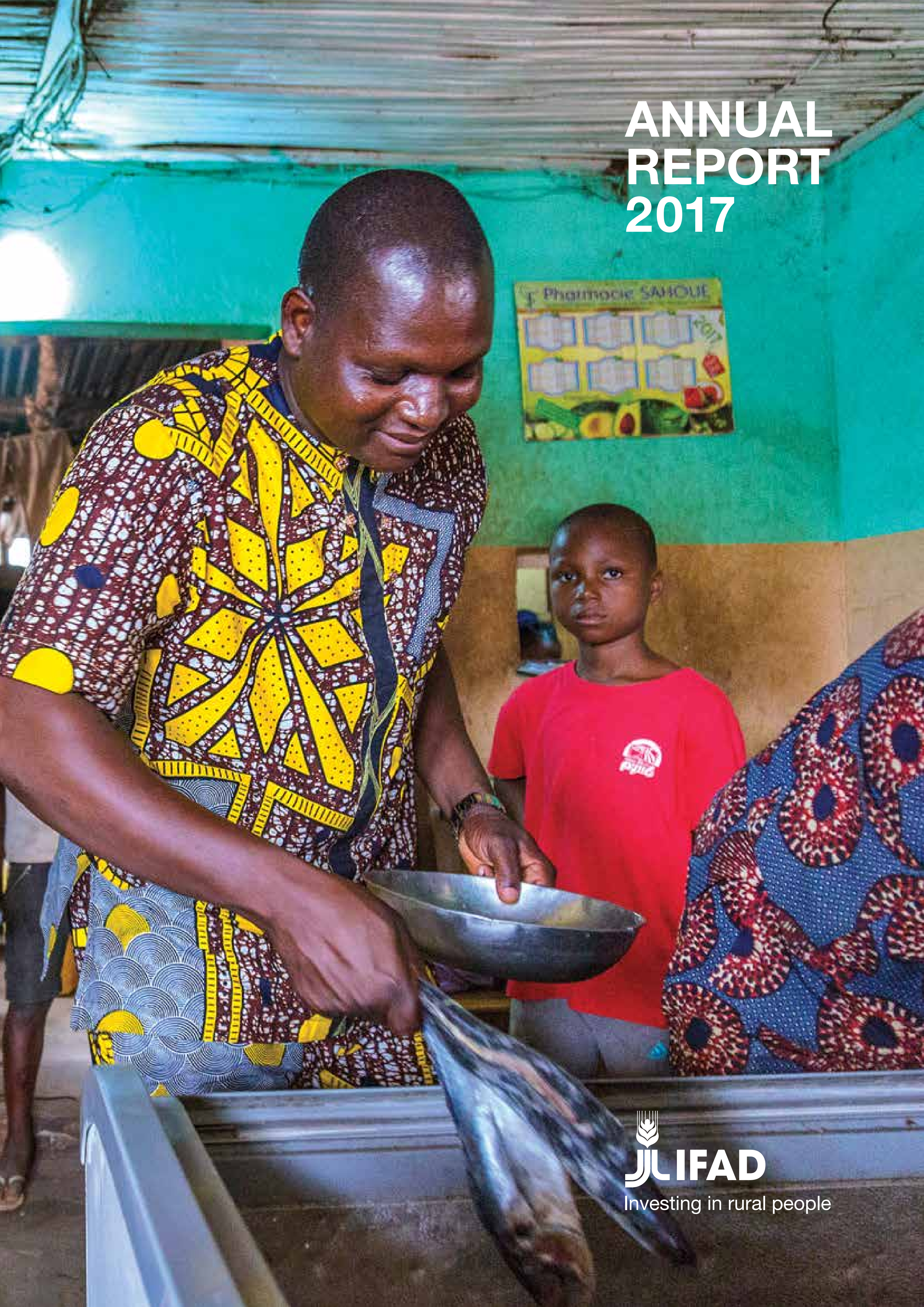
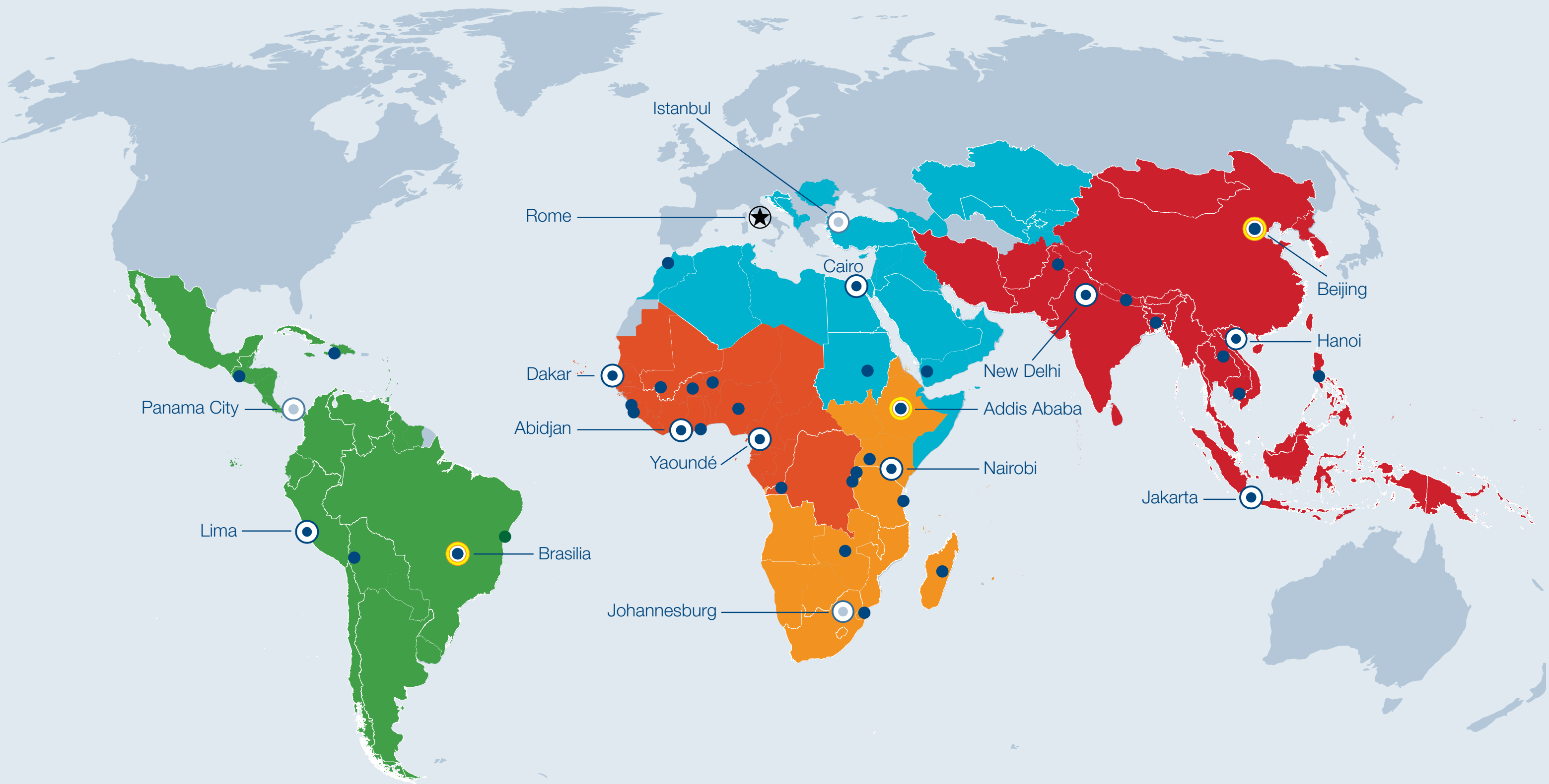
ANNUAL REPORT 2017



IFAD
Investing in rural people

WHERE IFAD WORKS AND THE ONGOING PORTFOLIO



Latin America and the Caribbean
34 ongoing projects in **19** countries
US$600.6 million ongoing IFAD financing

West and Central Africa
35 ongoing projects in **21** countries
US$1,195.4 million ongoing IFAD financing

East and Southern Africa
42 ongoing projects in **17** countries
US$1,591.5 million ongoing IFAD financing

Near East, North Africa and Europe
42 ongoing projects in **20** countries
US$913.2 million ongoing IFAD financing

Asia and the Pacific
58 ongoing projects in **20** countries
US$2,201.0 million ongoing IFAD financing

IFAD HQ
IFAD country office
Hub
Hub (planned)
Regional SSTC and Knowledge Centre
Satellite office

IFAD11
FIDA11

IFAD delivers **bigger better smarter**

IFAD's Member States met between February 2017 and February 2018 for the Consultation on the Eleventh Replenishment of IFAD's Resources (IFAD11), which will cover the period 2019-2021.

At its fifth and final session, the Consultation reached agreement on the target of replenishment contributions and the programme of loans and grants for the three years of IFAD11.

IFAD11 TARGET

IFAD will leverage core resources of **US$1.2 billion** to fund a programme of loans and grants totalling **US$3.5 billion**

IFAD11 COMMITMENTS

90% of our Member State contributions go to low-income and lower-middle-income countries

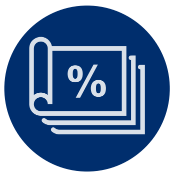
IFAD will continue to provide **50%** to Africa

and to invest **25-30%** in fragile situations

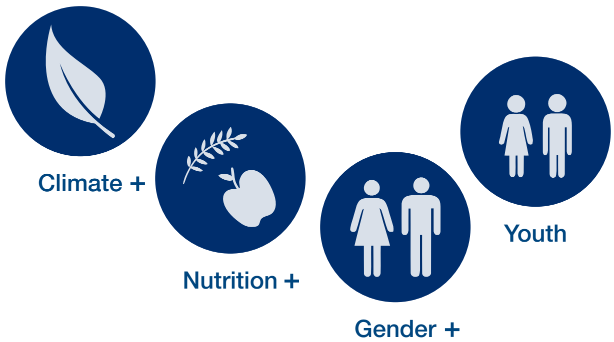
Strategic partnerships for financing, knowledge, advocacy and global influence will be cornerstones.

Borrowing from Member States and their institutions will be fully integrated into the Fund's financial framework for the first time.

The Fund will remain universal and offer a mix of lending and non-lending support to all developing Member States.

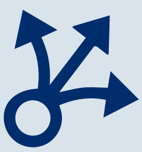


IFAD will embark on preparations for possible market borrowing.

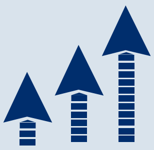


will be further mainstreamed in IFAD-supported operations.

IFAD'S BUSINESS AND FINANCIAL MODEL WILL BE ENHANCED IN ORDER TO:



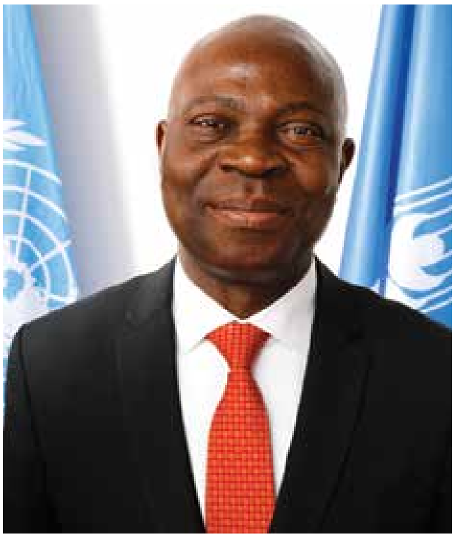
Strengthen resource allocation and utilization frameworks to ensure excellence in operations



Increase focus on value for money, and commitment to transparency, accountability and results

Increase resource mobilization and boost capacity to assemble development finance

President's foreword



In 2017, IFAD introduced major reforms to increase its impact on rural hunger and poverty and maximize its role in the achievement of the Sustainable Development Goals. We established a new business model and financial strategy to ensure that the organization is fit for purpose and can contribute fully to the 2030 Agenda for Sustainable Development, in particular to the commitment to leave no one behind.

IFAD invests 100 per cent of its portfolio in rural areas of developing countries, where 80 per cent of the world's poorest people live and work. This has been our mandate for 40 years, and we must never stop asking how we can deliver more, and deliver better, for the people we serve.

Over the course of the Consultation on the Eleventh Replenishment of IFAD's Resources (IFAD11), with the agreement of our Member States, we renewed our approaches in the following areas:

- how we raise and leverage resources to fund the projects we support
- how we allocate those resources to the countries that need them most and that will make the best use of them
- how we deliver excellence, results and impact on the ground
- how we advocate, influence and work in partnerships on behalf of rural poor people.

Our aim regarding mobilization of resources is twofold. We will increase the resources we mobilize through traditional approaches, with Member State core contributions through replenishments remaining the bedrock of IFAD's financing. But, at the same time, we are boosting our capacity to leverage those resources, and to assemble development finance from other sources, including the private sector.

IFAD's Sovereign Borrowing Framework, which was approved in 2015, enables us to raise funds through loans from governments and their institutions. During 2017 we went a step further, with the Executive Board's approval of a framework for concessional partner loans, which will be a key element in our new financial strategy.

IFAD manages the allocation of funds to borrowing Member States through the performance-based allocation system (PBAS). In 2017, we revised the formula approved for use during the IFAD11 period (2019-2021) to improve two crucial aspects of allocation – transparency and targeting. In addition, we committed to allocating 90 per cent of our core resources to low-income and lower-middle-income countries during IFAD11. We will also channel about 45 per cent of core resources to sub-Saharan Africa, and 50 per cent to Africa as a whole. Countries with the most fragile situations – including conflict and chronic food insecurity – will receive 25-30 per cent.

The third area of major change in 2017 involved a strategic reinforcement of IFAD's global presence through decentralization. Forty IFAD country offices will support operations in the field across the five regions in which we work. Twelve of these offices will be regional hubs, which are being strengthened with a critical mass of IFAD staff and technical capacity in order to intensify the support we provide to Member States, our partnerships with governments and other actors, and our policy engagement. This is all essential to delivering faster, better and on a larger scale.

Three of the IFAD country offices will be regional South-South and Triangular Cooperation and Knowledge Centres. They will facilitate the creation of strong knowledge-based partnerships and ensure that lessons learned and successful innovations are shared, replicated and scaled up.

In 2017, we approved a programme of loans and grants of US$1.3 billion – 57 per cent higher than the 2016 level of US$829.2 million. This total funds 32 new programmes and projects and provides additional financing for successful ongoing activities. Furthermore, disbursements of funds to Member States rose by more than 14 per cent over the previous year.

There is no room for complacency, however. At the same time as huge global challenges – including rising numbers of hungry people, the intensifying effects of climate change, mass migration and growing economic inequality – are threatening the lives and livelihoods of the world's most vulnerable women and men, the development landscape is changing and IFAD must change with it. We are pursuing measures in line with the overall United Nations reform agenda in order to boost our impact through improved coordination with our partners, in particular the Rome-based agencies.

A final area of focus agreed with our Members in 2017 is increased transparency in all areas of our work. Transparency provides the basis for accountability, and this is key to empowering the poor rural people whom we serve. At the same time, transparency creates incentives for more efficient use of resources, better data, more careful monitoring and, most importantly, stronger results and a greater impact on rural poverty and hunger.

GILBERT F. HOUNGBO
President of IFAD

GLOBAL OPERATIONS BY REGION

Asia and the Pacific

PORTFOLIO MANAGEMENT HIGHLIGHTS

58 ONGOING PROGRAMMES AND PROJECTS

in partnership with 20 recipient governments in the region at the end of 2017

US$2.2 billion

INVESTED BY IFAD

in the region's ongoing portfolio

1 NEW

results-based country strategic opportunities programme (RB-COSOP) in the Philippines

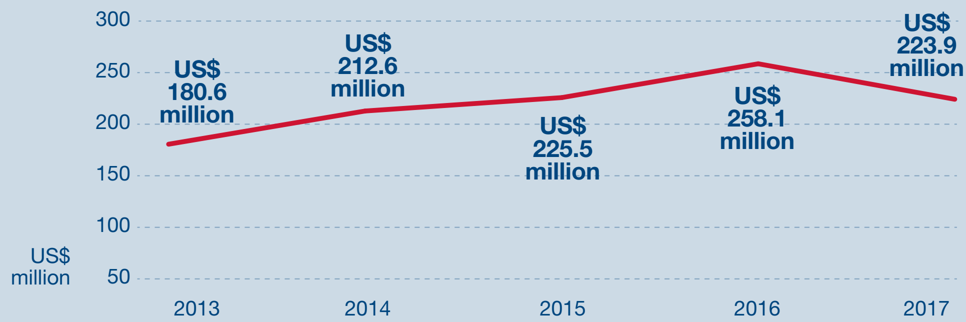
8 NEW PROGRAMMES AND PROJECTS

in Bangladesh, India, Indonesia, Nepal, Pakistan, Papua New Guinea, Sri Lanka and Tonga; additional financing for ongoing projects in Afghanistan, Cambodia, India, Myanmar, Pakistan and Sri Lanka

US$452.1 million

IN NEW APPROVALS IN 2017

ANNUAL LOAN AND DSF GRANT DISBURSEMENTS



36 COUNTRIES

Numbers indicate ongoing programmes and projects

- Afghanistan - 2
- Bangladesh - 6
- Bhutan - 1
- Cambodia - 4
- China - 4
- Cook Islands
- Democratic People's Republic of Korea
- Fiji - 1
- India - 8
- Indonesia - 3
- Iran (Islamic Republic of)
- Kiribati - 1
- Lao People's Democratic Republic - 3
- Malaysia
- Maldives - 2
- Marshall Islands
- Micronesia (Federated States of)
- Mongolia - 1
- Myanmar - 1
- Nauru
- Nepal - 5
- Niue
- Pakistan - 4
- Palau
- Papua New Guinea - 1
- Philippines - 4
- Republic of Korea
- Samoa
- Solomon Islands - 1
- Sri Lanka - 2
- Thailand
- Timor-Leste
- Tonga
- Tuvalu
- Vanuatu
- Viet Nam - 4

Countries that have ongoing ASAP grants

SPOTLIGHT ON RESULTS: INDONESIA

About **104,000** rural people across **13 provinces** have been reached by the Coastal Community Development Project.

Since the project started in 2013:

Rates of acute child malnutrition have been **halved**

Rates of undernourished children have fallen from **21% to 5%**

Marine resources have been maintained or improved in **80%** of areas managed by the project

Marine resource management boosts family earnings in Indonesia

Indonesian families in poor coastal and small island communities are earning more money and increasing their assets while protecting marine resources by taking part in an IFAD-supported project. Between 2013 and 2017, the value of marine products sold by households in the project area increased by an average of 30 per cent.

Operating in over 180 villages across 13 provinces, the Coastal Community Development Project promotes marine-based enterprises as a driver of general economic growth. Because so many rural people in Indonesia live near the ocean, the welfare of these communities often depends on the availability of resources like fish, crustaceans and seaweed. The project therefore introduced aquaculture and supported initiatives to make fisheries and processing techniques more efficient.

In order to ensure the sustainability of vital marine resources, the project also created a community-based coastal resource management group in nearly every village. The groups were integrated into coastal-management and village-planning processes, where they identified innovative new ways to simultaneously generate revenue and support marine sustainability. For example, the Mangrove in Love ecotourism initiative invited visitors to walk a heart-shaped path among the trees. It split revenue between local government and the private sector.

The project has reached about 104,000 rural people and has had a substantial impact on food security. Since it started work, rates of acute child malnutrition have been halved, and rates of undernourished children have fallen from 21 per cent to 5 per cent. Marine resources have been maintained or improved in 80 per cent of the areas managed by the project.

Smallholder farmers increase incomes and climate resilience in Bhutan

Over the past year, almost 17,000 Bhutanese farming families have adopted technologies and practices to increase their incomes while coping with the effects of climate change. With the support of an IFAD-funded programme, small farmers in the southeast of the country have increased and diversified their production through nationally organized value chains for products, including dairy and vegetables.

In addition to an IFAD loan of US$8.3 million, the Commercial Agriculture and Resilient Livelihoods Enhancement Programme is funded by a US$5 million grant from IFAD's Adaptation for Smallholder Agriculture Programme (ASAP), which channels climate financing to poor farmers.

Work started in 2015 with a focus on enabling poor farmers to commercialize their production. Smallholders, many of whom are women, are increasing their productivity and their ability to recover from climate-induced shocks, such as heavy rains, erosion and reduction in irrigation water.

Six climate-smart villages have been established to promote permaculture, a system of sustainable and self-sufficient agriculture. Farmers here have renovated irrigation systems and are now planting potato, soya and mustard seeds, crops that tolerate climatic stress.

To help farming families diversify their incomes, the programme has invested in dairy value chains, supplying crossbred cattle to farmers' groups, and building cow sheds and milk collection centres with chilling facilities. Farmers' groups have been strengthened and nearly 4,700 dairy farmers have taken training.

In order to expand the programme's reach, 58 lead farmers have learned to teach business and production techniques to others. By 2022, the programme aims to have reached 29,000 households.

Building a future on river islands in Bangladesh

A multi-partner project supported by IFAD in Bangladesh is enabling vulnerable families to build secure futures on river islands known as chars. One of the most important aspects of the project's work is land titling. Gaining secure access to the land on which they are living and working has been particularly important for women, who are now named together with their husbands on the documents.

Through the Char Development and Settlement Project over 10,000 families have gained land titles, and a further 4,000 are in the process of doing so.

The wife is named first on the title, which means that if she is widowed, divorced or abandoned, the land belongs entirely to her. As a result, women face a more secure future and are increasing their ability to earn an income and their influence in the home and outside.

With women having a more powerful say in family decisions, rates of child marriage have fallen and 93 early marriages have been actively prevented during the period 2012-2016. Gender-based violence is also less common and legal registration of marriage has increased.

With land as collateral and project support to microcredit groups, women are able to access credit and acquire labour-saving machinery, including small irrigation pumps and rice threshers. Access to water for domestic use has been vastly improved and the average distance to a safe water source has fallen from 382 to 55 metres, saving girls and women time and energy that they can use at school or earning an income.

Story from the field
Livestock-keepers see incomes rise and nutrition improve in Afghanistan

Poor rural people in the Afghan provinces of Kabul, Parwan and Logar are feeding their families better and increasing their earnings by taking part in the IFAD-funded Community Livestock and Agriculture Project.

The project supports smallholders and landless people in raising large and small livestock for income and food. It started work in 2012, and so far about 14,000 people have been trained in dairy production and poultry husbandry. Vulnerable groups, including households headed solely by women, landless people, and resettled and nomadic *Kuchis*, are key target groups.

Participants are offered training, inputs and access to technology, boosting their production and strengthening their resilience to setbacks, including livestock diseases. Women are setting up self-help groups, which enable them to put aside small sums of money. They are also learning processing skills for dairy products and for pickles, jams and other preserves.

Mrs Makai lives in the village of Laghmani with her husband, who is blind. They have a small piece of land and two cows and she now leads a self-help group.

"With the help of the project, my income from the milk cows is getting higher, meeting our daily needs and giving us the chance to save an amount at the end of the month to spend on my children's education and medicines," she said.

"Now with the training, as well as certain inputs such as solar driers, packaging and processing equipment, and training, I can process the products in a professional way and thus they are sold for a reasonable price in the market."

A woman milks her cow in Nangarhar, Afghanistan.

©IFAD/Melissa Preen

GLOBAL OPERATIONS BY REGION

East and Southern Africa

PORTFOLIO MANAGEMENT HIGHLIGHTS

42 ONGOING PROGRAMMES AND PROJECTS

in partnership with 17 recipient governments in the region at the end of 2017

US$1.6 billion

INVESTED BY IFAD

in the region's ongoing portfolio

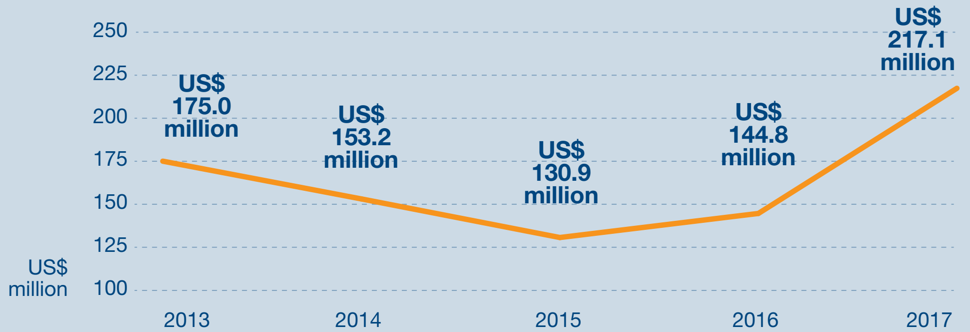
7 NEW PROGRAMMES AND PROJECTS

in Angola (2), Burundi, Comoros, Kenya, Madagascar and Malawi; additional financing for ongoing projects in Burundi, Ethiopia, Madagascar, Rwanda and Zambia

US$263.1 million

IN NEW APPROVALS IN 2017

ANNUAL LOAN AND DSF GRANT DISBURSEMENTS



21 COUNTRIES

Numbers indicate ongoing programmes and projects

- Angola - 2
- Botswana - 1
- Burundi - 4
- Comoros - 1
- Ethiopia - 4
- Kenya - 4
- Lesotho - 2
- Madagascar - 4
- Malawi - 2
- Mauritius
- Mozambique - 3
- Namibia
- Rwanda - 3
- Seychelles - 1
- South Africa
- South Sudan
- Swaziland - 1
- Uganda - 4
- United Republic of Tanzania - 1
- Zambia - 4
- Zimbabwe - 1

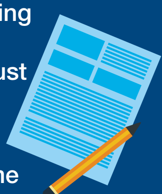
Countries that have ongoing ASAP grants

SPOTLIGHT ON RESULTS: MOZAMBIQUE

Women farmers taking part in the Rural Markets Promotion Programme are increasing their skills in **financial literacy**, **marketing** and **negotiation**.

Women now sign **25%** of marketing contracts

Up from just **4%** when the programme began



The average earnings per contract have increased from **US$56** to **US$190**

The multiple dimensions of women's empowerment in Mozambique

Women and men taking part in the IFAD-supported Rural Markets Promotion Programme in Mozambique are making changes at home, at work and in the community as gender transformative activities promote equality. Women are gaining skills, confidence, status and decision-making power, and their incomes are increasing.

Men are beginning to take part in activities that were traditionally seen as women's domain, such as nutrition and domestic chores, and learning that empowered women can contribute to family livelihoods. The programme is using the innovative Gender Action Learning System (GALS) to encourage women and men to challenge entrenched gender stereotypes, which reduces women's heavy domestic workload and frees up time and energy for market-related activities.

When the programme began facilitating marketing contracts in 2012, only 4 per cent were signed by women and each producer earned an average of US$56 per contract. Today, women sign 25 per cent of contracts and the average earning is US$190. Contract selling usually fetches better prices and offers a guaranteed market.

Functional literacy training is also contributing to women's empowerment, with 18,600 people reached and 55 per cent of them women. Many of the women have completed the three modules offered by the programme and are now asking for an advanced module. Thanks to the training, the women can read and negotiate contracts without fear of being duped.

"Now I can read the numbers on the scale when we are weighing produce at the market and get a fair value for a fair weight," said farmer Maria Teresa Cardoso.

Bringing financial services to rural areas

Access to essential financial services – including savings, credit and insurance – is one of many challenges faced by smallholder farmers. Affordable financial options tailored to their needs are vital for poor producers who are trying to increase their incomes and build their resilience by moving from subsistence to market-oriented production.

In Zambia, the IFAD-supported Rural Finance Expansion Programme is working in partnership with the government to introduce significant innovations in the policy, institutional and regulatory environment for rural finance. One important change that is part of the country's drive towards financial inclusion has been the removal of limitations on the types of collateral that clients can use to access a loan.

Together with the Bank of Zambia, the programme has disseminated the 2016 Movable Property Act, which is expected to enable micro, small and medium-scale enterprises to easily access credit from banks without needing land as collateral. IFAD has a focus on policy dialogue at the country level, and the programme has also contributed to the development of Zambia's 2017-2022 National Financial Inclusion Strategy and Policy.

In Kenya, an IFAD-supported programme known as PROFIT is incentivizing provision of financial services by commercial banks to smallholder farmers, herders, fishers, and small rural enterprises and cooperatives. So far, 2,300 smallholder farmers have benefited from US$14 million disbursed by Barclays Bank of Kenya and US$500,000 disbursed by the Agriculture Finance Corporation. About 180,000 rural people are accessing financial services provided by microfinance institutions supported by the programme. Financial flows of US$31.8 million have been provided to the agriculture sector.

Strengthening value chains in Malawi and Burundi

Over 37,000 households are benefiting from an IFAD-supported programme in Malawi that uses public-private-producer partnerships (4Ps) to connect smallholders to markets and increase their incomes. The households are engaged in production, processing and marketing along selected value chains, including potatoes, pulses, dairy products, sunflower, honey and beef.

As part of the programme's activities, more than 60,000 small farmers have taken training in good agricultural practices to increase the quantity and quality of their production, and in collective selling to strengthen their bargaining power. About 97 per cent of the participants now have access to improved support services and 95 per cent of enterprises are making a profit.

Inclusive value chain development is an important aspect of IFAD's work in East and Southern Africa, particularly because there is a vibrant private sector in the region that increasingly works in partnership with smallholder farmers, providing access to markets and win-win business relationships. To support the value chains, the programme has also financed the construction of 31 warehouses and milk collection centres, repaired 700 kilometres of roads and built 101 bridges.

A second-phase IFAD-supported programme in Burundi is focusing on value chains for dairy, rice, beans, maize and banana. Over 1,000 livestock-keepers have received a cow through the programme and 34 community animal health workers have received training and equipment to ensure the animals remain healthy and productive. More than 200 microenterprises have been set up and over 1,100 jobs have been created, 450 of them for women and young people.

Story from the field

IFAD partnership with the European Union and Kenya builds farmers' agribusinesses

IFAD is working with farmers in Kenya to help them to cope with the protracted drought while increasing their production and building resilience to climate change. The drought is affecting countries across the Horn of Africa and entered its third year in 2017. Kenya declared it a national disaster in February.

Aiming to increase farmers' incomes and strengthen national food security, the Climate Resilient Agricultural Livelihoods Window of the Kenya Cereal Enhancement Programme (KCEP) is boosting the production of staple cereals like maize, sorghum and millet, and pulses. The intervention is an IFAD partnership with the European Union, the Government of Kenya and participating financial institutions.

KCEP uses an e-voucher scheme. This provides participating farmers with prepaid debit cards – paid in part by the programme for the first three years – to access a tailored package of agricultural inputs from designated agro-dealers. The package includes seeds, fertilizers and post-harvest equipment such as storage bags. The programme is now reaching over 58,000 producers – with a particular focus on women and young people – offering training in agricultural technologies, post-harvest management and financial literacy.

Young farmer Joan Kirui saw her maize yields almost double after she joined the programme, attending training and financial literacy classes. Using the e-voucher card issued by the bank, she bought improved seeds and fertilizer. She also learned how to space the plants and to weed her fields more often.

"I have done a lot with the income earned," said Kirui, "and I am now debt-free."

Women farmers show the prepaid debit cards with which they buy inputs.
©IFAD/David Paqui

GLOBAL OPERATIONS BY REGION

Latin America and the Caribbean

PORTFOLIO MANAGEMENT HIGHLIGHTS

34 ONGOING PROGRAMMES AND PROJECTS

in partnership with 19 recipient governments in the region at the end of 2017

US$600.6 million

INVESTED BY IFAD

in the region's ongoing portfolio

1 NEW

results-based country strategic opportunities programme (RB-COSOP) in the Dominican Republic

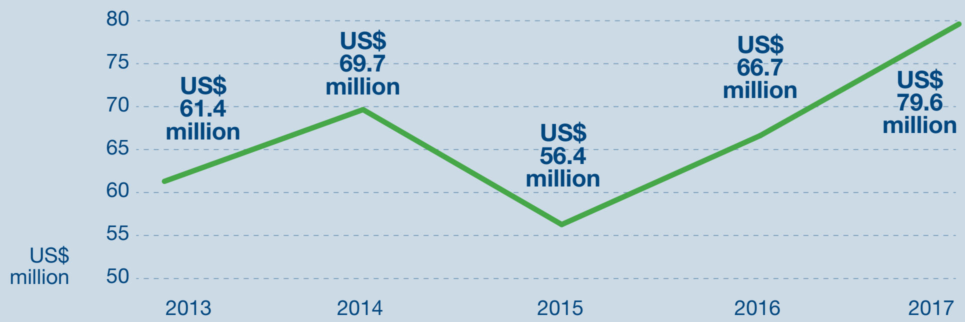
4 NEW PROGRAMMES AND PROJECTS

in Bolivia, Dominican Republic, Grenada and Mexico; additional financing for an ongoing project in Paraguay

US$82.7 million

IN NEW APPROVALS IN 2017

ANNUAL LOAN AND DSF GRANT DISBURSEMENTS



33 COUNTRIES

Numbers indicate ongoing programmes and projects

- Antigua and Barbuda
- Argentina - 3
- Bahamas (The)
- Barbados
- Belize
- Bolivia (Plurinational State of) - 2
- Brazil - 6
- Chile
- Colombia - 1
- Costa Rica
- Cuba - 1
- Dominica
- Dominican Republic - 1
- Ecuador - 4
- El Salvador - 1
- Grenada - 1
- Guatemala - 1
- Guyana - 1
- Haiti - 1
- Honduras - 2
- Jamaica
- Mexico - 2
- Nicaragua - 2
- Panama
- Paraguay - 1
- Peru - 2
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago
- Uruguay - 1
- Venezuela (Bolivarian Republic of) - 1

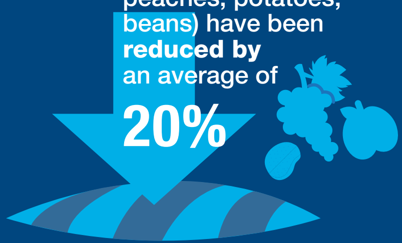
Countries that have ongoing ASAP grants

SPOTLIGHT ON RESULTS: BOLIVIA

Almost 29,000 farming families in Bolivia are building their **resilience** to **climate change**. The ACCESOS programme is benefiting from IFAD's established presence in the country.

Since work started in 2014:

Climate-related losses of crops (grapes, peaches, potatoes, beans) have been **reduced by** an average of **20%**



The **disbursement rate** improved from **30%** of committed funds (end of 2016) **to 70%** (by October 2017)

Investing in people and climate resilience in Bolivia

Almost 29,000 farming families in Bolivia are building their resilience to the destructive effects of climate change with support from an IFAD-funded programme. Since work started in 2014, climate-related losses of crops such as grapes, peaches, potatoes and beans have been reduced by an average of 20 per cent.

The Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia (ACCESOS) is strengthening the capacities of rural people, their organizations and local government. The intervention's financing includes a grant from IFAD's ASAP, which channels climate finance to small farmers. Rural areas in Bolivia are hard hit by the effects of climate change, particularly water scarcity and increasingly severe natural disasters.

The programme has financed the development of 54 climate-risk maps and helped 16 municipalities across the Amazon and highlands to incorporate risk management and climate adaptation into their territorial planning. Over 6,000 people have taken financial training through the programme and more than 500 smallholder savings groups have been set up.

ACCESOS is also supporting rural people to set up community enterprises that create economic opportunities outside agriculture. Nearly 13,400 people – 56 per cent of them women – have become involved in activities, including the production of bread, wine, cheese, dried fruits and meats, handicraft work, tourism and local services.

The programme is benefiting from IFAD's established presence in the country and the disbursement rate improved from 30 per cent of committed funds at the end of 2016 to 70 per cent by October 2017.

Rebuilding rural livelihoods and peace in Colombia

Indigenous and Afro-descendant rural families headed solely by women are increasing their incomes and contributing to their communities by participating in an IFAD-supported project in Colombia. As the country strives to rebuild after 50 years of civil conflict, improving the lives of traditionally marginalized and disadvantaged groups in rural areas is vital.

About 13,300 extremely poor families are taking part in income-generation activities supported by the Building Rural Entrepreneurial Capacities Programme: Trust and Opportunity (TOP) and 57 per cent of those families have a woman as household head, typically a marker of poverty and vulnerability.

With programme support, local associations of indigenous and Afro-descendant women are involved in a range of income-generating and post-conflict reconciliation activities, including ecotourism services, tailoring, agrifood enterprises, environmental rehabilitation and reforestation. In a key contribution to post-conflict recovery, illicit crops are being displaced and replaced with food crops.

As participation in the programme increases women's confidence and skills, they are moving into areas that were previously seen as men's domain, including cattle-raising. A group of women in the southwestern department of Cauca Pacífico are now raising and fattening cattle for meat production, a highly profitable enterprise.

In line with government policy, the programme is using an inclusive strategy to overcome discriminatory practices and include women in all activities. Incentives are also being provided for women's participation within other targeted population groups, including young people and victims of armed conflict. The programme aims to reach 12,500 vulnerable rural households headed by women.

Coffee and cocoa farmers adapt to climate change in Nicaragua

Farming families in Nicaragua who produce cocoa and coffee are increasing their productivity, connecting to markets and boosting their resilience to climate change with support from the IFAD-funded Adapting to Markets and Climate Change Project (NICADAPTA). Nicaragua is the poorest country in Central America and highly vulnerable to hurricanes, floods, droughts and landslides. The value chains for cocoa and coffee play a key role in the country's rural economy.

About 40,000 small rural producers are taking part in the project, which is a close collaboration between IFAD and the Ministry for Family Economics, Communities, Cooperatives and Associations. NICADAPTA provides specialized technical assistance and equipment to improve the productivity of cooperatives and other grass-roots organizations in the northern highlands and along the Caribbean coast. The project started work in 2013 and since then harvests have increased by an average of 20 per cent.

NICADAPTA's funding includes a grant of US$8 million from IFAD's ASAP, which channels climate financing to smallholder farmers. It is also supported by specialized institutions, including the National Institute of Agricultural Technology (INTA), the Institute of Agricultural Health and Protection (IPSA), and the International Center for Tropical Agriculture. The Central American Bank for Economic Integration is financing infrastructure, such as processing plants and storage centres, and rural roads that cut travel times and costs for remote communities.

To strengthen market access, the project supports partnerships between producers' associations and "anchor companies". These provide stable trade channels linked with international markets in the United States and Europe, including within the fair trade networks.

Story from the field
Youth network mobilizes young people in El Salvador

For 3,000 young people in El Salvador, an IFAD-supported national youth network is paving the way to political and economic empowerment. By providing opportunities for partnerships, training and entrepreneurship, the National Assembly of Rural Youth of El Salvador, now known as AREJURES, is boosting a national agenda of democratic participation and economic opportunity for young women and men.

With 13 departmental networks across the country, AREJURES is the leading youth network in the densely populated nation. Sixty per cent of its members are women and it includes the Committee of the National Council of Indigenous Youth of El Salvador (CONAJIS). IFAD funded the network's establishment and now supports its operations.

In a country with marked inequality, AREJURES focuses on empowering its members at the community, national and international levels. It advocates for young people to be included in community associations and municipal departments, and has achieved rural youth representation on several national committees. Members have represented AREJURES at international workshops, including the United Nations Permanent Forum on Indigenous Issues in New York.

Young entrepreneur Roberto Martinez was the president of AREJURES until late 2017. He saw first-hand how young people can drive development.

"We not only think of ourselves, but we are thinking about how to organize ourselves to achieve some objective in common," he said. "These are the things that make our life change, little by little."

AREJURES has also inspired other countries in the region and IFAD is now working with the Central American Integration System to support the rural youth agenda in seven other countries.

Roberto Martinez, young leader of the IFAD-supported national youth network AREJURES.
©IFAD/Salvador Santiesteban

GLOBAL OPERATIONS BY REGION

Near East, North Africa and Europe

PORTFOLIO MANAGEMENT HIGHLIGHTS

42 ONGOING PROGRAMMES AND PROJECTS

in partnership with 20 recipient governments in the region at the end of 2017

10 NEW PROGRAMMES AND PROJECTS

in Azerbaijan, Egypt, Iraq, Jordan, Lebanon, Montenegro, Sudan, Tajikistan, Turkey and Uzbekistan; additional financing for ongoing projects in Eritrea, Jordan and Lebanon

US$913.2 million

INVESTED BY IFAD

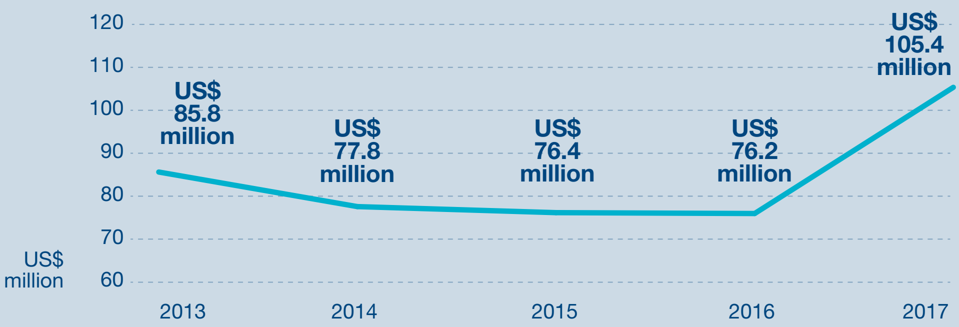
in the region's ongoing portfolio

US$266.1 million

IN NEW APPROVALS IN 2017

1 NEW

results-based country strategic opportunities programme (RB-COSOP) in Uzbekistan



ANNUAL LOAN AND DSF GRANT DISBURSEMENTS

24 COUNTRIES AND GAZA AND THE WEST BANK

Numbers indicate ongoing programmes and projects

- Albania
- Algeria
- Armenia - 1
- Azerbaijan - 1
- Bosnia and Herzegovina - 2
- Djibouti - 2
- Egypt - 3
- Eritrea - 2
- Georgia - 1
- Iraq
- Jordan - 2
- Kyrgyzstan - 2
- Lebanon - 1
- Montenegro - 1
- Morocco - 4
- Republic of Moldova - 2
- Somalia
- Sudan - 4
- Syrian Arab Republic - 1
- Tajikistan - 2
- Tunisia - 3
- Turkey - 2
- Uzbekistan - 2
- Yemen - 4

Countries that have ongoing ASAP grants

SPOTLIGHT ON RESULTS: SUDAN

Poverty rates have declined sharply as a result of **10 years** of work in Sudan. The Western Sudan Resources Management Programme focused on **natural resource management, water supplies, microcredit** and **women's empowerment**.

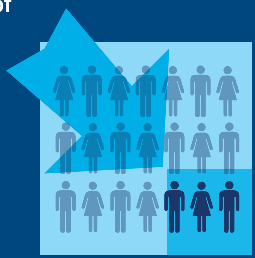
From 2006 to 2016:

Percentage of **extremely poor** people in the area fell from

17% to 1.3%

Percentage of **poor people** fell from

68.4% to 27.5%



Farmers in Kyrgyzstan improve health and productivity of livestock

Livestock farmers in the mountainous landlocked country of Kyrgyzstan are improving their living conditions and productivity by taking part in IFAD-funded programmes that focus on livestock and markets. Nearly half of the country's total area is pastureland and livestock play a key role in the economy, society and culture.

The first phase of the Livestock and Market Development Programme started work in 2013 in the Issyk-Kul and Naryn regions, and the Toguz-Toro district of Jalalabad region. It aimed to reduce poverty by increasing livestock productivity. Pastures were made more accessible and productive, and supplementary feed was produced for community livestock. Over 123,000 people received services.

The programme has improved animal and human health and reduced livestock mortality. Cases of human brucellosis fell from over 4,400 before work started to 924 cases in 2016. The mortality rate from disease for sheep and goats fell by 86 per cent and by 99 per cent for cows.

The programme's second phase covers a wider area and integrates climate change adaptation into community pasture management. It is also establishing an accessible private veterinary service through training for community veterinarians. A midterm review showed that the number of cows, sheep and goats owned had risen by 74 per cent in terms of livestock units.

Both phases of the programme have also had a significant impact on government policy related to the state pasture use rights. Policy is now pro-poor and ensures access to pastures for all livestock holders, is aimed at sustainable use of natural resources, and applies to women and men equally.

Women in the mountains of Morocco make money from olives, apples and sheep

In the mountains of Morocco, poverty rates are high and women in particular struggle to improve their income, education and daily life. An IFAD-supported project that started work in 2012 has reached about 11,000 women and is empowering them to make and manage their own money – a huge step in this traditional setting.

The Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province is strengthening value chains for olives, apples and sheep and enabling small farmers to connect with markets.

Many of the women started by taking out a small loan to buy two sheep. They worked together to build up their businesses, selling animals for the Eid al-Adha religious festival and using the wool to make Berber carpets sold in Marrakesh. The "two-sheep" initiative has boosted household incomes by up to 60 per cent.

Production has increased for olives and apples, and particularly for sheep. The herd numbered 50 heads in 2012 and is now more than 700. The project also encourages women to participate along the value chains, where value is added. High-quality olive oil is being produced and is selling well. New value-added products are being developed, including soft soap as a by-product of olive oil, canned olives and apple vinegar.

Women's activities outside the household and their membership of associations have enabled them to build networks outside their districts of origin, increasing their independence and freedom of movement. The project has also strengthened women's voice in their communities, and has had a positive impact on girls' primary school enrolment.

Communities protect their land and forests and increase incomes in Turkey

Vulnerable upland communities in eastern Turkey are taking part in the IFAD-supported Murat River Watershed Rehabilitation Project, working to reverse the degradation of the natural resource base and strengthen livelihoods. Despite strong economic growth and robust poverty reduction in the country over the past two decades, many mountainous and upland areas have been left behind and are now being increasingly marginalized.

The project is reducing erosion and improving vegetative cover of the mountainous areas surrounding the river basin. Terraces, wire cages and stone walls have been constructed over more than 13,000 hectares. Trees have been planted on 2,900 hectares, including pine and cedar on steep slopes, and almond and other fruit trees on village land.

The project also focuses on strengthening rural livelihoods. To improve livestock productivity, irrigated forage is cultivated and barns are being repaired to protect the animals during the harsh winters. This has cut the incidence of respiratory diseases in livestock by 50 per cent and increased livestock productivity by 10 per cent. Participants are planting orchards of walnuts, apples, pears, cherries and apricots, and the project has introduced greenhouses for vegetables.

When identifying ways to reduce the consumption of natural resources and preserve the forest habitat, community members ranked house insulation as their top priority. This has been provided to 1,400 households, and in addition to reducing the use of precious woodlands as fuel, household heating costs have been halved. Over 2,400 families have obtained solar panels for water heating, cutting energy bills by 25-30 per cent.

Story from the field
Women lead change in rural communities in Sudan

Poverty rates have declined sharply as the result of a 10-year IFAD-supported programme in Sudan. The Western Sudan Resources Management Programme focused on natural resource management, water supplies, microcredit and women's empowerment. The proportion of extremely poor people in the area fell from 17 per cent to 1.3 per cent from 2006 to 2016, and the proportion of poor fell from 68.4 per cent to 27.5 per cent.

Participatory natural resource management was used to bring different social groups together around common problems. About 4,470 kilometres of routes for the movement of livestock were demarcated and veterinary services provided, addressing challenges experienced by herders and farmers alike.

In an area where over half the population previously had no access to safe drinking water, investments in improved water supplies have had a lasting impact. Drinking water has been supplied to nearly 9,000 households, significantly reducing water collection times for women and children and improving health.

Women are now playing a leading role in community development. Abla Mohamed Safaien was already supervising seven women's savings groups when she was selected as president of the village development committee in Edebaibat, West Kordofan. She received training to develop her leadership skills and went on to encourage other women to follow in her footsteps:

"I feel very confident about talking to people to assist my community and help support poor people," Safaien said.

Nearly 2,000 savings and credit groups were set up, serving 30,000 households. A specialized microfinance programme in partnership with the Agricultural Bank of Sudan reached over 18,500 households with a portfolio of US$2.5 million.

Abla Mohamed Safaien, community leader in Edebaibat, West Kordofan.
©IFAD

GLOBAL OPERATIONS BY REGION

West and Central Africa

PORTFOLIO MANAGEMENT HIGHLIGHTS

35 ONGOING PROGRAMMES AND PROJECTS

in partnership with 21 recipient governments in the region at the end of 2017

US$1.2 billion

INVESTED BY IFAD

in the region's ongoing portfolio

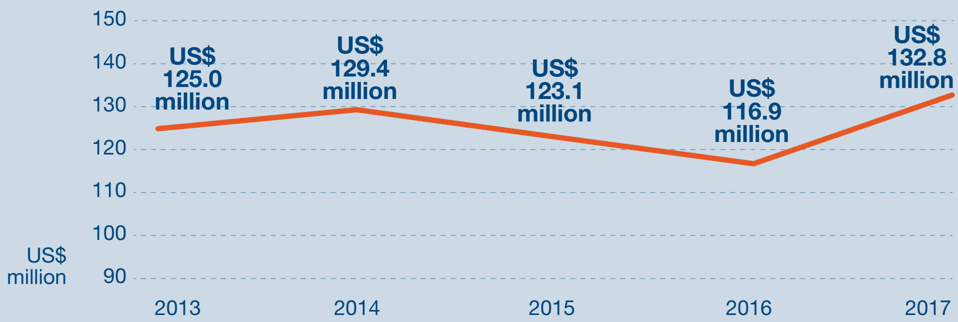
3 NEW PROGRAMMES AND PROJECTS

in Burkina Faso, Côte d'Ivoire and Nigeria; additional financing for ongoing projects in Cameroon, Ghana and Senegal

US$190.3 million

IN NEW APPROVALS IN 2017

ANNUAL LOAN AND DSF GRANT DISBURSEMENTS



24 COUNTRIES

Numbers indicate ongoing programmes and projects

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

Countries that have ongoing ASAP grants

SPOTLIGHT ON RESULTS: NIGER

The Family Farming Development Programme is enabling farmers to **increase production** and **adapt to climate change**. The programme is restoring degraded landscapes and watersheds in a harsh and arid environment.

Since 2015:

Over **4,000 hectares** of land have been restored

21,000 hectares are under assisted natural regeneration

About **400km** of roads being built or repaired, improving access to markets and cutting transport costs

Restoring land and managing water with family farmers in Niger

Family farmers in Niger are taking part in an IFAD-supported programme enabling them to increase their production at the same time as they adapt to climate change. In a harsh environment characterized by aridity, heat and low rainfall, the Family Farming Development Programme focuses on restoring degraded landscapes and watersheds in the southern regions of Maradi, Tahoua and Zinder. This is improving soil fertility, water infiltration and the replenishment of underground water supplies. These are all crucial issues for a rural population that is heavily dependent on agriculture in a country where over 80 per cent of the land area is part of the Sahara Desert.

Since work started in 2015, over 4,000 hectares of land have been restored and 21,000 hectares are under assisted natural regeneration. To improve the management of surface and underground water resources, the programme will construct 150 water mobilization structures, including weirs, mini-dams and ponds. In addition, about 100 farmer associations are now able to access financing, and with programme support, they have developed micro projects investing in drip irrigation and small dams. The programme provides seeds and inputs to producers, together with technical services and climate-smart agriculture techniques.

Nine economic development areas are being established, with market facilities and collection centres. About 400 kilometres of roads are being built or repaired to improve farmers' access to markets and cut transport costs. Some 290,000 households are expected to take part in activities, including those that are extremely vulnerable to climate shocks and food insecurity.

Women and young people make a better living in rural Mauritania

Women and young people living in rural Mauritania are increasing their incomes and building their skills by taking part in the IFAD-supported Poverty Reduction Project in Aftout South and Karakoro – Phase II. The project started work in 2011, and women and young people between the ages of 15 and 24 make up more than 50 per cent of those taking part.

Recently reported results show that about 90 income-generation micro projects are benefiting over 1,500 women and 1,000 young people. Market gardening, harvesting forest products and rearing small livestock are some of the activities involved. Participants receive training and inputs so they can increase the quantity and quality of the goods they produce.

The project has a focus on enabling women to develop their commercial skills, which has increased their competitiveness and their ability to negotiate with market traders. Women have also increased their voice and influence outside their households and now fill about 40 per cent of the decision-making roles in producer organizations. Cereal banks have been established so farmers can store produce and sell when the price is right.

Improvements in access to drinking water supported by the project have made a huge difference to the daily lives of women and girls, saving them an average of five hours per day and freeing their time and energy for education, money-making activities and participation in the community.

The project has also invested in a wide range of educational activities, including literacy training, sensitization on gender equality, and the distribution of labour, sanitation and citizenship.

Training and credit change lives for young rural people in Mali

Young rural women and men in Mali are taking part in an IFAD-funded project that focuses specifically on their needs. The Rural Youth Vocational Training, Employment and Entrepreneurship Support Project (also known as FIER) started work in the Koulikoro and Sikasso regions in 2013 and will be scaled up nationwide. It aims to enable young people to make a decent living in the agricultural and agribusiness sectors.

Young participants start with six months of basic training and learn about the different job options in their area. After this, those under 18 years of age can choose among a range of education offers, while those over 18 can apply for microcredit and professional training that will enable them to set up a business either on their own or in cooperation with others.

The project pays special attention to young men between the ages of 15 and 17 when they are particularly vulnerable to migration. Being involved with the project helps them think hard about their options and understand that there are opportunities at home.

The project is seen as a model for other youth-focused projects in IFAD's West and Central Africa region. So far, 200 young people have received pre-apprenticeships and more than 3,000 have taken literacy training. In addition, about 2,400 income-generating activities have been financed.

IFAD is also partnering with Babyloan, a European leader in online interest-free lending, in connecting Malian migrants living in France with entrepreneurs in need of finance in their native country. The Babyloan Mali platform enables migrants to lend small amounts to rural microentrepreneurs to help them develop their businesses.

Story from the field
Young farmers create jobs in Guinea

With support from IFAD, young farmers in Guinea are building successful farming operations that create jobs for hundreds of rural people. The National Programme to Support Agricultural Value Chain Actors started work in 2011 and has reached over 198,000 people.

Traditionally, young people provide the labour on family farms, but they themselves lack access to land, water, tools and credit and so cannot set up their own agricultural activities.

Twenty young farmers were selected and received technical advice on how to use compost, fertilizers and phytosanitary products, and how to maintain irrigation infrastructure, store crops and manage a business. They were also given access to credit to buy inputs and tools. The result was a marked increase in planted area and yields. Household food security improved and hundreds of jobs were created.

Mamadou Bah was one of the young farmers. He used to cultivate potatoes on one hectare of land. Now, during the dry season he grows potatoes on 50 hectares of land that are partly rented, borrowed or his own. In the rainy season he grows maize, beans and rice. As a result of his work, Bah said that his family now has enough to eat all year round and he has also increased his income significantly. In addition, he employs eight permanent workers and dozens of daily workers.

"My ambition is to cultivate 200 hectares in the years to come, but my main obstacle is the lack of land and access to finances for mechanization," said Bah.

"I have become an example and source of inspiration for many other young people who now understand that it is possible to make a decent living from agriculture and build up a good life in rural areas," he said.

Young farmer Mamadou Bah in his maize field in the village of Timbi Madina.

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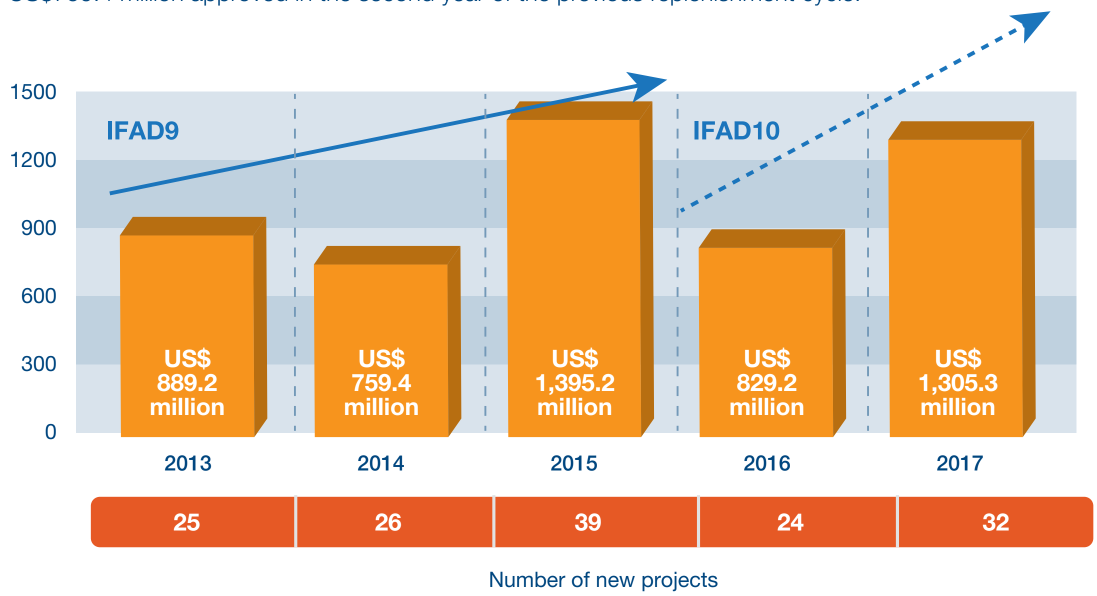
Portfolio highlights and financing data

NEW APPROVALS OF IFAD FINANCING FOR PROGRAMMES AND PROJECTS

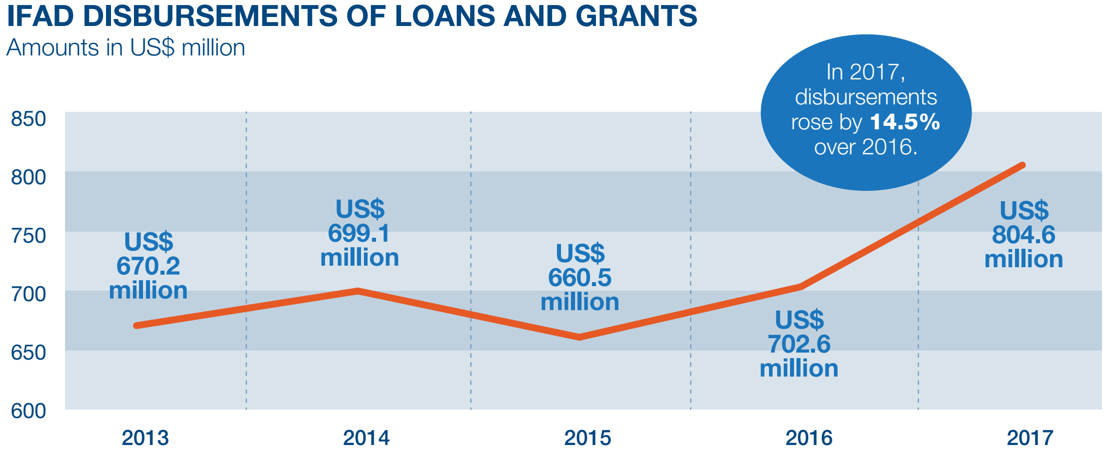
Amounts in US$ million

IFAD loans and grants approved in 2017 totalled **US$1,305.3 million**, **a 57 per cent increase** over US$829.2 million approved in 2016, and significantly higher than US$759.4 million approved in the second year of the previous replenishment cycle.



IFAD DISBURSEMENTS OF LOANS AND GRANTS

Amounts in US$ million



IFAD INVESTMENTS IN AFRICA IN 2017

US$3.3 billion

50%

of the **ongoing** portfolio

FINANCING APPROVED FOR COUNTRIES WITH FRAGILE SITUATIONS IN 2017

US$452.8 million

35%

of total programme of loans and grants

IFAD ONGOING PORTFOLIO 2017

IFAD financing **US$6.6 billion**

211 ongoing projects

in **97 countries**

Domestic contributions **US$5.0 billion**

International cofinancing **US$3.3 billion**

ONGOING ASAP GRANTS 2017

ASAP financing **US$298.8 million**

42 ongoing ASAP grants

in **41 countries**

IFAD'S ONGOING GRANTS 2017

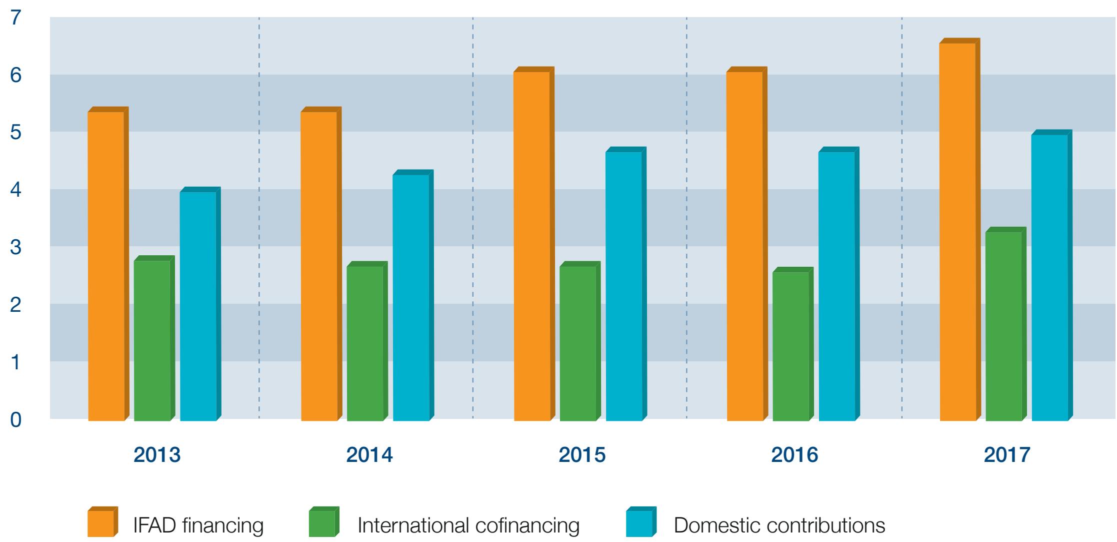
Grants financing **US$213.4 million**

175 grants

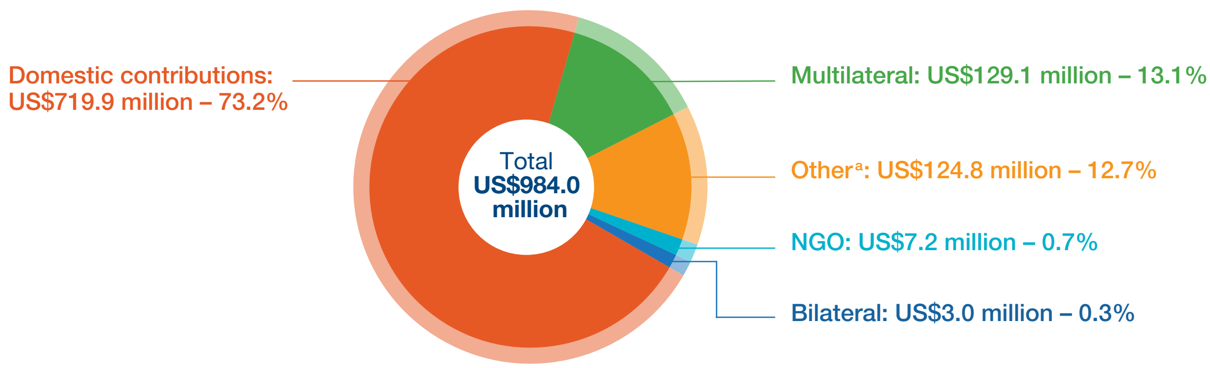
in **117 countries**

IFAD'S ONGOING PORTFOLIO 2013-2017

Amounts in US$ billion



COFINANCING OF IFAD-SUPPORTED PROGRAMMES AND PROJECTS APPROVED IN 2017



Source: Grants and Investment Projects System.

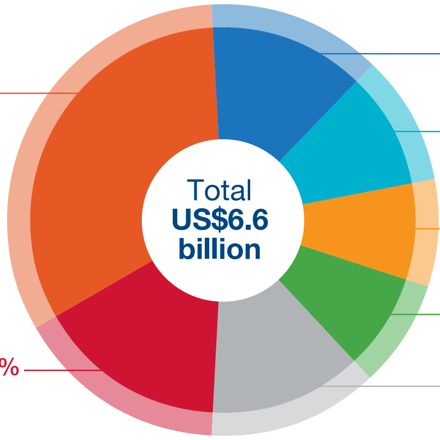
[a] Other includes financing under basket or similar funding arrangements, financing from private-sector resources and financing that was not confirmed at the time of the Executive Board approval.

IFAD's most important area of work is agriculture and natural resource management, accounting for 33 per cent of the value of ongoing loans and grants. This empowers smallholder farmers to increase their productivity, adapt to climate change and mechanize, and to manage natural resources more sustainably and efficiently.

About 16 per cent of ongoing investments finance work to improve markets and related infrastructure, including roads and storage facilities. Rural finance accounts for 13 per cent of funds invested, ensuring that rural women and men can access financial services such as credit, savings and insurance to build their businesses and manage risks.

IFAD CURRENT PORTFOLIO FINANCING BY SECTOR

(at end 2017)



Source: Grants and Investment Projects System.

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

[b] Other includes communication, culture and heritage, disaster mitigation, energy production, financing and preparation charges, knowledge management, management and coordination, monitoring and evaluation, and unallocated.

HIGHLIGHTS OF THE YEAR

2017

Operational Excellence for Results (OpEx) initiative launched to enhance results, scale up operations and drive decentralization

Development Effectiveness Framework implemented to strengthen focus on results across the project cycle

Framework for Concessional Partner Loans (CPLs) approved

Revised **Performance-based Allocation System** formula approved for use during IFAD11

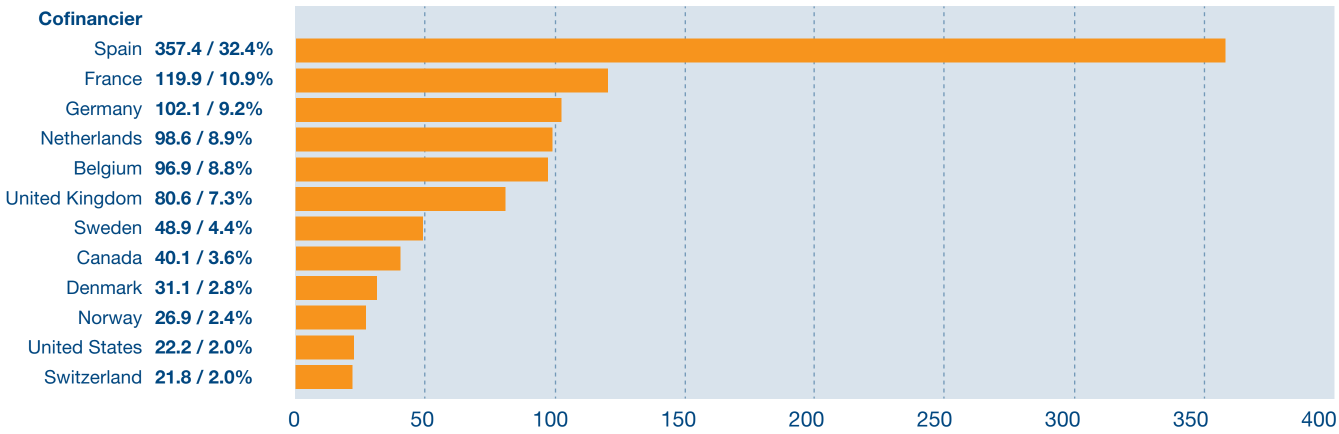
ASAP2: second phase of the Adaptation for Smallholder Agriculture Programme launched

PRiME initiative launched – in partnership with Centers for Learning on Evaluation and Results (CLEAR) – to train M&E professionals in rural development

Member States have contributed a total of US$1.1 billion in bilateral cofinancing to IFAD-initiated programmes and projects since 1978. Spain, France, Germany, the Netherlands and Belgium are the top five bilateral cofinanciers and together they have provided over 70 per cent of the total.

COFINANCING OF IFAD-INITIATED PROGRAMMES AND PROJECTS BY DONOR MEMBER STATES (BILATERAL), 1978-2017[a]

Amounts in US$ million



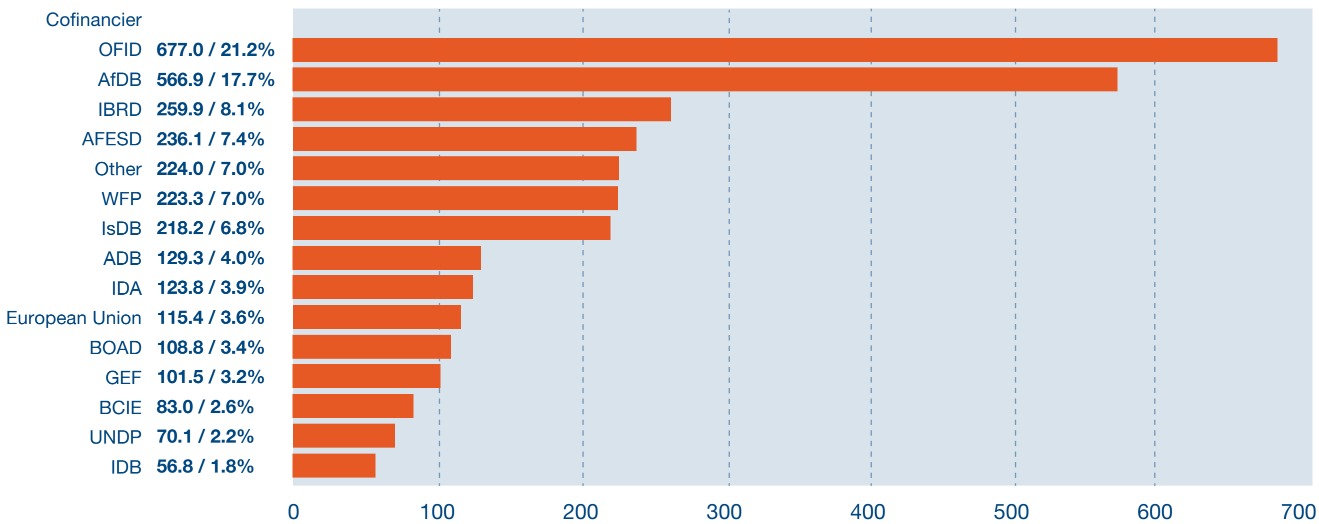
Source: Grants and Investment Projects System.

[a] The amounts shown are per the President's report for each programme and project presented to the Executive Board. The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of US$1,104.7 million. Bilateral participation in basket or similar funding arrangements is not included. Any discrepancy in totals is the result of rounding.

Multilateral donors have contributed a total of US$3.2 billion in cofinancing to IFAD-initiated programmes and projects since 1978. The top four donors are the OPEC Fund for International Development (OFID), the African Development Bank, the International Bank for Reconstruction and Development (of the World Bank Group) and the Arab Fund for Economic and Social Development. Together, these four have contributed over 50 per cent of total multilateral cofinancing.

COFINANCING OF IFAD-INITIATED PROGRAMMES AND PROJECTS BY MULTILATERAL DONORS, 1978-2017[a]

Amounts in US$ million



Source: Grants and Investment Projects System.

[a] The amounts shown are per the President's report for each programme or project presented to the Executive Board. The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of US$3,193.8 million. Multilateral participation in basket or similar funding arrangements is not included. Any discrepancy in totals is the result of rounding.

OUTREACH OF IFAD-SUPPORTED PROJECTS

Rural financial services

16.1 million
voluntary savers
61:39

7.7 million
active borrowers
65:35

Natural resource management

3 million
hectares of common-property-resource land under improved management practices

57,000
hectares under constructed/rehabilitated irrigation schemes

Marketing

13,690
kilometres of roads constructed/rehabilitated

5,191
marketing facilities constructed/rehabilitated

Microenterprise

91,240
enterprises accessing business promotion services

Climate change adaptation

1.5 million
poor smallholder household members supported in coping with the effects of climate change

Agricultural technologies

2.5 million
people trained in crop and livestock production practices/technologies
52:48

97 million people
benefiting from services
50:50

female:male ratio of people receiving services

Outreach indicators measure the cumulative number of people receiving services from all ongoing projects. While the individual indicators report only the number of participants in a specific project activity, the total outreach figure includes all direct beneficiaries and members of the same household. Figures reported are for 2016.

40 YEARS ANNÉES AÑOS عاما IN NUMBERS

1978

US$46.9 billion
TOTAL PROGRAMME OF WORK

2017

474 million people
ESTIMATED DIRECT BENEFICIARIES

US$15.5 billion
Domestic contributions

US$11.6 billion
Cofinancing

US$19.8 billion
IFAD

1,069 projects
FINANCED 1978-2017

176
IFAD Member States

125
borrowing countries

US$ 2.1 billion
provided to projects by participants 1978-2017

IFAD AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

IFAD is fully committed to the ambitious 2030 Agenda for Sustainable Development and works closely with governments to enable them to reach their national development goals. We play a vital role in the achievement of SDG1 through our focus on investment in rural areas, where 80 per cent of the poorest people live. SDG2 is also essential to our mandate and we are mainstreaming nutrition across our portfolio.

IFAD is a leader in the economic and social empowerment of rural women and recognizes that gender equality is fundamental to the entire 2030 Agenda. We also enable smallholder farmers, who are on the front line of climate change, to become more resilient, for example through the Adaptation for Smallholder Agriculture Programme. We support rural people in sustainably managing resources, such as land, water and biodiversity.

To broaden and scale up the impact of our work, in line with SDG17 we work extensively in partnership with other actors, including government, civil society and the private sector.

IFAD has invested in rural people for 40 years, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US$19.8 billion in grants and low-interest loans to projects that have reached about 474 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

Major initiatives

Making crop insurance available to small farmers in remote areas

Farming is a risky business the world over, and small farmers in remote areas are particularly exposed. IFAD has been working in partnership with the World Food Programme through the joint Weather Risk Management Facility, which aims to help make viable insurance products available to poor smallholders.

A project carried out by the Facility in Senegal tested whether remote-sensing technology could be used for index insurance to benefit smallholder farmers. The project received financial support from the Agence Française de Développement and a contribution from the Belgian Federal Science Policy Office. Index insurance is a type of agricultural insurance that uses data rather than in-field assessments to determine when crop losses occur. While traditional types of insurance rely on costly individual loss assessments, index insurance helps avoid the long journeys and arduous loss assessments that prevent insurance providers from offering coverage to small farmers.

The project worked with seven remote-sensing service providers to develop indexes for maize, groundnuts and millet. The indexes could then be used in an index insurance contract to protect against drought or other production-related risks. Using this data, a yield loss can be captured automatically, triggering payouts to farmers.

The project's final publication – Remote Sensing for Index Insurance: Findings and Lessons Learned for Smallholder Agriculture – gives people working in insurance, agricultural development and government an overview of how remote sensing can be used in index insurance. It highlights the opportunities and recommends areas for further work and investment.

Read more: www.ifad.org/indexinsurance

Platform for Agricultural Risk Management

The Platform for Agricultural Risk Management (PARM) is a strategic global partnership focused on enabling countries to better manage risks related to agriculture. It was established under the G20 to contribute to sustainable agricultural growth, boost rural investment, reduce food insecurity, and improve rural households' resilience to climate and market shocks.

Hosted by IFAD, PARM is a four-year multi-donor partnership. It was established in 2013 by IFAD, the European Commission, the French Development Agency, the Italian Agency for Development Cooperation and Germany's KfW Development Bank, in strategic partnership with the New Partnership for Africa's Development (NEPAD). It aims to make risk management an integral part of policy planning and implementation in the agricultural sector of eight selected countries: Cabo Verde, Cameroon, Ethiopia, Liberia, Niger, Senegal, Uganda and Zambia.

PARM has become a global reference on the agricultural risk management (ARM) methodology, policy processes and solutions delivery, and has been among the few initiatives mentioned in several strategic documents of the G20, G7 and United Nations Sustainable Development Goals Partnership Exchange, while becoming a reference for the African continent thanks to its strategic partnership with the African Union-NEPAD.

At the country level, PARM has promoted a rigorous methodology to assess, prioritize and manage agricultural risks. The Platform uses a holistic approach and facilitates the integration of ARM tools into national investment plans and strategies following a participatory process. Achievements to date include:

- Evidence has been gathered to improve perception of risk, and 85 per cent of assessment studies have been validated by governments.
- Major risks have been identified in 7 out of 8 selected countries.
- ARM tools have been identified in 5 out of 8 selected countries.
- 18 studies have been published and 26 policy briefs and country profiles have been produced on risk and tools assessment.
- 700 national stakeholders have taken part in 10 national workshops, 425 of them have taken training, and 270 international practitioners have been reached through webinars.
- 140 international partners have participated in two international knowledge events and 17 strategic consultations to move the ARM agenda forward.

Read more in the PARM Annual Report 2017 available at: www.p4arm.org

Family remittances and migrants' investments in rural development

In 2017, more than 258 million people were living in a country other than that of their birth, an increase of nearly 50 per cent since 2000. Of that total, about 26 million were refugees or asylum seekers. During the year, migrants sent nearly half a trillion dollars in remittances home to their families in developing countries. Forty per cent of this total went to rural areas.

After over a decade of activities, IFAD's Financing Facility for Remittances has effectively reached a turning point in its objective to maximize the contribution migrant workers make to the sustainable development of their countries of origin, in particular through remittances and investments back home. Models have been brought to scale and new innovative projects have been financed in order to continue to impact the market. In 2017, IFAD was recognized by the international community for its leading role in the international debate on remittances and development.

The International Day of Family Remittances received unprecedented support from the private sector, United Nations Member States, and the international community joining the annual celebration on 16 June 2017. The International Day was proclaimed by IFAD's Governing Council in 2015 to recognize the significant financial contribution of migrant workers to the well-being of their families and to the sustainable development of their countries of origin.

IFAD's 2017 Global Forum on Remittances, Investment and Development (GFRID) was attended by over 350 practitioners from the public and private sectors and was instrumental in advancing debate at the Member State level, with discussions centering on challenges and opportunities in the remittance market. Innovative approaches and successful business models that support the achievement of the 2030 Agenda and the SDGs were presented.

2018 is the year of the Global Compact for Safe, Orderly and Regular Migration, the first intergovernmentally negotiated agreement to cover all dimensions of international migration in a holistic manner, prepared under the auspices of the United Nations. IFAD has been engaged in the Global Compact process since its beginning, joining the Global Migration Group in 2017, and contributing with its expertise on the valuable impact of migrants to development through remittances, investment and entrepreneurship. The findings and recommendations of the GFRID were included in the Global Compact official drafts for negotiation.

Both the GFRID and the International Day of Family Remittances have been referenced by the Global Compact as strong platforms to build and strengthen partnerships for innovative solutions for cheaper, faster and safer transfer of remittances, maximizing the contribution of migrants to their countries of origin.

Global policy engagement

2030 Agenda for Sustainable Development. IFAD contributed actively to the recognition at the High-Level Political Forum in July 2017 of the centrality of smallholder farmers for achieving SDG1 and SDG2. We developed three policy briefs: "Investing in rural livelihoods to eradicate poverty and create shared prosperity", "Transforming rural lives: building a prosperous and sustainable future for all", and "Promoting integrated and inclusive rural-urban dynamics and food systems". We also engaged in United Nations regional forums on sustainable development, co-organized side events and expert group meetings together with the Rome-based agencies, and contributed to related work on rural-urban dynamics and finance for development.

G20. At the request of the German Presidency/Development Working Group of the G20, IFAD prepared a synthesis report on Rural Youth Employment in collaboration with the World Bank. The report shows how thriving rural economies can help address major challenges caused by rural youth unemployment and its related effects, which include migration. It highlights the potential that evolving agriculture and food systems have for creating youth employment and examines the constraints that young people, and young women in particular, face. The document was used for the development of the G20 Initiative for Rural Youth Employment.

United Nations Framework Convention on Climate Change (UNFCCC). In 2017, following advocacy by IFAD and strategic partners, the 23rd Conference of the Parties (COP23), under the UNFCCC, adopted a decision on issues related to agriculture. This was the first time a COP decision specifically addressing issues related to agriculture had been adopted and it was a significant breakthrough in the climate negotiations. It was a recognition of agriculture not just as an emitter but, with the right practices and technologies, an important contributor to reducing the emissions that are causing climate change. The conference brought more attention to the need to consider climate change adaptation and mitigation in relation to the agricultural sector. IFAD is now following up to ensure that information on good practices is made available to the UNFCCC Parties.

United Nations Decade of Family Farming. IFAD supported the initiative led by Costa Rica and the World Rural Forum to promote the United Nations Decade of Family Farming 2019-2028, following on from the successful International Year of Family Farming in 2014, in which IFAD also played an active role. The United Nations General Assembly adopted the United Nations Decade of Family Farming in December 2017.

Committee on World Food Security. The Committee on World Food Security (CFS) prepares policy guidance for its members on topics of relevance for food security and nutrition. IFAD engaged actively in the dialogue on how to strengthen the CFS following the External Evaluation, which was completed in April 2017. We contributed experience and expertise related to issues, including nutrition, rural-urban linkages, rural women's empowerment, and CFS inputs to the 2030 Agenda for Sustainable Development.

The Indigenous Peoples' Forum at IFAD

The Indigenous Peoples' Forum at IFAD is a process that enables indigenous peoples to engage in direct dialogue with the organization and improves the participation of indigenous peoples in IFAD-supported country programmes. The Forum is led by a steering committee of representatives of indigenous peoples' organizations at the global, regional and national level.

The theme of the 2017 third global meeting of the Indigenous Peoples' Forum was "Economic empowerment of indigenous peoples, with a focus on women and youth". The meeting brought together 43 representatives of organizations of 33 different indigenous peoples, from 32 countries in Africa, Asia and the Pacific, and Latin America and the Caribbean, to exchange views on the evolution of the partnership with IFAD. The 2017 global meeting of the Forum saw a significant presence of indigenous women (61 per cent) and an increased participation of indigenous youth (21 per cent).

During the Forum, a permanent conference room at IFAD dedicated to indigenous peoples was inaugurated in the presence of Victoria Tauli-Corpuz, the United Nations Special Rapporteur on the Rights of Indigenous Peoples. The creation of a permanent space for indigenous peoples at IFAD is a tangible commitment to the evolving partnership. Representatives of indigenous peoples' institutions, together with staff of IFAD's regional divisions, discussed and agreed on regional action plans for 2017-2019.

The Forum's Synthesis of Deliberations was discussed and delivered by indigenous peoples' delegates in the presence of IFAD management and representatives of IFAD Member States – Argentina, Bolivia, Brazil, Chile, Cuba, the European Union, Guatemala, Hungary, Italy, Malawi, Morocco, the Netherlands, Switzerland and Venezuela.

With 2017 marking the tenth anniversary of the United Nations Declaration on the Rights of Indigenous Peoples, the third global meeting of the Indigenous Peoples' Forum at IFAD provided an opportunity to highlight IFAD's evolution in its engagement with indigenous peoples during the past decade and brainstorm on future opportunities to improve its work within the 2030 Agenda.

On 15 February, following the Indigenous Peoples' Forum, a delegation of 35 representatives of indigenous peoples' organizations was received for a private audience with Pope Francis. In his statement, Pope Francis called on governments to recognize "that indigenous communities are a part of the population to be appreciated and consulted, and whose full participation should be promoted at the local and national levels". "IFAD", he added, "can contribute effectively to this needed road map through its funding and expertise".

Enabling indigenous peoples to engage in policy dialogue at the country level

Through a grant to the International Work Group for Indigenous Affairs, IFAD has supported policy dialogue between indigenous peoples, governments and United Nations country teams, giving a voice to some of the world's most marginalized people.

National action plans, strategies and other measures to achieve the ends of the United Nations Declaration on the Rights of Indigenous Peoples were among the commitments by governments in the Outcome Document of the World Conference on Indigenous Peoples held in 2014. In 2016, with IFAD support, six country policy dialogue processes were started, in the Democratic Republic of the Congo, El Salvador, Myanmar, Nepal, Paraguay and Tanzania.

These policy processes were led by indigenous peoples' organizations and resulted in strengthened dialogue between indigenous peoples and governments. Key outputs in 2017 included:

- a national action plan agreed by indigenous peoples and governmental institutions in El Salvador
- preliminary guidelines for public policy on indigenous peoples in Paraguay
- the adoption of a global intervention framework on indigenous peoples in the Democratic Republic of the Congo.

Entry points have also been identified for indigenous peoples' participation in decision-making on issues that affect them in Myanmar, Nepal and Tanzania, with agreed actions on follow-up and monitoring processes. In most of these countries, it was the first time that indigenous peoples had been provided with resources to lead and engage in policy dialogue with their governments and United Nations country teams.

Read more: https://www.ifad.org/web/latest/event/asset/39004836

Knowledge management

IFAD's knowledge management (KM) strategy was recognized in a United Nations system-wide study as one of the most comprehensive and sustainable approaches to KM among the United Nations agencies. The study was released at the United Nations Knowledge for Development: Global Partnership Conference, held in Geneva in April and co-organized by the Joint Inspection Unit of the United Nations System, Knowledge Management Austria and IFAD. The conference reviewed and advanced KM good practices in the field of sustainable development, in particular in United Nations agencies. As follow-up to the conference, IFAD is leading an initiative to create a network of KM professionals in the United Nations system, which will enable the system to better leverage knowledge for development impact, in the context of the 2030 Agenda and United Nations reform.

Research

IFAD has been working with the International Food Policy Research Institute since 2016 to develop the Rural Investment and Policy Analysis (RIAPA) analytical tool. RIAPA is an economy-wide model that provides guidance to country teams in the design process of country strategic opportunities programmes (COSOPs), or when engaging in policy dialogue in client countries. Using information from country Social Accounting Matrices and the Living Standards Measurement Study, it employs a macro-micro simulation model to identify which value chains should be prioritized, based on the potential impacts of their expansion on growth, rural poverty, employment and nutritional outcomes. The model can also be used to inform the design of specific value chain investment projects, either in scaling up existing projects or designing new ones.

IFAD published 12 peer-reviewed research papers during 2017, presenting evidence-based analysis on issues related to rural development and IFAD's work. See the full series here: www.ifad.org/researchseries

Rome-based agency collaboration

IFAD works closely with its sister Rome-based agencies (RBAs) – the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP). With distinct but complementary mandates, we strive to work not just in parallel but in close collaboration, including through joint projects where appropriate. The aim is to capitalize on the synergies and efficiencies when we combine our respective expertise and resources, so that we can be more effective in addressing the challenges of the 2030 Agenda.

2017 marked a new era for RBA collaboration, with the three agencies renewing their focus on strengthening coordination efforts under the four pillars of RBA collaboration: country and regional level, global collaboration, thematic collaboration, and joint provision of corporate services.

In September 2017, the RBA principals visited Ethiopia on a first joint mission. The visit spotlighted the RBAs' work in the country in support of the government's own notable development efforts, and underlined their commitment to intensify collaboration to eradicate poverty and hunger. The principals visited the drought-hit Somali region and the more developed Tigray region to examine how to narrow the gap between humanitarian and development investments and ensure that people build their resilience to droughts and other climate shocks.

The first Informal Joint Meeting of the FAO Council, IFAD Executive Board and WFP Executive Board also took place after the mission. It was an opportunity to further reflect on the joint experience in Ethiopia and on RBA collaboration, and it highlighted the emphasis the 2030 Agenda has put on strengthening the RBA partnership. *The State of Food Security and Nutrition in the World* was published by the three agencies in September, together with the United Nations Children's Fund and the World Health Organization. The report spotlighted a disturbing increase in undernutrition and identified conflict and climate-related shocks as key drivers of this trend.

Collaboration at the country and regional level includes the Accelerating Progress towards the Economic Empowerment of Rural Women programme, which is a joint initiative of FAO, IFAD, WFP and UN Women in Ethiopia, Guatemala, Kyrgyzstan, Liberia, Nepal, Niger and Rwanda. Over 40,000 rural women and 213,000 family members are benefiting from the programme, receiving agricultural training, nutritional support, financial services, and training in entrepreneurship and women's rights.

The RBAs are also jointly implementing the Mainstreaming Food Loss Reduction Initiatives for Smallholders in Food-Deficit Areas programme, which aims to reduce post-harvest losses and improve storage. The first phase started in 2014 in Burkina Faso, the Democratic Republic of the Congo and Uganda, and improved people's food security and income-generating opportunities by reducing food losses in grain and pulse value chains. A three-year second phase started in July 2017.

During the year, IFAD led the development of a joint RBA communication platform showcasing collaborative initiatives. Visit the joint RBA Zero Hunger website: https://zerohunger.world/web/guest/home

Read the 2017 Joint Update on RBA Collaboration: https://webapps.ifad.org/members/eb/122/docs/EB-2017-122-INF-4.pdf

Convening partners to invest in rural transformation

Innovative ways of financing development will be essential to the achievement of the 2030 Agenda for Sustainable Development, and IFAD has incorporated new approaches to resource mobilization into its new business model. More broadly, the Fund is also supporting the discussion of innovative financing in the development community.

In January 2017, IFAD and the Ministry of Economy and Finance of Italy, in conjunction with the Brookings Institution and the University of Warwick, organized an international conference on Investing in Inclusive Rural Transformation: Innovative Approaches to Financing. The conference highlighted the need to bridge the investment gap and develop innovative financing instruments that will enable smallholder farmers and rural people who operate small and medium-sized rural enterprises to improve their livelihoods, incomes, food security and nutrition.

An important outcome of the conference was the agreement of partners to work towards the establishment of a Smallholder and Agri-food SME Finance and Investment Network (SAFIN). Its purpose would be to bring together private, public and philanthropic sectors, and rural farmers and enterprises to resolve rural financing challenges with coordinated action and investment.

South-South and Triangular Cooperation

South-South and Triangular Cooperation (SSTC) includes the sharing, replication and scaling up of development approaches between countries, as well as joint design of solutions to development problems that cannot be solved by countries individually. In addition, SSTC covers economic and financial cooperation between developing countries, including through public and private investments in agriculture and rural development.

SSTC is a recognized corporate instrument in IFAD's Strategic Framework 2016-2025. It is a key mechanism for delivering relevant, targeted and cost-effective development solutions to our partners across the globe. It is also a priority area in the Tenth Replenishment of IFAD's Resources (IFAD10), and under IFAD11, it will be raised to an even higher level of prominence, following management's decision to put SSTC among the top areas for IFAD's focus.

During 2017, IFAD co-hosted an International SSTC Conference on "Leveraging Innovations from the Global South to Support Rural Transformation". The conference took place in Brasilia and discussed innovative solutions, focusing on agricultural production and productivity, investment promotion, and inclusive information and communications technologies. IFAD has signed an agreement with the Government of China to establish an SSTC facility, with China making a contribution of US$10 million. IFAD will also open SSTC and knowledge centres in three of the regions where we work: in Addis Ababa for Africa, in Beijing for Asia and the Pacific, and in Brasilia for Latin America and the Caribbean. A new Rural Solutions Portal will facilitate sharing of successful SSTC innovations.

International Land Coalition

The International Land Coalition (ILC) is a global network of over 200 civil society and intergovernmental organizations based in 64 countries. The Coalition's mission is to put people at the centre of land governance by securing land rights for those who live on and from the land, particularly small farmers, indigenous peoples, pastoralists and women. Hosted by IFAD – one of its founding members – the Coalition addresses access to land and natural resources as a fundamental factor in IFAD's work to reduce poverty, increase food security, improve nutrition and strengthen people's resilience in rural areas.

The ILC has made significant progress towards people-centred land governance in 19 countries through its National Engagement Strategies. In 2017, these multi-stakeholder platforms helped improve access to or control over 68,000 hectares of land for pastoralists, indigenous peoples, and fishing and forestry communities in Albania, Cambodia, India and Nepal. The platforms also contributed to new laws in India and Nepal. In India, the Housing Guarantee Bill 2017 was passed in March in Madhya Pradesh, and in Nepal government procedures for earthquake reconstruction cash grants for private houses were revised in January 2017. Proposals for constitutional and legislative reform were also presented in Colombia and Peru.

At the global level, ILC member organizations have been at the front line, keeping land rights high on the 2030 Agenda for Sustainable Development. Thanks to joint efforts, two land rights indicators (1.4.2 and 5.a.2) were reclassified from tier III to tier II – effectively recognizing that land rights are essential to achieving sustainable development.

In addition, the ILC's commitment-based initiative on family farming contributed to the United Nations' recent declaration of a Decade of Family Farming (2019-2028), which will open up many opportunities to promote better public policies and the exchange of expertise and experiences.

Read more: www.landcoalition.org

Measuring and improving results

ICT systems strengthen IFAD's focus on operations and results

During 2017, IFAD's focus on operations, results and impact was strengthened by two major new ICT-enabled projects: the IFAD Client Portal (ICP) and the Operational Results Management System (ORMS).

The ICP is a key external component of IFAD's strategy for client engagement, enabling transparency and enhanced services. It serves to improve the experience of our clients in doing business with IFAD. The ICP is fully integrated with IFAD back-end systems, in particular with the banking solution and treasury, for disbursements in real time. It also provides a direct secure channel between the organization and clients for business transactions and the exchange of related information.

The ICP platform has been designed to initially provide a comprehensive, secure banking solution. In subsequent development phases during the IFAD11 period (2019-2021), the aim is to expand towards a more strategic platform supporting a variety of business activities with more diverse audiences, including donors and partners. The platform supports this scalability by design. The main benefits and efficiencies of the ICP for IFAD clients include improved service delivery, reduced process cycle times, improved transparency, and easy on-demand access to data. Through the ICP, IFAD is open for global operations, anytime, anywhere, ready to transact business at the client's convenience.

The ORMS is the portal that delivers on the objectives of the Development Effectiveness Framework approved by the Executive Board in 2016. The ORMS provides a structured and systematic solution to harness project data with management of key milestones across the project life cycle. It is fully integrated with other IFAD corporate systems to provide a single view of the performance and impact of IFAD projects.

The ORMS will facilitate the accelerated disclosure of project documents, such as annual supervision reports. With the first phase delivered in 2017, subsequent phases will expand the system to manage the entire project life cycle – from project design through to closure and impact analysis. With ORMS, IFAD is investing in fostering a culture of results to support the organization's reporting of progress towards achieving the Sustainable Development Goals.

Assessing the impact of IFAD's policy engagement at the country level

Policy engagement is increasingly considered a key dimension of development cooperation, but there have been few attempts to systematically monitor and evaluate the impact of this work. In recent years, IFAD has strengthened its engagement in country-level policy processes and developed tools for more effective monitoring and evaluation. IFAD funded the development and testing of a methodology for assessing the organization's policy impact.

The exercise reviewed the experience of four IFAD policy engagement activities in India, Indonesia, Nepal and Viet Nam. It analysed their impact, identified the factors contributing to, or limiting, the outcomes achieved, and drew out lessons for future policy work. It also proposed a methodology that could be used for similar exercises elsewhere.

For each case study, a short narrative was prepared that articulated IFAD's perception of its role in the policy change realized. The narrative was then tested among a wide range of key stakeholders in the country. And finally, the draft findings were shared within IFAD to seek feedback before the report was finalized.

The researchers concluded that, in a relatively short period of time, the methodology provided opportunities for gaining multiple external perspectives on IFAD's role and effectiveness relative to policy changes. In all four case studies, it offered convincing evidence of a policy contribution – although not one that matched the initial definition in the contribution narrative in all cases. While the methodology can be strengthened, it was found to be credible, cost-effective and replicable – within IFAD and by other development agencies.

Independent Office of Evaluation

Overview of the fifteenth Annual Report on Results and Impact of IFAD Operations and its learning theme: financial management and fiduciary responsibilities in IFAD-funded operations

The 2017 Annual Report on Results and Impact of IFAD Operations (ARRI) highlights results, trends and issues relating to IFAD's performance based on independent evaluations conducted in 2016.

Overall, performance of IFAD-supported operations shows improvement from 2009. Over 80 per cent of projects were rated moderately satisfactory or better when assessed against the criteria of gender equality and women's empowerment, IFAD's performance as a partner, innovation and scaling up, relevance, and rural poverty impact. However, the ARRI highlights that portfolio performance has recently begun to plateau and performance remains at a moderately satisfactory level. Sustainability of benefits and efficiency remain the lowest-performing criteria, the latter with a slightly declining path in recent years. In addition, based on evaluative evidence, IFAD-supported projects are performing below the targets set for most of the criteria of the Results Measurement Framework of the Ninth and Tenth Replenishments of IFAD's Resources.

Although government performance has improved in recent years, financial management and fiduciary responsibility remain challenges to the performance of IFAD's portfolio. IFAD-financed projects are nationally managed, using public financial management systems and IFAD needs to ensure that borrowers meet its fiduciary standards. The ARRI recommends further differentiation of fiduciary requirements based on country context and risk while supporting long-term national capacity-building.

IFAD can improve performance by building on its strengths. The first area is pro-poor targeting strategies. As highlighted by recent evaluations, good performance on the ground is linked to well-defined targeting strategies. Gender equality and women's empowerment is a second area of comparative advantage for IFAD. The Fund needs to adopt gender-transformative approaches that result in systemic changes in laws, policies, behaviours and government capacities. Third, IFAD needs to continue its recent efforts to strengthen project-level monitoring and evaluation by collecting disaggregated data and evidence on areas of strategic importance such as climate change and food security. Finally, by systematizing knowledge management, partnership and policy engagement, IFAD can better scale up country programme results.

IFAD management response to the ARRI is available here: https://webapps.ifad.org/members/eb/121/docs/EB-2017-121-R-9-Add-1.pdf

Other evaluation activities in 2017

Country strategy and programme evaluations were completed for the Democratic Republic of the Congo, Egypt, Mozambique, Nicaragua and the Philippines. In the Democratic Republic of the Congo, the country programme contributed to raising productivity and incomes, and to improving food security in the project areas by investing heavily in better access roads and improved seed distribution and agricultural extension. However, the evaluation found that the country strategy, project approaches and partnerships do not take the context of fragility and the accompanying risks sufficiently into account.

In Egypt, the country programme has contributed to raising agricultural productivity, especially through improved farming systems in the old lands and improved water and land management practices in the new lands. The programme has maintained a good focus on selected rural development issues over a long period, but opportunities to learn from this engagement have been missed.

The evaluation for Mozambique found significant capacity development at the institutional, community and individual levels, improved access to basic microfinance products through savings and credit associations, and empowerment of women through literacy initiatives. However, the portfolio's increasing focus on farmers with marketable surplus resulted in less attention being given to potentially food-insecure households.

In Nicaragua, the programme contributed to the development of national strategies on access to markets, assets and value chains, strengthening of rural organizations, and promotion of non-agricultural rural activities. Progress made in knowledge management and partnerships with non-governmental actors is still limited.

In the Philippines, the evaluation found that IFAD and the Government have created an effective partnership in their efforts to address rural poverty, and projects and programmes have made notable achievements – for example, in gender equality and women's empowerment. There is room to improve the evidence from monitoring and evaluation across the portfolio so that good practices can be scaled up.

Three evaluation synthesis reports were published. The first, "What works for gender equality and women's empowerment – a review of practices and results", identified a number of gender-transformative practices that address the root causes of gender inequality and women's powerlessness, in particular illiteracy, exclusion from access to resources and limited social capital. The synthesis highlights that policy engagement on gender is critical to support transformative change but has not yet received sufficient attention.

The second synthesis report, "IFAD's support to scaling up of results", reviews how IFAD's business model and project cycle facilitate scaling up. It highlighted the need for IFAD to sharpen country strategies and the project development and implementation cycle, build stronger staff consensus, and refine the definition of corporate scaling-up targets and methods for verification.

The third synthesis, "IFAD's country-level policy dialogue", confirms that this is an essential dimension of IFAD's mission. The growing number of IFAD country offices offer new opportunities for the organization to be more involved in country-level policy engagement. However, this will require better incentives, resources and information for country-level staff and better documentation of policy dialogue activities.

An impact evaluation of the Agricultural Support Project in Georgia concluded that the project contributed to revitalizing interest in agriculture, encouraging other agencies such as the World Bank to finance neglected irrigation schemes. However, the evaluation also found that interventions under the largest component – small-scale infrastructure rehabilitation – did not lead to statistically significant changes in the incomes, assets or food security of beneficiaries.

In-country events were co-organized with the governments of Egypt, Georgia, Mozambique and Nicaragua to discuss the main evaluation findings, together with issues for the forthcoming results-based country strategic opportunities programmes (COSOPs). The Independent Office of Evaluation (IOE) of IFAD organized an international conference on Information and Communication Technologies for Evaluation to discuss the latest innovative approaches, and featured best practices from development organizations and the private sector. As the chair of the Evaluation Cooperation Group (ECG) for 2017, IOE hosted the ECG spring and autumn meetings and a high-level session on the role of independent evaluation in transforming multilateral development banks.

Read more about the work of IFAD's Independent Office of Evaluation: www.ifad.org/evaluation/index.htm

Ethics

The Ethics Office works to protect the image and reputation of the organization and promote the application of the highest ethical standards. Recognizing staff as our most valuable asset, we are committed to maintaining a working environment that ensures well-being and a respect for work-life balance. We also foster an organizational culture in which individuals fulfil their responsibilities while respecting the dignity of their colleagues.

In order to do this, we deal promptly and confidentially with allegations of harassment, and provide guidance on how to prevent and manage conflicts of interest and unethical behaviour in the workplace. During 2017, the Ethics Office gave particular attention to the prevention and timely handling of harassment and abuse of authority, which causes stress, interferes with performance and can be damaging to the organization. Staff also sought guidance on IFAD's Code of Conduct and conflicts of interest in relation to outside activities such as teaching and lecturing.

Matters received by the Ethics Office regarding possible harassment or abuse of authority increased from 24 in 2016 to 32 in 2017. The majority of these consultations were resolved informally or not pursued beyond the initial request for advice. However, the Ethics Office referred five complaints of harassment to the Office of Audit and Oversight for further investigation.

The Ethics Office is also responsible for managing the Annual Declaration of Compliance with the Code of Conduct, and the Financial Disclosure Programme. In line with IFAD's commitment to transparency, the organization attaches the utmost importance to demonstrating that IFAD has internal control measures in place to prevent conflicts of interest. Therefore, there was an increase in the number of staff filing under the Financial Disclosure Programme, from 75 to 360 filers in the current reporting period.

Whistleblower Protection Procedures were introduced in 2017 to protect staff, non-staff and other parties who report information to support IFAD's ethical standards.

Read more: https://www.ifad.org/web/guest/anti-corruption

Transparency, anticorruption and audit

Transparency and accountability are essential to the international drive to eradicate hunger and poverty by 2030 and to IFAD's drive to empower poor rural people. Transparency provides the basis for accountability and creates incentives for better data, more efficient use of resources, more careful monitoring, better compliance, and better results and impact. IFAD is committed to the principle of proactive transparency, and during the Eleventh Replenishment (2019-2021) the Fund will implement an organization-wide transparency and openness action plan. This will include:

- making interactive maps of all IFAD-supported operations available online, together with real-time data on the performance and results of its operations
- publicly disclosing all project completion and audit reports
- increasing transparency around the performance-based allocation system, financing terms, and IFAD's products and loan pricing
- providing Member States with more systematic information on fraud and corruption.

As a member of the International Aid Transparency Initiative (IATI), IFAD hosted the second annual Members' Assembly in 2017 and is committed to full compliance with IATI. This involves disclosing commitments and disbursements on a quarterly basis and encouraging governments and implementing partners to publish financial and results data for the projects IFAD supports.

IFAD has zero tolerance towards fraud and corruption. To enhance the organization's capacity to detect and eradicate irregular practices and to increase its effectiveness in project implementation, in 2017 anticorruption activities were incorporated in a number of headquarters and regional workshops and training events, including the newly established IFAD Operations Academy. An anticorruption e-learning course was launched in three languages. IFAD continues to align its anticorruption practices to the current best practices of United Nations agencies and international financial institutions.

There was an increase in the number of allegations received in 2017, possibly caused by IFAD's strengthened anticorruption outreach activities. The organization continues to proactively prevent irregular practices through awareness-raising, capacity-building and fraud risk-mitigation activities.

Where appropriate, the results of investigations led to sanctions, referrals to governments for investigation, and/or action on the part of management to mitigate the risks identified. The annual reports on Investigation and Anticorruption Activities and details on reporting fraud and corruption are accessible at www.ifad.org/anticorruption.

Based on the annual assessment of institutional risks, internal audits in 2017 focused on the efficiency of internal and project-related processes, including decentralized decision-making and economy in the use of resources, as well as fiduciary and financial management. Audits and advisory work covered selected IFAD country offices and the corporate processes governing them, in addition to the fiduciary and supervisory activities over country programmes and the associated financial products. IFAD country office audits focused on administrative compliance and efficiency, and included a strengthened component regarding project procurement and fiduciary oversight, involving on-site work using local technical expertise.

Action to address audit recommendations, in particular the high-priority ones, was prompt, and highlights IFAD's continued strong commitment to active management of institutional risks.

Human resource management

Following the election of IFAD's sixth President, Gilbert F. Houngbo, in February, a new executive team was selected during the year. The new management team included the Vice-President, the Chief of Staff, the Associate Vice-President for the Financial Operations Department, the General Counsel, and the Director of Ethics. Recruitment processes were also launched for the associate vice-presidents of the Programme Management Department, the External Relations and Governance Department, and the Corporate Services Department.

At the beginning of the year, an action plan was approved to address the five areas for improvement identified through IFAD's 2016 Global Staff Survey: a comprehensive review of the performance management system, the same for the recruitment process, an evaluation of the use of the current work-life balance provisions, a revision of the Strategic Workforce Planning exercise, and a review of the Global Staff Survey tool itself.

In April, the "HR Roadmap" was presented to the executive management committee with 10 ambitious projects. These included changing the recruitment focus to value talent and potential, simplifying and modernizing the performance management system, enhancing the administration and use of consultancy contracts through a modernized information technology system, and managing the workforce to ensure gender balance and diversity.

During the year, the main concepts of mobility as a fundamental component of IFAD's work were defined. And as part of the Operational Excellence for Results (OpEx) exercise, reassignment procedures were designed for the roll out of decentralization. Workforce management measures were implemented in the last quarter of the year, including a systematic review of all vacant positions, and the establishment of temporary restrictions to external recruitment.

The organization sought to maintain a constructive dialogue with IFAD staff through weekly meetings with representatives of the IFAD Staff Association, publications on HR activities and statistics, and a monthly blog by the HR Director.

The review of the compensation package for the Professional and higher categories conducted by the International Civil Service Commission was fully implemented in IFAD, in line with the schedule approved by the General Assembly in its resolution, bringing about a major process of automation of HR systems.

As of 31 December 2017, in IFAD country offices around the world, there were 26 International Professional staff members, 1 Junior Professional Officer, 51 National Officers and 32 National General Service staff members.

In 2017, there were 65 recruitment exercises for positions at the Professional level and above; the average recruitment time was 90 days.

Staff statistics as of 31 December 2017 were as follows:

- Total staff numbered 608, including Junior Professional Officers.
- Of the total, 327 were in the Professional and higher categories, 51 in the National Officer category, 32 in the National General Service category, and 198 in the General Service category.
- The National Officer, Professional and higher categories included nationals from 97 Member States.
- Women constituted 33 per cent of Associate Vice-Presidents, 46 per cent of Professional and higher categories staff, 33 per cent of the National Officer category, and 82 per cent of the General Service category.

Overall, 57 per cent of IFAD staff members are women.

See the current organigramme here: www.ifad.org/organigramme

Resource mobilization and financial management

Resource mobilization in 2017 and beyond

To increase IFAD's capacity for investment in rural areas, in 2017 the organization redeveloped its financing and business model in order to capitalize on new sources of funding and diversify the organization's resource base. Since IFAD was established, funding has been provided through core contributions from Member States and other donors, and from investment income and loan reflows. Member State core contributions come through regular replenishments held every three years. Members also provide supplementary funds and request IFAD to administer these contributions to third parties. In 2017, borrowing from Member States and their institutions was included in the Fund's financial framework and a road map towards possible future market borrowing was agreed.

Eleventh Replenishment of IFAD's Resources (2019-2021)

At its fortieth session in February 2017, the Governing Council approved the Establishment of the Consultation on the Eleventh Replenishment of IFAD's Resources (IFAD11), which met for its first session in February 2017. Three further meetings were held during 2017 and a fifth session in February 2018, one day before the forty-first session of the Governing Council.

At the fourth session in December 2017, the Consultation members agreed on the strategic directions and priorities that the Fund should pursue in the IFAD11 period (2019-2021). In addition, members agreed on the thematic priorities and on the financial strategy for said period. At its fifth session, the Consultation reached agreement on the target of replenishment contributions of US$1.2 billion to fund a programme of loans and grants totalling US$3.5 billion for the three years of IFAD11.

The Consultation further agreed that borrowing from Member States and their institutions (through sovereign borrowing and concessional partner loans (CPLs)) would be fully integrated into the financial framework of the Fund for the first time. Finally, the members also agreed on a road map to explore market borrowing, which may be considered by the IFAD12 Consultation.

The IFAD11 financial strategy will enable IFAD to focus its core resources on the poorest people and the poorest countries while remaining universal and offering a mix of lending and non-lending support to all its developing country Member States.

During the IFAD11 period, the Fund will ensure targeted allocation of its resources by applying transparent country selection criteria to identify approximately 80 countries to receive new funding allocations. The revised performance-based allocation system will allow for allocation of 90 per cent of the Fund's core resources to low-income and lower-middle-income countries and 10 per cent to upper-middle-income countries.

IFAD will continue to provide approximately 45 per cent of its core resources to sub-Saharan Africa and 50 per cent to Africa as a whole. Between 25 per cent and 30 per cent of IFAD's core resources will be allocated to countries with the most fragile situations.

The Consultation endorsed IFAD's focus on fragility, its increased efforts to mainstream nutrition, gender and climate in its operations, and the introduction of youth and in particular youth employment as a new mainstreaming theme. The Consultation also agreed on enhancements to the Fund's business model, which will ensure a stronger focus on value for money, and a commitment to transparency, accountability and results.

Additional resource mobilization

IFAD's Additional Resource Mobilization Initiative provides strategic direction for the exploration of new financing options. The Sovereign Borrowing Framework, established in 2015, guided negotiations on sovereign borrowing undertaken by IFAD in 2017 to meet the IFAD10 programme of loans and grants target of US$3.2 billion.

In March, IFAD signed a sovereign loan of €200 million with the Agence Française de Développement. This was the Fund's second sovereign loan and followed the negotiation of a €400 million credit line with Germany's KfW Development Bank in 2015, €100 million of which was used to complement the financing of the IFAD10 programme of loans and grants.

During the IFAD11 Consultation, IFAD developed a financial strategy that included borrowing as part of the programme of loans and grants for the IFAD11 period. The framework for a key element of this new strategy – concessional partner loans – was approved at a special session of the Executive Board in October 2017. IFAD received its first pledge for a CPL in December 2017 from India.

The Fund continued its targeted efforts to partner with philanthropic foundations, building outreach to foundations new to IFAD's work and mobilizing cofinancing. The latter included a grant of US$1 million from the Open Society Foundations for the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS).

During the year, IFAD developed an impact investment fund for smallholder and small and medium-sized enterprise finance, which will provide a channel for partners to direct funding towards priority target groups such as farmer organizations and rural youth. This will give IFAD a window for private-sector investment, through which partners can also benefit from IFAD's strong relationships with governments, other development institutions, and rural people and their organizations. In December 2017, the Executive Board approved the establishment of the investment fund, which is expected to become operational in the course of 2018.

New partnerships

Partnerships are key to delivering on IFAD's mandate. As reported in the 2017 Report on IFAD's Development Effectiveness, 100 per cent of IFAD country programmes are rated moderately satisfactory or better for partnership-building in the 2017 client survey.

During the year, IFAD signed new memorandums of understanding with Mars, Incorporated to provide training and create more market opportunities for smallholders in Mars' supply chains, and with Heifer International to strengthen the resilience of smallholder farmers through capacity-building and improved market access.

The Fund continued to collaborate with the Islamic Development Bank, developing an action plan for joint lending and non-lending activities. We signed a revised memorandum of understanding with the African Development Bank to strengthen our partnership and, in particular, to increase cofinancing of country programmes and improve knowledge exchange and policy engagement in selected thematic areas.

In August, a Letter of Intent was signed with the International Social Security Association (ISSA). The aim is to assess IFAD and ISSA's respective comparative advantages, areas of expertise and influence, and the synergies in their respective business models. Opportunities to promote social security in IFAD-supported programmes will be identified, together with ways to improve population welfare through measures that guarantee access to food and health services, especially for vulnerable groups such as children, the elderly, the disabled, the sick and the unemployed.

Tenth Replenishment of IFAD's Resources (2016-2018)

2017 was the second year of IFAD's Tenth Replenishment (IFAD10) period.

As of 31 December 2017, 103 countries had pledged a total of US$1.1 billion to IFAD10. Instruments of contribution (IOCs) deposited (including payments with no prior IOC deposit) amounted to US$1.052 billion, or 95.3 per cent of total pledges received.

Also at 31 December 2017, debt sustainability framework compensation shares pledged amounted to US$2.9 million, leaving a shortfall of US$0.5 million to reach the full compensation for forgone principal reflows under the debt sustainability framework in the amount of US$3.4 million.

TABLE 1
IFAD at a glance 1978-2017[a, b]

		2013	2014	2015	2016	2017	1978-2017
Operational activities[c, d]							
Loan and DSF grant approvals							
Number of programmes and projects		25	26	39	24	32	1 069
Amount	US$ million	731.1	625.8	1 227.6	737.3	1 238.7	18 345.0
Grant approvals							
Number		63	64	70	53	56	2 794
Amount	US$ million	50.0	50.6	73.6	56.9	61.6	1 162.2
ASAP Trust Fund							
Number		10	10	15	5	3	44
Amount	US$ million	103.0	83.0	94.1	29.0	5.0	319.0
Total IFAD loan and grant operations	US$ million	**889.2**	**759.4**	**1 395.2**	**829.2**	**1 305.3**	**19 826.2**
Cofinancing	US$ million	**329.8**	**238.4**	**1 063.6**	**164.1**	**264.1**	**11 593.2**
Multilateral		207.1	128.0	861.7	103.2	129.1	8 751.9
Bilateral		87.8	4.5	21.2	34.1	3.0	1 786.4
NGO		-	0.9	-	4.0	7.2	63.2
Other[e]		34.9	104.9	180.7	22.9	124.8	991.6
Domestic contributions	US$ million	**552.7**	**601.0**	**925.5**	**411.8**	**719.9**	**15 451.7**
Total programme and project cost[f]	US$ million	**1 720.2**	**1 552.9**	**3 319.7**	**1 350.8**	**2 450.5**	**46 059.6**
Programmes and projects							
Number of effective programmes and projects under implementation		241	224	231	212	211	-
Number of programmes and projects completed		43	45	29	36	27	822
Number of approved programmes and projects initiated by IFAD		24	26	36	23	32	901
Number of recipient countries/territories (ongoing portfolio)		98	99	99	98	97	-
Loan disbursements	US$ million	485.2	485.6	486.6	538.9	631.0	11 059.0
DSF grant disbursements	US$ million	142.6	157.4	125.6	123.9	127.7	933.6
Loan repayments[g]	US$ million	261.1	271.6	274.4	299.2	315.9	6 026.6
Membership and administration							
Member States – at end of period		169	172	173	176	176	-
Professional staff – at end of period[h, i]		321	344	364	379	378	-

Source: Grants and Investments Projects System, IFAD financial statements for 1978-2017, IFAD's accounting system.

[a] IFAD loans and 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] Figures for 1986-1995 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 and the Strategic Support for Food Security and Nutrition Project in the Lao People's Democratic Republic approved in 2016 are supervised by IFAD and funded by a grant from the Global Agriculture and Food Security Program (GAFSP). The programmes are counted under the number of programmes and projects but have 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 the Executive Board approval.

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

[g] Loan repayments relate to principal repayments and include repayments on behalf of Heavily Indebted Poor Countries (HIPC) Debt Initiative countries.

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

[i] Includes National Professional Officers in country offices.

Managing IFAD's liquidity, cash flow and financial policies

IFAD manages a total of US$2.0 billion in cash and investments: US$1.4 billion for the regular programme of work and US$0.6 billion for supplementary programmes and trust funds. Over the course of 2017, internally managed investments increased from US$1.0 billion to US$1.2 billion, representing 63 per cent of total funds under management. They included all supplementary and borrowed funds, as well as a portion of regular resources.

The prudent management of IFAD's funds is of fundamental value to the organization, as the investment income supplements IFAD core financing. For 2017, the investment portfolio yielded a positive net return of 2.21 per cent and the estimated net income was US$31.2 million.

In light of the changing capital structure of IFAD, following the introduction of sovereign borrowing, portfolio and liquidity management and financial cash flow forecasting capacity and oversight processes were strengthened to better support fiduciary management of borrowed resources and ensure the long-term cash flow sustainability of the Fund.

IFAD's financial model was redeveloped to allow all sources of financing (core contributions, sovereign borrowing and, more recently, concessional partner loans) to be included in the calculation of sustainable programmes of loans and grants. Active investment management allows for different sources of financing. A specific investment policy is applied internally for the maintenance of sovereign borrowed funds, ensuring the achievement of the necessary return to meet the cost for debt service.

In 2017, the active internal management of funds also had an impact on the volume of transactions, which showed a notable increase of 20 per cent over 2016. Total cash transactions amounted to US$7.2 billion, compared with US$6.0 billion in 2016. The biggest driver was the increase in investment and liquidity-related transactions, a result of more dynamic internal investment and liquidity management and of the increased amount of funding from sovereign borrowing.

IFAD continued to focus on enhancing operational risk management. Particular attention was given to business continuity and to financial transactions security. In addition, systems and processes were also reviewed and strengthened. Some aspects of the management of foreign exchange transactions previously managed by external investment managers were managed internally, bringing substantial cost savings for the Fund.

Supplementary funds

Supplementary funds are grant resources administered by IFAD at the request of donors for the benefit of the Fund's developing-country Member States. As indicated in individual agreements between IFAD and the donors concerned, they are typically used for specific project cofinancing initiatives, studies or technical assistance initiatives, and to support IFAD's Associate Professional Officer programme.

In 2017, IFAD signed 33 new supplementary fund contribution agreements with 18 donors for a total of US$81.4 million. Examples of the activities to be supported under these agreements include:

- three Global Environment Facility (GEF) grants related to the IFAD-led GEF Integrated Approach Programme in sub-Saharan Africa
- funds from the Global Agriculture and Food Security Program Missing Middle Initiative to finance a project in Mali supporting the inclusion of rural youth in value chains
- funds for the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS) from Switzerland, Norway and the OPEC Fund for International Development to cover operations in Jordan, Lebanon, Niger and Somalia
- funds from Norway and Sweden to the ASAP2 Trust Fund
- funds from the Swedish International Development Cooperation Agency (Sida) to provide technical assistance in support of Insurance for Rural Resilience and Economic Development
- funds from the European Union in support of the International Land Coalition to pilot the use of participatory rangeland management in Tanzania and Kenya

- funds from Germany, Italy, Japan, the Republic of Korea and Switzerland for the Associate Professional Officer programme.

Moreover, Luxembourg provided €5 million for the start-up of an impact investment fund for smallholder and small and medium-sized enterprise finance, and Germany agreed to support the preparation of the 2019 Rural Development Report, which will focus on youth.

As cofinancing through supplementary funds, Germany is supporting the small-scale fisheries sector in Eritrea, while Russia provided its first supplementary fund contribution to IFAD to improve nutrition for schoolchildren in Tajikistan.

IFAD received US$120.6 million in payments under these and other ongoing agreements, contributing significantly to the Fund's cofinancing targets, and supporting non-lending activities and global policy engagement. Table 2 shows supplementary funds received during 2017.

TABLE 2
Summary table of supplementary funds received in 2017
(US$ million)[a]

Member States/Donors	Associate Professional Officer programme	Cofinancing (excluding parallel cofinancing)	Thematic and technical assistance	ASAP	Total
Abu Dhabi Fund for Development	-	0.4	-	-	0.4
Canada	-	1.0	0.3	-	1.3
Denmark	-	3.0	-	-	3.0
European Union	-	14.1	22.2	-	36.3
Food and Agriculture Organization of the United Nations	-	0.4	0.2	-	0.6
Germany	0.3	-	0.3	-	0.6
Global Agriculture and Food Security Program	-	19.4	-	-	19.4
Hungary	-	-	0.1	-	0.1
Ireland	-	-	1.2	-	1.2
Italy	0.4	-	0.1	-	0.5
Japan	0.2	-	-	-	0.2
Republic of Korea	0.6	-	0.9	1.2	2.7
Luxembourg	-	-	0.6	-	0.6
Netherlands	0.7	1.2	6.9	-	8.8
Norway	-	3.8	-	9.5	13.3
Russian Federation	-	0.7	-	-	0.7
Sweden	-	-	1.2	5.9	7.1
Switzerland	0.3	5.0	0.4	-	5.7
Treasury Harmonization Cost Sharing	-	-	0.1	-	0.1
United Nations Development Programme	-	-	0.3	-	0.3
World Bank	-	17.7	-	-	17.7
Total	**2.5**	**66.7**	**34.8**	**16.6**	**120.6**

[a] Amounts received in currencies other than US$ are converted at the prevailing exchange rate on the date the payment was received.

TABLE 3
IFAD financing by region, 1978-2017[a, b]
Amounts in US$ million

	1978-2009	2010-2012	2013-2015	2016	2017	1978-2017
West and Central Africa						
Total amount	1 926.2	592.3	587.1	76.5	190.3	3 372.4
Number of programmes and projects	182	21	18	1	3	225
East and Southern Africa						
Total amount	2 087.8	590.1	669.0	232.9	263.1	3 843.0
Number of programmes and projects	152	15	16	4	7	194
Asia and the Pacific						
Total amount	3 605.4	854.3	1 053.9	184.2	452.1	6 149.8
Number of programmes and projects	204	26	28	5	8	271
Latin America and the Caribbean						
Total amount	1 670.0	272.2	227.7	142.1	82.7	2 394.7
Number of programmes and projects	139	17	13	8	4	181
Near East, North Africa and Europe						
Total amount	1 878.5	400.6	349.2	139.1	266.1	3 033.5
Number of programmes and projects	147	20	15	6	10	198
Total IFAD financing[c]	**11 167.8**	**2 709.5**	**2 886.8**	**774.9**	**1 254.4**	**18 793.4**
Total number of programmes and projects[d]	**824**	**99**	**90**	**24**	**32**	**1 069**

Source: Grants and Investment Projects 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 country-specific grants for investment projects. It does not include other grants unrelated to programmes and projects.

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

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

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

TABLE 4
Summary of IFAD loans by region and lending terms, and DSF grants, 1978-2017[a]
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	615.8	516.1	323.2	51.2	320.6	1 826.9
Number of grants	46	35	27	9	29	146
Highly concessional loans						
Amount	2 459.5	3 023.0	4 200.0	435.9	1 041.9	11 160.5
Number of loans	214	185	220	43	91	753
Hardened loans						
Amount					59.1	59.1
Number of loans					5	5
Intermediate loans						
Amount	105.2	108.9	607.5	488.0	665.0	1 974.7
Number of loans	11	11	35	51	40	148
Blend loans						
Amount	67.7	17.8	418.3	61.1	118.4	683.4
Number of loans	2	2	13	5	6	28
Ordinary loans						
Amount	21.3	57.1	500.4	1 315.1	746.6	2 640.5
Number of loans	3	7	13	89	46	158
Total amount	**3 269.4**	**3 723.0**	**6 049.6**	**2 351.3**	**2 951.6**	**18 345.0**
Percentage of total IFAD loans and DSF grants	**18**	**20**	**33**	**13**	**16**	**100**
Total number of loans[b,c] and DSF grants	**276**	**240**	**308**	**197**	**217**	**1 238**

Source: Grants and Investment Project 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. Any discrepancy in totals is due to rounding.

[b] 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.

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

TABLE 5
Annual loan disbursement by region, 1979-2017[a]
Amounts in US$ million

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1979-2017
West and Central Africa	65.9	65.2	65.9	73.6	94.8	75.8	82.5	81.0	80.5	89.5	1 640.2
East and Southern Africa	84.2	102.2	96.3	102.5	139.2	134.6	99.0	99.2	111.8	189.0	2 152.3
Asia and the Pacific	102.5	125.6	159.3	230.4	172.2	157.7	180.8	201.6	230.6	197.3	3 878.4
Latin America and the Caribbean	80.8	60.6	64.0	73.0	66.1	55.2	63.4	51.2	62.9	72.1	1 623.1
Near East, North Africa and Europe	101.5	74.2	73.1	69.3	63.7	61.9	59.8	53.7	53.1	83.2	1 765.0
Total[b]	**434.8**	**427.8**	**458.7**	**548.7**	**536.0**	**485.2**	**485.6**	**486.6**	**538.9**	**631.0**	**11 059.0**

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.

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

TABLE 6
Annual DSF disbursement by region, 2007-2017
Amounts in US$ million

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-2017
West and Central Africa	1.0	1.9	9.1	23.8	36.7	49.2	46.9	42.1	36.4	43.3	290.5
East and Southern Africa	3.6	5.7	15.9	25.1	38.5	40.4	54.2	31.7	33.0	28.1	277.3
Asia and the Pacific	1.7	3.9	6.8	11.6	21.0	22.9	31.8	23.9	27.5	26.6	178.7
Latin America and the Caribbean		0.6	0.9	3.4	6.6	6.2	6.3	5.2	3.8	7.5	40.5
Near East, North Africa and Europe	0.1	1.6	6.7	12.4	15.9	23.9	18.0	22.7	23.1	22.2	146.6
Global	0.1										0.1
Total[a]	**6.5**	**13.7**	**39.4**	**76.3**	**118.6**	**142.6**	**157.4**	**125.6**	**123.9**	**127.7**	**933.6**

Source: Loans and Grants System.

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

TABLE 7
Loan disbursement by region and lending terms under the Regular Programme, 1979-2017[a]
Amounts in US$ million

	Highly concessional	Intermediate	Ordinary	Hardened	Total
West and Central Africa					
Amount	1 561.6	60.9	17.7	-	1 640.2
Percentage of total loan effective commitment	76	49	98	-	75
East and Southern Africa					
Amount	2 041.2	103.2	7.9	-	2 152.3
Percentage of total loan effective commitment	74	85	12	-	73
Asia and the Pacific					
Amount	3 184.6	500.3	193.5	-	3 878.4
Percentage of total loan effective commitment	81	49	36	-	70
Latin America and the Caribbean					
Amount	398.0	430.1	795.0	-	1 623.1
Percentage of total loan effective commitment	91	85	63	-	74
Near East, North Africa and Europe					
Amount	917.3	497.3	316.2	34.2	1 765.0
Percentage of total loan effective commitment	93	72	42	75	71
Total amount	**8 102.7**	**1 591.8**	**1 330.4**	**34.2**	**11 059.0**
Total percentage of total loan effective commitment	**80**	**64**	**50**	**75**	**72**

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.

The IFAD grant portfolio

IFAD gives grants to partners in order to generate, test and implement innovative ideas and approaches to rural poverty reduction. Grants fund work with a range of strategic partners, including governments, smallholder farmers and other small rural producers, civil society organizations, research institutions, academia, private-sector actors, and other centres of excellence involved in rural and agricultural development. Grants are a key instrument and they complement IFAD's investment programme by promoting innovations, policy engagement, research and partnerships. Since 1978, IFAD has committed about US$1,162.2 million in grants (table 1).

According to the IFAD Policy for Grant Financing, approved in 2015, the goal of IFAD grants is to significantly broaden and add value to the support provided to smallholder farming and rural transformation, thereby contributing to rural poverty eradication, sustainable agricultural development, and global food security and nutrition. Rural poor women and men and their organizations are central to every grant-funded initiative.

IFAD has two types of grants, depending on the nature of the innovation and the scope of intervention: global or regional grants, and country-specific grants. In 2017, 56 grants worth a total of US$61.6 million were approved. This included US$47.2 million for 35 global and regional grants and US$14.4 million for 21 grants in specific countries (table 8).

Country-specific grants primarily focus on strengthening institutional, implementation and policy capacities and innovating in thematic areas. They also pilot new technologies, approaches and methodologies that can subsequently be scaled up through IFAD's country programme and by other stakeholders.

Global and regional grants fund innovative responses to rural and agricultural challenges being faced by several partner countries. These grants are driven by thematic and regional corporate-level strategic priorities for partnership, research, policy engagement and capacity-building, determined by IFAD's three-year medium-term plan and further sharpened into annual priority lines of action. As a result, IFAD allocates grant resources according to well-defined corporate strategic directions. In 2017, the areas of focus for global or regional grants were:

- Rights and access of most vulnerable populations to resources
- Innovative information and communication technologies for smallholder farmers
- Reducing food losses along value chains
- Improved data collection and better results management
- AR4D (agricultural research for development) to sustainably enhance the intensification and resilience of smallholder agriculture

Finally, an important change introduced as a result of the new grants policy is a move towards selecting grantees via competitive processes, including calls for interest. In 2017, 14 grant recipients were selected through a competitive process.

Aiming at recognizing best practices within the grants programme, IFAD's annual Grant Awards were introduced with four categories: Good Practice in Design, Impact on Poverty Reduction, Knowledge Sharing, and Innovation. The Grant Awards are intended to expand the Fund's knowledge and experience and enrich its lending operations, advisory services and knowledge products.

The winners selected were:

- **Good Practice in Design**: Improve Dryland Livelihoods in Djibouti and Somalia through Productivity-enhancing Technologies.
- **Impact on Poverty Reduction**: Strengthening the Productive and Organizational Model of the Cooperativa Integral Agrícola Mujeres 4 Pinos – Phase II (see page 52).
- **Knowledge Sharing**: Strengthening Knowledge Sharing and Scaling up of Sustainable Innovation Using Learning Route Methodology – Phase II (see page 49).
- **Innovation**: Programme to Increase the Visibility and Strengthen the Entrepreneurship of Rural Afro-descendant Communities in Latin America (see page 47).

TABLE 8
Summary of grant financing, 2013-2017
(Amounts in US$ million)[a]

	2013	%	2014	%	2015	%	2016	%	2017	%	2013-2017	%
Global/regional grants												
Amount	42.9	86	39.5	78	54.9	75	44.7	78.6	47.2	76.6	229.2	78.3
Number of grants	48		45		43		38		35		209	
Country-specific grants												
Stand-alone												
Amount	3.5	7	5.4	11	9.2	13	3.2	5.6	3.8	6.1	25.1	8.6
Number of grants	8		11		14		3		7		43	
Loan component												
Amount	3.6	7.2	4.7	9.3	9	12	8.6	15.1	10.7	17.3	36.6	12.5
Number of grants	7		6		12		11		14		50	
Total country-specific												
Amount	7.1	14	10.1	20	18.2	25	11.8	20.7	14.4	23.4	61.6	21.0
Number of grants	15		17		26		14		21		93	
Other DSF grants												
Amount	-	-	1	2	0.5	0.7	0.4	0.7	-	-	1.9	0.6
Number of grants	-		2		1		1		-		4	
Total all windows												
Amount	50	100	50.6	100	73.6	100	56.9	100	61.6	100	292.7	100
Number of grants	63		64		70		53		56		306	

Source: Oracle Business Intelligence, Quality Assurance Group tracking sheet
[a] Any discrepancy in totals is the result of rounding

Story from the field
Empowering Afro-descendant communities in Latin America

Afro-descendants are among the most vulnerable populations in Latin America, facing the region's worst rates of inequality, violence and rural poverty. A recent IFAD-supported grant worked to challenge these trends, empowering Afro-descendants to exercise their rights, increase their incomes and achieve greater social inclusion.

The US$1,750,000 IFAD grant was awarded to Fundación ACUA, a non-profit organization that works with IFAD in Brazil, Colombia, Ecuador and Peru to promote the empowerment of Afro-descendants. In order to foster greater economic and social inclusion, ACUA supports innovative income-generating initiatives for Afro-descendants and the recovery of cultural knowledge and practices.

The grant financed a wide range of activities, including knowledge-sharing, capacity-building and sustainable cultural entrepreneurship. Participating Afro-descendant communities gained the skills to preserve long-forgotten crops and food traditions by developing small businesses to sell products in larger markets. The grant especially targeted women – who remain the guardians of tradition in Afro-descendant communities – to aid their communities in improving productive capacity and political participation.

"When we started going back to grow traditional plants, men would contemptuously say: Here come those women with their chit-chat about the herbs," said Teófila Betancurth, president of the Chiyangua Foundation, an Afro-descendant organization supported by ACUA.

"Now that families are making their living out of that, men seek us out to learn about our crops and agriculture techniques," she said. "Women in our community are food producers, peace-builders and those who care for our environment."

By prioritizing education among peers, ACUA created opportunities to generate new knowledge. In some cases, this resulted in more productive technologies, such as new machines for processing coconuts. In others, it led to the development of new products, including flour from *papachina*, a local vegetable, and a pesto made from regional aromatic herbs.

(Left to right) Luisa Cuero de Velazco, Yadira Perlaza and Teófila Betancurth tend aromatic and medicinal herbs in Colombia.
©IFAD/Angele Etundi/ACUA Foundation

In other cases, new knowledge about biodiversity led to the formation of innovative partnerships. In collaboration with Slow Food, a global organization dedicated to preserving local culinary traditions, over 180 Afro-descendant families joined together to protect the black crab – an important ingredient in local cuisine. As part of a strategy to promote and diversify its use, the families worked with Slow Food to host a Black Crab Festival on the Colombian islands of Providencia and Santa Catalina. There they also created a gastronomic tour for visitors.

By the end of the grant, all 44 cultural enterprises supported by ACUA were considered sustainable, with incomes that had increased by nearly 50 per cent. Additionally, 22 of their products with cultural identity are now being sold in national markets and department stores. The grant also strengthened Afro-descendant organizations, with membership increasing by 24 per cent over the lifetime of the project. In recognition of its achievements, the grant received the IFAD Grant Award for Innovation.

ACUA's multifaceted approach to overcoming extreme poverty in Afro-descendant communities has been replicated by other development partners, such as the Global Environment Facility, the United States Agency for International Development and the Government of Colombia. Having collaborated with Fundación ACUA, IFAD is one of the first development agencies to directly support Afro-descendant communities.

Story from the field
Smallholders tap into the profitable beef industry in Swaziland

Demand for meat is growing worldwide, driven by growing populations and rising incomes. Yet smallholder livestock farmers struggle to reap the benefits. In countries of the Southern African Development Community, for example, more than 1.3 million tons of beef was consumed in 2016 and this is projected to rise to nearly 1.5 million tons by 2025.

The beef industry is particularly lucrative, and production is often the domain of wealthier, predominantly commercial farmers. In Swaziland, however, smallholder farmers – many of whom are women – are now players in the beef value chain thanks to a small feedlot model that builds on the experience gained with smallholder livestock farmers in Viet Nam by IFAD, the International Center for Tropical Agriculture and the International Livestock Research Institute (ILRI).

Through an IFAD grant to ILRI, the feedlots have been successfully introduced in Swaziland through the IFAD-funded Lower Usuthu Smallholder Irrigation Project. This has enabled resource-poor cattle farmers to increase their incomes, reduce their environmental footprint, and tap into the profitable regional and international beef industry.

The mini feedlots are designed specifically to speed up the fattening cycle and to respect animal welfare and health. Farmers are also trained in animal handling. The feedlots are owned and run by groups of 10 to 25 farmers and make it possible to use forage and agricultural by-products to fatten 20-25 animals in a 90- to 120-day cycle. This is a significant reduction on the 12-month fattening period necessary for cattle that are grazed and hence an efficiency gain that also reduces greenhouse gas emissions. Participating farmers are now selling cattle for over US$2 a kilogram live weight, which is a competitive price.

The feedlots are part of an innovative approach to targeted rural investment in Swaziland. Because lack of access to financing was identified as a key constraint for small farmers, IFAD and ILRI partnered with the South African NedBank to make inclusive financing available. This enabled previously unbanked smallholders to access credit with which they bought cattle. Farmers repaid their loans once the animals had been fattened and sold.

The Swaziland Water and Agricultural Development Enterprise (SWADE), the country's Micro Finance Unit and the University of Swaziland are also partners in the programme, which is widely known as SWAZI BEEF.

A field visit to the cattle feedlot of the Singeni investment group in Swaziland.
©IFAD/Antonio Rota

Despite local patriarchal practices and beliefs, women farmers are playing a prominent role in the beef fattening enterprises – making up 48 per cent of participants. One highly successful all-women group is reported to be making profits that enable them to buy animals without needing credit. Young people make up 40 per cent of participating farmers, attracted by this market-oriented agricultural system that sees a quick turnaround from investment to payoff.

The mini feedlot model is now being rolled out in Mozambique, and there are requests from countries in southern Africa, notably Malawi, Tanzania, Zambia and Zimbabwe. In Swaziland, there are plans to expand the use of small feedlots while reducing the costs of feed, and increasing environmental sustainability by improving management of the manure, using it as fertilizer and to produce biogas, a source of renewable energy.

Story from the field

Learning routes cross continents and drive knowledge-sharing in Asia

An innovative knowledge-sharing method pioneered in Latin America has been rolled out in Asia as part of a new IFAD-funded grant. By empowering smallholders and fostering the exchange of knowledge and skills, the grant reached 47,000 people between 2014 and 2016 – more than twice its initial objective.

The grant was awarded to PROCASUR, a global organization dedicated to identifying and scaling up local innovations that reduce poverty. PROCASUR is known for its Learning Routes methodology, a peer-to-peer knowledge-sharing programme it has successfully implemented in Africa and Latin America. With IFAD's help, PROCASUR designed ROUTASIA, introducing learning routes to the Asia and Pacific Region.

The Learning Routes methodology is based on the idea that successful solutions to existing problems are already in use in rural areas. For a

Farmers and government staff learn how to produce organic fertilizers on a learning route in Takeo Province, Cambodia.
©IFAD/Gabor Tivelli/PROCASUR

Learning Route on a given issue, best practices are identified and successful smallholders are trained as capacity builders. The "local champions" then share their experiences with the Learning Route's participants from other areas. When the participants return to their organizations, they have the tools and knowledge they need to spur agricultural development in their own contexts.

Throughout Bangladesh, Cambodia, Laos, Nepal, Thailand and Viet Nam, ROUTASIA sponsored 16 Learning Routes across 15 IFAD-supported projects and trained 476 local champions. Through its activities, the grant empowered women and minority groups; encouraged the adoption of new skills among smallholders and government officials; and created over 50 knowledge products, including videos, publications and newsletters.

ROUTASIA's Learning Routes inspired other opportunities for learning and knowledge-sharing as well. Community Learning Centres from Thailand were introduced in Cambodia. The Annual Country Portfolio Review – a policy support platform championed by the Philippines – was facilitated in 2016 in Cambodia and in 2015 in Laos. A farmer organization Learning Route was organized with ASEAN and the Medium Term Cooperation Programme with Farmers' Organization in Asia and the Pacific Region – Phase 2 (MTCP-2) in March 2016. And a massive regional encounter between farmers and scientists was supported at a Local Champions Exhibition in Phnom Penh, Cambodia, in August 2015. Additionally, in Viet Nam and Nepal, local champions were enrolled as service providers to the government.

Even though ROUTASIA's grant period has ended, its methodology will continue to be used. The grant was awarded the IFAD Grant Award for Knowledge Sharing in recognition of its success.

By focusing on training trainers and empowering local stakeholders, ROUTASIA and the Learning Routes methodology reflected a shift in knowledge management approaches in the Asia and Pacific Region. More projects are now expected to partner directly with PROCASUR and in-country partners without IFAD mediation.

Story from the field

Farmers upgrade traditional products in Bosnia and Herzegovina and gain access to markets in Egypt

Family farmers in rural Bosnia and Herzegovina and Egypt have increased their incomes, production and skills by taking part in a project funded by an IFAD grant and implemented by Oxfam Italia.

In the central European country, the project focused on enabling small farmers and processors to upgrade traditional local products so they could be sold for a better price, appeal to visiting tourists and be exported to markets in Europe.

The project started work in 2013 in seven municipalities between the Drina River and the upper Neretva Valleys, where the tourist industry is being developed because of the natural beauty of the area. The grant-funded initiative worked together with two larger activities supported by IFAD loans in the country, the Rural Livelihoods Development Project and the Rural Enterprise Enhancement Project.

Six farmer organizations were enabled to update their business plans and improve their technical, marketing and communication skills. Equipment and machinery were provided to improve and modernize the services that the associations and cooperatives offer to their members, including collecting, preserving, packaging and marketing goods.

Over 1,000 producers of high-value soft fruits such as raspberries and strawberries benefited from activities, together with growers of traditional local apple varieties, organic vegetables and mushrooms. Small agricultural enterprises that produce jams and juices from plums, peppers and apples were also involved, and special attention was paid to including women, young people and other groups that are particularly vulnerable to poverty. Farmers were also offered training in environmentally friendly growing practices, which improved the quality and marketability of their produce.

The same grant funded work in two governorates in Upper Egypt – Beni Suef and Minya – which are among the poorest parts of the country. The start-up of the grant was delayed by the local political situation; work eventually got under way in 2014 and was completed in 2017.

Over 8,000 small farmers increased their incomes by learning good agricultural practices and technologies to increase the productivity of crops such as beans, onions, garlic, and

A family harvests raspberries on their farm in Mustajbasici, Zavidovići municipality, Bosnia and Herzegovina.
©IFAD/Dino Hrustanovic

medicinal and aromatic plants. Farmers also acquired marketing skills and took training in quality criteria and specifications for international markets. In addition, more than 700 women began to earn their own money by breeding poultry and goats and making and selling dairy products.

In the community of Ahmed Allam in Beni Suef governorate, about 4,000 small farmers are now able to claim their rights in irrigation water, because the associations that represent them have learned how to bring pressure to bear on government officials to clear water channels of anything that obstructs farmers' access.

Story from the field

Cooperative of indigenous women in Guatemala reaches international markets

In Guatemala, a cooperative of indigenous women is now exporting goods to international markets with the support of an IFAD grant. By offering a broad range of social and economic services that encourage women's empowerment, the cooperative has also helped 70 per cent of its members escape poverty over the past three years. Now its successes are spreading across the region.

Since it was created in 2006, the *Mujeres Cuatro Pinos* cooperative has promoted a comprehensive model of rural development and women's empowerment. In addition to providing access to credit, technology, inputs and markets, the cooperative also offers health services, training, day care for children and an accelerated elementary school programme – with scholarships – where members or their families can finish their schooling. For the Kaqchiquel women who make up the cooperative, these services enable them to pursue life-changing opportunities.

In addition to the social services, the cooperative also enables members to boost their productivity and incomes. Thanks to its Exporter Code, *Mujeres Cuatro Pinos* is the first women's cooperative in Guatemala to export products directly to markets in the United States and Europe. To take full advantage of this opportunity, the cooperative's members have started growing high-demand, high-value crops such as baby carrots, sweet peas, Chinese peas and string beans.

IFAD's grant has enabled the cooperative to grow significantly. Between 2011 and 2016, the sales figures of *Mujeres Cuatro Pinos* increased by 450 per cent to US$3.6 million. Now

Women pack green beans for export in the facilities of the *Mujeres Cuatro Pinos* cooperative in Sacatepéquez, Guatemala.
©IFAD/Fausto Veliz

employing 450 women – including 130 young women – the cooperative has the capacity to produce nearly 150,000 kilograms of vegetables each month. These results helped the grant-funded programme earn the IFAD Grant Award for Impact on Poverty Reduction.

As the cooperative prospers, it is also creating opportunities for other women in the region. *Mujeres Cuatro Pinos* is extending its coverage to include women's groups in new geographic areas as suppliers. These partnerships entail the transfer of training and knowledge among women from different communities, especially about how to implement good agricultural and manufacturing practices. The cooperative currently works with over 50 suppliers, and it plans to keep growing in order to take advantage of the demands of international markets.

To support its continued growth, the IFAD-funded grant helped *Mujeres Cuatro Pinos* finance a Training and Knowledge Management Centre to promote regional exchange of knowledge and best practices. The centre will enable other groups of women producers in the region to learn from the cooperative's model and empower them to replicate the activities in their own lives.

Story from the field
Women are spinning, weaving and crafting for export in Tajikistan, Afghanistan and Kyrgyzstan

The ancient arts of spinning and weaving are now part of innovative business models empowering women in remote mountainous areas of Tajikistan, Afghanistan and Kyrgyzstan. In Tajikistan, the only export business operated exclusively by rural women produces high-quality cashgora yarn sold as far away as the United States, where customers pay US$48 for a 100-gram skein.

Work to turn cashgora into an export yarn began almost 10 years ago with a 2009 grant from IFAD to the International Center for Agricultural Research in the Dry Areas, or ICARDA. Initially, the focus was on improving goat husbandry techniques to improve the quantity and quality of the fibre. At the same time, local women were supported to form associations, improve their combing and spinning techniques, and buy equipment that mechanized some of the processing tasks.

In 2013, IFAD gave a new grant of US$1.3 million to the Aga Khan Foundation (AKF). Outreach was expanded to challenging

Members of the women's group in Markhamat village, Sugd region in northwestern Tajikistan, learn how to use an electric spinning machine.
©IFAD/Liba Brent

mountainous areas of eastern Tajikistan and to Afghanistan and Kyrgyzstan. The follow-up grant was awarded to AKF because of its long-standing presence in remote mountain communities, where it was trusted by the local people.

The AKF grant built on solid foundations and was boldly innovative. For example, in Tajikistan, a value chain for cashgora fibre was a totally new activity. Although cashgora goats were kept in the Tajik Pamirs during the Soviet period, the raw fibre was exported to Russia and China, but never processed locally. This meant that the primary producers – the families who own the goats – took the smallest share of the final price of the yarn.

Enabling local women to move up the value chain and step into the role of processors and exporters has empowered them both economically and socially, increasing their status and self-esteem.

The business model is a hybrid of a private enterprise and a cooperative. While the business is managed by experienced group leaders, its administration is based on participatory decision-making and fair distribution of the proceeds. The division of rewards and responsibilities between group leaders and spinners is mutually agreed, and the women have created a constitution that is posted in every workshop.

Remodelled shipping containers have been repurposed as spinning workshops running on solar power to meet the need for adequate workspaces for the women, especially during the harsh winters. These eco-friendly workshops provide a space for spinners to focus on their jobs, learn from each other, and spin yarn through the winter, when electricity is limited to four hours per day.

In 2016, leaders from the Tajik and Afghan groups visited the United States to meet the knitters who were buying their yarn, and the visit created a strong bond. This was further strengthened when the project taught the spinners to email and skype with buyers, with the support of translators.

The project has successfully integrated imported know-how, technologies, fair trade principles and the practice of women's empowerment with local raw materials and technologies, and the needs of local women and men. The strongest women-led businesses were established in northern Tajikistan where trade is better developed. The good practices developed by these groups were used to help less advanced groups in the east of the country. In neighbouring Afghanistan, the project worked with spinners from the most remote areas in the north who produced high-quality cashmere yarn but struggled to ship it to buyers. The Tajik spinning groups helped train the Afghan spinners to successfully transport their product together with the Tajik yarn.

In Kyrgyzstan, the project started work with felting groups in the remote highlands of the Naryn region where the craftswomen lacked experience in design and marketing. A design studio was therefore set up in the capital Bishkek, where quality felt handicrafts were already produced. The groups in Naryn were linked with the studio, helping them to design new products and learn marketing skills. As a result, a group from Acha Kaiyndy, in At-Bashi district, was granted a UNESCO certificate for one of its products ("Felt kit for a picnic in the style of a *shyrdak*").

Organization, membership and representation

See the current IFAD organigramme here: http://www.ifad.org/organigramme

As of 31 December 2017, IFAD had a total membership of 176 countries – 25 in List A, 12 in List B, 139 in List C (of which 50 in Sub-List C1, 57 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
Russian Federation
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
Cabo Verde
Cameroon
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
Uganda
United Republic of Tanzania
Zambia
Zimbabwe

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
Micronesia (Federated States of)
Mongolia
Montenegro
Myanmar
Nauru
Nepal
Niue
Oman
Pakistan
Palau
Papua New Guinea
Philippines
Republic of Korea
Republic of Moldova
Romania
Samoa
Solomon Islands
Sri Lanka
Syrian Arab Republic
Tajikistan
Thailand
The former Yugoslav Republic of Macedonia

Sub-List C3
Latin America and the Caribbean

Antigua and Barbuda
Argentina
Bahamas (The)
Barbados
Belize
Bolivia (Plurinational State of)
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

Timor-Leste
Tonga
Turkey
Tuvalu
Uzbekistan
Vanuatu
Viet Nam
Yemen

LIST OF GOVERNORS AND ALTERNATE GOVERNORS OF IFAD MEMBER STATES IN 2017[1]

	Governor	Alternate Governor
AFGHANISTAN	Abdul Waheed Omer	—
ALBANIA	Arben Ahmetaj	Roni Telegrafi
ALGERIA	Abdesslam Chelgham *(January - June 2017)* Abdelkader Bouazgui *(June 2017 -)*	Abdelhamid Senouci Bereksi
ANGOLA	Marcos Alexandre Nhunga	Florêncio Mariano da Conceição de Almeida
ANTIGUA AND BARBUDA	—	—
ARGENTINA	Claudio Javier Rozencwaig *(January - June 2017)* María Cristina Boldorini *(June 2017 -)*	—
ARMENIA	Ignati Araqelyan	Zohrab V. Malek
AUSTRIA	Edith Frauwallner	Günther Schönleitner *(January - March 2017)* Elisabeth Gruber *(March 2017 -)*
AZERBAIJAN	Heydar Khanish oglu Asadov	Mammad Bahaddin Ahmadzada
BAHAMAS (THE)	V. Alfred Gray *(January - August 2017)* Renward Wells *(August 2017 -)*	Eldred Edison Bethel
BANGLADESH	Abul Maal Abdul Muhith	Monzur Hossain
BARBADOS	—	—
BELGIUM	Patrick Vercauteren Drubbel *(January - September 2017)* Frank Carruet *(September 2017 -)*	—
BELIZE	Jose Alpuche	—
BENIN	Delphin Olorounto Koudande *(January - December 2017)* Gaston Dossouhoui *(December 2017 -)*	— *(January - February 2017)* Evelyne Togbe-Olory *(February 2017 -)*
BHUTAN	Yeshey Dorji	Kinga Singye
BOLIVIA (PLURINATIONAL STATE OF)	—	—
BOSNIA AND HERZEGOVINA	— *(January - May 2017)* Josip Gelo	Vesela Planinic *(January - December 2017)* Gildzana Tanovic

[1] Dates in parentheses indicate what period the representative served within the year. Where no date is given, this indicates that the Representative served for the entire year.

	Governor	Alternate Governor
	(May 2017 -)	*(December 2017 -)*
BOTSWANA	Kgotla K. Autlwetse	Biopelo Khumomatlhare
BRAZIL	— *(January - February 2017)* Dyogo Henrique de Oliveira *(February 2017 -)*	Maria Laura da Rocha *(January - February 2017)* — *(February 2017 -)*
BURKINA FASO	Hadizatou Rosine Coulibaly Sori	Ambroise Kafando
BURUNDI	Phil Domitien Ndihokubwayo	Déo Guide Rurema
CABO VERDE	Manuel Augusto Lima Amante da Rosa	Sónia Cristina Martins
CAMBODIA	Veng Sakhon *(January - November 2017)* Aun Pornmoniroth *(November 2017 -)*	— *(January - November 2017)* Veng Sakhon *(November 2017 -)*
CAMEROON	Clémentine Ananga Messina	Dominique Awono Essama
CANADA	Sarah Fountain-Smith *(January 2017 - August 2017)* Christopher MacLennan *(August 2017 -)*	Michel Gagnon
CENTRAL AFRICAN REPUBLIC	Honoré Feizoure	Mahamat Yacoub Taïb
CHAD	Asseid Gamar Sileck	—
CHILE	Luis Fernando Ayala González	—
CHINA	Shi Yaobin	Chen Shixin
COLOMBIA	Juan Rafael Mesa Zuleta	—
COMOROS	Siti Kassim *(January - October 2017)* Moustadroine Abdou *(October 2017 -)*	—
CONGO	Henri Djombo	Mamadou Kamara Dekamo
COOK ISLANDS	—	—
COSTA RICA	Marco Vinicio Vargas Pereira	Miguel Ángel Obregón López
CROATIA	Damir Grubiša *(January - October 2017)* Jasen Mesić *(October 2017 -)*	—
CUBA	Rodrigo Malmierca Díaz	Alba Beatriz Soto Pimentel *(January - October 2017)* — *(October 2017 -)*
CYPRUS	George F. Poulides	Spyridon Ellinas
CôTE D'IVOIRE	Mamadou Sangafowa Coulibaly	Seydou Cissé
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	— *(January - September 2017)* Mun Jong Nam *(September 2017 -)*	Rim Song Chol

	Governor	Alternate Governor
DEMOCRATIC REPUBLIC OF THE CONGO	Emile Christophe Mota Ndongo Kang *(January - November 2017)* Georges Kazadi Kabongo *(November 2017 -)*	Hubert Ali Ramazani *(January - February 2017)* Léopold Mulumba Mfumu Kazadi *(February 2017 -)*
DENMARK	Morten Jespersen	Vibeke Gram Mortensen
DJIBOUTI	Mohamed Ahmed Awaleh	Ayeid Mousseid Yahya
DOMINICA	Matthew Walter	—
DOMINICAN REPUBLIC	Antonio Vargas Hernández	Mario Arvelo Caamaño
ECUADOR	Fausto Eduardo Herrera Nicolalde *(January - March 2017)* Patricio René Rivera Yánez *(March - July 2017)* Carlos Alberto de la Torre *(July 2017 -)*	Javier Ponce Cevallos *(January - July 2017)* Vanessa Cordero Ahiman *(July - December 2017)* Rubén Ernesto Flores Agreda *(December 2017 -)*
EGYPT	Essam Osman Fayed *(January - February 2017)* Abdel Moneem El Banna *(February 2017 -)*	Amr Mostafa Kamal Helmy *(January - February 2017)* — *(February - October 2017)* Hisham Mohamed Badr *(October 2017 -)*
EL SALVADOR	Sandra Elizabeth Alas Guidos	—
EQUATORIAL GUINEA	Víctor Grange Meile	Miguel Mba Nchama Mikue
ERITREA	Arefaine Berhe	Fessehazion Pietros
ESTONIA	—	Siim Tiidemann *(January - May 2017)* Ruve Schank *(May 2017 -)*
ETHIOPIA	Tefera Derbew *(January - April 2017)* Eyasu Abrha *(April 2017 -)*	Mulugeta Alemseged Gessese *(January - May 2017)* Zenebu Tadesse Woldetsadik *(May 2017 -)*
FIJI	Inia Batikoto Seruiratu	Joeli Cawaki *(January - February 2017)* Viam Pillay *(February 2017 -)*

FINLAND	Elina Kalkku	— *(January - April 2017)* Satu Santala *(April 2017 -)*
FRANCE	Guillaume Chabert	—
GABON	Yves Fernand Manfoumbi	Rachelle Ewomba-Jocktane
GAMBIA (THE)	Ismaila Sanyang *(January - September 2017)* Omar A. Jallow *(September 2017 -)*	Lang Yabou
GEORGIA	Otar Danelia *(January 2017)* Levan Davitashvili *(January 2017 -)*	Karlo Sikharulidze
GERMANY	Peter Failer *(January - May 2017)* — *(May 2017 -)*	—
GHANA	Alhaji Mohammed Muniru *(January - August 2017)* Owusu Afriyie Akoto *(August 2017 -)*	Molly Anim Addo *(January 2017)* — *(January - August 2017)* Paulina Patience Abayage *(August 2017 -)*
GREECE	Themistoklis Demiris *(January - June 2017)* — *(June 2017 -)*	Alexios Marios Lyberopoulos
GRENADA	Yolande Bain-Horsford	—
GUATEMALA	Stephanie Hochstetter Skinner-Klée *(January - March 2017)* — *(March 2017 -)*	Sylvia Wohlers de Meie
GUINEA	Jacqueline Sultan *(January - September 2017)* Naby Youssouf Kiridi Bangoura *(September 2017 -)*	Mohamed Chérif Diallo
GUINEA-BISSAU	—	—
GUYANA	Noel Holder	George Jervis
HAITI	—	—
HONDURAS	Jacobo Páz Bodden	—
HUNGARY	Katalin Tóth	Zoltán Kálmán
ICELAND	María Erla Marelsdóttir	Auðbjörg Halldórsdóttir

INDIA	Dinesh Sharma *(January - December 2017)* Subhash Chandra Garg *(December 2017 -)*	Raj Kumar *(January - September 2017)* Sameer Kumar Khare *(September - December 2017)* Anurag Agarwal *(December 2017 -)*
INDONESIA	Rionald Silaban	—
IRAN (ISLAMIC REPUBLIC OF)	Majid Bizmark	—
IRAQ	Falah Hassan Zaidan	Ahmad A.H. Bamarni
IRELAND	Bobby McDonagh *(January - July 2017)* — *(July - October 2017)* Colm Ó Floinn *(October 2017 -)*	Damien Kelly
ISRAEL	Ofer Sachs	Olga Dolburt *(January - August 2017)* Sharon Kabalo *(August 2017 -)*
ITALY	Enrico Morando	—
JAMAICA	Karl Samuda	Wayne McCook
JAPAN	Kazuyoshi Umemoto *(January - July 2017)* — *(July - September 2017)* Keiichi Katakami *(September 2017 -)*	Kenji Okamura *(January - September 2017)* Takashi Miyahara *(September 2017 -)*
JORDAN	Imad Fakhoury	Radi Al-Tarawneh *(January - December 2017)* Mahmmud Khaled Suleiman Al-Jam'ani *(December 2017 -)*
KAZAKHSTAN	Yermek Kosherbayev *(January - February 2017)* Sergey Nurtayev *(February 2017 -)*	Dina Sattybayeva *(January - February 2017)* Seit Nurpeissov *(February 2017 -)*
KENYA	Willy Bett	—
KIRIBATI	Tebao Awerika	Moannata Ientaake
KUWAIT	Anas Khalid Al-Saleh *(January - December 2017)* Nayef Falah Al-Hajraf *(December 2017 -)*	Hesham I. Al-Waqayan
KYRGYZSTAN	—	—

LAO PEOPLE'S DEMOCRATIC REPUBLIC	Somdy Douangdy	—
LEBANON	Gloria Abouzeid *(January - August 2017)* Majida Mcheik *(August 2017 -)*	Rania Khalil Zarzour
LESOTHO	Lisemelo 'Mapalesa Mothokho *(January - June 2017)* Mahala Molapo *(June 2017 -)*	'Mathoriso Molumeli *(January - February 2017)* — *(February 2017 -)*
LIBERIA	Moses M. Zinnah *(January - July 2017)* Seklau E. Wiles *(July 2017 -)*	Peter Korvah
LIBYA	—	—
LUXEMBOURG	Romain Schneider	Manuel Tonnar
MADAGASCAR	Rakotovao Rivo *(January - October 2017)* Randriarimanana Harison Edmond *(October 2017 -)*	Ratohiarijaona Rakotoarisolo Suzelin
MALAWI	Jermoth Ulemu Chilapondwa	Jeffrey H. Luhanga
MALAYSIA	Mohd Irwan Serigar Bin Abdullah	Abdul Samad Othman
MALDIVES	Mohamed Shainee	Abdulla Nashid *(January - July 2017)* Mohamed Jaleel *(July 2017 -)*
MALI	Kassoum Denon *(January - April 2017)* Nango Dembélé *(April 2017 -)*	Bruno Maïga
MALTA	Justin Zahra	Stefan Cachia *(January - February 2017)* Saviour Debono Grech *(February 2017 -)*
MARSHALL ISLANDS	—	—
MAURITANIA	Moctar Ould Djay	Marièm Aouffa *(January - February 2017)* Abass Sylla *(February 2017 -)*
MAURITIUS	Mahen Kumar Seeruttun	Pushpawant Boodhun *(January 2017 -)*
MEXICO	Perla Maria Carvalho Soto *(January 2017)* Martha Elena Federica Bárcena Coqui *(February 2017 -)*	Benito Santiago Jiménez Sauma
MICRONESIA (FEDERATED STATES OF)	Marion Henry	Alissa Takesy

MONGOLIA	Purev Sergelen *(January - October 2017)* Batjargal Batzorig *(October 2017 -)*	Tserendorj Jambaldorj
MONTENEGRO	Milutin Simović	Nataša Božović
MOROCCO	Mohammed Sadiki	Mohamed El Gholabzouri
MOZAMBIQUE	Adriano Afonso Maleiane	Rogério Lucas Zandamela
MYANMAR	Aung Thu	Myint Naung
NAMIBIA	John Mutorwa	Petrus N. Iilonga
NAURU	Sasi Kumar	Michael Aroi
NEPAL	Gauri Shankar Chaudhary *(January - July 2017)* Ramkrishna Yadav *(July 2017 -)*	Uttam Kumar Bhattarai *(January - February 2017)* Suroj Pokhrel *(February 2017 -)*
NETHERLANDS	Lilianne Ploumen *(January - November 2017)* Sigrid A.M. Kaag *(November 2017 -)*	Hans Hoogeveen
NEW ZEALAND	Patrick John Rata	— *(January - March 2017)* Joanna Heslop *(March 2017 -)*
NICARAGUA	Mónica Robelo Raffone	—
NIGER	—	—
NIGERIA	Audu Ogbeh	Mahmoud Isa-Dutse
NIUE	—	—
NORWAY	Hans Jacob Frydenlund	Hilde Klemetsdal
OMAN	Ahmed bin Nasser Al Bakry	Ahmed Salim Mohamed Baomar
PAKISTAN	Sikandar Hayat Khan Bosan	Muhammad Saleem Sethi
PALAU	Fleming Umiich Sengebau	Secilil Eldebechel
PANAMA	Dulcidio José de la Guardia	Iván Alexei Zarak Arias
PAPUA NEW GUINEA	Patrick Pruaitch *(January - September 2017)* Charles Abel *(September 2017 -)*	Dairi Vele
PARAGUAY	Santiago Peña Palacios *(January - June 2017)* Lea Raquel Giménez Duarte *(June 2017 -)*	Lea Raquel Giménez Duarte *(January - June 2017)* Humberto Colmán *(June 2017 -)*
PERU	Luis Carlos Antonio Ibérico Núñez	—
PHILIPPINES	Carlos G. Dominguez III	—
PORTUGAL	Cláudia Isabel Anacleto Pereira da Costa de Cerca Coelho	Rosa Maria Fernandes Lourenço Caetano
QATAR	Abdulaziz Ahmed Al Malki Al-Jehani	—
REPUBLIC OF KOREA	Lee Yong-joon *(January - May 2017)* Choi Jong-hyun *(May 2017 -)*	—

REPUBLIC OF MOLDOVA	Iurie Usurelu	Elena Matveeva
ROMANIA	Lucian Dumitru	George Gabriel Bologan
RUSSIAN FEDERATION	Andrey Bokarev	—
RWANDA	Géraldine Mukeshimana	Jacques Kabale Nyangezi
SAINT KITTS AND NEVIS	Eugene Alistair Hamilton	Ashton Stanley
SAINT LUCIA	—	—
SAINT VINCENT AND THE GRENADINES	Saboto Scofield Caesar	Raymond Ryan
SAMOA	Sili Epa Tuioti	Mulipola Leiataua Laki
SAO TOME AND PRINCIPE	Américo D'Oliveira Ramos	Teodorico De Campos
SAUDI ARABIA	Abdulrahman bin Abdulmohsin Al Fadley	Sulaiman M. Al-Turki
SENEGAL	Papa Abdoulaye Seck	Mamadou Saliou Diouf
SEYCHELLES	Bernard Francis Shamlaye *(January - May 2017)* — *(May 2017 -)*	—
SIERRA LEONE	Monty Patrick Jones	Jongopie Siaka Stevens
SOLOMON ISLANDS	—	—
SOMALIA	—	Ibrahim Hagi Abdulkadir
SOUTH AFRICA	Nomatemba Tambo	—
SOUTH SUDAN	Lam Akol Ajawin *(January - March 2017)* Onyoti Adigo Nyikwec *(March 2017 -)*	—
SPAIN	— *(January 2017)* Jesús Manuel Gracia Aldaz *(February 2017 -)*	Vicente Canelles Montero *(January - October 2017)* — *(October 2017 -)*
SRI LANKA	Daya Srikantha John Pelpola	—
SUDAN	Ibrahim Adam Ahmed Eldukheri *(January - June 2017)* Abdullatif Ahmed Mohamed Ijaimi *(June 2017 -)*	Majdi Hassan Mohamed Yasin
SURINAME	Jaswant Sahtoe	—
SWAZILAND	Moses Malindane Vilakati	Eric Maziya
SWEDEN	Ulrika Modéer	Magnus Lennartsson
SWITZERLAND	Pio Wennubst	Daniel Birchmeier
SYRIAN ARAB REPUBLIC	Ahmad Fateh Al-Qadery	—
TAJIKISTAN	Davlatali Hotamov *(January - April 2017)* Nusratullo Musoev *(April 2017 -)*	—

THAILAND	Theerapat Prayurasiddhi *(January - August 2017)* Lertviroj Kowattana *(August 2017 -)*	Sompong Nimchuar
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	—	—
TIMOR-LESTE	Estanislau Aleixo da Silva	—
TOGO	Ouro Koura Agadazi	Akla-Esso M'Baw Arokoum *(January - February 2017)* Lawani Alabi *(February 2017 -)*
TONGA	— *(January - February 2017)* Sione Sonata Tupou *(February 2017 -)*	—
TRINIDAD AND TOBAGO	—	—
TUNISIA	Mohamed Fadhel Abdelkafi *(January - October 2017)* Zied Ladhari *(October 2017 -)*	Samir Taieb
TURKEY	Faruk Çelik *(January - November 2017)* Ahmet Eşref Fakibaba *(November 2017 -)*	Murat Salim Esenli
TUVALU	—	—
UGANDA	—	—
UNITED ARAB EMIRATES	Obaid Humaid Al-Tayer	Younis Haji Al Khouri
UNITED KINGDOM	Marie-Therese Sarch	Elizabeth Nasskau
UNITED REPUBLIC OF TANZANIA	Charles John Tizeba	— *(January - June 2017)* George Kahema Madafa *(June 2017 -)*
UNITED STATES	Jacob J. Lew *(January - February 2017)* Steven Terner Mnuchin *(February 2017 -)*	—
URUGUAY	Gastón Alfonso Lasarte Burghi	—
UZBEKISTAN	Ravshan Usmanov *(January - March 2017)* — *(March 2017 -)*	Yashin Khidirov
VANUATU	Howard Aru *(January - February 2017)* Nabcevanhas Benjamin Shing *(February 2017 -)*	Esra Tekon Tumukon

VENEZUELA (BOLIVARIAN REPUBLIC OF)	Simón A. Zerpa Delgado	Elías Rafael Eljuri Abraham
VIET NAM	Truong Chi Trung *(January - February 2017)* Tran Xuan Ha *(February 2017 -)*	Nguyen Thanh Do *(January - February 2017)* Truong Hung Long *(February 2017 -)*
YEMEN	Ahmed Ahmed Abdullah Almisry	Asmahan Abdulhameed Al-Toqi
ZAMBIA	Dora Siliya	Pamela Chibonga Kabamba
ZIMBABWE	Joseph M. Made *(January - December 2017)* Perrance Shiri *(December 2017 -)*	The Secretary for Agriculture

LIST OF EXECUTIVE BOARD REPRESENTATIVES OF IFAD IN 2017[2]

List A

MEMBER		**ALTERNATE MEMBER**	
CANADA	Karen Garner	**IRELAND**	Aidan Fitzpatrick
FRANCE	Arnaud Guigné	**BELGIUM**	Guy Beringhs *(January - July 2017)* — *(July 2017 -)*
GERMANY	Martina Metz	**SWITZERLAND**	Liliane Ortega
ITALY	Adolfo Di Carluccio *(January - February 2017)* Alberto Cogliati *(February 2017 -)*	**AUSTRIA**	Verena Hagg
JAPAN	Osamu Kubota *(January - July 2017)* — *(July - September 2017)* Toru Hisazome *(September 2017 -)*	**DENMARK**	Vibeke Gram Mortensen
NETHERLANDS	Wierish Ramsoekh *(January - May 2017)* — *(May 2017 -)*	**UNITED KINGDOM**	Elizabeth Nasskau
SWEDEN	Victoria Jacobsson	**NORWAY**	Inge Nordang
UNITED STATES	John Hurley *(January - April 2017)* — *(April - September 2017)* Joanna Veltri *(September 2017 -)*	**SPAIN**	Juan Claudio de Ramón Jacob-Ernest

[2] Dates in parentheses indicate what period the representative served within the year. Where no date is given this indicates that the Representative served for the entire year.

MEMBER		ALTERNATE MEMBER	

List B

KUWAIT	Yousef Ghazi Al-Bader	**UNITED ARAB EMIRATES**	Yousuf Mohammed Bin Hajar
NIGERIA	Yaya O. Olaniran	**QATAR**	—
SAUDI ARABIA	Mohammed Ahmed M. Alghamdi	**INDONESIA**	Hari Priyono
VENEZUELA (BOLIVARIAN REPUBLIC OF)	Vanessa Rowena Avendaño	**ALGERIA**	Nourdine Lasmi

List C

Sub-List C1

GHANA	Nii Quaye-Kumah	**EGYPT**	Abdelbaset Ahmed Aly Shalaby
KENYA	Fabian Muya *(January - February 2017)* — *(February - September 2017)* Teresa Tumwet *(September 2017 -)*	**ANGOLA**	Carlos Alberto Amaral

Sub-List C2

CHINA	Liu Weihua	**PAKISTAN**	—
INDIA	Raj Kumar *(January - September 2017)* Sameer Kumar Khare *(September - December 2017)* Anurag Agarwal *(December 2017 -)*	**REPUBLIC OF KOREA**	Joo Won Chul

MEMBER		ALTERNATE MEMBER	

<u>**Sub-List C3**</u>

BRAZIL	Rafael Ranieri *(January - August 2017)* — *(August - September 2017)* Eduardo Rolim *(September 2017 -)*	**ARGENTINA**	Claudio Javier Rozencwaig *(January - July 2017)* María Cristina Boldorini *(July 2017 -)*
MEXICO	— *(January - April 2017)* Martha Elena Federica Bárcena Coqui *(April 2017 -)*	**DOMINICAN REPUBLIC**	Antonio Vargas Hernández

Consolidated financial statements

For the year ended 31 December 2017*

The Consolidated Financial Statements have been prepared using the symbols of the International Organization for Standardization (ISO). The notes to the Consolidated Financial Statements, contained in appendix D, form an integral part of the statements.

*As submitted for endorsement to the 123rd session of the Executive Board in April 2018 for further submission to the 42nd session of the Governing Council for approval in accordance with regulation XII(6) of the Financial Regulations of IFAD.

Acronyms and abbreviations

APO	associate professional officer
ASMCS	After-Service Medical Coverage Scheme
ASAP	Adaptation for Smallholder Agriculture Programme
BFFS.JP	Belgian Fund for Food Security Joint Programme
DSF	Debt Sustainability Framework
FVTP	fair value through profit and loss
FGWB	IFAD Fund for Gaza and the West Bank
FAO	Food and Agriculture Organization of the United Nations
GAFSP	Global Agriculture and Food Security Program
GEF	Global Environment Facility
IAS	International Accounting Standards (superseded by IFRS)
ILC	International Land Coalition
IFRS	International Financial Reporting Standards
HIPC	Heavily Indebted Poor Countries Initiative
MLR	minimum liquidity requirement
OPEC	Organization of the Petroleum Exporting Countries
Spanish Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund
SPA	Special Programme for Africa
SDR	special drawing right
UNJSPF	United Nations Joint Staff Pension Fund
WFP	World Food Programme

Consolidated and IFAD-only balance sheet

As at 31 December 2017 and 2016
(Thousands of United States dollars)

		Consolidated		IFAD-only	
Assets	*Note*/ appendix*	*2017*	*2016*	*2017*	*2016*
Cash on hand and in banks	4	**401 882**	**260 394**	**127 705**	**94 373**
Investments					
Investment at amortized cost		307 332	374 733	172 918	185 663
Investment at fair value		1 251 506	1 173 252	1 052 021	1 054 510
Subtotal investments	4	**1 558 838**	**1 547 985**	**1 224 939**	**1 240 173**
Contributions and promissory notes receivables					
Contributors' promissory notes	5	236 410	472 105	211 626	305 993
Contributions receivable	5	574 183	777 812	298 977	463 248
Less: qualified contribution receivables	5	(34 703)	(65 248)	(34 703)	(65 248)
Less: accumulated allowance for contribution's impairment loss	6	(121 630)	(121 630)	(121 630)	(121 630)
Net contributions and promissory notes receivables		**654 260**	**1 063 039**	**354 270**	**582 364**
Other receivables	7	**16 227**	**20 815**	**151 243**	**139 753**
Fixed and intangible assets	8	**14 001**	**12 905**	**14 001**	**12 905**
Loans outstanding					
Loans outstanding	9(c)/I	6 055 143	5 318 283	5 859 709	5 194 440
Less: accumulated allowance for loan impairment losses	9(a)	(10 184)	(5 014)	(10 184)	(5 014)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Initiative	11(b)/J	(10 250)	(12 075)	(10 250)	(12 075)
Net loans outstanding		**6 034 709**	**5 301 194**	**5 839 275**	**5 177 351**
Total assets		**8 679 917**	**8 206 332**	**7 711 433**	**7 246 918**

		Consolidated		IFAD-only	
Liabilities and equity	*Note*/ appendix*	*2017*	*2016*	*2017*	*2016*
Liabilities					
Payables and liabilities	12	208 310	191 269	206 598	186 417
Undisbursed grants	14	531 256	527 854	89 658	78 054
Deferred revenues	13	262 279	299 037	86 901	86 355
Borrowing liabilities	15	804 157	549 360	480 324	263 690
Total liabilities		**1 806 002**	**1 567 520**	**863 481**	**614 516**
Equity					
Contributions		-	-	-	-
Regular		8 185 188	8 028 663	8 185 188	8 028 663
Special		20 349	20 349	20 349	20 349
Total contributions	H	**8 205 537**	**8 049 012**	**8 205 537**	**8 049 012**
Retained earnings					
General Reserve		95 000	95 000	95 000	95 000
Accumulated Deficit		(1 426 622)	(1 505 200)	(1 452 585)	(1 511 611)
Total retained earnings		**(1 331 622)**	**(1 410 200)**	**(1 357 585)**	**(1 416 611)**
Total equity		**6 873 915**	**6 638 812**	**6 847 952**	**6 632 401**
Total liabilities and equity		**8 679 917**	**8 206 332**	**7 711 433**	**7 246 918**

* For notes to the financial statements, please see appendix D.

Consolidated statement of comprehensive income

For the years ended 31 December 2017 and 2016
(Thousands of United States dollars)

	Note	2017	2016
Revenue			
Income from loans		58 820	52 661
Income/(losses) from cash and investments	17	36 361	48 815
Income from other sources	18	9 977	10 761
Income from contributions	19	158 602	184 523
Total revenue		**263 760**	**296 760**
Operating expenses	20		
Staff salaries and benefits	21	(92 569)	(83 825)
Office and general expenses		(41 353)	(34 657)
Consultants and other non-staff costs		(48 891)	(44 166)
Direct bank and investment costs	24	(1 963)	(2 616)
Subtotal operating expenses		**(184 776)**	**(165 264)**
Other expenses			
Loan interest expenditures		(696)	(1 051)
(Allowance)/Reversal for loan impairment losses	9(a)	(6 161)	(25 868)
HIPC Initiative (expenses)/income	26	(4 309)	(4 173)
Grant expenses	22	(177 216)	(223 187)
Debt Sustainability Framework (DSF) expenses	23	(127 766)	(123 892)
Depreciation	8	(2 945)	(2 585)
Subtotal other expenses		**(319 093)**	**(380 756)**
Total expenses		**(503 869)**	**(546 020)**
Deficit before fair value and foreign exchange adjustments		**(240 109)**	**(249 260)**
Adjustment for changes in fair value	25	(11 672)	(4 324)
(Losses)/gains from currency exchange movements IFAD	16	338 793	(169 541)
Net profit or (loss)		**87 012**	**(423 125)**
Other comprehensive income/(loss)			
(Losses)/gains from currency exchange movements and retranslation of consolidated entities	16	6 316	6 489
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits	21	(15 083)	(22 173)
Subtotal other comprehensive (loss)/income		**(8 767)**	**(15 684)**
Total comprehensive (loss)/income		**78 245**	**(438 809)**

IFAD-only statement of comprehensive income

For the years ended 31 December 2017 and 2016
(Thousands of United States dollars)

	Note	2017	2016
Revenue			
Income from loans		57 451	51 843
Income/(losses) from cash and investments	17	33 326	46 002
Income from other sources		15 532	14 714
Income from contributions	19	29 615	5 659
Total revenue		**135 924**	**118 218**
Operating expenses	20		
Staff salaries and benefits	21	(89 303)	(80 531)
Office and general expenses		(39 752)	(33 130)
Consultants and other non-staff costs		(41 977)	(40 110)
Direct bank and investment costs		(1 614)	(2 415)
Subtotal operating expenses		**(172 646)**	**(156 186)**
Other expenses			
Loan interest expenditures		(696)	(874)
(Allowance)/reversal for loan impairment losses	9(a)	(6 161)	(25 868)
HIPC Initiative (expenses)/income	26	(4 309)	(4 173)
Grant expenses	22	(64 779)	(55 020)
DSF expenses	23	(127 766)	(123 892)
Depreciation	8	(2 945)	(2 584)
Subtotal other expenses		(206 656)	(212 411)
Total expenses		**(379 302)**	**(368 597)**
(Deficit) before fair value and foreign exchange adjustments		**(243 378)**	**(250 379)**
Adjustment for changes in fair value		(21 639)	(5 328)
(Losses)/gains from currency exchange movements IFAD	16	338 793	(169 541)
Net profit or (loss)		**73 776**	**(425 248)**
Other comprehensive income/(loss)			
Change in provision for ASMCS benefits	21	(15 083)	(22 173)
Subtotal other comprehensive (loss)/income		**(15 083)**	**(22 173)**
Total comprehensive (loss)/income		**58 693**	**(447 421)**

Consolidated statement of changes in retained earnings

For the years ended 31 December 2017 and 2016
(Thousands of United States dollars)

	Accumulated deficit	*General Reserve*	*Total retained earnings*
2015			
Accumulated deficit as at 31 December 2015	**(1 066 955)**	**95 000**	**(971 955)**
2016			
Net profit or (loss)	(423 125)		(423 125)
Total other comprehensive income/(loss)	(15 684)		(15 684)
DSF compensation	564		564
Accumulated deficit as at 31 December 2016	**(1 505 200)**	**95 000**	**(1 410 200)**
2017			
Net profit or (loss)	87 012		87 012
Total other comprehensive income/(loss)	(8 767)		(8 767)
DSF compensation	333		333
Accumulated deficit as at 31 December 2017	**(1 426 622)**	**95 000**	**(1 331 622)**

IFAD-only statement of changes in retained earnings

For the years ended 31 December 2017 and 2016
(Thousands of United States dollars)

	Accumulated deficit	*General Reserve*	*Total retained earnings*
2015			
Accumulated deficit as at 31 December 2015	**(1 064 754)**	**95 000**	**(969 754)**
2016			
Net profit or (loss)	(425 248)		(425 248)
Total other comprehensive income/(loss)	(22 173)		(22 173)
DSF compensation	564		564
Accumulated deficit as at 31 December 2016	**(1 511 611)**	**95 000**	**(1 416 611)**
2017			
Net profit or (loss)	73 776		73 776
Total other comprehensive income/(loss)	(15 083)		(15 083)
DSF compensation	333		333
Accumulated deficit as at 31 December 2017	**(1 452 585)**	**95 000**	**(1 357 585)**

Consolidated cash flow statement

For the years ended 31 December 2017 and 2016
(Thousands of United States dollars)

	2017	*2016*
Cash flows from operating activities		
Interest received from loans IFAD	55 494	51 117
Interest received from loans other funds	1 385	837
Receipts for non-replenishment contributions	314 200	132 341
Payments for operating expenses and other payments	(165 282)	(162 842)
Grant disbursements (IFAD)	(45 408)	(39 270)
Grant disbursements (supplementary funds)	(131 097)	(90 477)
DSF disbursements	(127 766)	(123 892)
Net cash flows used in operating activities	**(98 475)**	**(232 186)**
Cash flows from investing activities		
Loan disbursements IFAD	(631 380)	(539 409)
Loan disbursements other funds	(59 210)	(50 355)
Loan principal repayments IFAD	260 385	248 121
Loan principal repayments other funds	4 513	3 411
Transfers from/(to) investments at amortized costs	61 582	82 141
Receipts from investments	35 148	39 520
Net cash flows used in investing activities	**(328 962)**	**(216 571)**
Cash flows from financing activities		
Receipts for replenishment contributions	377 991	242 685
Receipts of borrowed funds	174 095	106 827
Payments for trust fund borrowing	(1 943)	(17 074)
Net cash flows from financing activities	**550 143**	**332 438**
Effects of exchange rate movements on cash and cash equivalents	**97 161**	**(40 787)**
Net increase/(decrease) in unrestricted cash and cash equivalents	**219 868**	**(157 106)**
Unrestricted cash and cash equivalents at beginning of year	1 432 940	1 590 046
Unrestricted cash and cash equivalents at end of year	**1 652 809**	**1 432 940**
Composed of:		
Unrestricted cash	401 782	260 292
Unrestricted investments excluding held-to-maturity and payables control accounts	1 251 026	1 172 648
Unrestricted cash and cash equivalents at end of year	**1 652 809**	**1 432 940**

Summaries of cash flow information on other consolidated entities

As at 31 December 2017
(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund	Adaptation for Smallholder Agriculture Programme Trust Fund	Supplementary funds
Balance sheet						
Total assets	7.0	24.3	79.1	331.6	258.6	405.3
Total liabilities	(14.0)	(26.3)	(83.3)	(324.1)	(250.8)	(399.3)
Retained earnings	7.0	2.0	4.2	(7.5)	(7.8)	(6.1)
Statement of comprehensive income						
Total revenue	-	-	0.2	2.4	52.9	76.2
Total operating expenses	-	-	(0.2)	(3.9)	(43.4)	(72.4)
Net revenue less operating expenses	-	-	-	(1.5)	9.5	3.8
Net cash flow	**4.3**	**20.8**	**13.8**	**(1.3)**	**150.0**	**1.5**

As at 31 December 2016
(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund	Adaptation for Smallholder Agriculture Programme Trust Fund	Supplementary funds
Balance sheet						
Total assets	2.6	26.0	69.2	293.4	251.1	442.1
Total liabilities	17.5	27.4	78.9	285.6	245.4	439.8
Retained earnings	(14.8)	(1.4)	(9.7)	7.8	5.6	2.3
Statement of comprehensive income						
Total revenue	-	-	0.2	1.6	60.5	118.4
Total operating expenses	-	-	0.2	2.3	58.9	117.5
Net revenue less operating expenses	-	-	-	(0.6)	(1.6)	0.9
Net cash flow	**(0.4)**	**0.4**	**-**	**(4.7)**	**4.5**	**5.5**

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.

As an international financial institution (IFI), IFAD enjoys a de facto preferred creditor status (PCS). PCS is not a legal status; rather it is embodied in practice, and is granted by the governments of IFAD's 176 Member States. The PCR concept receives consistent universal recognition from entities such as bank regulators, the Bank for International Settlements and rating agencies.

Membership in the Fund is open to any member state 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, intergovernmental organizations, 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) and on a going concern basis, based on the current financial situation and cash-flow forecast. Information is provided separately in the Financial Statements for entities where this is deemed of interest to readers.

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 Financial Statements are disclosed in note 3.

(i) New and amended IFRS mandatorily effective for the current reporting period.

During 2017, some amendments to international standards became effective for the current reporting period that have either no, or negligible, impact on the financial statements, namely:

Amendments to International Accounting Standard 12 (IAS 12): Recognition of Deferred Tax Assets for Unrealized Losses (not applicable to IFAD);

Amendment to the IFRS for small and medium-sized enterprises (SMEs) (not applicable to IFAD);

Amendments to IFRS 12: Disclosure of Interests in Other Entities; and

IFRS 9: Financial Instruments. The section on classification and measurement had already been adopted by IFAD.

(ii) IFRS not yet mandatorily effective

Pronouncement	*Nature of change*	*Potential impact*
Amendment to IFRS 2: Share-based Payment	Changes to the share-based payment transaction from cash settled to equity settled Effective from 1 January 2018	Not applicable to IFAD
Amendments to IFRS 4: Insurance Contracts	Guidance for insurers in applying IFRS 9 and IFRS 4. Effective from 1 January 2018	Not applicable to IFAD
IFRS 9: Financial Instruments	Hedge accounting Impairment methodology Effective from 1 January 2018	The Fund has commenced implementation of the impairment methodology section of IFRS 9. The impacts foreseen are in line with industry practices. The section on hedge accounting is not yet applicable.
Amendments to IFRS 10: Consolidated Financial Statements; and to IAS 28: Investments in Associates and Joint Ventures	Provides guidance for accounting for loss of control of a subsidiary. Effective from 1 January 2018	Not applicable to IFAD
IFRS 15: Revenues from Contracts with Customers	Establishes principles for reporting about nature, timing and uncertainty of revenues and cash flows from contracts with customers. Effective from 1 January 2018	IFAD has assessed the impact of the adoption of this accounting standard and it is deemed to have no material impact.

IFRS 16: Leases	Provides principles for the recognition, measurement, presentation and disclosure of leases for both parties of a contract (lessee and lessor). Effective from 1 January 2019	IFAD has yet to assess the impact of the adoption of this standard.

(b) Area of consolidation

Financing in the form of supplementary funds and other non-core funding sources 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) Initiative;
- IFAD's After-Service Medical Coverage Scheme (ASMCS) Trust Fund;
- Administrative account for Haiti Debt Relief Initiative;
- Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund); and
- 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 to govern the related financial and operating policies; IFAD is exposed, or has rights, to the results/effects from its involvement with these and has the ability to affect those results/effects through its power over the components. 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 power to govern the related financial and operating policies. As such, they are not consolidated, as they are not substantially controlled. As at 31 December 2017 the only entity hosted by IFAD is the International Land Coalition (ILC) (formerly called the Popular Coalition to Eradicate Hunger and Poverty).

(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 (i.e. "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 net profit or loss of the period in which they arise.

The results and financial position of the entities/funds consolidated that have a functional currency different from the presentation currency are translated into the presentation currency and are reported under other comprehensive income/loss as follows:

- Assets and liabilities expenditures are translated at the closing rate and revenue and expenditures are translated at the yearly average rate; and
- 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 (FVTPL). The classification depends on the contractual cash flow characteristics (contractual terms give rise on unspecified 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 or not 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.

(e) Equity

This comprises the following three elements:
(i) contributions (equity); (ii) General Reserve; and (iii) retained earnings.

(i) Contributions (equity)

Background to contributions

The contributions to the Fund by each Member when due are payable in freely convertible 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, except for qualified instruments of contribution, which are subject to national appropriation measures and which will be proportionally reduced upon fulfilment 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 FVTPL in accordance with IFRS 9.

Allowance for impairment losses on contributions
The Fund has established a policy on provisions against overdue Member States' contributions, while still maintaining its preferred creditor status, as follows:

If there is evidence that an identified loan or receivable asset is impaired, a specific provision for impairment is recognized. Impairment is quantified as the difference between the carrying amount and the collectable amount. The criteria used to determine whether there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal and interest;
- Cash flow difficulties experienced by the borrower;
- Breach in contracts or conditions; and
- Initiation of bankruptcy proceeding.

In such cases, provisions will be set up:

- 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.
- 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).
- The end of the financial year is currently used for determining the 24- and 48-month 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, possible delinquencies in 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.

During 2017, Management conducted a review of the adequacy of the General Reserve, which was examined by the Audit Committee at its 145th meeting and by the Executive Board at its 121st session. Recommendations, applicable from fiscal year 2018, were finally approved by the Governing Council at its 41st session. The review included a comparative study of other IFIs. The intrinsic value of the reserve as a mechanism to ensure a sound financial framework and enhance flexible risk mitigation measures, in light of the evolution of the IFAD business model and the increasing borrowing activities, was recognized.

As a result of the review, regulation XIII(a) of the Financial Regulations of IFAD was updated as follows: "Annual transfers from the accumulated surplus to the General Reserve shall be determined by the Executive Board after taking into account the Fund's financial position in the context of the review /approval of yearly audited financial statements of the Fund".

(iii) Retained earnings

Retained earnings represent the cumulative excess of revenue over expenses inclusive of the effects of changes in foreign exchange rates.

(f) 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 enters into force on the date when both the Fund and the Borrower have signed the negotiated financing agreement, unless the negotiated financing agreement states that it is subject to ratification. In such case, the loan shall enter into force on the date that the Fund receives an instrument of ratification. All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement. 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 0.75 per cent per annum and have a maturity period of 40 years, including a grace period of 10 years; (b) loans on hardened terms shall be free of interest but bear a service charge of 0.75 per cent per annum and have a maturity period of 20 years, including a grace period of 10 years; (c) loans on blend terms shall be free of interest but bear a service charge of 0.75 per cent per annum plus a spread and have a maturity period of 20 years, including a grace period of 10 years (these are applicable from 2013 onwards); (d) loans on intermediate terms shall have a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of 20 years, including a grace period of 5 years; (e) loans on ordinary terms shall have a rate of interest per annum equivalent to 100 per cent of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of 15 to 18 years, including a grace period of 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) Initiative

IFAD participates in the International Monetary Fund/World Bank original and enhanced HIPC 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 HIPC 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 Initiative, and as a charge to the HIPC 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 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 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

Similarly to the criteria set for the allowance for impairment losses for contribution receivables, while still maintaining IFAD's preferred creditor status, if there is evidence of a strong deterioration of credit worthiness of IFAD's borrowers, an allowance is set up so that an identified loan or receivable asset is impaired, and a specific provision for impairment is recognized. Impairment is quantified as the difference between the carrying amount and the collectable amount. Moreover, delays in receiving loan payments result in present value losses to the Fund, as it does not charge fees or additional interest on 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 allowance shall be made on loan instalments overdue for more than 24 months. An allowance is also made for loan instalments on the same loan overdue for 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 to determine whether the given period has elapsed is the balance sheet date. Considering the positive historical loan reflow trends for which losses have not been recorded so far, 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.

(g) Investments

The Fund's investments are classified at FVTPL 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. For securities at fair value through profit and loss, 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.

(h) 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.

(i) 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, contributions received are recorded as revenues in the period in which the related grant becomes effective. Contributions 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 E.

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

(j) 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 for the approved amount and as a liability for undisbursed amounts at fair value in accordance with IFRS 9. 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.

(K) Debt Sustainability Framework (DSF)

Under the DSF, countries eligible 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 service charge is not meant to be compensated. In line with the accounting policy on Contributions-Equity DSF Principal compensation, contributions will be recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures that will be proportionally reduced upon fulfilment 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 IFRS 9. Principal compensation will be negotiated during future replenishment consultations (see note 28(b), 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.

(l) Borrowing

Financial liabilities are accounted for at amortized cost. IFAD has signed several borrowing agreements with sovereign institutions at variable rate debt. Maturity can vary from 20 years to 40 years. IFAD may not prepay loans outstanding without incurring penalties. Interest rates are variable (linked to EURIBOR plus a spread). Borrowing activities are now subject to the Sovereign Borrowing Framework as approved by the Executive Board in April 2015 (EB 2015/114/R.17/Rev.1). Borrowed funds are deployed in accordance with IFAD's policies and procedures (but are not deployed to DSF countries).

(m) Employee schemes

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 contribution, 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, like 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.

After-Service Medical Coverage Scheme

IFAD participates in a multi-employer After-Service Medical Coverage Scheme administered by the Food and Agriculture Organization of the United Nations (FAO) for staff receiving a United Nations pension and eligible 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 IAS 19R, 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 net profit or loss, while re-measurements on assets and liabilities are recognized as the net position in other comprehensive income.

(n) Accruals for long service entitlements

Employee entitlements to annual leave and long-service entitlements are recognized when they accrue to employees. An accrual 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.

(o) 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 IFAD and the Italian Republic Regarding the Provisional Headquarters of IFAD. Taxation levied where this exemption has not yet been obtained is deducted directly from the related investment income.

(p) 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).

(q) Tangible and 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 intangible 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 (four to ten 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:

Fair value and amortized costs of loans, undisbursed grants, deferred revenues, promissory notes and contributions 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 requiring inputs that are both unobservable and significant to the overall fair value measurement.

(b) Critical judgement in applying accounting policies

Fair value accounting

Fair value accounting is required in order for IFAD to comply with IFRS. 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)

Table 1
As at 31 December

	US$ thousands	
	2017	*2016*
Unrestricted cash	401 782	260 292
Cash subject to restriction	100	102
Subtotal cash	**401 882**	**260 394**
Unrestricted investments at fair value	1 251 156	1 172 882
Investments at amortized cost	307 332	374 733
Investments subject to restriction	350	370
Subtotal investments	**1 558 838**	**1 547 985**
Total cash and investments	**1 960 720**	**1 808 379**

The composition of the portfolio by entity was as follows:

Table 2
As at 31 December

	US$ thousands	
Entity	*2017*	*2016*
IFAD	1 352 645	1 334 547
ASMCS Trust Fund	76 788	63 101
HIPC Trust Fund	6 976	2 647
Supplementary Funds	130 041	128 625
Spanish Trust Fund	136 191	169 610
Haiti Debt Relief Initiative	24 302	26 037
ASAP	233 777	83 812
Total cash and investments	**1 960 720**	**1 808 379**

(a) 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.

(b) Composition of the investment portfolio by instrument (consolidated)

At 31 December 2017, cash and investments, including payables for investment purchased and receivables amounted to US$1,951.6 million (2016 – US$1,802.2 million) and comprised the following instruments:

Table 3

	US$ thousands	
	2017	2016
Cash	401 882	260 394
Fixed-income instruments	1 491 500	1 519 809
Unrealized (loss)/gain on forward contracts	(951)	(5 256)
Time deposits and other obligations of banks	65 360	27 388
Unrealized (loss)/gain on futures	2 929	6 044
Total cash and investments	**1 960 720**	**1 808 379**
Receivables for investments sold and taxes receivable	-	15
Payables for investments purchased	(9 082)	(6 160)
Total investment portfolio	**1 951 638**	**1 802 234**

Fixed-income investments and cash include US$310.1 million at amortized cost as at 31 December 2017 (2016 – US$ 381.8 million). The fair value of amortized cost investments as at 31 December 2017 was US$309.9 million (2016 – US$383.3 million).

(c) Composition of the investment portfolio by currency (consolidated)

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

Table 4

	US$ thousands	
Currency	*2017*	*2016*
Chinese renminbi	83 899	27 825
Euro	862 648	791 705
Japanese yen	17 451	53 516
Pound sterling	(48 539)*	120 749
United States dollar	1 036 179	808 705
Total cash and investment portfolio	**1 951 638**	**1 802 234**

* This balance pertains to outstanding currency forwards contract.

(d) Composition of the investment portfolio by maturity (consolidated)

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

Table 5

	US$ thousands	
	2017	2016
Due in one year or less	775 567	528 633
Due after one year through five years	868 342	887 417
Due from five to ten years	244 023	301 299
Due after ten years	63 706	84 885
Total cash and investment portfolio	**1 951 638**	**1 802 234**

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2017 was 35 months (2016 – 43 months).

(e) 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.

(f) Market risk

IFAD's investments are diversified into several portfolios in the fixed-income universe driven by IFAD's investment policy. Occasionally IFAD Management has taken short-term tactical measures to protect the overall portfolio from adverse market conditions.

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as at 31 December 2017 and 2016 are shown in tables 6 and 7. Disclosures relate to IFAD-only accounts, for the net asset value.

Table 6
2017

	Actual allocation		*Maximum allocation %*
Asset class	*%*	*US$ millions*	*%*
Cash	9.2	123.4	n.a
Time deposit	4.3	58.2	n.a
Global government bonds/agencies	34.9	471.0	100.0
Global credit bonds	36.3	490.0	25.0
Global inflation-linked	7.3	97.5	10.0
Emerging market debt bonds	8.0	108.0	15.0
Total	**100.0**	**1 348.1**	**-**

Table 7
2016

	Actual allocation		*Investment policy*
Asset class	*%*	*US$ millions*	*%*
Cash	6.8	91.3	-
Time deposit	1.5	20.6	-
Global government bonds/agencies	38.0	504.7	50.0
Global credit bonds	32.5	431.9	25.0
Global inflation-linked	11.0	146.4	10.0
Emerging market debt bonds	10.0	133.5	15.0
Total	**100.0**	**1 328.4**	**100.0**

Asset classes are managed according to investment guidelines that address a variety of market risks through restrictions on eligibility of instruments and other limitations:

1. Benchmarks and limits on deviations from benchmarks in terms of tacking error limits.
2. Credit floors (refer to note 4(g), credit risk).
3. CVaR limitation, which measures the potential average probable loss under extreme conditions, providing an indication of how much value a portfolio could lose over a forward-looking period.
4. Duration, which measures the sensitivity of the market price of a fixed-income investment to a change in interest rates.

The benchmark indices used for the respective portfolios are shown in table 8.

Table 8
Benchmark indices by portfolio

Portfolio	*Benchmark index*
Operational cash	Same as the portfolio return
Global strategic portfolio	Equally-weighted extended sector benchmark (internally calculated on a quarterly basis)
Global liquidity portfolio	Zero
Chinese renminbi portfolio	Zero
Asset liability portfolio	Liability repayment rate of return
Global government bonds	Bloomberg Barclays Global Government Bond Index (1 year maturity)
Global credit bonds	Bloomberg Barclays Global Fixed-Income Index (A- or above)
Global inflation-linked bonds	Bloomberg Barclays Capital World Government Inflation-Linked Index (1-10 years maturity)
Emerging market debt bonds	Bloomberg Barclays Emerging Market Debt Investment Grade Index (BBB- or above)
WB RAMP*	ICE BofAML** 0-1 Year US Treasury Index (AAA)
Hedging Portfolio	No Benchmark

* World Bank's Reserves Advisory Management Programme portfolio.
** Intercontinental Exchange Bank of America Merrill Lynch.

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 credit bonds asset class;
- Two years above the benchmark for the global inflation-linked bonds asset class; and
- Two years above the benchmark for the emerging market debt asset class.

The global liquidity, global strategic, Chinese renminbi and asset liability portfolios are internally managed and no duration limit is prescribed; however, the portfolios have a maximum maturity limit for the eligible investments. The effective duration of IFAD's investment portfolio at 31 December 2017 and 2016 and respective benchmarks are shown in table 9.

Table 9
Average duration of portfolios and benchmarks in years (IFAD-only)
As at 31 December 2017 and 2016

	Portfolio		*Benchmark*	
Portfolio	*2017*	*2016*	*2017*	*2016*
Operational cash	-	-	-	-
Global strategic portfolio	2.1	1.9	n.a.	n.a.
Global liquidity portfolio	0.2	0.1	n.a.	n.a.
Chinese renminbi portfolio	0.1	0.1	n.a.	n.a.
Asset liability portfolio	1.3	1.6	n.a.	n.a.
Global government bonds	0.3	0.6	1.1	1.0
Global credit bonds	4.3	4.5	4.8	4.8
Global inflation-linked	5.3	5.9	5.3	5.3
Emerging market debt bonds	7.1	6.0	6.9	6.6
Hedging portfolio	n.a	n.a.	n.a.	n.a.
WB RAMP portfolio	0.5	n.a.	0.5	n.a.
Total average	**2.2**	**2.8**	**2.3**	**3.0**

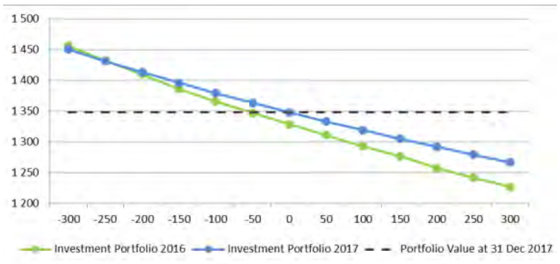
The sensitivity analysis of IFAD's overall investment portfolio in table 10 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the investment portfolio as at 31 December 2017 and 31 December 2016.

Table 10
Sensitivity analysis on investment portfolio (IFAD-only)

	2017		*2016*	
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	102	1 450	128	1 456
-250	83	1 431	104	1 432
-200	65	1 413	81	1 410
-150	48	1 396	57	1 386
-100	31	1 379	37	1 366
-50	15	1 363	18	1 347
0	**0**	**1 348**	**0**	**1 328**
50	(15)	1 333	(18)	1 311
100	(29)	1 319	(35)	1 293
150	(43)	1 306	(51)	1 277
200	(56)	1 292	(70)	1 258
250	(69)	1 280	(86)	1 242
300	(81)	1 267	(102)	1 227

The graph below shows the negative relationship between yields and fixed-income portfolio value.

Graph 1
Sensitivity analysis on investment portfolio value (IFAD-only)
(Millions of United States dollars)



At 31 December 2017, if the general level of interest rates on the global markets had been 300 basis points higher (as a parallel shift in the yield curves) the overall portfolio value would have been lower by US$81 million as a result of the capital losses on the marked-to-market portion of the portfolio. If the general level of interest rates on the global markets had been 300 basis points lower (as a parallel shift in the yield curves) the overall portfolio value would have been higher by US$102 million as a result of the capital gains on the marked-to-market portion of the portfolio.

Table 11 shows the tracking error limits defined by the Investment Policy Statement (IPS). 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 11
Tracking error ranges by portfolio

Portfolio	*Tracking error maximum (percentage per annum)*
Global strategic portfolio	n.a.
Asset liability portfolio	n.a.
Global liquidity portfolio	1.5
Chinese renminbi portfolio	1.5
Global government bonds	1.5
Global credit bonds	3.0
Global inflation-linked bonds	2.5
Emerging market debt bonds	4.0
Hedging portfolio	n.a.
WB RAMP portfolio	n.a.

The investment portfolio's total tracking error at 31 December 2017 was 0.11 per cent (2016, 0.15 per cent). Neither the global strategic portfolio nor the asset liability portfolio have been allocated a tracking error limit.

(g) Credit risk

The Investment Policy Statement and guidelines for investment portfolios 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 IPS and guidelines for investment portfolios are shown in table 12.

Table 12
Minimum credit rating floor as per Investment Policy Statement
As at 31 December 2017

Eligible asset classes	*Credit rating floors for Standard & Poor's (S&P), Moody's and Fitch*
Money market	Investment grade
Fixed income – both nominal and inflation-linked	
Government and government agencies fixed-income securities at national or subnational levels	Investment grade
Supranationals	Investment grade
Asset-backed securities (only agency issued or guaranteed)	AAA
Covered bonds	Investment grade
Corporate bonds	Investment grade
Callable bonds	Investment grade
Developed market equity	Investment grade
Derivatives – for hedging purposes only	
Currency forwards	Counterparty must have a minimum short-term credit rating of A-1 (S&P) or F1 (Fitch) or P-1 (Moody's)
Exchange-traded futures and options*	
Interest rate swaps	
Cross currency swaps	
Asset swaps	
Credit default swaps	

* Futures and options are allowed if traded on regulated exchanges.

At 31 December 2017, the average credit ratings by portfolio were in line with the minimum allowable ratings under the IPS and guidelines for investment portfolios (table 13).

Table 13
Average credit ratings by portfolio (IFAD-only)
As at 31 December 2017 and 2016

	Average credit rating [a]	
Portfolio	*2017*	*2016*
Operational cash	P-2	P-1
Global strategic portfolio	Aa3	Aa2
Asset liability portfolio[b]	A3	A2
Chinese renminbi[c]	Time deposit	Time deposit
Global government bonds	Aa1	Aa1
Global credit bonds	A3	A1
Global inflation-linked	Aa1	Aaa
Emerging market debt bonds	A3	A3

[a] The average credit rating is calculated based on market values at 31 December 2017 and 2016 except for the global strategic portfolio whereby the credit rating is calculated on an amortized cost basis. The credit ratings used are based on the best credit ratings available from either Standard and Poor's, Moody's or Fitch.

[b] Approximately 14 per cent of the asset liability portfolio is in operational cash with an IFAD approved commercial bank that has a credit rating equivalent to P3 or BBB as reported by Fitch.

[c] The time deposit counterparty in the Chinese renminbi portfolio is the Bank for International Settlements (BIS).

(h) Currency risk

The majority of IFAD's commitments relate to undisbursed loans and grants denominated in special drawing rights (SDR). IFAD's investment portfolio is therefore used to minimize IFAD's overall currency risk deriving from those commitments. 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 2017 is shown in table 1.

Table 14
Alignment of assets to SDR basket (IFAD-only)
As at 31 December 2017

Currency group	*Net asset amount (%)*	*SDR weights*	*Difference*
United States dollar	39.12	40.91	(1.79)
Chinese renminbi	38.39	32.57	5.82
Euro	12.36	10.97	1.39
Japanese yen	8.42	7.40	1.02
Pound sterling	1.71	8.15	(6.44)
Total	**100.00**	**100.00**	**-**

At 31 December 2017, had the United States dollar depreciated (or 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 15.

Table 15
Sensitivity of assets aligned to SDR basket (IFAD-only)
As at 31 December 2017

	Difference towards SDR weights	
Currency group	*-10% of US$ (%)*	*+10% of US$ (%)*
United States dollar	(2.3)	2.5
Chinese renminbi	0.5	(0.5)
Euro	1.4	(1.6)
Japanese yen	0.3	(0.3)
Pound sterling	0.1	(0.1)
Total	**0**	**0**

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.

(i) 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 MLR for the Tenth Replenishment of IFAD's Resources (IFAD10) period (2016-2018), 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 2017 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US$533.6 million that is comfortably covered by IFAD's investment portfolio balance of US$1,348.1 million.

(j) 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 cycle. 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

Table 1

	US$ thousands	
	2017	*2016*
Promissory notes to be encashed		
Replenishment contributions	213 430	308 812
ASAP	24 959	169 931
Total	**238 389**	**478 743**
Fair value adjustment	(1 979)	(6 638)
Promissory notes to be encashed	**236 410**	**472 105**
Contributions receivable		
Replenishment contributions	308 721	475 127
Supplementary contributions	282 887	319 855
ASAP	-	1 150
Total	**591 608**	**796 132**
Fair value adjustment	(17 425)	(18 320)
Contributions receivables	**574 183**	**777 812**
Qualified instruments of contribution	**(34 703)**	**(65 248)**
Total promissory notes and contributions receivables	**775 890**	**1 184 669**

(a) Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Replenishment contributions

These contributions have been fully paid except as detailed in note 6 and in table 2 below:

Table 2
Contributions not paid/encashed
As at 31 December 2017

	US$ thousands	
Donor	*Replenishment*	*Amount*
United States[a]	IFAD7	1 754
United States[a]	IFAD8	560
Brazil[b]	IFAD9	5 567
Japan[b]	IFAD10	39 174
United States[a]	IFAD10	24 000

[a] Cases for which Members and IFAD have agreed to encashment schedules subject to ratification.
[b] Case for which Members and IFAD have agreed to special encashment schedules.

(b) Tenth Replenishment

Details of contributions and payments made for IFAD9 and IFAD10 are shown in appendix H. IFAD10 became effective on 2 December 2015.

(c) Special Programme for Africa (SPA)

Details of contributions to the SPA under the first and second phases are shown in appendix H, table 4.

(d) Credit risk

Because of the sovereign status of its donor contributions, the Fund expects that each of its contributions for which a legally binding instrument has been deposited will ultimately be received. Collectability risk is covered by the provisions on contributions.

(e) Qualified instruments of contribution and promissory notes

At the end of December 2017, contributions receivables and promissory notes still subject to national appropriation measures amounted to US$ 34.7 million (US$65.2 million as at 31 December 2016).

NOTE 6

ALLOWANCES FOR CONTRIBUTIONS IMPAIRMENT

The fair value of the allowance is equivalent to the nominal value, given that the underlying receivables/promissory notes are already due at the balance sheet date. In accordance with its policy, IFAD has established allowances at 31 December as follows:

Table 1

	US$ thousands	
	2017	*2016*
Balance at beginning of the year	**121 630**	**168 446**
Net (decrease)/increase in allowance	-	(46 816)
Balance at year-end	**121 630**	**121 630**
Analysed as follows:		
Promissory notes of contributors (see 6(a))	36 045	36 045
Amounts receivable from contributors (see 6(b))	85 585	85 585
Total	**121 630**	**121 630**

(a) Allowances against promissory notes

As at 31 December 2017, IFAD replenishment contributions deposited in the form of promissory notes up to and including IFAD9 have been fully drawn down.

In accordance with the policy, the Fund has established allowances against promissory notes as at 31 December:

Table 2

	US$ thousands	
	2017	*2016*
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
Subtotal	**29 358**	**29 358**
IFAD3		
Democratic People's Republic of Korea	600	600
Libya	6 087	6 087
Subtotal	**6 687**	**6 687**
Total	**36 045**	**36 045**

(b) Allowances against amounts receivable from contributors

In accordance with its policy, the Fund has established allowances against some of these amounts:

Table 3

	US$ thousands	
	2017	*2016*
Initial contributions		
Comoros	8	8
Iran (Islamic Republic of)	83 167	83 167
Subtotal	**83 175**	**83 175**
IFAD3		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
Subtotal	**2 410**	**2 410**
Total	**85 585**	**85 585**

NOTE 7

OTHER RECEIVABLES

	US$ thousands	
	2017	2016
Receivables for investments sold	-	15
Other receivables	16 227	20 800
Total	**16 227**	**20 815**

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

	US$ thousands			
	1 Jan 2017	*Increase/ (decrease)*	*Revalued/ Adjustment**	*31 Dec 2017*
Cost				
Computer hardware	3 633	474	-	4107
Computer software	18 442	2 835	-	21 277
Vehicles	435	366	-	801
Furniture and fittings	489	-	44	533
Leasehold improvement	1 237	366	-	1 603
Total cost	**24 236**	**4 041**	**44**	**28 321**
Depreciation				
Computer hardware	(2 959)	(415)	-	(3374)
Computer software	(6 949)	(2 363)	-	(9 312)
Vehicles	(131)	(120)		(251)
Furniture and fittings	(348)	(17)	(44)	(409)
Leasehold improvement	(944)	(30)	-	(974)
Total depreciation	**(11 331)**	**(2945)**	**(44)**	**(14 320)**
Net fixed and intangible assets	**12 905**	**1 096**	**-**	**14 001**

* 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:

Table 1

	US$ thousands	
	2017	*2016*
Balance at beginning of year	**59 559**	**35 518**
Net increase in allowance	6 161	25 868
Revaluation	3 663	(1 827)
Balance at end of year at nominal value	**69 383**	**59 559**
Fair value adjustment	(59 199)	(54 545)
Total	**10 184**	**5 014**

All loans included within the accumulated allowance are 100 per cent impaired with the exception of the allowance set against Yemen and one loan to the 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:

Table 2

Amounts in SDR	*2017*	*2016*
Democratic People's Republic of Korea (the)	25 276	24 637
Somalia	17 299	17 299
Yemen	6 115	2 355
Total	**48 690**	**44 291**
US$ equivalent	**69 383**	**59 559**
Fair value adjustment	**(59 199)**	**(54 545)**
Total	**10 184**	**5 014**

Details of loans approved and disbursed and of loan repayments are presented in appendix I.

(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 2017 would have been higher by US$ 760,669 (2016 – US$876,710).

(c) Further analysis of loan balances

The composition of the loans outstanding balance by entity at 31 December was as follows:

Table 3

	US$ thousands	
	2017	*2016*
IFAD	7 140 349	6 377 221
Spanish Trust Fund	209 504	133 208
Total	**7 349 853**	**6 510 429**
Fair value adjustment	**(1 294 710)**	**(1 192 146)**
Total	**6 055 143**	**5 318 283**

A more-detailed breakdown follows in table 4:

Table 4

	Thousands of United States dollars	
	2017	2016
IFAD-approved loans, less cancellations, less full repayments and adjustment for movement in value of total SDR and EUR loans in terms of US$ (appendix I, table 1)*		
Approved loans	13 536 686	11 828 772
Undisbursed balance	(3 878 946)	(3 323 099)
Repayments	(2 710 651)	(2 316 600)
Interest/principal receivable	16 273	13 297
Loans outstanding at nominal value	**6 963 362**	**6 202 370**
Fair value adjustment	(1 226 474)	(1 127 486)
Loans outstanding	**5 736 888**	**5 074 884**
SPA-approved loans, less cancellations, less full repayments and the adjustment for movements in value of total SDR loans in terms of US$ (appendix I1)		
Approved loans	321 992	303 850
Repayments	(145 496)	(129 487)
Interest/principal receivable	491	488
Loans outstanding	**176 987**	**174 851**
Fair value adjustment	(54 166)	(55 295)
Loans outstanding	**122 821**	**119 556**
Total approved loans, less cancellations, less full repayments and the adjustment for movements in terms of US$		
Approved loans	13 858 678	12 132 622
Undisbursed balance	(3 878 946)	(3 323 099)
Repayments	(2 856 147)	(2 446 087)
Interest/principal receivable	16 764	13 785
Loans outstanding at nominal value	**7 140 349**	**6 377 221**
Fair value adjustment	(1 280 640)	(1 182 781)
Loans outstanding	**5 859 709**	**5 194 440**

* The balance includes euro-denominated loans financed from the debt-financing facility.

Spanish Trust Fund-approved loans, less cancellations, less full repayments and adjustment for movements in value of total EUR loans in terms of US$		
Approved loans	350 869	308 194
Undisbursed balance	(131 829)	(170 689)
Repayments	(9 908)	(4 519)
Interest/principal receivable	372	222
Loans outstanding at nominal value	**209 504**	**133 208**
Fair value adjustment	(14 070)	(9 365)
Loans outstanding	**195 434**	**123 843**

The fair value of the outstanding-loan portfolio at year-end amounts to US$6,544.2 million.

(d) Credit risk

Because of the nature of its borrowers, the Fund expects that each of its sovereign 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 Initiative. Loans with amounts overdue more than 180 days are placed in non-accrual status.

(e) Market risk

IFAD's loan portfolio is well diversified. Loans are provided to Member States according to the performance-based allocation system (PBAS). Appendix I provides a summary of the portfolio's geographical distribution, an analysis of the portfolio by lending terms and details about the maturity structure.

(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 is closely monitored.

NOTE 10

FINANCIAL INSTRUMENTS BY CATEGORY

Tables 1 and 2 provide information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

Table 1

	US$ millions			
2017	*Cash and bank deposits*	*Investments at FVTPL*	*Investments at amortized cost*	*Loans at amortized cost*
Level 1				
Cash and bank balances	402	-	-	-
Investment at FVTPL	-	922	-	-
Investments at amortized costs	-	-	211	-
Level 2				
Investments at FVTPL	-	329	-	-
Investment at amortized cost	-	-	96	-
Loans outstanding	-	-	-	6 035
Total	**402**	**1 252**	**307**	**6 035**

Table 2

	US$ millions			
2016	*Cash and bank deposits*	*Investments at FVTPL*	*Investments at amortized cost*	*Loans at amortized cost*
Level 1				
Cash and bank balances	260	-	-	-
Investment at FVTPL		963	-	-
Investments at amortized costs	-	-	258	-
Level 2				
Investments at FVTP L	-	204	-	-
Investment at amortized cost	-	-	117	-
Loans outstanding	-	-	-	5 301
Total	**260**	**1 167**	**375**	**5 301**

Contributions, borrowing liabilities, undisbursed grants and deferred revenues are classified at fair value level 2.

NOTE 11

HEAVILY INDEBTED POOR COUNTRIES (HIPC) DEBT INITIATIVE

(a) Impact of the HIPC Initiative

IFAD provided funding for the HIPC Initiative in the amount of US$204,670,000 during the period 1998-2017. Details of funding from external donors on a cumulative basis are found in appendix E.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix J. 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 2017-2019. At the time of preparation of the 2017 Consolidated Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US$131,997,000 (2016 US$135,211,000 for Eritrea, Somalia and the Sudan). Investment income amounted to US$8,153,914 (2016 – US$8,040,000) from the HIPC Trust Fund balances.

(b) Accumulated allowance for the HIPC Initiative

The balances for the two years ended 31 December are summarized below:

Table 1

	US$ thousands	
	2017	*2016*
Balance at beginning of year	**17 685**	**27 624**
New approvals	-	-
Change in provision	(3 815)	(5 207)
Exchange rate movements	985	(4 732)
Balance at end of year	**14 855**	**17 685**
Fair value adjustment	(4 605)	(5 610)
Total	**10 250**	**12 075**

NOTE 12

PAYABLES AND LIABILITIES

	US$ thousands	
	2017	*2016*
Payable for investments purchased	9 082	6 160
ASMCS liability	127 669	106 484
Other payables and accrued liabilities	71 559	78 625
Total	**208 310**	**191 269**

Of the total above, an estimated US$153.5 million (2016 – US$129.5 million) 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.

	US$ thousands	
	2017	*2016*
Total	288 340	309 523
Fair value adjustment	(26 061)	(10 486)
Deferred revenue	**262 279**	**299 037**

NOTE 14

UNDISBURSED GRANTS

The balance of effective grants not yet disbursed to grant recipients is as follows:

	US$ thousands	
	2017	*2016*
IFAD	98 049	80 521
Supplementary funds	273 764	293 412
ASAP	189 236	164 496
Balance at year-end	**561 049**	**539 429**
Fair value adjustment	(29 793)	(10 818)
Undisbursed grants	**531 256**	**527 854**

NOTE 15

BORROWING LIABILITIES

The balance represents the funds received for borrowing activities plus interest accrued, this balance also represent the fair value of borrowing liabilities.

	US$ thousands	
	2017	*2016*
IFAD	480 324	263 690
Spanish Trust Fund	323 833	285 670
Total borrowing liabilities	**804 157**	**549 360**

The maturity structure of IFAD's borrowing liabilities was as follow:

	US$ thousands	
	2017	*2016*
IFAD		
0-1 years	-	-
1-2 years	3 874	-
2-3 years	19 369	6 806
3-4 years	30 989	15 311
4-10 years	185 931	102 073
More than 10 years	240 161	139 500
Total	**480 324**	**263 690**

NOTE 16

NET FOREIGN EXCHANGE GAINS/LOSSES

The following rates of one unit of SDR in terms of United States dollars as at 31 December were used:

Table 1

Year	*United States dollars*
2017	1.42501
2016	1.34472
2015	1.38370

The balance of foreign exchange movement is shown below:

Table 2

	US$ thousands	
	2017	*2016*
IFAD	338 793	(169 541)
Other entities	6 316	6 489
Total movements in the year	**345 109**	**(163 052)**

The movement in the account for foreign exchange rates is explained as follows:

Table 3

	US$ thousands	
	2017	*2016*
Opening balance 1 Jan	**(8 781)**	**154 271**
Exchange movements for the year on:		
Cash and investments	41 302	(33 218)
Net receivables/payables	(22 228)	42 812
Loans and grants outstanding	306 286	(140 820)
Promissory notes and Members' receivables	39 914	(42 005)
Member States' contributions	(20 165)	10 182
Total movements in the year	**345 109**	**(163 052)**
Closing balance 31 December	**336 328**	**(8 781)**

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 2017, funds under external management amounted to US$0.7 billion (2016 – US$0.8 billion), representing 36 per cent of the Fund's total cash and investments (2016 – 59 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

Table 1

	31 December	
	2017	*2016*
Number of contracts open:		
Buy	334	402
Sell	(395)	(986)
Net unrealized market gains of open contracts (US$ thousands)	61	(38)
Maturity range of open contracts (days)	67 to 262	67 to 627

(ii) Forwards

The unrealized market value loss on forward contracts at 31 December 2017 amounted to US$2.6 million (2016 – gain of US$2.2 million).

The maturities of forward contracts at 31 December 2017 ranged from 5 to 74 days (31 December 2016 – 6 to 75 days).

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ended 31 December 2017 amounted to US$36.4 million (2016 – gross income of US$48.8million).

Table 2
2017

	US$ thousands		
	Fair value	*Amortized cost*	*Total*
Interest from banks and fixed-income Investments	21 982	4 562	**26 544**
Net expenses from futures/options and swaps	(953)	-	**(953)**
Realized capital gain/(loss) from fixed-income securities	1 837	163	**2 000**
Unrealized gain/(loss) from fixed-income securities	4 963	3 807	**8 770**
Total	**27 829**	**8 532**	**36 361**

Table 3
2016

	US$ thousands		
	Fair value	*Amortized cost*	*Total*
Interest from banks and fixed-income Investments	24 736	5 148	**29 884**
Net expenses from futures/options and swaps	(6 988)	-	**(6 988)**
Realized capital gain/(loss) from fixed-income securities	11 815	11	**11 826**
Unrealized gain/(loss) from fixed-income securities	14 705	(612)	**14 093**
Total	**44 268**	**4 547**	**48 815**

For amortized cost investments, realized capital gains/(losses) relate sales of securities, whereas the unrealized gains/(losses) pertain to the amortization of such securities.

The above figures are broken down by income for the consolidated entities, as follows:

Table 4

	US$ thousands	
	2017	2016
IFAD	33 326	46 002
ASMCS Trust Fund	1 734	1 923
HIPC Trust Fund	114	33
Spanish Trust Fund	1 059	812
Haiti Debt Relief Initiative	259	262
ASAP	816	719
Supplementary funds	783	320
Less: income deferred/reclassified	(1 731)	(1 256)
Total	**36 361**	**48 815**

The annual rate of return on IFAD cash and investments in 2017 was 2.21 per cent net of investment expenses (2016 – 2.91 per cent net of investment 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:

	US$ thousands	
Consolidated	*2017*	*2016*
Reimbursement from Host Government	7 919	7 704
Income from other sources	2 058	3 057
Total	**9 977**	**10 761**

NOTE 19

INCOME FROM CONTRIBUTIONS

	US$ thousands	
	2017	2016
IFAD	29 615	5 659
ASAP	52 821	60 487
Supplementary funds	76 166	118 377
Total	**158 602**	**184 523**

From 2007, contributions to the HIPC Initiative have been offset against the HIPC 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:

	US$ thousands	
	2017	2016
IFAD	172 646	156 186
Other entities	12 130	9 078
Total	**184 776**	**165 264**

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 UNJSPF and in the ASMCS administered by FAO.

The number of full-time equivalent employees of the Fund and other consolidated entities in 2017 was as follows (breakdown by principal budget source):

Table 1

Full-time equivalent	*Professional*	*General Service*	*Total*
IFAD administrative budget	293	193	486
APO/SPO*	13	-	13
Others	19	7	26
Programme funds	8	2	10
Total 2017	**333**	**202**	**535**
Total 2016	**330**	**205**	**535**

* Associate professional officer/special programme officer.

(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 UNJSPF carries out an actuarial valuation every two years; the latest was prepared as at 31 December 2015. This valuation revealed an actuarial surplus, amounting to 0.16 per cent of pensionable remuneration, Thus the UNJSPF was assessed as adequately funded and the United Nations General Assembly did not invoke the provision of article 26, requiring participating agencies to provide additional payments. IFAD makes contributions on behalf of its staff and would be liable for its share of the unfunded liability, if any (current contributions 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 2017 amounted to US$11,087,659 (2016 – US$10,846,355).

(d) After-Service Medical Coverage Scheme (ASMCS)

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2017. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate 2.3 per cent; return on invested assets 3.5 per cent; expected salary increase 3.5 per cent; initial medical cost increase, 4.6 per cent; inflation 1.9 per cent; and exchange rate, EUR 1:US$1.19. The results of the valuation determined IFAD's liability as at 31 December 2017 to be US$127,669, 441. The 2017 and 2016 Financial Statements include a provision and related assets as at 31 December as follows:

Table 2

	US$ thousands	
	2017	2016
Past service liability	(127 669)	(106 483)
Plan assets	79 081	69 223
Surplus/(deficit)	**(48 588)**	**(37 260)**
Yearly movements		
Opening balance Surplus/(deficit)	**(37 260)**	**(17 313)**
Contribution paid	2 293	6 122
Interest cost	(955)	(570)
Current service charge	(5 148)	(3 705)
Actuarial gains/(losses)	(15 083)	(22 173)
Interest earned on balances	1 542	1 745
Exchange rate movement	6 023	(1 366)
Closing balance Surplus/(deficit)	**(48 588)**	**(37 260)**
Past service liability		
Total provision at 1 January	(106 483)	(80 035)
Interest cost	(955)	(570)
Current service charge	(5 148)	(3 705)
Actuarial gains /(losses)	(15 083)	(22 173)
Provision at 31 December	**(127 669)**	**(106 483)**
Plan assets		
Total assets at 1 January	69 223	62 722
Contribution paid	2 293	6 122
Interest earned on balances	1 542	1 745
Exchange rate movement	6 023	(1 366)
Total assets at 31 December	**79 081**	**69 223**

ASMCS assets are invested in accordance with the ASMCS Trust Fund Investment Policy Statement approved by the Governing Council in February 2015.

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2017, such costs included under staff salaries and benefits in the Financial Statements amounted to US$6,102,214 (2016 – US$4,275,001).

Based on the 2017 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US$79,081,236 in net present value terms (including assets pertaining to ILC). As reported above, at 31 December 2017 the assets already held in the trust fund are US$79,081,236 million; consequently this is 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 2017 is shown below:

Table 3

Impact on	*Liability*
Medical inflation:	
4.7 per cent instead of 3.7 per cent	34.7
3.7 per cent instead of 2.7 per cent	(27.4)

NOTE 22

GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

	US$ thousands	
	2017	2016
IFAD grants	64 779	55 020
Supplementary funds	61 890	107 680
ASAP	50 547	60 487
Total	**177 216**	**223 187**

NOTE 23

DSF EXPENSES

The DSF expenses are set out below:

	US$ thousands	
IFAD-only	2017	2016
DSF expenses	127 766	123 892
Total	**127 766**	**123 892**

DSF financing is recognized as expenditures in the period in which conditions for the release of funds to the recipient are met.

NOTE 24

DIRECT BANK AND INVESTMENT COSTS

	US$ thousands	
	2017	2016
Investment management fees	1 318	1 696
Other charges	645	920
Total	**1 963**	**2 616**

NOTE 25

ADJUSTMENT FOR CHANGE IN FAIR VALUE

An analysis of the movement in fair value is shown below:

	US$ thousands	
	2017	2016
Loans outstanding	(102 566)	4 011
Accumulated allowance for loan impairment losses	4 654	23 585
Accumulated allowance for HIPC Initiative	(1 005)	(2 940)
Net loans outstanding	(98 917)	24 656
Contributors' promissory notes	4 659	6 927
Contributions receivable	895	(7 386)
Contributions	(2 969)	6 568
Undisbursed grants	19 218	3 398
Deferred revenues	(1 193)	(6 110)
Foreign exchange movement	66 635	(32 378)
Total	**(11 672)**	**(4 324)**

NOTE 26

DEBT RELIEF EXPENSES

This balance represents the debt relief provided during the year to HIPC eligible countries for both principal and interest. It reflects the overall net effect of new approvals of HIPC debt relief or top ups, the payments made to IFAD by the Trust Fund on behalf of HIPC and the release of the portion of deferred revenues for payments from past years.

NOTE 27

HOUSED ENTITY DISCLOSURE

At 31 December liabilities owed to/(from) IFAD by the housed entities were:

	US$ thousands	
	2017	2016
International Land Coalition (ILC)	362	855
Total	**362**	**855**

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 J.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US$828.5million (US$740.0 million in 2016). In particular, at the end of December 2017, DSF financing disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US$586.6 million (US$561.0 million in 2016) and DSF projects approved but not yet effective amounted to US$241.9 million (US$179.0 million in 2015).

(b) Contingent assets

At the end of December 2017 the balance of qualified instruments of contribution amounted to US$34.7 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfilment of those conditions and probable at the reporting date.

The DSF for grants, approved in 2007, aims for the full recovery of principal repayments forgone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has undertaken a review together with its governing bodies of the mechanism through which this policy will be implemented. This led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. The policy was also endorsed by Member States during the IFAD10 Consultation in 2014 and finally approved by the Governing Council in 2015. During the IFAD11 Consultation in 2017, it was confirmed that there would be no change to the DSF compensation policy. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards principal reflows forgone as a result of the DSF, in addition to their regular contributions.

In 2016, Member States began to make commitments for payment of DSF obligations. The receipt of the funds that have been provided as DSF grants is therefore considered probable and hence is disclosed as a contingent asset. The nominal amount of the amount so disbursed as at 31 December 2017 amounted to US$933.6 million (US$805.9 million as at December 2016).

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 were indicative of conditions that arose after the reporting period that would warrant adjusting the Financial Statements or require disclosure.

NOTE 30

RELATED PARTIES

The Fund has assessed related parties and transactions carried out in 2017. This pertained to transactions with Member States (to which IAS 24, paragraph 25, is applicable) key management personnel and other related parties identified under IAS24. Transactions with Member States and related outstanding balances are reported in appendices H and I. Key management personnel are the President, Vice-President, Associate Vice-Presidents and Director, Office of the President and Chief of Staff, as they have the authority and responsibility for planning, directing and controlling activities of the Fund.

The table below provides details of the remuneration paid to key management personnel over the course of the year, together with balances of various accruals.

Aggregate remuneration paid to key management personnel includes: net salaries; post adjustment; entitlements such as representation allowance and other allowances; assignment and other grants; rental subsidy; personal effect shipment costs; post-employment benefits and other long-term employee benefits; and employer’s pension and current health insurance contributions. Key management personnel participate in the UNJSPF.

Independent review of the latest annual financial disclosure statements confirmed that there are no conflicts of interest, nor transactions and outstanding balances, other the ones indicated below, for key management personnel and other related parties identified as per IAS24 requirements.

	US$ thousands	
	2017	*2016*
Salaries and other entitlements	1 922	1 756
Contribution to retirement and medical plans	243	260
Total*	**2 165**	**2 017**
Total accruals	**494**	**538**

* The increase in 2017 is primarily due to transition related entitlements

NOTE 31

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 2018 and endorsement by the Executive Board in April 2018. The 2017 Consolidated Financial Statements will be submitted to the Governing Council for formal approval at its next session in February 2019. The 2016 Consolidated Financial Statements were approved by the Governing Council at its forty-first session in February 2018.

Statements of complementary and supplementary contributions

Table 1
Member States:
Statement of cumulative supplementary contributions including project co-financing from 1978 to 2017[a]
(Thousands of United States dollars)

Member States	*Project cofinancing*	*Associate professional officers (APOs)*	*Other supplementary funds*	*Global Environment Facility (GEF)*	*Total*
Algeria	-	-	84	-	84
Angola	-	-	7	-	7
Australia[b]	2 721	-	84	-	2 805
Austria	755	-	-	-	755
Bangladesh	-	-	48	-	48
Belgium	10 214	1 960	166 480	-	178 654
Canada	12 019	-	8 481	-	20 500
China	-	-	339	-	339
Colombia	-	-	25	-	25
Denmark	22 567	4 644	3 956	-	31 167
Estonia	-	-	270	-	270
Finland	2 834	5 071	7 043	-	14 948
France	1 032	1 131	8 909	-	11 072
Germany	46	7 773	22 016	-	29 835
Ghana	-	-	84	-	84
Greece	-	-	84	-	84
Hungary	-	-	100	-	100
India	-	-	1 000	-	1 000
Indonesia	-	-	50	-	50
Ireland	6 602	-	4 514	-	11 116
Italy	31 742	6 865	29 465	-	68 072
Japan	3 692	2 208	4 231	-	10 131
Jordan	-	-	153	-	153
Kuwait	-	-	132	-	132
Lebanon	-	-	94	-	94
Luxemburg	2 086	-	9 234	-	11 320
Malaysia	-	-	28	-	28
Morocco	-	-	50	-	50
Mauritania	-	-	92	-	92
Netherland	107 188	8 559	12 076	-	127 823
New Zealand	730	-	80	-	810
Nigeria	-	-	50	-	50
Norway	24 463	2 604	6 109	-	33 176
Pakistan	-	-	25	-	25
Paraguay	-	-	15	-	15
Portugal	142	-	714	-	856
Qatar	-	-	120	-	120
Republic of Korea	5 157	5 644	232	-	11 033
Russian Federation	1 425	-	75	-	1 500
Saudi Arabia	3 240	-	180	-	3 420
Senegal	-	-	109	-	109
Sierra Leone	-	-	88	-	88
Spain	12 456	-	5 579	-	18 035
Suriname	2 000	-	-	-	2 000
Sweden	9 114	2 773	20 017	-	31 904
Switzerland	13 248	1 507	18 661	-	33 416
Turkey	-	-	47	-	47
United Kingdom	19 074	-	16 859	-	35 933
United States	-	322	86	-	408
Total	**294 547**	**51 061**	**348 175**	**-**	**693 783**

[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.

Table 2
Non-Member States and other sources:
Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2017[*]
(Thousands of United States dollars)

Non-Member States and other sources	*Project cofinancing*	*APOs*	*Other supplementary funds*	*GEF*	*Total*
Abu Dhabi Fund for Development	-	-	387	-	387
Arab Fund for Economic and Social Development	2 983	-	-	-	2 983
African Development Bank	2 800	-	1 096	-	3 896
Arab Bank	-	-	25	-	25
Arab Gulf Programme for United Nations Development Organisations	299	-	-	-	299
Bill & Melinda Gates Foundation	-	-	1 760	-	1 760
Cassava Programme	-	-	69	-	69
Chief Executives Board for Coordination	-	-	998	-	998
Congressional Hunger Centre	-	-	183	-	183
Coopernic	-	-	3 602	-	3 602
European Commission	814	-	569 808	-	570 622
Food and Agriculture Organization of the United Nations	14	-	2 635	-	2 649
Global Agriculture and Food Security Program (GAFSP)	126 610	-	6 515	-	133 125
Least Developed Countries Fund/ Special Climate Change Fund	-	-	92 910	-	92 910
OPEC Fund for International Development (OFID)	2 698	-	-	-	2 698
United Nations Fund for International Partnership	78	-	145	-	223
United Nations Capital Development Fund	365	-	257	-	622
United Nations Development Programme (UNDP)	467	-	1 127	-	1 594
United Nations Organizations	3 017	-	-	-	3 017
World Bank	1 356	-	527	162 029	163 912
Other supplementary funds	386	-	2 744	-	3 130
Total non-Member States and other sources	**141 887**	**-**	**684 788**	**162 029**	**988 704**
Total 2017	**436 434**	**51 059**	**1 032 965**	**162 029**	**1 682 487**
Total 2016	420 402	48 810	928 304	138 855	1 536 371

[*] Non-United States dollars contributions have been translated at the year-end exchange rate.

Statement of cumulative complementary contributions from 1978 to 2017

(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
	58 798
Cumulative contributions received from Belgium for the Belgian Fund for Food Security Joint Programme (BFFS.JP) in the context of replenishments	80 002
Subtotal	**138 800**
Contributions made in the context of replenishments to the HIPC Trust Fund	
Italy	4 602
Luxembourg	1 053
Netherlands	14 024
Subtotal	**19 679**
Contributions made to ASAP in the context of replenishments	**307 044**
Unrestricted complementary contributions – IFAD10	
Canada	7 981
Germany	15 610
Netherlands	23 299
Russian Federation	3 000
United States	12 000
Subtotal	**61 890**
Total complementary contributions 2017	**527 413**
Total complementary contributions 2016	484 484

Statement of contributions from Member States and donors to the HIPC Initiative

(Thousands of United States dollars)

	Amount
Contributions made in the context of replenishments (see table above)	**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	215 618
Subtotal	**267 463**
Total contributions to IFAD's HIPC Trust Fund 2017	**287 142**
Total contributions to IFAD's HIPC Trust Fund 2016	287 142

Contributions received in 2017

Purpose	*Currency*	*Amount (Thousands)*	*Thousands of US dollars equivalent*
For project cofinancing			
Abu Dhabi Fund for Development	US$	387	387
Canada	CAD	1 400	1 030
Denmark	DKK	18 728	2 965
European Commission	EUR	11 724	14 078
FAO	EUR	373	448
GAFSP	US$	19 356	19 356
Netherlands	US$	1 231	1 231
Norway	NOK	32 000	3 794
Russian Federation	US$	700	700
Switzerland	US$	5 000	5 000
World Bank	US$	17 702	17 702
Subtotal			**66 691**
For associate professional officers			
Germany	US$	352	352
Italy	US$	379	379
Japan	US$	182	182
Republic of Korea	US$	579	579
Netherlands	US$	686	686
Switzerland	US$	316	316
Subtotal			**2 494**
Other Supplementary fund contributions			
Canada	US$	347	347
European Commission	EUR	18 498	22 213
FAO	EUR	6	8
	US$	214	214
Germany	EUR	213	256
Hungary	US$	100	100
Ireland	EUR	1 000	1 201
Italy	EUR	53	63
Republic of Korea	KRW	1 000 000	921
Luxembourg	EUR	500	600
Netherlands	US$	6 938	6 938
Sweden	SEK	10 000	1 184
Switzerland	CHF	75	74
	EUR	240	288
Others	US$	145	145
UNDP	US$	250	250
United Nations Office for South-South Cooperation	US$	30	30
Subtotal			**34 832**
Grand total			**104 016**

Unspent funds in 2017 and 2016

Table 1
Unspent complementary and supplementary funds from Member and non-Member States
(Thousands of United States dollars)

Member States	*Project financing*	*APOs*	*Other supplementary funds*	*Total*
Belgium	-	-	1 935	1 935
Canada	2 145	-	2 776	4 921
China	-	-	138	138
Denmark	2 767	-	140	2 907
Estonia	-	-	129	129
Finland	-	25	1	26
France	-	-	68	68
Germany	-	555	843	1 398
Hungary	-	-	95	95
India	-	-	357	357
Italy	1 397	504	3 044	4 945
Japan	828	71		899
Lebanon	-	-	93	93
Luxemburg	101	-	1 193	1 294
Malaysia	-	-	13	13
Netherlands	3 650	510	254	4 414
New Zealand	-	-	40	40
Norway	3 604	15	34	3 653
Republic of Korea	2 364	465	1	2 830
Russian Federation	586	-	-	586
Saudi Arabia	100	-	14	114
Spain	968	-	627	1 595
Sweden	-	-	3 123	3 123
Switzerland	4 750	350	601	5 701
United Kingdom	142	-	235	377
Total Member States	**23 402**	**2 495**	**15 754**	**41 651**

Table 2
Other unspent complementary and supplementary funds from non-Member States
(Thousands of United States dollars)

Non-Member States	*Project cofinancing*	*APOs*	*Other supplementary funds*	*Total*
Abu Dhabi Fund for Development	-	-	84	84
Bill & Melinda Gates Foundation	-	-	91	91
European Commission	-	-	28 540	28 540
FAO	-	-	108	108
GAFSP	23 437	-	2 339	25 776
Least Developed Countries Fund	-	-	14 693	14 693
Support to Farmers' Organizations in Africa Programme	-	-	2 607	2 607
Platform for Agricultural Risk Management (PARM)	-	-	514	514
Technical Assistance Facility	-	-	553	553
UNDP	-	-	156	156
World Bank	6	-	11	17
Other	9	-	268	277
Total non-Member States	**23 452**	**-**	**49 965**	**73 416**
Grand total	**46 854**	**2 495**	**65 718**	**115 067**

Global Environment Facility

(Thousands of United States dollars)

Recipient country	Cumulative contributions received as at 31/12/2017	Unspent as at January 1st 2017	2017 Contributions	2017 expenses	Unspent as at 31/12/2017
Armenia	4 011	10	-	-	10
ASEAN[a] regional	15 648	1	10 826	(2 862)	7 964
Brazil	5 931	-	-	-	-
Burkina Faso	9 355	7 270	-	(6 606)	664
China	4 854	-	(41)	41	-
Comoros	945	-	-	-	-
Ecuador	2 783	-	-	-	-
Eritrea	4 335	-	(142)	141	-
Ethiopia	4 750	-	-	-	-
Gambia (The)	96	-	-	-	-
Global supplement for UNCCD[b]	457	-	-	-	-
Indonesia	5 017	4 768	150	(4 767)	152
Jordan	7 884	15	(2)	2	15
Kenya	12 039	2	-	2	4
Malaysia	200	41	-	(38)	3
Malawi	7 339	20	7 156	(1)	7 176
Mali	4 796	-	-	-	-
Mauritania	4 336	14	(14)	-	-
MENARID[c] monitoring and evaluation	705	-	(0)	-	-
Mexico	5 084	-	(16)	16	-
Morocco	330	-	-	-	-
Niger	12 032	7 681	-	(7 664)	17
Panama	150	-	-	-	-
Peru	7 022	-	(233)	233	-
Sao Tome and Principe	1 875	-	(626)	626	-
Senegal	3 690	3 630	-	-	3 630
Sri Lanka	7 270	-	-	-	-
Sudan	3 750	2	-	-	2
Swaziland	9 205	7 200	-	(7 200)	-
Tunisia	4 330	-	(1 020)	1 020	-
United Republic of Tanzania	7 339	6	7 156	(7 161)	-
Venezuela (Bolivarian Republic of)	3 716	19	(19)	-	-
Viet Nam	755	-	-	-	-
Total	**162 029**	**30 679**	**23 175**	**(34 218)**	**19 637**

[a] Association of Southeast Asian Nations.
[b] United Nations Convention to Combat Desertification.
[c] Middle East and North Africa Regional Program for Promoting Integrated Sustainable Land Development (MENARID).

Summaries of the Adaptation for Smallholder Agriculture Programme Trust Fund

Table 1
Summary of complementary contributions and supplementary funds to the Adaptation for Smallholder Agriculture Programme Trust Fund
(As at 31 December 2017)

	Member States	*Local currency*	*Pledges (Thousands of United States dollars)*[a]	*Payment promissory*[b] *notes*	*Payment cash*[b]	*Total payments*
Complementary contributions	Belgium	EUR 6 000	8 584		7 855	
	Canada	CAD 19 849	20 347		19 879	
	Finland	EUR 5 000	7 153		6 833	
	Netherlands	EUR 40 000	57 225		48 581	
	Norway	NOK 63 000	11 580		8 914	
	Sweden	SEK 30 000	4 729		4 471	
	Switzerland	CHF 10 000	11 844		10 949	
	United Kingdom	GBP 147 523	239 176	199 562	-	
	Subtotal		**360 638**	**199 562**	**107 482**	**307 044**
Supplementary funds						
ASAP	Flemish Department for Foreign Affairs	EUR 2 000	2 486		2 380	
	Republic of Korea	US$3 000	3 000		3 000	
ASAP2	Norway	NOK 80 000	9 652		8 834	
	Sweden	SEK 50 000	5 914		5 461	
	Subtotal		**21 052**	**-**	**19 675**	**19 675**
	Total		**381 690**	**199 562**	**127 157**	**326 719**

[a] Pledges counter-valued at replenishment exchange rate.
[b] Payments counter-valued at exchange rate prevailing at receipt date.

Table 2
Summary of grants under the Adaptation for Smallholder Agriculture Programme Trust Fund
(Amounts expressed in thousands)

Grant recipient	*Approved grants less cancellations*	*Disbursable*	*Disbursements 2017*	*Undisbursed portion of disbursable grants*	*Grants not yet disbursable as at 31 December 2017*
US$ grants					
Republic of Moldova	5 000	-	-	-	5 000
Iraq	2 000	-	-	-	2 000
Total US$	**7 000**	-	-	-	7 000
EUR grants					
Montenegro	1 880	-	-	-	1 880
Total EUR	**1 880**	-	-	-	1 880
US$ equivalent	**2 258**	-	-	-	2 258
SDR grants					
Bangladesh	9 900	9 900	3 102	4 463	-
Benin	3 220	3 220	332	2 888	-
Bhutan	3 580	3 580	324	2 674	-
Bolivia (Plurinational State of)	6 500	6 500	3 240	2 095	-
Burundi	3 510	3 510	226	2 718	-
Cambodia	10 150	10 150	1 693	6 786	-
Cabo Verde	2 900	2 900	337	2 563	-
Chad	3 240	3 240	431	2 475	-
Comoros	740	-	-	-	740
Côte d'Ivoire	4 520	4 520	239	3 867	-
Djibouti	4 000	4 000	439	2 911	-
Ecuador	2 850	-	-	-	2 850
Egypt	3 380	3 380	95	2 868	-
El Salvador	3 560	-	-	-	3 560
Ethiopia	7 870	7 870	809	7 061	-
Gambia (The)	3 570	3 570	423	2 576	-
Ghana	6 500	6 500	23	5 886	-
Kenya	7 100	7 100	298	6 802	-
Kyrgyzstan	6 500	6 500	1 018	4 741	-
Lao People's Democratic Republic	3 550	3 550	225	2 944	-
Lesotho	4 610	4 610	368	4 242	-
Liberia	3 280	3 280	20	3 260	-
Madagascar	4 200	4 200	-	3 617	-
Malawi	5 150	-	-	-	5 150
Mali	6 500	6 500	3 533	309	-
Mauritania	4 300	4 300	431	3 869	-
Morocco	1 295	1 295	7	1 288	-
Mozambique	3 260	3 260	885	1 109	-
Nepal	9 710	9 710	180	8 823	-
Nicaragua	5 310	5 310	1 339	3 048	-
Niger	9 250	9 250	1 993	6 270	-
Nigeria	9 800	9 800	1 339	8 368	-
Paraguay	3 650	-	-	-	3 650
Rwanda	4 510	4 510	501	2 483	-
Sudan	6 880	6 880	785	5 613	-
Tajikistan	3 600	3 600	635	2 965	-
Uganda	6 770	6 770	-	6 060	-
United Republic of Tanzania	7 120	-	-	-	7 120
Viet Nam	7 820	7 820	986	5 154	**-**
Total SDR	**204 155**	**181 085**	**26 256**	**132 796**	**23 070**
US$ equivalent	**290 923**	**258 048**	**37 415**	**189 236**	**32 875**
Total grants in US$	**300 180**	**258 048**	**37 415**	**189 236**	**42 132**

Note: For comparative purposes, as at December 2016 the grants approved (US$93.3 million) were not yet disbursable.

Management and external auditor's reports

IFAD
Investing in rural people

Management Assertion Report on the Effectiveness of Internal Controls Over Financial Reporting

Management of the International Fund for Agricultural Development (hereinafter IFAD or 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 Financial Regulations of IFAD, the President is responsible for establishing and maintaining appropriate internal financial control and audit systems of the Fund which would include 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 Executive Board in exercising supervision over the financial administration and internal oversight of the Fund. Financial administration would include 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 the external auditor and makes a recommendation for such selection to the Executive Board for its approval. The Audit Committee meets with the external and internal auditors to discuss, respectively, the scope and design of the audit, and annual workplan, and any other matter within the Audit Committee's terms of reference 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 accordance with IFRS as of **31 December 2017**. The assessment was based on the criteria for effective internal controls over financial reporting described in the Internal Control -Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A report was provided to Management by the Office of Audit and Oversight providing reasonable assurance as to the operational effectiveness of these controls. Based on the work performed, Management believes that the Fund maintained an effective system of internal controls over financial reporting as of 31 December 2017, and is not aware of any material control weakness that could affect the reliability of the 2017 financial statements. IFAD's independent external auditor, Deloitte & Touche, S.p.A, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's internal controls over financial reporting.

Gilbert F. Houngbo **President**	Alvaro Lario **Associate Vice President, CFO and Chief Controller**	Advit Nath **Director and Controller**

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INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Opinion

We have audited the consolidated financial statements of International Fund for Agricultural Development (the "Company"), which comprise the consolidated and IFAD-only balance sheets as at 31 December 2017, the consolidated and IFAD-only statements of comprehensive income and changes in retained earnings and the consolidated cash-flow statement for the year then ended, the statement of complementary and supplementary contributions and unspent funds, the summary of the Adaption for Smallholder Agriculture Programme Trust Fund and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (**ISAs**). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the "Consolidated Financial Statements of IFAD as at 31 December 2017" and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the "High-level review of IFAD's Financial Statements for 2017" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Verona

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Responsibilities of the President and those charged with governance for the Consolidated Financial Statements

The President is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the President is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with **ISAs** will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President.

- Conclude on the appropriateness of the President's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the consolidated entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DELOITTE & TOUCHE S.p.A.

Vittorio Fiore

Vittorio Fiore
Partner

Rome, March 2, 2018

Deloitte.

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INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

To the International Fund for Agricultural Development

We have undertaken a reasonable assurance engagement of the accompanying management's assessment that the International Fund for Agricultural Development ("IFAD") maintained effective internal controls over financial reporting as of December 31, 2017, as contained in IFAD's Management Assertion Report on the effectiveness of internal controls over financial reporting.

Management's Responsibility

Management of IFAD is responsible for the preparation of its assessment on the effectiveness on internal controls over financial reporting in accordance with the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework). IFAD's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Consolidated financial statements of IFAD as of December 31, 2017.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Auditor's Responsibility

Our responsibility is to express an opinion on management's assessment on the effectiveness on internal controls over financial reporting based on the procedures we have performed. We conducted our reasonable assurance engagement in accordance with International Standards on Assurance Engagements' Assurance Engagements other than Audits or Reviews of Historical Information ("ISAE 3000 revised") issued by International Auditing and Assurance Standards Board for reasonable assurance engagements. This standard requires that we plan and perform procedures in order to obtain a reasonable assurance as to whether management's assessment on the effectiveness on internal controls over financial reporting is free of material misstatement.

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A reasonable assurance engagement involves performing procedures to obtain evidence about management's assessment on the effectiveness on internal controls over financial reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in management's assessment on the effectiveness on internal controls over financial reporting, whether due to fraud or error.

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

Characteristics and Limitations of Internal Controls over Financial Reporting

An entity's internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles and that the receipts and expenditures of the entity are being made only in accordance with authorizations of the entity's management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, management's assertion that IFAD maintained effective internal controls over financial reporting, included within the Consolidated financial statements of IFAD as of December 31, 2017, is fairly stated, in all material respects, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework).

DELOITTE & TOUCHE S.p.A.

Vittorio Fiore

Vittorio Fiore
Partner

Rome, March 2, 2018

IFAD-only balance sheet at nominal value in United States dollars (US$) and retranslated into special drawing rights (SDR)

(As at 31 December 2017 and 2016)

		Thousands of US$		Thousands of SDR	
Assets	*Note/ appendix*	*2017*	*2016*	*2017*	*2016*
Cash on hand and in banks	**4**	**127 705**	**94 373**	**89 617**	**70 181**
Investments	**4**	**1 224 939**	**1 240 173**	**859 601**	**922 255**
Contribution and promissory notes receivables					
Contributors' promissory notes	5	213 430	308 812	149 774	229 648
Contributions receivable	5	308 771	475 127	216 680	353 328
Less: provisions and qualified instruments of contribution		(156 334)	(186 878)	(109 707)	(138 972)
Net contribution and promissory notes receivables		**365 867**	**597 061**	**256 747**	**444 004**
Other receivables		**151 243**	**139 752**	**106 134**	**103 926**
Fixed and intangible assets		**14 001**	**12 905**	**9 852**	**9 597**
Loans outstanding					
Loans outstanding	9(c)/I	7 140 349	6 377 221	5 010 740	4 742 420
Less: accumulated allowance for loan impairment losses	9(a)	(69 383)	(59 559)	(48 690)	(44 291)
Less: accumulated allowance for the HIPC Initiative	11(b)/J	(14 855)	(17 685)	(10 425)	(13 151)
Net loans outstanding		**7 056 111**	**6 299 977**	**4 951 626**	**4 684 998**
Total assets		**8 939 866**	**8 384 241**	**6 273 551**	**6 234 941**

		Thousands of US$		Thousands of SDR	
Liabilities and equity	*Note/ appendix*	*2017*	*2016*	*2017*	*2016*
Liabilities					
Payables and liabilities		206 598	186 417	144 981	136 631
Undisbursed grants	14	98 049	80 521	68 806	59 879
Deferred revenues		86 996	86 583	61 049	64 386
Borrowing liabilities	15	480 324	263 690	337 068	196 093
Total liabilities		**871 967**	**617 211**	**611 903**	**456 989**
Equity					
Contributions					
Regular		8 196 691	8 043 135	7 530 809	7 436 207
Special		20 349	20 349	15 219	15 219
Total contributions	H	**8 217 040**	**8 063 484**	**7 546 028**	**7 451 426**
Retained Earnings					
General Reserve		95 000	95 000	66 666	70 647
Accumulated deficit		(244 141)	(391 454)	(1 951 047)	(1 746 121)
Retained earnings		**(149 141)**	**(296 454)**	**(1 884 381)**	**(1 675 474)**
Total equity		**8 067 899**	**7 767 030**	**5 611 648**	**5 775 952**
Total liabilities and equity		**8 939 866**	**8 384 241**	**6 273 551**	**6 234 941**

Note: 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.

Statements of contributions

Table 1
Summary of contributions
(Thousands of United States dollars)

	2017	*2016*
Replenishments		
Initial contributions	1 017 371	1 017 371
First Replenishment	1 016 564	1 016 564
Second Replenishment	567 053	567 053
Third Replenishment	553 881	553 881
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	963 050	963 050
Ninth Replenishment	978 849	978 411
Tenth Replenishment	882 577	760 072
Eleventh Replenishment	448	-
Total IFAD	**8 004 276**	**7 880 886**
Special Programme for Africa (SPA)		
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	**8 375 857**	**8 252 466**
Complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Initiative	19 679	19 679
ASAP complementary contributions	307 044	289 836
Unrestricted complementary contributions IFAD10	61 890	36 169
Other complementary contributions	58 798	58 798
Total complementary contributions	**527 413**	**484 484**
Other		
HIPC contributions not made in the context of replenishment resources	267 463	267 463
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Supplementary contributions[b]		
Project cofinancing	436 434	420 404
Associate professional officer funds	51 059	48 811
Other supplementary funds	1 032 965	928 301
GEF	162 029	138 855
ASAP supplementary funds	19 675	4 181
Total supplementary contributions	**1 702 162**	**1 540 552**
Total contributions	**10 936 731**	**10 680 801**
Total contributions include the following:		
Total replenishment contributions (as above)	8 375 857	8 252 466
Less provisions	(121 630)	(121 630)
Less qualified instruments of contribution	(34 703)	(65 248)
Less DSF compensation	(2 484)	(2 104)
Total net replenishment contributions	**8 217 040**	**8 063 484**
Less fair value adjustment	(11 503)	(14 472)
Total replenishment contributions at fair value	**8 205 537**	**8 049 012**

[a] Including Iceland's special contribution prior to membership and US$20 million from OFID.
[b] Includes interest earned according to each underlying agreement.

Table 2
Replenishments through to IFAD10: Statement of Members' contributions[a]
(As at 31 December 2017)

		IFAD10					
		Instruments deposited			Payments (Thousands of US$ equivalent)		
Member State	*Replenishments through to IFAD9 (Thousands of US$ equivalent)*	*Currency*	*Amount (Thousands)*	*Thousands of US$ equivalent*	*Cash*	*Promissory notes*	*Total*
Afghanistan[a]	**-**						
Albania	**60**						
Algeria	**72 430**	US$	10 000	10 000	6 667		6 667
Angola	**4 260**	US$	1 578	1 578	1 578		1 578
Argentina	**19 900**	US$	7 500	7 500	5 000		5 000
Armenia	**45**	US$	15	15	15		15
Australia[b]	**37 247**						
Austria	**90 172**	EUR	16 000	18 412	12 008	6 404	18 412
Azerbaijan	**300**						
Bangladesh	**5 606**	US$	1 000	1 000	655	345	1 000
Barbados	**10**						
Belgium	**149 694**						
Belize	**205**						
Benin	**429**						
Bhutan	**195**	US$	30	30	20		20
Bolivia (Plurinational State of)	**1 500**						
Bosnia and Herzegovina	**215**						
Botswana	**740**	US$	45	45	45		45
Brazil[c]	**81 996**						
Burkina Faso	**484**	US$	125	125	86		86
Burundi	**100**	US$	10	10	10		10
Cabo Verde	**46**	US$					
Cambodia	**1 050**	US$	315	315	315		315
Cameroon	**3 064**	US$					
Canada	**350 281**	CAD	75 000	57 539	47 563		47 563
Central African Republic	**13**						
Chad	**391**						
Chile	**860**						
China	**105 839**	US$	60 000	60 000	40 000		40 000
Colombia	**1 040**						
Comoros[d]	**32**						
Congo	**818**						
Cook Islands	**5**						
Côte d'Ivoire	**1 629**	US$	6	6	6		6
Cuba	**9**	EUR	44	48	48		48
Cyprus	**312**	US$	60	60	40		40
Democratic People's Republic of Korea	**800**						
Democratic Republic of the Congo	**1 870**						
Denmark	**152 614**						
Djibouti	**31**	US$	6	6	6		6
Dominica	**51**						
Dominican Republic	**88**	US$	986	986	986		986
East Timor	**-**	US$	100	100	100		100
Ecuador	**1 241**						
Egypt	**23 409**						
El Salvador	**100**						
Eritrea	**70**	US$	30	30	30		30
Estonia	**59**						
Ethiopia	**291**	US$	40	40	40		40
Fiji	**325**						
Finland	**71 895**	EUR	13 000	14 399	10 196		10 196

Replenishments through to IFAD10: Statement of Members' contributions[a] (continued)
(As at 31 December 2017)

Member State	Replenishments through to IFAD9 (Thousands of US$ equivalent)	IFAD10 Instruments deposited Currency	Amount (Thousands)	Thousands of US$ equivalent	IFAD10 Payments (Thousands of US$ equivalent) Cash	Promissory notes	Total
France	**329 774**	EUR	35 000	39 432	25 503		25 503
Gabon	**3 724**	XAF	195	114	114		114
Gambia (The)	**90**	US$	30	30	30		30
Georgia	**-**	US$	30	30	30		30
Germany	**461 976**	EUR	52 389	60 008	37 990	22 018	60 008
Ghana	**2 466**						
Greece	**4 196**						
Grenada	**75**						
Guatemala	**1 043**	US$	500	500	125		125
Guinea	**490**	US$	85	85	85		85
Guinea-Bissau	**30**						
Guyana	**1 836**	US$	720	720	720		720
Haiti	**197**						
Honduras	**801**						
Hungary	**100**						
Iceland	**375**						
India	**135 497**	US$	37 000	37 000	37 000		37 000
Indonesia	**61 959**	US$	6 000	6 000	6 000		6 000
Iran (Islamic Republic of)[d]	**128 750**						
Iraq	**56 099**						
Ireland[e]	**31 221**	EUR	4 036	4 551	4 551		4 551
Israel	**451**	US$	20	20	20		20
Italy	**418 302**	EUR	63 820	68 086	68 086		68 086
Jamaica	**326**						
Japan[c]	**488 092**	JPY	5 903 108	52 365	13 063	39 302	52 365
Jordan	**1 040**						
Kazakhstan	**20**	US$	30	30	30		30
Kenya	**5 190**	US$	500	500	165		165
Kiribati	**19**	AUD	10	7	7		7
Kuwait	**188 041**	US$	15 000	15 000	9 750	5 250	15 000
Lao People's Democratic Republic	**357**	US$	61	61	61		61
Lebanon	**495**						
Lesotho	**589**						
Liberia	**64**	US$	57	57	57		57
Libya[d]	**52 000**						
Luxembourg	**7 634**	EUR	1 800	2 038	1 317		1 317
Madagascar	**624**	US$	50	50	50		50
Malawi	**123**						
Malaysia	**1 175**						
Maldives	**51**	US$	50	50	50		50
Mali	**379**	US$	127	127	127		127
Malta	**55**						
Mauritania	**135**	US$	49	49	49		49
Mauritius	**280**	US$	5	5	5		5
Mexico	**38 131**	US$	5 000	5 000	3 333		3 333
Micronesia (Federated States of)	**-**	US$	1	1	1		1
Mongolia	**15**	US$	10	10	10		10
Morocco	**7 944**	US$	800	800	400	400	800

Replenishments through to IFAD10: Statement of Members' contributions[a] (continued)
(As at 31 December 2017)

Member State	Replenishments through to IFAD9 (Thousands of US$ equivalent)	IFAD10 Instruments deposited Currency	Amount (Thousands)	Thousands of US$ equivalent	Payments (Thousands of US$ equivalent) Cash	Promissory notes	Total
Mozambique	**570**	US$	85	85	85		85
Myanmar	**255**	US$	5	5	5		5
Namibia	**360**						
Nepal	**270**	US$	75	75	75		75
Netherlands	**419 656**	US$	75 221	75 221	50 221	25 000	75 221
New Zealand	**11 579**	NZD	4 500	3 121	2 055		2 055
Nicaragua	**319**	US$	150	150	150		150
Niger	**275**	EUR	91	101	101		101
Nigeria	**128 959**						
Norway	**265 008**	NOK	315 000	37 962	24 854		24 854
Oman	**350**						
Pakistan	**30 934**	US$	8 000	8 000	2 667		2 667
Panama	**249**						
Papua New Guinea	**170**						
Paraguay	**1 356**	US$	200	200	200		200
Peru	**1 635**	US$	360	360	360		360
Philippines	**2 178**	US$	200	200	200		200
Portugal	**4 384**						
Qatar	**39 980**						
Republic of Korea	**26 139**	US$	8 000	8 000	4 940		4 940
Republic of Moldova	**75**	US$	30	30	30		30
Romania	**250**						
Russian Federation	**6 000**	US$	6 000	6 000	4 000		4 000
Rwanda	**271**	US$	50	50	50		50
Saint Kitts and Nevis	**20**						
Saint Lucia	**22**						
Samoa	**50**						
Sao Tome and Principe[d]	**10**						
Saudi Arabia	**432 778**	US$	23 000	23 000	12 000	11 000	23 000
Senegal	**754**	EUR	34	43	43		43
Seychelles	**70**						
Sierra Leone	**37**						
Solomon Islands	**10**						
Somalia	**10**						
South Africa	**1 913**						
Southern Sudan	**10**						
Spain	**101 664**						
Sri Lanka	**9 887**	US$	669	669	669		669
Sudan	**1 372**	EUR	237	237	237		237
Swaziland	**293**	US$	20	20	20		20
Sweden	**320 597**	SEK	270 000	31 879	19 666	22 214	31 879
Switzerland	**170 444**	CHF	45 086	46 197	30 735		30 575
Syrian Arab Republic	**1 817**						
Tajikistan	**2**	US$	1	1	1		1
Thailand	**1 500**	US$	300	300	300		300
Togo	**133**	US$	33	33	33		33
Tonga	**55**						
Tunisia	**4 528**	US$	1 000	1 000	561		561
Turkey	**18 636**	US$	3 000	3 000	3 000		3 000
Uganda	**430**						
United Arab Emirates	**54 180**	US$	3 000	3 000	1 900		1 900
United Kingdom	**353 651**	GBP	57 077	76 895	25 420	25 736	51 156
United Republic of Tanzania	**564**	US$	121	121	121		121

Replenishments through to IFAD10: Statement of Members' contributions[a] (continued)
(As at 31 December 2017)

		IFAD10					
		Instruments deposited			Payments (thousands of US$ equivalent)		
Member State	*Replenishments through to IFAD9 (Thousands of US$ equivalent)*	*Currency*	*Amount (Thousands)*	*Thousands of US$ equivalent*	*Cash*	*Promissory notes*	*Total*
United States[c]	**881 674**	US$	90 000	90 000	36 000	24 000	60 000
Uruguay	**725**	US$	200	200	200		200
Uzbekistan	**25**	US$	10	10	10		10
Venezuela (Bolivarian Republic of)	**196 258**						
Viet Nam	**2 703**	US$	600	600	400		400
Yemen	**4 348**						
Yugoslavia	**108**						
Zambia	**594**	US$	215	215	215		215
Zimbabwe	**2 103**						
Total contributions 31 December 2017	**7 121 251**			**882 577**	**556 032**	**171 668**	**727 700**
For 2016	**7 120 813**			**760 072**	**222 354**	**226 725**	**449 079**

[a] Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars, thus payments received for less than US$500 are not shown in appendix H. Consequently, contributions from Afghanistan (US$93) do not appear above.

[b] Australia's withdrawal from membership of IFAD became effective on 31 July 2007.

[c] See note 5(a).

[d] See notes 6(a) and (b).

[e] In addition to its pledge to IFAD8 of EUR 6 million, Ireland has made a further contribution of EUR 891,000.

IFAD11: Statement of Members' contributions[a]

(As at 31 December 2017)

	IFAD11					
	Instruments deposited			Payments (Thousands of US$ equivalent)		
Member State	*Currency*	*Amount (Thousands)*	*Thousands of US$ equivalent*	*Cash*	*Promissory notes*	*Total*
Angola	US$	-	-	408	-	408
Eritrea	US$	-	-	40	-	40
Total contributions 31 December 2017		**-**	**-**	**448**	**-**	**448**

Table 3
Special Programme for Africa: Statement of contributions
(As at 31 December 2017)

		First phase		Second phase		
		Instruments deposited		Instruments deposited		
Donor	*Currency*	*Amount*	*Thousands of US$ equivalent*	*Amount*	*Thousands of US$ 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$			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$	-	-	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 2017			**288 868**		**62 364**	**351 232**
31 December 2016			288 868		62 364	351 232

Table 4
Statement of Members' contributions received in 2017
(As at 31 December 2017 and 2016
(Thousands of United States dollars)

			Payments	
Member State	*Instruments deposited*[a,b]	*Promissory note deposit*[b]	*Cash*	*Promissory note encashment*
Initial contribution				
Iraq	-	-	2 500	-
Total initial contribution	**-**	**-**	**2 500**	**-**
IFAD8				
Iraq	-	-	500	-
Total IFAD8	-	-	**500**	-
IFAD9				
Brazil	-	-	-	11 133
Fiji	-	-	25	-
Ghana	-	-	140	-
Japan	-	-	-	13 123
United States	-	-	-	16 481
Total IFAD9	-	-	**165**	**40 737**
IFAD10				
Algeria	-	-	3 333	-
Angola	-	-	1 578	-
Argentina	7 500	-	5 000	-
Armenia	-	-	5	-
Austria	-	-	-	6 083
Bangladesh	-	1 000	-	655
Benin	150	-	-	-
Bhutan	-	-	10	-
Botswana	-	-	45	-
Burkina Faso	-	-	46	-
Canada	-	-	9 608	-
China	-	-	20 000	-
Cyprus	-	-	20	-
Dominican Republic	-	-	986	-
Finland	-	-	5 302	-
France	-	-	12 401	-
Gabon	-	-	114	-
Germany	-	21 863	-	20 913
Ghana	500	-	69	-
Greece	-	-	49	-
Guyana	-	-	240	-
India	-	-	12 000	-
Indonesia	-	-	6 000	-
Ireland	-	-	2 405	-
Israel	-	-	15	-
Italy	67 991	-	68 086	-
Japan	-	-	-	13 063
Jordan	-	-	100	-
Kazakhstan	-	-	10	-
Kuwait	-	-	-	9 750
Lesotho	-	-	100	-
Liberia	-	-	-	-
Luxembourg	-	-	641	-
Madagascar	-	-	50	-
Mexico	-	-	1 667	-
Micronesia (Federated States of)	-	-	1	-
Republic of Moldova	-	-	30	-
Mongolia	-	-	10	-
Morocco	800	800	-	400

Mozambique	-	-	85	-
Netherlands	-	-	-	25 000
New Zealand	-	-	1 067	-
Nicaragua	-	-	100	-
Norway	-	-	12 600	-
Pakistan	8 000	-	2 667	-
Peru	-	-	200	-
Philippines	200	-	200	-
Republic of Korea	-	-	2 670	-
Russian Federation	-	-	2 000	-
Saudi Arabia	-	-	-	12 000
Seychelles	-	-	65	-
Sri Lanka	-	-	334	-
Swaziland	20	-	-	-
Sweden	-	-	-	11 071
Switzerland	-	-	15 155	-
Tajikistan	-	-	1	-
United Republic of Tanzania	-	-	13	-
Thailand	-	-	300	-
Tunisia	439	-	288	-
Turkey	-	-	2 000	-
United Arab Emirates	-	-	1 000	-
United Kingdom	-	25 415	-	25 420
United States	-	30 000	-	18 000
Uruguay	-	-	200	-
Uzbekistan	-	-	5	-
Viet Nam	-	-	200	-
Zambia	-	-	214	-
Total IFAD10	**85 600**	**79 078**	**191 285**	**142 355**
IFAD11				
Angola	-	-	408	-
Eritrea	-	-	40	-
Total IFAD11	-	-	**448**	
Grand total	**85 600**	**79 078**	**194 898**	**183 092**

[a] As amounts are expressed in thousands of United States dollars.
[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.

Statement of loans

Table 1
Statement of outstanding loans
(As at 31 December 2017 and 2016)
(Amounts expressed in thousands)

Borrower or guarantor	*Approved loans less cancellations*	*Disbursed portion*	*Undisbursed portion*	*Repayments*	*Outstanding loans*
US$ loans					
Angola	33 800	-	33 800	-	-
Argentina	12 300	-	12 300	-	-
Azerbaijan	10 000	-	10 000	-	-
Bangladesh	93 250	30 000	63 250	21 750	8 250
Bolivia	21 000	-	21 000	-	-
Burkina Faso	19 000	-	19 000	-	-
Cabo Verde	2 003	2 003	-	1 452	551
Cambodia	46 300	500	45 800	-	500
Côte d'Ivoire	18 500	-	18 500	-	-
Djibouti	5 770	550	5 220	-	550
Dominican Republic	11 680	-	11 680	-	-
Ecuador	25 660	-	25 660	-	-
El Salvador	13 890	-	13 890	-	-
Grenada	3 990	-	3 990	-	-
Guyana	7 960	-	7 960	-	-
Haiti	3 500	3 500	-	2 581	919
India	151 050	-	151 050	-	-
Indonesia	39 885	-	39 885	-	-
Iraq	15 730	-	15 730	-	-
Jordan	8 400	-	8 400	-	-
Kenya	40 000	-	40 000	-	-
Lebanon	4 900	-	4 900	-	-
Malawi	21 000	-	21 000	-	-
Mexico	35 369	-	35 369	-	-
Nepal	11 538	11 538	-	8 370	3 168
Nicaragua	20 504	2 500	18 004	-	2 500
Pakistan	107 600	-	107 600	-	-
Papua New Guinea	25 500	-	25 500	-	-
Paraguay	10 000	-	10 000	-	-
Philippines	10 333	6 000	4 333	-	6 000
Republic of Moldova	18 200	-	18 200	-	-
Sri Lanka	51 880	14 800	37 080	9 000	5 800
Tajikistan	15 330	-	15 330	-	-
United Republic of Tanzania	9 488	9 488	-	6 998	2 490
Uzbekistan	46 200	-	46 200	-	-
Viet Nam	42 500	-	42 500	-	-
Zambia	6 700	-	6 700	-	-
Subtotal US$[a]	**1 020 710**	**80 879**	**939 831**	**50 151**	**30 728**
EUR loans					
Argentina	22 680	-	22 680	-	-
Bosnia and Herzegovina	11 120	900	10 220	-	900
China	73 100	15 363	57 737	-	15 363
Cuba	10 900	-	10 900	-	-
Ecuador	14 250	-	14 250	-	-
Egypt	103 450	5 858	97 592	-	5 858
El Salvador	10 850	-	10 850	-	-
Fiji	3 100	900	2 200	-	900
Indonesia	93 150	2 500	90 650	-	2 500
Mexico	5 870	1 022	4 848	-	1 022
Montenegro	3 880	150	3 730	-	150
Morocco	40 610	-	40 610	-	-
Paraguay	15 800	-	15 800	-	-
Philippines	50 110	12 208	37 902	-	12 208
Swaziland	8 550	1 797	6 753	-	1 797
Tunisia	21 600	2 000	19 600	-	2 000
Turkey	51 100	640	50 460	-	640
Venezuela (Bolivarian Republic of)	6 810	-	6 810	-	-
Subtotal EUR	**546 930**	**43 338**	**503 592**	**-**	**43 338**
US$ equivalent	**656 754**	**52 040**	**604 713**	**-**	**52 040**
SDR loans[a]					
Albania	34 462	34 462	-	9 934	24 528
Angola	24 400	18 074	6 326	4 367	13 707
Argentina	31 269	29 913	1 356	16 688	13 225
Armenia	60 942	55 761	5 181	9 130	46 631

Borrower or guarantor	Approved loans less cancellations	Disbursed portion	Undisbursed portion	Repayments	Outstanding loans
Azerbaijan	44 905	42 183	2 722	4 783	37 400
Bangladesh	443 346	390 330	53 016	97 143	293 187
Belize	2 864	2 864	-	1 827	1 037
Benin	100 357	77 259	23 098	28 010	49 249
Bhutan	38 492	33 905	4 827	8 555	25 350
Bolivia (Plurinational State of)	72 570	58 899	13 671	17 292	41 607
Bosnia and Herzegovina	46 396	41 469	4 927	9 535	31 934
Botswana	2 600	809	1 791	347	462
Brazil	142 150	77 838	64 312	34 384	43 454
Burkina Faso	86 079	75 943	10 136	19 639	56 304
Burundi	40 859	40 859	-	16 072	24 787
Cabo Verde	20 191	16 906	3 285	3 800	13 106
Cambodia	62 954	47 312	15 642	5 728	41 584
Cameroon	87 320	56 583	30 737	10 008	46 575
Central African Republic	26 494	26 223	271	11 133	15 090
Chad	18 139	18 138	1	2 677	15 461
China	516 630	491 715	24 915	128 432	363 283
Colombia	32 024	18 232	13 792	5 839	12 393
Comoros	5 292	4 182	1 110	1 986	2 196
Congo	23 092	16 587	6 505	770	15 817
Côte d'Ivoire	27 645	17 847	9 798	5 288	12 559
Cuba	20 838	16 350	4 488	10 191	6 159
Democratic People’s Republic of Korea	50 496	50 496	-	10 539	39 957
Democratic Republic of the Congo	50 370	38 270	12 100	13 759	24 511
Djibouti	7 146	5 662	1 484	1 458	4 204
Dominica	1 146	1 146	-	776	370
Dominican Republic	27 262	25 461	1 801	10 697	14 764
Ecuador	37 376	35 036	2 340	13 361	21 675
Egypt	197 593	162 384	35 209	65 452	96 932
El Salvador	68 065	66 736	1 329	31 343	35 393
Equatorial Guinea	5 794	5 794	-	4 898	896
Eritrea	23 892	23 892	-	5 344	18 548
Ethiopia	347 638	257 019	90 619	45 624	211 395
Gabon	3 800	3 582	218	1 773	1 809
Gambia (The)	34 188	29 672	4 516	10 014	19 658
Georgia	30 678	24 942	5 736	4 179	20 763
Ghana	182 126	125 584	56 542	29 070	96 514
Grenada	4 400	3 972	428	2 358	1 614
Guatemala	42 686	32 575	10 111	26 093	6 482
Guinea	64 160	64 160	-	23 733	40 427
Guinea-Bissau	8 487	5 976	2 511	3 210	2 766
Guyana	8 522	8 522	-	2 475	6 047
Haiti	58 463	58 463	-	20 909	37 554
Honduras	89 060	72 864	16 196	20 660	52 204
India	619 516	460 499	159 017	159 213	301 286
Indonesia[b]	160 774	153 528	7 246	28 508	125 020
Jordan	23 763	17 652	6 111	12 048	5 604
Kenya	173 748	111 665	62 083	15 063	96 602
Kyrgyzstan	30 187	13 271	16 916	2 505	10 766
Lao People’s Democratic Republic	55 763	48 463	7 300	14 345	34 118
Lebanon	6 429	5 126	1 303	4 349	777
Lesotho	30 606	26 728	3 878	7 574	19 154
Liberia	29 360	15 645	13 715	2 226	13 419
Madagascar[b]	198 855	126 710	72 145	26 867	99 843
Malawi[b]	103 280	77 893	25 387	27 123	50 770
Maldives	10 843	10 776	67	3 031	7 745
Mali	124 630	105 001	19 629	29 680	75 321
Mauritania	49 906	47 626	2 280	13 417	34 209
Mauritius	8 527	8 527	-	7 269	1 258
Mexico	48 084	38 984	9 100	25 834	13 150
Republic of Moldova	55 717	50 222	5 495	3 513	46 709
Mongolia	27 169	20 489	6 680	2 783	17 706
Morocco	77 352	52 445	24 907	34 180	18 265
Mozambique	144 058	129 241	14 817	30 164	99 077
Myanmar	52 550	4 301	48 249	-	4 301
Nepal	132 490	83 501	48 989	31 459	52 042
Nicaragua	49 535	46 946	2 589	9 999	36 947
Niger	90 970	63 295	27 675	11 909	51 386
Nigeria	222 349	120 548	101 801	16 075	104 473
Pakistan	281 706	226 828	54 878	66 012	160 816
Papua New Guinea	23 450	9 871	13 579	-	9 871
Paraguay	16 318	16 252	66	1 395	14 857
Peru	59 271	37 692	21 579	11 539	26 153

Borrower or guarantor	Approved loans less cancellations	Disbursed portion	Undisbursed portion	Repayments	Outstanding loans
Philippines (the)	85 200	72 068	13 132	14 238	57 830
Romania	12 400	12 400	-	11 573	827
Rwanda[b]	149 657	114 835	34 822	26 053	88 782
Samoa	1 908	1 908	-	959	949
Sao Tome and Principe	13 747	13 747	-	4 632	9 115
Senegal	118 638	97 179	21 459	16 617	80 562
Seychelles	1 980	1 215	765	165	1 050
Sierra Leone	45 737	44 709	1 028	13 790	30 919
Solomon Islands	4 069	4 057	12	1 375	2 682
Somalia	17 710	17 710	-	411	17 299
Sri Lanka	159 948	140 705	19 243	32 395	108 310
Sudan (the)	145 628	143 998	1 630	48 531	95 467
Swaziland	14 428	14 428	-	9 467	4 961
Syrian Arab Republic	40 873	24 333	16 540	14 400	9 933
Tajikistan	6 200	1 140	5 060	-	1 140
The former Yugoslav Republic of Macedonia	11 721	11 721	-	3 570	8 151
Togo	24 583	18 365	6 218	9 095	9 270
Tonga	5 927	4 837	1 090	2 190	2 647
Tunisia	59 137	45 045	14 092	29 502	15 543
Turkey	53 023	49 058	3 965	18 647	30 411
Uganda	250 434	194 715	55 719	41 930	152 785
United Republic of Tanzania	266 408	209 776	56 632	30 144	179 632
Uruguay	12 902	10 998	1 904	9 339	1 659
Uzbekistan	23 190	6 564	16 626	-	6 564
Venezuela (Bolivarian Republic of)	14 586	10 451	4 135	8 845	1 606
Viet Nam	216 900	199 936	16 964	20 439	179 497
Yemen	138 389	138 389	-	48 917	89 472
Zambia	134 999	108 156	26 843	27 887	80 269
Zimbabwe	26 511	26 511	-	11 659	14 852
Subtotal SDR	**8 319 697**	**6 681 530**	**1 638 167**	**1 866 133**	**4 815 397**
Fund for Gaza and the West Bank[c]	2 513	2 513	-	873	1 640
Total SDR	**8 322 210**	**6 684 043**	**1 638 167**	**1 867 006**	**4 817 037**
US$ equivalent	**11 859 222**	**9 524 821**	**2 334 402**	**2 660 500**	**6 864 321**
Total loans 31 December 2017 US$ at nominal value	**13 536 686**	**9 657 740**	**3 878 946**	**2 710 651**	**6 947 089**
Other receivables					16 273
Fair value adjustment					(1 226 474)
31 December 2017 US$ at fair value					**5 736 888**
Total loans 31 December 2016 US$ at nominal value	**11 828 772**	**8 505 673**	**3 323 099**	**2 316 600**	**6 189 073**
Other receivables					13 297
Fair value adjustment					(1 127 486)
December 2016 US$ at fair value	**11 828 772**	**8 505 676**	**3 323 099**	**2 316 600**	**5 074 884**

[a] Loans denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Loans 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$/SDR rate of 1.42501 at 31 December 2017. Loans denominated in euros has been valued at the US$/EUR rate of 0.8327781 at 31 December 2017.

[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 note 2(f)(ii).

Table 2
Summary of loans approved at nominal value by year
(As at 31 December 2017)

Year		Approved loans in thousands of SDR As at 1 January 2017	Loans cancelled	Loans fully repaid	As at 31 December 2017	Value in thousands of US$ As at 1 January 2017	Loans cancelled	Loans fully repaid	Exchange rate movement SDR/US$	As at 31 December 2017
1978	US$	68 530	-	-	68 530	68 530	-	-	-	68 530
2016	US$	268 934	(17)	-	268 917	268 934	(17)	-	-	268 917
2017	US$	-	-	-	683 263	-	-	-	-	683 263
1979	SDR	201 485	-	-	201 485	270 940	-	-	16 177	287 118
1980	SDR	176 647	-	-	176 647	237 541	-	-	14 183	251 724
1981	SDR	182 246	-	-	182 246	245 070	-	-	14 632	259 702
1982	SDR	103 109	-	-	103 109	138 653	-	-	8 278	146 931
1983	SDR	132 090	-	-	132 090	177 625	-	-	10 605	188 230
1984	SDR	131 907	-	-	131 907	177 378	-	-	10 591	187 969
1985	SDR	60 332	-	-	60 332	81 130	-	-	4 844	85 974
1986	SDR	23 663	-	-	23 663	31 821	-	-	1 899	33 720
1987	SDR	60 074	-	-	60 074	80 783	-	-	4 823	85 606
1988	SDR	52 100	-	-	52 100	70 060	-	-	4 183	74 243
1989	SDR	86 206	-	-	86 206	115 923	-	-	6 921	122 844
1990	SDR	40 064	-	-	40 064	53 875	-	-	3 217	57 092
1991	SDR	98 025	-	-	98 025	131 817	-	-	7 870	139 687
1992	SDR	79 888	-	-	79 888	107 427	-	-	6 414	113 841
1993	SDR	122 240	-	-	122 240	164 379	-	-	9 814	174 193
1994	SDR	122 598	-	-	122 598	164 860	-	-	9 843	174 703
1995	SDR	149 100	-	-	149 100	200 490	-	-	11 979	212 469
1996	SDR	197 776	-	-	197 776	265 953	-	-	15 880	281 833
1997	SDR	246 936	-	-	246 936	332 060	-	-	19 826	351 886
1998	SDR	266 578	-	-	266 578	358 474	-	-	21 402	379 876
1999	SDR	275 119	-	-	275 119	369 958	-	-	22 089	392 047
2000	SDR	272 919	-	-	272 919	367 000	-	-	21 911	388 912
2001	SDR	248 233	(728)	-	247 505	333 804	(1 037)	-	19 930	352 697
2002	SDR	234 838	(6 599)	-	228 239	315 792	(9 399)	-	18 849	325 242
2003	SDR	223 470	-	-	223 470	300 505	-	-	17 942	318 447
2004	SDR	252 407	(1 482)	-	250 925	339 417	(2 111)	-	20 265	357 571
2005	SDR	308 105	(1 167)	-	306 938	414 315	(1 662)	-	24 737	437 390
2006	SDR	315 223	(2 808)	-	312 415	423 887	(3 999)	-	25 305	445 193
2007	SDR	267 793	(9 910)	-	257 883	360 107	(14 113)	-	21 492	367 486
2008	SDR	265 159	(6 313)	-	258 846	356 565	(8 991)	-	21 283	368 857
2009	SDR	276 441	(1 577)	-	274 864	371 736	(2 246)	-	22 194	391 684
2010	SDR	417 541	(1 063)	-	416 478	561 476	(1 513)	-	33 521	593 484
2011	SDR	455 195	(2 357)	-	452 838	612 109	(3 357)	-	36 546	645 298
2012	SDR	407 341	(3 987)	-	403 354	547 760	(5 679)	-	32 702	574 783
2013	SDR	353 686	(25 282)	-	328 404	475 608	(36 004)	-	28 375	467 979
2014	SDR	337 626	-	-	337 626	454 012	-	-	27 108	481 120
2015	SDR	541 540	-	(20 000)	521 540	728 219	-	-	14 979	743 198
2016	SDR	203 153	-	-	203 153	273 184	-	-	16 311	289 495
2017	SDR	-	-	-	216 630	-	-	-	-	308 700
2014	EUR	84 600	-	-	84 600	89 232	-	-	12 356	101 588
2015	EUR	274 310	-	-	274 310	289 329	-	-	40 063	329 391
2016	EUR	95 790	-	-	95 790	101 034	-	-	13 990	115 025
2017	EUR	-	-	-	92 230	-	-	-	-	110 750
Total US$		**337 464**	**(17)**	**-**	**1 020 710**	**337 464**	**(17)**	**-**	**-**	**1 020 710**
Total SDR		**8 188 853**	**(63 273)**	**(20 000)**	**8 322 210**	**11 011 713**	**(90 111)**	**-**	**628 920**	**11 859 222**
Total EUR		**454 700**	**-**	**-**	**546 930**	**479 595**	**-**	**-**	**66 409**	**656 754**
Totals		**8 981 017**	**(63 290)**	**(20 000)**	**9 889 851**	**11 828 772**	**(90 128)**	**-**	**695 329**	**13 536 686**

Table 3
Maturity structure of outstanding loans by period at nominal value
(As at 31 December 2017 and 2016)
(Thousands of United States dollars)

Period due	*2017*	*2016*
Less than 1 year	338 715	292 242
1-2 years	307 468	267 223
2-3 years	329 642	285 772
3-4 years	338 441	294 728
4-5 years	350 516	294 276
5-10 years	1 669 316	1 493 075
10-15 years	1 390 159	1 258 800
15-20 years	1 075 504	968 281
20-25 years	730 639	677 019
More than 25 years	416 689	357 656
Total	**6 947 089**	**6 189 073**

Table 4
Summary of outstanding loans by lending type at nominal value
(As at 31 December 2017 and 2016)
(Thousands of United States dollars)

Lending type	*2017*	*2016*
Highly concessional terms	6 079 092	5 512 865
Hardened terms	33 298	28 060
Intermediate terms	251 365	225 853
Ordinary terms	530 820	398 669
Blended terms	52 514	23 626
Total	**6 947 089**	**6 189 073**

Table 5
Disbursement structure of undisbursed loans at nominal value
(Projected as at 31 December 2017 and 2016)
(Thousands of United States dollars)

Disbursements in:	*2017*	*2016*
Less than 1 year	522 956	392 126
1-2 years	561 632	398 772
2-3 years	578 685	382 156
3-4 years	532 282	382 156
4-5 years	476 156	372 187
5-10 years	1 207 235	1 395 702
Total	**3 878 946**	**3 323 099**

Special Programme for Africa

Table 1
Statement of loans at nominal value
As at 31 December 2017 and 2016
(Amounts expressed in thousands)

Borrower or guarantor	*Approved loans less cancellations*	*Disbursed portion*	*Undisbursed portion*	*Repayments*	*Outstanding loans*
SDR loans					
Angola	2 714	2 714	-	1 114	1 600
Burkina Faso	10 546	10 546	-	4 956	5 590
Burundi	4 494	4 494	-	1 643	2 851
Cabo Verde	2 183	2 183	-	956	1 227
Chad	9 617	9 617	-	4 195	5 422
Comoros	2 289	2 289	-	993	1 296
Djibouti	114	114	-	51	63
Ethiopia	6 660	6 660	-	3 325	3 325
Gambia (The)	2 638	2 638	-	1 187	1 451
Ghana	22 321	22 321	-	9 571	12 750
Guinea	10 762	10 762	-	5 112	5 650
Guinea-Bissau	2 126	2 126	-	1 116	1 010
Kenya	12 241	12 241	-	4 923	7 318
Lesotho	7 481	7 481	-	3 272	4 209
Madagascar	1 098	1 098	-	458	640
Malawi	5 777	5 777	-	2 023	3 754
Mali	10 193	10 193	-	5 094	5 099
Mauritania	19 020	19 020	-	8 903	10 117
Mozambique	8 291	8 291	-	4 249	4 042
Niger	11 119	11 119	-	5 489	5 630
Senegal	23 234	23 234	-	10 098	13 136
Sierra Leone	1 505	1 505	-	564	941
Sudan	26 012	26 012	-	11 418	14 594
Uganda	8 124	8 124	-	4 062	4 062
United Republic of Tanzania	6 789	6 789	-	3 055	3 734
Zambia	8 607	8 607	-	4 272	4 335
Total	**225 955**	**225 955**	**-**	**102 099**	**123 856**
US$ equivalent	**321 988**	**321 988**	**-**	**145 492**	**176 496**
Other receivables					491
Fair value adjustment					(54 166)
31 December 2017 US$ at fair value					**122 821**
31 December 2016 US$ at nominal value					**174 851**
Other receivables					488
Fair value adjustment					(55 295)
31 December 2016 US$ at fair value					**119 556**

Table 2
Summary of loans by year approved at nominal value
(As at 31 December 2017)

		Approved loans in thousands of SDRs			*Value in thousands of US$*			
Year		*As at 1 January 2017*	*Loans cancelled*	*As at 31 December 2017*	*As at 1 January 2017*	*Loans cancelled*	*Exchange rate movement SDR/US$*	*As at 31 December 2017*
1986	SDR	24 902	-	24 902	33 486	-	1 999	35 485
1987	SDR	41 292	-	41 292	55 525	-	3 315	58 840
1988	SDR	34 770	-	34 770	46 756	-	2 792	49 548
1989	SDR	25 756	-	25 756	34 634	-	2 068	36 702
1990	SDR	17 370	-	17 370	23 357	-	1 395	24 752
1991	SDR	18 246	-	18 246	24 536	-	1 465	26 001
1992	SDR	6 952	-	6 952	9 349	-	558	9 907
1993	SDR	34 268	-	34 268	46 081	-	2 751	48 832
1994	SDR	16 320	-	16 320	21 947	-	1 310	23 257
1995	SDR	6 082	-	6 082	8 179	-	489	8 668
Total	**SDR**	**225 958**	**-**	**225 958**	**303 850**	**-**	**18 142**	**321 992**

Table 3
Maturity structure of outstanding loans by period at nominal value
(As at 31 December 2017 and 2016)
(Thousands of United States dollars)

Period due	*2017*	*2016*
Less than 1 year	8 354	7 883
1-2 years	8 278	7 812
2-3 years	8 278	7 812
3-4 years	8 278	7 812
4-5 years	8 278	7 812
5-10 years	41 391	39 059
10-15 years	41 391	39 059
15-20 years	36 776	36 867
20-25 years	14 347	17 926
More than 25 years	1 125	2 322
Total	**176 496**	**174 363**

Table 4
Summary of outstanding loans by lending type at nominal value
(As at 31 December 2017 and 2016)
(Thousands of United States dollars)

Lending type	*2017*	*2016*
Highly concessional terms	176 496	174 363
Total	**176 496**	**174 363**

Statement of grants

(As at 31 December 2017 and 2016)
(Thousands of United States dollars)

	Undisbursed as at 1 January 2017	*2017 movements*				*Undisbursed as at 31 December 2017*
		Disbursable	*Disbursements*	*Cancellations*	*Exchange rate*	
Grants	80 521	66 883	(45 407)	(5 116)	1 168	98 049
Fair value adjustment	-	-	-	-	-	(8 392)
Total 2017 at fair value	-	-	-	-	-	**89 657**
Total 2016	68 057	54 910	(39 270)	(2 717)	(459)	80 521
Fair value adjustment	-	-	-	-	-	(2 467)
Total 2016 at fair value	**-**	**-**	**-**	**-**	**-**	**78 054**

IFAD-only Debt Sustainability Framework (DSF)

(As at 31 December 2017 and 2016)
(Thousands of United States dollars)

Borrower or guarantor	*Undisbursed as at 1 January 2017*	*Effective/ (cancellations) 2017*	*Disbursements 2017*	*Undisbursed as at 31 December 2017*
DSF projects denominated in US$	**1 971**	**385**	**(713)**	**1 643**
DSF projects denominated in SDR				
Afghanistan	56 901	(257)	(10 373)	46 271
Benin	7 790	-	(350)	7 440
Burkina Faso	42 342	-	(5 789)	36 553
Burundi	44 941	-	(10 400)	34 541
Cambodia	231	-	(221)	10
Central African Republic	841	-	(570)	271
Chad	10 215	(763)	(2 580)	6 872
Comoros	-	-	-	-
Congo	1 342	-	141	1 483
Côte d'Ivoire	17 332	(439)	(4 556)	12 337
Democratic Republic of the Congo	40 552	-	361	40 913
Eritrea	5 847	10 750	(4 330)	12 267
Ethiopia	8 129	(5)	(2 740)	5 384
Gambia (The)	5 823	5 024	(5 251)	5 596
Guinea	14 821	(29)	(2 396)	12 396
Guinea-Bissau	3 279	-	(769)	2 510
Guyana	-	-	-	-
Haiti	7 720	(364)	(3 196)	4 160
Kiribati	1 233	-	(449)	784
Kyrgyzstan	9 455	-	(2 926)	6 529
Lao People's Democratic Republic	4 533	-	(2 235)	2 298
Lesotho	932	3 830	(888)	3 874
Liberia	23	-	13	36
Malawi	8 288	19 350	(2 441)	25 197
Maldives	1 011	-	(271)	740
Mali	9 193	-	(939)	8 254
Mauritania	3 530	10 685	(2 197)	12 018
Nepal	30 741	(3 744)	(4 299)	22 698
Nicaragua	4 631	-	(2 042)	2 589
Niger	13 807	17 250	(3 577)	27 480
Rwanda	5 950	-	(3 168)	2 782
Sao Tome and Principe	1 904	-	(998)	906
Sierra Leone	2 667	(99)	(1 541)	1 027
Solomon Islands	1 159	-	(706)	453
South Sudan	11	(11)	-	-
Sudan	18 477	6 852	(6 406)	18 923
Tajikistan	7 765	-	(2 360)	5 405
Timor-Leste	3	(3)	-	-
Togo	6 950	-	(148)	6 802
Tonga	757	-	(662)	95
Yemen	14 621	-	-	14 621
Zimbabwe	-	18 300	(288)	18 012
Subtotal SDR DSF	**415 747**	**86 327**	**(91 547)**	**410 527**
Subtotal SDR DSF (US$ equivalent)	592 444	123 017	(130 455)	585 005
2017 total US$ and SDR DSF	594 415	123 402	(131 168)	586 648
Exchange difference	-	-	3 402	-
Total 2017disbursements	**-**	**-**	**(127 766)**	**-**
2016 total US$ and SDR DSF	547 159	133 160	(119 785)	561 034

Summary of the Heavily Indebted Poor Countries Initiative

(As at 31 December 2017)
(Thousands of United States dollars)

	Debt relief provided to 31 December 2017		Debt relief to be provided as approved by the Executive Board			
			To be covered by IFAD		To be covered by	Total
Completion point countries	Principal	Interest	Principal	Interest	World Bank contribution	debt relief
Benin	4 568	1 643	-	-	-	6 211
Bolivia (Plurinational State of)	5 900	1 890	-	-	-	7 790
Burkina Faso	9 278	2 320	-	-	-	11 599
Burundi	6 769	2 668	2 041	314	2 454	14 245
Cameroon	3 074	727	-	-	-	3 801
Comoros	936	176	515	67	749	2 443
Central African Republic	1 321	244	-	-	-	1 565
Chad	9 563	2 935	459	75	367	13 400
Congo	-	99	-	-	-	99
Côte d'Ivoire	1 814	326	-	-	-	2 140
Democratic Republic of the Congo	8 803	2 825	2 080	175	1 682	15 564
Ethiopia	20 569	5 905	-	-	-	26 473
Gambia (The)	2 508	619	-	-	-	3 127
Ghana	15 585	5 003	-	-	-	20 588
Guinea	9 275	1 837	899	151	746	12 908
Guinea-Bissau	3 506	1 072	910	80	530	6 098
Guyana	1 526	299	-	-	-	1 825
Haiti	1 946	635	-	-	-	2 581
Honduras	1 077	767	-	-	-	1 844
Liberia	8 694	6 199	275	32	309	15 510
Madagascar	7 810	2 096	-	-	-	9 906
Malawi	14 875	3 539	1 814	299	2 450	22 977
Mali	6 211	2 431	-	-	-	8 642
Mauritania	8 484	2 601	-	-	-	11 085
Mozambique	12 521	3905	-	-	-	16 426
Nicaragua	7 259	943	-	-	-	8 202
Niger	10 851	2 783	55	10	67	13 765
Rwanda	16 786	5 211	-	-	-	21 996
Sao Tome and Principe	1 530	402	698	97	581	3 307
Senegal	2 247	882	-	-	-	3 129
Sierra Leone	8 902	2 085	679	87	546	12 299
United Republic of Tanzania	12 691	4 293	-	-	-	16 984
Togo	2 009	759	-	-	-	2 768
Uganda	12 449	4 654	-	-	-	17 103
Zambia	19 170	4 920	-	-	-	24 090
SDR	260 507	79 693	10 425	1 387	10 481	362 493
Less future interest on debt relief not accrued*						**(4 203)**
Total SDR debt relief						**358 290**
Total US$ equivalent	**371 226**	**113 563**	**14 855**	**1 977**	**14 936**	**510 566**
Fair value adjustment			(4 605)			
31 December 2017 at fair value			**10 250**			
As at 31 December 2016						
SDR	**252 670**	**78 306**	**13 153**	**1 875**	**13 784**	**359 788**
Less future interest on debt relief not accrued*						**(4 315)**
Total SDR debt relief						**355 473**
Total US$ equivalent	**339 773**	**105 295**	**17 685**	**2 523**	**8 536**	**478 011**
Fair value adjustment			(5 610)			
31 December 2016 at fair value			**12 075**			

* Including interest covered by the World Bank contribution.

Summary of contributions to the Haiti Debt Relief Initiative

(As at 31 December 2017 and 2016)

	Thousands of US$	*Thousands of SDR*
2017		
Member State contribution		
Austria	685	438
Belgium	776	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
Subtotal	**27 561**	**17 825**
Interest earned	976	
Debt relief provided	(18 461)	
Total administrative account Member States 2017	**10 076**	
IFAD		
IFAD contribution	**15 200**	
Interest earned	858	
Debt relief provided	**-**	
Total administrative account IFAD	**16 058**	
Grand total	**26 134**	
Exchange rate movement	**(2 733)**	
Total HDR cash and investments	**23 401**	
2016		
Grand total	**28 905**	
Exchange rate movement	**(2 867)**	
Total HDR cash and investments	**26 038**	

IFAD-only analysis of operating expenses

(For the years ended 31 December 2017 and 2016)

An analysis of IFAD operating expenses by principal sources of funding

(Thousands of United States dollars)

Expense	*Administrative expenses*[a]	*Direct charges*[b]	*Other sources*[c]	*Total*
Staff salaries and benefits	82 613	3	6 687	89 303
Office and general expenses	29 067	495	10 190	39 752
Consultants and other non-staff costs	38 160	28	3 789	41 977
Direct bank and investment costs	-	1 614	-	1 614
Total 2017	**149 840**	**2 140**	**20 666**	**172 646**
Total 2016	**140 251**	**2 947**	**12 987**	**156 186**

[a] These refer to IFAD's regular budget, the budget of the Independent Office of Evaluation of IFAD, carry-forward and ASMCS costs.
[b] Direct charges against investment income.
[c] Includes Government of Italy's reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges.

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Blaise Hognon serves a customer in his frozen meat and fish store in Lobogo, Benin.
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