

IFAD ANNUAL REPORT 2019





President's foreword

Since the start of 2020, much of the world's attention has been focused on the COVID-19 pandemic. At this challenging time, we are reminded of the importance of international cooperation and of the need for a strong global, multilateral system.

Many of our global problems – including disease, hunger, inequality, conflict and fragility – can only be solved by countries acting together.

We also have been made keenly aware that in a crisis, it is the poor and vulnerable who suffer most. When economies go into recession, those working in precarious jobs in informal employment – often women and young people – and the operators of small and medium-sized enterprises tend to be hit hardest. And people living in countries that lack the resources to deal with crises are even more vulnerable. With this in mind, it is crucial that, in tandem with providing necessary emergency aid, the global community continue to address the needs of the most vulnerable people so that when the next crisis comes along, we are better able to protect those most at risk of being left behind.

It has been gratifying to see that our investments in activities towards better livelihoods and greater resilience for rural people have made them more able to cope with the COVID-19 pandemic.

In 2019, new approvals for IFAD projects and programmes increased to a record US\$1.67 billion, enabling us to do more in improving the lives of rural people now, as well as building a sustainable future for their families and communities.

At the same time, the pandemic – especially its socio-economic consequences – is threatening past development gains. We have responded with a coordinated package of measures, as part of the overarching United Nations framework for response, to protect rural livelihoods from the impacts of the crisis, including a dedicated Rural Poor Stimulus Facility that addresses short-term disruptions in rural activities, with a focus on food systems. While it is true that IFAD's core business is mid- and long-term sustainable development, not emergency humanitarian aid, we have a critical role to play in building the resilience of rural people to the impacts of crises in both the short and the long term.

How IFAD is adapting to the challenges of today

Globally, 79 per cent of the world's poorest people live in rural areas, most depending on small-scale agriculture for their income. Many are net buyers of food. Rural areas are also where most of the world's hungriest people live.

These structural issues need to be addressed in our response to the COVID-19 pandemic and in the post-COVID-19 recovery. We cannot afford to move from one emergency to the other. We need to prioritize investments and policies to ensure that the next time crisis strikes – be it a global pandemic or a local weather event – people, economies and the environment are resilient enough and in a position to avert the worst outcomes.

IFAD's mandate has proven to be very relevant in a rapidly changing world. Progress made in 2019 builds on recent institutional reforms aimed at maximizing IFAD's contribution to ending poverty and hunger. We continued to pursue decentralization, and to move beyond single project interventions to more holistic approaches to address systemic issues.

A number of steps were taken to strengthen key areas in preparation for IFAD's Twelfth Replenishment (IFAD12). To enable us to do more, we are also continuing to develop a financial framework that blends replenishment contributions with debt financing. While replenishment contributions will remain the bedrock of IFAD's financial model, the new framework will allow us to expand our programme of loans and grants and reach more rural people around the world. At the same time, we are strengthening IFAD's overall Enterprise Risk Management approach, and especially our financial risk framework, to ensure the financial sustainability of our new model.

In 2019, we established a robust Capital Adequacy Policy that strengthens the management of our assets and liabilities to protect our balance sheet and mitigate the financial risks of borrowing. In addition, the IFAD Private Sector Engagement Strategy 2019-2024 was approved. The Strategy will help us to mobilize additional funding by reaching out to private sector partners who are in a position to invest in rural areas. Another initiative aimed at assembling investment in rural areas, with a focus on job creation for young people, is the Agri-Business Capital Fund (ABC Fund), launched at IFAD's Governing Council 2019 by IFAD, the European Union, the African, Caribbean and Pacific Group of States, the Alliance for a Green Revolution in Africa, and the Government of Luxembourg.

We also need to continue to enhance the quality of our programme of loans and grants. In 2019, there was an intense corporate focus on design quality. We have strengthened our quality assurance processes to improve the quality at entry of country strategies, loan-funded projects and grant-financed activities. We have further streamlined our design and review processes, ensuring that lessons learned are widely disseminated to inform future designs.

Improving the quality of our work also necessarily means developing the skills and capacities of staff in the context of our adaptation to a decentralized operating model and to deliver not only more, but better. Throughout 2019, we supported staff in developing skills to adapt to the



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changing needs of IFAD, for example through a new leadership development programme for supervisors, an executive coaching programme for directors, professional qualification programmes such as International Coach Federation certification, and an expanded e-learning platform.

In addition, to step up efforts to empower rural people through our operations, we gave precedence to initiatives to support our priority themes – climate change and environment, gender, youth, and nutrition.

New tools and approaches include:

- Enhanced Social, Environmental and Climate Assessment Procedures (SECAP)
- Revised targeting guidelines
- A new transformation framework
- Adaptation of the household methodologies to integrate youth, nutrition, and environment and climate change issues
- A new Rural Youth Action Plan

I am pleased that the 2019 results indicate we are ahead of our IFAD11 targets set under all four priority themes.

The year also saw the creation of the Change, Delivery and Innovation Unit, which has spearheaded a business process re-engineering exercise to reduce

bureaucracy and promote an efficient and positive working environment. A new bottom-up approach was taken for budget preparation in support of IFAD's shift towards a more decentralized operating environment, and we successfully implemented a new budget planning tool, Oracle Hyperion, refining the budgeting process and making it less prone to error.

These and other efficiency improvements have allowed us to plan an increased US\$1.67 billion programme of loans and grants within a zero-growth administrative budget.

As we move ahead to IFAD12, we are acutely aware that the world – and the challenges facing rural people – have changed profoundly.

The COVID-19 pandemic threatens past development gains and it calls for targeted investments to prevent the health crisis from becoming a food and poverty crisis. IFAD has responded quickly, in coordination with the United Nations system, in the context of our existing work and mandate, building on our experience of working in situations of fragility, crisis and post-crisis. We are determined to do what is needed to ensure that the rural people we serve do not fall back into a situation of poverty and hunger.

Key steps taken in 2019 ensure we are in a solid position to drive recovery efforts in rural economies in a post-COVID-19 world, as well as being able to step in to address the short-term impacts of the crisis. Having enhanced our country presence, boosted our work to mainstream key themes, reformed our financial framework and improved overall efficiency, we are well placed to continue to step up our efforts to end poverty and hunger in a changing world. And we remain convinced that the rural women and men we work with are key actors in driving us all to achieve these goals.

GILBERT F. HOUNGBO
President of IFAD

ONGOING PORTFOLIO

Where IFAD works

203
ongoing projects



IFAD financing
US\$7.5 billion



Domestic contributions
US\$5.8 billion



International cofinancing
US\$3.4 billion



Latin America and the Caribbean
28 ongoing projects in 17 countries
US\$553.8 million ongoing IFAD financing

West and Central Africa
38 ongoing projects in 20 countries
US\$1,639.3 million ongoing IFAD financing

East and Southern Africa
43 ongoing projects in 16 countries
US\$1,684.2 million ongoing IFAD financing

Near East, North Africa and Europe
35 ongoing projects in 17 countries and Gaza and the West Bank
US\$984.7 million ongoing IFAD financing

Asia and the Pacific
59 ongoing projects in 20 countries
US\$2,628.8 million ongoing IFAD financing

IFAD headquarters
 IFAD country office
 Regional hub
 Regional South-South and Triangular Cooperation and knowledge centre
 Satellite office

GLOBAL OPERATIONS BY REGION Asia and the Pacific

PORTFOLIO MANAGEMENT HIGHLIGHTS

59 ONGOING PROGRAMMES AND PROJECTS

in partnership with 20 countries in the region at the end of 2019

8 NEW PROGRAMMES AND PROJECTS

in Afghanistan, Bangladesh, Cambodia, Indonesia (2 projects), Lao People's Democratic Republic, Samoa and Sri Lanka

1 NEW country strategic opportunities programme in Viet Nam

US\$2,628.8 million

INVESTED BY IFAD
in the region's ongoing portfolio

US\$359.1 million

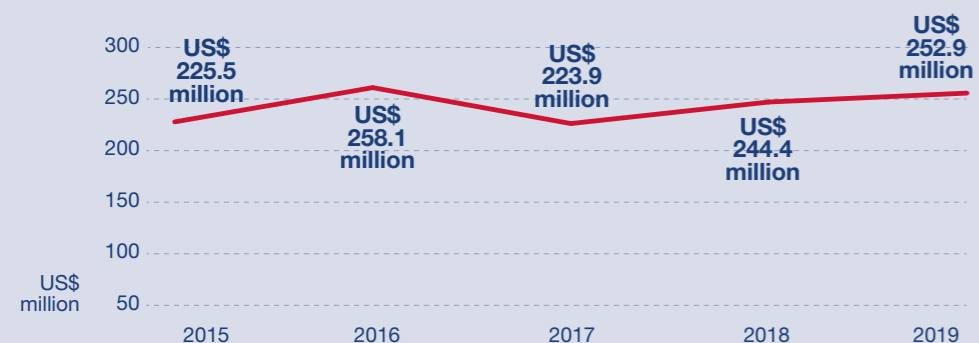
IN NEW APPROVALS IN 2019

36 COUNTRIES

- Afghanistan - 2
- Bangladesh - 7
- Bhutan - 1
- Cambodia - 4
- China - 4
- Cook Islands
- Democratic People's Republic of Korea
- Fiji
- India - 7
- Indonesia - 5
- Iran (Islamic Republic of)
- Kiribati - 1
- Lao People's Democratic Republic - 3
- Malaysia
- Maldives
- Marshall Islands
- Micronesia (Federated States of)
- Mongolia - 1
- Myanmar - 3
- Nauru
- Nepal - 3
- Niue
- Pakistan - 3
- Palau
- Papua New Guinea - 2
- Philippines - 5
- Republic of Korea
- Samoa - 1
- Solomon Islands - 1
- Sri Lanka - 2
- Thailand
- Timor-Leste
- Tonga - 1
- Tuvalu
- Vanuatu
- Viet Nam - 3

Numbers indicate ongoing programmes and projects
📍 Countries with ongoing ASAP grants

ANNUAL LOAN AND DEBT SUSTAINABILITY FRAMEWORK GRANT DISBURSEMENTS



PAKISTAN

The Southern Punjab Poverty Alleviation Project has almost **eliminated extreme poverty** in its target area. It combines social protection, **skills training** and infrastructure development, and emphasizes **women's empowerment**.

2,472 solar homes had been delivered



9,857 toilets had been built

By 2019: Poverty had been cut from

58% to 4%



80% of trainees were employed



Despite robust – albeit slowing – economic growth, the region of Asia and the Pacific faces formidable challenges in realizing the Sustainable Development Goals (SDGs). Inequality and marginalization continue to hold back progress – especially in rural areas, where the impacts of climate change are increasingly undermining livelihoods. Indeed, with 45 per cent of the world's climate-related disasters occurring in the region, climate resilience, along with addressing marginalization, is a major area of focus for IFAD here.

But this is also a region where transformation is continuing apace, with potential opportunities for those who have not yet benefited from the growth of recent decades. Long-term growth has enabled governments to invest in communications, transport and social protection programmes. And with incomes rising and the middle class expanding, the amount and types of food being demanded is changing. Through programmatic approaches focusing on rural women and youth, enabling rural communities to adapt to climate change, and improving nutrition outcomes, IFAD is promoting models of transformation that leave no one behind.

Gender-sensitive approaches to infrastructure development in Pakistan

The Southern Punjab Poverty Alleviation Project in Pakistan has slashed the prevalence of extreme poverty in target areas from 58 per cent to 4 per cent. To achieve this, IFAD used a holistic approach focused on women's empowerment, climate-sensitive infrastructure development, and social organization. The project delivered climate-safe and functional houses with running water, bathrooms and solar power to 2,472 families – with all the housing units registered in the name of women participants. Home ownership strengthened women's standing in their families as well as in the community and gave them a greater voice in decision-making.

Addressing nutrition in the Lao People's Democratic Republic

IFAD's work in improving nutrition is showcased in the Strategic Support for Food Security and Nutrition Project in the Lao People's Democratic Republic. Here, the Fund and its partners are promoting the diversification of diets away from rice by financing the farming of nutritious foods. Small-scale farmers learn about nutrition-sensitive farm techniques and how to prepare nutritious meals at farmer nutrition schools set up in over 140 villages. The project is expected to reach almost 200,000 people.

Climate solutions in Cambodia

On climate, IFAD is working in 20 provinces of Cambodia to help bring clean, renewable energy to small-scale farmers. Some 3,000 biogas digesters are being set up, while solar panels and grids, and solar generators and pumps, are being field-tested. These approaches are enabling local people to seize new opportunities. For example, one participant in the tests is using solar energy to breed crickets for sale to restaurants. Another is using a solar air pump to keep his fish pond oxygenated. And the new innovations are fuelling clean-burning ovens and stoves, reducing demand for wood and thereby fighting deforestation. The project is expected to result in a reduction of GHG emissions equivalent to almost half a million tonnes of CO² per annum.

Working with youth in Bangladesh

With respect to youth, IFAD is focused on creating opportunities by developing capacities. In Bangladesh, IFAD has been helping some 20,000 youth find jobs by training them in skills linked to local market demands. IFAD's vocational training project has taught participants to become skilled welders, electricians, plumbers, drivers and craftspeople, all certified by the Bangladesh National Skills Development Council. Of these, some 80 per cent have found employment while the remainder have started their own businesses with support from the project.

GLOBAL OPERATIONS BY REGION

East and Southern Africa

PORTFOLIO MANAGEMENT HIGHLIGHTS

43 ONGOING PROGRAMMES AND PROJECTS

in partnership with 16 countries in the region at the end of 2019

10 NEW PROGRAMMES AND PROJECTS

in Angola, Ethiopia (2 projects), Lesotho, Malawi, Mozambique (2 projects), Uganda and Rwanda (2 projects)

4 NEW country strategic opportunities programmes in Kenya, Lesotho, Rwanda and Zambia

US\$1,684.2 million

INVESTED BY IFAD in the region's ongoing portfolio


US\$452 million

IN NEW APPROVALS IN 2019

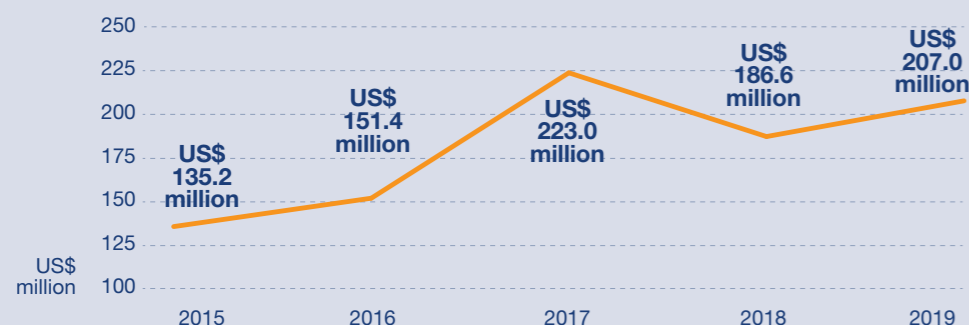
22 COUNTRIES

- Angola - 3
- Botswana
- Burundi - 5
- Comoros - 1
- Eritrea - 2
- Eswatini - 2
- Ethiopia - 3
- Kenya - 3
- Lesotho - 2
- Madagascar - 4
- Malawi - 3
- Mauritius
- Mozambique - 3
- Namibia
- Rwanda - 4
- Seychelles
- South Africa
- South Sudan
- Uganda - 3
- United Republic of Tanzania - 1
- Zambia - 3
- Zimbabwe - 1

Numbers indicate ongoing programmes and projects

 Countries with ongoing ASAP grants

ANNUAL LOAN AND DEBT SUSTAINABILITY FRAMEWORK GRANT DISBURSEMENTS



RWANDA

The Project for Rural Income through Exports has enabled small-scale farmers to benefit from **export markets** through better **access to training, credit and technology**. It has led to increased returns for farmers from coffee, tea, sericulture and horticulture value chains.

By 2019: **149,335** people had been trained in production practices and/or technologies

Of whom **69%** were women

Farmers' coffee income had increased by **32%**



18,449 people had gained access to credit



In East and Southern Africa, young people under 24 years of age represent the largest share of the population, while in Africa as a whole it is projected that, by 2030, 30 million youth will be entering the labour market each year. As noted in IFAD's 2019 Rural Development Report, *Creating Opportunities for Rural Youth*, youth are key to achieving the SDGs. Generating livelihood opportunities for young women and men is therefore increasingly prioritized throughout IFAD activities.

Another priority is addressing the often stark gender inequalities that persist in rural areas of the region, impeding the livelihoods of women and children – as well as holding back the development of rural communities at large. Women's empowerment was therefore a focus of all projects throughout the year, with IFAD increasing the use of tailored approaches such as household methodologies for this purpose. Also emphasized in 2019 was supporting rural people in the region to adapt to increasingly disruptive regional climate change impacts.

Putting youth at the centre of projects

IFAD is tailoring the vast majority of new projects in the region to involve young women and men. Indeed, 67 per cent of new projects now feature specific activities, strategies and resources to ensure young people benefit. Successes include the Vocational Training and Agricultural Productivity Improvement Programme in Madagascar, targets youth with a broad range of schooling and training opportunities combined with technical and financial support for setting up income generating activities. The programme has provided professional training to 52,154 young people and created 19,033 new jobs.

Breaking down sources of gender inequality

During 2019, all new interventions were designed to ensure that women are equitably represented, in terms of both numbers and the roles they are playing, such as through membership of farmers' organizations. In Madagascar, the Support to Farmers' Professional Organizations and Agricultural Services Project doubled the number of women involved in decision-making, from 37 per cent to 74 per cent.

Projects also made increasing use of household methodologies such as the Gender Action Learning System (GALS) to promote gender equality in decision-making within households. GALS seeks to analyse and break down gender-based barriers in the home, allowing women and men to gain more control over their lives and work together on a basis of shared visions.

Bolstering resilience to climate change

With sub-Saharan Africa one of the regions most threatened by climate change, environmental and climate cofinancing have been fully integrated into new projects. In addition, more rigorous climate risk assessments have been carried out. For this purpose, IFAD has joined forces with the University of Cape Town to conduct climate vulnerability assessments.

For projects approved in 2019, climate finance represented 25.7 per cent of total IFAD funding. Further, IFAD is partnering with local and international private and public actors to promote innovative approaches to enable rural people to benefit from climate financing. For example, in Kenya, IFAD is working with partners including the national government, Coca Cola, local water authorities and international research centres as part of the Upper Tana Nairobi Water Fund. The initiative provides technology and training to local small-scale farmers to enable them to contribute to – and benefit from – work to protect the rich ecosystems surrounding the Tana River. In Ethiopia, IFAD is partnering with WFP and FAO to ensure women have access to improved wheat seeds and good agricultural practices that increase productivity and at the same time promote a sustainable climate smart approach.

GLOBAL OPERATIONS BY REGION

Latin America and the Caribbean

PORTFOLIO MANAGEMENT HIGHLIGHTS

28 ONGOING PROGRAMMES AND PROJECTS

in partnership with 17 countries in the region at the end of 2019

US\$553.8 million

INVESTED BY IFAD
in the region's ongoing portfolio

33 COUNTRIES

- Antigua and Barbuda
- Argentina - 2
- Bahamas (The)
- Barbados
- Belize - 1
- Bolivia (Plurinational State of) - 1
- Brazil - 5
- Chile
- Colombia - 1
- Costa Rica
- Cuba - 2
- Dominica
- Dominican Republic - 1
- Ecuador - 3
- El Salvador - 1
- Grenada - 1
- Guatemala
- Guyana - 1
- Haiti - 1
- Honduras - 1
- Jamaica
- Mexico - 2
- Nicaragua - 2
- Panama
- Paraguay - 2
- Peru - 1
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago
- Uruguay
- Venezuela (Bolivarian Republic of)

Numbers indicate ongoing programmes and projects

Countries with ongoing ASAP grants

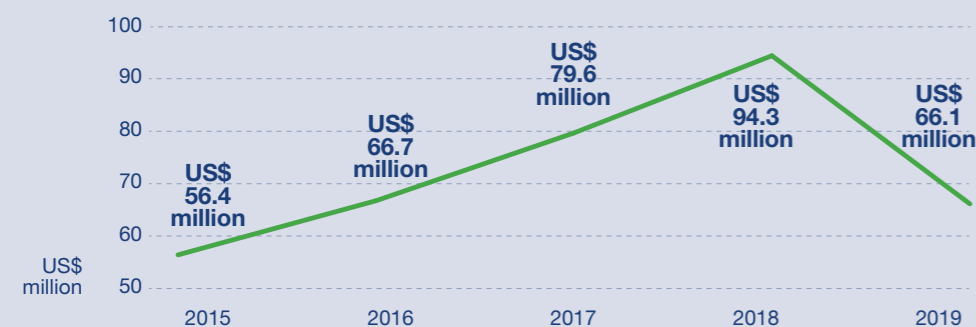
2 NEW PROGRAMMES AND PROJECTS

in Brazil and Cuba

US\$39.5 million

IN NEW APPROVALS IN 2019

ANNUAL LOAN AND DEBT SUSTAINABILITY FRAMEWORK GRANT DISBURSEMENTS



In Latin America and the Caribbean, while economic transformation is relatively advanced, inequality and marginalization remain major challenges. IFAD is therefore stepping up efforts in the region to address the marginalization of groups at risk of being left behind. This is why, in 2019, IFAD prioritized ensuring greater numbers of women, youth and indigenous peoples benefited from its projects and programmes. Enabling rural people to adapt to climate change impacts is another area identified as key for addressing marginalization.

Involving women in project activities

In the Pro Semi-arid Project in Bahia, Brazil, "childcare circles" have been developed and so far have trained 362 women and men as childcare workers. This allowed more women – hitherto limited by having to look after their children – to take part in project activities. The project also introduced the use of agroecological logbooks that register the impact of women's production on food security and nutrition as well as on incomes and biodiversity. These initiatives have been scaled up by the other ongoing projects in Brazil.

Uruguay's Rural Inclusion Pilot Project also featured measures to ensure strong involvement among women. Specific initiatives included: providing training to turn women's community services into profitable enterprises; promoting women's access to land and livestock through co-ownership; and information campaigns that enabled a gender-sensitive environment for the project. Out of 130 rural organizations supported by the project, 32 consisted exclusively of women.

Reaching out to indigenous women

In the northern highlands of Guatemala, the Sustainable Rural Development Programme for the Northern Region has supported the establishment of 80 community-led saving groups comprising 5,000 indigenous women. These groups have managed to mobilize more than US\$1.3 million – funds that are now being used to provide microcredit in an area where no formal financial services are available for indigenous communities.

Getting youth on board

In Bolivia, the Economic Inclusion Programme for Families and Rural Communities (ACCESOS) showed that involving young people can help to tackle gender biases and norms. The project set a 50 per cent quota for youth, with these youth showing themselves to be less constrained by traditional gender roles than older adults. This contributed to women's participation in project activities growing to 55 per cent. This is one of many reasons IFAD activities are becoming even more focused on reaching out to young people.

Indeed, youth have been a particular focus in IFAD projects in the Caribbean. In Haiti, a grant programme implemented in collaboration with FAO supported young people in developing business plans. In neighbouring Grenada, the five-year Climate-Smart Agriculture and Rural Enterprise Programme, which opened in 2019, is providing vocational and skills training to unemployed and underemployed young people.

Adapting to the impacts of climate change

Adapting to climate change, often by using innovative technologies, is another key aspect of IFAD activities. This is the case of the Adapting to Markets and Climate Change Project in Nicaragua, where a technical unit has been created to support adaptation to climate change impacts. The agro-meteorological unit collects data from a wide network of stations across the country, which allows it to elaborate and disseminate weather bulletins through social networks, the internet and community radios. Farmers' organizations are then supported in developing climate-smart responses.

BOLIVIA

The ACCESOS programme emphasized **building resilience** to climate change, with associated social and **nutritional benefits**. It drew in part on indigenous **climate adaptation** practices.

When the programme closed in 2019:

Some **59,644** families had been reached

Of which **46%** were headed by women

Over **4,000** households had been provided with climate information services



6,870 hectares of degraded land had been restored



GLOBAL OPERATIONS BY REGION

Near East, North Africa and Europe

PORTFOLIO MANAGEMENT HIGHLIGHTS

35 ONGOING PROGRAMMES AND PROJECTS

in partnership with 17 countries and Gaza and the West Bank at the end of 2019

4 NEW PROGRAMMES AND PROJECTS

in Egypt, Morocco, Sudan and Tunisia

2 NEW country strategic opportunities programmes in Djibouti and Tunisia

US\$984.7 million

INVESTED BY IFAD
in the region's ongoing portfolio

US\$235.0 million

IN NEW APPROVALS IN 2019

23 COUNTRIES

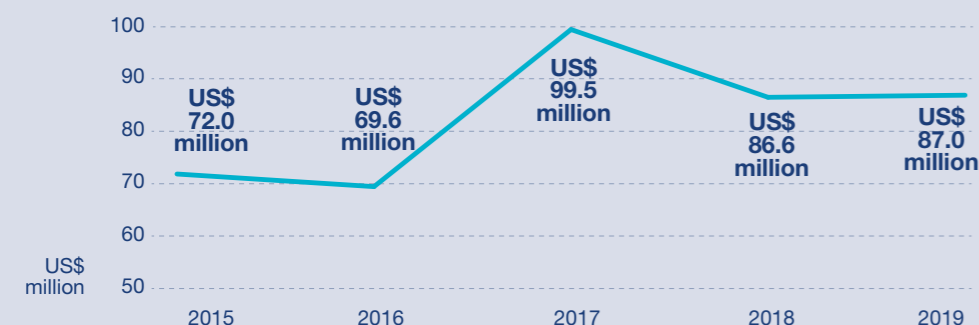
and Gaza and the West Bank - 1

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

Numbers indicate ongoing programmes and projects

Countries with ongoing ASAP grants

ANNUAL LOAN AND DEBT SUSTAINABILITY FRAMEWORK GRANT DISBURSEMENTS



The fragile context characterizing much of the Near East, North Africa and Europe region poses serious challenges for rural communities. The persistence of long-lasting conflicts has contributed to significant flows of refugees and internally displaced people, while climate change-driven desertification is further worsening the already fragile regional landscape. Further, since conflicts often result in the collapse of agricultural production, the number of undernourished people in conflict-affected countries in the region has doubled over the last 10 years. Alarming, fragile institutions and economies often result in unequal societies, with the most vulnerable groups, especially youth and women, paying the highest toll.

In this complicated context, IFAD – building on its extensive experience tackling vulnerability and fragility – is building peace and stability through a comprehensive approach focused around strengthening institutions, addressing sources of climatic and environmental stress, improving nutritional outcomes, and creating opportunities for women and youth.

Building the bridge between humanitarian assistance and sustainable development

IFAD has established the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS), which is increasing social resilience by building community and institutional capacity to manage development and promote stability. FARMS also contributes to building peace by improving the management of natural resources to reduce the risk of natural resource-based conflicts. As of 2019, FARMS has raised over US\$40 million from Italy, Norway, Switzerland, the European Union, the OPEC Fund for International Development and Open Society Foundations.

Working with rural communities to adapt to climate change

IFAD-supported projects are helping rural populations to build resilience to the adverse consequences of climate change. The Livestock and Pasture Development Project in Tajikistan, for example, focuses on improving and adapting land management practices. Rainfed bare lands – whose conditions have worsened due to droughts – are converted into drought-tolerant tree plantations.

Together with seedlings and growboxes, IFAD is providing beneficiaries with technical training in how to maintain the plantations, harvest rainwater and process dried fruits.

Encouraging entrepreneurship among women and youth

Against a backdrop of some of the highest youth unemployment rates in the world, IFAD is promoting innovations and private sector engagement to create opportunities for young people. In Uzbekistan, the Dairy Value Chains Development Programme is supporting young innovators in contributing to the development of innovative technologies that address the dairy sector's most pressing challenges. The programme is based around the establishment of the Forum for Private-Public Collaboration, with local innovators called upon to provide technology-based solutions linked to milk production and food safety. To encourage the involvement of youth, the programme grants scholarships for postgraduate students' field research in relevant areas.

In Sudan, the IFAD-supported Agricultural Bank of Sudan Microfinance Initiative successfully is targeted at women, having turned 30,000 rural women into entrepreneurs. From buying useful agricultural materials, to setting up small businesses and supporting climate-change adaptation activities, the initiative has provided 70,000 loans, totalling US\$74.4 million. Rural women have benefited not only economically, but also from their leadership positions within village development committees and saving groups.

Boosting nutrition outcomes

An example of how nutrition is being integrated into activities is the Soil and Water Management Programme in Djibouti. With the support of the Djibouti Social Development Agency and the Ministry of Health, the programme provides community-based training focused on preventing maternal and child malnutrition. Training sessions are expected to reach 5,000 households, having already benefited more than 2,500.

SUDAN

Poverty rates fell sharply as a result of the Butana Integrated Rural Development Project. It focused on enhancing livelihoods by improving **climate-resilient** management of natural resources, expanding **access to markets** and building **community cohesion**.

When the project closed in 2019:

524,000 hectares

of land was under improved management and climate-resilient practices



Average crop and livestock productivity had increased by

90%



850 women had benefited from women's groups



Poverty had been cut from

50% to 12%



GLOBAL OPERATIONS BY REGION

West and Central Africa

PORTFOLIO MANAGEMENT HIGHLIGHTS

38 ONGOING PROGRAMMES AND PROJECTS

in partnership with 20 countries in the region at the end of 2019

10 NEW PROGRAMMES AND PROJECTS

in Burkina Faso, Cameroon, Democratic Republic of the Congo, The Gambia, Ghana, Guinea-Bissau, Liberia, Mali, Niger and Senegal

9 NEW country strategic opportunities programmes in Burkina Faso, Cameroon, Central African Republic, Democratic Republic of the Congo, The Gambia, Ghana, Liberia, Republic of the Congo and Senegal

US\$1,639.3 million

INVESTED BY IFAD

in the region's ongoing portfolio


US\$554.0 million

IN NEW APPROVALS IN 2019

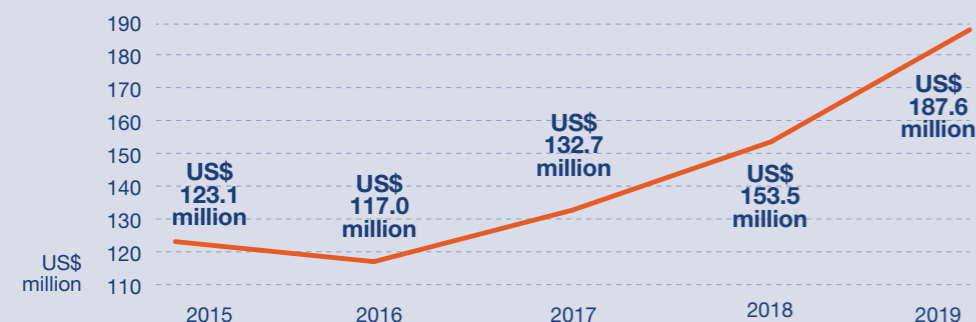
24 COUNTRIES

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

Numbers indicate ongoing programmes and projects

 Countries with ongoing ASAP grants

ANNUAL LOAN AND DEBT SUSTAINABILITY FRAMEWORK GRANT DISBURSEMENTS



NIGERIA

The Value Chain Development Programme and Commodity Alliance Forum, implemented in partnership with Olam International and the Nigerian Government, was a finalist for the P3 Impact Award, recognizing positive impacts on the livelihoods of small-scale producers.

By 2019:



Production had increased to

 **450,000 mt of rice** worth US\$225 million

 **665,000 mt of cassava** worth US\$45 million



5,000 decent new jobs had been created

42% women 
40% youth 



79% of beneficiaries had increased incomes by **25%**

The West and Central Africa region is still deeply marked by poverty, hunger, youth unemployment, vulnerability to climate change and rural marginalization, all of which threaten progress across the SDGs. Over 40 per cent of the population face extreme poverty, the vast majority of whom live and work in rural areas. Sixty per cent of young people are rural dwellers, with half being underemployed or unemployed. This has contributed to significant migration, both internal and external, exacerbated by growing insecurity in the Sahel region.

At the same time, opportunities abound – the region is home to some of the world's fastest growing economies (for example, Côte d'Ivoire and Ghana are both growing at 7 per cent or more annually), has a youthful, energetic population, and is increasingly benefiting from both domestic and international investment. In this context, and bearing in mind IFAD's renewed focus on the poorest countries and most fragile situations, IFAD has stepped up its investment in the region, working in close partnership with governments, other development agencies – in particular the Rome-based agencies (RBAs) – civil society and the private sector.

Stepping up investment, with a focus on the Sahel

The year saw an unprecedented increase in programme delivery, with US\$536 million of additional IFAD resources mobilized for new investments and close to US\$200 million disbursed through ongoing programmes. A major focus in 2019 was the Sahel area, where targeted investments strengthened resilience and created economic opportunities and employment for vulnerable rural dwellers. New operations in Burkina Faso, The Gambia, Mali, Niger and Senegal brought the total value of IFAD-supported projects in the Sahel countries to US\$1.54 billion, of which US\$846 million represented IFAD financing.

Within a generally increased focus on region-level projects, a US\$3.5 million grant was approved to support family farming, regional markets and cross-border trade corridors in the Sahel. IFAD is also actively engaged in the RBA plan of action for the Sahel.

Enhancing quality and impact

In parallel with increased investment, IFAD introduced innovative ways of strengthening the quality and impact of its regional portfolio. For example, an operational scorecard for monthly divisional reporting was developed as a management tool for enhanced planning and monitoring of results. In addition, supported by effective decentralization, close implementation support and policy dialogue were proactively pursued in-country to strengthen governance and transparency, notably through the closer engagement of citizens.

Building on success on youth and nutrition themes

Key themes such as youth employment and nutrition are becoming ever more embedded in projects and IFAD is working to share its knowledge in these areas. Overall, 78 per cent of the new projects were nutrition- and youth-sensitive. The ongoing Youth Agropastoral Entrepreneurship Promotion Programme in Cameroon is a good example of a successful comprehensive approach to supporting and promoting youth entrepreneurship along agropastoral and fisheries value chains by addressing the specific needs of young people and vulnerable groups, especially women. And IFAD is doing more to share its unique knowledge in working with youth: for example, a first International Youth Agropastoral Entrepreneurs Summit in Yaoundé gathered over 500 delegates from 35 countries and four continents to hear from inspiring young women and men on harnessing the potential of youth for sustainable rural transformation.

Similarly, a sharing and learning workshop on nutrition-sensitive agriculture was held in Côte d'Ivoire in March with key regional stakeholders.

IFAD in numbers

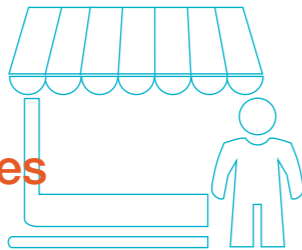
Maximizing our contribution to the SDGs

IFAD's work with poor rural people is indispensable for ending poverty and achieving zero hunger (SDGs 1 and 2).

Our work also cuts across key issues that are central to the SDGs – such as gender equality (SDG 5), decent work (SDG 8), reduced inequalities (SDG 10), climate action (SDG 13), environmental sustainability (SDG 15) and partnerships (SDG 17). We are doing more to reach more rural people.

OUTREACH OF IFAD-SUPPORTED PROJECTS

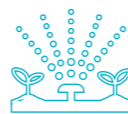
Microenterprises
163,637
microenterprises
gained access to business promotion services



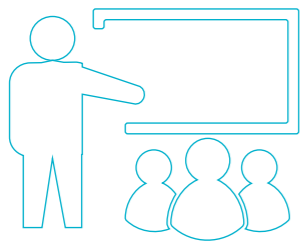
Natural resource management
3.1 million
hectares of land
under improved management



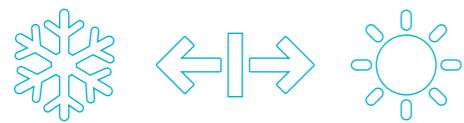
58,000
hectares
under irrigation schemes



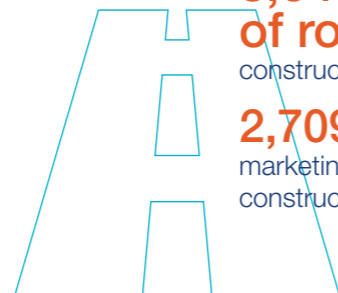
Training
2.6 million
trained in crop and livestock production practices and technologies



Climate change adaptation
2.6 million people
in small-farm households supported in coping with the effects of climate change



Infrastructure
8,645 kilometres
of roads
constructed or repaired



2,709
marketing facilities
constructed/rehabilitated

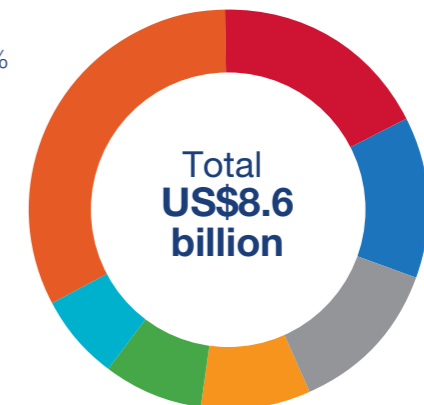


Outreach indicators measure the cumulative number of people receiving services from all ongoing projects. While the individual indicators report only the number of participants in a specific project activity, the total outreach figure includes all direct beneficiaries and members of the same household. Figures reported are for 2018.

Agriculture and natural resource management remain IFAD's core area of work, with a focus on small-scale farmers. At the same time, providing complementary support – financial services, infrastructure, developing rural small and medium-sized enterprises (SMEs) – is increasingly key to address the challenges associated with achieving zero hunger.

IFAD CURRENT PORTFOLIO FINANCING BY SECTOR

(as at 31 December 2019)



^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. Any discrepancy in totals is the result of rounding.

Showing the impact of IFAD's work

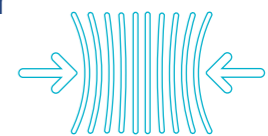
In 2019, IFAD published the results of its IFAD10 impact assessments, showing significant impact on IFAD project beneficiaries in terms of production, market access, resilience and economic mobility.

AS A RESULT OF IFAD PROJECTS AND PROGRAMMES, IFAD BENEFICIARIES, RELATIVE TO COMPARABLE NON-BENEFICIARIES:

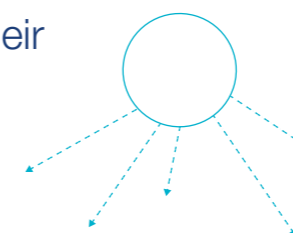
Increased their
production
+44%



Increased their
resilience
+13%



Increased their
market access
+76%



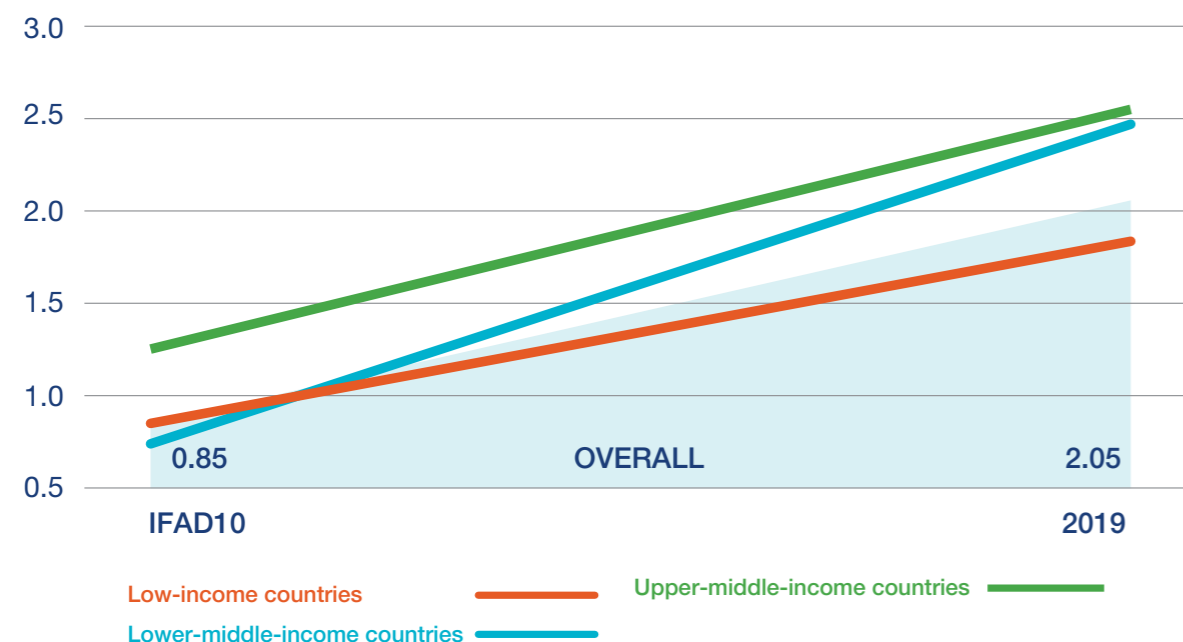
Increased their
economic mobility
+74%



Doing more to maximize IFAD's impact

To expand impact and improve quality in a context of constrained official development assistance, IFAD is working to assemble finance and create partnerships between domestic and international development actors. At the same time, to focus on our core work, we will continue to rely heavily on replenishment contributions from our Member States.

COFINANCING RATIOS



CLIMATE AND ENVIRONMENT FINANCING

US\$45.7 million mobilized
in 2019 from these sources

INITIATIVES TO ENHANCE INVESTMENTS

<p>Agri-Business Capital Fund (ABC Fund)</p> <p>Launched in 2019</p>	<p>Smallholder and Agri-SME Finance and Investment Network (SAFIN)</p> <p>Mobilized capital and identified opportunities for financing in pilot countries</p>	<p>Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa)</p> <p>Launched in 2019</p>
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IFAD ONGOING PORTFOLIO 2019

IFAD financing US\$7.5 billion

203 ongoing projects in 90 countries and Gaza and the West Bank

Domestic contributions **US\$5.8 billion**

International cofinancing **US\$3.4 billion**

ONGOING ASAP GRANTS 2019

ASAP financing US\$271 million

38 ongoing ASAP grants in 38 countries

IFAD'S ONGOING GRANTS 2019*

Grant financing US\$279 million

230 grants in 135 countries

* Excludes grants with status completed, cancelled, closed, suspended or expired as at 31/12/2019

PROGRESS TOWARDS IFAD11 REPLENISHMENT TARGET

92 countries
have pledged **US\$1.01 billion**
as of December 2019

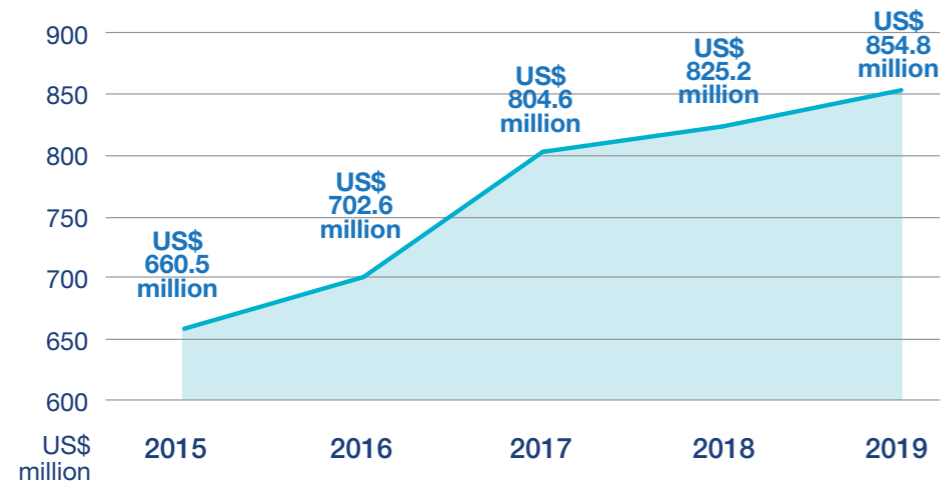


Delivering more efficiently

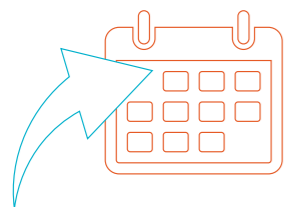
IFAD has introduced institutional reforms to increase efficiency and deliver more, in terms of the programme of loans and grants. This includes continuing the shift to larger, more efficient projects.

DISBURSEMENTS

US\$ million

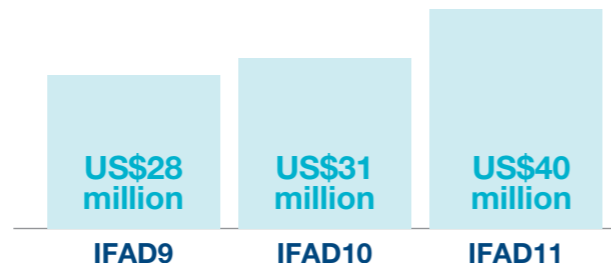


Average IFAD financing per project



Average time from entry into force to first disbursement was **12.5 months in 2016**

In 2019, it is down to **8.1 months**



As a result of improved efficiency in 2019

Disbursements increased by **+US\$29.6 million**

US\$ 825.2 million → US\$ 854.8 million



New financing for programmes and projects was up **US\$475.5 million**

+40%

THIS TRANSLATED INTO **34 NEW PROJECTS**

Focusing on the poorest and most vulnerable countries

We are ensuring that we remain focused on countries with the greatest need. Growing attention is being paid to countries in fragile situations, while the traditional emphasis on the poorest countries remains a bedrock of IFAD's work.



24% of IFAD investment was in countries with fragile situations with **US\$391 million** in loans and grants invested



8 new COSOPs were approved in countries with fragile situations (including vulnerability assessments)



90% of IFAD investment is going to low-income countries and lower-middle-income countries



59% of IFAD resources directed to sub-Saharan Africa

Reaching the poorest people

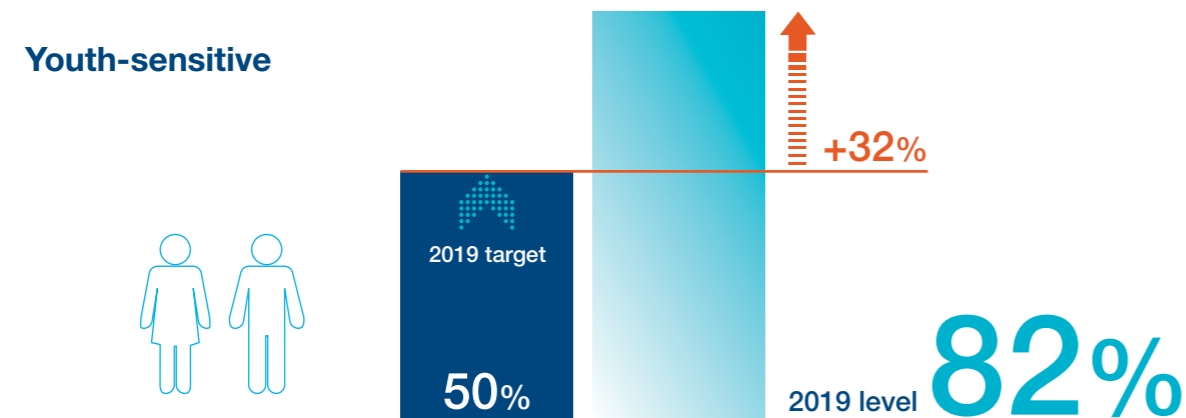
We are intensifying efforts to mainstream key themes throughout our work to ensure that IFAD's activities are tailored to the needs of those at most risk of being left behind. Results for each of the themes are above target.

RESULTS AGAINST TARGETS FOR MAINSTREAMING THEMES AT PROJECT DESIGN

Gender-transformative



Youth-sensitive



Climate financing



Nutrition-sensitive

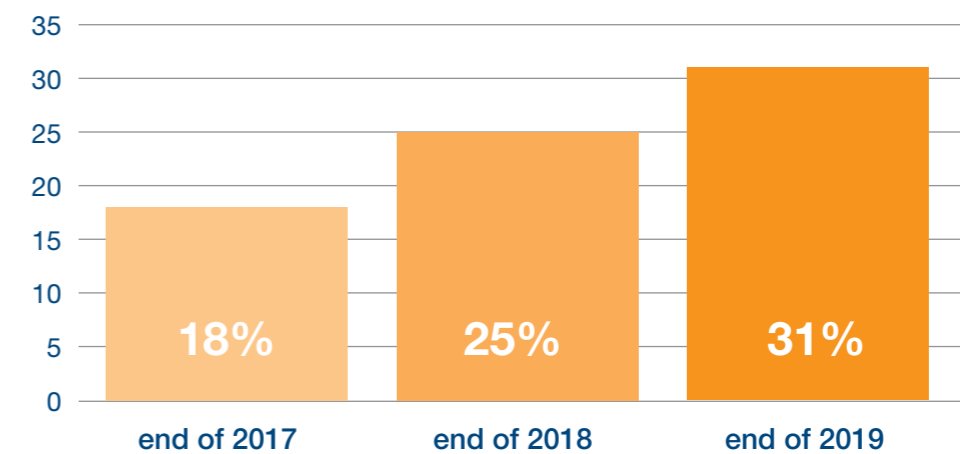


51% of people receiving services from IFAD-supported projects were women

Building responsiveness at the country level

In order to increase responsiveness to country-specific contexts, enhance country-level policy engagement and deepen partnerships in-country, IFAD continues to expand its field presence.

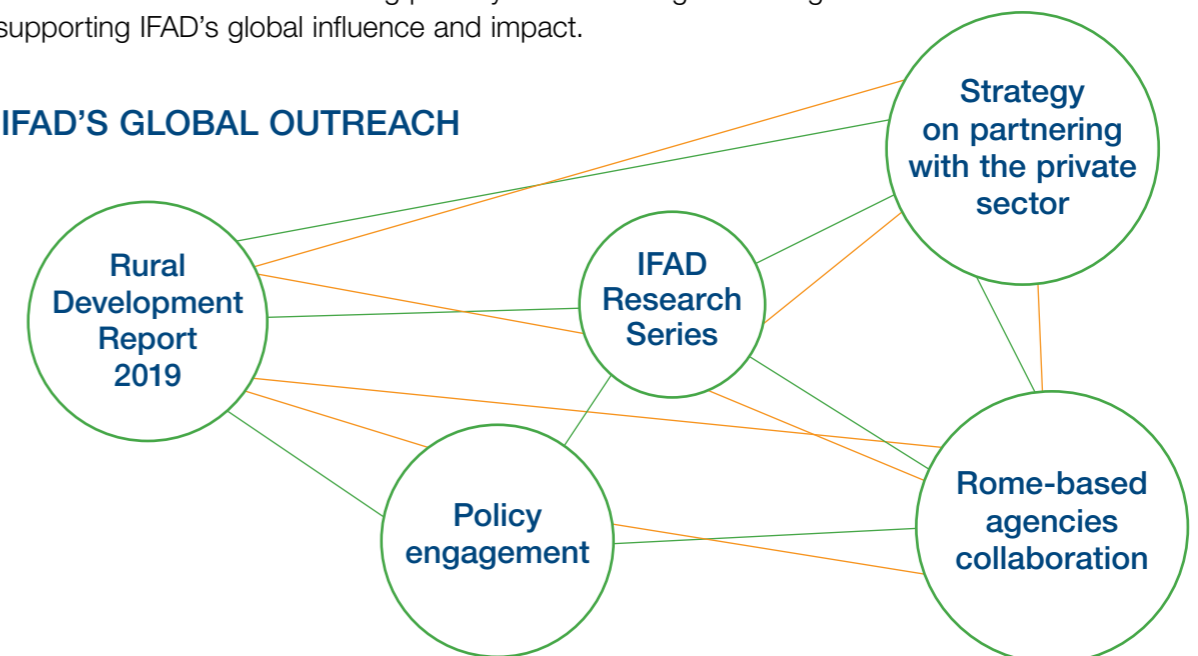
SHARE OF STAFF BASED IN THE FIELD



Sharing IFAD's knowledge

IFAD's business is not only its projects and programmes. We are increasingly contributing to the development of global knowledge and expertise related to rural transformation, and to engaging in policy-related discussions at the global, regional and national level to advocate for more investment in rural areas. Greater emphasis on partnering with public and private actors involved in ending poverty and achieving zero hunger is also supporting IFAD's global influence and impact.

IFAD'S GLOBAL OUTREACH



IFAD AT A GLANCE 1978-2019^{a, b}

	2015	2016	2017	2018	2019	1978-2019
Operational activities^{c, d}						
Loan and DSF grant approvals						
Number of programmes and projects	37	22	34	28	34	1 125
Amount	US\$ million 1 143.4	703.7	1 276.2	1 121.3	1 625.4	20 961.6
Grant approvals						
Number	70	53	56	49	36	2 879
Amount	US\$ million 73.6	56.9	61.6	67.8	39.5	1 269.5
Adaptation for Smallholder Agriculture Programme Trust Fund						
Number	14	5	3	-	-	43
Amount	US\$ million 84.1	29.0	5.0	-	-	271.0
Total IFAD loan and grant operations	US\$ million 1 301.1	789.6	1 342.8	1 189.1	1 664.9	22 502.1
Cofinancing	US\$ million 849.9	131.2	146.0	336.5	1 577.3	12 632.2
Multilateral	817.6	73.2	129.1	214.3	1 436.4	10 322.2
Bilateral	21.2	54.1	3.0	25.3	123.4	1 940.1
NGO	-	4.0	7.8	1.4	13.3	78.5
Other ^e	11.1	-	6.1	95.6	4.3	291.4
Domestic contributions	US\$ million 804.0	367.2	718.2	686.7	1 460.3	17 400.3
Total programme and project cost^f	US\$ million 2 881.3	1 239.8	2 126.6	2 160.3	4 677.3	51 462.0
Programmes and projects						
Number of effective programmes and projects under implementation	231	212	211	206	203	
Number of programmes and projects completed	29	36	27	29	37	888
Number of approved programmes and projects initiated by IFAD	34	21	31	27	29	951
Number of recipient countries/territories (current portfolio)	99	98	99	101	94	
Loan disbursements	486.7	538.9	631.1	626.8	625.9	12 311.5
DSF grant disbursements	125.6	123.8	127.7	138.7	174.7	1 246.9
Loan repayments^g	320.8	299.2	315.9	341.9	370.5	6 749.0
Membership and administration						
Member States – at end of period	173	176	176	176	176	
Professional staff – at end of period ^h	364	378	378	389	441	

a IFAD loans and DSF grants for investment programmes and projects are denominated in special drawing rights. 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. 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 and financing from private sector resources.

f Includes DSF grants and component grants, and excludes grants not related to investment projects. Includes other non-regular financing managed by IFAD such as the Fund for Gaza and the West Bank and the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS).

g Loan repayments relate to principal repayments and include repayments on behalf of Heavily Indebted Poor Countries Debt Initiative countries.

h Includes national professional officers in country offices.

HIGHLIGHTS OF THE YEAR

2019

Rural Development Report 2019 “Creating opportunities for rural youth” – brings rigorous and up-to-date evidence into the development policy discourse on why and how to invest in rural youth to drive an inclusive rural transformation agenda

Rural Youth Action Plan – sets out a framework to guide youth-sensitive investment in agriculture and rural development throughout IFAD's projects and programmes

Average IFAD financing per project has risen to US\$40 million from US\$31 million in IFAD10 and US\$28 million in IFAD9.

Project design time was cut in 2019 to 10 months from 17 months in 2016.

Sharp increase in cofinancing – the overall cofinancing ratio rose to 1:2.05 from 1:0.85 in IFAD10.

Working with the private sector – A new private sector strategy is focused on mobilizing funding for rural people's businesses and expanding markets and job opportunities in rural areas.

ABC Fund – IFAD, the European Union, the African, Caribbean and Pacific Group of States, the Alliance for a Green Revolution in Africa, and the Government of Luxembourg launched the Agri-Business Capital Fund, with IFAD as sponsor.

Minimizing risks – IFAD is to implement a Capital Adequacy Policy to quantify the Fund's risk exposure and determine the level of capital required to support existing and new transactions.

Mainstreaming priorities – Climate change, gender, youth and nutrition figured increasingly in IFAD programmes and projects. For example, 76% of new projects were youth-sensitive and 58% were nutrition-sensitive.

New IFAD Procurement Manual to provide guidelines on procurement in COSOP development, project design, supervision and completion.

The new IFAD Client Portal allows IFAD partners to securely conduct business and access relevant financial and operational information. It has improved institutional efficiency and transparency.

Spotlight on quality assurance

Enhancing quality is clearly central to IFAD's ambitions in and around its contribution to ending poverty and achieving zero hunger. This means we must continue to adapt and improve the way we tailor our work to addressing the challenges rural communities are facing.

Improved quality means greater impact. Essential for achieving impact on the ground are three elements: strong country ownership, sound project management and sufficient flexibility to make design adjustments during a project. These and other elements were emphasized in the context of an intense corporate focus in 2019 on design quality. Consequently, IFAD further strengthened its quality assurance apparatus to improve the quality "at entry" – that is, before approval by the Executive Board – of its country strategies, loan-funded projects and grant-financed activities.

We have also streamlined our design and review processes, ensuring that any lessons learned are widely disseminated to inform future designs. In addition, IFAD's final ratings methodology was made more consistent, enabling the Fund to guarantee accountability, identify systemic issues, and allow comparison between quality at entry and during implementation.

Focusing on improving quality

As part of IFAD's push to streamline its processes and improve the quality of its operations, IFAD Management committed the Fund to "front-loading" project approval in the first year of IFAD11. That made 2019 a bumper year in terms of the quantity of projects being designed and destined for Executive Board approval, with 42 loans and 13 proposals for additional financing passing through the quality assurance review process.

The year 2019 was one of record approvals (US\$1.67 billion) for IFAD. At the same time, we also fully rolled out the recalibrated project design

process. In all, 54 projects went through the new process, which adopts a risk-based approach to determine the appropriate review and approval process. Of the 54 projects approved, 13 were considered "track 1" projects, requiring high corporate attention and presenting higher risks.

Improved quality means greater impact

A comprehensive analysis of ratings revealed that the projects approved in 2019 had the highest average rating for overall quality of design since 2013. Areas of strength in design included alignment with IFAD and government policies, mobilization of cofinancing, assimilation of lessons from the past, and analysis of project context.

Likewise, the grant programme was also sizeable, with 53 concept notes for grants being presented for internal approval throughout the year. By the end of 2019, global/regional grants for a total value of US\$25.3 million had been approved. In addition, loan-component grants worth US\$14.2 million had been agreed as part of investment projects. In 2019, we conducted an overall assessment of projects funded under the regular grants programme, to identify opportunities, challenges and lessons learned to strengthen the effectiveness and efficiency of the programme. This assessment will also provide the foundations for the preparation of a revised corporate regular grants policy for consideration by the Board in 2020.

Enhancing country strategies

A large number of country strategic opportunities programmes (COSOPs) came up for review in 2019. The 16 strategies were the first batch to be reviewed under the new guidelines approved by the Board in December 2018. The new

guidelines prioritize: tailoring COSOPs to a country's particular context; consulting and involving partner governments; and ensuring that IFAD's internal processes are efficient, focused and cost-effective. The new COSOPs, based upon a more robust analytical and strategic underpinning, are already showing marked improvements, in particular in enhancing clarity, focus and relevance. Additionally, supporting the strengthening of results frameworks, improved alignment with relevant SDGs, government policies and strategies, as well as alignment with IFAD's own corporate strategies, have also been identified as benefits from the revised guidelines.

Building knowledge and sharing lessons

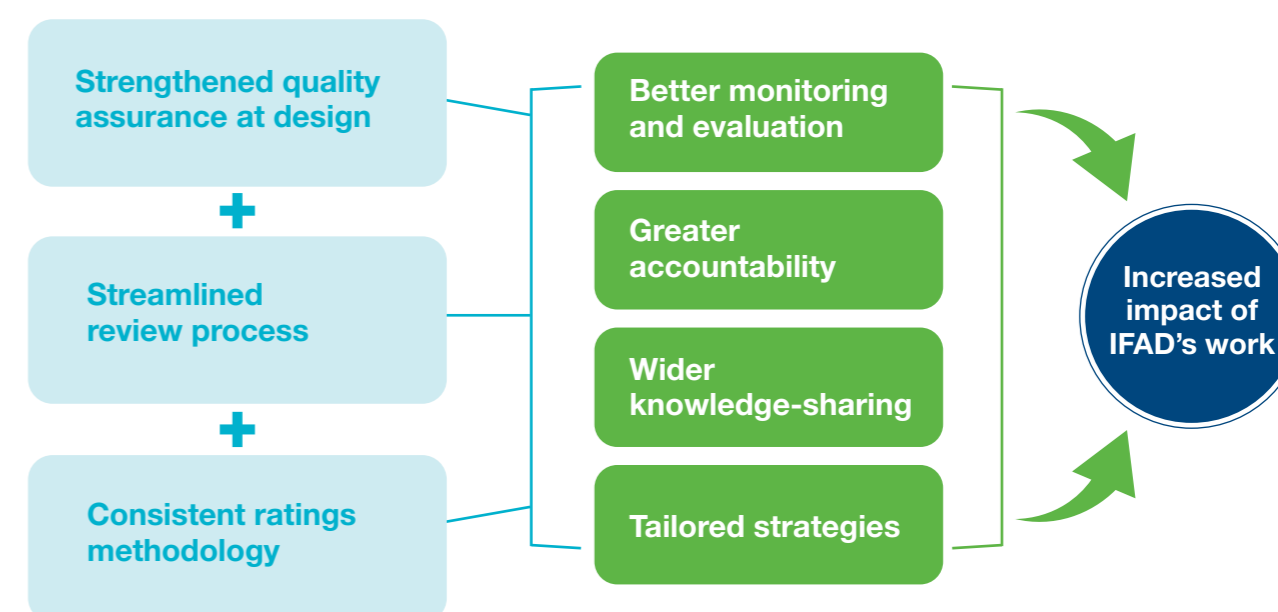
In 2019, IFAD's Quality Assurance Group (QAG) used its unique vantage point to generate lessons and suggest good practices for IFAD operations and country strategies. QAG became more proactive in sharing such lessons and driving conversations about quality. In the second part

of the year, QAG organized three learning events (including a QAG Learning Series event on COSOP design quality) and launched the QAG VIEW – a tri-annual insights pamphlet based on lessons taken from quality-at-entry design reviews. QAG staff participated in regional divisional

IFAD's Quality Assurance Group became more proactive in sharing lessons and driving conversations about quality

workshops in Brazil, the Republic of Korea and Turkey – holding sessions on quality at entry, and QAG's reviews and role. The aim was to bring QAG's viewpoint to bear on improving the quality of project, grant and strategy design, strengthening knowledge dissemination, and providing guidance and clarity on QAG's methodology and procedures.

ENHANCING THE QUALITY OF IFAD OPERATIONS



Focus on measuring results and impact

As stated in its Strategic Framework 2016-2025, the overarching goal for IFAD is to invest in rural people to enable them to overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods. IFAD pursues this goal through three closely interlinked and mutually reinforcing strategic objectives:

- Increasing poor rural people’s productive capacities
- Increasing poor rural people’s benefits from market participation
- Strengthening the environmental sustainability and climate resilience of poor rural people’s economic activities.

To hold itself accountable on progress made in achieving this goal and these three strategic objectives, IFAD has adopted a unique approach to reporting impact at the corporate level, building on rigorous project-level evaluations.

This initiative is a key element of our drive to improve the quality of the Fund’s operations, and to ensure alignment with corporate strategies and with the SDGs.

The Development Effectiveness Framework, which stipulates that approximately 15 per cent of IFAD’s portfolio of projects should undergo rigorous impact assessment, provided the overall guidelines for carrying out the impact assessments.

The results of the assessments completed as part of the IFAD10 Impact Assessment Initiative were presented to the Executive Board in September 2019. The analysis showed significant impacts on the lives of project beneficiaries relative to the corporate goal of greater economic mobility and its three supporting strategic objectives. In line with these findings, the preliminary results of the corporate impact assessment show that IFAD10 has exceeded its targets for its overall goal of fostering economic mobility and for two of the three strategic objectives.

Showing how projects impact beneficiaries

Globally, beneficiaries are significantly better off as a result of IFAD-sponsored projects. Overall, the number of people benefiting – in terms of economic mobility, production, market access and resilience – is above the targets set for IFAD10.

Capturing lessons to widen and deepen the impact of future projects

The impact assessments have provided significant learning, with lessons contributing to IFAD’s drive to enhance the quality of its operations.

Linked objectives. The assessments demonstrated the benefits associated with having focused, interlinked activities and objectives are greater than those from projects with more diversified or unlinked interventions. For example, in the Guangxi region of China, where infrastructure interventions were combined with marketing activities, the impact on production was 70 per cent, against 51 per cent in comparative projects without complementary activities.

Value chain approach. To achieve the best impacts from market participation, linked and coordinated approaches need to be taken into account to address all constraints along value chains – for example in credit, market access, market information and links with consumers. This was demonstrated by projects in Bangladesh, Nepal, the Philippines, and Sao Tome and Principe.

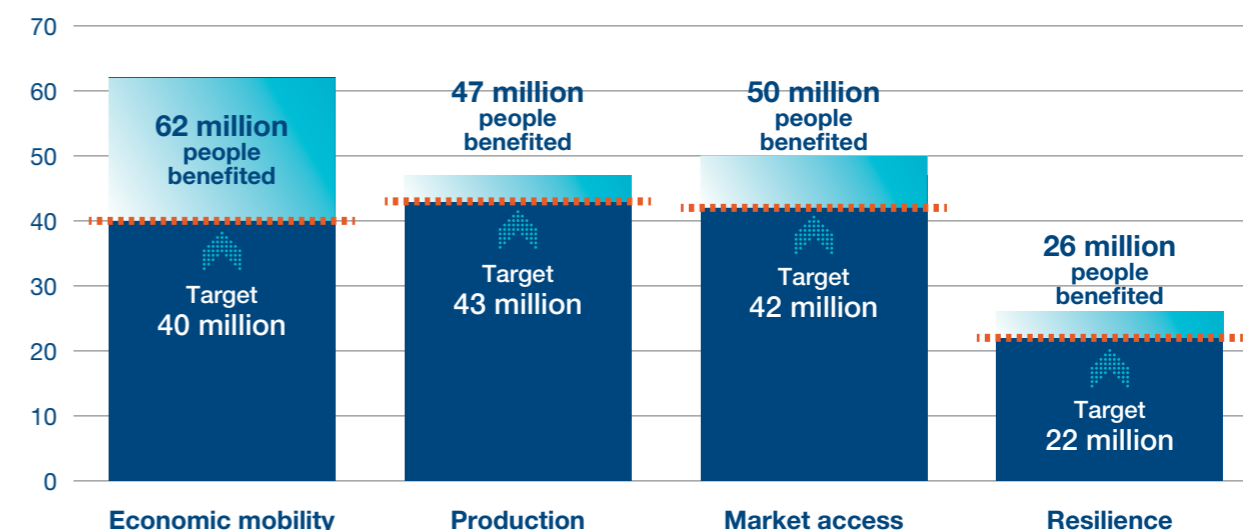
Integrated risk management. Sustained impacts are much more likely when precautionary measures to manage the risks associated with extreme events are integrated into projects. For example, in a project in the highlands of Ethiopia, small-scale irrigation proved to be an effective risk mitigation strategy against drought, with project impacts in production and market access (51 per cent and 175 per cent, respectively) significantly higher than comparison groups.

IFAD is the only international financial institution that conducts this type of corporate-level impact assessment where the corporate impact estimation builds on the use of project-level impact assessments chosen to be representative of its portfolio. Beyond accountability, the findings

Globally, IFAD beneficiaries are significantly better off as a result of IFAD-supported projects

from impact assessments also provide essential lessons that can inform decision-making. In addition, the impact assessments are designed in close collaboration with local stakeholders and government counterparts and this process ensures the significance of the results for the Fund. To this end, the findings have the potential to feed into

IFAD10 INVESTMENT IMPACT ON BENEFICIARIES



improvements in the effectiveness, efficiency and overall relevance of IFAD operations for the SDGs.

In addition, IFAD's Independent Office of Evaluation (IOE) contributes to the extraction of valuable lessons from projects and programmes.

For example:

- A 2019 corporate-level evaluation on pro-poor value chains found that our project design is improving in this area and provided recommendations on partnerships, outreach to poor people and gender analysis that will support us in making further quality improvements in future operations.
- An evaluation synthesis on inclusive financial services provided lessons on transitioning to new types of financial services that will inform future designs.
- A second evaluation synthesis focused on technical innovations for rural poverty reduction, offering important insights into how partnerships can help manage the risks associated with innovations.

Also, with respect to evaluations and their role in encouraging learning and positive change, in 2019 IOE jointly launched a new prize recognizing outstanding evaluations of development interventions that promote transformational change and are linked to the SDGs. The biennial competition, "Evaluating Development Interventions for Transformational

Change Award" was developed jointly by IOE, the Independent Evaluation Group of the World Bank Group and the International Development Evaluation Association. The role of learning

The impact assessments have provided significant learning

was also a theme during IFAD's hosting of the launch of the book *Information and Communication Technologies for Development Evaluation*, which examines the implications of new and emerging technologies in development evaluation and in particular the added challenges of charting progress towards the 2030 Agenda.

Staff development

As IFAD addresses an increasingly complex set of global challenges and adapts its operational model to maximize contribution to the SDGs, complementary approaches are needed to support staff to further develop their skills and knowledge.

Supporting enhanced presence in the field

In order to support a fit-for-purpose reform process and increase IFAD's in-country presence to improve responsiveness and in-country partnerships, IFAD's Human Resources Division conducted four ad hoc reassignment exercises between January 2018 and July 2019. Each exercise had a specific scope and objectives, with a varying level of complexity related to the number of positions and staff involved. These exercises, affecting more than 35 per cent of staff, allowed IFAD to implement the necessary structural changes for its decentralized model in order to reach the target of basing 33 per cent of positions in the field. At the end of 2019, 31 per cent of fixed-term staff were field-based.

As part of the IFAD Accelerated Decentralization Plan, in 2019 the Field Support Unit (FSU) coordinated with relevant divisions the outposting and/or onboarding of 96 staff to IFAD country offices (49 international staff and 47 national staff). In 2019, FSU also coordinated the establishment of four host country

agreements between IFAD and the Governments of Bangladesh, the Philippines, Saudi Arabia and South Africa to facilitate operations at the country level from a juridical point of view. To date, IFAD has a total of 37 such agreements signed. FSU further coordinated and ensured the establishment of 15 service-level agreements and/or memorandums of understanding and/or direct/indirect lease agreements with hosting agencies and/or other service providers to facilitate the running of operations at the country level.

Developing skills and capacities

Throughout 2019, initiatives were taken to support staff in developing the skills they need to adapt to the changing needs of the Fund in the context of decentralization, and for delivering results that contribute to the SDGs. These included a new leadership development programme for supervisors, an executive coaching programme for directors, professional qualification programmes such as International Coach Federation certification, and an expanded e-learning platform. In the framework of a decentralized working environment, the learning approach, in most cases, is a blend of e-learning, virtual workshops and personal interactions. Key initiatives included capacity-building for staff through participation in regional workshops and retreats, delivery of country office-focused training sessions, extensive training in travel processes and in safety and security, organization of briefings for staff relocated to the field, and coordination of security activities related to decentralization. In terms of numbers, 68 training sessions took place and more than 1,000 e-learning modules covering a wide array of topics were introduced.

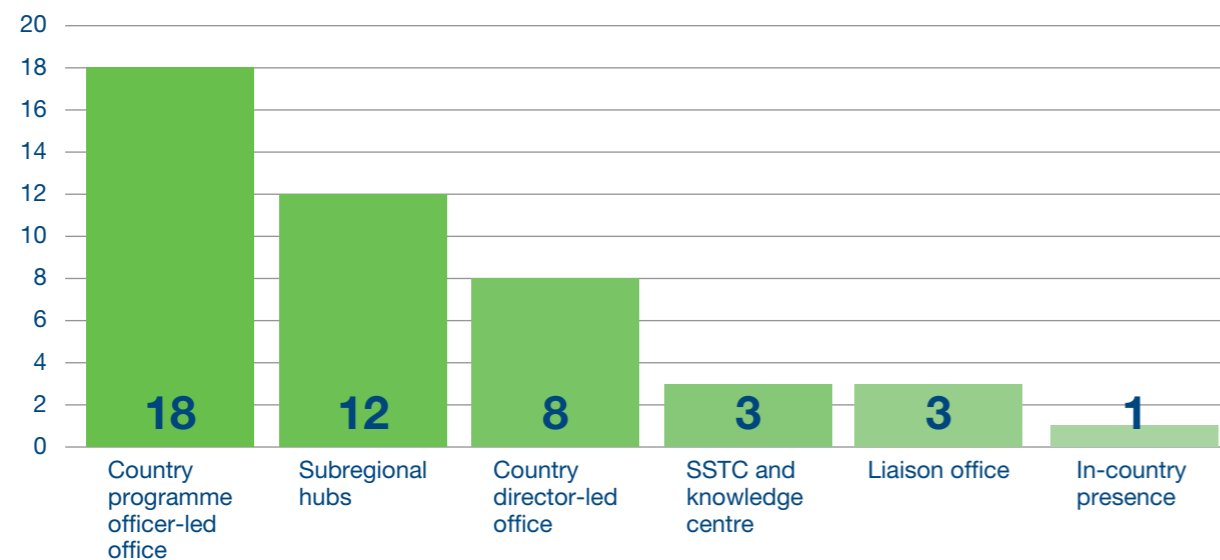
Capacity development of staff is also important to ensure the success of reforms in IFAD's financial architecture. In this context, the Accounting and Controlling Division continues to support staff to register and complete the joint Chartered Institute of Public Finance and Accountancy-IFAD Corporate Finance Qualification Programme. As of 2019, over 30 staff had registered from 11 divisions, with seven candidates having successfully achieved the international certification and more to follow.

Ensuring an ethical working environment

Part of ensuring IFAD is able to attract and retain world-class staff is ensuring a positive and respectful work environment. In this respect, the Ethics Office promotes IFAD's Code of Conduct and core values, provides confidential guidance to staff and managers, and reviews allegations of

unethical behaviour. IFAD has given high priority to combating all forms of sexual harassment and sexual exploitation and abuse. Following the Secretary-General's request to all United Nations bodies, the Ethics Office led an IFAD multidivisional task force to strengthen rules and procedures and to oversee full implementation of IFAD's policy on preventing and responding to sexual harassment, exploitation and abuse. In June 2019, IFAD launched its first awareness campaign on this policy entitled "Speak up, Report, Support". To support these efforts, the Ethics Office and Communications Division worked together to produce a video that is available on the IFAD website in all of IFAD's official languages.

COUNTRIES IN WHICH IFAD OPERATES



Highlights of IFAD's work to empower rural people

IFAD's overarching focus – investing in rural people – means adopting a people-centred approach, providing rural women and men with the tools and opportunities they need to improve their livelihoods. This is central to SDG implementation, in particular ending poverty (SDG 1) and achieving zero hunger (SDG 2). In 2019, much progress was made in enhancing existing approaches, tools and strategies to empower rural people, while several new initiatives were launched.

Mainstreaming priority themes into IFAD's work

IFAD has identified key themes that are central to our mission – climate change, environmental resources, gender, youth and nutrition. To continue empowering more rural people through

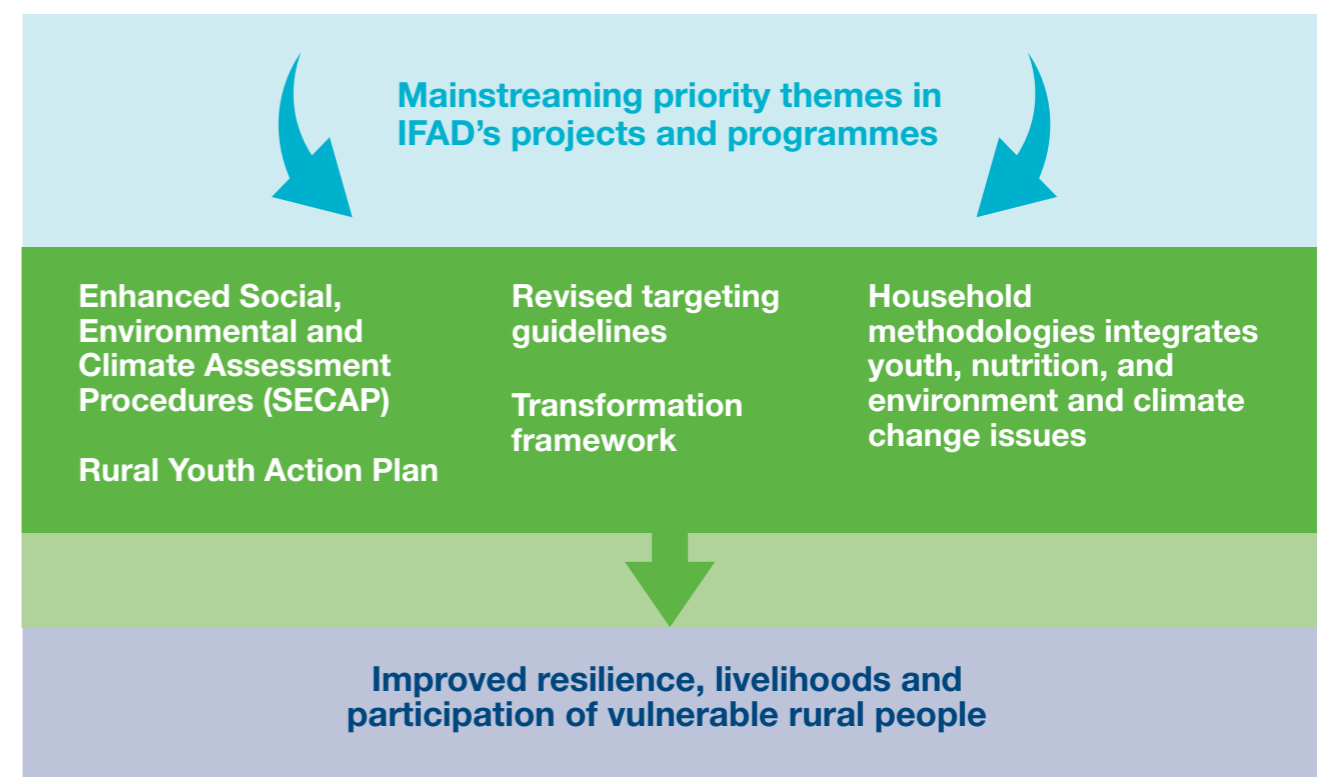
our operations, we need to mainstream these themes throughout IFAD's operations and we have made a variety of commitments in this respect.

In order to achieve IFAD11 mainstreaming commitments, IFAD has revised its business

We have identified themes that are central to our mission – climate change, environmental resources, gender, youth and nutrition

and planning processes and is building the necessary capacities while also developing tools and approaches for use in the design and implementation of IFAD country programmes.

EMPOWERING RURAL PEOPLE



For example:

- Enhanced Social, Environmental and Climate Assessment Procedures (SECAP)
- Revised targeting guidelines
- A new transformation framework
- Adaptation of the household methodologies to integrate youth, nutrition, and environment and climate change issues
- A new Rural Youth Action Plan

Results for 2019 indicate IFAD is well ahead of targets in all four priority areas. On climate, all 34 new projects approved in 2019 were screened for climate risk using the SECAP procedures, with US\$568 million total investment constituting climate finance, equivalent to 34 per cent of total investment, compared with a target of 25 per cent. On youth, 82 per cent of the 34 projects at design were youth-sensitive, exceeding IFAD11 targets. For gender, 34 per cent of approved project designs were rated gender-transformative and 58 per cent of projects were rated as fully gender mainstreamed or better at completion, against targets of 25 per cent and 60 per cent, respectively. Progress has also been encouraging for nutrition – 61 per cent were validated as nutrition-sensitive, against a target of 50 per cent.

Attracting investment into rural communities

Assembling investment to develop entrepreneurial activities that benefit rural people is key to creating jobs – especially for young people – and driving growth in rural economies. With this in mind, at IFAD's Governing Council 2019, IFAD, the European Union, the African, Caribbean and

Promoting sustainable change requires working with rural people and their organizations

Pacific Group of States, the Alliance for a Green Revolution in Africa, and the Government of Luxembourg launched the Agri-Business Capital Fund (ABC Fund), with IFAD as sponsor.

The purpose of the ABC Fund is to boost investments in small agribusinesses across developing markets, primarily in developing, low-income and middle-income countries. The ABC Fund targets micro, small and medium-sized agribusinesses (MSMEs), cooperatives and farmers' organizations that struggle to access the capital they need to grow their business. The investment strategy of the ABC Fund focuses on four themes:

- Integrating MSMEs and smallholder farmers into value chains
- Addressing bottlenecks in specific value chains
- Propelling technology and innovation
- Enhancing certification, traceability and value added for exports.

Another initiative to attract financing to benefit the business activities of rural people is the Smallholder and Agri-SME Finance and Investment Network (SAFIN). In 2019, SAFIN focused on mobilizing capital to strengthen the financial base of institutions serving smallholders and agri-SMEs, as well as on aligning partners' investments through inclusive business models. Activities to support these workstreams included collecting evidence on the use of blended finance in agriculture through a study with the Organisation for Economic Co-operation and Development and other partners, identifying investment opportunities in pilot countries, and sharing knowledge and new developments related to agri-SME and smallholder finance.

In addition, we launched the IFAD Private Sector Engagement Strategy 2019-2024 with two main goals: first, to mobilize private investment in rural MSMEs and small-scale agriculture, and second, to expand markets and job opportunities for rural people. The strategy will contribute to closing the finance gap with respect to SDG 2 implementation by reaching out to private partners who can take advantage of untapped business opportunities in rural areas.

Working with and for rural people

Empowering rural people and promoting sustainable change requires working together with rural people and their organizations, listening to their perspectives and advice, and supporting their agency around decisions at the global, national and local level. IFAD continues to engage extensively with rural people's organizations,

The IFAD Private Sector Engagement Strategy 2019-2024 will contribute to closing the finance gap with respect to SDG 2

especially farmers' organizations – in 2019, we introduced a new programme, Farmers' Organizations for Africa, Caribbean and Pacific. The programme will build on existing collaboration between IFAD and farmers' organizations to extend the geographic coverage of past work, especially economic services and integration into value chains.

IFAD is also supporting the International Land Coalition, hosted at IFAD, in its important work in changing policies and modifying the way policies are implemented for the benefit of rural communities across the world. Highlights for 2019 included policy changes in Cameroon that bring greater transparency around land concession contracts, and the adoption of forest laws in Albania that support the interests of rural people.

In focus: Institutional efficiency

The drive for greater efficiency has enabled us to plan an increased US\$1.67 billion programme of loans and grants – crucial to widen our impact in the context of the SDGs – within a zero-growth administrative budget.

Innovation is not just coming up with new ideas, it is also about driving change

Streamlining budgeting processes

IFAD's ongoing operational realignment is aimed at achieving excellence through greater efficiency and impact. For example, a comprehensive bottom-up approach was taken for budget preparation in support of IFAD's shift towards a more decentralized operating environment. The Fund's recently revised Delegation of Authority framework gives greater responsibility to lower levels of management and field officers. In addition, the Office of Strategic Budgeting successfully implemented a new budget-planning tool, Oracle Hyperion, streamlining the budgeting process and making it less prone to errors. This laid the foundation for more improvements planned in 2020 to further automate and simplify the budgeting process, and upgrade institutional reporting capabilities.

Also in 2019, IFAD began moving to full robotic process automation and launched a fully automated, paperless payment process for consultants.

Aligning with IFAD's evolving business model

Significant work was undertaken in adjusting IFAD's administrative processes to institutional changes, especially the more decentralized operating model. For example, we implemented decentralized travel agency services for all IFAD country offices and reformed delegations of authority to conduct low-value procurement with an adequate internal control framework. The security function was enhanced through: security awareness campaigns; monitoring of IFAD staff compliance with mandatory security requirements; monitoring of physical security of IFAD premises worldwide; and delivery of safety and security training.

We also upgraded our electronic records management system to promote knowledge-sharing. And we have widened partnerships with the other RBAs, achieving significant savings through the hosting of the IFAD Governing Council at FAO, implementing common procurement activities, negotiating corporate fares with airlines for discounts, providing printing services to WFP and Bioversity International, and coordinating privileges and immunities activities.

Catalysing innovation

We consider that innovation is a key aspect of delivering better, quicker results. This is why, in 2019, the Change, Delivery and Innovation Unit (CDI) was established. One of CDI's first moves was to launch the Innovation Challenge – a global, in-house competition for bold new ideas on how IFAD can bring innovation to its operations and business practices. Ten ideas were eventually selected for implementation with some

Harnessing new technology is enabling us to respond to partners' needs more rapidly and efficiently

US\$700,000 of IFAD funding. Projects included applications of blockchain, virtual reality, crowdfunding and even a board game.

But innovation is not just a matter of coming up with new ideas, it is also about driving change. For example, in 2019 CDI coordinated a response to IFAD's Global Staff Survey with measures aimed at reducing bureaucracy and supporting a positive working climate. This involved leading the first phase of a business process re-engineering exercise to reduce staff workload and drive efficiency.

Stepping up the use of ICT

Harnessing new technology is enabling us to respond to partners' needs more rapidly and efficiently. One example is the continued development of the IFAD Client Portal (ICP). As the one-stop shop for clients to securely conduct business with IFAD and to obtain real-time information, in 2019 the ICP evolved from simply focusing on the submission of withdrawal applications to include the processing of no-objections, contract monitoring, financial statements submission and detailed reporting. By end of the year, it covered 76 per cent of IFAD countries with disbursable projects, processing over US\$600 million of transactions and accessing reports and dashboards on a daily basis.

Update on resource mobilization and partnerships

In 2019, we continued to move towards a financial framework that aims to blend replenishment contributions – which remain the bedrock of IFAD’s financial model – with various forms of debt financing to enable an enhanced programme of loans and grants in a financially sustainable manner. This is key to enable us to scale up our contribution to ending poverty (SDG 1) and achieving zero hunger (SDG 2).

Progressing towards replenishment targets

During the year, progress advanced towards the IFAD11 target of US\$1.2 billion. As at 31 December 2019, 94 countries had pledged a total of US\$1,008.7 million. This included core contributions, unrestricted complementary contributions for climate and nutrition, and

the grant element of concessional partner loans (CPLs). CPLs are a new borrowing instrument, approved during IFAD11, to complement the existing sovereign borrowing framework and to

During the year, progress advanced towards the IFAD11 target of US\$1.2 billion

mobilize more concessional funds, which can be on-lent at highly concessional terms. In 2019, CPL agreements were finalized with Finland, France and India. Instruments of contribution (IOCs) deposited (including payments with no prior IOC deposit) amounted to US\$955.8 million. Also as at 31 December 2019, Debt Sustainability

Framework (DSF) compensation shares pledged amounted to US\$35.1 million, leaving a shortfall of US\$4.5 million to reach the full compensation for forgone principal reflows under the DSF of US\$39.5 million.

Total contributions, inclusive of core contributions, unrestricted complementary contributions for climate and nutrition, DSF compensation, and the grant element of CPLs, are expected to reach US\$1.1 billion.

IFAD signed 31 new supplementary fund contribution agreements and 7 top-up agreements with 19 donors for a total of US\$151.6 million. These agreements have contributed significantly to our ability to surpass our cofinancing targets, as well as to support non-lending activities such as policy engagement that support IFAD’s operational activities (see annex 1 for more details).

Examples of activities to be supported under these agreements include:

- The EU Regional Trust Fund in Response to the Syrian Crisis (the “Madad” Fund)
- Italy, for the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS)
- Denmark, to sustainably increase the incomes, food security and nutrition of marginal and small-scale farmers and microentrepreneurs in Bangladesh
- The European Union, in support of agricultural research in Africa, diaspora investment in agriculture in Mali, and capacity-building of farmers’ organizations
- Germany and Norway, in support of IFAD’s mainstreaming agenda for youth and nutrition, respectively
- Sweden, to support IFAD’s work on insurance
- France, for the Smallholder and Agri-SME Finance and Investment Network (SAFIN) and ASAP2

- France and Italy, for the second phase of the Platform for Agricultural Risk Management (PARM Horizon 2)
- Iceland, to support a blue economy training activity for project staff

Developing partnerships for positive change

We are continuing to strengthen efforts in partnering with organizations that are in a

RBA collaboration is essential to address the challenges global food systems are facing

position to support us in our mission to improve the lives of rural people. New partnerships are enabling us to do more in terms of exercising influence at the global level to promote positive change for rural people. A major milestone was the announcement in September of the Food Action Alliance in collaboration with the World Economic Forum in the context of the Forum’s Sustainable Development Impact Summit. The Food Action Alliance, initiated by IFAD and the World Economic Forum, is an emerging partnership between the public and private sectors and international multilateral organizations to deliver better, faster and at scale on food security and nutrition, inclusive growth and decent jobs, environmental sustainability, and climate resilience, in line with the 2030 Agenda. Additional partners include the Alliance for a Green Revolution in Africa, African Development Bank, the International Center for Tropical Agriculture and Rabobank.

Other new partnerships were also established with:

- the Asian Infrastructure Investment Bank
- the Brazilian Development Bank

DOING MORE BY BRINGING PARTNERS TOGETHER



- the International Livestock Research Institute
- the International Social Security Association
- the Korea Rural Economic Institute
- the Kingdom of Saudi Arabia

We are well aware that continuing to deepen collaboration with our Rome-based sister agencies

New partnerships are enabling us to do more in terms of exercising influence at the global level to promote positive change for rural people

is essential to ensure complementary approaches to address the challenges global food systems are facing. In May, along with FAO and WFP, we endorsed a joint RBA Action Plan. The RBAs are placing emphasis on enhancing existing country-level collaboration – FAO, WFP and IFAD have conducted joint field visits, which have led to joint action to develop each agency's work in a complementary way. Following the joint visit to Niger in 2018, the three agencies presented a plan of action for the Sahel during the 2019 informal meeting of the RBA governing bodies.

Sharing knowledge through South-South and triangular cooperation

South-South and triangular cooperation (SSTC) is a key development cooperation approach that

is being embedded in IFAD's business model to complement the Regular Programme. To this end, we established three SSTC and knowledge centres in Addis Ababa, Beijing and Brasilia, with the aim of furthering the SSTC agenda.

In 2019, the China-IFAD SSTC Facility began implementing the eight projects approved following its first call for proposals in 2018. A second call for proposals in 2019 resulted in a further seven projects being selected. The total amount of both calls is US\$6.7 million. The projects cover topics such as technical assistance, knowledge exchange, RBA cooperation and value chain development in all five regions.

Financial management and transparency

As IFAD's financial architecture evolves to support its contribution to the SDGs, ongoing corporate innovation in the areas of technical and development finance, risk management and in expanding transparency and anti-corruption safeguards has been receiving increasing attention. The transformation of IFAD's financial architecture will also help to position IFAD positively with credit rating agencies, building on the existing strong foundation and converging with best practices from other development financial institutions.

Building on recent innovations

In 2018, the groundwork was laid for key initiatives, including arrangements around concessional partner loans, the ABC Fund and IFAD's prudent leveraging strategy. These began to bear fruit in 2019. Among new developments have been:

- Decentralization of financial management staff to five regional hubs
- Establishment of a quality assurance group to maintain the highest level of financial management inputs
- Piloting of new financing tools, including results-based lending and diversified pre-financing options.

Tailoring financial support to countries' needs

A major new initiative has been the application of the IFAD Transition Framework to ensure that countries obtain the best form of financial support as they move up the ladder of economic development. Phasing-out and phasing-in periods are designed to allow borrowers to transition from one credit category to another in order to adjust smoothly to new, less concessionary lending terms. All this requires that IFAD both upgrade and expand its existing lending and non-lending products.

Managing financial risks

IFAD continues to strengthen its overall financial risk management and internal control framework. Initiatives in this area included the monitoring and reporting on credit and market risks, as well as the management of risks relating to the lending, funding, treasury and any other financial risks affecting IFAD's balance sheet.

A major new initiative has been the application of the IFAD Transition Framework

In 2019, IFAD established a robust Capital Adequacy Policy. This is a natural response to the evolution of IFAD. It entails the transformation of IFAD's financial structure from pure liquidity management to a solvency and liquidity management approach. We also updated our Asset Liability Management Framework. The Framework enables IFAD to continue to strengthen the management of its assets and liabilities to protect its balance sheet and mitigate the financial risks ensuing borrowing.

A strengthened, second line of defence controllership function was also put in place in 2019 to protect the Fund against operational, financial and reputational risks, particularly in an increasingly decentralized environment featuring wider delegation of authority.

Enhancing transparency and anti-corruption approaches

Financial transparency has also been enhanced at IFAD. Financial statements regarding audited projects are disclosed systematically, as are statistical data and information on IFAD's financial operations. And IFAD's new anticorruption policy, which establishes zero-tolerance towards prohibited practices in

IFAD's new anticorruption policy, which establishes zero-tolerance towards prohibited practices in operations and activities funded or managed by IFAD, was rolled out in 2019

operations and activities funded or managed by IFAD, was rolled out in 2019. As well as revising legal and operational instruments and communicating with IFAD stakeholders – especially project staff and vendors – much focus has been on activities to train IFAD staff and consultants, for example through: an anticorruption e-learning course; training on techniques and tools to identify and report prohibited practices; and staff induction training.

Annex 1. Programme of loans and grants in tables

Table 1 – Supplementary funds received in 2019

Table 2 – IFAD financing by region, 1978-2019

Table 3 – Summary of IFAD loans by region and lending terms, and DSF grants, 1978-2019

Table 4 – Annual loan disbursements under the Regular Programme, by region, 1979-2019

Table 5 – Annual DSF disbursements by region, 2009-2019

Table 6 – Loan disbursements by region and lending terms under the Regular Programme, 1979-2019

Table 7 – Summary of grant financing, 2015-2019

Table 8 – Cofinancing of IFAD-initiated programmes and projects by donor Member States (Bilateral), 1978-2019

Table 9 – Cofinancing of IFAD-initiated programmes and projects by multilateral donors, 1978-2019

Table1. Supplementary funds received in 2019Amounts in US\$ million ^a

Donor	Junior Professional Officer Programme	Cofinancing (excluding parallel cofinancing)	Thematic and technical assistance	Total
Australia			0.1	0.1
Canada			0.3	0.3
China			5.0	5.0
Denmark		8.7		8.7
Estonia			0.1	0.1
European Union		2.0	45.7	47.7
FAO			0.4	0.4
France	0.1		2.2	2.4
Germany	0.2	2.4	0.4	3.1
GAFSP		23.9		23.9
Hungary			0.1	0.1
Iceland			0.03	0.03
Italy	0.1	1.8	1.1	3.1
Japan	0.6			0.6
Republic of Korea	0.4		0.4	0.8
Luxembourg			2.8	2.8
Netherlands	0.7			0.7
Norway		2.2	1.9	4.1
OFID		0.5		0.5
Open Society Foundations		0.3		0.3
Rockefeller Foundation			0.1	0.1
Sweden	0.7		2.6	3.2
Switzerland	0.3			0.3
UNDP			1.0	1.0
World Bank		15.8		15.8
WFP			0.01	0.01
Total	3.2	57.7	64.5	125.4

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

Table 2. IFAD financing by region, 1978-2019^{a,b}

Amounts in US\$ million

	1978-2009	2010-2012	2013-2015	2016-2018	2019	1978-2019
West and Central Africa						
Total amount	1 926.2	592.3	587.1	639.5	554.0	4 299.0
No. of projects and programmes	182	21	18	15	10	246
East and Southern Africa						
Total amount	2 131.1	619.9	602.4	731.0	452.0	4 536.5
No. of projects and programmes	155	17	15	16	10	213
Asia and the Pacific						
Total amount	3 605.4	854.3	1 024.8	1 095.7	359.1	6 939.3
No. of projects and programmes	204	26	27	20	8	285
Latin America and the Caribbean						
Total amount	1 670.0	265.2	220.1	247.9	39.5	2 442.7
No. of projects and programmes	139	16	12	14	2	183
Near East, North Africa and Europe						
Total amount	1 835.2	366.0	349.2	426.8	235.0	3 212.1
No. of projects and programmes	144	18	15	17	4	198
Total IFAD financing^c	11 167.8	2 697.7	2 783.5	3 140.8	1 639.6	21 429.5
Total number of programmes and projects^d	824	98	87	82	34	1 125

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.

Excludes other non-regular financing managed by IFAD such as the Fund for Gaza and the West Bank and the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS).

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

^c Any discrepancy in totals is the result of rounding.

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

Table 3. Summary of IFAD loans by region and lending terms, and DSF grants, 1978-2019^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	868.6	789.9	374.0	62.1	308.8	2 403.3
Number of grants	70	47	31	10	26	184
Highly concessional loans						
Amount	3 032.9	3 422.4	4 384.3	435.9	1 019.6	12 295.0
Number of loans	237	198	225	43	88	791
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	150.9	22.8	544.3	58.9	164.6	941.5
Number of loans	8	4	19	5	7	43
Ordinary loans						
Amount	33.6	95.8	909.2	1 353.9	895.5	3 288.0
Number of loans	5	9	21	91	49	175
Total amount	4 191.1	4 439.9	6 819.3	2 398.8	3 112.5	20 961.6
Percentage of total IFAD loans and DSF grants	20	21	33	11	15	100
Total number of loans^{b, c} and DSF grants	331	269	331	200	215	1 346

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 4. Annual loan disbursements under the Regular Programme, by region, 1979-2019^a

Amounts in US\$ million

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	1979-2019
West and Central Africa	65.2	65.9	73.6	94.8	75.8	82.5	81.0	80.5	89.5	100.0	100.5	1840.6
East and Southern Africa	105.2	99.2	104.3	140.6	136.4	99.2	99.2	111.8	189.0	149.4	158.4	2494.8
Asia and the Pacific	125.6	159.3	230.4	172.2	157.7	180.8	201.6	230.6	197.3	216.8	232.5	4327.7
Latin America and the Caribbean	60.6	64.0	73.0	66.1	55.2	63.4	51.2	62.9	72.1	86.5	64.1	1773.6
Near East, North Africa and Europe	71.2	70.2	67.5	62.3	60.2	59.7	53.7	53.1	83.2	74.1	70.4	1874.8
Total^b	427.8	458.6	548.8	536.0	485.3	485.6	486.7	538.9	631.1	626.8	625.9	1 2311.5

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 5. Annual DSF disbursements by region, 2009-2019

Amounts in US\$ million

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-2019
West and Central Africa	1.9	9.1	23.8	36.7	49.2	46.9	42.1	36.4	43.3	53.6	87.1	431.2
East and Southern Africa	5.7	17.1	28.3	40.1	45.0	60.0	36.0	39.6	34.0	37.2	48.6	396.3
Asia and the Pacific	3.9	6.8	11.6	21.0	22.9	31.8	23.9	27.5	26.6	27.6	20.4	226.7
Latin America and the Caribbean	0.6	0.9	3.4	6.6	6.2	6.3	5.2	3.8	7.5	7.8	2	50.2
Near East, North Africa and Europe	1.6	5.5	9.2	14.2	19.2	12.3	18.4	16.5	16.3	12.5	16.6	142.5
Total^a	13.7	39.4	76.3	118.6	142.5	157.3	125.6	123.8	127.7	138.7	174.7	1 246.9

Source: Loans and Grants System.

^a Any discrepancy in totals is the result of rounding.

Table 6. Loan disbursements by region and lending terms under the Regular Programme, 1979-2019^a

Amounts in US\$ million

	Highly concessional	Intermediate	Ordinary	Hardened	Total
West and Central Africa					
Amount	1 750.4	72.6	17.6	-	1 840.6
Percentage of total loan effective commitment	67	21	68	0	61
East and Southern Africa					
Amount	2 366.1	111.7	17.0	-	2 494.8
Percentage of total loan effective commitment	74	92	17	-	73
Asia and the Pacific					
Amount	3 413.6	599.9	314.2	-	4 327.7
Percentage of total loan effective commitment	81	54	31	-	68
Latin America and the Caribbean					
Amount	409.3	441.4	922.9	-	1 773.6
Percentage of total loan effective commitment	94	88	71	-	79
Near East, North Africa and Europe					
Amount	907.8	553.4	370.7	42.9	1 874.8
Percentage of total loan effective commitment	94	74	39	95	69
Total amount	8 847.2	1 779.0	1 642.4	42.9	12 311.5
Total percentage of total loan effective commitment	77	62	48	95	69

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.

Table 7. Summary of grant financing, 2015-2019

Amounts in US\$ million^a

		2015	%	2016	%	2017	%	2018	%	2019	%	2015-2019	%
Global/Regional grants													
	Amount	54.9	75	44.7	78.6	47.2	76.6	50.0	73.7	25.3	64.1	222.1	74.2
	Number of grants	43		38		35		37		24		177	
Country-specific grants													
Stand-alone	Amount	9.2	13	3.2	5.6	3.8	6.1	2.0	2.9	-	-	18.2	6.1
	Number of grants	14		3		7		3		-		27	
Loan component	Amount	9	12	8.6	15.1	10.7	17.3	15.8	23.3	14.2	35.9	58.3	19.5
	Number of grants	12		11		14		9		12		58	
Total country-specific	Amount	18.2	25	11.8	20.7	14.4	23.4	17.7	26.1	14.2	35.9	76.3	25.5
	Number of grants	26		14		21		12		12		85	
Other DSF grants													
	Amount	0.5	0.7	0.4	0.7	-	-	-	-	-	-	0.9	0.3
	Number of grants	1		1		-		-		-		2	
Total all windows	Amount	73.6	100	56.9	100	61.6	100.0	67.8	100.0	39.5	100.0	299.3	100.0
	Number of grants	70		53		56		49		36		264	

Source: Oracle Business Intelligence, Quality Assurance Group tracking sheet

^a Any discrepancy in totals is the result of rounding.

Table 8. Cofinancing of IFAD-initiated programmes and projects by donor Member States (bilateral), 1978-2019

Amounts in US\$ million

Cofinancer	Cofinancing approved	%
Spain	342.4	27.3
France	185.6	14.8
Belgium	114.3	9.1
Germany	102.1	8.1
Netherlands	98.6	7.8
United Kingdom	80.6	6.4
Denmark	61.0	4.9
Sweden	48.9	3.9
Canada	40.1	3.2
Kuwait	35.0	2.8
Norway	26.9	2.1
United States	22.2	1.8
Switzerland	21.8	1.7
Australia	15.1	1.2
United Arab Emirates	15.0	1.2
Finland	10.6	0.8
Saudi Arabia	10.0	0.8
Italy	5.3	0.4
Luxembourg	4.6	0.4
Ireland	4.1	0.3

Source: Grants and Investment Projects System.

^a Amounts as per the President's report for each programme and project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of US\$ 1 256.4 million. Bilateral participation in basket or similar funding arrangements is not included.

Table 9. Cofinancing of IFAD-initiated programmes and projects by multilateral donors, 1978-2019^a
Amounts in US\$ million

Cofinancer	Cofinancing approved	%
OPEC Fund for International Development	847.7	18.5
Asian Development Bank	729.3	16.0
African Development Bank	696.3	15.2
Other ^b	376.8	8.2
Islamic Development Bank	288.7	6.3
International Bank for Reconstruction and Development	259.9	5.7
European Union	248.2	5.4
World Food Programme	242.7	5.3
Arab Fund for Economic and Social Development	236.1	5.2
Global Environment Facility	126.6	2.8
International Development Association	123.8	2.7
Inter-American Development Bank	111.8	2.4
West African Development Bank	108.8	2.4
Central American Bank for Economic Cooperation	95.0	2.1
United Nations Development Programme	78.9	1.7

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\$4,570.5 million. Multilateral participation in basket or similar funding arrangements is not included. Any discrepancy in totals is the result of rounding.

^b Other cofinancers include: Arab Authority for Agricultural Investment and Development, Adaptation Fund, Africa Fund, Arab Bank for Economic Development in Africa, Andean Development Corporation, Caribbean Development Bank, ECOWAS Bank for Investment and Development, Food and Agriculture Organization of the United Nations, Global Agriculture and Food Security Programme, Global Climate Fund, International Finance Corporation, Inter-American Institute for Cooperation on Agriculture, Platform for Agricultural Risk Management, Strategic Climate Fund, United Nations Capital Development Fund, United Nations International Drug Control Programme, United Nations Fund for Drug Abuse Control, United Nations Office for Project Services, United Nations Population Fund, United Nations Development Fund for Women (now UN Women).

Annex 2. IFAD membership and representation

As of 31 December 2019, IFAD had a total membership of 176 countries - 27 in List A, 12 in List B, 137 in List C (of which 50 in Sub-List C1, 55 in Sub-List C2 and 32 in Sub-List C3).

List A

Austria
Belgium
Canada
Cyprus
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Israel
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
Eswatini
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
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
Democratic People's Republic
of Korea
Fiji
Georgia
India
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
North Macedonia
Oman
Pakistan
Palau
Papua New Guinea
Philippines
Republic of Korea
Republic of Moldova
Romania
Samoa
Solomon Islands
Sri Lanka
Syrian Arab Republic
Tajikistan
Thailand
Timor-Leste
Tonga
Turkey
Tuvalu
Uzbekistan
Vanuatu
Viet Nam
Yemen

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

**LIST OF GOVERNORS AND ALTERNATE GOVERNORS
OF IFAD MEMBER STATES IN 2019¹**

	Governor	Alternate Governor
AFGHANISTAN	Abdul Waheed Omer <i>(January – March 2019)</i> — <i>(March 2019 –)</i>	—
ALBANIA	Arben Ahmetaj <i>(January 2019)</i> Anila Denaj <i>(January 2019 –)</i>	Roni Telegrafi
ALGERIA	Abdelkader Bouazgui <i>(January – June 2019)</i> Cherif Omari <i>(June 2019 –)</i>	—
ANGOLA	Marcos Alexandre Nhunga <i>(January – November 2019)</i> António Francisco De Assis <i>(November 2019 –)</i>	Florêncio Mariano da Conceição de Almeida <i>(January – October 2019)</i> Maria de Fátima Monteiro Jardim <i>(October 2019 –)</i>
ANTIGUA AND BARBUDA	Karen Mae Hill	Colin O'Keiffe
ARGENTINA	María Cristina Boldorini <i>(January – December 2019)</i> — <i>(December 2019 –)</i>	—
ARMENIA	—	Zohrab V. Malek
AUSTRIA	Edith Frauwallner	Elisabeth Gruber
AZERBAIJAN	Inam Imdad Karimov	Mammad Bahaddin Ahmadzada
BAHAMAS (THE)	Renward Wells	Eldred Edison Bethel
BANGLADESH	A H M Mustafa Kamal	—
BARBADOS	—	—
BELGIUM	Frank Carruet	—
BELIZE	Jose Alpuche	—

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
BENIN	Gaston Dossouhoui	Evelyne Togbe-Olory
BHUTAN	Yeshey Penjor (January 2019)	Kinga Singye
BOLIVIA (PLURINATIONAL STATE OF)	Carlos Aparicio Vedia (January – December 2019) — (December 2019 –)	—
BOSNIA AND HERZEGOVINA	Darko Zelenika (January – February 2019) — (February 2019 –)	Gildzana Tanovic
BOTSWANA	Frans van der Westhuizen	Jimmy R. Opelo
BRAZIL	— (January – February 2019) Yana Dumaresq Sobral Alves (February 2019 –)	Fernando José Marroni de Abreu
BURKINA FASO	Hadizatou Rosine Coulibaly Sori (January – February 2019) Lassané Kabore (February 2019 –)	Ambroise Kafando
BURUNDI	Phil Domitien Ndiwokubwayo	Déo Guide Rurema
CABO VERDE	Manuel Augusto Lima Amante da Rosa (January 2019) Jorge José De Figueiredo Conçalves (January 2019 –)	Elsa Barbosa Simões
CAMBODIA	Aun Pornmoniroth	Veng Sakhon
CAMEROON	Clémentine Ananga Messina	Dominique Awono Essama
CANADA	Christopher MacLennan	Sue Szabo
CENTRAL AFRICAN REPUBLIC	Honoré Feizoure	Mahamat Yacoub Taïb

CHAD	Lydie Beassemda <i>(January - September 2019)</i> Madjidian Padja Ruth <i>(September 2019 -)</i>	—
CHILE	— <i>(January - February 2019)</i> Sergio Romero Pizarro <i>(February 2019 -)</i>	—
CHINA	Zou Jiayi	Chen Shixin <i>(January 2019)</i> Zhang Wencai <i>(January 2019 -)</i>
COLOMBIA	Gloria Isabel Ramírez Ríos	—
COMOROS	Moustadroine Abdou	—
CONGO	Henri Djombo	— <i>(January 2019)</i> Jeanne Dambendzet <i>(January 2019 -)</i>
COOK ISLANDS	—	—
COSTA RICA	Marco Vinicio Vargas Pereira	Amarilli Villegas Cordero
CROATIA	Jasen Mesić	—
CUBA	Rodrigo Malmierca Díaz	Carlos Rodríguez Ruiz
CYPRUS	George F. Poulides	Spyridon Ellinas <i>(January - April 2019)</i> Marios Georgiades <i>(April 2019 -)</i>
CÔTE D'IVOIRE	Mamadou Sangafowa Coulibaly <i>(January - September 2019)</i> Kobenan Kouassi Adjoumani <i>(September 2019 -)</i>	Seydou Cissé
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	—	Rim Song Chol
DEMOCRATIC REPUBLIC OF THE CONGO	Georges Kazadi Kabongo <i>(January - September 2019)</i> Jean-Joseph Kasonga Mukuta <i>(September 2019 -)</i>	Evariste Bushabu Bopeming

DENMARK	Morten Jespersen	Vibeke Gram Mortensen (January – July 2019) — (July 2019 –)
DJIBOUTI	Mohamed Ahmed Awaleh	Ayeid Mousseid Yahya
DOMINICA	—	—
DOMINICAN REPUBLIC	Antonio Vargas Hernández	Mario Arvelo Caamaño
ECUADOR	Richard Martínez Alvarado	Xavier Enrique Lazo Guerrero
EGYPT	Ezz AlDin Abosteit	Hisham Mohamed Badr
EL SALVADOR	Sandra Elizabeth Alas Guidos	—
EQUATORIAL GUINEA	Nicolás Houtonji Akapo	Miguel Mba Nchama Mikue
ERITREA	Arefaine Berhe	Fessahazion Pietros
ESTONIA	— (January 2019) Siim Tiidemann (January 2019 –)	— (January 2019) Galina Jevgrafova (January 2019 –)
ESWATINI	Jabulani Mabuza	Eric Maziya
ETHIOPIA	Shiferaw Shigutie (January 2019) Umer Husen (January 2019 –)	Zenebu Tadesse Woldetsadik
FIJI	Inia Batikoto Seruiratu (January 2019) Mahendra Reddy (January 2019 –)	Viam Pillay (January 2019) David Kolitagane (January 2019 –)
FINLAND	Elina Kalkku	Satu Santala
FRANCE	Guillaume Chabert	—
GABON	Biendi Maganga-Moussavou (February 2019 –)	Rachelle Ewomba-Jocktane
GAMBIA (THE)	Lamin N. Dibba (January – September 2019) Amie Fabureh (October 2019 –)	—
GEORGIA	Levan Davitashvili	— (January 2019) Konstantine Surguladze (January 2019 –)

GERMANY	Dominik Ziller	—
GHANA	Owusu Afriyie Akoto	— (January – June 2019) Eudora Hilda Quartey Koranteng (June 2019 –)
GREECE	Tasia Athanasiou (January – April 2019) Theodore Passas (July 2019 -)	Christina Argiropoulou
GRENADA	Yolande Bain-Horsford	—
GUATEMALA	Karla Gabriela Samayoa Recari (January – September 2019) — (September 2019 -)	Sylvia Wohlers De Meie (January – September 2019) Karen María Ordoñez Taracena (September 2019 -)
GUINEA	Mariama Camara	Mohamed Chérif Diallo
GUINEA-BISSAU	Nicolau Dos Santos	Kaoussou Diombera
GUYANA	Noel Holder	— (January 2019 -)
HAITI	—	—
HONDURAS	Mauricio Guevara Pinto	—
HUNGARY	Katalin Tóth (January 2019) Zsolt Belánszky-Demkò (January 2019 -)	Zoltán Kálmán
ICELAND	María Erla Marelsdóttir	Auðbjörg Halldórsdóttir (January 2019) Stefán Jón Hafstein (January 2019 -)
INDIA	Subhash Chandra Garg (January – September 2019) Atanu Chakraborty (September 2019 -)	Prashant Goyal
INDONESIA	Suminto (November 2019 -)	—

IRAN (ISLAMIC REPUBLIC OF)	Seyed Ali Mohammad Mousavi (January - September 2019) Seyed Mohsen Esperi (September 2019 -)	—
IRAQ	Saleh Hussein Jebur	Ahmad A.H. Bamarni
IRELAND	Colm Ó Floinn	Paul James Kiernan
ISRAEL	— (January - December 2019) Yael Rubinstein (December 2019 -)	—
ITALY	Giovanni Tria (January - September 2019) Roberto Gualtieri (October 2019 -)	—
JAMAICA	Audley Shaw	Wayne McCook
JAPAN	Keiichi Katakami	Toshio Oya (January - September 2019) Shigeru Ariizumi (September 2019 -)
JORDAN	Mohammad Al-Ississ (May - December 2019) Wissam Rabadi (December 2019 -)	Mahmmud Khaled Suleiman Al-Jam'ani
KAZAKHSTAN	Sergey Nurtayev	Seit Nurpeissov
KENYA	Mwangi Kiunjuri	—
KIRIBATI	Alexander Teabo	Taare Uriam Aukitino
KUWAIT	Nayef Falah Al-Hajraf (January - November 2019) Mariam A Al-Aqeel (November 2019 -)	Marwan Al-Ghanem
KYRGYZSTAN	—	—
LAO PEOPLE'S DEMOCRATIC REPUBLIC	Somdy Douangdy	—
LEBANON	Majida Mcheik	Rania Khalil Zarzour
LESOTHO	Mahala Molapo	—

LIBERIA	Mogana S. Flomo, Jr. <i>(January – September 2019)</i> Precious Tetteh (acting) <i>(September 2019 –)</i>	Peter Korvah
LIBYA	Abdulmunam Fellah	—
LUXEMBOURG	Paulette Lenert	Paul Dühr
MADAGASCAR	Randriarimanana Harison Edmond	Ratohiarijaona Rakotoarisolo Suzelin
MALAWI	—	Gray Nyandule Phiri
MALAYSIA	Ahmad Badri Mohd Zahir	Abdul Malik Melvin Castelino bin Anthony
MALDIVES	Ibrahim Ameer	Zaha Waheed
MALI	Nango Dembélé <i>(January – July 2019)</i> — <i>(July 2019 –)</i>	Bruno Maïga <i>(January – February 2019)</i> — <i>(February 2019 –)</i>
MALTA	Justin Zahra	Saviour Debono Grech
MARSHALL ISLANDS	—	—
MAURITANIA	El Moctar Ould Djay <i>(January – August 2019)</i> Cheikh El Kebir Moulaye Taher <i>(August 2019 –)</i>	Maimouna Ahmed Salem Yahdhih <i>(January – February 2019)</i> Mohamed Salem Nany <i>(February 2019 –)</i>
MAURITIUS	Mahen Kumar Seeruttun <i>(January – November 2019)</i> Maneesh Gobin <i>(November 2019 –)</i>	Indira Rugjee
MEXICO	Martha Elena Federica Bárcena Coqui <i>(January 2019)</i> — <i>(January 2019 –)</i>	Benito Santiago Jiménez Sauma
MICRONESIA (FEDERATED STATES OF)	Marion Henry	Alissa Takesy
MONGOLIA	Chultem Ulaan	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 (January – October 2019) — (October 2019 –)
NAMIBIA	Alpheus !Naruseb	Anna Shiweda
NAURU	Sasi Kumar	Michael Aroi
NEPAL	Chakrapani Khanal (January – December 2019) Ghanashyam Bhusal (December 2019 –)	Suroj Pokhrel
NETHERLANDS	Sigrid A.M. Kaag	Hans Hoogeveen
NEW ZEALAND	Patrick John Rata (January – May 2019) Anthony George Simpson (May 2019 –)	Joanna Heslop
NICARAGUA	Mónica Robelo Raffone	—
NIGER	—	—
NIGERIA	Audu Ogben (January – September 2019) Alhaji Muhammed Sabo Nanono (December 2019 –)	Mahmoud Isa-Dutse
NIUE	—	—
NORTH MACEDONIA	—	—
NORWAY	Hans Jacob Frydenlund (January – November 2019) Halvor Sætre (November –)	Hilde Klemetsdal (January 2019) Martine Bottheim (January 2019 –)
OMAN	Ahmed bin Nasser Al Bakry	Ahmed Salim Mohamed Baomar
PAKISTAN	Sahibzada Muhammad Mehboob Sultan	Noor Ahmed (January – December 2019) Syed Pervaiz Abbas (December 2019 –)
PALAU	Fleming Umiich Sengebau	Secilil Eldebechel
PANAMA	Eyda Varela de Chinchilla (January – June 2019) Héctor Alexander H. (July 2019 –)	Gustavo Valderrama

PAPUA NEW GUINEA	Charles Abel <i>(January – June 2019)</i> Sam Basil <i>(June – September 2019)</i> Ian Ling-Stuckey <i>(September 2019 –)</i>	Dairi Vele
PARAGUAY	Benigno María López Benítez	Humberto Colmán
PERU	Luis Carlos Antonio Ibérico Núñez <i>(January 2019)</i> — <i>(January – February 2019)</i> Pablo Cisneros Andrade <i>(February – May 2019)</i> Julio Eduardo Martinetti Macedo <i>(May 2019 –)</i>	—
PHILIPPINES	Carlos G. Dominguez III	—
PORTUGAL	Cláudia Pereira da Costa	Rosa Maria Fernandes Lourenço Caetano
QATAR	Abdulaziz Ahmed Al Malki Al-Jehani	—
REPUBLIC OF KOREA	Choi Jong-hyun <i>(January – June 2019)</i> Kwon Hee-seog <i>(June 2019 –)</i>	— Kang Hyo Joo <i>(April 2019 –)</i>
REPUBLIC OF MOLDOVA	Iurie Usurelu	Elena Matveeva
ROMANIA	Lucian Dumitru	George Gabriel Bologan
RUSSIAN FEDERATION	Andrey Bokarev	Dilyara Ravilova-Borovik
RWANDA	Géraldine Mukeshimana	Jacques Kabale Nyangezi
SAINT KITTS AND NEVIS	Eugene Alistair Hamilton	E. Alistair Edwards
SAINT LUCIA	Ezechiel Joseph	John Calixte
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 <i>(January – February 2019)</i> Osvaldo Tavares dos Santos Vaz <i>(February 2019 –)</i>	Teodorico De Campos <i>(January – February 2019)</i> Francisco Martins dos Ramos <i>(February 2019 –)</i>
SAUDI ARABIA	Abdulrahman bin Abdulmohsin Al Fadley	Khalid Sulaiman Al Khudairy <i>(January – February 2019)</i> — <i>(March – June 2019)</i> Abdulaziz bin Mutib al-Rashid <i>(July 2019 –)</i>
SENEGAL	Papa Abdoulaye Seck <i>(January – June 2019)</i> Moussa Balde <i>(June 2019 –)</i>	Mamadou Saliou Diouf <i>(January – October 2019)</i> — <i>(October 2019 –)</i>
SEYCHELLES	Louis Sylvestre Radegonde	—
SIERRA LEONE	Joseph Ndanema <i>(January – November 2019)</i> Denis K. Vandi <i>(November 2019 –)</i>	— <i>(January - March 2019)</i> M'Baimba Lamin Bayoh <i>(March 2019 –)</i>
SOLOMON ISLANDS	— <i>(January – February 2019)</i> Ethel Tebengi Frances <i>(February 2019 –)</i>	—
SOMALIA	Said Hussein Iid	Abdirahman Sheikh Issa Mohamed
SOUTH AFRICA	Nthutang Khumoetsile Seleka <i>(January 2019)</i> Shirish Manaklal Soni <i>(January 2019 –)</i>	Anna-Marie Moulton
SOUTH SUDAN	Onyoti Adigo Nyikwec	—
SPAIN	Alfonso María Dastis Quecedo	—
SRI LANKA	Daya Srikantha John Pelpola	—
SUDAN	Mohamed Hasab Al Nabie Musa <i>(January – September 2019)</i> Issa Othman Sharif <i>(September 2019 –)</i>	Mussalami Ahmed Al Amir Ahmed

SURINAME	Jaswant Sahtoe — <i>(January – September 2019)</i> Sieglien O.R. Burleson <i>(September 2019 –)</i>	— <i>(January – September 2019)</i> Sieglien O.R. Burleson <i>(September 2019 –)</i>
SWEDEN	— <i>(January – March 2019)</i> Per Olsson Fridh <i>(March 2019 –)</i>	Magnus Lennartsson
SWITZERLAND	Pio Wennubst <i>(January – November 2019)</i> — <i>(November 2019 –)</i>	Daniel Birchmeier
SYRIAN ARAB REPUBLIC	Ahmad Fateh Al-Qadry	—
TAJKISTAN	Nusratullo Musoev	—
THAILAND	Anan Suwannarat	Thanawat Tiensin
TIMOR-LESTE	Joaquim José Gusmão dos Reis Martins	—
TOGO	Ouro Koura Agadazi <i>(January – February 2019)</i> Koutéra K. Bataka <i>(February 2019 –)</i>	Anani Kodjogan Kpadenou
TONGA	—	—
TRINIDAD AND TOBAGO	—	—
TUNISIA	Zied Ladhari	Samir Taieb
TURKEY	Bekir Pakdemirli	Murat Salim Esenli
TUVALU	—	—
UGANDA	Matia Kasaija	Vincent Bamulangaki Sempijja
UNITED ARAB EMIRATES	Obaid Humaid Al-Tayer	Younis Haji Al Khouri
UNITED KINGDOM	Marie-Therese Sarch	Elizabeth Nasskau
UNITED REPUBLIC OF TANZANIA	Japhet N. Hasunga	George Kahema Madafa
UNITED STATES	Steven Terner Mnuchin	—

URUGUAY	Gastón Alfonso Lasarte Burghi	— (January 2019) Imelda Smolcic (January 2019 -)
UZBEKISTAN	—	—
VANUATU	Nabcevanhas Benjamin Shing	Esra Tekon Tumukon
VENEZUELA (BOLIVARIAN REPUBLIC OF)	Simón A. Zerpa Delgado	Elías Rafael Eljuri Abraham
VIET NAM	Tran Xuan Ha	Truong Hung Long
YEMEN	Othman Hussein Faid Mujli	Asmahan Abdulhameed Al-Toqi
ZAMBIA	Michael Katambo	— (January - February 2019) Kampamba Mulenga-Chewe (February 2019 -)
ZIMBABWE	Mthuli Ncube	Perrance Shiri

Consolidated Financial Statements

For the year ended 31 December 2019*

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

*As submitted for endorsement to the 129th session of the Executive Board in April 2020 for further submission to the 44th 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
CPL	concessional partner loan
DSF	Debt Sustainability Framework
EAD	exposure at default
ECL	expected credit loss
FVTPL	fair value through profit and loss
FGWB	IFAD Fund for Gaza and the West Bank
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
IOE	Independent Office of Evaluation of IFAD
IAS	International Accounting Standard (superseded by IFRS)
IFRS	International Financial Reporting Standards
HIPC	Heavily Indebted Poor Countries Initiative
LGD	loss given default
MLR	minimum liquidity requirement
OPEC	Organization of the Petroleum Exporting Countries
PCS	preferred creditor status
PD	probability of default
PIT	point-in-time
RAMP	Reserves Advisory and Management Program
Spanish Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund
SPA	Special Programme for sub-Saharan African Countries Affected by Drought and Desertification
SDR	special drawing rights
S&P	Standard & Poor's
TTC	through-the-cycle
UNJSPF	United Nations Joint Staff Pension Fund

Consolidated and IFAD-only balance sheet

As at 31 December 2019 and 2018
(Thousands of United States dollars)

Assets	Note/ appendix	Consolidated		IFAD-only	
		2019	2018	2019	2018
Cash on hand and in banks	4	308 309	190 322	162 342	56 258
Investments					
Investment at amortized cost		-	143 968	-	143 968
Investment at fair value		1 213 170	1 331 830	841 578	839 043
Subtotal investments	4	1 213 170	1 475 798	841 578	983 011
Contributions and promissory notes receivables					
Contributors' promissory notes	5	188 215	133 045	188 215	133 045
Contributions receivable	5	896 364	1 156 410	604 412	884 136
Less: qualified contribution receivables	5	(72 551)	(67 465)	(72 551)	(67 465)
Less: accumulated allowance for contribution impairment loss	6	(121 798)	(121 630)	(121 798)	(121 630)
Net contribution and promissory notes receivables		890 230	1 100 360	598 278	828 085
Other receivables	7	40 022	34 671	169 979	196 258
Fixed and intangible assets	8(a)	15 562	15 379	15 562	15 379
Right-of-use assets	8(b)	98 611	-	98 611	-
Loans outstanding					
Loans outstanding	9(a)I	6 575 310	6 269 567	6 348 544	6 057 446
Less: accumulated allowance for loan impairment losses	9(b)	(88 190)	(93 251)	(86 278)	(91 257)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Initiative	11(b)/J	(6 286)	(7 907)	(6 286)	(7 907)
Net loans outstanding		6 480 834	6 168 409	6 255 980	5 958 283
Total assets		9 046 738	8 984 939	8 142 330	8 037 274
Liabilities and equity	Note/ appendix	Consolidated		IFAD-only	
		2019	2018	2019	2018
Liabilities					
Payables and liabilities	12	237 861	206 192	229 109	198 615
Undisbursed grants	14/I2	438 268	444 715	119 622	91 913
Deferred revenues	13	361 220	360 782	80 481	87 415
Lease Liabilities	8(b)	98 563	-	98 563	-
Borrowing liabilities	15	1 039 539	877 603	741 573	571 603
Total liabilities		2 175 451	1 889 292	1 269 348	949 546
Equity					
Contributions					
Regular		9 040 532	8 893 175	9 040 532	8 893 175
Special		20 349	20 349	20 349	20 349
Total contributions	H	9 060 881	8 913 524	9 060 881	8 913 524
Retained earnings					
General Reserve		95 000	95 000	95 000	95 000
Accumulated deficit		(2 284 594)	(1 912 877)	(2 282 899)	(1 920 796)
Total retained earnings		(2 189 594)	(1 817 877)	(2 187 899)	(1 825 796)
Total equity		6 871 287	7 095 647	6 872 982	7 087 728
Total liabilities and equity		9 046 738	8 984 939	8 142 330	8 037 274

Consolidated statement of comprehensive income

For the years ended 31 December 2019 and 2018

(Thousands of United States dollars)

	Note	2019	2018
Revenue			
Income from loans		70 638	67 362
Income/(losses) from cash and investments	17	30 178	5 715
Income from other sources	18	10 076	10 874
Income from contributions	19	154 862	85 201
Total revenue		265 754	169 152
Operating expenses			
	20		
Staff salaries and benefits	21	(95 064)	(96 530)
Office and general expenses		(31 452)	(41 234)
Consultants and other non-staff costs		(53 822)	(48 900)
Direct bank and investment costs	24	(1 772)	(1 761)
Subtotal operating expenses		(182 110)	(188 425)
Other expenses			
Loan and lease interest expenditures		(1 054)	(820)
Allowance for loan impairment losses	9	14 601	(8 203)
HIPC Initiative expenses	26	(3 189)	(4 473)
Grant expenses	22	(194 921)	(108 947)
Debt Sustainability Framework (DSF) expenses	23	(174 689)	(138 625)
Depreciation	8	(12 094)	(3 279)
Subtotal other expenses		(370 717)	(264 347)
Total expenses		(552 827)	(452 772)
(Deficit) before fair value and foreign exchange adjustments		(287 073)	(283 620)
Adjustment for changes in fair value	25	(44 280)	(215)
(Losses)/gains from currency exchange movements IFAD	16	(21 794)	(150 550)
Net (loss)/profit		(353 147)	(434 385)
Other comprehensive income/(loss):			
(Losses)/gains from currency exchange movements and retranslation of consolidated entities	16	(5 287)	(13 987)
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits	21	(19 271)	21 239
Total other comprehensive (loss)/income		(24 558)	7 252
Total comprehensive (loss)/income		(377 705)	(427 133)

IFAD-only statement of comprehensive income

For the years ended 31 December 2019 and 2018
(Thousands of United States dollars)

	Note	2019	2018
Revenue			
Income from loans		68 669	65 545
Income /(losses) from cash and investments	17	24 614	2 039
Income from other sources		12 582	14 020
Income from contributions	19	18 410	29 884
Total revenue		124 275	111 488
Operating expenses			
	20		
Staff salaries and benefits	21	(91 130)	(93 134)
Office and general expenses		(28 588)	(39 630)
Consultants and other non-staff costs		(44 086)	(42 314)
Direct bank and investment costs		(898)	(1 004)
Subtotal operating expenses		(164 702)	(176 082)
Other expenses			
Loan and lease interest expenditures		(1 054)	(820)
Allowance for loan impairment losses		14 543	(8 171)
HIPC Initiative expenses	26	(3 189)	(4 473)
Grant expenses	22	(79 347)	(66 602)
DSF expenses	23	(174 690)	(138 625)
Depreciation	8	(12 094)	(3 279)
Subtotal other expenses		(255 831)	(221 970)
Total expenses		(420 533)	(398 052)
(Deficit) before fair value and foreign exchange adjustments		(296 258)	(286 564)
Adjustment for changes in fair value		(30 768)	4 818
(Losses)/gains from currency exchange movements IFAD	16	(21 794)	(150 550)
Net (loss)/profit		(348 820)	(432 296)
Other comprehensive income/(loss):			
Change in provision for ASMCS benefits	21	(19 271)	21 239
Total other comprehensive (loss)/income		(19 271)	21 239
Total comprehensive (loss)/income		(368 091)	(411 057)

Consolidated statement of changes in retained earnings

For the years ended 31 December 2019 and 2018
(Thousands of United States dollars)

	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total retained earnings</i>
Accumulated deficit as at 31 December 2017	(1 537 194)	95 000	(1 442 194)
2018			
Net profit or (loss)	(434 385)		(434 385)
Total other comprehensive (loss) or profit	21 239		21 239
DSF compensation	27 455		27 455
Accumulated deficit as at 31 December 2018	(1912 877)	95 000	(1 331 622)
2019			
Accumulated deficit 1 January	(1 912 877)	95 000	(1 817 877)
Net (loss) or profit	(353 147)		(353 147)
Total other comprehensive profit or (loss)	(24 558)		(24 558)
DSF compensation	5 988		5 989
Accumulated deficit as at 31 December 2019	(2 284 594)	95 000	(2 189 594)

IFAD-only statement of changes in retained earnings

For the years ended 31 December 2019 and 2018
(Thousands of United States dollars)

	<i>Accumulated deficit</i>	<i>General Reserve</i>	<i>Total retained earnings</i>
Accumulated deficit as at 31 December 2017	(1 537 194)	95 000	(1 442 194)
2018			
Net profit or (loss)	(432 296)		(432 296)
Total other comprehensive loss or profit	21 239		21 239
DSF compensation	27 455		27 455
Accumulated deficit as at 31 December 2018	(1 920 796)	95 000	(1 825 796)
2019			
Accumulated deficit 1 January	(1 920 796)	95 000	(1 825 796)
Net (loss) or profit	(348 820)		(348 820)
Total other comprehensive profit or (loss)	(19 271)		(19 271)
DSF compensation	5 988		5 988
Accumulated deficit as at 31 December 2019	(2 282 899)	95 000	(2 187 899)

Consolidated cash flow statement

For the years ended 31 December 2019 and 2018
(Thousands of United States dollars)

	2019	2018
Cash flows from operating activities		
Interest received from loans – IFAD	67 888	62 070
Interest received from loans – other funds	1 893	1 747
Receipts for non-replenishment contributions	145 446	200 396
Payments for operating expenses and other payments	(214 732)	(202 024)
Grant disbursements – IFAD	(54 063)	(59 849)
Grant disbursements – supplementary funds	(132 863)	(126 923)
DSF disbursements	(174 690)	(138 625)
Net cash flows used in operating activities	(361 121)	(263 207)
Cash flows from investing activities		
Loan disbursements IFAD	(626 049)	(627 122)
Loan disbursements other funds	(30 376)	(39 637)
Loan principal repayments IFAD	302 564	279 858
Loan principal repayments other funds	12 070	10 756
Transfers from/(to) investments at amortized costs	143 988	163 342
Receipts from investments	28 881	576
Net cash flows used in investing activities	(168 922)	(212 227)
Cash flows from financing activities		
Receipts for replenishment contributions	374 249	274 937
Receipts of borrowed funds	184 329	119 405
Payments for trust fund borrowing principal IFAD	(3 621)	0
Payments for trust fund borrowing principal – other funds	(2 496)	(1 374)
Payments for borrowing liabilities interest –IFAD	(860)	(698)
Net cash flows from financing activities	551 601	392 270
Effects of exchange rate movements on cash and cash equivalents	(23 418)	(47 710)
Net (decrease) in unrestricted cash and cash equivalents	(1 860)	(130 874)
Unrestricted cash and cash equivalents at beginning of year	1 521 935	1 652 809
Unrestricted cash and cash equivalents at end of year	1 520 075	1 521 935
Composed of:		
Unrestricted cash	308 219	190 230
Unrestricted investments, excluding held-to-maturity and payables control accounts	1 211 856	1 331 705
Cash and cash equivalents at end of year	1 520 075	1 521 935

Summaries of cash flow information on other consolidated entities

As at 31 December 2019

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)	Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund	Supplementary funds
Balance sheet						
Total assets	4.1	19.9	91.5	301.9	171.2	470.4
Total liabilities	(15.3)	(21.5)	(96.0)	(294.0)	(185.2)	(470.4)
Retained earnings	11.2	1.6	4.5	7.9	(14.0)	-
Statement of comprehensive income						
Total revenue	-	-	3.8	3.1	14.9	122.0
Total operating expenses	-	-	(0.2)	(0.4)	(23.3)	(127.1)
Net revenue less operating expenses	-	-	3.6	2.7	(8.4)	(5.1)
Net cash flow	0.3	(2.3)	5.2	(24.1)	(75.7)	(12.8)

As at 31 December 2018

(Millions of United States dollars)

	HIPC	Haiti Debt Relief Initiative	ASMCS Trust Fund	Spanish Trust Fund	ASAP Trust Fund	Supplementary funds
Balance sheet						
Total assets	3.8	22.1	79.1	326.5	249.3	470.0
Total liabilities	(14.3)	(23.8)	(86.0)	(324.4)	(262.8)	(468.9)
Retained earnings	10.5	1.7	6.9	2.1	13.5	1.1
Statement of comprehensive income						
Total revenue	-	-	0.2	2.9	19	39
Total operating expenses	-	-	(0.2)	(0.6)	(21.6)	(39)
Net revenue less operating expenses	-	-	-	2	2	-
Net cash flow	(3.2)	(3.2)	(0.6)	99.3	3.2	57.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

BRIEF DESCRIPTION OF THE FUND AND THE NATURE OF OPERATIONS

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

As an international financial institution, IFAD enjoys a de facto preferred creditor status (PCS). As is the case for other international financial institutions, PCS is not a legal status, but is embodied in practice and granted by the Fund's stakeholders (176 Member States). The concept of PCS 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 the International Atomic Energy Agency. 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 nutrition 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 of the Financial Statements.

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

New and amended IFRS mandatorily effective

During 2019, some amendments to IFRS became effective for the current reporting period. However, they have no or negligible impact on IFAD's Financial Statements. These amendments include the following:

Table 1

<i>Pronouncement</i>	<i>Nature of change</i>	<i>Potential impact</i>
IFRS 16: Leases	Provides principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (lessee and lessor) Effective from 1 January 2019	See note 2 section (b): changes in accounting principles

IFRS not yet mandatorily effective

There are no other standards or interpretations that are not yet effective that would be expected to have material impact on the Fund.

(b) Changes in accounting principles

IFRS 16, which is effective from 1 January 2019, modifies the previous set of international accounting principles and interpretations on leases and, in particular, IAS17.

IFRS 16 introduces a new definition for leases and confirms the current distinction between two types of leases (operating and finance) with reference to the accounting treatment to be applied by the lessor.

With reference to the accounting treatment to be applied by the lessee, the new accounting standard sets, for all the leasing typologies, the recognition of an asset, representing the right of use of the underlying asset and, at the same time, a liability for the future payments requested by the lease contract.

At the initial recognition, such an asset is measured on the basis of the lease contract cash flows. After the initial recognition, the right of use will be measured on the basis of the rules set for the assets by IAS16, IAS38 or by IAS40, i.e. applying the cost model – less any accumulated depreciation and any accumulated impairment losses – the revaluation model or the fair value model, as applicable.

IFAD adopted IFRS 16 leases from 1 January 2019. Consistent with the transition rules of IFRS 16, there has been no restatement of 2018 comparatives.

IFRS 16 is applicable to contracts previously identified as operating leases and accounted for as operating expenditures. Following the adoption of IFRS 16, the Fund, as lessee of properties and equipment, recognizes lease liabilities for the value of future lease payments and right-of-use assets representing the right-of-use costs of underlying assets.

On transition to IFRS 16, right-of-use assets and lease liabilities are accounted for at the same amount (modified retrospective approach) with no impact on the opening equity. The following table provides a

summary of the impact of implementing IFRS 16 on the opening balances:

US\$ million	Carrying 1 Jan 2019	Changes	Restated 1 Jan 2019
Right-of-use assets	-	109.2	109.2
Lease liabilities	-	(109.2)	(109.2)

(c) Area of consolidation

Financing in the form of supplementary funds and other non-core funding forms an integral part of IFAD's operations. The Fund prepares consolidated accounts that 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), 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 HIPC Initiative;
- IFAD's ASMCS Trust Fund;
- Administrative account for Haiti Debt Relief Initiative;
- Spanish Trust Fund; and
- ASAP Trust Fund.

These entities have a direct link with IFAD's core activities and are substantially controlled by IFAD. In line with the underlying agreements and recommendations establishing these entities, IFAD has the power to govern the related financial and operating policies. IFAD is exposed or has rights to the results of its involvement with these entities, and has the ability to affect those results through its power over the components. Accordingly, these entities are consolidated in IFAD's Financial Statements. All transactions and balances among these entities have been eliminated. Additional financial data for the funds are provided upon request to meet specific donor requirements. All entities included in the consolidation area have a fiscal period corresponding to the solar year.

Entities housed in 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 2019, the only entity hosted by IFAD is the International Land Coalition (formerly known as the Popular Coalition to Eradicate Hunger and Poverty).

(d) Investments in private sector initiatives

Since 2018, IFAD has partnered with the European Union, the Government of Luxembourg and the Alliance for the Green Revolution in Africa to establish the Agribusiness Capital Fund (ABC Fund), a private sector fund that aims to boost investments in small rural agribusinesses across emerging markets. IFAD currently has a sponsorship role with no control or exposure to the results of its sponsorship activity.

(e) Translation and conversion of currencies

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

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

(f) Measurement of financial assets and liabilities

Financial assets at amortized cost:

A financial asset is classified at "amortized cost" only if both of the following criteria are met: the objective of the F's business model is to hold the asset in order to collect the contractual cash flows, and the contractual terms of the financial asset must give rise on specified dates to cash flows that are only payments of principal and interest on the principal amount outstanding.

Financial assets at fair value

If either of the two above criteria is not met, the asset cannot be classified in the amortized cost category and must be classified at fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVOCI). The FVOCI category is not used by the Fund. All other financial assets not classified at amortized cost are classified as FVTPL.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost comprise financial instruments (other than liabilities held for trading or those designated at fair value) representing the various forms of third-party funding.

These financial liabilities are recognized at settlement date initially at fair value, which is normally the consideration received less transaction costs directly attributable to the financial liability. Subsequently these instruments are measured at amortized cost using the effective interest method.

(g) 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.

Concessional partner loans (CPLs) have been introduced with the adoption of the IFAD11 resolution. Borrowing terms of CPLs are concessional: the maturities are either 25 or 40 years with a grace period of 5 years for a 25-year loan and 10 years for a 40-year loan. Voting rights are allocated to Member States that provide CPLs in an amount proportionate to the grant element embedded in such loans. Proceeds received as CPLs consists of two components: a borrowing component and an equity component. The equity component is the derived grant element, computed on the basis of the loan terms and the discount rate agreed over the replenishment consultations. The grant element is recorded as equity.

Allowance for contribution impairment losses

The Fund has established a policy on provisions against overdue Member States' contributions while still maintaining PCS 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.

As per Financial Regulation XIII, "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.

(h) 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 that both the Fund and the borrower have signed it, unless the financing agreement states that it is subject to ratification. In this case, the financing agreement shall enter into force on the date 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.

(v) Accumulated allowance for impairment losses

IFAD has established the forward-looking expected credit loss (ECL) methodology to calculate an allowance for loan impairment. The methodology embeds PCS features. It is applied to financial assets recorded at amortized cost such as loans and debt securities. The Fund is required to recognize an allowance for either 12 months or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

ECL reflects a probability-weighted outcome, time value of money and the best available forward-looking information through the inclusion of macroeconomic factors.

ECL comprises a three-stage model based on changes in credit quality since initial recognition/origination of the financial instrument. Origination is the date on which disbursement conditions have been met. Impairments are reported based on either 12-month or lifetime ECLs, depending on the stage allocation of the

financial instrument. The stage allocation also determines if interest income for the financial instrument is reported on the gross carrying amount, as for stage 1 and 2, or the net of impairment allowance, as for stage 3.

The staging model relies on a relative assessment of credit risk (i.e. a loan with the same characteristics could be included in stage 1 or stage 2, depending on its credit risk at origination). As a result, the same counterpart could have loans classified in different stages.

Stage 1 includes "performing" financial instruments that have not had a significant deterioration in credit quality since initial recognition or have a low credit risk at reporting date. For these instruments, the ECL is a probability-weighted result of default events that are possible within the next 12 months after the reporting date. Low-risk assets (investment grade) are classified as stage 1.

Stage 2 includes "under-performing" financial instruments that have had a significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment. For these assets, the lifetime ECL results from all possible default events over the expected lifetime, weighted with the probability of default (PD). Interest income is computed on the gross carrying amount.

Stage 3 includes "non-performing" financial instruments when there is objective evidence of impairment/default at the reporting date. For these instruments, lifetime ECLs are recognized. According to IFRS 9, interest is computed on the net carrying amount. Considering that the Fund fully provides for the interest accrued, the calculation is determined on the gross basis.

Movements between stages depend on the evolution of the financial instrument's credit risk from initial recognition to reporting date. Movements, whether improvements or deterioration, may therefore cause volatility in the impairment allowance balances.

IFAD has adopted some rebuttable presumptions associated with days past due. In line with the debt servicing procedures, financial instruments overdue by more than 75 days are classified at stage 2 while financial instruments overdue by more than 180 days are classified at stage 3.

The carrying amount of the financial instrument is reduced through an allowance account and the loss amount is recognized in the income statement.

Interest and service charges for financial instruments classified at stages 1 and 2 are recognized following the accrual basis, while for financial instruments classified at stage 3, interest and service charges are recognized as income only when actually received.

(i) Investments

(i) Classification and Measurement

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 FVTPL. Fair value is determined in accordance with the hierarchy set in note 3. For securities at FVTPL, 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 remeasured at their FVTPL. 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.

(ii) Accumulated allowance for securities held at amortized cost

Securities held at amortized cost are subject to an impairment allowance calculated based on an ECL methodology similar to the accounting policy established for loans. A three-stage model for impairment is applied based on changes in the credit quality of the financial instrument since origination. The origination of the financial instrument is the date on which the instrument was purchased by the Fund. Considering the Investment Policy requirements adopted by the Fund, the investment portfolio held at amortized cost is classified at stage 1 since the financial instruments are investment grade, and therefore low credit risk instruments.

(j) 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 at amortized cost are excluded from readily convertible investments for cash flow purposes.

(k) 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.

(l) 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 disbursement 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 disburseable 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.

(m) Debt Sustainability Framework

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 FVTPL 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.

(n) Borrowing

Financial liabilities are accounted for at amortized cost. IFAD has signed several borrowing agreements with sovereign institutions at variable rate debt. Maturity could 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 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 (with the exception of DSF countries).

The Fund's borrowings include loans from Member States in the form of CPLs. These borrowings are carried and reported at amortized cost.

(o) 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 ASMCS 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 remeasurements on assets and liabilities are recognized as the net position in other comprehensive income.

(p) 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.

(q) Taxation

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

(r) 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).

(s) 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

Right-of-use assets

The Fund recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at, or before, the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. In order to determine the lease term, the Fund considers the non-cancellable period established in the contract, in which the lessee is entitled to use the underlying asset taking also into account potential renewal options if the lessee is reasonably certain to renew. In particular, with reference to those contracts that allow the lessee to tacitly renew the lease contract after a first set of years, the lease term is determined taking into account factors such as the length of the first period, the existence of dismissal plans for the asset leased and any other circumstance indicating a reasonable certainty of the renewal. It should be noted that, as allowed by the standard, IFAD has decided not to recognize any right-of-use asset or lease liability with reference to the following lease contracts:

- short-term leases, lower than 12 months; and
- low-value assets leases. For this purpose an asset is considered as "low value" when its fair value as new is equal to or lower than US\$5000.

Lease liabilities

At the commencement date of the lease, lease liabilities are measured at the present value of the remaining lease payments, discounted at IFAD's average cost of funding.

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 10 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.

Allowance for impairment losses: Impairment Methodology*Governance*

IFAD calculates and reports its impairments based on ECL. The ECL framework is based on the requirements of IFRS 9's financial instruments section and validated by IFAD's Accounting and Controller's Division and Risk Management Unit. The impairment allowances and ECL methodology have been approved by the Associate Vice-President Chief Financial Officer and Chief Controller, Financial Operations Department.

Three-stage model

IFAD recognizes a loss allowance for ECL on financial instruments measured at amortized cost and for loan commitments. The ECL comprises a three-stage model based on changes in the credit quality since initial recognition as described in note 2h(v) above. Impairments are reported based on either 12-month or lifetime ECL, depending on the stage allocation of the financial instrument. The stage allocation also determines if interest income for the financial instrument is reported on the gross carrying amount or the net of impairment allowance.

In order to determine whether there has been a significant increase in the credit risk since origination – and therefore transition to or from stage 2 – a combination of quantitative and qualitative risk metrics are employed.

The Fund has established an internal rating methodology by leveraging public ratings available in the market and by calculating proxies derived from macroeconomic conditions (income level and level of debt distress) and geographical area.

A loan's migration across the Fund's internal credit rating scale is monitored from the instrument's origination date to the reporting date. Following a significant deterioration in its counterparty's creditworthiness, the loan is classified at stage 2.

Depending on qualitative assessments, loans may be placed on a watch list and transitioned to stage 2.

Inputs

The ECL calculation is performed at the level of individual financial instruments. The main components comprise PD, loss given default, exposure at default and discount factor. The model is forward-looking: current and future macroeconomic conditions are incorporated into the model through macro-financial scenarios. A number of critical accounting estimates and judgements are also factored into the model.

Probability of default (PD)

The Fund uses forward-looking point-in-time (PIT) PD rates to calculate ECL. The PIT PD rates are derived from through-the-cycle (TTC) PD rates adjusted for projected macroeconomic conditions.

TTC PD rates express the likelihood of a default based on long-term credit risk trend rates. TTC PD rates are based on PDs associated to external ratings and are calibrated to reflect IFAD's default experience and PCS. On a yearly basis, TTC PD is reviewed based on IFAD's loss experience.

The cumulative TTC PD rates used in 2019 are set out by internal rating grade according to the methodology detailed below:

Each instrument in the Fund's portfolio has an internal PD associated with it. To calculate ECLs for both stage 1 and stage 2 instruments, a default probability has been retrieved from the PD embedded in the official observable ratings calibrated to the Fund's experience based on IFAD-specific historical default data.

For unrated exposures, a methodology has been developed starting from the rated portfolio and calculating proxies based on indicators such as income level, region and level of debt distress. For financial instruments at stage 3, the PD has been set at 100 per cent.

Loss given default (LGD) is the magnitude of the likely loss if a default would occur. An LGD is assigned to individual instruments, indicating how much the Fund expects to lose on each facility if the borrower defaults. For financial instruments at stages 1 and 2 the LGD has

been determined in relation to the sovereign sector and calibrated in order to benefit from the Fund's recovery experience and PCS. For financial instruments at stage 3, the LGD has been informed by IFAD's historical data as well as the experience of other multilateral development institutions.

Exposure at default (EAD) represents the expected exposure in the event of a default. It is measured from discounted contractual cash flows. The discount factor is the contractual effective interest rate of the financial instrument since IFAD's lending terms currently do not foresee any additional charge (i.e. commitment fee). Since EAD is modelled at an individual instrument level, all future expected cash flows, including disbursements, cancellations, prepayments and interest, are considered. EAD combines actual and contractual cash flows, and models future disbursements and repayments based on the Fund's own experience.

Macroeconomic scenarios. Unlike the incurred loss model, the IFRS 9 impairment methodology is forward-looking. The starting point is IFAD's view of current and future macroeconomic conditions, and the credit environment. IFAD considers a range of outcomes in a probability-weighted manner. The purpose is to capture possible non-linear behaviour in the dependence of the ECL on economic conditions. Forward-looking macroeconomic simulations consist of neutral, positive and pessimistic scenarios. Each scenario is assigned a probability of occurrence based on expert judgement and best practices. The probabilities assigned to the pessimistic and optimistic scenarios indicate either a balance or skew in either direction in order to capture the perceived distribution of risks in a forward-looking manner.

Based on expert judgement, Management may adopt temporary adjustments to the model-based ECL impairment allowance in order to reflect additional factors that are not explicitly incorporated into the modelling of ECL or the credit risk ratings (e.g. significant scenarios or events representative of the Fund's peculiar experience).

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances (consolidated)

Table 1
As at 31 December

	US\$ thousands	
	2019	2018
Unrestricted cash	308 219	190 230
Cash subject to restriction	90	92
Subtotal cash	308 309	190 322
Unrestricted investments at fair value	1 212 921	1 331 552
Investments at amortized cost	-	143 998
Investments subject to restriction	249	278
Subtotal investments	1 213 170	1 475 828
Subtotal cash and investments	1 521 479	1 666 150
Investments impairment allowance	-	(30)
Total cash and investments	1 521 479	1 666 120

The composition of the portfolio by entity was as follows:

Table 2
As at 31 December

Entity	US\$ thousands	
	2019	2018
IFAD	1 003 921	1 039 298
ASMCS Trust Fund	81 381	76 172
HIPC Trust Fund	4 139	3 790
Supplementary funds	174 944	187 749
Spanish Trust Fund	77 025	101 091
Haiti Debt Relief Initiative	18 787	21 063
ASAP Trust Fund	161 282	236 987
Total cash and investments	1 521 479	1 666 150

(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)

As at 31 December 2019, cash and investments, including payables for investment purchased and receivables, amounted to US\$1,521.5 million (2018 – US\$1,661.3 million) comprised of the following instruments:

Table 3

	US\$ thousands	
	2019	2018
Cash	308 309	190 322
Fixed-income instruments	1 208 819	1 400 298
Unrealized (loss)/gain on forward contracts	1 624	(198)
Time deposits and other obligations of banks	4 449	76 525
Unrealized (loss)/gain on futures	399	(201)
Unrealized (loss)/gain on swaps	(2 121)	(596)
Total cash and investments	1 521 479	1 666 150
Receivables for investments sold and taxes receivable	14 585	16 052
Payables for investments purchased	(18 137)	(20 900)
Total investment portfolio	1 517 927	1 661 302

As at 31 December 2019 the Fund did not hold any investment portfolios at amortized cost (US\$144 million as at 31 December 2018).

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

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

Table 4

Currency	US\$ thousands	
	2019	2018
Chinese renminbi	18 132	32 093
Euro	814 955	840 402
Japanese yen*	(7 107)	21 003
Pound sterling*	(64 264)	29 749
United States dollar	756 211	738 055
Total cash and investment portfolio	1 517 927	1 661 302

* This balance includes open positions on foreign exchange forward contracts offset by open positions in United States dollars for the equivalent amount.

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

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

Table 5

	US\$ thousands	
	2019	2018
Due in one year or less	622 426	624 405
Due after one year through five years	820 817	906 660
Due from five to 10 years	74 684	123 123
Due after 10 years	-	7 114
Total cash and investment portfolio	1 517 927	1 661 302

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2019 was 22 months (2018 – 27 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

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as of 31 December 2019 and 2018, are shown in tables 6 and 7. Disclosures relate to IFAD-only accounts for the net asset value.

Table 6

2019	Actual allocation	
	US\$	
Asset class	%	millions
Cash	16.4	165.0
Swaps	(0.2)	(1.8)
Time deposit	-	-
Global government bonds/agencies	49.0	492.0
Global credit bonds	34.8	348.7
Total	100.0	1 003.9

Table 7

2018	Actual allocation	
	US\$	
Asset class	%	millions
Cash	5.5	57.2
Swaps	-	(0.5)
Time deposit	-	-
Global government bonds/agencies	43.6	452.3
Global credit bonds	50.9	527.8
Total	100.0	1 036.8

The IFAD investment portfolio is split into four tranches, as follows:

- Liquidity tranche:** Used for immediate cash disbursements.
- Buffer tranche:** Should the liquidity tranche be temporarily depleted due to an unforeseen spike in disbursements, funds in the buffer tranche will be used to fund these outflows. The size of the tranche is determined by the parameters of IFAD's minimum liquidity requirement (MLR).
- Surplus tranche:** These are funds in addition to what is required by the MLR and are used to provide return enhancement.
- Funding tranche:** Borrowed funds, managed according to an asset liability management framework.

Table 8 shows IFAD's investment portfolio net asset values reclassified based on the tranching approach.

Table 8
2019

Tranche	%	US\$ millions
Liquidity portfolio	13.5	135.4
Buffer portfolio	32.4	324.9
Funding portfolio	54.1	544.1
Hedge portfolio*	(0.0)	(0.5)
Total	100.0	1 003.9

* The hedge portfolio is shown separately since its derivative positions are established to immunize the entire portfolio for interest rate risk and foreign exchange rate risk.

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

- Benchmarks and limits on deviations from benchmarks in terms of tracking error limits;
- Credit floors (refer to note 4[g], credit risk);
- Conditional value at risk 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; and
- 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 9.

Table 9
Benchmark indices by portfolio

Portfolio	Benchmark index
Operational cash	Same as the portfolio return
Global strategic portfolio	Closed on 31/07/2019
Global liquidity portfolio	ICE BofAML 0-1 Year US Treasury Index (AAA)
Chinese renminbi portfolio	Zero
Asset liability portfolio	Liability repayment rate of return
World Bank Reserves Advisory and Management Program (RAMP)	ICE BofAML 0-1 Year US Treasury Index (AAA)
Hedging portfolio	No benchmark

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:

- Global liquidity portfolio effective duration shall remain within a maximum range of 0.5 of one year in comparison to the benchmark; and
- Asset liability portfolio effective duration shall not exceed two years.

The effective duration of IFAD's investment portfolio as of 31 December 2019 and 2018, and respective benchmarks are shown in table 10.

Table 10
Average duration of portfolios and benchmarks in years (IFAD-only)

As of 31 December 2019 and 2018

Portfolio	Portfolio		Benchmark	
	2019	2018	2019	2018
Operational cash		-		-
Global strategic portfolio**	n.a.	1.7	n.a.	n.a.
Global liquidity portfolio	0.3	0.3		n.a.
Chinese renminbi portfolio	0.0	0.0	0.5	0.0
Asset liability portfolio	0.7	0.6	0.5	n.a.
Global government bonds	n.a.	0.0	n.a.	0.9
Global credit bonds*	n.a.	4.2	n.a.	4.6
Hedging	n.a.	n.a.	n.a.	n.a.
World Bank RAMP	n.a.	0.5	n.a.	0.5
Total average	0.5	1.2	0.4	1.2

* The global credit portfolio was closed on 30 June 2019.

** The global strategic portfolio was closed on 31 July 2019.

The sensitivity analysis of IFAD's overall investment portfolio in table 11 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 2019 and 31 December 2018.

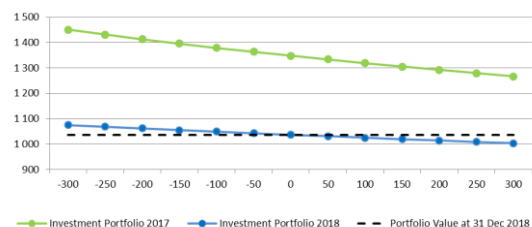
Table 11
Sensitivity analysis on investment portfolio (IFAD-only)

Basis point shift in yield curve	2019		2018	
	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	11	1 014	38	1 075
-250	9	1 013	32	1 068
-200	7	1 011	25	1 062
-150	5	1 009	19	1 055
-100	3	1 007	12	1 049
-50	2	1 006	6	1 043
0	1 004	1 004	1 037	1 037
50	-2	1 002	-6	1 031
100	-3	1 001	-12	1 025
150	-5	999	-17	1 019
200	-6	998	-23	1 014
250	-8	996	-28	1 009
300	-9	995	-33	1 003

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)



As at 31 December 2019, 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\$9 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\$11 million as a result of the capital gains on the marked-to-market portion of the portfolio.

(g) Credit risk

The Investment Policy Statement and Investment Guidelines set credit rating floors for the eligibility of securities and counterparties. The eligibility of banks and bond issues is determined on the basis of ratings by major credit rating agencies. The minimum allowable credit ratings for portfolios within IFAD's overall investment portfolio under the Investment Policy Statement and Investment Guidelines are shown in table 12.

Table 12
Minimum credit rating floor as per Investment Policy
 Statement as at 31 December 2019

Eligible asset classes	Credit rating floors for Standard & Poor's (S&P) and Moody's
Money market	A- ^a
Fixed-income securities: both nominal and inflation-linked	
<ul style="list-style-type: none"> • Government and government agencies fixed-income securities at the national or subnational level 	A-
<ul style="list-style-type: none"> • Supra-nationals 	A-
<ul style="list-style-type: none"> • Asset-backed securities (only agency-issued or guaranteed) 	AAA
<ul style="list-style-type: none"> • Covered bonds 	A-
<ul style="list-style-type: none"> • Corporate bonds 	A-
<ul style="list-style-type: none"> • Callable bonds 	A-
Derivatives: for hedging purposes only	
<ul style="list-style-type: none"> • Currency forwards 	
<ul style="list-style-type: none"> • Exchange-traded futures and options 	Counterparty must have a minimum credit rating of A-(S&P) or A-(Fitch) or A3 (Moody's) ^b
<ul style="list-style-type: none"> • Interest rate swaps 	
<ul style="list-style-type: none"> • Cross currency swaps 	
<ul style="list-style-type: none"> • Credit default swaps 	
<ul style="list-style-type: none"> • Asset swaps 	

^a Any additional eligibility criteria, as approved by the President, also apply.

^b At least one rating must comply with the minimum short-term rating; other available ratings must be within investment grade.

As at 31 December 2019, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 13).

Table 13
Average ^a credit ratings by portfolio (IFAD-only)
 As at 31 December 2019 and 2018

Portfolio	Average credit rating ^a	
	2019	2018
Operational cash	P-3	P-3
Global strategic portfolio	N.A.	Aa2
Asset liability portfolio ^b	A1	A1
Global liquidity portfolio	Aaa	Aaa
Chinese renminbi ^c	Cash	Time Deposit
Global credit bonds	N.A.	A1

^a The average credit rating is calculated based on market values as at 31 December 2019 and 2018, 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 S&P or Moody's.

^b Approximately 2 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 S&P.

^c The cash counterparty in the Chinese renminbi portfolio is the Bank for International Settlements.

(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.

(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 MLR. IFAD's current liquidity policy 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 2019 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US\$654.0 million that is covered by IFAD's investment portfolio balance of US\$1,003.9.

(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 process. IFAD closely monitors its resource position on a regular basis in order to safeguard its ability to continue as a going concern. Consequently, it adjusts the amount of new commitments of loans and grants to be made during each calendar year depending on the resources available. Longer term resource forecasting is carried out within the analysis performed through IFAD's financial model.

NOTE 5

CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES

Table 1

	US\$ thousands	
	2019	2018
Promissory notes to be encashed		
Replenishment contributions	188 869	134 663
Fair value adjustment	(654)	(1 618)
Promissory notes to be encashed	188 215	133 045
Contributions receivable		
Replenishment contributions	614 805	907 286
Supplementary contributions	294 406	279 681
Total	909 211	1 186 967
Fair value adjustment	(12 847)	(30 557)
Contributions receivable	896 364	1 156 410
Qualified instruments of contribution	(72 551)	(67 465)
Total promissory notes and contributions receivables	1 012 028	1 221 990

(a) Eleventh Replenishment

Details of contributions and payments are shown in appendix H. IFAD11 became effective on 14 August 2018.

(b) Special Programme for Africa (SPA)

Details of contributions to the SPA under the first and second phases are shown in appendix H, table 3.

(c) 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.

(d) Qualified instruments of contribution and promissory notes

At the end of December 2019, contributions receivables and promissory notes still subject to national appropriation measures amounted to US\$72.5 million (US\$67.5million as at 31 December 2018).

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	
	2019	2018
Balance at beginning of the year	121 630	121 630
Net increase in allowance	168	-
Balance at year-end	121 798	121 630
Analysed as follows:		
Promissory notes of contributors (a)	36 045	36 045
Amounts receivable from contributors (b)	85 753	85 585
Total	121 798	121 630

(a) Allowances against promissory notes

As at 31 December 2019, 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	
	2019	2018
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
	29 358	29 358
Third Replenishment		
Democratic People's Republic of Korea	600	600
Libya	6 087	6 087
	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	
	2019	2018
Initial contributions		
Comoros	8	8
Iran (Islamic Republic of)	83 167	83 167
	83 175	83 175
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	2 410	2 410
Tenth Replenishment		
Kenya	168	-
Total	85 753	85 585

NOTE 7**OTHER RECEIVABLES**

	US\$ thousands	
	2019	2018
Receivables for investments sold	14 585	16 052
Receivables for reimbursement headquarter expenditures	7 889	8 056
Other receivables	17 548	10 563
Total	40 022	34 671

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**(a) Fixed and intangible assets**

Table 1

	<i>US\$ million</i>		
	1 Jan 2019	Increase/ (decrease)	31 Dec 2019
Cost			
Computer hardware	4.8	0.9	5.7
Computer software	25.0	2.4	27.4
Vehicles	0.9	0.4	1.3
Furniture and fittings	0.5	-	0.5
Leasehold improvement	1.8	-	1.8
Total cost	33.0	3.7	36.7
Depreciation			
Computer hardware	(3.8)	(0.5)	(4.3)
Computer software	(11.9)	(2.8)	(14.7)
Vehicles	(0.4)	(0.2)	(0.6)
Furniture and fittings	(0.4)	-	(0.4)
Leasehold improvement	(1.1)	-	(1.1)
Total depreciation	(17.6)	(3.5)*	(21.1)
Net fixed and intangible assets	15.4	0.2	15.6

(b) Right-of-use assets and lease liabilities

The recognition of right-of-use assets refers mainly to the operating lease agreement for the headquarter building with a 12 year contract period.

Table 2

	<i>US\$ million</i>			
	1 Jan 2019	Increase/ (decrease)	Foreign exchange movement	31 Dec 2019
Cost				
Right-of-use assets	109.2		(2.0)	107.2
Depreciation				
Right-of-use assets	-	(8.6)	-	(8.6)
Net right-of-use assets	109.2	(8.6)*	(2.0)	98.6
Lease Liabilities	(109.2)	10.6		(98.6)

*Total 2019 depreciation amounts to US\$12.1 million

NOTE 9**LOANS****(a) Analysis of loan balances**

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

Table 1

	<i>US\$ thousands</i>	
	2019	2018
IFAD	7 613 808	7 312 855
Spanish Trust Fund	241 908	227 565
Total	7 855 716	7 540 420
Fair value adjustment	(1 280 406)	(1 270 853)
Total	6 575 310	6 269 567

The tables below provide details of approved loans (net of cancellations), undisbursed balances and repayments. Balances include euro-denominated loans financed from the debt-financing facility.

Table 2

	<i>US\$ thousands</i>	
	2019	2018
IFAD and SPA		
Approved loans	15 238 838	14 115 789
Undisbursed balance	(4 527 463)	(3 919 695)
Repayments	(3 117 946)	(2 902 881)
	7 593 429	7 293 213
Interest/principal receivable	20 379	19 642
Loans outstanding at nominal value	7 613 808	7 312 855
Fair value adjustment	(1 265 264)	(1 255 409)
Loans outstanding	6 348 544	6 057 446

Table 3

	<i>US\$ thousands</i>	
	2019	2018
Spanish Trust Fund		
Approved loans	317 401	323 241
Undisbursed balance	(44 386)	(76 245)
Repayments	(31 625)	(19 874)
	241 390	227 122
Interest/principal receivable	518	443
Loans outstanding at nominal value	241 908	227 565
Fair value adjustment	(15 142)	(15 444)
Loans outstanding	226 766	212 121

Table 4

	<i>US\$ thousands</i>	
	2019	2018
Consolidated		
Approved loans	15 556 239	14 439 030
Undisbursed balance	(4 571 849)*	(3 995 940)
Repayments	(3 149 571)	(2 922 755)
	7 834 819	7 520 335
Interest/principal receivable	20 897	20 085
Loans outstanding at nominal value	7 855 716	7 540 420
Fair value adjustment	(1 280 406)	(1 270 853)
Loans outstanding	6 575 310	6 269 567

*This balance comprises US\$3.04 billion pertaining to commitments for disbursing loans and to US\$1.53 billion to approved loans, which have not yet met disbursement conditions.

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

The fair value of the outstanding loan portfolio at year-end amounts to US\$7 385 404 million.

(b) Accumulated allowance for impairment losses

An analysis of the accumulated allowance for loan impairment losses by entity is shown below:

Table 5a

Consolidated	US\$ thousands	
	2019	2018
IFAD	88 247	104 076
Spanish Trust Fund	2 041	2 139
Accumulated allowance for impairment losses	90 288	106 215
Provision for Haiti Debt Relief	15 200	15 200
	105 488	121 415
Fair value adjustment	(17 298)	(28 164)
Total	88 190	93 251

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

Table 5b

Consolidated	US\$ thousands	
	2019	2018
Balance at beginning of year	121 415	116 778
Change in provision	(14 601)	8 203
Exchange rate movements	(1 326)	(3 566)
Balance at end of year	105 488	121 415
Fair value adjustment	(17 298)	(28 164)
Total	88 190	93 251

For the purpose of calculating impairment in accordance with IFRS 9, loans at amortized cost are grouped in three stages.

Stage 1: impairment is calculated on a portfolio basis and equates to a 12-month ECL of these assets.

Stage 2: impairment is calculated on a portfolio basis and equates to the full lifetime ECL of these assets.

Stage 3: impairment is calculated on the full lifetime ECL calculated for each individual asset.

The table below provides details of the accumulated allowance by stage and by entity.

Table 6

Consolidated	2019 US\$ millions		
	IFAD	STF	Total
Stage 1	6.3	0.2	6.5
Stage 2	20.2	1.5	21.7
Stage 3	61.7	0.4	62.1
Allowance impairment losses	88.2	2.1	90.3
Haiti Debt relief	15.2		15.2
Subtotal	103.4	2.1	105.4
Fair value	(17.2)	(0.1)	(17.3)
Total	86.2	1.9	88.1

Table 7

Consolidated	2018 US\$ millions		
	IFAD	STF	Total
Stage 1	7.5	0.4	7.9
Stage 2	34.7	1.3	36.0
Stage 3	61.9	0.4	62.3
Allowance impairment losses	104.1	2.1	106.2
Haiti Debt relief	15.2		15.2
Subtotal	119.3	2.1	121.4
Fair value	(28.1)	(0.1)	(28.2)
Total	91.2	2.0	93.2

The table below provides a summary of the loan portfolio by stage and exposure (loan outstanding and undrawn commitments) as at 31 December 2019.

Table 8

Consolidated	2019 US\$ millions	
	Exposure	Allowance
Stage 1	9 463.4	6.5
Stage 2	1 207.9	21.7
Stage 3	207.0	62.1
Total	10 878.3	90.3
Exposure:		
Loans outstanding	7 834.8	
Loan commitments	3 043.5	
Total	10 878.3	

Table 9

Consolidated	2018 US\$ millions	
	Exposure	Allowance
Stage 1	8 847.6	7.9
Stage 2	1 001.5	36.0
Stage 3	207.7	62.3
Total	10 056.8	106.2
Exposure:		
Loans outstanding	7 520.3	
Loan commitments	2 536.5	
Total	10 056.8	

The table below provides indications of transfers between stages during the year.

Table 10

Consolidated	2019 US\$ millions			
	Stage 1	Stage 2	Stage 3	Total
Exposure at 1 January 2019	8 784.1	1 065.0	207.7	10 056.8
Transfer to Stage 1	66.1	(66.1)		-
Transfer to Stage 2	(267.4)	267.4		-
Transfer to Stage 3	-	-	-	-
New assets originated or purchased	1 185.1			1 185.1
Amortization repayments	(269.2)	(52.4)		(321.6)
Forex	(35.3)	(6.0)	(0.7)	(42)
Exposure as at 31 December 2019	9 463.4	1 207.9	207.0	10 878.3
Exposure by asset type:				
Loan outstanding	6 627.7	1 000.1	207.0	7 834.8
Loan commitments	2 835.4	207.8	-	3 043.5
Exposure as at 31 December 2019	9 463.4	1 207.9	207.0	10 878.3

The table below provides a sensitivity analysis of the loan portfolio provisioning to the variation of macroeconomic scenarios used in determining the level of impairment.

Table 11

US\$ million	Neutral	Optimistic	Pessimistic	Probability-weighted scenario
Stage 1	5.6	4.6	9.4	6.5
Stage 2	22.3	21.0	23.0	21.7
Stage 3	62.1	62.1	62.1	62.1
Total	90.0	87.7	94.5	90.3

(c) Non-accrual status

Had income from loans in stage 3 amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for 2019 would have been higher by US\$1,788,857 (2018 – US\$1,823,159).

(d) Market risk

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

(e) 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

2019	US\$ millions			
	Cash and bank deposits	Investments at FVTPL	Investments at amortized cost	Loans at amortized cost
Level 1				
Cash and bank balances	308	-	-	-
Investment at FVTPL	-	924	-	-
Investments at amortized costs	-	-	-	-
Level 2				
Investments at FVTPL	-	289	-	-
Investment at amortized cost	-	-	-	-
Loans outstanding	-	-	-	6 481
Total	308	1 213	-	6 481

Table 2

2018	US\$ millions			
	Cash and bank deposits	Investments at FVTPL	Investments at amortized cost	Loans at amortized cost
Level 1				
Cash and bank balances	190	-	-	-
Investment at FVTPL	-	990	-	-
Investments at amortized costs	-	-	104	-
Level 2				
Investments at FVTPL	-	337	-	-
Investment at amortized cost	-	-	40	-
Loans outstanding	-	-	-	6 168
Total	190	1 327	144	6 168

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

NOTE 11

HIPC INITIATIVE

(a) Impact of the HIPC Initiative

IFAD provided funding for the HIPC Initiative in the amount of US\$238,170,000 during the period 1998-2019. Details of funding from external donors on a cumulative basis are found in appendix E2.

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 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 2020-2021. At the time of preparation of the 2019 Consolidated Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, including principal and interest, was US\$182,941,074 (2018 – US\$198,041,884) for Eritrea, Somalia and Sudan). Investment income amounted to US\$8,367,489 (2018 – US\$8,213,076) 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:

	US\$ thousands	
	2019	2018
Balance at beginning of year	11 375	14 855
Change in provision	(2 345)	(3 162)
Exchange rate movements	(41)	(318)
Balance at end of year	8 989	11 375
Fair value adjustment	(2 703)	(3 468)
Total	6 286	7 907

NOTE 12**PAYABLES AND LIABILITIES**

	<i>US\$ thousands</i>	
	2019	2018
Payable for investments purchased	18 136	20 900
ASMCS liability	138 148	113 189
Other payables and accrued liabilities	81 577	72 103
Total	237 861	206 192

Of the total above, an estimated US\$162.1 million (2018 – US\$139,2 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.

	<i>US\$ thousands</i>	
	2019	2018
Total	384 694	387 186
Fair value adjustment	(23 474)	(26 404)
Deferred revenue	361 220	360 782

NOTE 14**UNDISBURSED GRANTS**

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

	<i>US\$ thousands</i>	
	2019	2018
IFAD	123 619	101 253
Supplementary funds	200 715	211 072
ASAP	122 823	160 140
Balance at year-end	447 157	472 465
Fair value adjustment	(8 889)	(27 750)
Undisbursed grants	438 268	444 715

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.

Table 1

	<i>US\$ thousands</i>	
	2019	2018
IFAD	741 573	571 603
Spanish Trust Fund	297 966	306 000
Total borrowing liabilities	1 039 539	877 603

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

Table 2

	<i>US\$ thousands</i>	
	2019	2018
IFAD		
0-1 years	14 535	-
1-2 years	25 347	3 694
2-3 years	36 451	18 438
3-4 years	43 934	29 501
4-10 years	220 731	222 752
More than 10 years	400 575	297 218
Total	741 573	571 603

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

<i>Year</i>	<i>United States dollars</i>
2019	1.38610
2018	1.39053
2017	1.42501

The balance of foreign exchange movement is shown below:

Table 2

	<i>US\$ thousands</i>	
	2019	2018
IFAD	(21 794)	(150 550)
Other entities	(5 287)	(13 987)
Total movements in the year	(27 081)	(164 537)

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

Table 3

	<i>US\$ thousands</i>	
	2019	2018
Opening balance 1 January	171 791	336 328
Exchange movements for the year on:		
Cash and investments	(8 392)	(20 988)
Net receivables/payables	(975)	(1 407)
Loans and grants outstanding	(17 119)	(140 493)
Promissory notes and Members' receivables	(1 351)	(12 861)
Member States' contributions	756	11 212
Total movements in the year	(27 081)	(164 537)
Closing balance 31 December	144 710	171 791

NOTE 17**INCOME FROM CASH AND INVESTMENTS****(a) Investment management (IFAD-only)**

As at 31 December 2019, funds under external management amounted to US\$0 million (2018 – US\$530 million), representing 0 per cent of the Fund's total cash and investments (2018 – 32 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 currency composition of IFAD's commitments:

(i) Futures

Table 1

	31 December	
	2019	2018
Number of contracts open:		
Buy	0	276
Sell	0	(194)
Net unrealized market gains of open contracts (US\$ thousands)	0	209
Maturity range of open contracts (days)	n.a	66 to 88

(ii) Forwards

The unrealized market value loss on forward contracts as at 31 December 2019 amounted to US\$0.46 million (2018 –US\$0.14 million). The maturities of forward contracts at 31 December 2019 was 71 days (31 December 2018 – 35days).

(iii) Swaps

IFAD asset portfolios use derivative instruments such as swaps to immunize positions from interest rate risk. Positions hedged are of medium- to long-term maturities, fixed-rate coupon bonds, effectively converted to variable rate instruments. Hence, matching closer interest rate sensitivities of the portfolios' assets and liabilities consisted of variable rate borrowings.

Table 2

	US\$ thousands
	2019
Outstanding swaps notional	178 272
Derivative assets	
Interest rate swaps	226
Derivative liabilities	
Interest rate swaps	(2 010)
Net unrealized market gains of swap contracts	(1 784)
Maturity range of swap contracts	0.9 to 5.1 years

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ending 31 December 2019 amounted to US\$30.2 million (2018 – gross income of US\$5.7 million).

Table 3

2019	US\$ thousands		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income investments	14 554	-	14 554
Net expenses from futures/options and swaps	(2 991)	-	(2 991)
Realized capital gain/(loss) from fixed-income securities	6 317	-	6 317
Unrealized gain/(loss) from fixed-income securities	12 298	-	12 298
Total	30 178	-	30 178

Table 4

2018	US\$ thousands		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income investments	16 835	3 695	20 530
Net expenses from futures/options and swaps	(1 720)	-	(1 720)
Realized capital gain/(loss) from fixed-income securities	(1 878)	-	(1 878)
Unrealized gain/(loss) from fixed-income securities	(11 210)	(7)	(11 217)
Total	2 027	3 688	5 715

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

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

Table 5

	US\$ thousands	
	2019	2018
IFAD	24 614	2 039
ASMCS Trust Fund	3 779	(13)
HIPC Trust Fund	96	60
Spanish Trust Fund	1 193	1 112
Haiti Debt Relief Initiative	519	444
ASAP	5 005	5 049
Supplementary funds	2 551	1 446
Less: income deferred/reclassified	(7 579)	(4 422)
Total	30 178	5 715

The annual rate of return on IFAD cash and investments in 2019 was 2.13 per cent net of investment expenses (2018 –0.09 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:

<i>Consolidated</i>	<i>US\$ thousands</i>	
	2019	2018
Reimbursement from host government	7 972	8 565
Income from other sources	2 104	2 309
Total	10 076	10 874

NOTE 19

INCOME FROM CONTRIBUTIONS

	<i>US\$ thousands</i>	
	2019	2018
IFAD	18 410	29 884
ASAP	14 582	16 783
Supplementary funds	121 870	38 534
Total	154 862	85 201

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:

	<i>US\$ thousands</i>	
	2019	2018
IFAD	164 702	176 082
Other entities	17 408	12 343
Total	182 110	188 425

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 2019 was as follows (breakdown by principal budget source):

Table 1

Full-time equivalent	<i>General Service</i>			<i>Total</i>
	<i>Professional</i>	<i>Service</i>		
IFAD				
administrative budget	326	193		519
APO/SPO*	14	-		14
Others	20	7		27
Programme funds	11	1		12
Total 2019	371	201		572
Total 2018	333	189		522

* 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 2017. This valuation revealed an actuarial deficit amounting to 0.05 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 2019 amounted to US\$12,013,327 (2018 – US\$11,314,132).

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

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2019. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate 2.1 per cent; return on invested assets 3.0 per cent; expected salary increase 2.5 per cent; initial medical cost increase, 4.1 per cent; inflation 1.9 per cent; and exchange rate. The results determined IFAD's liability as at 31 December 2019 to be US\$138,147,724. The 2019 and 2018 Financial Statements include a provision and related assets as at 31 December as follows:

Table 2

	<i>US\$ thousands</i>		
	2019	2018	
Past service liability	(138 148)	(113 189)	
Plan assets	91 495	79 105	
Surplus /(deficit)	(46 653)	(34 084)	
Yearly movements			
Opening balance	Surplus/(deficit)	(34 084)	(48 588)
Contribution paid	10 115	2 933	
Interest cost	(976)	(1 134)	
Current service charge	(4 712)	(5 625)	
Actuarial (losses)/gains	(19 271)	21 239	
Interest earned on balances	3 609	(182)	
Exchange rate movement	(1 334)	(2 727)	
Closing balance	Surplus/(deficit)	(46 653)	(34 084)
Past service liability			
Total provision at 1 January	(113 189)	(127 669)	
Interest cost	(4 712)	(5 625)	
Current service charge	(976)	(1 134)	
Actuarial (losses)/gains	(19 271)	21 239	
Provision at 31 December	(138 148)	(113 189)	
Plan assets			
Total assets at 1 January	79 105	79 081	
Contribution paid	10 115	2 933	
Interest earned on balances	3 609	(182)	
Exchange rate movement	(1 334)	(2 727)	
Total assets at 31 December	91 495	79 105	

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 2019, such costs included under staff salaries and benefits in the Financial Statements amounted to US\$5,687,854 (2018 – US\$6,758,228).

Based on the 2019 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$91,495,672 in net present value terms (including assets pertaining to the International Land Coalition). As reported above, at 31 December 2019 the assets already held in the trust fund are US\$91,495,672; 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 2019 is shown below:

Table 3

Impact on	Liability
Medical inflation:	
4.7 per cent instead of 3.7 per cent	38.0
3.7 per cent instead of 2.7 per cent	(29.9)

NOTE 22

GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

	US\$ thousands	
	2019	2018
IFAD grants	79 347	66 602
Supplementary funds	103 887*	26 200
ASAP	11 058	16 145
Total	194 292	108 947

*During 2019, as part of supplementary funds initiative US\$28.4 million were provided as contribution to the private sector on behalf of donors.

NOTE 23

DSF EXPENSES

The DSF expenses are set out below:

IFAD-only	US\$ thousands	
	2019	2018
DSF expenses	174 690	138 625
Total	174 690	138 625

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	
	2019	2018
Investment management fees	686	1 102
Other charges	1 086	659
Total	1 772	1 761

NOTE 25

ADJUSTMENT FOR CHANGE IN FAIR VALUE

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

Consolidated	US\$ thousands	
	2019	2018
Loans outstanding	(21 788)	(7 633)
Accumulated allowance for loan impairment losses	(10 993)	10 459
Accumulated allowance for HIPC Initiative	(754)	(1 025)
Net loans outstanding	(33 535)	1 801
Undisbursed grants	(10 745)	(2 016)
Total	(44 280)	(215)

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 (from)/to IFAD by the housed entity were :

	US\$ thousands	
	2019	2018
International Land Coalition	(559)	2 104
Total	(559)	2 104

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\$1,061.5 (US\$901.7 million in 2018). In particular, at the end of December 2019, DSF financing disburseable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$691.0 million (US\$604.3 million in 2018) and DSF projects approved but not yet effective amounted to US\$370.4 million (US\$297.4 million in 2018).

(b) Contingent assets

At the end of December 2019 the balance of qualified instruments of contribution amounted to US\$72,551 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 framework, 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 in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015, moreover in 2019 a DSF reform was conducted to strengthen the compensation mechanism. 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 2019 amounted to US\$1,246.9 million (US\$1,072.3 million as at December 2018). DSF compensation received to date amounts to US\$30.5 million (US\$6.0 million in 2018).

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 2019. This pertained to transactions with Member States (to which IAS 24, paragraph 25, is applicable) key management personnel and other related parties identified under IAS 24. 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 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 than the ones indicated below, for key management personnel and other related parties identified as per IAS 24 requirements.

	US\$ thousands	
	2019	2018
Salaries and other entitlements	1 747	2 070
Contribution to retirement and medical plans	398	343
Other related parties	-	-
Total*	2 145	2 413
Total accruals	499	418
Total receivables	3	51

* The decrease in 2019 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 2020 and endorsement by the Executive Board in April 2020. The 2019 Consolidated Financial Statements will be submitted to the Governing Council for formal approval at its next session in February 2021. The 2018 Consolidated Financial Statements were approved by the Governing Council at its forty-third session in February 2020.

Statements of complementary and supplementary contributions

Table 1

Member States:

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2019 ^a

(Thousands of United States dollars)

<i>Member States</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
Algeria	-	-	80	-	80
Angola	-	-	7	-	7
Australia	2 721	-	221	-	2 942
Austria	755	-	-	-	755
Bangladesh	-	-	46	-	46
Belgium	10 214	1 960	155 720	-	167 894
Canada	12 919	-	8 519	-	21 438
China	2 459	-	7 860	-	10 319
Colombia	-	-	25	-	25
Denmark	51 533	4 644	3 956	-	60 133
Estonia	-	-	404	-	404
Finland	2 834	5 366	6 983	-	15 183
France	1 032	1 353	10 707	-	13 092
Germany	46	8 009	31 753	-	39 808
Ghana	-	-	80	-	80
Greece	-	-	80	-	80
Hungary	-	-	300	-	300
Iceland	-	-	25	-	25
India	-	-	1 000	-	1 000
Indonesia	-	-	50	-	50
Ireland	6 602	-	5 400	-	12 002
Italy	31 222	7 246	33 477	-	71 945
Japan	3 692	2 986	4 231	-	10 909
Jordan	-	-	153	-	153
Kuwait	-	-	126	-	126
Lebanon	-	-	89	-	89
Luxemburg	2 086	-	8 723	-	10 809
Malaysia	-	-	28	-	28
Morocco	-	-	50	-	50
Mauritania	-	-	92	-	92
Netherland	106 909	9 300	11 844	-	128 053
New Zealand	745	-	65	-	810
Nigeria	-	-	50	-	50
Norway	38 102	2 604	6 109	-	46 815
Pakistan	-	-	25	-	25
Paraguay	-	-	15	-	15
Portugal	142	-	714	-	856
Qatar	-	-	114	-	114
Republic of Korea	4 523	6 350	534	-	11 407
Russian Federation	1 356	-	144	-	1 500
Saudi Arabia	3 222	-	192	-	3 414
Senegal	-	-	109	-	109
Sierra Leone	-	-	88	-	88
Spain	11 838	-	6 141	-	17 979
Suriname	2 000	-	-	-	2 000
Sweden	9 777	3 615	21 184	-	34 576
Switzerland	13 128	1 978	28 639	-	43 745
Turkey	-	-	47	-	47
United Kingdom	19 074	-	16 859	-	35 933
United States	-	617	386	-	1 003
Total	338 929	56 028	373 444	-	768 401

^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 2019 ^a**

(Thousands of United States dollars)

<i>Non-Member States and other sources</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
Abu Dhabi Fund for Development	-	-	1 481	-	1 481
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	-	-	3 368	-	3 368
European Commission	814	-	700 095	-	700 909
FAO	14	-	3 239	-	3 253
Global Agriculture and Food Security Programme	125 683	-	6 515	-	132 198
Least Developed Countries Fund / Special Climate Change Fund	-	-	108 542	-	108 542
New Venture Fund	-	-	63	-	63
OPEC Fund for International Development	2 674	-	24	-	2 698
Open Society Foundation	963	-	38	-	1 001
Packard Foundation	95	-	5	-	100
Small Foundation	-	-	300	-	300
United Nations Fund for International Partnership	78	-	145	-	223
United Nations Capital Development Fund	365	-	257	-	622
United Nations Development Programme	467	-	2 913	-	3 380
United Nations Organizations	3 017	-	-	-	3 017
World Bank	1 357	-	527	172 578	174 462
Other Supplementary funds	1 928	-	3 408	-	5 336
Total non-Member States and other sources	143 537	-	835 050	172 578	1 151 165
Total 2019	482 466	56 028	1 208 494	172 578	1 919 566
Total 2018	469 842	53 041	1 104 168	167 664	1 794 715

^a Non-United States dollars contributions have been translated at the year-end exchange rate.

Statement of cumulative complementary contributions from 1978 to 2019

(Thousands of United States dollars)

	<i>Amount</i>
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	<u>12 002</u>
Subtotal	58 798
Cumulative contributions received from Belgium for the BFFS.JP in the context of replenishments	<u>80 002</u>
Subtotal	138 800
Contributions made in the context of replenishments to the HIPC Trust Fund	
Italy	4 602
Luxembourg	1 053
Netherlands	<u>14 024</u>
Subtotal	19 679
Contributions made to ASAP in the context of replenishments	
	310 645
Unrestricted complementary contributions to the Tenth Replenishment	
Canada	7 712
Germany	14 592
Netherlands	23 299
Russian Federation	3 000
United States	<u>12 000</u>
Subtotal	60 603
Unrestricted complementary contributions to the Eleventh Replenishment	
Germany	22 450
Luxembourg	1 010
Sweden	10 683
Switzerland	<u>12 392</u>
Subtotal	46 535
Total complementary contributions 2019	576 262
Total complementary contributions 2018	565 328

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

(Thousands of United States dollars)

	<i>Amount</i>
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 2019	287 142
Total contributions to IFAD's HIPC Trust Fund 2018	287 142

Contributions received in 2019

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>
For project cofinancing			
Adaptation Fund Board	USD	910	910
Denmark	DKK	58 600	8 710
European Commission	EUR	1 786	2 005
Germany	EUR	2 140	2 402
Global Environmental Facility	USD	14 937	14 937
Global Agriculture and Food Security Programme	USD	23 928	23 928
Italy	EUR	1 630	1 830
Norway	NOK	20 000	2 249
OPEC Funds for International Development	USD	485	485
Open Society Foundation London	USD	250	250
Subtotal			57 706
For APOs			
France	USD	113	113
Germany	USD	243	243
Italy	USD	139	139
Japan	USD	638	638
Republic of Korea	USD	419	419
Netherlands	USD	680	680
Sweden	USD	695	695
Switzerland	USD	347	347
Subtotal		3 274	3 274
Other supplementary fund contributions			
Australia	AUD	200	137
Canada	USD	348	348
China	USD	5 000	5 000
Estonia	EUR	45	51
European Commission	EUR	40 680	45 720
FAO	USD	422	422
France	EUR	2 000	2 241
Germany	EUR	377	423
Hungary	USD	100	100
Iceland	USD	25	25
Italy	EUR	1 000	1 123
Republic of Korea	KRW	500 000	417
Luxembourg	EUR	2 500	2 806
Norway	NOK	16 600	1 878
Rockefeller Foundation	USD	113	113
Small Foundation	USD	150	150
Sweden	SEK	24 000	2 557
United Nations Development Programme	USD	958	958
World Food Programme	USD	10	10
Subtotal			64 478
Grand total			125 458

Unspent funds in 2019 and 2018

Table 1

Unspent complementary and supplementary funds from Member States and non-Member States

(Thousands of United States dollars)

<i>Member States</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Total</i>
Australia	-	125	125
Belgium	-	1 762	1 762
Canada	-	1 434	1 434
China	-	8 491	8 491
Denmark	-	12 611	12 611
Estonia	-	258	258
Finland	98	1	99
France	73	1 454	1 527
Germany	326	3 303	3 629
Hungary	-	284	284
Iceland	-	6	6
India	-	179	179
Italy	279	2 459	2 738
Japan	381	-	381
Lebanon	-	87	87
Luxemburg	-	1 242	1 242
Malaysia	-	13	13
Netherlands	347	1 879	2 226
New Zealand	-	15	15
Norway	15	6 518	6 533
Republic of Korea	695	3 127	3 822
Russian Federation	-	1 389	1 389
Spain	-	982	982
Sweden	412	6 836	7 248
Switzerland	205	4 306	4 511
United Kingdom	-	334	334
United States	-	280	280
Total Member States	2 831	59 375	62 206

Table 2

Other unspent complementary and supplementary funds from non-Member States

(Thousands of United States dollars)

<i>Non-Member States</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Total</i>
Abu Dhabi Fund for Development	-	383	383
European Commission	-	34 328	34 328
FAO	-	487	487
Global Environmental Facility	-	17 844	17 844
Global Agriculture and Food Security Programme	-	21 050	21 050
Least Developed Countries Fund / Special Climate Change Fund / Adaptation Fund	-	22 642	22 642
Open Society London	-	463	463
Packard Foundation	-	95	95
Small Foundation	-	143	143
United Nations Development Programme	-	1 323	1 323
World Bank	-	17	17
Other	-	431	431
Total non-Member States	-	99 206	99 206
Grand Total	2 831	158 581	161 412

Global Environment Facility

(Thousands of United States dollars)

<i>Recipient country</i>	<i>Cumulative contributions received as at 31/12/2019</i>	<i>Unspent as at January 1 2019</i>	<i>2019 Contributions</i>	<i>2019 Expenses</i>	<i>Unspent as at 31/12/2019</i>
Armenia	4 011	10	-	-	10
Association of Southeast Asian Nations regional	15 648	1	-	-	1
Brazil	5 931	-	-	-	-
Burkina Faso	8 692	-	-	-	-
China	4 854	-	-	-	-
Comoros	945	-	-	-	-
Ecuador	2 783	-	-	-	-
Eritrea	4 335	-	-	-	-
Eswatini*	9 205	-	-	-	-
Ethiopia	4 750	-	-	-	-
Gambia (The)	96	-	-	-	-
Global supplement for United Nations Convention to Combat Desertification	457	-	-	-	-
Indonesia	9 913	13	4 896	(2)	4 907
Jordan	7 884	15	-	-	15
Kenya	12 039	4	-	-	4
Malawi	7 339	20	-	-	20
Malaysia	9 633	9 433	-	-	9 433
Mali	4 796	-	-	-	-
Mauritania	4 336	-	-	-	-
Middle East and North Africa Regional Program for Promoting Integrated Sustainable Land monitoring and evaluation	705	-	-	-	-
Mexico	5 084	-	-	-	-
Morocco	330	-	-	-	-
Niger (the)	11 951	17	(81)	81	17
Panama	150	-	-	-	-
Peru	7 121	-	99	(38)	61
Sao Tome and Principe	1 875	-	-	-	-
Senegal	3 690	20	-	-	20
Sri Lanka	7 270	-	-	-	-
Sudan (the)	3 750	2	-	-	2
Tunisia	4 330	-	-	-	-
United Republic of Tanzania	7 339	-	-	-	-
Venezuela (Bolivarian Republic of)	581	-	-	-	-
Viet Nam	755	-	-	-	-
Total	172 578	9 535	4 914	41	14 491

* The country name changed to Eswatini effective 19 April 2018.

Summaries of the Adaptation for Smallholder Agriculture Programme Trust Fund

Table 1

Summary of complementary contributions and supplementary funds to the ASAP Trust Fund (As at 31 December 2019, in thousands)

	<i>Member States</i>	<i>Local currency</i>	<i>Contributions Received*</i>
Complementary contributions			
	Belgium	EUR 6 000	7 855
	Canada	CAD 19 849	19 879
	Finland	EUR 5 000	6 833
	Netherlands	EUR 40 000	48 581
	Norway	NOK 63 000	9 240
	Sweden	SEK 30 000	4 471
	Switzerland	CHF 10 000	10 949
	United Kingdom	GBP 147 523	202 837
	Subtotal		310 645
Supplementary funds			
ASAP1			
	Flemish Department for Foreign Affairs	EUR 2 000	2 380
	Republic of Korea	US\$ 3 000	3 000
	Subtotal		5 380**
Total ASAP1			316 025
ASAP2			
	Norway	NOK 80 000	9 550
	France	EUR 300	307
	Sweden	SEK 50 000	5 904
Total ASAP2			15 761**

* Payments counter-valued at exchange rate prevailing at receipt date.

**Overall ASAP supplementary funds amount to US\$21.1 million

Table 2
Summary of grants under the ASAP Trust Fund
(Thousands)

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2019</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2019</i>
US\$ grants					
Iraq	2 000	-	-	-	2 000
Republic of Moldova	5 000	5 000	1 854	3 146	-
Total US\$	7 000	5 000	1 854	3 146	2 000
EUR grants					
Montenegro	1 880	1 880	979	901	-
Total EUR	1 880	1 880	979	901	-
US\$ equivalent	2 110	2 110	1 099	1 011	-
SDR grants					
Bangladesh	9 900	9 900	6 471	3 429	-
Benin	3 220	3 220	419	2 801	-
Bhutan	3 580	3 580	1 605	1 975	-
Bolivia (Plurinational State of)	6 500	6 500	6 475	25	-
Burundi	3 510	3 510	1 836	1 674	-
Cambodia	10 150	10 150	8 511	1 639	-
Cabo Verde	2 900	2 900	1 107	1 793	-
Chad	3 240	3 240	2 266	974	-
Comoros	740	740	86	654	-
Côte d'Ivoire	4 520	4 520	1 356	3 164	-
Djibouti	4 000	4 000	3 057	943	-
Ecuador	2 850	2 850	361	2 489	-
Egypt	3 380	3 380	668	2 712	-
El Salvador	3 560	-	-	-	3 560
Ethiopia	7 870	7 870	2 609	5 261	-
Gambia (The)	3 570	3 570	3 221	349	-
Ghana	6 500	6 500	2 776	3 724	-
Kenya	7 100	7 100	1 956	5 144	-
Kyrgyzstan	6 500	6 500	6 496	4	-
Lao People's Democratic Republic	3 550	3 550	3 091	459	-
Lesotho	4 610	4 610	2 252	2 358	-
Liberia	3 280	3 280	525	2 755	-
Madagascar	4 200	4 200	1 469	2 731	-
Malawi	5 150	5 150	433	4 717	-
Mali	6 498	6 498	6 498	-	-
Mauritania	4 300	4 300	502	3 798	-
Morocco	1 295	1 295	286	1 009	-
Mozambique	3 260	3 260	3 250	10	-
Nepal	9 710	9 710	5 023	4 687	-
Nicaragua	5 310	5 310	4 363	947	-
Niger (the)	9 250	9 250	6 551	2 699	-
Nigeria	9 800	9 800	3 446	6 354	-
Paraguay	3 650	3 650	363	3 287	-
Rwanda	4 510	4 510	4 509	1	-
Sudan (the)	6 880	6 880	3 630	3 250	-
Tajikistan	3 600	3 600	2 160	1 440	-
Uganda	6 770	6 770	3 629	3 141	-
United Republic of Tanzania	-	-	-	-	-
Viet Nam	7 820	7 820	4 680	3 140	-
Yemen	-	-	-	-	-
Total SDR	197 033	193 473	107 940	85 533	3 560
US\$ equivalent	273 108	268 173	149 616	118 557	4 935
Total grants in US\$	282 218	275 283	152 570	122 714	6 935

Table 3
Summary of grants under the Adaptation for Smallholder Agriculture Programme (ASAP2) Trust Fund
 (Thousands of USD)

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2019</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2019</i>
US\$ grants					
Kenya	290	290	261	29	-
Somalia	68	68	68	-	-
Climate Policy Initiative	800	800	720	80	-
World Food Programme	1 187	1 187	1 187	-	-
Total ASAP2 grants in US\$	2 345	2 345	2 236	109	-

Management and external auditor's reports



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 2019**. 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 2019, and is not aware of any material control weakness that could affect the reliability of the 2019 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
Controller and Director

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 2019, the consolidated and IFAD-only statements of comprehensive income and of 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, 2019, 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 2019" 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 2019" 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.

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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.

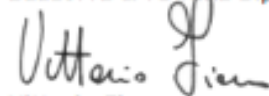
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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
Partner

Rome, March 10, 2020

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, 2019, 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 Organizations 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, 2019.

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 assessment that IFAD as at December 31, 2019 maintained effective internal controls over financial reporting, included within the Consolidated financial statements of IFAD as of December 31, 2019, 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

Partner

Rome, March 10, 2020

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

As at 31 December 2019 and 2018

Assets	Note/ appendix	Thousands of US\$		Thousands of SDR	
		2019	2018	2019	2018
Cash on hand and in banks	4	162 342	56 258	117 121	40 458
Investments	4	841 578	983 011	607 157	706 933
Contribution and promissory notes receivables					
Contributors' promissory notes	5	188 869	134 663	136 260	96 843
Contributions receivable	5	615 604	907 335	444 127	652 510
Less: provisions and qualified instruments of contribution		(194 348)	(189 095)	(140 213)	(135 988)
Net contribution and promissory notes receivables		610 125	852 903	440 174	613 365
Other receivables		169 979	196 258	122 631	141 139
Fixed and intangible assets	8(a)	15 562	15 379	11 228	11 060
Right-of-use assets	8(b)	98 611	-	71 143	-
Loans outstanding					
Loans outstanding	9(a)	7 613 808	7 312 855	5 492 982	5 259 040
Less: accumulated allowance for loan impairment losses	9(b)	(103 447)	(119 276)	(74 632)	(85 777)
Less: accumulated allowance for the HIPC Initiative	11(b)/J	(8 989)	(11 375)	(6 485)	(8 181)
Net loans outstanding		7 501 372	7 182 204	5 411 864	5 165 082
Total assets		9 399 569	9 286 013	6 781 319	6 678 037

Liabilities and equity	Note/ appendix	Thousands of US\$		Thousands of SDR	
		2019	2018	2019	2018
Liabilities					
Payables and liabilities		229 110	198 615	165 291	142 834
Undisbursed grants	14	123 619	101 253	89 185	72 816
Deferred revenues		80 396	87 411	58 002	62 863
Lease liabilities	8(b)	98 563	-	71 108	-
Borrowing liabilities	15	741 573	571 604	535 007	411 069
Total liabilities		1 273 261	958 883	918 593	689 582
Equity					
Contributions					
Regular		9 052 464	8 917 996	8 393 546	8 242 573
Special		20 349	20 349	15 219	15 219
Total contributions	H	9 072 813	8 938 345	8 408 765	8 257 792
Retained earnings					
General Reserve		95 000	95 000	68 538	68 319
Accumulated deficit		(1 041 505)	(706 215)	(2 614 577)	(2 337 656)
Retained earnings		(946 505)	(611 215)	(2 546 039)	(2 269 337)
Total equity		8 126 308	8 237 130	5 862 725	5 988 455
Total liabilities and equity		9 399 569	9 286 013	6 781 319	6 678 037

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 on the accounts and is based on nominal values.

Statements of contributions

Table 1

Summary of contributions

(Thousands of United States dollars)

	2019	2018
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	963 550	963 050
Ninth Replenishment	982 492	981 846
Tenth Replenishment	911 513	910 083
Eleventh Replenishment	894 601	751 467
Total IFAD	8 931 508	8 785 798
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	9 303 089	9 157 379
Complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Initiative	19 679	19 679
ASAP complementary contributions	310 645	310 645
Unrestricted complementary contributions – Tenth Replenishment	60 603	60 482
Unrestricted complementary contributions – Eleventh Replenishment	46 535	35 722
Other complementary contributions	58 798	58 798
Total complementary contributions	576 262	565 328
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	482 486	469 842
APO funds	56 026	53 041
Other supplementary funds	1 208 494	1 104 168
GEF	172 578	167 664
ASAP supplementary funds	21 141	19 675
Total supplementary contributions	1 940 725	1 814 390
Total contributions	12 151 375	11 868 396
Total contributions include the following:		
Total replenishment contributions (as above)	9 303 089	9 157 379
Less provisions	(121 798)	(121 630)
Less qualified instruments of contribution	(72 551)	(67 465)
Less DSF compensation	(35 927)	(29 939)
Total net replenishment contributions	9 072 813	8 938 245
Less fair value adjustment	(11 932)	(24 821)
Total replenishment contributions at fair value	9 060 881	8 913 524

^a Including Iceland's special contribution prior to membership and US\$20 million from the OPEC Fund for International Development.

^b Includes interest earned according to each underlying agreement.

Table 2

Replenishments through to IFAD10: Statement of Members' contributions ^a

(As at 31 December 2019)

<i>Member State</i>	<i>Replenishments through to IFAD10 (thousands of US\$ equivalent)</i>	<i>IFAD11</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US\$ equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
Afghanistan							
Albania	60						
Algeria	82 430						
Angola	5 838	US\$	3 958	3 958	3 958	-	3 958
Argentina	27 400						
Armenia	65	US\$	5	5	5	-	5
Australia ^a	37 248						
Austria	108 407	EUR	16 000	17 940	5 968		5 968
Azerbaijan	300						
Bangladesh	6 606	US\$	1 500	1 500	375	1 125	1 500
Barbados	10						
Belgium	149 695						
Belize	205						
Benin	579	US\$	3	3	3		3
Bhutan	225	US\$	10	10	10		10
Bolivia (Plurinational State of)	1 500						
Bosnia and Herzegovina	274						
Botswana	785	US\$	45	45	45		45
Brazil ^b	98 696	US\$	6 000	6 000	2 947		2 947
Burkina Faso	609	US\$	125	125	42		42
Burundi	110	US\$	20	20	20		20
Cambodia	1 365						
Cameroon	4 169						
Canada	407 549	CAD	75 000	58 084	19 496		19 496
Cabo Verde	46	US\$	23	23	23		23
Central African Republic	13						
Chad	391						
Chile	860						
China (PRC)	165 839	CNY	546 507	79 532	26 921		26 921
Colombia	1 040						
Comoros ^c	31						
Congo	818						
Democratic Republic of the Congo	1 870	-	-	-	-	-	-
Cook Islands	5						
Côte d'Ivoire	1 635	US\$	100	100	100		100
Cuba	57						
Cyprus	372	US\$	60	60	20		20
Denmark	152 614						
Djibouti	37						
Dominica	51						
Dominican Republic	1 074						
Timor-Leste	100	-	-	-	-	-	-
Ecuador	1 241						
Egypt	26 409	US\$	3 000	3 000	3 000		3 000
El Salvador	100	US\$	100	100	100		100
Eritrea	100	US\$	40	40	40		40
Estonia	59						
Eswatini ^f	313	US\$	25	25	25		25
Ethiopia	331	US\$	40	40	40		40
Fiji	375						
Finland	86 415	EUR	30 598	34 577	24 901		24 901

Replenishments through to IFAD10: Statement of Members' contributions ^a (continued)

(As at 31 December 2019)

<i>Member State</i>	<i>Replenishments through to IFAD10 (thousands of US\$ equivalent)</i>	<i>IFAD11</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US\$ equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
France	369 543	US\$	70 073	70 073	39 006		39 006
Gabon	3 837						
Gambia (The)	120						
Georgia	30						
Germany	521 842	EUR	63 206	70 615	20 951		20 951
Ghana	2 966						
Greece	4 245						
Grenada	75						
Guatemala	1 543						
Guinea	575	US\$	100	100	100		100
Guinea-Bissau	30						
Guyana	2 555	US\$	475	475	475		475
Haiti	197						
Honduras	801						
Hungary	100						
Iceland	375						
India	172 497	US\$	44 115	44 115	28 372		28 372
Indonesia	71 959	US\$	10 000	10 000	3 000		3 000
Iran (Islamic Republic of) ^d	128 750						
Iraq	56 599						
Ireland ^d	38 095	EUR	7 500	8 397	2 784		2 784
Israel	471	US\$	10	10	10		10
Italy	486 388	EUR	58 000	65 148	7 563		7 563
Jamaica	326						
Japan ^b	541 675	JPY	6 377 966	58 688		58 688	58 688
Jordan	1 140						
Kazakhstan	50	US\$	20	20	20		20
Kenya	5 690	US\$	400	400	400		400
Kiribati	26						
Democratic People's Republic of Korea	800	-	-	-	-	-	-
Republic of Korea	34 139	US\$	12 000	12 000	2 902		2 902
Kuwait	203 041	US\$	15 472	15 472	4 972	10 500	15 472
Lao People's Democratic Republic	418	US\$	61	61	61		61
Lebanon	495						
Lesotho	689	US\$	115	115	115		115
Liberia	121						
Libya ^c	52 000						
Luxembourg	9 694	US\$	886	886	886		886
Madagascar	674	US\$	102	102	102		102
Malawi	123						
Malaysia	1 175						
Maldives	101						
Mali	506	US\$	132	132	132		132
Malta	55						
Mauritania	184						
Mauritius	285						
Mexico	43 131						
Micronesia (Federated States of)	1	US\$	1	1	1		1
Republic of Moldova	105						
Mongolia	108						
Morocco	8 744	US\$	800	800	400	400	800

Replenishments through to IFAD10: Statement of Members' contributions ^a (continued)

(As at 31 December 2019)

<i>Member State</i>	<i>Replenishments through to IFAD10 (thousands of US\$ equivalent)</i>	<i>IFAD11</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US\$ equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
Mozambique	655						
Myanmar	260	US\$	6	6	6		6
Namibia	360						
Nepal	345	US\$	74	74	74		74
Netherlands	494 877	US\$	77 953	77 953	27 953		27 953
New Zealand	14 720	NZD	4 500	3 014	990		990
Nicaragua	469	US\$	50	50	50		50
Niger (the)	376	XAF	100	171	171		171
Nigeria	131 957						
Norway	303 216	NOK	360 000	41 119	13 807		13 807
Oman	350						
Pakistan	38 934						
Panama	249	US\$	200	200	200		200
Papua New Guinea	170						
Paraguay	1 556	US\$	200	200			
Peru	1 995	US\$	375	375	375		375
Philippines (the)	2 378						
Portugal	4 384						
Qatar	39 980						
Romania	250	US\$	100	100	100		100
Russian Federation	12 000	US\$	9 000	9 000	3 000		3 000
Rwanda	321	US\$	100	100	100		100
Saint Kitts and Nevis	20						
Saint Lucia	22						
Samoa	50	US\$	10	10	10		10
Sao Tome and Principe ^c	10						
Saudi Arabia	455 778						
Senegal	797						
Seychelles	135	US\$	65	65	65		65
Sierra Leone	37						
Solomon Islands	10						
Somalia	10						
South Africa	1 913						
Southern Sudan	10						
Spain	101 801	EUR	476	526	526		526
Sri Lanka	10 888	US\$	1 001	1 001	335		335
Sudan (the)	1 609	EUR	203	250	250		250
Sweden	352 332	SEK	500 000	53 639	16 250	37 389	53 639
Switzerland	216 962	CHF	41 019	41 903	14 021		14 021
Syrian Arab Republic	1 817						
Tajikistan	3	US\$	1	1	1		1
Tanzania, United Republic	686						
Thailand	1 800						
Togo	167	US\$	100	100	100		100
Tonga	55						
Tunisia	5 528	US\$	1 000	1 000	302		302
Turkey	23 636	US\$	5 000	5 000	1 000		1 000
Uganda	530	US\$	193	193	193		193
United Arab Emirates	57 180	US\$	3 000	3 000	1 000		1 000
United Kingdom	427 956	GBR	66 000	61 984		30 993	30 993
United States	971 674	US\$	30 000	30 000	30 000		30 000
Uruguay	925	US\$	200	200	200		200
Uzbekistan	40						
Venezuela	196 258						

Replenishments through to IFAD10: Statement of Members' contributions ^a (continued)
 (As at 31 December 2019)

<i>Member State</i>	<i>Replenishments through to IFAD10 (thousands of US\$ equivalent)</i>	<i>IFAD11</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US\$ equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US\$ equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
Viet Nam	3 303	US\$	600	600			
Yemen	4 348						
Yugoslavia	108						
Zambia ^e	894						
Zimbabwe	2 403						
Total contributions 31 December 2019	8 036 907			894 601	311 370	139 095	450 465
For 2018	8 034 331			751 467	25 306	30 566	55 872

^a Australia's withdrawal from membership of IFAD became effective on 31 July 2007.

^b See note 5(a).

^c See notes 6(a) and (b).

^d In addition to its pledge to the Eighth Replenishment of EUR 6 million, Ireland made a further contribution of EUR 891,000.

^e 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, the contribution from Zambia (US\$148) does not appear above.

^f The country name changed to Eswatini effective 19 April 2018.

Table 3
SPA: Statement of contributions
(As at 31 December 2019)

Donor	Currency	First phase		Second phase		Total
		Instruments deposited		Instruments deposited		
		Amount	Thousands of US\$ equivalent	Amount	Thousands of US\$ equivalent	
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 (the)	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 2019			288 868		62 364	351 232
31 December 2018			288 868		62 364	351 232

Table 4
Statement of Members' contributions received in 2019
 As at 31 December 2019
 (Thousands of United States dollars)

<i>Member State</i>	<i>Instruments deposited^{a,b}</i>	<i>Promissory note deposit^b</i>	<i>Payments</i>	
			<i>Cash</i>	<i>Promissory note encashment</i>
Initial contribution				
Iraq			1 707	
Initial contribution total			1 707	
IFAD8				
Iraq			500	
Total IFAD8			500	
IFAD9				
Cameroon			646	
Total IFAD9			646	
IFAD10				
Benin			150	
Brazil			3 000	
Cameroon			459	
Fiji			25	
Japan				13 227
Mongolia			76	
Pakistan			2 192	
Saudi Arabia				5 000
Spain			137	
Tunisia			5	
United Kingdom		24 803		25 056
United States				36 000
Uzbekistan			5	
Total IFAD10		24 803	6 049	79 283
IFAD11				
Angola			2 000	
Armenia			5	
Austria	18 158		5 967	
Bangladesh				375
Benin			3	
Bhutan			10	
Brazil			947	
Burkina Faso			42	
China			26 921	
Cyprus			20	
Egypt		3 000		3 000
El Salvador			100	
Eswatini ^c			25	
Finland	27 960		24 901	
France	23 818		39 006	
Germany		21 539		20 951
Guyana			238	
Guyana				
India	4 115		28 372	
Indonesia			3 000	
Ireland	8 316		2 784	
Italy			7 563	
Japan		30 150		
Kazakhstan			10	
Republic of Korea			2 902	
Kuwait		15 472		4 973
Lesotho			115	
Luxembourg	891		885	
Micronesia (Federated States of)			1	

Appendix H

Morocco		800		400
Myanmar			1	
Netherlands			27 952	
New Zealand	2 968		990	
Nicaragua			50	
Niger			171	
Norway			13 807	
Panama			200	
Paraguay	200			
Peru	375		375	
Romania			50	
Russian Federation			3 000	
Rwanda			100	
Samoa			10	
Seychelles			65	
Spain			526	
Sri Lanka			334	
Sweden		55 221		16 250
Switzerland			14 021	
Tajikistan			1	
Tunisia			302	
Turkey	5 000		1 000	
Uganda			143	
United Kingdom		30 496		
United Arab Emirates			1 000	
United States			30 000	
Uruguay			200	
Vietnam	600			
Total IFAD11	92 401	156 678	240 115	45 949
Grand total	92 401	181 481	249 017	125 232

^a Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.

^b Instruments deposited and promissory note deposits received in currencies other than United States dollars are translated at the date of receipt.

^c The country name changed to Eswatini effective 19 April 2018.

Statement of loans

Table 1

Statement of outstanding loans

(As at 31 December 2019 and 2018)

(Amounts expressed in thousands)

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
US\$ loans					
Angola	33 800	5 795	28 005	-	5 795
Argentina	12 300	2 500	9 800	-	2 500
Bangladesh	178 350	41 535	136 815	23 250	18 285
Belize	8 000	1 400	6 600	-	1 400
Bhutan	10 281	-	10 281	-	-
Brazil	20 000	-	20 000	-	-
Burkina Faso	19 000	3 266	15 734	-	3 266
Cabo Verde	2 003	2 003	-	1 552	451
Cambodia	111 546	10 816	100 730	-	10 816
Cameroon	1 100	1 100	-	-	1 100
Central African Republic	2 520	-	2 520	-	-
China	151 500	13 488	138 012	-	13 488
Côte d'Ivoire	36 889	2 374	34 515	-	2 374
Democratic Republic of the Congo	26 640	-	26 640	-	-
Djibouti	5 770	4 683	1 087	-	4 683
Dominican Republic	21 680	-	21 680	-	-
Ecuador	35 660	3 500	32 160	-	3 500
Gambia (The)	4 255	-	4 255	-	-
Ghana	11 500	-	11 500	-	-
Grenada	6 400	1 403	4 997	-	1 403
Guinea	15 450	1 000	14 450	-	1 000
Guinea-Bissau	13 990	900	13 090	-	900
Guyana	7 960	917	7 043	-	917
Haiti	3 500	3 500	-	2 756	744
Honduras	16 330	-	16 330	-	-
India	151 050	20 068	130 982	-	20 068
Indonesia	95 185	3 000	92 185	-	3 000
Iraq	15 730	200	15 530	-	200
Jordan	8 400	1 225	7 175	-	1 225
Kenya	40 000	2 000	38 000	-	2 000
Lebanon	4 900	-	4 900	-	-
Liberia	35 303	-	35 303	-	-
Malawi	21 000	3 663	17 337	-	3 663
Mexico	35 369	4 617	30 752	-	4 617
Mozambique	17 000	-	17 000	-	-
Myanmar	8 984	1 500	7 484	-	1 500
Nepal	11 538	11 538	-	8 947	2 591
Nicaragua	20 504	6 164	14 340	-	6 164
Nigeria	139 100	6 000	133 100	-	6 000
Pakistan	144 100	24 287	119 813	-	24 287
Papua New Guinea	25 500	1 500	24 000	-	1 500
Paraguay	10 000	500	9 500	-	500
Peru	24 000	-	24 000	-	-
Philippines	73 234	9 409	63 825	-	9 409
Republic of Moldova	18 200	3 200	15 000	-	3 200
Sierra Leone	31 200	1 500	29 700	-	1 500
Sri Lanka	108 100	22 831	85 269	9 600	13 231
Eswatini ^d	8 950	400	8 550	-	400
Tajikistan	15 330	-	15 330	-	-
Tonga	900	-	900	-	-
Turkey	8 200	-	8 200	-	-
Uganda	75 820	5 700	70 120	-	5 700
United Republic of Tanzania	9 488	9 488	-	7 472	2 016
Uzbekistan	92 400	3 000	89 400	-	3 000
Viet Nam	42 500	975	41 525	-	975
Zambia	6 700	5 337	1 363	-	5 337
Subtotal US\$ ^a	2 055 109	248 282	1 806 827	53 577	194 705
EUR loans					
Angola	26 200	-	26 200	-	-
Argentina	22 680	3 000	19 680	-	3 000
Bangladesh	71 850	-	71 850	-	-
Benin	13 320	897	12 423	-	897
Bosnia and Herzegovina	22 907	3 606	19 301	-	3 606
Burkina Faso	59 620	445	59 175	-	445

Appendix I

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Chad	5 340	-	5 340	-	-
China	73 100	53 816	19 284	-	53 816
Cuba	24 100	2 548	21 552	-	2 548
Ecuador	14 250	1 772	12 478	-	1 772
Egypt	160 890	9 941	150 949	3 350	6 591
El Salvador	10 850	-	10 850	-	-
Fiji	3 100	1 050	2 050	-	1 050
Gabon	5 431	-	5 431	-	-
Georgia	16 000	-	16 000	-	-
Indonesia	167 800	8 994	158 806	-	8 994
Kenya	35 900	-	35 900	-	-
Lesotho	4 510	-	4 510	-	-
Mali	19 100	-	19 100	-	-
Mexico	1 297	1 297	-	-	1 297
Montenegro	3 880	1 893	1 987	-	1 893
Morocco	72 465	1 500	70 965	-	1 500
Niger	62 070	658	61 412	-	658
Paraguay	15 800	1 365	14 435	-	1 365
Philippines	50 110	25 666	24 444	2 581	23 086
Senegal	86 355	3 000	83 355	-	3 000
Sudan	11 300	-	11 300	-	-
Eswatini ^d	8 550	3 398	5 152	-	3 398
Togo	3 300	457	2 843	-	457
Tunisia	42 350	2 437	39 913	-	2 437
Turkey	51 100	3 360	47 740	-	3 360
Subtotal EUR	1 165 525	131 100	1 034 425	5 931	125 170
US\$ equivalent	1 308 302	147 160	1 161 142	6 658	140 503
SDR loans ^a					
Albania	34 462	34 462	-	12 429	22 033
Angola	24 400	20 278	4 123	5 464	14 814
Argentina	31 269	30 190	1 079	20 840	9 350
Armenia	60 942	58 629	2 313	12 149	46 480
Azerbaijan	44 905	44 193	713	6 961	37 232
Bangladesh	441 929	421 120	20 809	113 413	307 707
Belize	1 847	1 847	-	1 040	807
Benin	99 817	80 413	19 404	32 139	48 274
Bhutan	38 492	36 258	2 234	10 169	26 089
Bolivia (Plurinational State of)	72 570	63 769	8 801	20 659	43 110
Bosnia and Herzegovina	46 396	45 686	710	12 407	33 279
Botswana	842	842	-	547	295
Brazil	110 037	101 688	8 348	31 153	70 535
Burkina Faso	86 079	78 733	7 346	24 341	54 392
Burundi	40 859	40 859	-	18 463	22 396
Cabo Verde	24 691	19 073	5 618	4 558	14 515
Cambodia	62 365	53 049	9 316	7 521	45 528
Cameroon	119 000	65 521	53 479	12 104	53 417
Central African Republic	26 494	26 244	251	12 476	13 768
Chad	18 138	18 138	-	3 503	14 635
China	516 601	515 802	799	165 508	350 294
Colombia	32 024	23 872	8 152	10 087	13 785
Comoros	5 292	4 747	545	2 206	2 541
Congo	23 092	18 613	4 479	1 721	16 892
Côte d'Ivoire	27 645	20 029	7 616	6 353	13 676
Cuba	6 850	6 290	560	913	5 377
Democratic People's Republic of Korea	50 496	50 496	-	10 539	39 957
Democratic Republic of the Congo	50 370	40 102	10 267	15 989	24 113
Djibouti	7 146	6 854	292	1 788	5 066
Dominica	1 146	1 146	-	834	312
Dominican Republic	18 518	17 945	573	5 287	12 658
Ecuador	28 022	26 260	1 762	7 136	19 124
Egypt	197 593	185 340	12 253	78 136	107 204
El Salvador	45 541	45 418	123	15 196	30 222
Equatorial Guinea	5 794	5 794	-	4 993	801
Eritrea	23 892	23 892	-	6 933	16 959
Ethiopia	416 568	314 179	102 388	54 494	259 685
Gabon	3 800	3 529	271	2 153	1 376
Gambia (The)	34 188	33 901	286	11 790	22 111
Georgia	30 678	29 596	1 082	5 779	23 817
Ghana	182 125	139 652	42 473	35 701	103 951
Grenada	4 102	4 102	-	2 885	1 217
Guatemala	34 102	26 884	7 218	23 542	3 342
Guinea	64 160	64 160	-	27 582	36 578
Guinea-Bissau	8 487	8 446	41	3 465	4 981

Appendix I

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Guyana	8 522	8 522	-	3 040	5 482
Haiti	58 463	58 463	-	24 391	34 072
Honduras	87 924	78 634	9 290	25 602	53 032
India	616 739	521 284	95 455	183 212	338 072
Indonesia ^b	160 774	157 154	3 620	40 826	116 328
Jordan	14 432	11 755	2 677	5 148	6 607
Kenya	173 748	138 330	35 419	19 964	118 366
Kyrgyzstan	30 187	20 710	9 477	2 977	17 733
Lao People's Democratic Republic	65 263	50 089	15 174	17 390	32 699
Lebanon	2 600	2 406	194	867	1 539
Lesotho	30 606	28 839	1 767	9 014	19 825
Liberia	28 999	17 390	11 608	2 412	14 978
Madagascar ^b	198 854	150 585	48 270	32 925	117 660
Malawi ^b	140 330	84 781	55 549	31 079	53 702
Maldives	10 793	10 793	-	3 687	7 106
Mali	137 964	122 360	15 604	32 981	89 379
Mauritania	49 906	49 371	535	15 958	33 413
Mauritius	1 205	1 205	-	905	300
Mexico	35 484	29 412	6 072	17 001	12 411
Mongolia	27 169	22 835	4 334	3 678	19 157
Morocco	66 528	50 034	16 495	29 235	20 799
Mozambique	144 058	137 481	6 577	36 803	100 678
Myanmar	52 550	9 061	43 489	-	9 061
Nepal	132 490	93 643	38 847	35 551	58 092
Nicaragua	49 535	48 910	625	12 387	36 523
Niger	90 970	73 698	17 272	13 993	59 705
Nigeria	221 422	159 815	61 606	20 967	138 848
Pakistan	281 603	251 280	30 323	77 163	174 117
Papua New Guinea	23 450	20 030	3 420	356	19 674
Paraguay	16 318	16 298	20	3 048	13 250
Peru	59 271	50 317	8 953	15 463	34 854
Philippines	83 100	75 579	7 521	21 021	54 558
Republic of Moldova	55 717	52 791	2 925	5 587	47 204
Rwanda ^b	179 197	133 947	45 250	31 090	102 857
Samoa	1 908	1 908	-	1 055	853
Sao Tome and Principe	13 747	13 747	-	5 451	8 296
Senegal	118 104	106 908	11 196	20 859	86 049
Seychelles	1 980	1 912	68	495	1 417
Sierra Leone	45 736	45 736	-	15 306	30 430
Solomon Islands	4 069	4 058	11	1 501	2 557
Somalia	17 710	17 710	-	411	17 299
Sri Lanka	156 846	146 782	10 064	38 980	107 802
Sudan	145 605	145 428	177	60 999	84 429
Eswatini ^d	14 428	14 428	-	11 179	3 249
Syrian Arab Republic	28 754	12 214	16 541	3 611	8 603
Tajikistan	6 200	4 389	1 811	-	4 389
North Macedonia ^e	11 721	11 721	-	4 351	7 370
Togo	24 583	19 924	4 659	10 023	9 901
Tonga	5 927	5 264	663	2 432	2 832
Tunisia	47 847	40 748	7 098	23 415	17 333
Turkey	52 360	50 867	1 493	25 787	25 080
Uganda	322 734	223 672	99 062	50 369	173 303
United Republic of Tanzania	226 053	224 984	1 069	39 425	185 559
Uruguay	2 610	2 143	467	260	1 883
Uzbekistan	23 190	16 286	6 904	-	16 286
Venezuela (Bolivarian Republic of)	10 450	10 450	-	8 845	1 605
Viet Nam	216 661	212 231	4 430	28 156	184 075
Yemen	138 389	138 389	-	48 916	89 473
Zambia	134 999	119 708	15 291	31 811	87 897
Zimbabwe	26 511	26 511	-	18 544	7 967
Subtotal SDR	8 339 059	7 213 961	1 125 096	2 091 248	5 122 713
IFAD Fund for Gaza and the West Bank ^c	2 513	2 513	-	1 033	1 480
Total SDR	8 341 572	7 216 474	1 125 096	2 092 281	5 124 193
US\$ equivalent	11 562 231	10 002 738	1 559 494	2 900 106	7 102 632
Total loans 31 December 2019					
US\$ at nominal value	14 925 642	10 398 180	4 527 463	2 960 341	7 437 839
Other receivables					19 940
Fair value adjustment					(1 220 697)
31 December 2019 US\$ at fair value					6 237 082

Appendix I

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Total loans 31 December 2018 US\$ at nominal value	13 801 588	9 881 893	3 919 695	2 753 279	7 128 614
Other receivables					19 084
Fair value adjustment					(1 206 782)
December 2018 US\$ at fair value	13 801 588	9 881 893	3 919 695	2 753 279	5 940 916

^a Loans denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Loans in SDR and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDR has been valued at the US\$/SDR rate of 1.3861 at 31 December 2019. Loans denominated in EUR have been valued at the US\$/EUR rate of 0.8908685 at 31 December 2019.

^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 IFAD Fund for Gaza and West Bank is included in the above balance. See note 2(h)(ii).

^d The country name changed to Eswatini effective 19 April 2018.

^e The country name changed to North Macedonia effective 14 February 2019.

Table 2
Summary of loans approved at nominal value by year
 (As at 31 December 2019)

Year		Approved loans in thousands of SDR			Value in thousands of US\$			Exchange rate movement SDR/US\$	As at 31 December 2019
		As at 1 January 2019	Loans cancelled	Loans fully repaid	As at 31 December 2019	As at 1 January 2019	Loans cancelled		
1978	US\$	68 530	-	-	68 530	68 530	-	-	68 530
2016	US\$	255 027	-	-	255 027	255 027	-	-	255 027
2017	US\$	683 263	(31 000)	-	652 263	683 263	(31 000)	-	652 263
2018	US\$	692 837	-	-	692 837	692 837	-	-	692 837
2019	US\$	-	-	-	386 451	-	-	-	386 451
1979	SDR	201 485	-	-	201 485	280 170	-	(893)	279 277
1980	SDR	176 647	-	-	176 647	245 633	-	(783)	244 850
1981	SDR	182 246	-	-	182 246	253 419	-	(808)	252 611
1982	SDR	103 109	-	-	103 109	143 376	-	(457)	142 919
1983	SDR	132 091	-	-	132 091	183 676	-	(585)	183 090
1984	SDR	131 907	-	-	131 907	183 420	-	(585)	182 836
1985	SDR	60 332	-	-	60 332	83 893	-	(267)	83 626
1986	SDR	23 663	-	-	23 663	32 904	-	(105)	32 799
1987	SDR	60 074	-	-	60 074	83 535	-	(266)	83 269
1988	SDR	52 100	-	-	52 100	72 447	-	(231)	72 216
1989	SDR	86 206	-	-	86 206	119 872	-	(382)	119 490
1990	SDR	40 064	-	-	40 064	55 710	-	(178)	55 533
1991	SDR	98 025	-	-	98 025	136 307	-	(435)	135 873
1992	SDR	79 888	-	-	79 888	111 086	-	(354)	110 732
1993	SDR	122 240	-	-	122 240	169 979	-	(542)	169 437
1994	SDR	122 598	-	-	122 598	170 476	-	(543)	169 932
1995	SDR	149 100	-	-	149 100	207 327	-	(661)	206 666
1996	SDR	178 369	-	-	178 369	248 028	-	(791)	247 237
1997	SDR	219 073	-	-	219 073	304 627	-	(971)	303 656
1998	SDR	211 952	-	(8 744)	203 208	294 726	(12 063)	(996)	281 666
1999	SDR	275 119	-	(24 270)	250 849	382 561	(33 483)	(1 377)	347 701
2000	SDR	260 319	-	(10 292)	250 027	361 981	(14 199)	(1 221)	346 562
2001	SDR	247 504	-	-	247 504	344 162	-	(1 097)	343 065
2002	SDR	228 239	-	-	228 239	317 373	-	(1 012)	316 361
2003	SDR	223 470	-	-	223 470	310 741	-	(991)	309 751
2004	SDR	250 899	-	-	250 899	348 883	-	(1 112)	347 771
2005	SDR	306 712	(195)	-	306 516	426 492	(270)	(1 360)	424 862
2006	SDR	310 125	-	-	310 125	431 238	-	(1 375)	429 864
2007	SDR	256 746	(1 467)	-	255 279	357 013	(2 029)	(1 143)	353 841
2008	SDR	257 376	(1 495)	-	255 881	357 889	(2 067)	(1 146)	354 676
2009	SDR	274 324	(3 123)	-	271 200	381 455	(4 319)	(1 226)	375 910
2010	SDR	416 272	(3 274)	-	412 998	578 839	(4 527)	(1 856)	572 456
2011	SDR	452 759	(2)	-	452 757	629 575	(3)	(2 007)	627 565
2012	SDR	399 190	(810)	-	398 379	555 085	(1 120)	(1 772)	552 193
2013	SDR	326 945	(103)	-	326 842	454 627	(142)	(1 450)	453 035
2014	SDR	337 626	(1 997)	(13 988)	321 641	469 479	(2 761)	(1 594)	445 826
2015	SDR	480 658	(464)	-	480 194	668 370	(642)	(2 132)	665 596
2016	SDR	188 840	-	-	188 840	262 588	-	(837)	261 751
2017	SDR	216 630	-	-	216 630	301 231	-	(960)	300 270
2018	SDR	26 090	-	-	26 090	36 279	-	(116)	36 163
2019	SDR	-	-	-	244 788	-	-	339 300	339 300
2014	EUR	84 600	-	-	84 600	96 710	-	(1 747)	94 964
2015	EUR	262 927	-	-	262 927	300 565	-	(5 429)	295 136
2016	EUR	95 790	-	-	95 790	109 502	-	(1 978)	107 524
2017	EUR	92 230	-	-	92 230	105 433	-	(1 905)	103 528
2018	EUR	116 558	-	-	116 558	133 243	-	(2 407)	130 836
2019	EUR	-	(445)	-	513 420	-	(498)	576 812	576 314
Total US\$		1 699 657	(31 000)	-	2 055 109	1 699 658	(31 000)	-	2 055 109
Total SDR		8 167 012	(12 931)	(57 294)	8 341 572	11 356 477	(17 882)	(79 042)	11 562 230
Total EUR		652 105	(445)	-	1 165 525	745 454	(498)	563 346	1 308 302
Totals		10 518 774	(44 376)	(57 294)	11 562 209	13 801 588	(49 379)	(79 042)	14 925 642

Table 3

Maturity structure of outstanding loans by period at nominal value

(As at 31 December 2019 and 2018)

(Thousands of United States dollars)

<i>Period due</i>	<i>2019</i>	<i>2018</i>
Less than 1 year	400 218	368 885
1-2 years	343 006	327 232
2-3 years	375 186	342 275
3-4 years	386 582	361 500
4-5 years	401 349	361 824
5-10 years	1 865 147	1 763 813
10-15 years	1 452 030	1 404 569
15-20 years	1 070 644	1 061 603
20-25 years	707 547	721 330
More than 25 years	436 130	415 560
Total	7 437 839	7 128 611

Table 4

Summary of outstanding loans by lending type at nominal value

(As at 31 December 2019 and 2018)

(Thousands of United States dollars)

<i>Lending type</i>	<i>2019</i>	<i>2018</i>
Highly concessional terms	6 258 098	6 110 983
Hardened terms	41 019	37 590
Intermediate terms	226 438	241 735
Ordinary terms	712 207	637 472
Blended terms	200 077	100 831
Total	7 437 839	7 128 611

Table 5

Disbursement structure of undisbursed loans at nominal value

(Projected as at 31 December 2019 and 2018)

(Thousands of United States dollars)

<i>Disbursements in:</i>	<i>2019</i>	<i>2018</i>
Less than 1 year	759 615	528 175
1-2 years	777 312	567 237
2-3 years	765 408	584 460
3-4 years	692 232	537 594
4-5 years	548 522	480 946
5-10 years	984 374	1 219 283
Total	4 527 463	3 919 695

Special Programme for sub-Saharan African Countries Affected by Drought and Desertification

Table 1
Statement of loans at nominal value
 (As at 31 December 2019 and 2018)

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
SDR loans (thousands)					
Angola	2 714	2 714	-	1 287	1 427
Burkina Faso	10 546	10 546	-	5 563	4 983
Burundi	4 494	4 494	-	1 867	2 627
Cabo Verde	2 183	2 183	-	1 063	1 120
Chad	9 617	9 617	-	4 740	4 877
Comoros	2 289	2 289	-	1 146	1 143
Djibouti	114	114	-	58	56
Ethiopia	6 660	6 660	-	3 640	3 020
Gambia (The)	2 638	2 638	-	1 319	1 319
Ghana	22 321	22 321	-	10 739	11 582
Guinea	10 762	10 762	-	5 650	5 112
Guinea-Bissau	2 126	2 126	-	1 223	903
Kenya	12 241	12 241	-	5 519	6 722
Lesotho	7 481	7 481	-	3 646	3 835
Madagascar	1 098	1 098	-	531	567
Malawi	5 777	5 777	-	2 311	3 466
Mali	10 193	10 193	-	5 537	4 656
Mauritania	19 020	19 020	-	9 943	9 077
Mozambique	8 291	8 291	-	4 664	3 627
Niger (the)	11 119	11 119	-	6 051	5 068
Senegal	23 234	23 234	-	11 294	11 940
Sierra Leone	1 505	1 505	-	639	866
Sudan (the)	26 012	26 012	-	12 716	13 296
Uganda	8 124	8 124	-	4 467	3 657
United Republic of Tanzania	6 789	6 789	-	3 394	3 395
Zambia	8 607	8 607	-	4 697	3 910
Total	225 955	225 955	-	113 704	112 251
US\$ equivalent	313 196	313 196	-	157 606	155 590
Other receivables					439
Fair value adjustment					(44 567)
31 December 2019 US\$ at fair value					111 462
31 December 2018 US\$ at nominal value					164 599
Other receivables					558
Fair value adjustment					(48 627)
31 December 2018 US\$ at fair value					116 530

Table 2
Summary of loans by year approved at nominal value
 (As at 31 December 2019)

Year		Approved loans in thousands of SDR			Value in thousands of US\$			
		As at 1 January 2019	Loans cancelled	As at 31 December 2019	As at 1 January 2019	Loans cancelled	Exchange rate movement SDR/US\$	As at 31 December 2019
1986	SDR	24 902	-	24 902	34 627	-	(110)	34 517
1987	SDR	41 292	-	41 292	57 417	-	(183)	57 234
1988	SDR	34 770	-	34 770	48 349	-	(154)	48 195
1989	SDR	25 756	-	25 756	35 814	-	(114)	35 700
1990	SDR	17 370	-	17 370	24 153	-	(77)	24 076
1991	SDR	18 246	-	18 246	25 372	-	(82)	25 290
1992	SDR	6 952	-	6 952	9 667	-	(32)	9 635
1993	SDR	34 268	-	34 268	47 651	-	(153)	47 498
1994	SDR	16 320	-	16 320	22 694	-	(73)	22 621
1995	SDR	6 082	-	6 082	8 457	-	(27)	8 430
Total	SDR	225 958	-	225 958	314 201	-	(1 005)	313 196

Table 3
Maturity structure of outstanding loans by period at nominal value
 (As at 31 December 2019 and 2018)
 (Thousands of United States dollars)

Period due	2019	2018
Less than 1 year	8 144	8 603
1-2 years	8 052	8 078
2-3 years	8 052	8 078
3-4 years	8 052	8 078
4-5 years	8 052	8 078
5-10 years	40 260	40 389
10-15 years	39 956	40 389
15-20 years	28 052	32 468
20-25 years	6 970	10 438
More than 25 years	-	-
Total	155 590	164 599

Table 4
Summary of outstanding loans by lending type at nominal value
 (As at 31 December 2019 and 2018)
 (Thousands of United States dollars)

Lending type	2019	2018
Highly concessional terms	155 590	164 599
Total	155 590	164 599

Table 5
Summary of IFAD and SPA loan balances

IFAD	US\$ thousands	
	2019	2018
Approved loans	14 925 642	13 801 588
Undisbursed balance	(4 527 463)	(3 919 695)
Repayments	(2 960 340)	(2 753 279)
	7 437 839	7 128 614
Interest/principal receivable	19 940	19 084
Loans outstanding at nominal value	7 457 779	7 147 698
Fair value adjustment	(1 220 697)	(1 206 782)
Loans outstanding	6 237 082	5 940 916
SPA	US\$ thousands	
	2019	2018
Approved loans	313 196	314 201
Undisbursed balance	-	-
Repayments	(157 606)	(149 602)
	155 590	164 599
Interest/principal receivable	439	558
Loans outstanding at nominal value	156 029	165 157
Fair value adjustment	(44 567)	(48 627)
Loans outstanding	111 462	116 530
IFAD and SPA	US\$ thousands	
	2019	2018
Approved loans	15 238 838	14 115 789
Undisbursed balance	(4 527 463)	(3 919 695)
Repayments	(3 117 946)	(2 902 881)
	7 593 429	7 293 213
Interest/principal receivable	20 379	19 642
Loans outstanding at nominal value	7 613 808	7 312 855
Fair value adjustment	(1 265 264)	(1 255 409)
Loans outstanding	6 348 544	6 057 446

Statement of grants

(As at 31 December 2019 and 2018)
(Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2019</i>	<i>2019 movements</i>			<i>Exchange rate</i>	<i>Undisbursed as at 31 December 2019</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>		
Grants	101 253	78 393	(54 063)	(1 946)	(18)	123 619
Fair value adjustment						(3 997)
Total 2019 at fair value						119 622
Total 2018	98 049	68 294	(59 849)	(4 624)	(617)	101 253
Fair value adjustment						(9 340)
Total 2018 at fair value						91 913

IFAD-only Debt Sustainability Framework

(As at 31 December 2019 and 2018)

(Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2019</i>	<i>Effective/ (cancellations) 2019</i>	<i>Disbursements 2019</i>	<i>Undisbursed as at 31 December 2019</i>
DSF projects				
denominated in EUR				
Benin	-	13 320	(897)	12 423
Niger	-	5 370	(658)	4 712
Sudan	22 200	-	(3 675)	18 525
Chad	-	27 900	(2 000)	25 900
Togo	-	3 300	(457)	2 843
Grand Total	22 200	49 890	(7 687)	64 403
US\$ equivalent				
	24 920	56 002	(8 629)	72 292
DSF projects				
denominated in US\$				
Burkina Faso	19 000	-	(2 596)	16 404
Burundi	104	-	(104)	-
Central African Republic	-	12 400	(1 326)	11 074
ABC Microfinance	251	-	(95)	156
Guinea	15 250	-	(800)	14 450
Haiti	-	10 859	(1 000)	9 859
Mozambique	-	62 100	(3 000)	59 100
Malawi	20 271	(308)	(2 630)	17 333
Sierra Leone	-	10 400	(1 500)	8 900
Tajikistan	-	15 330	(600)	14 730
Grand Total	54 876	110 781	(13 651)	152 006
SDR DSF				
Afghanistan	50 755	-	(11 238)	39 517
Benin	6 402	-	-	6 402
Burkina Faso	29 476	-	(9 300)	20 176
Burundi	39 559	24 300	(11 651)	52 208
Cambodia	9	(9)	-	-
Central African Republic	198	-	-	198
Chad	4 029	-	(2 520)	1 509
Comoros	673	-	(128)	545
Côte d'Ivoire	9 814	-	(1 385)	8 429
Democratic Republic of the Congo	48 006	-	(18 195)	29 811
Eritrea	16 953	(582)	(2 244)	14 127
Ethiopia	4 734	-	(4 287)	447
Gambia (The)	2 442	-	(2 164)	278
Guinea	7 708	(214)	(5 538)	1 956
Guinea-Bissau	740	-	(699)	41
Haiti	108	-	(107)	1
Kiribati	116	-	(107)	9
Kyrgyzstan	3 597	9 390	(2 962)	10 025
Lao People's Democratic Republic	845	-	(836)	9
Lesotho	2 889	-	(1 126)	1 763
Liberia	37	(58)	21	-
Madagascar	-	22 910	(3 766)	19 144
Malawi	21 976	(1)	(4 698)	17 277
Maldives	418	-	(54)	364
Mali	6 304	15 750	(6 450)	15 604
Mauritania	9 888	-	(1 375)	8 513
Mozambique	7 037	-	(1 216)	5 821
Nepal	19 340	-	(2 370)	16 970
Nicaragua	1 213	-	(588)	625
Niger (the)	23 336	-	(6 107)	17 229
Rwanda	1 699	-	(1 424)	275

Appendix I3

Sao Tome and Principe	164	-	(164)	-
Sierra Leone	291	-	(291)	-
Sudan (the)	14 259	(587)	(4 509)	9 163
Tajikistan	4 218	-	(1 215)	3 003
Togo	6 323	(583)	(1 082)	4 658
Tonga	850	-	(188)	662
Yemen	14 622	-	-	14 622
Zimbabwe	15 859	-	(499)	15 360
Grand Total	376 887	70 316	(110 462)	336 741
SDR at USD Equivalent	522 402	97 465	(153 111)	466 756
2019 Total USD/EUR/SDR	602 198	264 247	(175 391)	691 054
Exchange difference			702	
Total 2019 disbursements			(174 689)	
2018 Total US\$ and SDR DSF	572 493	168 595	(136 762)	604 326

Summary of the Heavily Indebted Poor Countries (HIPC) Initiative

As at 31 December 2019
(Thousands of United States dollars)

Completion point countries	Debt relief provided to 31 December 2019		Debt relief to be provided as approved by the Executive Board			Total debt relief
	Principal	Interest	To be covered by IFAD		To be covered by	
			Principal	Interest	World Bank contribution	
Benin	4 568	1 643				6 211
Bolivia (Plurinational State of)	5 900	1 890				7 790
Burkina Faso	6 789	2 668				9 437
Burundi	11 892	2 757	1 178	173	1 340	17 340
Cameroon	3 074	727				3 801
Comoros	1 309	235	392	47	543	2 526
Central African Republic	9 563	2 935				12 498
Chad	2 378	420	111	17	82	3 008
Congo		99				99
Côte d'Ivoire	1 814	326				2 140
Democratic Republic of the Congo	9 739	2 955	1 771	132	1 344	15 941
Ethiopia	20 569	5 905				26 474
Gambia (The)	2 508	619				3 127
Ghana	15 585	5 003				20 588
Guinea	11 202	2 168	264	42	186	13 862
Guinea-Bissau	3 807	1 128	791	62	452	6 300
Guyana	1 527	299				1 826
Haiti	1 947	634				2 581
Honduras	1 077	767				1 844
Liberia	8 880	6 227	214	23		15 144
Madagascar	7 811	2 095				9 906
Malawi	17 706	4 033	879	137	1 128	23 883
Mali	6 211	2 431				8 642
Mauritania	8 484	2 601				11 085
Mozambique	12 521	3 905				16 426
Nicaragua	7 259	943				8 202
Niger (the)	11 016	2 812				13 828
Rwanda	16 786	5 211				21 997
Sao Tome and Principe	1 820	461	602	77	473	3 433
Senegal	2 247	882				3 129
Sierra Leone	10 100	2 246	283	34	212	12 875
United Republic of Tanzania	12 691	4 293				16 984
Togo	2 008	759				2 767
Uganda	12 449	4 654				17 103
Zambia	19 169	4 921				24 090
SDR	272 446	81 652	6 485	744	5 986	367 313
Less future interest on debt relief not accrued ^a						(2 128)
Total SDR debt relief						365 185
Total US\$ equivalent	377 637	113 178	8 989	1 031	8 297	506 183
Fair value adjustment			(2 703)			
31 December 2019 at fair value			6 286			
As at 31 December 2018						
SDR	267 305	80 836	8 182	1 012	7 936	365 271
Less future interest on debt relief not accrued ^a						(4 203)
Total SDR debt relief						361 068
Total US\$ equivalent	371 696	112 405	11 375	1 407	11 035	502 075
Fair value adjustment			(3 469)			
31 December 2018 at fair value			7 906			

^a Including interest covered by the World Bank contribution.

Summary of contributions to the Haiti Debt Relief Initiative

(As at 31 December 2019 and 2018)

	<i>Thousands of US\$</i>	<i>Thousands of SDR</i>
2019		
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	2 778	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	1 439	
Debt relief provided	(24 325)	
Total administrative account Member States 2019	4 675	
IFAD		
IFAD contribution	15 200	
Interest earned	1 277	
Debt relief provided	-	
Total administrative account IFAD	16 477	
Grand total	21 152	
Exchange rate movement	(2 671)	
Total cash and investments	18 481	
2018		
Grand total	23 562	
Exchange rate movement	(2 718)	
Total cash and investments	20 844	

IFAD-only analysis of operating expenses

(For the years ended 31 December 2019 and 2018)

An analysis of IFAD operating expenses by principal sources of funding

(Thousands of United States dollars)

<i>Expense</i>	<i>Administrative expenses^a</i>	<i>Direct charges^b</i>	<i>Other sources^c</i>	<i>Total</i>
Staff salaries and benefits	90 145		986	91 131
Office and general expenses	25 772	475	2 341	28 588
Consultants and other non-staff costs	41 416	83	2 587	44 085
Direct bank and investment costs	(29)	927	-	898
Total 2019	157 304	1 485	5 914	164 702
Total 2018	151 306	1 532	23 244	176 082

^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 reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges. Due to the implementation of IFRS 16 headquarter reimbursable expenditures are disclosed as a reduction in lease liabilities.

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