2013[12]

This is a list of selected publications. Technical publications and papers published by IFAD focus on specialized topics, making an original contribution to the issues concerned. Publications issued by the Independent Office of Evaluation of IFAD give impartial assessments of our results. The list also includes policy publications; technical papers, journal articles and materials written by staff and published outside IFAD; and selected publications issued externally with IFAD involvement.

Finally, we include links to some of our communication materials. This section gives a sample of the diverse kinds of public information and advocacy materials we produce to raise awareness of IFAD's impact and key areas of work.

### *Technical publications and papers*

**Agriculture**

- Supporting small-scale producers of certified sustainable products
- The power of partnerships: Forging alliances for sustainable smallholder agriculture.

**Climate change**

- Adaptation in practice: Increasing adaptive capacity through participatory mapping

**Gender**

- Gender and rural development briefs: South Asia, South East Asia, The Pacific Islands

**Indigenous peoples**

- First Global Meeting of the Indigenous Peoples' Forum at IFAD: Proceedings
- *Buenas prácticas en proyectos enfocados a pueblos indígenas y afro-descendientes del Fondo Internacional de Desarrollo Agrícola, FIDA, en América Latina. Documento de Síntesis*
- Findings of four case studies conducted by indigenous people on IFAD-funded projects in Asia and the Pacific. A regional overview
- Managing forests, sustaining lives, improving livelihoods of indigenous peoples and ethnic groups in the Mekong region, Asia

**Partnerships**

- IFAD and public-private partnerships. Selected project experiences

**Private sector**

- IFAD and the private sector: building links to accelerate pro-poor rural development

**Regional occasional papers**

- Agriculture – pathways to prosperity in Asia and the Pacific
- Has dietary transition slowed in India? An analysis based on the 50$^{th}$, 61$^{st}$ and 66$^{th}$ rounds of the National Sample Survey

[12] All publications are in the title language, unless otherwise indicated.

**Remittances**

- African postal financial services initiative (Arabic, English, French and Spanish)
- Diaspora investment in agriculture (DIA) initiative (Arabic, English, French and Spanish)
- Financing Facility for Remittances (Arabic, English, French and Spanish)
- GFR2013 Report
- Remittances and financial literacy (Arabic, English, French and Spanish)
- Remittances and microfinance networks (Arabic, English, French and Spanish)
- Remittances and mobile banking (Arabic, English, French and Spanish)
- Remittances and postal networks (Arabic, English, French and Spanish)
- Sending money home to Asia: trends and opportunities in the world's largest remittance marketplace (Arabic, English, French and Spanish)
- The FFR Brief. Five years of the Financing Facility for Remittances (English, French and Spanish), 2013 update

**Youth**

- A guidance note. Designing programmes that improve young rural people's livelihoods
- Policy brief. Improving young rural women's and men's livelihoods – The most sustainable means of moving to a brighter future

## *IFAD Independent Office of Evaluation publications*

- IOE Overview (English, French and Spanish)
- IFAD's independent evaluation: Ten years of accountability, learning and transformation (English, French and Spanish)
- 2013 Annual Report on Results and Impact of IFAD Operations (ARRI)

**Country programme evaluations**

- Madagascar
- Mali
- Nepal
- Uganda

**Impact evaluation**

Sri Lanka: Dry Zone Livelihood Support and Partnership Programme

**Corporate-level evaluations**

- IFAD's institutional efficiency and efficiency of IFAD-funded operations
- Direct supervision and implementation support

**Evaluation synthesis reports**

- IFAD's engagement with cooperatives
- Results-based country strategic opportunities programmes

**Project performance assessments**

- Azerbaijan: North-East Development Programme
- Cambodia: Rural Poverty Reduction Project in Prey Veng and Svay Rieng
- China: Rural Finance Sector Programme
- India: National Microfinance Support Programme
- Mongolia: Rural Poverty Reduction Programme
- Uruguay: Uruguay Rural Project

## *Policy publications*

- Country-level policy engagement: opportunity and necessity

## *Periodical articles and other materials published by IFAD authors*

Anyonge, T., Jonckheere, S., Romano, M. and Gallina, A. 2013. *Strengthening institutions and organizations: an analysis of lessons learnt from field applications of IFAD's sourcebook on institutional and organizational analysis for pro-poor change*. IFAD. Rome, Italy. http://www.ifad.org/english/institutions/synthesis/synthesis_report_web.pdf

Aryal, B. 2013. *35 years in Nepal*. IFAD. Nepal.

Gunda, C., Gasasira, J., Sithole, S., Liversage, H. and Jonckheere, S. 2013. Securing smallholder farmers' land and water rights and promoting equitable land access in irrigation and watershed management in Malawi, Rwanda and Swaziland. Annual World Bank Conference on Land and Poverty, 8-11 April 2013, The World Bank, Washington, D.C., United States.

Hazell, P. and A. Rahman (eds.). 2013. *New directions for smallholder agriculture*. Oxford University Press, Oxford, United Kingdom.

Magomu Masaba, C., Verkuijl, H., Ba, I., Marini, A., Serpagli, A., Liversage, H. and Jonckheere, S. 2013. Securing livelihoods, land and natural resource rights through inclusive business models: lessons From Uganda and Mali. Annual World Bank Conference on Land and Poverty, 8-11 April 2013, The World Bank, Washington, D.C., United States.

Musirimu, E., Liversage, H. and Jonckheere, S. 2013. Legal empowerment to secure women's land rights in Burundi. Annual World Bank Conference on Land and Poverty, 8-11 April 2013, The World Bank, Washington, D.C., United States.

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### *Communication materials*

IFAD also produces a wide range of public information and advocacy materials.

The **Image Bank** shows the many faces of rural life in the developing world. http://photos.ifad.org/asset-bank/action/viewHome

The **Newsroom** issues the latest releases on our work. http://www.ifad.org/media/index.htm

Regional **Seeds of Innovation** series:
- East and Southern Africa http://www.ifad.org/operations/projects/regions/pf/seeds/index.htm.
- Near East, North Africa and Europe http://www.ifad.org/operations/projects/regions/pn/infosheet/index.htm

**Regional electronic newsletters** report from the five IFAD regions:
- FIDAction in West and Central Africa (English and French) http://www.ifad.org/operations/projects/regions/pa/newsletter.htm
- Progress in East and Southern Africa (English) http://www.ifad.org/operations/projects/regions/pf/newsletter.htm
- Making a difference in Asia and the Pacific http://www.ifad.org/operations/projects/regions/pi/newsletter.htm
- Rural echoes in the Near East and North Africa (Arabic and English) http://www.ifad.org/operations/projects/regions/pn/newsletters.htm
- Rural perspectives – sharing experiences from Latin America and the Carribean (English and Spanish) http://www.ifad.org/operations/projects/regions/pl/newsletter.htm

**Gender electronic newsletter:** information about what is happening in support of gender mainstreaming and women’s empowerment, in IFAD and elsewhere
- http://www.ifad.org/gender/

**Human resources materials:**

- Work at IFAD: Make a difference
  http://www.ifad.org/job/working-with-ifad.pdf
- Welcome to Rome and IFAD

The IFAD **Social reporting blog** keeps up to date with events and developments taking place in the field and at headquarters.
http://ifad-un.blogspot.it

**Our stories** feature successful projects with a human face.
http://www.ifad.org/story/index.htm

**Factsheets** provide pertinent information on development issues, countries and regions around the globe.
http://www.ifad.org/pub/factsheet/index.htm

Our **videos** document successes and activities we support around the world.
http://www.ifad.org/video/index.htm

And there is more on our **Documents and publications** web page.
http://www.ifad.org/pub/index.htm

For information on our publications issued in the field, see:
http://www.ifad.org/contacts.htm#country

# Consolidated financial statements

For the year ended 31 December 2013*



These consolidated financial statements have been prepared using the symbols of the International Organization for Standardization (ISO), Geneva, International Standard 4217 and special drawing rights (SDR). The notes to the consolidated financial statements (appendix D) form an integral part of the financial statements.

* As submitted for endorsement to the 111th session of the Executive Board in April 2014 for further submission to the 38th session of the Governing Council for approval in accordance with regulation XII(6) of the Financial Regulations of IFAD.

**Consolidated and IFAD-only balance sheet**
As at 31 December 2013 and 2012 (Thousands of United States dollars)

| | Consolidated | | IFAD-only | |
|---|---|---|---|---|
| *Assets* | *2013* | *2012* | *2013* | *2012* |
| Cash on hand and in banks (note 4) | 347 061 | 404 282 | 186 304 | 246 905 |
| Investment at amortized cost | 782 377 | 788 827 | 301 617 | 373 555 |
| Investment at fair value | 1 576 829 | 1 786 416 | 1 500 300 | 1 672 283 |
| Investments (note 4) | 2 359 206 | 2 575 243 | 1 801 917 | 2 045 838 |
| Contributors' promissory notes (note 5) | 547 751 | 490 918 | 377 543 | 331 418 |
| Contributions receivable (note 5) | 895 937 | 843 750 | 514 269 | 551 315 |
| Less: provisions (note 6) | (168 448) | (168 448) | (168 448) | (168 448) |
| Net contr bution and promissory notes receivables | 1 275 240 | 1 166 220 | 723 364 | 714 285 |
| Other receivables (note 7) | 28 139 | 22 051 | 148 304 | 144 543 |
| Fixed assets (note 8) | 11 268 | 6 403 | 11 268 | 6 403 |
| Loans outstanding (note 9 and appendix H) | 5 107 421 | 4 860 269 | 5 092 759 | 4 858 986 |
| Less: accumulated allowance for loan impairment losses (note 9(a)) | (21 413) | (14 292) | (21 413) | (14 292) |
| Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Debt Initiative (note 11(b) and appendix I) | (32 722) | (63 861) | (32 722) | (63 861) |
| Net loans outstanding | 5 053 286 | 4 782 116 | 5 038 624 | 4 780 833 |
| **Total assets** | **9 074 200** | **8 956 315** | **7 909 781** | **7 938 807** |

| | Consolidated | | IFAD-only | |
|---|---|---|---|---|
| *Liabilities and equity* | *2013* | *2012* | *2013* | *2012* |
| **Liabilities** | | | | |
| Payables and liabilities (note 12) | 168 728 | 175 106 | 177 908 | 182 838 |
| Undisbursed grants (note 14) | 313 140 | 316 708 | 81 465 | 91 914 |
| Deferred revenues (note 13) | 593 043 | 494 031 | 79 371 | 86 131 |
| Trust fund borrowing (note 15) | 395 571 | 383 815 | 0 | 0 |
| **Total liabilities** | **1 470 482** | **1 369 660** | **338 744** | **360 883** |
| **Equity** | | | | |
| Contributions | | | | |
| Regular | 7 295 484 | 6 966 330 | 7 295 484 | 6 966 330 |
| Special | 20 349 | 20 349 | 20 349 | 20 349 |
| **Total contributions (appendix G)** | **7 315 833** | **6 986 679** | **7 315 833** | **6 986 679** |
| General Reserve | 95 000 | 95 000 | 95 000 | 95 000 |
| Retained earnings | 192 885 | 504 976 | 160 204 | 496 245 |
| **Total equity** | **7 603 718** | **7 586 655** | **7 571 037** | **7 577 924** |
| **Total liabilities and equity** | **9 074 200** | **8 956 315** | **7 909 781** | **7 938 807** |

The accompanying notes in appendix D form an integral part of these financial statements.

## Consolidated statement of comprehensive income

For the years ended 31 December 2013 and 2012 (Thousands of United States dollars)

| | *2013* | *2012* |
|---|---|---|
| **Revenues** | | |
| Income from loans | 48 582 | 49 267 |
| (Losses)/Income from cash and investments (note 17) | (17 123) | 82 404 |
| Income from other sources (note 18) | 10 878 | 9 143 |
| Income from contributions (note 19) | 104 358 | 81 072 |
| **Total revenues** | **146 695** | **221 886** |
| **Operating expenses (note 20)** | | |
| Staff salaries and benefits (note 21) | (104 250) | (97 621) |
| Office and general expenses | (32 754) | (34 574) |
| Consultants and other non-staff costs | (37 788) | (37 832) |
| Cooperating institutions | (2 502) | (2 624) |
| Direct bank and investment costs (note 24) | (3 095) | (3 594) |
| **Subtotal operating expenses** | **(180 389)** | **(176 245)** |
| Loan interest expenditures | (2 034) | (7 139) |
| Reversal of allowance for loan impairment losses (note 9(a)) | (5 352) | 30 394 |
| Debt Initiative for HIPC income/(expenses) (note 26) | 29 026 | (28 457) |
| Grant expenses (note 22) | (108 870) | (111 349) |
| DSF expenses (note 23) | (142 665) | (118 416) |
| Depreciation (note 8) | (1 656) | (1 578) |
| **Total expenses** | **(411 940)** | **(412 790)** |
| **(Deficit) before fair value adjustments** | **(265 245)** | **(190 904)** |
| Adjustment for changes in fair value (note 25) | (70 951) | (15 558) |
| **(Deficit) revenue over expenses** | **(336 196)** | **(206 462)** |
| **Other comprehensive (loss):** | | |
| Gains/(Losses) from currency exchange movements (note 16) | 17 334 | (3 108) |
| Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits (note 21) | 6 771 | (14 804) |
| **Total other comprehensive income/(loss)** | **24 105** | **(17 912)** |
| **Total comprehensive (loss)** | **(312 091)** | **(224 374)** |

The accompanying notes in appendix D form an integral part of these financial statements

## IFAD-only statement of comprehensive income

For the years ended 31 December 2013 and 2012 (Thousands of United States dollars)

| | 2013 | 2012 |
|---|---|---|
| **Revenues** | | |
| Income from loans | 48 513 | 49 267 |
| (Losses)/Income from cash and investments (note 17) | (20 480) | 75 936 |
| Income from other sources | 16 230 | 11 556 |
| Income from contributions (note 19) | 3 982 | 1 866 |
| **Total revenues** | **48 245** | **138 625** |
| **Operating expenses (note 20)** | | |
| Staff salaries and benefits (note 21) | (100 988) | (94 181) |
| Office and general expenses | (31 472) | (33 783) |
| Consultants and other non-staff costs | (32 985) | (32 995) |
| Cooperating institutions | (2 314) | (1 941) |
| Direct bank and investment costs | (2 889) | (3 442) |
| **Subtotal operating expenses** | **(170 648)** | **(166 342)** |
| Allowance for loan impairment losses (note 9(a)) | (5 352) | 30 394 |
| Debt Initiative for HIPC income /(expenses) (note 26) | 29 026 | (28 457) |
| Grant expenses (note 22) | (40 959) | (43 571) |
| DSF expenses (note 23) | (142 665) | (118 416) |
| Depreciation (note 8) | (1 656) | (1 578) |
| **Total expenses** | **(332 254)** | **(327 970)** |
| **(Deficit) revenue over expenses before fair value adjustments** | **(284 009)** | **(189 345)** |
| Adjustment for changes in fair value (note 25) | (66 505) | (12 049) |
| **(Deficit) revenue over expenses** | **(350 514)** | **(201 394)** |
| **Other comprehensive (loss):** | | |
| Gain/(Losses) from currency exchange movements | 7 702 | (2 404) |
| Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits (note 21) | 6 771 | (14 804) |
| **Total other comprehensive income/(loss)** | **14 473** | **(17 208)** |
| **Total comprehensive (loss)** | **(336 041)** | **(218 602)** |

The accompanying notes in appendix D form an integral part of these financial statements.

## Consolidated statement of changes in retained earnings

For the years ended 31 December 2013 and 2012 (Thousands of United States dollars)

| | *Total retained earnings* |
|---|---|
| **Retained earnings as at 31 December 2011** | **729 350** |
| (Deficit) revenue over expenses | (206 462) |
| Total other comprehensive (loss) | (17 912) |
| **Retained earnings as at 31 December 2012** | **504 976** |
| (Deficit) revenue over expenses | (336 196) |
| Total other comprehensive income | 24 105 |
| **Retained earnings as at 31 December 2013** | **192 885** |

## IFAD-only statement of changes in retained earnings

For the years ended 31 December 2013 and 2012 (Thousands of United States dollars)

| | *Total retained earnings* |
|---|---|
| **Retained earnings as at 31 December 2011** | **714 847** |
| (Deficit) revenue over expenses | **(201 394)** |
| Total other comprehensive (loss) | **(17 208)** |
| **Retained earnings as at 31 December 2012** | **496 245** |
| (Deficit) revenue over expenses | **(350 514)** |
| Total other comprehensive income | **14 473** |
| **Retained earnings as at 31 December 2013** | **160 204** |

The accompanying notes in appendix D form an integral part of these financial statements.

## Consolidated cash flow statement

For the years ended 31 December 2013 and 2012 (Thousands of United States dollars)

| | | 2013 | 2012 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| | Interest received from loans | 46 668 | 46 878 |
| | Receipts for non-replenishment contributions | 107 159 | 119 887 |
| | Miscellaneous (payments)/receipts | 13 058 | 20 029 |
| | Payments for operating expenses and other payments | (184 120) | (159 037) |
| | Grant disbursements (IFAD) | (45 281) | (46 408) |
| | Grant disbursements (supplementary funds) | (64 227) | (81 586) |
| | DSF disbursements | (142 665) | (118 416) |
| | Transfer to from restricted cash | (4 618) | 438 |
| | **Net cash flows generated from operating activities** | **(274 026)** | **(218 215)** |
| **Cash flows from investing activities** | | | |
| | Loan disbursements | (499 723) | (535 866) |
| | Loan principal repayments | 214 457 | 221 967 |
| | Transfers from/(to) investments at amortized costs | 12 330 | (2 589) |
| | Receipts from investments | (36 560) | 53 265 |
| | **Net cash used in investing activities** | **(309 496)** | **(263 223)** |
| **Cash flows from financing activities** | | | |
| | Receipts for replenishment contributions | 310 123 | 320 458 |
| | Payments for trust fund borrowing | (8 007) | (5 740) |
| | **Net cash used in financing activities** | **302 116** | **314 718** |
| **Effects of exchange rate movements on cash and cash equivalents** | | **(2 283)** | **(2 581)** |
| | **Net (decrease) in unrestricted cash and cash equivalents** | **(283 689)** | **(169 301)** |
| | Unrestricted cash and cash equivalents at beginning of year | 2 172 755 | 2 342 056 |
| | **Unrestricted cash and cash equivalents at end of year** | **1 889 066** | **2 172 755** |
| **COMPOSED OF:** | | | |
| | Unrestricted cash | 342 385 | 404 218 |
| | Unrestricted investments excluding held-to-maturity and payables control accounts | 1 546 681 | 1 768 537 |
| | **Cash and cash equivalents at end of year** | **1 889 066** | **2 172 755** |

The accompanying notes in appendix D form an integral part of these financial statements.

## Summary of information on other consolidated entities

As at 31 December 2013 (Millions of United States dollars)

| | *HIPC* | *Haiti Debt Relief* | *After-Service Medical Coverage Scheme Trust Fund* | *Spanish Food Security Cofinancing Facility Trust Fund* | *Adaptation for Smallholder Agriculture Programme Trust Fund* | *Supplementary Funds* |
|---|---|---|---|---|---|---|
| ***Balance sheet*** | | | | | | |
| Total assets | 11.2 | 37.3 | 69.7 | 414.7 | 328.9 | 422.9 |
| Total liabilities | 10.5 | 36.8 | 68.9 | 397.2 | 327.4 | 422.9 |
| Retained earnings | 0.7 | 0.5 | 0.8 | 17.5 | 1.5 | 0 |
| ***Statement of comprehensive income*** | | | | | | |
| Total revenue | 0.0 | 0.0 | 0.1 | 21.0 | 2.4 | 79.5 |
| Total operating expenses | 0.0 | 0.0 | (0.1) | (2.6) | (2.1) | (79.8) |
| Net revenue less operating expenses | **0.0** | **0.0** | **0.0** | **18.4** | **0.3** | **(0.3)** |
| ***Net cash flow*** | **6.8** | **0.1** | **2.9** | **(0.5)** | **(44.9)** | **(9.7)** |

As at 31 December 2012 (Millions of United States dollars)

| | *HIPC* | *Haiti Debt Relief* | *After-Service Medical Coverage Scheme Trust Fund* | *Spanish Food Security Cofinancing Facility Trust Fund* | *Adaptation for Smallholder Agriculture Programme Trust Fund* | *Supplementary Funds* |
|---|---|---|---|---|---|---|
| ***Balance sheet*** | | | | | | |
| Total assets | 4.3 | 39.1 | 66.8 | 406.7 | 313.7 | 309.4 |
| Total liabilities | 6.4 | 39.1 | 67.8 | 404.8 | 313.9 | 311.0 |
| Retained earnings | (2.1) | 0.0 | (1.0) | 2.0 | (0.1) | (1.7) |
| ***Statement of comprehensive income*** | | | | | | |
| Total revenue | 0.0 | 0.0 | 0.0 | 5.9 | 0.0 | 79.3 |
| Total operating expenses | 0.0 | 0.0 | 0.0 | (8.2) | 0.0 | (82.6) |
| Net revenue less operating expenses | **0.0** | **0.0** | **0.0** | **(2.3)** | **0.0** | **(3.3)** |
| ***Net cash flow*** | **(21.6)** | **4.8** | **1.1** | **6.7** | **50.9** | **(12.7)** |

**Notes to the consolidated financial statements**

**NOTE 1**

**BRIEF DESCRIPTION OF THE FUND AND THE NATURE OF OPERATIONS**

The International Fund for Agricultural Development (herein after IFAD or the Fund) is a specialized agency of the United Nations. IFAD formally came into existence on 30 November 1977, on which date the agreement for its establishment entered into force, and has its headquarters in Rome, Italy. The Fund and its operations are governed by the Agreement Establishing the International Fund for Agricultural Development.

Membership in the Fund is open to any state member of the United Nations or any of its specialized agencies, or of the International Atomic Energy Agency (IAEA). The Fund's resources come from Member contributions, special contributions from non-Member States and other sources, and funds derived or to be derived from operations.

The objective of the Fund is to mobilize additional resources to be made available on concessional terms primarily for financing projects specifically designed to improve food production systems, the nutritional level of the poorest populations in developing countries and the conditions of their lives. IFAD mobilizes resources and knowledge through a dynamic coalition of the rural poor, governments, financial and development institutions, non-governmental organizations and the private sector, including cofinancing. Financing from non-replenishment sources in the form of supplementary funds and human resources forms an integral part of IFAD's operational activities.

**NOTE 2**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

***(a) Basis of preparation***

The consolidated financial statements of the Fund are prepared in accordance with International Financial Reporting Standards (IFRS). Information is provided separately in the financial statements for entities where this is deemed of interest to the readers of the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

During 2012, the Fund adopted IAS 19 (revised) (employee benefit), IFRS 10 (consolidated financial statements), IFRS 9 (financial instruments) and IFRS 12 (disclosure of interest in other entities).

During 2013 IFRS 13 (fair value measurement) became mandatory; the application of this standard has neglig ble impact on the accounts.

***(b) Area of consolidation***

Financing in the form of supplementary funds and human resources forms an integral part of IFAD's operational activities. As such the Fund prepares consolidated accounts, which include the transactions and balances for the following entities:

- Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (SPA)
- IFAD Fund for Gaza and the West Bank (FGWB)
- Other supplementary funds, including technical assistance grants, cofinancing, associate professional officers (APOs) and programmatic and thematic supplementary funds; the Belgian Fund for Food Security Joint Programme (BFFS.JP); and the Global Environment Facility (GEF)
- IFAD's Trust Fund for the Heavily Indebted Poor Countries (HIPC) Debt Initiative
- IFAD's After-Service Medical Coverage Scheme (ASMCS) Trust Fund
- Administrative account for Haiti Debt Relief Initiative (Haiti Debt Relief Initiative)
- Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)
- Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund

These entities have a direct link to IFAD's core activities and are substantially controlled by IFAD. In line with the underlying agreements and recommendations establishing those entities, IFAD has the power of governing the related financial and operating policies. Accordingly, they are consolidated in IFAD's financial statements. All transactions and balances among these entities have been eliminated. Additional financial data for funds are drawn up as and when requested to meet specific donor requirements. All entities included in the consolidation area have a fiscal period corresponding to the solar year.

**Entities housed at IFAD.** These entities do not form part of the core activities of the Fund and IFAD does not have the power of governing the related financial and operating policies. As such, they are not consolidated as they are not substantially controlled. These entities are the International Land Coalition (ILC) (formerly called the Popular Coalition to Eradicate Hunger and Poverty), the High-Level Task Force (HLTF) on the Global Food Security Crisis. Until 30 September 2013, the Global Mechanism of the United Nations Convention to Combat Desertification, was hosted by the Fund.

***(c) Translation and conversion of currencies***

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars, which is IFAD's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

The results and financial position of the entities/funds that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities and revenue and expenditures are translated at the closing rate.
- All resulting exchange differences are recognized as a separate component of other comprehensive income

***(d) Measurement of financial assets and liabilities***

Financial assets and liabilities are measured and classified in the following categories: amortized cost or at fair value through profit and loss. The classification depends on the contractual cash flow characteristics (contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding) and on the business model for their management (the intention to hold these financial assets and liabilities until their maturity). Financial assets and liabilities are accounted for at amortized cost only when the Fund's business model is to hold the assets/liabilities until maturity and collect the arising contractual cash flows (just principal and interest). All other financial assets and liabilities are accounted for at fair value through profit and loss.

- ***Equity***

This comprises the following three elements: **(i) Contributions (equity); (ii) General Reserve; and (iii) Retained earnings**.

**(i) Contributions (equity)**

(a) Background to contributions

The contr butions to the Fund by each Member when due are payable in freely convert ble currencies, except in the case of Category III Members up to the end of the Third Replenishment period, which were permitted to pay contributions in their own currency whether or not it was freely convertible. Each contribution is to be made in cash or, to the extent that any part of the contribution is not needed immediately by the Fund in its operations, may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand.

A contribution to IFAD replenishment resources is recorded in full as equity and as receivable when a Member deposits an instrument of contribution. Certain contributions are subject to national appropriation measures, therefore those receivables are considered due upon release of those conditions. Amounts receivable from Member States as contributions, and other receivables including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS9.

(b) Provisions

The policy on provisions against overdue Member States' contributions is as follows:

(i) Whenever a payment of an instalment against an instrument of contribution or a payment of a drawdown against a promissory note becomes overdue by 24 months, a provision will be made equal to the value of all overdue contribution payments or the value of all unpaid drawdowns on the promissory note(s) outstanding.

(ii) Whenever a payment of an instalment against an instrument of contribution or a payment of a drawdown against a promissory note becomes overdue by 48 months or more, a provision will be made against the total value of the unpaid contributions of the Member or the total value of the promissory note(s) of that Member related to the particular funding period (i.e. a replenishment period).

(iii) The end of the financial year is currently used for determining the 24 and 48 months periods.

**(ii) General Reserve**

The General Reserve may only be used for the purposes authorized by the Governing Council and was established in recognition of the need to cover the Fund's potential over-commitment risk as a result of exchange rate fluctuations and possible delinquencies in the receipt of loan service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets. It is also intended to cover the risk of over-commitment as a result of a decrease in the value of assets caused by fluctuations in the market value of investments.

The General Reserve is subject to a review at least every three years in order to assess its adequacy. The last such review was conducted in 2012.

**(iii) Retained earnings**

Retained earnings represent cumulative excess of revenue over expenses net of the effects of changes in foreign exchange rates. For operational purposes, reference should be made to the statement of IFAD-only resources available for commitment (appendix E).

***(e) Loans***

**(i) Background to loans**

IFAD loans are made only to developing states that are Members of the Fund or to intergovernmental organizations in which such Members participate. In the latter case, the Fund may require governmental or other guarantees. A loan becomes effective or enters into force when conditions precedent to effectiveness or entry into force have been fulfilled. Upon signature, disbursement may commence.

All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement in amounts equivalent to the SDR due, based on International Monetary Fund rates on the due dates. Loans approved are disbursed to borrowers in accordance with the provisions of the loan agreement.

Currently the lending terms of the Fund are as follows:

(a) special loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of forty (40) years, including a grace period of ten (10) years; (b) loans on hardened terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of twenty (20) years, including a grace period of ten (10) years; (c) loans on blend terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum plus a spread and have a maturity period of twenty (20) years, including a grace period of ten (10) years (these are applicable from 2013 onwards); (d) loans on intermediate terms shall have a rate of interest per annum equivalent to fifty per cent (50 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of twenty (20) years, including a grace period of five (5) years; (e) loans on ordinary terms shall have a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years; and (f) no commitment charge shall be levied on any loan.

**(ii) Loans to non-Member States**

At its twenty-first session in February 1998, the Governing Council adopted resolution 107/XXI approving the establishment of a fund for the specific purpose of lending to Gaza and the West Bank (FGWB). The application of article 7, section 1(b), of the Agreement Establishing IFAD was waived for this purpose. Financial assistance, including loans, is transferred to the FGWB by decision of the Executive Board and the repayment thereof, if applicable, is made directly to IFAD's regular resources.

**(iii) Heavily Indebted Poor Countries (HIPC) Debt Initiative**

IFAD participates in the International Monetary Fund/World Bank original and enhanced HIPC Debt Initiative as an element of IFAD's broader policy framework for managing operational partnerships with countries that face the risk of having arrears with IFAD in the future because of their debt-service burden. Accordingly, IFAD provides debt relief by forgiving a portion of an eligible country's debt-service obligations as they become due.

In 1998, IFAD established a Trust Fund for the Debt Initiative. This fund receives resources from IFAD and from other sources, specifically dedicated as compensation to the loan-fund account(s) for agreed reductions in loan repayments under the Initiative. Amounts of debt service forgiven are expected to be reimbursed by the Trust Fund on a pay-as-you-go basis (i.e. relief is when debt service obligations become due) to the extent that resources are available in the fund.

The Executive Board approves each country's debt relief in net present value terms. The estimated nominal equivalent of the principal components of the debt relief is recorded under the accumulated allowance for the HIPC Debt Initiative, and as a charge to the HIPC Debt Initiative expenses in the statement of comprehensive income. The assumptions underlying these estimates are subject to periodic revision. Significant judgement has been used in the computation of the estimated value of allowances for the HIPC Debt Initiative.

The charge is offset and the accumulated allowance reduced by income received from external donors to the extent that such resources are available. The accumulated allowance for the HIPC Debt Initiative is reduced when debt relief is provided by the Trust Fund.

In November 2006, IFAD was granted access to the core resources of the World Bank HIPC Trust Fund, in order to assist in financing the outstanding debt relief once countries reach completion point. Financing is provided based on net present value calculation of their future debt relief flows.

**(iv) Measurement of loans**

Loans are initially recognized at fair value on day one (based on disbursement to the borrower) and subsequently measured at amortized cost using the effective interest method. The fair value is calculated using an enhanced fair value tool by applying discount rates to the estimated future cash flows on a loan-by-loan basis in the currency in which the loans are denominated. The discount factor applied is not adjusted for country credit risk because of the very low probability of default experienced by IFAD on its loan portfolio. However, the outstanding loans are reviewed for impairment on a loan-by-loan basis and a provision established where there is objective evidence that the loans are impaired.

**(v) Accumulated allowance for impairment losses**

Delays in receiving loan payments result in present value losses to the Fund since it does not charge fees or additional interest on any overdue interest or loan charges. An allowance is established on a specific basis for such losses based on the difference between the assets' carrying value and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate (i.e. the effective interest rate calculated at initial recognition). In cases where it is not possible to estimate with any reasonable certainty the expected cash flows of a loan (as in all cases for which an allowance has been established to date), an alternative approach is followed that adopts a method similar to the benchmark used for the provisioning of Member States' contr butions. This means that an allowance shall be made on loan instalments overdue by more than 24 months. An allowance is also made for loan instalments on the same loan overdue by less than 24 months. Once this trigger period has been reached, all amounts overdue at that time are considered to be in provision status, even in the event that part of the total outstanding debt is subsequently repaid. In cases where more than 48 months have elapsed, an allowance is made for all outstanding principal amounts of the loan concerned. The point in time from which it is necessary to determine whether or not the given period has elapsed is the balance sheet date. The Fund has not written off any of its loans. Considering the positive historical loan reflow trends, the Fund has not established a collective impairment provision on loans not subject to specific impairment.

**(vi) Non-accrual status**

Income on loans is recognized following the accrual basis of accounting. For loans with overdue amounts in excess of 180 days, interest and service charges are recognized as income only when actually received. Follow-up action is being taken with the respective governments to obtain settlement of these obligations.

***(f) Investments***

The Fund's investments are classified at fair value through profit and loss or at amortized cost. Investments are classified at amortized cost when they belong to a portfolio managed by the Fund based on a business model to hold those securities until their maturity, by collecting solely maturing interest and principal in line with the contractual characteristics. If the above conditions are not met, the Fund carries investments at fair value through profit and loss. Fair value is determined in accordance with the hierarchy set in note 3. Both realized and unrealized security gains and losses are included in income from investments as they arise. Both realized and unrealized exchange gains and losses are included in the account for movements in foreign exchange rates as they arise. All purchases and sales of investments are recognized on the trade date. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The majority of derivatives are used as hedging instruments (although they do not qualify for hedge accounting) and therefore changes in the fair value of these derivative instruments are recognized immediately in the statement of comprehensive income.

***(g) Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand and deposits held at call with banks. They also include investments that are readily convertible at the balance sheet date. Net investment payables and investments held-to-maturity are excluded from readily convertible investments for cash flow purposes.

***(h) Contributions (non-equity)***

Contributions to non-replenishment resources are recorded as revenues in the period in which the related expenses occur. For project cofinancing activities, contr butions received are recorded as revenues in the period in which the related grant becomes effective. Contr butions relating to programmatic grants, APOs, BFFS.JP and other supplementary funds are recorded in the balance sheet as deferred revenues and are recorded as revenue by the amount of project-related expenses in the statement of comprehensive income. Where specified in the donor agreements, contributions received (including management fees) and interest earned thereon, for which no direct expenses have yet been incurred, are deferred until future periods to be matched against the related costs. This is consistent with the accounting principle adopted with regard to IFAD's combined supplementary funds and serves to present the underlying nature of these balances more clearly. A list of such contributions can be found in appendix D1.

Individual donors provided human resources (in the form of APOs) to assist IFAD in its activities. The contr butions received from donors are recorded as revenues and the related costs are included in staff costs.

***(i) Grants***

The Agreement Establishing IFAD empowers the Fund to provide grants to its Member States, or to intergovernmental organizations in which its Members participate, on such terms as the Fund deems appropriate.

Grants are recorded as expenses on disbursable date of the approved amount and as a liability for undisbursed amounts at fair value in accordance with IFRS9. Following the approval by the Executive Board of the revisions to the General Conditions for Agricultural Development Financing (April 2009), grants become disbursable when a recipient has the right to incur eligible expenditure.

Cancellations of undisbursed balances are recognized as an offset to the expense in the period in which they occur.

***(j) Debt Sustainability Framework (DSF)***

Under the DSF, countries elig ble for highly concessional lending receive financial assistance on a grant rather than a loan basis. Principal amounts forgone by IFAD are expected to be compensated on a pay-as-you-go basis (according to the underlying loan amortization schedule) by the Member States, while the interest is relinquished. Principal compensation will be negotiated during future replenishment consultations (see note 28 (b) on contingent assets). DSF financing is subject to IFAD's General Conditions for Agricultural Development Financing. DSF financing is implemented over an extended time horizon and recognized as expenditure in the statement of comprehensive income in the period in which conditions for the release of funds to the recipient are met.

***(k) Borrowing under the Spanish Food Security Cofinancing Facility Trust Fund***

The Spanish Trust Fund was established in 2010, after receiving funds on a loan basis. This liability is accounted for at amortized cost. The funds will be used to provide loans to IFAD borrowers in accordance with IFAD procedures (with the exception of DSF countries).

Repayments of the loan by the Trust Fund to Spain will be aligned to the loan repayments received from borrowing countries over 45 years, with a five-year grace period. The interest rate to be paid to Spain will be a variable 12-month Eur bor rate. The interest will be paid to Spain by 15 January each year and is accounted for on an accrual basis.

The liquidity available in the Spanish Trust Fund will be invested according to an investment policy that ensures that disbursement needs are met while generating adequate risk-adjusted return.

The excess investment income will be kept in a reserve account that will allow IFAD to manage risks.

In the event that it is determined that the Spanish Trust Fund lacks sufficient resources to meet its payment obligations, Spain will provide additional funds.

***(l) Employee schemes***

(i) Pension obligations

IFAD participates in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded, defined benefit plan. The financial obligation of the Fund to the UNJSPF consists of its mandated contr bution, at the rate established by the United Nations General Assembly, together with any share of any actuarial deficiency payments under article 26 of the regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. At the time of this report, the United Nations General Assembly has not invoked this provision.

The actuarial method adopted for the UNJSPF is the Open Group Aggregate method. The cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of employees, in accordance with the advice of the actuaries, who carry out a full valuation of the period plan every two years. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. IFAD, l ke other participating organizations, is not in a position to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes.

(ii) After-Service Medical Coverage Scheme

IFAD participates in a multi-employer After-Service Medical Coverage Scheme (ASMCS) administered by the Food and Agriculture Organization of the United Nations (FAO) for staff receiving a United Nations pension and elig ble former staff on a shared-cost basis. The ASMCS operates on a pay-as-you-go basis, meeting annual costs out of annual budgets and staff contributions. Since 2006, an independent valuation is performed on an annual basis.

In accordance with IAS19, IFAD has set up a trust fund into which it transfers the funding necessary to cover the actuarial liability. Service costs are recognized as operating expenditure. The net balance between interest costs and expected return on plan assets is recognized in profit and loss, while re-measurements on assets and liabilities are recognized as the net position in other comprehensive income. Due to the revisions to IAS19, the expected rate of return for accounting is set equal to the accounting discount rate.

***(m) Provisions***

Provisions are established when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Employee entitlements to annual leave and long-service entitlements are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service separation entitlements as a result of services rendered by employees up to the balance sheet date.

***(n) Taxation***

IFAD is a specialized agency of the United Nations and as such enjoys privileged tax-exemption status under the Convention on Privileges and Immunities of Specialized United Nations Agencies of 1947 and the Agreement between the Italian Republic and IFAD on IFAD's permanent headquarters. Taxation levied where this exemption has not yet been obtained is deducted directly from the related investment income.

***(o) Revenue recognition***

Service charge income and income from other sources are recognized as revenue in the period in which the related expenses are incurred (goods delivered or services provided).

***(p) Fixed assets – Intangible assets***

*Fixed assets*

Major purchases of property, furniture and equipment are capitalized. Depreciation is charged on a straight-line basis over the estimated useful economic life of each item purchased as set out below:

- Permanent equipment fixtures and fittings 10 years
- Furniture 5 years
- Office equipment 4 years
- Vehicles 5 years

*Intangible assets*

Software development costs are capitalized as intang ble assets where future economic benefits are expected to flow to the organization. Depreciation is calculated on a straight-line basis over the estimated useful life of the software (two to seven years). Leasehold improvements are capitalized as assets. Depreciation is calculated on a straight-line basis over their estimated useful life (not exceeding rental period of IFAD headquarters).

**NOTE 3**

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

***(a) Critical accounting estimates and assumptions***

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Fair value and amortized costs of loans, undisbursed grants, deferred revenues, promissory notes and contr butions receivable. For the details about the models applied for fair value calculation of loans, reference should be made to note 2.

The fair value of financial instruments that are not traded in an active market is determined by considering quoted prices for similar assets in active markets, quoted prices for identical assets in non-active markets or valuation techniques.

Financial assets and liabilities measured at fair value on the balance sheet are categorized as follows:

Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities, or pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Financial assets or liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

***(b) Critical judgement in applying accounting policies***

(i) Fair value accounting

Fair value accounting is required in order for IFAD to comply with International Financial Reporting Standards. Reconciliations between measurement at fair value and amortized cost using the effective interest method and nominal values have been provided with respect to loans, receivables, undisbursed grants and deferred revenues.

**NOTE 4**

**CASH AND INVESTMENT BALANCES**

***Analysis of balances (consolidated)***

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| Unrestricted cash | 342 385 | 404 219 |
| Cash subject to restriction | 4 676 | 63 |
| **Subtotal cash** | **347 061** | **404 282** |
| Unrestricted investments at fair value | 1 576 462 | 1 786 019 |
| Investments at amortized cost | 782 377 | 788 827 |
| Investments subject to restriction | 367 | 397 |
| **Subtotal investments** | **2 359 206** | **2 575 243** |
| **Total cash and investments** | **2 706 267** | **2 979 525** |

The composition of the portfolio by entity at 31 December was as follows:

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| IFAD | 1 988 220 | 2 292 743 |
| ASMCS Trust Fund | 69 702 | 66 840 |
| HIPC Trust Fund | 11 150 | 4 348 |
| Supplementary Funds | 115 563 | 125 476 |
| Spanish Trust Fund | 399 989 | 400 191 |
| Haiti Debt Relief Initiative (appendix J) | 37 269 | 39 071 |
| ASAP | 84 374 | 50 856 |
| **Total cash and investments** | **2 706 267** | **2 979 525** |

***(i) Cash and investments subject to restriction***

In accordance with the Agreement Establishing IFAD, the amounts paid into the Fund by the then Category III Member States in their respective currencies on account of their initial or additional contributions are subject to restriction in usage.

During the year, IFAD opened an escrow account, which had a balance of US$4.6 million as at 31 December 2013. This restricted cash has been set aside under an escrow agreement with the bank only to be utilized for purposes of meeting obligations relating to the hosting of the Global Mechanism to cover potential damages resulting from litigation cases, payments related to disputed invoices with other United Nation agencies and a contingency provision for unforeseen obligations. These funds are to be reimbursed to the Global Mechanism in the event that such liabilities do not crystallize.

***(ii) Composition of the investment portfolio by instrument (consolidated)***

At 31 December 2013, cash and investments, including payables and receivables, at market value amounted to US$2,700,431,000 excluding restricted and non-convert ble currencies (2012 – US$2,956,419,000), and comprised the following instruments:

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| Cash | 347 061 | 404 281 |
| Fixed-income instruments | 1 764 693 | 2 049 882 |
| Unrealized (loss)/gain on forward contracts | (2 251) | (8 746) |
| Time deposits and other obligations of banks | 583 494 | 527 649 |
| Unrealized (loss)/gain on futures | 13 270 | 6 458 |
| **Total cash and investments** | **2 706 268** | **2 979 525** |
| Receivables for investments sold | 3 197 | 1 385 |
| Payables for investments purchased | (9 033) | (24 491) |
| **Total investment portfolio** | **2 700 431** | **2 956 419** |

Fixed-income investments and cash include US$824,659,000 at amortized cost as at 31 December 2013 (2012 – US$805,398,000). The fair value of global strategic portfolio investments as at 31 December 2013 was US$830,724,000 (2012 – US$817,413,000).

***(iii) Composition of the investment portfolio by currency (consolidated)***

The currency composition of cash and investments at 31 December was as follows:

| | 2013 | 2012 |
|---|---|---|
| Euro | 1 202 095 | 1 286 939 |
| Japanese yen | 135 263 | 191 320 |
| Pound sterling | 246 065 | 299 856 |
| United States dollar | 1 117 008 | 1 178 304 |
| **Total cash and investment portfolio** | **2 700 431** | **2 956 419** |

***(iv) Composition of the investment portfolio by maturity (consolidated)***

The composition of cash and investments by maturity at 31 December was as follows:

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| Due in one year or less | 1 197 610 | 1 127 769 |
| Due after one year through five years | 878 903 | 1 166 800 |
| Due from five to ten years | 454 270 | 449 274 |
| Due after ten years | 169 648 | 218 576 |
| **Total cash and investment portfolio** | **2 700 431** | **2 956 419** |

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2013 was 42 months (2012 – 47 months).

***(a) Financial risk management***

IFAD's investment activities are exposed to a variety of financial risks: market risk, credit risk, currency risk, custodial risk and liquidity risk, as well as capital risk as a going concern which, however, is limited to the investment portfolio.

***(i) Market risk***

IFAD's investment portfolio is allocated to several asset classes in the fixed income universe in line with IFAD's investment policy. Occasionally IFAD Management has taken short-term tactical measures to protect the overall portfolio from adverse market conditions.

Cash and investments at amortized cost are managed internally; investments at fair value are managed through eight mandates to external managers as at 31 December 2013.

Market risk on other entities included in the consolidated financial statements is not considered significant.

The weights and amounts of each asset class within the overall portfolio, together with the investment policy weights as at 31 December 2013 and 2012, are shown in table 1. Disclosures relate to IFAD-only accounts, for the Net Asset Value.

Table 1

| Asset class | Portfolio | | Investment policy |
|---|---|---|---|
| 2013 | % | Millions of US dollars | % |
| Short-term liquidity | 8.2 | 162.9 | 7.0 |
| Global strategic portfolio | 15.3 | 303.1 | 17.0 |
| Global government bonds | 34.3 | 678.2 | 36.0 |
| Global diversified fixed-income | 12.7 | 251.7 | 10.0 |
| Global inflation-linked | 18.9 | 373.7 | 20.0 |
| Emerging market debt | 10.5 | 208.2 | 10.0 |
| **Total** | **100.0** | **1 977.8** | **100.0** |

| Asset class | Portfolio | | Investment policy |
|---|---|---|---|
| 2012 | % | Millions of US dollars | % |
| Short-term liquidity | 8.6 | 194.8 | 7.0 |
| Global strategic portfolio | 16.5 | 373.6 | 17.0 |
| Global government bonds | 33.6 | 762.8 | 36.0 |
| Global diversified fixed-income | 14.0 | 318.7 | 13.0 |
| Global inflation-linked | 20.2 | 459.4 | 20.0 |
| Emerging market debt | 7.1 | 160.3 | 7.0 |
| **Total** | **100.0** | **2 269.6** | **100.0** |

Each asset class is managed according to its own investment guidelines. The guidelines address a variety of market risks through restrictions on eligibility of instruments and on managers' activity by setting:

1. Pre-assigned benchmarks and limits on deviations from benchmarks in terms of tacking error limits
2. Credit floors (please refer to "(ii) credit risk").

The benchmark indices used for the respective portfolios are shown in table 2.

Table 2
**Benchmark indices by portfolio**

| Portfolio | Benchmark index |
|---|---|
| Short-term liquidity | Same as the portfolio return |
| Global strategic portfolio | Equally-weighted extended sector benchmark (internally calculated on a quarterly basis) |
| Global government bonds | Barclays Global Government Bond Index (1 year maturity but formerly 1-3 years maturity) |
| Global diversified fixed-income bonds | Barclays Global Fixed-Income Index (A- or above) |
| Global inflation-linked bonds | Barclays Capital World Government Inflation-Linked Index (1-10 years maturity) |
| Emerging market debt bonds | Barclays Emerging Market Debt Investment Grade Index (BBB- or above) |

Exposure to market risk is adjusted by modifying the duration of the portfolio, depending on the outlook for changes in securities market prices.

The upper limit for the duration is set at:

- One year above the benchmark for the global government bonds asset class.
- Two years above the benchmark for the global diversified fixed-interest asset class.
- Two years above the benchmark for the global inflation-linked bonds asset class.
- Two years above the benchmark for the emerging market debt asset class.

The average duration of IFAD's investment portfolio at 31 December 2013 and 2012 and respective benchmarks are shown in table 3.

Table 3
**Average duration of portfolios and benchmarks in years (IFAD-only)**
As at 31 December 2013 and 2012

| | Portfolio | | Benchmark | |
|---|---|---|---|---|
| Portfolio | 2013 | 2012 | 2013 | 2012 |
| Short-term liquidity | - | - | - | - |
| Global strategic portfolio | 1.1 | 1.4 | 1.1 | 1.4 |
| Global government bonds | 0.9 | 1.7 | 1.0 | 1.9 |
| Global diversified fixed-interest | 4.4 | 4.1 | 4.3 | 4.2 |
| Global inflation-linked | 5.4 | 6.2 | 5.1 | 5.4 |
| Emerging market debt | 6.5 | 7.6 | 6.3 | 6.8 |
| **Total average** | **2.6** | **2.9** | **2.4** | **2.8** |

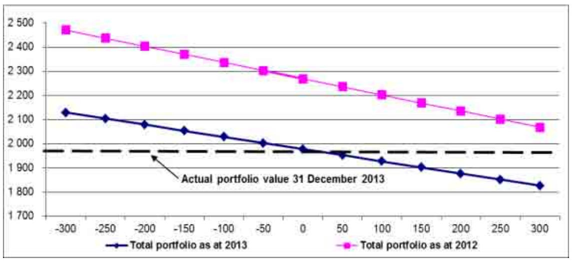
The sensitivity analysis of IFAD's overall investment portfolio in table 4 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the investment portfolio as at 31 December 2013 and 31 December 2012.

Table 4
**Sensitivity analysis on investment portfolio (IFAD-only)**

| | 2013 | | 2012 | |
|---|---|---|---|---|
| Basis point shift in yield curve | Change in value of externally managed portfolio (US$ million) | Total portfolio (US$ million) | Change in value of externally managed portfolio (US$ million) | Total portfolio (US$ million |
| -300 | 152 | 2 130 | 201 | 2 471 |
| -250 | 126 | 2 104 | 168 | 2 438 |
| -200 | 101 | 2 079 | 134 | 2 404 |
| -150 | 76 | 2 054 | 101 | 2 371 |
| -100 | 51 | 2 029 | 67 | 2 337 |
| -50 | 25 | 2 003 | 34 | 2 304 |
| **0** | **-** | **1 978** | **-** | **2 270** |
| 50 | (25) | 1 953 | (34) | 2 236 |
| 100 | (51) | 1 927 | (67) | 2 203 |
| 150 | (76) | 1 902 | (101) | 2 169 |
| 200 | (101) | 1 877 | (134) | 2 136 |
| 250 | (126) | 1 852 | (168) | 2 102 |
| 300 | (152) | 1 826 | (201) | 2 069 |

The graph below shows the negative relationship between yields and fixed income portfolio value.

**Sensitivity analysis on investment portfolio value (IFAD-only)**
(Millions of United States dollars)




At 31 December 2013, if the general level of interest rates on the SDR markets had been higher/(lower) by 300 basis points (as a parallel shift in the yield curves), the overall portfolio value would have been lower/(higher) by US$152 million as a result of the capital losses (gains) on the marked-to-market portion of the portfolio.

Table 5 shows the tracking error limits defined by the Investment Policy Statement. Tracking error represents the annualized standard deviation of the excess return versus the benchmark, and is a measure of the active positions taken in managing a portfolio with respect to the benchmark.

Table 5
**Tracking error ranges by portfolio**

| *Portfolio* | *Tracking error maximum (percentage per annum)* |
|---|---|
| Global government bonds | 1.5 |
| Global diversified fixed income bonds | 3.0 |
| Global inflation-linked bonds | 2.5 |
| Emerging market debt | 4.0 |

The investment portfolio's total tracking error at 31 December 2013 was 0.29 per cent (2012 - 0.21 per cent).

### *(ii) Credit risk*

The Investment Policy Statement and Investment Guidelines set credit rating floors for the eligibility of securities and counterparties. The eligibility of banks and bond issues is determined on the basis of ratings by major credit rating agencies. The minimum allowable credit ratings for portfolios within IFAD's overall investment portfolio under the Investment Policy Statement and Investment Guidelines are shown in table 6.

Table 6
**Minimum credit ratings as per Investment Policy Statement and Investment Guidelines**

| *Portfolio* | *Securities* | *Time deposits and CDs[a]* | *Spot and forwards[b]* | *IRS[b]* |
|---|---|---|---|---|
| Short-term liquidity | n/a | A-1/P-1 | n/a | n/a |
| Global Strategic Portfolio | Moody's Aa3 or S&P AA- (exception: government 100% owned Aa2/AA and corporate bonds Aaa/AAA) | A-1/P-1 | A-1/P-1/F1 | n/a |
| Global government bonds[c] | Moody's Aa3 or S&P AA- | A-1/P-1 | A-1/P-1/F1 | n/a |
| Global diversified fixed income bonds[c] | Moody's A3 or S&P A- (exception: Government MBS Aaa/AAA by two of the three) | A-1/P-1 | A-1/P-1/F1 | AA-/Aa3 |
| Global inflation-indexed bonds[c] | Moody's Aa3 or S&P AA- | A-1/P-1 | A-1/P-1/F1 | n/a |
| Emerging market debt | Moody's Baa3 or S&P BBB- | A-1/P-1 | A-1/P-1/F1 | n/a |

[a] Minimum credit rating (Moody's P-1 or S&P A-1) refers to the bank.
[b] Minimum credit rating refers to the counterparty.
[c] Futures and options are allowed if traded on regulated exchanges.
Note: IRS=interest rate swaps; MBS=mortgage-backed securities.

At 31 December 2013, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 7).

Table 7
**Average credit ratings by portfolio (IFAD-only)**
As at 31 December 2013 and 2012

| *Portfolio* | *Credit rating** 2013 | 2012 |
|---|---|---|
| Short-term liquidity | P-2 | P-1 |
| Global strategic portfolio | Aa1 | Aa1 |
| Global government bonds | Aaa | Aaa |
| Global diversified fixed-interest | A1 | Aa1 |
| Global inflation-linked | Aaa | Aaa |
| Emerging market debt | Baa2 | Aa3 |

[*] The average credit rating is calculated based on market values at 31 December 2013 and 2012 except for the global strategic portfolio average (amortised cost) rating, which is calculated on amortized cost. As per IFAD's current Investment Policy Statement and Investment Guidelines, the credit ratings used are based on the best credit ratings available from either Standard and Poor's (S&P) or Moody's or Fitch ratings, unless specified otherwise such as the internally managed portfolios whereby all three credit agencies must be above the minimum credit quality floor.

### *(iii) Currency risk*

IFAD's investment portfolio is used to minimize IFAD's overall currency risk. The majority of IFAD's commitments relate to undisbursed loans and grants denominated in SDR. Consequently, the overall assets of the Fund are maintained, to the extent possible, in the currencies and ratios of the SDR valuation basket. Similarly, the General Reserve and commitments for grants denominated in United States dollars are matched by assets denominated in United States dollars.

In the case of misalignments that are considered persistent and significant, IFAD undertakes a realignment procedure by changing the currency ratios in IFAD's investment portfolio so as to realign the total assets to the desired SDR weights.

The degree of currency alignment of IFAD's overall assets subject to SDR alignment at 31 December 2013 is shown in table 8.

Table 8
**Alignment of assets to SDR basket (IFAD-only)**
As at 31 December 2013

| *Currency group* | *Net asset amount (%)* | *SDR weights* | *Difference* |
|---|---|---|---|
| United States dollar | 41.5 | 42.9 | (1.4) |
| Euro | 37.7 | 37.8 | (0.1) |
| Japanese yen | 8.0 | 7.5 | 0.5 |
| Pound sterling | 12.8 | 11.8 | 1.0 |
| **Total** | **100.0** | **100.0** | 0.0 |

At 31 December 2013, had the United States dollar depreciated (appreciated) by 10 per cent over the three other currencies in the SDR basket, the composition of IFAD's assets subject to SDR alignment would have been as shown in table 9.

Table 9
**Sensitivity of assets aligned to SDR basket (IFAD-only)**
As at 31 December 2013

| | *Difference towards SDR weights* | |
|---|---|---|
| *Currency group* | *-10% of US$ (%)* | *+10% of US$ (%)* |
| United States dollar | (2.6) | 2.3 |
| Euro | 1.7 | (1.6) |
| Japanese yen | 0.4 | (0.3) |
| Pound sterling | 0.5 | (0.5) |
| **Total** | - | - |

To seek higher diversification and returns, the Fund may invest in securities denominated in currencies other than those included in the SDR valuation basket, and enter into forward foreign-exchange agreements in order to maintain the matching in currency terms, of commitments denominated in SDRs and United States dollars.

***(iv) Liquidity risk***

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents to meet loan and grant disbursements as well as other administrative outflows as they arise.

IFAD's liquidity risk is addressed through the minimum liquidity requirement (MLR). IFAD's liquidity policy, together with the revised Ninth Replenishment period (2013-2015) MLR, states that highly liquid assets in IFAD's investment portfolio should remain above 60 per cent of the projected annual gross disbursement level (outflows), including potential additional requirements due to liquidity shocks.

IFAD's latest financial model assumptions, incorporating the 2013 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US$595.0 million that is comfortably covered by IFAD's investment portfolio balance of US$1,977.8 million.

***(v) Capital risk***

The overall resource policy is reviewed by Management on a regular basis. A joint review with the principal stakeholders is also carried out at least once during each replenishment process. IFAD closely monitors its resource position on a regular basis in order to safeguard its ability to continue as a going concern. Consequently, it adjusts the amount of new commitments of loans and grants to be made during each calendar year depending on the resources available. Longer term resource forecasting is carried out within the analysis performed through IFAD's financial model.

**NOTE 5**

**CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES**

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| **Promissory notes to be encashed** | | |
| Replenishment contributions | 380 849 | 335 581 |
| ASAP | 174 442 | 162 550 |
| **Total** | **555 291** | **498 131** |
| Fair value adjustment | (7 540) | (7 213) |
| **Promissory notes to be encashed** | **547 751** | **490 918** |
| **Contributions receivable** | | |
| Replenishment contributions | 518 870 | 557 616 |
| Supplementary contr butions | 311 957 | 185 772 |
| Spanish Trust Fund | 0 | 5 274 |
| ASAP | 83 325 | 103 578 |
| **Total** | **914 152** | **852 240** |
| Fair value adjustment | (18 215) | (8 490) |
| **Contributions receivable** | **895 937** | **843 750** |

***(a) Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eight Replenishment contributions***

These contributions have been fully paid except as detailed in note 6 and in the table below:

**Contributions not paid/encashed**
As at 31 December 2013

| | *Thousands of United States dollars* | |
|---|---|---|
| *Donor* | *Replenishment* | *Amount* |
| United States[a] | Sixth | 459 |
| United States[a] | Seventh | 3 224 |
| Brazil[a] | Eight | 8 910 |
| Japan[a] | Eight | 15 164 |
| Saudi Arabia[b] | Eight | 5 000 |
| Indonesia[b] | Eight | 30 |
| United States[a] | Eight | 18 000 |

[a] Cases for which Members and IFAD have agreed to special encashment schedules or subject to ratifica ion.
[b] Contributions encashed in subsequent fiscal year.

***(c) Ninth Replenishment***

Details of contr butions and payments made for the Ninth Replenishment are shown in appendix G. The Ninth Replenishment became effective on 30 November 2012.

***(d) Special Programme for Africa (SPA)***

Details of contr butions to the SPA under the first and second phases are shown in appendix G.

***(e) Credit risk***

Because of the sovereign status of its donor contr butions, the Fund expects that each of its contr butions for which a legally binding instrument has been deposited will ultimately be received. Collectability risk is covered by the provisions on contributions.

**NOTE 6**

**PROVISIONS**

The fair value of the provisions is equivalent to the nominal value given that the underlying receivables/promissory notes are already due at the balance sheet date. In accordance with IFAD's policy, the Fund has established provisions at 31 December as follows:

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| Balance at beginning of the year | **168 448** | **168 548** |
| Total movements | 0 | (100) |
| **Balance at end of year** | **168 448** | **168 448** |
| Analysed as follows: | | |
| Promissory notes of contr butors (a) | 80 861 | 80 861 |
| Amounts receivable from contr butors (b) | 87 587 | 87 587 |
| **Total** | **168 448** | **168 448** |

***(a) Provisions against promissory notes***

As at 31 December 2013, IFAD replenishment contr butions deposited in the form of promissory notes up to and including the Eighth Replenishment have been fully drawn down. The comparable figure is 65 per cent for the Ninth Replenishment (31 December 2012 – 30 per cent for the Ninth Replenishment).

As at 31 December 2013 and 2012, all first and second phase SPA contributions have been fully drawn down.

In accordance with the policy, the Fund has established provisions against promissory notes as at 31 December:

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| **IFAD** | | |
| **Initial contributions** | | |
| Iran (Islamic Republic of) | 29 358 | 29 358 |
| Iraq | 13 717 | 13 717 |
| | 43 075 | 43 075 |
| **First Replenishment** | | |
| Iraq | 31 099 | 31 099 |
| | 31 099 | 31 099 |
| **Third Replenishment** | | |
| Democratic People's Republic of Korea | 600 | 600 |
| L bya | 6 087 | 6 087 |
| | 6 687 | 6 687 |
| **Total** | **80 861** | **80 861** |

***(b) Provisions against amounts receivable from contributors***

In accordance with its policy, the Fund has established provisions against some of these amounts:

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| **Initial contributions** | | |
| Comoros | 10 | 10 |
| Iran (Islamic Republic of) | 83 167 | 83 167 |
| | 83 177 | 83 177 |
| **Second Replenishment** | | |
| Iraq | 2 000 | 2 000 |
| | 2 000 | 2 000 |
| **Third Replenishment** | | |
| Iran (Islamic Republic of) | 2 400 | 2 400 |
| Sao Tome and Principe | 10 | 10 |
| | 2 410 | 2 410 |
| **Total** | **87 587** | **87 587** |

**NOTE 7**

**OTHER RECEIVABLES**

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| Receivables for investments sold | 3 197 | 1 385 |
| Other receivables | 24 942 | 20 666 |
| **Total** | **28 139** | **22 051** |

The amounts above are all expected to be received within one year of the balance sheet date. The balance of other receivables includes reimbursements from the host country for expenditures incurred during the year.

**NOTE 8**

**FIXED AND INTANGIBLE ASSETS**

| | *Thousands of United States dollars* | | | |
|---|---|---|---|---|
| | *1 Jan 2013* | *Increase/ (decrease)* | *Revaluation*[a] | *31 Dec 2013* |
| **Cost** | | | | |
| Computer hardware | 1 795 | 525 | | 2 320 |
| Computer software | 6 959 | 5 649 | | 12 608 |
| Vehicles | | 149 | | 149 |
| Furniture and fittings | 392 | 27 | 18 | 436 |
| Leasehold improvement | 767 | 169 | | 937 |
| **Total cost** | **9 913** | **6 519** | **18** | **16 450** |
| **Depreciation** | | | | |
| Computer hardware | (1 569) | (276) | | (1 845) |
| Computer software | (1 190) | (1 046) | | (2 235) |
| Vehicles | 0 | (2) | | (2) |
| Furniture and fittings | (352) | (42) | (16) | (410) |
| Leasehold improvement | (399) | (290) | | (689) |
| **Total depreciation** | **(3 510)** | **(1 656)** | **(16)** | **(5 182)** |
| **Net fixed and intangible assets** | **6 403** | **4 863** | **2** | **11 268** |

[a] Due to foreign exchange movements on an item of fixed assets held in a euro denominated unit.

**NOTE 9**

**LOANS**

***(a) Accumulated allowance for impairment losses***

An analysis of the accumulated allowance for loan impairment losses is shown below:

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| Balance at beginning of year | **52 702** | **83 060** |
| Net increase/(decrease) in allowance | 5 352 | (30 394) |
| Revaluation | 271 | 36 |
| **Balance at end of year at nominal value** | **58 325** | **52 702** |
| Fair value adjustment | (36 912) | (38 410) |
| **Total** | **21 413** | **14 292** |

All loans included within the accumulated allowance are 100 per cent impaired with the exception of the provision set against Democratic People's Republic of Korea which are impaired for the instalments overdue.

In accordance with its policy, the Fund has established provisions against loans outstanding as at 31 December as follows:

| | 2013 | 2012 |
|---|---|---|
| *Amounts in SDR* | | |
| Democratic People's Republic of Korea | 3 957 | 395 |
| Somalia | 17 299 | 17 299 |
| Zimbabwe | 16 570 | 16 570 |
| **Total** | **37 826** | **34 264** |
| **US$ equivalent** | **58 325** | **52 702** |
| Fair value adjustment | (36 912) | (38 410) |
| **Total** | **21 413** | **14 292** |

Details of loans approved and disbursed and of loan repayments are presented in appendix H.

***(b) Non-accrual status***

Had income from loans with overdue amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for the year 2013 would have been higher by US$1,305,051 (2012 – US$1,193,000).

***(c) Further analysis of loan balances***

The composition of the loans outstanding balance by entity at 31 December was as follows:

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| IFAD | 6 413 934 | 6 119 027 |
| Spanish Trust Fund | 19 030 | 1 477 |
| **Total** | **6 432 964** | **6 120 504** |
| Fair value adjustment | (1 325 543) | (1 260 235) |
| **Total** | **5 107 421** | **4 860 269** |

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| **IFAD** approved loans less cancellations less full repayments and the adjustment for movement in value of total SDR loans in terms of US$ (appendix H) | | |
| Approved loans | 11 658 275 | 10 602 653 |
| Less: Undisbursed balance of effective loans | (3 142 751) | (2 612 664) |
| Repayments | (2 357 224) | (2 129 646) |
| Interest/principal | 25 295 | 21 732 |
| **Loans outstanding at nominal value** | **6 183 595** | **5 882 075** |
| Fair value adjustment | (1 237 140) | (1 171 247) |
| **Loans outstanding** | **4 946 455** | **4 710 828** |
| **SPA** approved loans less cancellations, less full repayments and the adjustment for movements in value of total SDR loans in terms of US$ (appendix H) | | |
| Approved loans | 348 404 | 342 603 |
| Less: Undisbursed balance of effective loans | | 0 |
| Repayments | (119 382) | (106 386) |
| Interest/principal receivable | 1 317 | 735 |
| **Loans outstanding** | **230 339** | **236 952** |
| Fair value adjustment | (84 035) | (88 794) |
| **Loans outstanding** | **146 304** | **148 158** |
| **Total approved loans less cancellations, less full repayments and the adjustment for movements in value of SDR loans in terms of US$** | | |
| Approved loans | 12 006 679 | 10 945 256 |
| Undisbursed balance of effective loans | (3 142 751) | (2 612 664) |
| Repayments | (2 476 606) | (2 236 032) |
| Interest/principal receivable | 26 612 | 22 467 |
| **Loans outstanding at nominal value** | **6 413 934** | **6 119 027** |
| Fair value adjustment | (1 321 175) | (1 260 041) |
| **Loans outstanding** | **5 092 759** | **4 858 986** |

***(d) Credit risk***

Because of the nature of its borrowers and guarantors, the Fund expects that each of its sovereign guaranteed loans will ultimately be repaid. Collectability risk is covered by both the accumulated allowance for loan impairment losses and the accumulated allowance for the HIPC Debt Initiative. Loans with amounts overdue more than 180 days are placed in non-accrual status.

***(e) Market risk***

The interest rate risk associated with IFAD's loan portfolio is believed to be minimal, as 92.5 per cent (31 December 2012 – 92.8 per cent) of the current outstanding portfolio relates to borrowers on highly concessional terms, hence not subject to variation on an annual basis. An analysis of the portfolio by type of lending term is presented in appendix H, sections 4 and 9.

***(f) Fair value estimation***

Other than initial recognition and determination, the assumptions used in determining fair value are not sensitive to changes in discount rates. The associated impact of the exchange rate movement between SDR and United States dollars is closely monitored.

**NOTE 10**

**FINANCIAL INSTRUMENTS BY CATEGORY**

The table below provides information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

| 2013 | Thousands of United States dollars<br>Cash and bank deposits | Assets at fair value through profit and loss | Amortized cost |
|---|---|---|---|
| Net loans outstanding | | | 5 053 286 |
| Other receivables | | 3 197 | |
| Investment at amortized cost | | | 782 377 |
| **LEVEL 1** Investments at fair value through profit and loss | | 1 187 943 | |
| **LEVEL 2** Investments at fair value through profit and loss | | 388 886 | |
| Cash and equivalents | 347 061 | | |
| **Total** | **347 061** | **1 580 026** | **5 835 663** |

| 2012 | Thousands of United States dollars<br>Cash and bank deposits | Assets at fair value through profit and loss | Amortized cost |
|---|---|---|---|
| Net loans outstanding | | | 4 782 116 |
| Other receivables | | 1 385 | |
| Amortized cost investments | | | 805 398 |
| Investments at fair value through profit and loss **LEVEL 1** | | 1 067 671 | |
| Investments at fair value through profit and loss **LEVEL 2** | | 702 174 | |
| Cash and equivalents | 404 281 | | |
| **Total** | **404 281** | **1 771 230** | **5 587 514** |

**NOTE 11**

**HEAVILY INDEBTED POOR COUNTRIES (HIPC) DEBT INITIATIVE**

***(a) Impact of the HIPC Debt Initiative***

IFAD provided funding for the HIPC Debt Initiative in the amount of US$154,670,000 during the period 1998-2013. Details of funding from external donors on a cumulative basis are found in appendix D1.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix I. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for Eritrea, Somalia and The Sudan. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2014-2015. At the time of preparation of the 2013 consolidated financial statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US$182,385,000 (2012 – US$114,139,000 for Eritrea, Somalia and the Sudan).

Gross investment income amounted to US$12,700 (2012 – US$7,987) from the HIPC Trust Fund balances.

The total cumulative cost of debt relief derives from the following sources:

| | Thousands of United States dollars<br>2013 | Movement | 2012 |
|---|---|---|---|
| IFAD contributions 1998-2013 | 154 670 | 20 000 | 134 670 |
| Total contr butions from external sources (appendix D1) | 282 417 | 16 219 | 266 198 |
| Net cumulative investment income | 8 000 | 13 | 7 987 |
| Shortfall between debt relief approved and funds available | 35 207 | (84 719) | 119 926 |
| Cumulative net exchange rate movements | 37 982 | (2 772) | 40 754 |
| **Total (appendix I)** | **518 276** | **(51 259)** | **569 535** |

***(b) Accumulated allowance for the HIPC Debt Initiative***

The balances for the two years ended 31 December are summarized below:

| | Thousands of United States dollars<br>2013 | 2012 |
|---|---|---|
| Balance at beginning of year | 87 271 | 77 066 |
| New approvals | 0 | 18 744 |
| Change in provision | (39 779) | (8 458) |
| Exchange rate movements | (381) | (81) |
| Balance at end of year | 47 111 | 87 271 |
| Fair value adjustment | (14 389) | (23 410) |
| **Total** | **32 722** | **63 861** |

**NOTE 12**

**PAYABLES AND LIABILITIES**

| | Thousands of United States dollars<br>2013 | 2012 |
|---|---|---|
| Payable for investments purchased and impairment | 9 033 | 24 491 |
| ASMCS liability | 70 620 | 71 537 |
| Other payables and accrued liabilities | 89 075 | 79 078 |
| **Total** | **168 728** | **175 106** |

Of the total above, an estimated US$95,740,000 (2012 – US$96,963,000) is payable in more than one year from the balance sheet date.

**NOTE 13**

**DEFERRED REVENUE**

Deferred revenue represents contributions received for which revenue recognition has been deferred to future periods to match the related costs. Deferred income includes amounts relating to service charges received for which the related costs have not yet been incurred.

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| Total | 622 430 | 498 818 |
| Fair value adjustment | (29 387) | (4 788) |
| **Deferred revenue** | **593 043** | **494 031** |

**NOTE 14**

**UNDISBURSED GRANTS**

The balance of effective grants not yet disbursed to grant recipients is as follows:

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| IFAD | 82 814 | 91 044 |
| Supplementary funds | 233 325 | 226 735 |
| Balance at end of year | 316 139 | 317 779 |
| Fair value adjustment | **(2 999)** | (1 071) |
| **Undisbursed grants** | **313 140** | **316 708** |

**NOTE 15**

**TRUST FUND BORROWING**

The amount lent by Spain for the establishment of the Spanish Food Security Cofinancing Facility Trust Fund is approximately EUR 300.0 million. This is a long-term liability of 45 years with a five-year grace period. The balance as at 31 December 2013 of US$395.6 million (US$383.8 million – 31 December 2012) represents the funds received from the Spanish Government plus the interest accrued.

**NOTE 16**

**NET FOREIGN EXCHANGE GAINS/LOSSES**

The following rates of 1 unit of SDR in terms of United States dollars as at 31 December were used:

| *Year* | *United States dollars* |
|---|---|
| 2013 | 1.54190 |
| 2012 | 1.53811 |
| 2011 | 1.53882 |

The movement in the account for foreign exchange rates is explained as follows:

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| Opening balance at 1 January | **873 419** | **876 527** |
| Exchange movements for the year on: | | |
| Cash and investments | (379) | 3 372 |
| Net receivables/payables | (3 264) | (9 262) |
| Loans and grants outstanding | 16 153 | (1 848) |
| Promissory notes and Members' receivables | (6 598) | 2 012 |
| Member States' contr butions | 11 422 | 2 618 |
| **Total movements in the year** | **17 334** | **(3 108)** |
| **Closing balance at 31 December** | **890 753** | **873 419** |

The movement in this account excludes the gain/loss related directly to operations, which is included in total foreign exchange rate movements.

**NOTE 17**

**INCOME FROM CASH AND INVESTMENTS**

***(a) Investment management (IFAD only)***

Since 1994, a major part of IFAD's investment portfolio has been entrusted to external investment managers under investment guidelines provided by the Fund. At 31 December 2013, funds under external management amounted to US$1,511,844,000 (2012 – US$1,701,263,000), representing 76 per cent of the Fund's total cash and investments (2012 – 75 per cent).

***(b) Derivative instruments***

The Fund's Investment Guidelines authorize the use of the following types of derivative instruments, primarily to ensure alignment to the SDR basket:

*(i) Futures*

| | 31 December | |
|---|---|---|
| | 2013 | 2012 |
| Number of contracts open: | | |
| Buy | 361 | 554 |
| Sell | (1 162) | (1 198) |
| Net unrealized market gains of open contracts (US$ '000) | 2 365 | 10 |
| Maturity range of open contracts (days) | 65 to 90 | 66 to 88 |

The underlying instruments of future contracts open at 31 December 2013 were time deposits and currencies.

*(ii) Forwards*

The unrealized market value loss on forward contracts at 31 December 2013 amounted to a loss of US$3,297,000 (2012 – gain of US$8,786,000). The maturities of forward contracts at 31 December 2013 ranged from 7 to 58 days (31 December 2012 – 7 to 38 days).

The underlying instruments of forward contracts open at 31 December 2013 were currencies.

**(c) *Income from cash and investments (consolidated)***

Gross income from cash and investments for the year ended 31 December 2013 amounted to negative US$17,124,000 (2012 – gross income of US$82,404,000). This figure reflects direct charges against investment income of US$3,095,000 (2012 – US$3,594,000), which are included in expenses

| | Thousands of United States dollars | | |
|---|---|---|---|
| | 2013 | | |
| | *Fair value* | *Amortized cost* | *Total* |
| Interest from banks and fixed-income Investments | 37 637 | 12 027 | **49 664** |
| Net income from futures/ options and swaps | 6 121 | | **6 121** |
| Realized capital (loss)/gain from fixed-income securities | (16 289) | (1 674)* | **(17 963)** |
| Unrealized gain/(loss) from fixed-income securities | (54 945) | | **(54 945)** |
| **Total** | **(27 476)** | **10 353** | **(17 123)** |

* Amortization of amortized cost securities

| | Thousands of United States dollars | | |
|---|---|---|---|
| | 2012 | | |
| | Fair value | Amortized cost | Total |
| Interest from banks and fixed-income Investments | 44 009 | 18 913 | **62 922** |
| Net income from futures/ options and swaps | (3 062) | | **(3 062)** |
| Realized capital (loss)/gain from fixed-income securities | 21 956 | (216)* | **21 739** |
| Unrealized gain/(loss) from fixed-income securities | 804 | - | **805** |
| **Total** | **63 707** | **18 697** | **82 404** |

* Amortization of amortized cost securities and sales that triggered realized gains/(losses).

For amortized cost investments, realized capital gains/(losses) relate to amortization and sales of securities.

The above figures are broken down by income for the consolidated entities, as follows:

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| IFAD | (20 480) | 75 936 |
| ASMCS Trust Fund | 877 | 397 |
| HIPC Trust Fund | 13 | 16 |
| Spanish Trust Fund | 2 163 | 5 931 |
| Haiti Debt Relief Initiative | 347 | 422 |
| ASAP | 294 | 25 |
| Supplementary funds | 116 | 779 |
| Less: income deferred/reclassified | (453) | (1 102) |
| **Total** | **(17 123)** | **82 404** |

The annual rate of return on IFAD cash and investments in 2013 was negative 1.11 per cent net of expenses (2012 – positive 2.66 per cent net of expenses).

**NOTE 18**

**INCOME FROM OTHER SOURCES**

This income relates principally to reimbursement from the host Government for specific operating expenses. It also includes service charges received from entities housed at IFAD as compensation for providing administrative services. A breakdown is provided below:

| | Thousands of United States dollars | |
|---|---|---|
| *Consolidated* | 2013 | 2012 |
| Host Government income | 9 173 | 8 815 |
| Income from other sources | 1 705 | 328 |
| **Total** | **10 878** | **9 143** |

**NOTE 19**

**INCOME FROM CONTRIBUTIONS**

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| IFAD | 3 982 | 1 866 |
| Spanish Trust Fund | 18 776 | 0 |
| ASAP | 2 097 | |
| Supplementary funds | 79 503 | 79 206 |
| **Total** | **104 358** | **81 072** |

From 2007, contributions to the HIPC Debt Initiative have been offset against the HIPC Debt Initiative expenses.

**NOTE 20**

**OPERATING EXPENSES**

An analysis of IFAD-only operating expenses by principal funding source is shown in appendix L. The breakdown of the consolidated figures is set out below:

| | Thousands of United States dollars | |
|---|---|---|
| | 2013 | 2012 |
| IFAD | 170 648 | 166 342 |
| Other entities | 9 741 | 9 903 |
| **Total** | **180 389** | **176 245** |

The costs incurred are classified in the accounts in accordance with the underlying nature of the expense.

**NOTE 21**

**STAFF NUMBERS, RETIREMENT PLAN AND MEDICAL SCHEMES**

***(a) Staff numbers***

Employees that are on IFAD's payroll are part of the retirement and medical plans offered by IFAD. These schemes include participation in the United Nations Joint Staff Pension Fund (UNJSPF) and in the ASMCS administered by FAO.

The number of full-time equivalent employees of the Fund and other consolidated entities in 2013 elig ble for participation in the IFAD retirement plan was as follows (breakdown by principal budget source):

| | Professional | General Service | Total |
|---|---|---|---|
| IFAD administrative budget | 274 | 188 | 462 |
| APO/SPO[a] | 16 | | 16 |
| Others | 7 | 6 | 13 |
| Programmatic funds | 2 | 1 | 3 |
| **Total 2013** | **299** | **195** | **494** |
| **Total 2012[b]** | **292** | **202** | **494** |

[a] Associate professional officer/special programme officer
[b] Restated to reflect the full-time-equivalent for pension.

***(b) Non-staff***

As in previous years, in order to meet its operational needs, IFAD engaged the services of consultants, conference personnel and other temporary staff, who are also covered by an insurance plan.

***(c) Retirement plan***

The latest actuarial valuation for the UNJSPF was prepared as at 31 December 2011. This valuation revealed an actuarial deficit, amounting to 1.87 per cent of pensionable remuneration. Despite the actuarial deficit from the 2011 valuation, it was assessed that the UNJSPF is adequately funded. Therefore the United Nations General Assembly did not invoke the provision of article 26, requiring participating agencies to provide additional payments. IFAD makes contr butions on behalf of its staff and would be liable for its share of the unfunded liability, if any (current contr butions are paid as 7.9 per cent of pensionable remuneration by the employee and 15.8 per cent by IFAD). Total retirement plan contributions made for staff in 2013 amounted to US$10,437,043 (2012 – US$10,249,229).

***(d) After-Service Medical Coverage Scheme***

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2013. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate, 4.3 per cent; return on invested assets, 4.0 per cent; expected salary increase, 3.0 per cent; medical cost increase, 5.0 per cent; inflation, 2.5 per cent; and exchange rate EUR:US$1.379. The results determined IFAD's liability as at 31 December 2013 to be US$70,620,000. The 2013 and 2012 financial statements include a provision and related assets as follows as at 31 December:

| | Thousands of United States dollars | |
|---|---|---|
| | *2013* | *2012* |
| Past service liability | (70 620) | (71 537) |
| Plan assets | 69 643 | 66 807 |
| **Surplus /(Deficit)** | (977) | (4 730) |
| **Yearly movements** | | |
| **Opening Balance Surplus /(Deficit)** | **(4 730)** | **13 930** |
| Interest cost | (2 845) | (2 735) |
| Current service charge | (3 009) | (2 158) |
| Actuarial gains /(losses) | 6 771 | (14 804) |
| Interest earned on balances | 871 | 363 |
| Exchange rate movement | 1 965 | 674 |
| **Closing balance Surplus /(Deficit)** | **(977)** | **(4 730)** |
| **Past service liability** | | |
| Total provision at 1 January | (71 537) | (51 840) |
| Interest cost | (2 845) | (2 735) |
| Current service charge | (3 009) | (2 158) |
| Actuarial gains /(losses) | 6 771 | (14 804) |
| **Provision at 31 December** | **(70 620)** | **(71 537)** |
| **Plan assets** | | |
| Total assets at 1 January | **66 807** | 65 770 |
| Interest earned on balances | 871 | 363 |
| Exchange rate movement | 1 965 | 674 |
| **Total assets at 31 December** | **69 643** | **66 807** |

ASMCS assets are currently invested in cash and time deposits in accordance with IFAD's investments policy.

IFAD provides for the full annual current service costs of this medical coverage, including its elig ble retirees. In 2013, such costs included under staff salaries and benefits in the financial statements amounted to US$4,785,000 (2012 – US$4,713,000).

Based on the 2013 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US$62.5 million, in net present value terms. As reported above, at 31 December 2013 the assets already held in the trust fund are US$69.6 million; consequently this is more than sufficient to cover the level of liabilities.

***(e) Actuarial valuation risk of the ASMCS***

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2013 is shown below:

| *Impact on* | *Liability* | *Service cost* |
|---|---|---|
| Medical inflation: | | |
| 5 0 per cent instead of 4 0 per cent | 16.9 | 1.0 |
| 3 0 per cent instead of 4 0 per cent | (13.7) | (0.8) |

**NOTE 22**

**GRANT EXPENSES**

The breakdown of the consolidated figures is set out below:

| | Thousands of United States dollars | |
|---|---|---|
| | *2013* | *2012* |
| IFAD grants | 40 959 | 43 571 |
| Supplementary funds | 67 911 | 67 778 |
| **Total** | **108 870** | **111 349** |

**NOTE 23**

**DSF EXPENSES**

The DSF figure is set out below. For further details, see appendix H2.

| | Thousands of United States dollars | |
|---|---|---|
| *IFAD-only* | *2013* | *2012* |
| DSF expenses | 142 665 | 118 416 |
| **Total** | **142 665** | **118 416** |

As at the end of December 2013, DSF financing disbursable but not yet disbursed amounted to US$621.4 million (US$657.3 million in 2012). At the same date, DSF projects approved not yet effective amounted to US$207.4 million (US$168.7 million in 2012) for a global amount of US$828.8 million (US$826.0 million in 2012).

**NOTE 24**

**DIRECT BANK AND INVESTMENT COSTS**

| | Thousands of United States dollars | |
|---|---|---|
| | *2013* | *2012* |
| Investment management fees | 2 589 | 3 094 |
| Other charges | 506 | 500 |
| **Total** | **3 095** | **3 594** |

**NOTE 25**

**ADJUSTMENT FOR CHANGE IN FAIR VALUE**

An analysis of the movement in fair value is shown below:

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| Loans outstanding | (62 224) | 11 301 |
| Accumulated allowance for loan impairment losses | (1 593) | (21 255) |
| Accumulated allowance for HIPC Debt Initiative | (9 078) | 123 |
| Net loans outstanding | (72 895) | (9 831) |
| Contr butors' promissory notes | (3 376) | 1 360 |
| Contr butions receivable | (6 674) | (2 027) |
| Contr butions | (2 558) | 313 |
| Undisbursed grants | 1 944 | (5 727) |
| Deferred revenues | 12 608 | 354 |
| **Total** | **(70 951)** | **(15 558)** |

**NOTE 26**

**DEBT RELIEF INCOME**

This balance represents the debt relief provided during the year to HIPC eligible countries for both principal and interest. The amount represents a reduction in the overall provision for debt relief under HIPC from prior year.

**NOTE 27**

**HOUSED ENTITY DISCLOSURE**

At 31 December liabilities owed to/(from) IFAD by the housed entities were:

| | *Thousands of United States dollars* | |
|---|---|---|
| | 2013 | 2012 |
| ILC | 1 487 | 535 |
| Global Mechanism* | 0 | 618 |
| HLTF | 305 | 145 |
| **Total** | **1 792** | **1 298** |

*This entity was no longer hosted by IFAD as at 31 December 2013.

**NOTE 28**

**CONTINGENT LIABILITIES AND ASSETS**

**(a) Contingent liabilities**

IFAD has contingent liabilities in respect of debt relief announced by the World Bank/International Monetary Fund for three countries. See note 11 for further details of the potential cost of loan principal and interest relating to these countries, as well as future interest not accrued on debt relief already approved as shown in appendix I.

As indicated in note 23, IFAD has a contingent liability for DSF financing effective but not yet disbursed for US$828.8 million. Disbursements will occur when the conditions for the release of funds are met.

**(b) Contingent assets**

The Debt Sustainability Framework (DSF) for grants, approved in 2007, aims for the full recovery of principal repayments foregone through a pay-as-you-go compensation mechanism by member states. Consequently, IFAD has gone through a review of the mechanism via which this policy would be implemented with its Governing Bodies. This has led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. This, in effect, provides a concrete basis on which member states will be expected to contribute towards the DSF principal reflows foregone in addition to regular contributions. The receipt of funds which have been provided as DSF grants is therefore considered probable and hence is disclosed as a contingent asset. The next step will be the endorsement by member states in the Replenishment Consultation process in 2014 which will be followed by approval by the Governing Council in 2015. The nominal amount of the amount so disbursed as at 31 December 2013 amounted to US$399.1 million.

**NOTE 29**

**POST BALANCE SHEET EVENTS**

Management is not aware of any events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date or indicative of conditions that arose after the reporting period that warrant adjusting the financial statements or require disclosure.

**NOTE 30**

**DATE OF AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements are issued by Management for review by the Audit Committee in March 2014 and endorsement by the Executive Board in April 2014. The 2013 consolidated financial statements will be submitted to the Governing Council for formal approval at its next session in February 2015. The 2012 consolidated financial statements were approved by the Governing Council at its thirty-seventh session in February 2014.

# Statement of unspent complementary and supplementary contributions

**Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2013**[a]
(Thousands of United States dollars)

| *Member States* | *Project cofinancing* | *APOs* | *Other supplementary funds* | *GEF* | *Total* |
|---|---|---|---|---|---|
| Algeria | - | - | 96 | - | 96 |
| Angola | - | - | 7 | - | 7 |
| Australia[b] | 2 721 | - | 84 | - | 2 805 |
| Austria | 755 | - | - | - | 755 |
| Bangladesh | - | - | 55 | - | 55 |
| Belgium | 10 214 | 2 368 | 593 | - | 13 175 |
| Belgium for BFFS.JP | - | - | 192 313 | - | 192 313 |
| Canada | 1 605 | - | 8 358 | - | 9 963 |
| China | - | - | 385 | - | 385 |
| Colombia | - | - | 25 | - | 25 |
| Denmark | 13 624 | 4 448 | 3 946 | - | 22 018 |
| Estonia | | | 62 | | 62 |
| Finland | 2 843 | 4 480 | 13 653 | - | 20 977 |
| France | 1 032 | 1 137 | 3 741 | - | 5 910 |
| Germany | 46 | 6 414 | 6 049 | - | 12 509 |
| Ghana | - | - | 96 | - | 96 |
| Greece | - | - | 96 | - | 96 |
| India | - | - | 1 000 | - | 1 000 |
| Indonesia | - | - | 50 | - | 50 |
| Ireland | 6 602 | - | 912 | - | 7 514 |
| Italy | 29 581 | 5 648 | 24 854 | - | 60 083 |
| Japan | 1 692 | 2 026 | 4 131 | - | 7 849 |
| Jordan | - | - | 154 | - | 154 |
| Kuwait | - | - | 138 | - | 138 |
| Lebanon | - | - | 100 | - | 100 |
| Luxembourg | 1 612 | - | 1 902 | - | 3 514 |
| Malaysia | - | - | 28 | - | 28 |
| Mauritania | - | - | 92 | - | 92 |
| Morocco | - | - | 50 | - | 50 |
| Netherlands | 104 514 | 6 093 | 12 121 | - | 122 728 |
| Nigeria | - | - | 50 | - | 50 |
| Norway | 20 682 | 2 530 | 6 113 | - | 29 325 |
| Pakistan | - | - | 25 | - | 25 |
| Paraguay | - | - | 15 | - | 15 |
| Portugal | 142 | - | 738 | - | 880 |
| Qatar | - | - | 138 | - | 138 |
| Republic of Korea | - | 4 732 | 930 | - | 5 662 |
| Saudi Arabia | - | - | 138 | - | 138 |
| Senegal | - | - | 109 | - | 109 |
| Sierra Leone | - | - | 88 | - | 88 |
| South Africa | - | - | 10 | - | 10 |
| Spain | 11 673 | - | 6 362 | - | 18 035 |
| Suriname | 2 000 | - | - | - | 2 000 |
| Sweden | 9 114 | 2 773 | 15 609 | - | 27 493 |
| Switzerland | 8 498 | 343 | 15 750 | - | 24 591 |
| Turkey | - | - | 47 | - | 47 |
| United Kingdom | 19 257 | - | 16 725 | - | 35 982 |
| United States | - | 322 | 86 | - | 408 |
| **Total Member States** | 248 207 | 43 315 | 338 024 | - | 629 545 |

[a] Non-US$ contributions have been translated at the year-end exchange rate.
[b] Australia's withdrawal from IFAD membership became effective 31 July 2007.

**Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2013[a]**
(Thousands of United States dollars)

| *Non-Member States and other sources* | *Project cofinancing* | *APOs* | *Other supplementary funds* | *GEF* | *Total* |
|---|---|---|---|---|---|
| African Development Bank | 2 800 | - | 1 096 | - | 3 896 |
| Agence Française de Développement | - | - | 814 | - | 814 |
| Arab Bank | - | - | 25 | - | 25 |
| Arab Gulf Programme for United Nations Development Organizations | 299 | - | - | - | 299 |
| Bill & Melinda Gates Foundation | - | - | 1 014 | - | 1 014 |
| Cassava Programme | | | 69 | | 69 |
| Chief Executives Board for Coordination (CEB) Secretariat, Geneva | - | | 998 | - | 998 |
| Congressional Hunger Center | - | - | 183 | - | 183 |
| Coopernic | - | - | 4 133 | - | 4 133 |
| European Commission | 814 | - | 499 158 | - | 499 972 |
| Food and Agriculture Organization of the United Nations | 4 | - | 168 | - | 172 |
| Global Agriculture and Food Security Program | 70 000 | - | 4 915 | - | 74 915 |
| Least Developed Countries Fund | - | - | 19 973 | - | 19 973 |
| Liechtenstein | - | - | 5 | - | 5 |
| National Agricultural Cooperative Federation | 35 | - | - | - | 35 |
| Office of the United Nations High Commissioner for Refugees | 2 983 | - | - | - | 2 983 |
| OFID | 2 312 | - | | | 2 312 |
| Other | 252 | - | 2 020 | - | 2 272 |
| PARM | | | 3 093 | | 3 093 |
| Service Charges Surplus | 50 | | 96 | | 146 |
| Special Climate Change Fund (SCCF)[b] | - | - | 31 | - | 31 |
| Support to farmers' organizations in Africa programme (SFOAP) main phase | - | - | 30 315 | - | 30 315 |
| Technical Assistance Facility | - | - | 14 249 | - | 14 249 |
| United Nations Capital Development Fund | 382 | - | 180 | - | 562 |
| United Nations Development Programme | 467 | - | 33 | - | 500 |
| United Nations Fund for International Partnerships | 78 | - | 145 | - | 223 |
| UNO | 3 016 | | | | 3 016 |
| World Bank | 1 358 | - | 529 | 93 644 | 95 531 |
| **Total non-Member States and other sources** | 84 850 | - | 583 242 | 93 644 | 761 736 |
| **Total 2013** | **333 057** | **43 315** | **921 266** | **93 644** | **1 391 281** |
| **Total 2012** | **309 045** | **41 134** | **773 466** | **93 679** | **1 217 324** |

[a] Non-United States dollars contributions have been translated at the year-end exchange rate.
[b] The balance includes US$125,000 related to Mongolia.

**Statement of cumulative complementary and other contributions from 1978 to 2013**
(Thousands of United States dollars)

| | *Amount* |
|---|---|
| Canada | 1 511 |
| Germany | 458 |
| India | 1 000 |
| Saudi Arabia | 30 000 |
| Sweden | 13 827 |
| United Kingdom | 12 002 |
| Cumulative contributions received from Belgium for the BFFS.JP in the context of replenishments | 80 002 |
| | **138 800** |
| *Contributions made in the context of replenishments to the HIPC Trust Fund* | |
| Italy | 4 602 |
| Luxembourg | 1 053 |
| Netherlands | 14 024 |
| | **19 679** |
| *Contributions made to ASAP in the context of replenishment* | |
| Belgium | 7 855 |
| Canada | 19 879 |
| Netherlands | 26 519 |
| Norway | 3 431 |
| Sweden | 4 471 |
| Switzerland | 8 674 |
| United Kingdom | 187 438 |
| Total ASAP | **258 267** |
| **Total complementary contributions 2013** | **416 746** |
| Total complementary contributions 2012 | 368 693 |

**Statement of contributions from Member States and donors to the HIPC Debt Initiative**
(Thousands of United States dollars)

| | *Amount* |
|---|---|
| *Contributions made in the context of replenishments (see previous table)* | *19 679* |
| Belgium | 2 713 |
| European Commission | 10 512 |
| Finland | 5 193 |
| Germany | 6 989 |
| Iceland | 250 |
| Norway | 5 912 |
| Sweden | 17 000 |
| Switzerland | 3 276 |
| World Bank HIPC Trust Fund | 210 893 |
| | *262 738* |
| **Total contributions to IFAD's HIPC Trust Fund 2013** | **282 417** |
| Total contributions to IFAD's HIPC Trust Fund 2012 | 266 198 |

## Statement of complementary and supplementary contributions received in 2013

### Contributions received for project cofinancing in 2013

| | *Currency* | *Amount (thousands)* | *Thousands of US dollars equivalent* |
|---|---|---|---|
| Netherlands | US$ | | 1 542 |
| OFID | US$ | | 760 |
| **Total** | | | **2 302** |

### Contributions received for associate professional officers in 2013

| | *Currency* | *Thousands of US dollars* |
|---|---|---|
| Belgium | US$ | 34 |
| Denmark | US$ | 390 |
| Finland | US$ | 304 |
| Germany | US$ | 178 |
| Italy | US$ | 19 |
| Netherlands | US$ | 625 |
| Republic of Korea | US$ | 631 |
| **Total** | | **2 181** |

### Supplementary fund contributions received in 2013

| | *Currency* | *Amount (thousands)* | *Thousands of US dollars equivalent* |
|---|---|---|---|
| France (AFD) | EUR | 1 000 | 1 378 |
| European Commission | EUR | 30 942 | 42 636 |
| Italy | EUR | 1 000 | 1 300 |
| Estonia | EUR | 45 | 62 |
| Support farmers' organization in Africa programme (SFOAP) | EUR | 3 977 | 5 481 |
| Switzerland | EUR | 783 | 987 |
| Canada | US$ | | 4 952 |
| Least Developed Countries Fund | US$ | | 1 465 |
| Republic of Korea | US$ | | 471 |
| Netherlands | US$ | | 7 457 |
| Other | US$ | | 317 |
| **Total** | | | **66 506** |
| **Grand Total** | | | **70 989** |

**Unspent project cofinancing funds**
(Thousands of United States dollars)

| | 2013 | 2012 |
|---|---|---|
| **Member States** | | |
| Belgium | | 15 |
| Canada | 2 | - |
| Denmark | 1 874 | 4 474 |
| Finland | 10 | 10 |
| Ireland | 0 | 127 |
| Italy | 3 489 | 4 545 |
| Japan | 0 | 164 |
| Luxembourg | 40 | 230 |
| Netherlands | 7 846 | 2 210 |
| Norway | 16 | 1 668 |
| Spain | 3 911 | 4 782 |
| United Kingdom | 142 | 528 |
| **Total Member States** | **17 330** | **18 753** |
| **Non-Member States** | | |
| Arab Bank | | |
| Global Agriculture and Food Security Programme (GAFSP) Trust Fund | 2 693 | 12 044 |
| Organization of the Petroleum Exporting Countries | 498 | (314)* |
| Other | 26 | 26 |
| United Nations Capital Development Fund | | - |
| United Nations Fund for International Partnerships | 23 | 23 |
| United Nations Development Programme | | 23 |
| World Bank | 7 | 7 |
| **Total non-Member States** | **3 248** | **11 809** |
| **Total** | **20 578** | **30 563** |

* Advance against receivables

**Unspent associate professional officer (APO) funds**
**(Thousands of United States Dollars)**

| | *Unspent balance as at 31 December* | |
|---|---|---|
| | *2013* | *2012* |
| Belgium | 424 | 568 |
| Denmark | 357 | 257 |
| Finland | 95 | 72 |
| France | 5 | 6 |
| Germany | 98 | 173 |
| Italy | 3 | 72 |
| Netherlands | 307 | 230 |
| Norway | (52) | 250 |
| Republic of Korea | 456 | 171 |
| Sweden | 20 | 15 |
| **Total** | **1 713** | **1 815** |

**Other unspent complementary and supplementary funds**
(Thousands of United States dollars)

| | *Unspent balance as at 31 December* | |
|---|---|---|
| | *2013* | *2012* |
| **Member States** | | |
| Belgium | 37 | 27 |
| Belgium for BFFS.JP | 5 870 | |
| Canada | 4 846 | 336 |
| China | 165 | 176 |
| Denmark | 130 | 130 |
| Estonia | 62 | |
| Finland | 1 465 | 1 981 |
| France (AFD) | 0 | 395 |
| Germany | 459 | 459 |
| India | 613 | 1 000 |
| Ireland | 175 | 52 |
| Italy | 2 301 | 2 750 |
| Japan | 94 | 22 |
| Lebanon | 99 | 111 |
| Luxembourg | 1 246 | 1 427 |
| Malaysia | 13 | 13 |
| Netherlands | 322 | 407 |
| Norway | 127 | 186 |
| Portugal | 24 | 24 |
| Republic of Korea | 865 | 437 |
| Spain | 3 334 | 3 721 |
| Sweden | 3 845 | 5 580 |
| Switzerland | 1 488 | 837 |
| United Kingdom | 2 138 | 3 506 |
| United States | 1 | 1 |
| **Total Member States** | **29 719** | **23 578** |
| **Non-Member States** | | |
| African Development Bank | 376 | 104 |
| Cassava Programme | 0- | 3 |
| CEB Secretariat, Geneva | 0- | 47 |
| Coopernic | 0 | 356 |
| European Commission | 32 029 | 18 418 |
| Food and Agriculture Organization of the United Nations | 24 | 17 |
| Global Agriculture and Food Security Program | 3 205 | 3 734 |
| PARM (*) | 2 990 | - |
| Least Developed Countries Fund | 15 294 | 12 |
| Other | 1 030 | 581 |
| Special Climate Change Fund | 19 | 20 |
| Support to farmers' organizations in Africa programme (SFOAP) main phase | 2 835 | 668 |
| Technical Assistance Facility | 470 | 527 |
| United Nations Capital Development Fund | 115 | 115 |
| World Bank | 13 | 13 |
| **Total non-Member States** | **58 400** | **24 615** |
| **Total** | **88 119** | **48 193** |

**Global Environment Facility**
(Thousands of United States dollars)

| *Recipient country* | *Cumulative contributions received as at 31 December 2013* | *Unspent at 1 January 2013* | *Received from donors* | *Expenses* | *Unspent at 31 December 2013* |
|---|---|---|---|---|---|
| ASEAN[a] regional | 4 639 | - | - | - | - |
| Brazil | 5 931 | 1 | - | - | 1 |
| Burkina Faso | 2 016 | - | - | - | - |
| China | 4 895 | - | - | - | - |
| Comoros | 1 000 | - | - | - | - |
| Ecuador | 2 783 | - | - | - | (0) |
| Eritrea | 4 477 | - | - | - | 0 |
| Ethiopia | 4 750 | - | - | - | - |
| Gambia (The) | 96 | - | - | - | 0 |
| Global supplement for UNCCD[b] | 457 | - | - | - | - |
| Jordan | 7 861 | (61) | - | - | (61) |
| Kenya | 4 700 | - | - | - | - |
| Mali[c] | 6 315 | - | - | - | (0) |
| Mauritania | 4 350 | - | - | - | - |
| MENARID[d] monitoring and evaluation | 705 | - | - | - | - |
| Mexico | 5 100 | - | - | 5 000 | 5 000 |
| Morocco | 330 | - | - | - | - |
| Niger | 4 326 | - | - | - | - |
| Panama | 1 577 | 1 500 | (1) | - | 1 499 |
| Peru | 1 900 | 62 | (17) | (45) | - |
| Sao Tome and Principe | 2 500 | 93 | (17) | - | 76 |
| Sri Lanka | 7 270 | - | - | - | - |
| Sudan | 3 750 | 3 657 | - | (5) | 3 652 |
| Swaziland | 2 051 | - | - | - | - |
| Tunisia | 5 350 | - | - | - | - |
| Venezuela (Bolivarian Republic of) | 3 735 | 3 635 | - | - | 3 635 |
| Viet Nam | 755 | - | - | - | - |
| Funds from cofinanciers of GEF activities | 25 | | - | - | - |
| **Total** | **93 644** | **8 888** | **(35)** | **4 950** | **13 803** |

[a] Association of Southeast Asian Nations.
[b] United Nations Convention to Combat Desertification.
[c] US$326,000 received before the signature of the financial procedure agreement between IFAD and the GEF trustee.
[d] Integrated Natural Resources Management in the Middle East and North Africa Region Programme.

**Summary of the Adaption for Smallholder Agriculture Programme Trust Fund**
As at 31 December 2013

| *Member States* | *Local currency* | *Pledges (Thousands of United States dollars)*[a] | *Payment Promissory Notes*[b] | *Payment cash*[b] |
|---|---|---|---|---|
| Belgium | EUR 6 000 | 8 584 | | 7 855 |
| Canada | CAD 19 849 | 20 347 | | 10 879 |
| Netherlands | EUR 40 000 | 57 225 | | 26 519 |
| Norway | NOK 21 000 | 3 860 | | 3 431 |
| Sweden | SEK 30 000 | 4 729 | | 4 471 |
| Switzerland | CHF 10 000 | 11 844 | | 8 674 |
| United Kingdom | GBP 147 500 | 239 137 | 187 438 | |
| **Total** | | **345 726** | **187 438** | **70 829** |

[a] Pledges counter-valued at replenishment exchange rate.
[b] Payments countervalued at exchange rate prevailing at receipt date.

As at December 2013 the grant approved (US$93.9 million) was still not disbursable.

IFAD

Enabling poor rural people to overcome poverty

## Management's Report Regarding the Effectiveness of Internal Controls Over Financial Reporting

Management of the International Fund for Agricultural Development (IFAD) (the "Fund") is responsible for the preparation, fair presentation and overall integrity of its consolidated financial statements. The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB).

According to the Agreement Establishing IFAD, the President is responsible for establishing and maintaining adequate internal controls of the Fund including those over external financial reporting.

The Executive Board of the Fund established an Audit Committee, whose terms of reference, among other things, is to assist the Board in exercising supervision over the financial administration and internal oversight of the Fund, including the effectiveness of internal controls over financial reporting. The Audit Committee is comprised entirely of selected members of the Executive Board and oversees the process for the selection of external auditors and makes a recommendation for such selection to the Executive Board for its approval. The external and internal auditors meet with the Audit Committee of the Executive Board to discuss their work plans and approach which covers review of the adequacy of internal controls over financial reporting and any other matter that may require the Audit Committee's attention.

The system of internal controls over financial reporting contains monitoring mechanisms and actions that are meant to detect, prevent and facilitate correction of deficiencies identified that may result in material weaknesses in internal controls over financial reporting. There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can only provide reasonable, as opposed to absolute assurance with respect to financial statements. Furthermore, the effectiveness of an internal control system can change with circumstances.

The Fund's Management assessed the effectiveness of internal controls over financial reporting for the Financial Statements presented in conformity with International Financial Reporting Standards(IFRS) as of **31st December 2013**. The assessment was based on the criteria for effective internal controls over financial reporting described in the *Internal Controls-Integrated Framework* (2013)issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management believes that the Fund maintained an effective system of internal controls over financial reporting as of 31st December 2013, and is not aware of any material control weakness that could affect the reliability of the 2013 financial statements. IFAD's independent audit firm Deloitte and Touche SpA, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's Internal controls over financial reporting.

| | | |
|---|---|---|
| Kanayo F. Nwanze | Iain M. Kellet | Ruth Farrant |
| **President** | **Associate Vice President Financial Operations Dept.** | **Director and Controller** |

## IFAD-only balance sheet at nominal value in United States dollars and retranslated in special drawing rights (as at 31 December 2013 and 2012)

| | Thousands of US dollars | | Thousands of special drawing rights | |
|---|---|---|---|---|
| *Assets* | *2013* | *2012* | *2013* | *2012* |
| Cash on hand and in banks (note 4) | 186 304 | 246 905 | 120 828 | 160 525 |
| Investments (note 4) | 1 801 917 | 2 045 838 | 1 168 633 | 1 330 098 |
| Contributors' promissory notes (note 5) | 380 849 | 335 581 | 247 000 | 218 178 |
| Contributions receivable (note 5) | 518 871 | 557 616 | 336 514 | 362 534 |
| Less: provisions (note 6) | (168 447) | (168 447) | (109 247) | (109 518) |
| Net contribution and promissory notes receivables | 731 273 | 724 750 | 474 267 | 471 194 |
| Other receivables (note 7) | 148 304 | 144 650 | 96 181 | 93 973 |
| Fixed assets (note 8) | 11 268 | 6 403 | 7 308 | 4 163 |
| Loans outstanding (note 9 and appendix H) | 6 413 934 | 6 119 027 | 4 159 757 | 3 978 277 |
| Less: accumulated allowance for loan impairment losses (note 9(a)) | (58 325) | (52 702) | (37 826) | (34 264) |
| Less: accumulated allowance for the HIPC Debt Initiative (note 11(b) and appendix I) | (47 111) | (87 271) | (30 554) | (56 739) |
| Net loans outstanding | 6 308 498 | 5 979 054 | 4 091 377 | 3 887 274 |
| **Total assets** | **9 187 564** | **9 147 492** | **5 958 594** | **5 947 227** |

| | Thousands of US dollars | | Thousands of special drawing rights | |
|---|---|---|---|---|
| *Liabilities and equity* | *2013* | *2012* | *2013* | *2012* |
| **Liabilities** | | | | |
| Payables and liabilities (note 12) | 177 908 | 182 837 | 115 382 | 118 871 |
| Undisbursed grants (appendix H1) | 82 814 | 91 044 | 53 709 | 59 192 |
| Deferred revenues (note 13) | 79 371 | 86 131 | 51 476 | 55 998 |
| **Total liabilities** | 340 093 | 360 012 | **220 567** | **234 061** |
| **Equity** | | | | |
| Contributions | | | | |
| Regular | 7 303 391 | 6 976 794 | 6 074 493 | 5 876 575 |
| Special | 20 349 | 20 349 | 15 219 | 15 219 |
| **Total contributions (appendix G)** | **7 323 740** | **6 997 144** | **6 089 712** | **5 891 794** |
| General Reserve | 95 000 | 95 000 | 61 612 | 61 762 |
| Retained earnings | 1 428 731 | 1 695 337 | (413 297) | (240 390) |
| **Total equity** | **8 847 471** | **8 787 481** | **5 738 027** | **5 713 166** |
| **Total liabilities and equity** | **9 187 564** | **9 147 492** | **5 958 594** | **5 947 227** |

A statement of IFAD's balance sheet is prepared in SDR, given that most of its assets are denominated in SDR and/or currencies included in the SDR basket. This statement has been included solely for the purpose of providing additional information for the readers of the accounts and is based on nominal values.

## Statement of contributions

As at 31 December 2013 and 2012

### Summary of contributions

| | *Thousands of United States dollars* | |
|---|---|---|
| | *2013* | *2012* |
| Initial contributions | 1 017 373 | 1 017 373 |
| First Replenishment | 1 016 372 | 1 016 372 |
| Second Replenishment | 566 560 | 566 560 |
| Third Replenishment | 553 856 | 553 856 |
| Fourth Replenishment | 361 421 | 361 421 |
| Fifth Replenishment | 441 401 | 441 401 |
| Sixth Replenishment | 567 021 | 567 021 |
| Seventh Replenishment | 654 640 | 654 640 |
| Eighth Replenishment | 962 341 | 963 701 |
| Ninth Replenishment | 979 621 | 651 666 |
| **Total IFAD** | **7 120 606** | **6 794 011** |
| SPA Phase I | 288 868 | 288 868 |
| SPA Phase II | 62 364 | 62 364 |
| **Total SPA** | **351 232** | **351 232** |
| Special contributions[a] | 20 349 | 20 349 |
| **Total replenishment contributions** | **7 492 188** | **7 165 592** |
| **Statement of complementary contributions** | | |
| Belgian Survival Fund | 80 002 | 80 002 |
| HIPC Debt Initiative | 19 679 | 19 679 |
| ASAP complementary contributions | 258 267 | 210 214 |
| Other complementary contributions | 58 798 | 58 798 |
| **Total complementary contributions** | **416 746** | **368 693** |
| HIPC contr butions not made in the context of replenishment resources | 262 738 | 246 519 |
| Belgian Survival Fund contributions not made in the context of replenishment resources | 63 836 | 63 836 |
| **Statement of supplementary contributions**[b] | | |
| Project cofinancing | 333 057 | 309 045 |
| Associate professional officer funds | 43 315 | 41 134 |
| Other supplementary funds | 921 266 | 773 466 |
| Global Environment Facility | 93 644 | 93 679 |
| **Total supplementary contributions** | **1 717 856** | **1 527 324** |
| **Total contributions** | **9 626 789** | **9 061 964** |
| Total contributions include the following: | | |
| **Total replenishment contributions (as above)** | **7 492 188** | **7 165 592** |
| Less provisions | (168 448) | (168 448) |
| Total net replenishment contributions | 7 323 740 | 6 997 144 |
| Less fair value adjustment | (7 907) | (10 465) |
| **Total replenishment contributions at fair value** | **7 315 833** | **6 986 679** |

[1] Including Iceland's special contribution prior to membership and US$20 million from OFID.
[2] Includes interest earned according to each underlying agreement.

## Statement of contributions

As at 31 December 2013 and 2012

### Statement of Members' contributions[a]

| | Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent) | Ninth Replenishment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Instruments deposited | | | Payments (thousands of US dollars equivalent) | | |
| | | *Currency* | *Amount (thousands)* | *Thousands of US dollars equivalent* | *Cash* | *Promissory notes* | *Total* |
| **Member States** | | | | | | | |
| Afghanistan | **0** | | | | | | |
| A bania | **50** | | | | | | |
| Algeria | **62 430** | US$ | 10 000 | 10 000 | 3 000 | 0 | 3 000 |
| Angola | **2 360** | US$ | 1 900 | 1 900 | 1 900 | 0 | 1 900 |
| Argentina | **12 400** | | | | | | |
| Armenia | **35** | US$ | 5 | 5 | 5 | 0 | 5 |
| Australia[2] | **37 247** | | | | | | |
| Austria | **69 995** | EUR | 16 000 | 21 631 | 6 933 | 14 697 | 21 631 |
| Azerbaijan | **200** | US$ | 100 | 100 | 100 | 0 | 100 |
| Bangladesh | **4 956** | US$ | 650 | 650 | 195 | 455 | 650 |
| Barbados | **10** | | | | | | |
| Belgium | **120 625** | EUR | 24 000 | 32 634 | 10 587 | 0 | 10 587 |
| Belize | **205** | | | | | | |
| Benin | **299** | | | | | | |
| Bhutan | **165** | | | | | | |
| Bolivia (Plurinational State of) | **1 500** | | | | | | |
| Bosnia and Herzegovina | **165** | | | | | | |
| Botswana | **560** | US$ | 45 | 45 | 45 | 0 | 45 |
| Brazil[3] | **65 296** | US$ | 16 700 | 16 700 | 0 | 16 700 | 16 700 |
| Burkina Faso | **359** | US$ | 125 | 125 | 120 | 0 | 120 |
| Burundi | **90** | US$ | 10 | 10 | 10 | 0 | 10 |
| Cabo Verde | **26** | | | | | | |
| Cambodia | **840** | US$ | 210 | 210 | 210 | 0 | 210 |
| Cameroon | **2 439** | | | | | | |
| Canada | **277 706** | CAD | 75 000 | 73 672 | 50 143 | 0 | 50 143 |
| Central African Republic | **11** | EUR | 2 | 3 | 3 | 0 | 3 |
| Chad | **62** | EUR | 250 | 329 | 329 | 0 | 329 |
| Chile | **860** | | | | | | |
| China | **78 839** | US$ | 27 000 | 27 000 | 10 000 | 0 | 10 000 |
| Colombia | **840** | | | | | | |
| Comoros[4] | **33** | | | | | | |
| Congo | **818** | | | | | | |
| Cook Islands | **5** | | | | | | |
| Côte d'Ivoire | **1 559** | | | | | | |
| Cuba | **9** | | | | | | |
| Cyprus | **252** | US$ | 60 | 60 | 0 | 0 | 0 |
| Democratic People's Republic of Korea | **800** | | | | | | |
| Democratic Republic of the Congo | **1 580** | US$ | 290 | 290 | 290 | 0 | 290 |
| Denmark | **138 210** | DKK | 85 000 | 15 394 | 5 050 | 0 | 5 050 |
| Djibouti | **6** | | | | | | |
| Dominica | **51** | | | | | | |
| Dominican Republic | **88** | | | | | | |
| Ecuador | **841** | US$ | 400 | 400 | 200 | 0 | 200 |
| Egypt | **20 409** | | | | | | |
| El Salvador | **100** | | | | | | |
| Eritrea | **40** | US$ | 30 | 30 | 30 | 0 | 30 |
| Estonia | **59** | | | | | | |
| Ethiopia | **251** | US$ | 40 | 40 | 0 | 0 | 0 |
| Fiji | **204** | US$ | 44 | 44 | 44 | 0 | 44 |
| Finland | **56 538** | EUR | 12 000 | 16 364 | 5 340 | 0 | 5 340 |

## Statement of contributions

As at 31 December 2013 and 2012

### Statement of Members' contributions[1] (cont.)

| | Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent) | Ninth Replenishment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Instruments deposited | | | Payments (thousands of US dollars equivalent) | | |
| | | Currency | Amount (thousands) | Thousands of US dollars equivalent | Cash | Promissory notes | Total |
| France | **285 024** | EUR | 35 000 | 47 988 | 15 882 | 0 | 15 882 |
| Gabon | **3 704** | US$ | 20 | 20 | 20 | 0 | 20 |
| Gambia (The) | **75** | US$ | 15 | 15 | 15 | 0 | 15 |
| Germany | **394 940** | EUR | 52 389 | 70 901 | 20 369 | 25 266 | 45 635 |
| Ghana | **2 066** | US$ | 400 | 400 | 120 | 0 | 120 |
| Greece | **4 196** | | | | | | |
| Grenada | **75** | | | | | | |
| Guatemala | **1 043** | | | | | | |
| Guinea | **410** | US$ | 80 | 80 | 80 | 0 | 80 |
| Guinea-Bissau | **30** | | | | | | |
| Guyana | **1 118** | US$ | 360 | 360 | 360 | 0 | 360 |
| Haiti | **107** | | | | | | |
| Honduras | **801** | | | | | | |
| Hungary | **0** | US$ | 100 | 100 | 100 | 0 | 100 |
| Iceland | **350** | US$ | 25 | 25 | 25 | 0 | 25 |
| India | **104 812** | US$ | 30 000 | 30 000 | 20 000 | 0 | 20 000 |
| Indonesia | **51 959** | US$ | 10 000 | 10 000 | 0 | 0 | 0 |
| Iran (Islamic Republic of)[d] | **128 750** | | | | | | |
| Iraq[d] | **56 099** | | | | | | |
| Ireland[e] | **23 831** | EUR | 2 000 | 2 755 | 2 755 | 0 | 2 755 |
| Israel | **300** | EUR | 76 | 102 | 102 | 0 | 102 |
| Italy | **347 462** | EUR | 58 017 | 79 397 | 25 657 | 0 | 25 657 |
| Jamaica | **326** | | | | | | |
| Japan | **434 494** | JPY | 5 930 003 | 56 420 | 0 | 56 420 | 56 420 |
| Jordan | **940** | | | | | | |
| Kazakhstan | **0** | US$ | 10 | 10 | 10 | 0 | 10 |
| Kenya | **4 699** | | | | | | |
| Kiribati | **5** | | | | | | |
| Kuwait | **173 041** | US$ | 15 000 | 15 000 | 9 750 | 5 250 | 15 000 |
| Lao People's Democratic Republic | **306** | US$ | 51 | 51 | 51 | 0 | 51 |
| Lebanon | **495** | | | | | | |
| Lesotho | **489** | US$ | 100 | 100 | 100 | 0 | 100 |
| Liberia | **39** | | | | | | |
| Libya[d] | **52 000** | | | | | | |
| Luxembourg | **5 510** | EUR | 1 678 | 2 274 | 656 | 0 | 656 |
| Madagascar | **574** | US$ | 50 | 50 | 50 | 0 | 50 |
| Malawi | **123** | | | | | | |
| Malaysia | **1 175** | | | | | | |
| Maldives | **51** | | | | | | |
| Mali | **286** | EUR | 71 | 92 | 92 | 0 | 92 |
| Malta | **55** | | | | | | |
| Mauritania | **135** | | | | | | |
| Mauritius | **275** | US$ | 5 | 5 | 5 | 0 | 5 |
| Mexico | **33 131** | US$ | 5 000 | 5 000 | 3 334 | 0 | 3 334 |
| Moldova (Republic of) | **45** | US$ | 30 | 30 | 30 | 0 | 30 |
| Mongolia | **12** | US$ | 3 | 3 | 3 | 0 | 3 |
| Morocco | **7 244** | | | | | | |
| Mozambique | **485** | | | | | | |
| Myanmar | **250** | EUR | 4 | 5 | 5 | 0 | 5 |
| Namibia | **360** | | | | | | |
| Nepal | **210** | US$ | 60 | 60 | 60 | 0 | 60 |

**Statement of contributions**
As at 31 December 2013 and 2012

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Netherlands | **344 656** | US$ | 75 000 | 75 000 | 25 000 | 50 000 | 75 000 |
| New Zealand | **7 991** | NZD | 1 500 | 1 158 | 1 158 | 0 | 1 158 |
| Nicaragua | **119** | US$ | 150 | 150 | 49 | 0 | 49 |
| Niger | **275** | | | | | | |
| Nigeria | **121 459** | | | | | | |
| Norway | **221 787** | NOK | 270 000 | 46 240 | 16 571 | 0 | 16 571 |
| Oman | **300** | US$ | 50 | 50 | 50 | 0 | 50 |
| Pakistan | **22 934** | US$ | 8 000 | 8 000 | 0 | 8 000 | 8 000 |
| Panama | **224** | US$ | 8 | 8 | 8 | 0 | 8 |
| Papua New Guinea | **170** | | | | | | |
| Paraguay | **1 206** | US$ | 150 | 150 | 0 | 0 | 0 |
| Peru | **1 260** | | | | | | |
| Philippines | **1 978** | US$ | 200 | 200 | 0 | 0 | 0 |
| Portugal | **4 384** | | | | | | |
| Qatar | **39 980** | | | | | | |
| Republic of Korea | **19 239** | US$ | 2 000 | 2 000 | 2 000 | 0 | 2 000 |
| Romania | **250** | | | | | | |
| Rwanda | **221** | US$ | 50 | 50 | 50 | 0 | 50 |
| Saint Kitts and Nevis | **20** | | | | | | |
| Saint Lucia | **22** | | | | | | |
| Samoa | **50** | | | | | | |
| Sao Tome and Principe | **10** | | | | | | |
| Saudi Arabia | **409 778** | US$ | 23 000 | 23 000 | 6 000 | 17 000 | 23 000 |
| Senegal | **386** | | | | | | |
| Seychelles | **20** | US$ | 50 | 50 | 50 | 0 | 50 |
| Sierra Leone | **37** | | | | | | |
| Solomon Islands | **10** | | | | | | |
| Somalia | **10** | | | | | | |
| South Africa | **1 413** | US$ | 500 | 500 | 304 | 0 | 304 |
| Spain | **101 664** | | | | | | |
| Sri Lanka | **8 886** | US$ | 1 001 | 1 001 | 0 | 0 | 0 |
| Sudan | **1 139** | EUR | 175 | 233 | 233 | 0 | 233 |
| Swaziland | **273** | | | | | | |
| Sweden | **255 168** | SEK | 460 560 | 71 616 | 23 810 | 47 806 | 71 616 |
| Switzerland | **139 448** | CHF | 28 500 | 31 653 | 10 289 | 0 | 10 289 |
| Syrian Arab Republic | **1 817** | | | | | | |
| Taj kistan[a] | **1** | US$ | 0 | 0 | 0 | 0 | 0 |
| Thailand | **1 200** | | | | | | |
| Togo | **35** | EUR | 76 | 98 | 98 | 0 | 98 |
| Tonga | **55** | | | | | | |
| Tunisia | **3 778** | US$ | 750 | 750 | 252 | 0 | 252 |
| Turkey | **17 436** | US$ | 1 200 | 1 200 | 652 | 0 | 652 |
| Uganda | **380** | US$ | 50 | 50 | 50 | 0 | 50 |
| United Arab Emirates | **53 180** | US$ | 1 000 | 1 000 | 300 | 0 | 300 |
| United Kingdom | **272 907** | GBP | 51 133 | 84 689 | 0 | 0 | 0 |
| United Republic of Tanzania | **444** | US$ | 120 | 120 | 120 | 0 | 120 |
| United States[c] | **791 674** | US$ | 90 000 | 90 000 | 18 000 | 10 481 | 28 481 |
| Uruguay | **525** | US$ | 200 | 200 | 200 | 0 | 200 |
| Uzbekistan | **10** | US$ | 5 | 5 | 5 | 0 | 5 |
| Venezuela (Bolivarian Republic of) | **196 258** | | | | | | |
| Viet Nam | **2 103** | US$ | 600 | 600 | 200 | 0 | 200 |

## Statement of contributions
As at 31 December 2013 and 2012

| | Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent) | Ninth Replenishment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Instruments deposited | | | Payments (thousands of US dollars equivalent) | | |
| | | Currency | Amount (thousands) | Thousands of US dollars equivalent | Cash | Promissory notes | Total |
| Yemen | **3 376** | US$ | 972 | 972 | 972 | 0 | 972 |
| Former Yugoslavia | **108** | | | | | | |
| Zambia | **494** | | | | | | |
| Zimbabwe | **2 103** | | | | | | |
| **Total contributions 31 December 2013** | **6 140 982** | | | **979 621** | **300 585** | **252 075** | **552 661** |
| **2012** | **6 141 554** | | | **651 666** | **53 169** | **132 941** | **186 111** |

[a] Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars, therefore payments received for less than US$500 are not shown in appendix G. Consequently, contributions from Afghanistan (US$93) and Tajikistan (US$400) do not appear above.
[b] Australia's withdrawal from membership of IFAD became effective on 31 July 2007.
[c] See appendix D, note 5(a).
[d] See appendix D, notes 6(a) and (b).
[e] In addition to its pledge to the Eighth Replenishment of EUR 6 million, Ireland has made a further contribution of EUR 891,000.

### Special Programme for Africa

| | | First phase | | Second phase | | |
|---|---|---|---|---|---|---|
| | | Instruments deposited | | Instruments deposited | | |
| | Currency | Amount | Thousands of US dollars equivalent | Amount | Thousands of US dollars equivalent | Total |
| Australia | AUD | 500 | 389 | | | 389 |
| Belgium | EUR | 31 235 | 34 975 | 11 155 | 12 263 | 47 238 |
| Denmark | DKK | 120 000 | 18 673 | | | 18 673 |
| Djibouti | US$ | 1 | 1 | | | 1 |
| European Union | EUR | 15 000 | 17 619 | | | 17 619 |
| Finland | EUR | 9 960 | 12 205 | | | 12 205 |
| France | EUR | 32 014 | 37 690 | 3 811 | 4 008 | 41 698 |
| Germany | EUR | 14 827 | 17 360 | | | 17 360 |
| Greece | US$ | 37 | 37 | 40 | 40 | 77 |
| Guinea | US$ | 25 | 25 | | | 25 |
| Ireland | EUR | 380 | 418 | 253 | 289 | 707 |
| Italy | EUR | 15 493 | 23 254 | 5 132 | 6 785 | 30 039 |
| Italy | US$ | 10 000 | 10 000 | | | 10 000 |
| Japan | JPY | 2 553 450 | 21 474 | | | 21 474 |
| Kuwait | US$ | | 0 | 15 000 | 15 000 | 15 000 |
| Luxembourg | EUR | 247 | 266 | | | 266 |
| Mauritania | US$ | 25 | 25 | | | 25 |
| Netherlands | EUR | 15 882 | 16 174 | 8 848 | 9 533 | 25 707 |
| New Zealand | NZD | 500 | 252 | | | 252 |
| Niger | EUR | 15 | 18 | | | 18 |
| Nigeria | US$ | | 0 | 250 | 250 | 250 |
| Norway | NOK | 138 000 | 19 759 | | | 19 759 |
| Spain | US$ | 1 000 | 1 000 | | | 1 000 |
| Sweden | SEK | 131 700 | 19 055 | 25 000 | 4 196 | 23 251 |
| Switzerland | CHF | 25 000 | 17 049 | | | 17 049 |
| United Kingdom | GBP | 7 000 | 11 150 | | | 11 150 |
| United States | US$ | 10 000 | 10 000 | 10 000 | 10 000 | 20 000 |
| **31 December 2013** | | | **288 868** | | **62 364** | **351 232** |
| 31 December 2012 | | | 288 868 | | 62 364 | 351 232 |

## Statement of contributions

As at 31 December 2013 and 2012

**Statement of Members' replenishment contributions received in 2013**[a]
(Thousands of United States dollars)

| | | | Payments | |
|---|---|---|---|---|
| *Member States* | *Instruments deposited* [b,c] | *Promissory note deposit*[c] | *Cash* | *Promissory note encashment* |
| **Replenishment 7** | | | | |
| Brazil | | | | 2 797 |
| United States of America | | | | 4 490 |
| **Total IFAD 7** | | | | **7 287** |
| **Replenishment 8** | | | | |
| Bangladesh | | | | 210 |
| Brazil | | | | 4 450 |
| Egypt | | 3 000 | | 3 000 |
| Gabon | | | 103 | |
| Ghana | | | 200 | |
| Japan | | | | 17 012 |
| Kuwait | | | | 4 200 |
| Lebanon | | | 200 | |
| Pakistan | | | | 2 667 |
| Saudi Arabia | | | | 5 000 |
| United Arab Emirates | | | | 350 |
| United States of America | | | | 18 000 |
| Yemen | | | 28 | |
| **Total IFAD 8** | | **3 000** | **531** | **54 889** |
| **Replenishment 9** | | | | |
| Algeria | 10 000 | | 3 000 | |
| Armenia | | | 5 | |
| Austria | | 21 661 | | 6 933 |
| Bangladesh | | | | 195 |
| Belgium | 31 729 | | 10 587 | |
| Botswana | | | 45 | |
| Brazil | 16 700 | 16 700 | | |
| Burkina Faso | | | 120 | |
| Canada | | 12 513 | | 12 513 |
| China | | | 10 000 | |
| Denmark | | | 5 050 | |
| Ecuador | | | 200 | |
| Ethiopia | 40 | | | |
| Fiji | | | 44 | |
| Finland | | | 5 340 | |
| France | | | 15 882 | |
| Gabon | | | 20 | |
| Germany | | 46 217 | | 20 369 |
| Ghana | | | 120 | |
| Guinea | | | 80 | |
| Guyana | | | 118 | |
| Hungary | | | 100 | |
| India | | | 10 000 | |
| Ireland | | | 2 755 | |
| Israel | | | 51 | |
| Italy | 78 883 | | 25 656 | |
| Japan | | 29 655 | | |
| Kazakhstan | | | 10 | |
| Korea, Republic of | | | 2 000 | |

## Statement of contributions

As at 31 December 2013 and 2012

| *Replenishment 9 continued* | | | *Payments* | |
|---|---|---|---|---|
| *Member States* | *Instruments deposited* [2,3] | *Promissory note deposit*[3] | *Cash* | *Promissory note encashment* |
| Kuwait | | 15 000 | | 9 750 |
| Lesotho | | | 100 | |
| Luxembourg | | | 656 | |
| Mauritius | | | 5 | |
| Mexico | | | 1 667 | |
| Mongolia | | | 3 | |
| Myanmar | | | 5 | |
| Nepal | | | 60 | |
| Netherlands | | | | 25 000 |
| New Zealand | 1 160 | | 1 158 | |
| Nicaragua | | | 49 | |
| Norway | | | 16 571 | |
| Pakistan | | 8 000 | | |
| Panama | | | 8 | |
| Paraguay | 150 | | | |
| Philippines | 200 | | | |
| Republic of Moldova | | | 30 | |
| Rwanda | | | 50 | |
| Saudi Arabia | | | | 6 000 |
| South Africa | | | 304 | |
| Sudan | | | 233 | |
| Sweden | | 72 538 | | 23 810 |
| Switzerland | | | 10 289 | |
| Taj kistan[a] | | | 0 | |
| Togo | | | 98 | |
| Tunisia | | | 248 | |
| Turkey | | | 452 | |
| Uruguay | | | 200 | |
| United Arab Emirates | | | 300 | |
| United Kingdom | 83 047 | | | |
| United States of America | 90 000 | 28 481 | | 18 000 |
| Uzbekistan | | | 5 | |
| Viet Nam | 600 | | 200 | |
| Yemen | | | 972 | |
| **Total IFAD 9** | **312 509** | **250 765** | **124 846** | **122 570** |
| **Grand Total** | **312 509** | **253 764** | **125 377** | **184 746** |

[a] Amounts are expressed in thousands of United States dollars, therefore the payment from Tajikistan (US$200) for the Ninth Replenishment does not appear.
[b] Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.
[c] Instruments deposited and promissory note deposits received in currencies other than United States dollars are translated at the date of receipt.

Appendix H
## Statement of loans

### 1. IFAD: Statement of outstanding loans
As at 31 December 2013 and 2012

| Borrower or guarantor | Approved loans less cancellations | Effective loans: Disbursed portion | Effective loans: Undisbursed portion | Effective loans: Repayments | Outstanding loans |
|---|---|---|---|---|---|
| **US$ loans (expressed in thousands)** | | | | | |
| Bangladesh | 30 000 | 30 000 | | 18 750 | 11 250 |
| Cabo Verde | 2 003 | 2 003 | | 1 252 | 751 |
| Haiti | 3 500 | 3 500 | | 2 231 | 1 269 |
| Nepal | 11 538 | 11 538 | | 7 219 | 4 320 |
| Sri Lanka | 12 000 | 12 000 | | 7 800 | 4 200 |
| United Republic of Tanzania | 9 488 | 9 488 | | 6 049 | 3 440 |
| **Subtotal**[a] | **68 530** | **68 530** | | **43 301** | **25 229** |
| **SDR loans**[a] **(expressed in thousands)** | | | | | |
| Albania | 35 080 | 33 020 | 2 060 | 5 116 | 27 904 |
| Angola | 16 981 | 13 534 | 3 447 | 2 807 | 10 727 |
| Argentina | 55 545 | 46 069 | 9 477 | 32 069 | 14 002 |
| Armenia | 54 312 | 48 328 | 5 985 | 4 469 | 43 859 |
| Azerbaijan | 44 907 | 34 632 | 10 275 | 2 162 | 32 470 |
| Bangladesh | 387 536 | 287 362 | 100 173 | 70 678 | 216 685 |
| Belize | 3 067 | 1869 | 1198 | 1183 | 686 |
| Benin | 83 507 | 71 033 | 12 475 | 20 377 | 50 656 |
| Bhutan | 32 630 | 30 030 | 2 600 | 5 787 | 24 243 |
| Bolivia (Plurinational State of) | 60 979 | 44 592 | 16 387 | 12 559 | 32 033 |
| Bosnia and Herzegovina | 48 304 | 35 836 | 12 468 | 4 230 | 31 606 |
| Botswana | 7 267 | 4 922 | 2 345 | 4 667 | 255 |
| Brazil | 143 132 | 54 357 | 88 775 | 32 645 | 21 712 |
| Burkina Faso | 91 133 | 65 723 | 25 410 | 12 305 | 53 418 |
| Burundi | 41 288 | 40 568 | 720 | 11 646 | 28 922 |
| Cabo Verde | 20 750 | 13 930 | 6 820 | 2 503 | 11 427 |
| Cambodia | 43 308 | 28 570 | 14 738 | 2 318 | 26 252 |
| Cameroon | 62 648 | 45 431 | 17 217 | 15 682 | 29 748 |
| Central African Republic | 26 494 | 24 024 | 2 470 | 9 064 | 14 960 |
| Chad | 18 139 | 14 098 | 4 040 | 1 166 | 12 932 |
| China | 519 795 | 392 971 | 126 824 | 80 995 | 311 976 |
| Colombia | 42 625 | 22 235 | 20 390 | 11 149 | 11 086 |
| Comoros | 4 182 | 4 182 | 0 | 1 544 | 2 638 |
| Congo | 22 973 | 14 012 | 8 961 | 2 823 | 11 189 |
| Costa Rica | 3 400 | 3 400 | 0 | 3 400 | 0 |
| Côte d'Ivoire | 17 791 | 17 791 | 0 | 4 585 | 13 206 |
| Cuba | 17 431 | 10 581 | 6 850 | 3 462 | 7 120 |
| Democratic People’s Republic of Korea | 50 496 | 50 496 | 0 | 9 781 | 40 715 |
| Democratic Republic of the Congo | 39 693 | 37 867 | 1 825 | 9 988 | 27 879 |
| Dj bouti | 7 212 | 4 390 | 2 822 | 924 | 3 466 |
| Dominica | 2 902 | 2 902 | 0 | 2 129 | 773 |
| Dominican Republic | 31 663 | 14 627 | 17 036 | 9 933 | 4 695 |
| Ecuador | 46 337 | 28 719 | 17 617 | 15 072 | 13 647 |
| Egypt | 199 726 | 112 666 | 87 060 | 42 756 | 69 910 |
| El Salvador | 83 983 | 68 268 | 15 714 | 33 370 | 34 898 |
| Equatorial Guinea | 5 794 | 5 794 | | 2 092 | 3 701 |
| Eritrea | 24 643 | 23 812 | 831 | 2 919 | 20 892 |
| Ethiopia | 245 116 | 171 829 | 73 287 | 30 202 | 141 628 |
| Gabon | 3 800 | 2 207 | 1 593 | 633 | 1 574 |
| Gambia (The) | 29 214 | 28 860 | 354 | 6 922 | 21 938 |
| Georgia | 23 959 | 18 566 | 5 393 | 1 606 | 16 960 |
| Ghana | 133 077 | 99 272 | 33 804 | 18 673 | 80 600 |
| Grenada | 4 400 | 2 966 | 1 434 | 1 331 | 1 635 |
| Guatemala | 42 686 | 23 637 | 19 048 | 16 761 | 6 877 |
| Guinea-Bissau | 5 117 | 5 117 | | 2 702 | 2 415 |
| Guinea | 68 723 | 63 795 | 4 928 | 15 944 | 47 852 |
| Guyana | 8 523 | 7 814 | 708 | 1 591 | 6 223 |
| Haiti | 60 221 | 55 403 | 4 818 | 14 464 | 40 939 |
| Honduras | 89 240 | 67 425 | 21 816 | 12 890 | 54 535 |
| India | 546 256 | 365 030 | 181 226 | 119 864 | 245 166 |
| Indonesia[b] | 172 282 | 124 634 | 47 648 | 29 580 | 95 054 |
| Jordan | 43 547 | 41 403 | 2 145 | 32 786 | 8 616 |
| Kenya | 121 169 | 77 110 | 44 059 | 10 006 | 67 104 |
| Kyrgyzstan | 20 797 | 7 424 | 13 373 | 1 560 | 5 863 |

Appendix H
## Statement of loans

| Borrower or guarantor | Approved loans less cancellations | Effective loans: Disbursed portion | Effective loans: Undisbursed portion | Repayments | Outstanding loans |
|---|---|---|---|---|---|
| Lao People's Democratic Republic | 49 569 | 48 087 | 1 481 | 9 010 | 39 077 |
| Lebanon | 14 192 | 9 317 | 4 875 | 7 912 | 1 405 |
| Lesotho | 27 022 | 23 535 | 3 487 | 5 258 | 18 277 |
| Liberia | 22 340 | 12 413 | 9 927 | 8 325 | 4 088 |
| Madagascar[b] | 131 420 | 97 707 | 33 713 | 18 885 | 78 822 |
| Malawi[b] | 84 057 | 65 757 | 18 300 | 20 359 | 45 399 |
| Maldives | 10 892 | 9 084 | 1 808 | 2 179 | 6 905 |
| Mali | 128 441 | 81 246 | 47 195 | 20 529 | 60 717 |
| Mauritania | 49 975 | 41 294 | 8 680 | 8 589 | 32 705 |
| Mauritius | 10 772 | 8 527 | 2 245 | 5 168 | 3 359 |
| Mexico | 48 232 | 29 132 | 19 100 | 18 301 | 10 831 |
| Mongolia | 20 689 | 15 690 | 4 999 | 991 | 14 699 |
| Morocco | 82 871 | 51 680 | 31 192 | 35 324 | 16 355 |
| Mozambique | 137 065 | 95 086 | 41 979 | 19 565 | 75 521 |
| Nepal | 94 407 | 68 154 | 26 253 | 23 425 | 44 729 |
| Nicaragua | 49 620 | 38 515 | 11 106 | 5 615 | 32 899 |
| Niger | 57 004 | 45 338 | 11 667 | 8 216 | 37 122 |
| Nigeria | 146 468 | 80 533 | 65 935 | 19 748 | 60 785 |
| Pakistan | 255 698 | 189 962 | 65 735 | 49 326 | 140 636 |
| Panama | 16 134 | 14 229 | 1 904 | 13 967 | 262 |
| Papua New Guinea | 13 121 | 6 385 | 6 736 | 3 901 | 2 484 |
| Paraguay | 22 216 | 15 644 | 6 572 | 5 866 | 9 778 |
| Peru | 61 083 | 44 318 | 16 764 | 23 459 | 20 860 |
| Philippines | 96 691 | 69 432 | 27 259 | 15 769 | 53 662 |
| Republic of Moldova | 56 190 | 42 250 | 13 940 | 773 | 41 477 |
| Romania | 12 400 | 12 400 | 0 | 8 267 | 4 133 |
| Rwanda[b] | 109 940 | 88 753 | 21 188 | 16 259 | 72 494 |
| Saint Lucia | 1 242 | 1 242 | 0 | 1 061 | 181 |
| Samoa | 1 908 | 1 908 | 0 | 768 | 1139 |
| Sao Tome and Principe | 13 761 | 13 366 | 394 | 2 992 | 10 375 |
| Senegal | 113 738 | 69 351 | 44 387 | 9 583 | 59 769 |
| Seychelles | 2 804 | 824 | 1 980 | 824 | 0 |
| Sierra Leone | 45 835 | 31 491 | 14 344 | 10 759 | 20 732 |
| Solomon Islands | 2 519 | 2 519 | 0 | 1 124 | 1 395 |
| Somalia | 17 710 | 17 710 | 0 | 411 | 17 299 |
| Sri Lanka | 141 850 | 108 417 | 33 434 | 22 640 | 85 776 |
| Sudan | 128 666 | 119 123 | 9 543 | 25 826 | 93 297 |
| Swaziland | 20 403 | 16 510 | 3 892 | 9 609 | 6 901 |
| Syrian Arab Republic | 69 858 | 38 453 | 31 405 | 21 961 | 16 492 |
| The former Yugoslav Republic of Macedonia | 11 721 | 11 721 | 0 | 2 007 | 9 714 |
| Togo | 17 565 | 17 565 | 0 | 7 218 | 10 347 |
| Tonga | 4 837 | 4 837 | 0 | 1 706 | 3 131 |
| Tunisia | 56 267 | 41 092 | 15 175 | 27 443 | 13 649 |
| Turkey | 63 612 | 33 899 | 29 713 | 17 093 | 16 806 |
| Uganda | 217 154 | 152 386 | 64 768 | 28 773 | 123 613 |
| United Republic of Tanzania | 223 428 | 164 667 | 58 761 | 16 906 | 147 761 |
| Uruguay | 10 292 | 10 292 | 0 | 6 798 | 3 494 |
| Uzbekistan | 6 190 | 0 | 6 190 | 0 | 0 |
| Venezuela (Bolivarian Republic of) | 28 421 | 15 309 | 13 112 | 11 031 | 4 278 |
| Viet Nam | 203 241 | 135 112 | 68 129 | 10 445 | 124 667 |
| Yemen | 138 740 | 132 765 | 5 976 | 41 139 | 91 625 |
| Zambia | 115 788 | 83 444 | 32 344 | 23 562 | 59 882 |
| Zimbabwe | 32 176 | 32 176 | 0 | 15 605 | 16 571 |
| **Total** | **7 514 015** | **5 475 780** | **2 038 231** | **1 500 140** | **3 975 642** |
| Fund for Gaza and the West Bank[c] | 2 513 | 2 513 | 0 | 553 | 1 960 |
| **Total SDR** | **7 516 528** | **5 478 293** | **2 038 231** | **1 500 693** | **3 977 602** |
| **US$ equivalent** | **11 589 743** | **8 446 986** | **3 142 751** | **2 313 917** | **6 133 069** |
| **Total loans 31 December 2013 US$ at nominal value** | **11 658 273** | **8 515 516** | **3 142 751** | **2 357 218** | **6 158 298** |
| Fair value adjustment | | | | | (1 237 140) |
| **31 December 2012 US$ at fair value** | | | | | **4 921 159** |
| **31 December 2012 US$ at nominal value** | **11 161 032** | **7 989 989** | **3 171 044** | **2 129 646** | **5 860 343** |
| Fair value adjustment | | | | | (1 171 249) |
| **31 December 2012 US$ at fair value** | | | | | **4 689 094** |

[a] Loans approved in 1978 were denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Since 1979, loans have been denominated in SDRs and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDRs has been valued at the US$/SDR rate of 1.5419 at 31 December 2013.

[b] Repayment amounts include participation by the Netherlands and Norway in specific loans to these countries, resulting in partial early repayment and a corresponding increase in committable resources.

[c] The amount of the loan to the Fund for Gaza and West Bank is included in the above balance. See appendix D, note 2(e)(ii).

## 2. IFAD: Summary of loans approved at nominal value
As at 31 December 2013

| | | *Approved loans in thousands of SDR* | | | | *Value in thousands of United States dollars* | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | *As at 1 January 2013* | *Loans cancelled* | *Loans fully repaid* | *As at 31 December 2013* | *As at 1 January 2013* | *Loans cancelled* | *Loans fully repaid* | *Exchange rate movement SDR/US$* | *As at 31 December 2013** |
| 1978 | US$ | 68 530 | | | 68 530 | 68 530 | | | 0 | 68 530 |
| 1979 | SDR | 201 486 | | | 201 486 | 309 905 | | | 764 | 310 669 |
| 1980 | SDR | 187 228 | | | 187 228 | 287 978 | | | 710 | 288 688 |
| 1981 | SDR | 197 694 | | | 197 694 | 304 074 | | | 749 | 304 824 |
| 1982 | SDR | 114 409 | | | 114 409 | 175 973 | | | 434 | 176 407 |
| 1983 | SDR | 155 736 | | | 155 736 | 239 540 | | | 590 | 240 130 |
| 1984 | SDR | 131 907 | | | 131 907 | 202 887 | | | 500 | 203 387 |
| 1985 | SDR | 72 039 | | | 72 039 | 110 804 | | | 273 | 111 077 |
| 1986 | SDR | 23 663 | | | 23 663 | 36 395 | | | 90 | 36 486 |
| 1987 | SDR | 60 074 | | | 60 074 | 92 401 | | | 228 | 92 629 |
| 1988 | SDR | 52 100 | | | 52 100 | 80 136 | | | 198 | 80 334 |
| 1989 | SDR | 98 066 | | | 98 066 | 150 836 | | | 372 | 151 208 |
| 1990 | SDR | 47 203 | | | 47 203 | 72 603 | | | 179 | 72 782 |
| 1991 | SDR | 98 025 | | | 98 025 | 150 774 | | | 372 | 151 145 |
| 1992 | SDR | 122 205 | | (15 155) | 107 050 | 187 965 | | (23 368) | 463 | 165 060 |
| 1993 | SDR | 142 861 | | | 142 861 | 219 736 | | | 542 | 220 278 |
| 1994 | SDR | 166 564 | | | 166 564 | 256 194 | | | 631 | 256 825 |
| 1995 | SDR | 214 785 | | | 214 785 | 330 363 | | | 814 | 331 178 |
| 1996 | SDR | 226 735 | | | 226 735 | 348 744 | | | 860 | 349 603 |
| 1997 | SDR | 267 524 | | (6 688) | 260 836 | 411 481 | | (10 312) | 1 014 | 402 183 |
| 1998 | SDR | 267 381 | (361) | | 267 020 | 411 262 | (557) | | 1 014 | 411 719 |
| 1999 | SDR | 288 133 | (46) | | 288 087 | 443 180 | (71) | | 1 092 | 444 202 |
| 2000 | SDR | 278 262 | (3 945) | | 274 317 | 427 997 | (6 082) | | 1 055 | 422 970 |
| 2001 | SDR | 265 327 | (6 809) | | 258 518 | 408 103 | (10 499) | | 1 006 | 398 610 |
| 2002 | SDR | 241 726 | (194) | | 241 532 | 371 801 | (299) | | 916 | 372 418 |
| 2003 | SDR | 255 394 | (23 390) | (5 519) | 226 485 | 392 824 | (36 065) | (8 510) | 968 | 349 216 |
| 2004 | SDR | 259 652 | (236) | | 259 416 | 399 374 | (365) | | 984 | 399 994 |
| 2005 | SDR | 317 213 | (595) | | 316 618 | 487 908 | (917) | | 1 203 | 488 194 |
| 2006 | SDR | 339 519 | (25) | | 339 494 | 522 217 | (38) | | 1 287 | 523 466 |
| 2007 | SDR | 275 250 | | | 275 250 | 423 365 | | | 1 044 | 424 408 |
| 2008 | SDR | 280 236 | | | 280 236 | 431 034 | | | 1 062 | 432 097 |
| 2009 | SDR | 277 752 | | | 277 752 | 427 228 | | | 1 053 | 428 281 |
| 2010 | SDR | 437 810 | (10 850) | | 426 960 | 673 400 | (16 730) | | 1 660 | 658 330 |
| 2011 | SDR | 459 940 | | | 459 940 | 707 438 | | | 1 744 | 709 182 |
| 2012 | | 424 630 | (12 020) | | 412 610 | 653 127 | (18 534) | | 1 610 | 636 203 |
| 2013 | | | | | 353 824 | | | | | 545 563 |
| **Total** | **SDR** | **7 248 529** | **(58 471)** | **(27 362)** | **7 516 529** | **11 149 047** | **(90 157)** | **(42 190)** | **27 480** | **11 589 745** |
| **Total** | **US$** | **68 530** | | | | **68 530** | | | | **68 530** |
| **Total** | | | | | | **11 217 579** | **(90 157)** | **(42 190)** | **(27 480)** | **11 658 275** |

### 3. IFAD: Maturity structure of outstanding loans by period at nominal value
As at 31 December 2013 and 2012 (Thousands of United States dollars)

| *Period due* | *2013* | *2012* |
|---|---|---|
| Less than 1 year | 283 368 | 275 075 |
| 1-2 years | 238 264 | 225 222 |
| 2-3 years | 250 809 | 238 822 |
| 3-4 years | 261 334 | 245 117 |
| 4-5 years | 270 477 | 252 702 |
| 5-10 years | 1 360 188 | 1 268 331 |
| 10-15 years | 1 231 936 | 1 167 414 |
| 15-20 years | 1 019 645 | 1 001 110 |
| 20-25 years | 763 720 | 761 847 |
| More than 25 years | 478 477 | 424 711 |
| **Total** | **6 158 217** | **5 860 351** |

### 4. IFAD: Summary of outstanding loans by lending type at nominal value
As at 31 December 2013 and 2012 (Thousands of United States dollars)

| | *2013* | *2012* |
|---|---|---|
| Highly concessional terms | 5 679 829 | 5 422 774 |
| Hardened terms | 9 794 | 3 606 |
| Intermediate terms | 257 405 | 248 336 |
| Ordinary terms | 211 189 | 185 635 |
| **Total** | **6 158 217** | **5 860 351** |

### 5. Disbursement structure of undisbursed loans at nominal value
Projected as at 31 December 2013 and 2012 (Thousands of United States dollars)

| *Disbursements in* | *2013* | *2012* |
|---|---|---|
| Less than 1 year | 649 581 | 623 000 |
| 1-2 years | 595 369 | 583 737 |
| 2-3 years | 507 976 | 509 704 |
| 3-4 years | 425 760 | 421 978 |
| 4-5 years | 359 493 | 350 931 |
| 5-10 years | 604 571 | 681 694 |
| **Total** | **3 142 751** | **3 171 044** |

## 6. Special Programme for Africa: Statement of loans at nominal value
As at 31 December 2013 and 2012

| *Borrower or guarantor* | *Approved loans less cancellations* | *Undisbursed portion* | *Disbursed portion* | *Repayments* | *Outstanding loans* |
|---|---|---|---|---|---|
| **SDR loans (expressed in thousands)** | | | | | |
| Angola | 2 714 | - | 2 714 | 769 | 1 946 |
| Burkina Faso | 10 546 | - | 10 546 | 3 743 | 6 803 |
| Burundi | 4 494 | - | 4 494 | 1 196 | 3 299 |
| Cabo Verde | 2 183 | - | 2 183 | 743 | 1 440 |
| Chad | 9 617 | - | 9 617 | 3 027 | 6 590 |
| Comoros | 2 289 | - | 2 289 | 689 | 1 600 |
| Dj bouti | 114 | - | 114 | 38 | 75 |
| Ethiopia | 6 660 | - | 6 660 | 2 696 | 3 964 |
| Gambia (The) | 2 638 | - | 2 638 | 923 | 1 715 |
| Ghana | 22 321 | - | 22 321 | 7 340 | 14 982 |
| Guinea-Bissau | 2 126 | - | 2 126 | 904 | 1 223 |
| Guinea | 10 762 | - | 10 762 | 4 036 | 6 726 |
| Kenya | 12 241 | | 12 241 | 3 730 | 8 511 |
| Lesotho | 7 481 | - | 7 481 | 2 526 | 4 955 |
| Madagascar | 1 098 | - | 1 098 | 311 | 787 |
| Malawi | 5 777 | - | 5 777 | 1 445 | 4 332 |
| Mali | 10 193 | - | 10 193 | 4 096 | 6 097 |
| Mauritania | 19 020 | - | 19 020 | 6 823 | 12 197 |
| Mozambique | 8 291 | - | 8 291 | 3 420 | 4 871 |
| Niger | 11 119 | - | 11 119 | 4 365 | 6 754 |
| Senegal | 23 234 | - | 23 234 | 7 706 | 15 528 |
| Sierra Leone | 1 505 | - | 1 505 | 414 | 1 091 |
| Sudan | 26 012 | - | 26 012 | 7 438 | 18 574 |
| Uganda | 8 124 | - | 8 124 | 3 249 | 4 874 |
| United Republic of Tanzania | 6 789 | - | 6 789 | 2 376 | 4 413 |
| Zambia | 8 607 | - | 8 607 | 3 421 | 5 186 |
| **Total** | **225 958** | | **225 958** | **77 425** | **148 533** |
| **US$ equivalent** | **348 404** | | **348 404** | **119 382** | **229 022** |
| Fair value adjustment | | | | | (84 035) |
| **31 December 2013 US$ at fair value** | | | | | **144 987** |
| **31 December 2012 US$ at nominal value** | **342 604** | **0** | **342 604** | **106 386** | **236 218** |
| Fair value adjustment | | | | | (88 794) |
| **31 December 2012 US$ at fair value** | | | | | **147 424** |

## 7. Special Programme for Africa: Summary of loans approved at nominal value
As at 31 December 2013 (Thousands of United States dollars)

| | | *Approved loans in thousands of SDRs* | | | *Value in thousands of United States dollars* | | | |
|---|---|---|---|---|---|---|---|---|
| | | *As at 1 January 2013* | *Loans cancelled* | *As at 31 December 2013* | *As at 1 January 2013* | *Loans cancelled* | *Exchange rate movement SDR/US$* | *As at 31 December 2013* |
| 1986 | SDR | 24 902 | - | 24 902 | 38 302 | | 94 | 38 396 |
| 1987 | SDR | 41 292 | - | 41 292 | 63 512 | | 157 | 63 669 |
| 1988 | SDR | 34 770 | - | 34 770 | 53 480 | | 132 | 53 612 |
| 1989 | SDR | 25 756 | - | 25 756 | 39 615 | | 98 | 39 713 |
| 1990 | SDR | 17 370 | - | 17 370 | 26 717 | | 66 | 26 783 |
| 1991 | SDR | 18 246 | - | 18 246 | 28 064 | | 69 | 28 135 |
| 1992 | SDR | 6 952 | - | 6 952 | 10 693 | | 26 | 10 719 |
| 1993 | SDR | 34 268 | - | 34 268 | 52 708 | | 130 | 52 838 |
| 1994 | SDR | 16 320 | - | 16 320 | 25 102 | | 62 | 25 164 |
| 1995 | SDR | 6 082 | | 6 082 | 9 354 | | 23 | 9 377 |
| **Total** | SDR | **225 958** | | **225 958** | **347 547** | | **857** | **348 404** |

**8. Special Programme for Africa: Maturity structure of outstanding loans by period at nominal value**
As at 31 December 2013 and 2012 (Thousands of United States dollars)

| *Period due* | *2013* | *2012* |
|---|---|---|
| Less than 1 year | 11 260 | 10 255 |
| 1-2 years | 8 957 | 8 928 |
| 2-3 years | 8 957 | 8 928 |
| 3-4 years | 8 957 | 8 928 |
| 4-5 years | 8 957 | 8 928 |
| 5-10 years | 44 786 | 44 641 |
| 10-15 years | 44 786 | 44 641 |
| 15-20 years | 44 786 | 44 641 |
| 20-25 years | 36 003 | 39 664 |
| More than 25 years | 11 572 | 16 480 |
| **Total** | **229 022** | **236 036** |

**9. Special Programme for Africa: Summary of outstanding loans by lending type at nominal value**
As at 31 December 2013 and 2012 (Thousands of United States dollars)

| | *2013* | *2012* |
|---|---|---|
| Highly concessional terms | 229 022 | 236 036 |
| Intermediate terms | | - |
| Ordinary terms | | - |
| **Total** | **229 022** | **236 036** |

## IFAD-only statement of grants

As at 31 December 2013 and 2012 (Thousands of United States dollars)

| | *Undisbursed as at 1 January 2013* | *2013 movements* | | | | *Undisbursed as at 31 December 2013* |
|---|---|---|---|---|---|---|
| | | *Disbursable* | *Disbursements* | *Cancellations* | *Exchange rate* | |
| Other grants | 91 044 | 39 861 | (45 281) | (2 912) | 102 | 82 814 |
| Fair value adjustment | | | | | | **(1 349)** |
| **Total 2013 at fair value** | | | | | | **81 465** |
| **Total 2012** | 95 698 | 48 851 | (46 335) | (7 147) | (23) | 91 044 |
| Fair value adjustment | | | | | | 871 |
| **Total 2012 at fair value** | | | | | | **91 915** |

## IFAD-only Debt Sustainability Framework

As at 31 December 2013 and 2012 (Thousands of United States dollars)

| *Borrower or guarantor* | *Undisbursed as at 1 January 2013* | *Effective/ (Cancellations) 2013* | *Disbursements 2013* | *Exchange difference* | *Undisbursed as at 31 December 2013* |
|---|---|---|---|---|---|
| **DSF projects denominated in US$** | **1 527** | **(210)** | **(606)** | **-** | **711** |
| **SDR Debt Sustainability Framework** | | | | | |
| Afghanistan | 6 989 | 37 650 | (5 636) | - | 39 003 |
| Benin | 5 156 | - | (1 431) | - | 3 725 |
| Burkina Faso | 5 011 | - | (267) | - | 4 744 |
| Burundi | 30 530 | 4 300 | (5 388) | - | 29 443 |
| Cambodia | 14 402 | 850 | (1 994) | - | 13 257 |
| Central African Republic | 2 943 | - | (473) | - | 2 470 |
| Chad | 13 547 | - | (5 731) | - | 7 817 |
| Comoros | 1 766 | - | (1 200) | - | 567 |
| Congo | 2 724 | - | (218) | - | 2 506 |
| Côte d'Ivoire | 5 370 | 14 500 | (4 601) | - | 15 270 |
| Democratic Republic of the Congo | 58 470 | - | (2 682) | - | 55 788 |
| Djibouti | 1 751 | - | (984) | - | 767 |
| Eritrea | 9 543 | 11 400 | (3 064) | - | 17 879 |
| Ethiopia | 45 649 | - | (11 140) | - | 34 509 |
| Gambia (The) | 3 324 | 13 150 | (3 347) | - | 13 127 |
| Guinea-Bissau | 1 244 | - | (287) | - | 957 |
| Guinea | 10 886 | - | (4 863) | - | 6 023 |
| Guyana | 1 089 | - | (381) | - | 708 |
| Haiti | 4 728 | 8 750 | (2 737) | - | 10 741 |
| Kyrgyzstan | 969 | 6 500 | (1 426) | - | 6 043 |
| Lao People's Democratic Republic | 14 306 | - | (3 700) | - | 10 606 |
| Lesotho | 3 801 | - | (313) | - | 3 488 |
| Liberia | 814 | - | (389) | - | 425 |
| Malawi | 3 376 | 14 250 | (828) | - | 16 798 |
| Mauritania | 3 177 | 5 600 | (554) | - | 8 223 |
| Nepal | 5 081 | 12 850 | (1 338) | - | 16 593 |
| Nicaragua | 6 711 | - | (974) | - | 5 737 |
| Niger | 2 467 | - | (2 090) | - | 377 |
| Republic of Moldova | - | 1 650 | (194) | - | 1 456 |
| Rwanda | 13 067 | 5 100 | (5 866) | - | 12 301 |
| Sao Tome and Principe | 1 138 | - | (100) | - | 1 038 |
| Sierra Leone | 4 458 | - | (2 270) | - | 2 188 |
| Solomon Islands | 1 013 | - | (1 013) | - | - |
| South Sudan | 6 241 | - | (1 839) | - | 4 402 |
| Sudan | 19 665 | 1 932 | (4 776) | - | 16 822 |
| Taj kistan | 6 525 | 9 300 | (1 048) | - | 14 776 |
| Timor-Leste | 2 709 | - | (840) | - | 1 867 |
| Togo | 6 228 | - | (2 974) | - | 3 254 |
| Tonga | 2 334 | - | (135) | - | 2 199 |
| Yemen | 13 291 | 5 720 | (4 377) | - | 14 635 |
| **Subtotal SDR DSF** | **342 493** | **153 502** | **(93 468)** | **-** | **402 527** |
| **Subtotal SDR DSF (US$ equivalent)** | **528 091** | **236 685** | **(144 118)** | | **620 658** |
| **2013 Total US$ and SDR DSF** | **529 618** | **236 475** | **(144 724)** | **100** | **621 469** |
| **Exchange difference** | | | **2 059** | | |
| **Total 2013 disbursements** | | | **(142 665)** | | |
| **2012 Total US$ and SDR DSF** | **467 608** | **308 799** | **(118 877)** | **(214)** | **657 314** |

## Summary of the Heavily Indebted Poor Countries Debt Initiative

As at 31 December 2013 and 2012 (Thousands of United States dollars)

As at 31 December 2013, the cumulative position of the debt relief provided and estimated to be provided under both the original and the enhanced Heavily Indebted Poor Countries Debt Initiative is as follows:

| | *Debt relief provided to 31 December 2013* | | *Debt relief to be provided as approved by the Executive Board* | | | |
|---|---|---|---|---|---|---|
| | | | *To be covered by IFAD* | | *To be covered by* | |
| | *Principal* | *Interest* | *Principal* | *Interest* | *World Bank contribution* | *Total debt relief* |
| **Completion point countries** | | | | | | |
| Benin | 4 568 | 1 643 | 0 | 0 | 0 | 6 211 |
| Bolivia (Plurinational State of) | 5 900 | 1 890 | 0 | 0 | 0 | 7 790 |
| Burkina Faso | 6 769 | 2 668 | 0 | 0 | 0 | 9 437 |
| Burundi | 4 406 | 1 320 | 3 665 | 650 | 4 907 | 14 948 |
| Cameroon | 2 502 | 633 | 156 | 27 | 191 | 3 509 |
| Comoros | 190 | 39 | 761 | 112 | 1 223 | 2 325 |
| Central African Republic | 7 509 | 2 484 | 800 | 174 | 1 267 | 12 234 |
| Congo | 0 | 100 | 0 | 0 | 0 | 100 |
| Côte d'Ivoire | 877 | 158 | 309 | 56 | 552 | 1 952 |
| Democratic Republic of the Congo | 6 928 | 2 507 | 2 700 | 280 | 2 484 | 14 899 |
| Ethiopia | 20 281 | 5 846 | 96 | 19 | 155 | 26 397 |
| Gambia (The) | 2 508 | 619 | 0 | 0 | 0 | 3 127 |
| Ghana | 15 585 | 5 003 | 0 | 0 | 0 | 20 588 |
| Guinea | 2 427 | 518 | 3 159 | 586 | 2 986 | 9 676 |
| Guinea-Bissau | 2 785 | 939 | 1 148 | 124 | 777 | 5 773 |
| Guyana | 1 527 | 299 | 0 | 0 | 0 | 1 826 |
| Haiti | 1 946 | 635 | 0 | 0 | 0 | 2 581 |
| Honduras | 1 077 | 767 | 0 | 0 | 0 | 1 844 |
| Liberia | 8 324 | 6 131 | 397 | 55 | 509 | 15 416 |
| Madagascar | 7 810 | 2 096 | 0 | 0 | 0 | 9 906 |
| Malawi | 9 211 | 2 391 | 3 682 | 678 | 4 953 | 20 915 |
| Mali | 6 211 | 2 431 | 0 | 0 | 0 | 8 642 |
| Mauritania | 8 484 | 2 601 | 0 | 0 | 0 | 11 085 |
| Mozambique | 12 521 | 3 905 | 0 | 0 | 0 | 16 426 |
| Nicaragua | 7 259 | 943 | 0 | 0 | 0 | 8 202 |
| Niger | 7 419 | 2 114 | 1 187 | 230 | 1 574 | 12 524 |
| Rwanda | 9 752 | 3 756 | 6 365 | 1 306 | 387 | 21 566 |
| Sao Tome and Principe | 949 | 268 | 1 838 | 409 | 832 | 3 079 |
| Senegal | 2 247 | 882 | 0 | 0 | 0 | 3 129 |
| Sierra Leone | 6 506 | 1 689 | 1 471 | 217 | 1 369 | 11 252 |
| United Republic of Tanzania | 12 691 | 4 293 | 0 | 0 | 0 | 16 984 |
| Togo | 2 008 | 759 | 0 | 0 | 0 | 2 767 |
| Uganda | 12 449 | 4 654 | 0 | 0 | 0 | 17 103 |
| Zambia | 14 538 | 4 022 | 1 530 | 295 | 1 677 | 22 062 |
| **Decision point countries** | | | | | | |
| Chad | 0 | 0 | 2 239 | 434 | 0 | 2 673 |
| **31 December 2013 SDR** | **216 164** | **71 003** | **30 554** | **5 384** | **25 843** | **348 948** |
| **Less future interest on debt relief not accrued (including interest covered by the World Bank contribution)** | | | | | | **(12 820)** |
| **Total cumulative cost of debt relief as at 31 December 2013 (thousands of SDR)** | | | | | | **336 128** |
| **31 December 2013 US$** | **333 303** | **109 480** | **47 111** | **8 302** | **39 847** | **518 276** |
| **Total less future interest on debt relief not accrued (including World Bank)** | | | | | | |
| **Total cumulative cost of debt relief as at 31 December 2013 (thousands of SDR)** | | | | | | |
| Fair value adjustment | | | (14 389) | | | |
| **31 December 2013 at fair value** | | | **32 722** | | | |

cont.d

| | | | | | | |
|---|---|---|---|---|---|---|
| **31 December 2012 SDR** | **200 263** | **67 547** | **56 739** | **9 849** | **53 636** | **388 035** |
| **Less future interest on debt relief not accrued** | | | | | | **(17 752)** |
| **Total cumulative cost of debt relief as at 31 December 2012 (thousands of SDR)** | | | | | | **370 283** |
| **31 December 2012 US$** | **308 027** | **103 894** | **87 271** | **15 149** | **82 498** | **596 838** |
| **Total less future interest on debt relief not accrued (including World Bank)** | | | | | | **(27 303)** |
| **Total cumulative cost of debt relief as at 31 December 2012 (thousands of US dollars)** | | | | | | **569 535** |
| Fair value adjustment | | | (23 409) | | | |
| **31 December 2012 at fair value** | | | **63 861** | | | |

## Summary of the Haiti Debt Relief Initiative

As at 31 December 2013

| *Member States* | *Thousands of US dollars* | *Thousands of SDR* |
|---|---|---|
| Austria | 685 | 438 |
| Belgium | 775 | 509 |
| Canada | 3 500 | 2 303 |
| Denmark | 513 | 339 |
| France | 1 700 | 1 080 |
| Germany | 2 308 | 1 480 |
| Japan | 2 788 | 1 743 |
| Luxembourg | 280 | 178 |
| Mauritius | 5 | 3 |
| Norway | 1 626 | 1 066 |
| Sweden | 1 718 | 1 115 |
| Switzerland | 962 | 637 |
| United Kingdom | 2 700 | 1 717 |
| United States | 8 000 | 5 217 |
| **Total contribution received by Member States** | **27 560** | **17 825** |
| Interest earned | 604 | |
| Debt relief provided | (7 089) | |
| **Total administrative account Member States** | **21 075** | |
| IFAD contribution | **15 200** | **10 088** |
| Interest earned | 410 | |
| Debt relief provided | 0 | |
| **Total administrative account IFAD** | **15 610** | |
| **Grand total** | **36 685** | |
| *Exchange rate movement* | **584** | |
| **Haiti Debt Relief Initiative cash and investments** | **37 269** | |

## IFAD-only statement of operating expenses

An analysis of IFAD operating expenses by principal sources of funding
For the years ended 31 December 2013 and 2012 (Thousands of United States dollars)

| | *Administrative expenses*[a] | *Direct charges*[b] | *Other sources*[c] | *Total* |
|---|---|---|---|---|
| Staff salaries and benefits | 97 354 | 0 | 3 634 | 100 988 |
| Office and general expenses | 20 977 | 359 | 10 140 | 31 476 |
| Consultants and other non-staff costs | 29 177 | 282 | 3 527 | 32 985 |
| Cooperating institutions | 2 059 | 0 | 255 | 2 314 |
| Direct bank and investment costs | 0 | 2 888 | 0 | 2 888 |
| **Total 2013** | **149 567** | **3 529** | **17 556** | **170 652** |
| **Total 2012** | **151 126** | **3 991** | **11 226** | **166 341** |

[a] These refer to IFAD regular budget, the Independent Office of Evaluation of IFAD, carry-forward and ASMCS costs.
[b] Direct charges against investment income.
[c] Includes Italian Government reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges.

Cover:

Dairy farmers John and Sonia Nshimirimana with their two children on their family farm in Mugitega hill, Bugendana, Burundi. Three years ago, the Nshimirimana family received one cow from the project. Today they have two milking cows that provide 19 litres of milk per day, and one calf. They sell 10 litres back to the dairy cooperative that they belong to and the remainder is consumed by the family or sold to their neighbours, some of whom are pictured here.

In order to receive cows from the project, farmers must be able to grow enough grass to feed them. They are helped to build a “zero-grazing” stall like the one in the picture and to set up a rainwater tank so that they have enough water for their livestock. The cow’s first calf is given to another farming family. The young couple share their success with other local farmers, serving as a model of improved dairy farming for the project. Manure from the cattle is used to fertilize banana plants, which are also grown on the farm.

Burundi: Agricultural Intensification and Value-enhancing Support Project



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