

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2007*

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

* As submitted for endorsement to the ninety-third session of the Executive Board in April 2008 for further submission to the thirty-second session of the Governing Council for approval in accordance with regulation XII(6) of the Financial Regulations of IFAD.

APPENDIX A

Consolidated and IFAD-only balance sheet

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

Assets	Consolidated		IFAD-only	
	2007	2006	2007	2006
Cash on hand and in banks (note 4)	437 753	197 177	264 530	156 720
Investments (note 4)	2 503 846	2 364 673	2 402 377	2 258 424
Contributors' promissory notes (note 5)	343 819	337 804	324 925	313 226
Contributions receivable (note 5)	377 988	366 658	334 878	319 892
Less: provisions (note 6)	(168 485)	(169 360)	(168 485)	(169 360)
	553 322	535 102	491 318	463 758
Other receivables (note 7)	94 104	44 712	302 917	128 490
Loans outstanding (note 8 and appendix H)	3 580 767	3 210 750	3 580 767	3 210 750
Less: accumulated allowance for loan impairment losses (note 8 (a))	(56 569)	(55 608)	(56 569)	(55 608)
Less: accumulated allowance for the Debt Initiative for Heavily Indebted Poor Countries (HIPC) (note 10(b) and appendix I)	(98 186)	(183 404)	(98 186)	(183 404)
Net loans outstanding	3 426 012	2 971 738	3 426 012	2 971 738
Total assets	7 015 037	6 113 402	6 887 154	5 979 130
Liabilities and equity	Consolidated		IFAD-only	
	2007	2006	2007	2006
Payables and liabilities (note 11)	325 417	168 980	341 182	169 215
Undisbursed grants	117 621	73 430	65 960	49 367
Deferred revenues (note 12)	160 758	103 320	93 396	5 223
Total liabilities	603 796	345 730	500 538	223 805
Equity				
Contributions				
Regular	5 259 496	4 937 561	5 259 496	4 937 561
Special	20 348	20 348	20 348	20 348
Total contributions (appendix G)	5 279 844	4 957 909	5 279 844	4 957 909
General reserve	95 000	95 000	95 000	95 000
Fully committed retained earnings	1 036 397	714 763	1 011 772	702 416
Total equity	6 411 241	5 767 672	6 386 616	5 755 325
Total liabilities and equity	7 015 037	6 113 402	6 887 154	5 979 130

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

APPENDIX B

Consolidated statement of revenues and expenses

For the years ended 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	2007	2006 (restated)
Revenues		
Income from loans (note 8)	53 444	47 081
Income from cash and investments (note 14)	155 190	66 379
Income from other sources (note 15)	14 041	9 643
Income from contributions (note 16)	113 671	17 732
Income from foreign exchange rate movements	243 437	249 548
Total revenues	579 783	390 383
Operating expenses (note 18)		
Staff salaries and benefits (note 19)	(73 693)	(63 133)
Office and general expenses	(34 912)	(28 291)
Consultants and other non-staff costs	(27 859)	(29 384)
Cooperating institutions	(12 183)	(8 133)
Direct bank and investment costs (note 20)	(3 515)	(3 626)
Subtotal	(152 162)	(132 567)
Adjustment for changes in fair value (note 21)	(58 997)	(5 281)
Allowance for loan impairment losses (note 8(a))	3 126	(20 488)
Debt Initiative for HIPC expenses (note 10)	119 304	(28 859)
Grant expenses	(164 406)	(36 010)
Provision for past after-service medical scheme benefits (note 19(c))	(5 014)	(1 908)
Total operating expenses	(258 149)	(225 113)
Transfer to retained earnings	321 634	165 270

IFAD-only statement of revenues and expenses

For the years ended 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	2007	2006 (restated)
Revenues		
Income from loans (note 8)	53 444	47 081
Income from cash and investments (note 14)	146 432	61 975
Income from other sources (note 15)	17 026	11 627
Income from foreign exchange rate movements	236 586	247 420
Total revenues	453 488	368 103
Operating expenses (note 18)		
Staff salaries and benefits (note 19)	(70 353)	(59 419)
Office and general expenses	(30 652)	(25 627)
Consultants and other non-staff costs	(24 041)	(25 460)
Cooperating institutions	(12 209)	(7 949)
Direct bank and investment costs (note 20)	(3 445)	(3 559)
Subtotal	(140 700)	(122 014)
Adjustment for changes in fair value (note 21)	(62 464)	(4 786)
Allowance for loan impairment losses (note 8(a))	3 126	(20 488)
Debt Initiative for HIPC expenses (note 10)	120 471	(27 776)
Grant expenses	(59 551)	(29 660)
Provision for past after-service medical scheme benefits (note 19(c))	(5 014)	(1 908)
Total operating expenses	(144 132)	(206 632)
Transfer to retained earnings	309 356	161 471

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

APPENDIX B1

Consolidated statement of changes in retained earnings

For the years ended 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	Total retained earnings
Opening balance as at 1 January 2006	549 493
Total revenues less operating expenses	165 270
Retained earnings as at 31 December 2006	714 763
Total revenues less operating expenses	321 634
Retained earnings as at 31 December 2007	1 036 397

IFAD-only statement of changes in retained earnings

For the years ended 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	Total retained earnings
Opening balance as at 1 January 2006	540 945
Total revenues less operating expenses	161 471
Retained earnings as at 31 December 2006	702 416
Total revenues less operating expenses	309 356
Retained earnings as at 31 December 2007	1 011 772

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

APPENDIX C

Consolidated cash-flow statement

For the years ended 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	2007	2006
Cash flows from operating activities		
Interest received from loans	51 501	44 556
Payments of HIPC debt relief - interest	(10 500)	(9 040)
Receipts from/(payments for) investments	251 546	(32 568)
Receipts for non-replenishment contributions	204 900	30 380
Miscellaneous (payments)/receipts	(8 751)	20 582
Payments for operating expenses and other payments	(135 119)	(128 949)
Grant disbursements (IFAD)	(37 600)	(24 148)
Grant disbursements (non-IFAD)	(74 606)	(11 534)
Net cash flows from operating activities	241 371	(110 721)
Cash flows from investing activities		
Loan disbursements	(399 134)	(387 525)
Loan principal repayments	175 075	148 513
Payments of HIPC debt relief - principal	(32 861)	(25 515)
Net movement of held-to-maturity (HTM) investments	528	-
Net cash used in investing activities	(256 392)	(264 527)
Cash flows from financing activities		
Payments for replenishment contributions	294 372	197 599
Net cash used in financing activities	294 372	197 599
Effects of exchange rate movements on cash and cash equivalents	85 939	82 287
Net increase/(decrease) in unrestricted cash and cash equivalents	365 290	(95 362)
Unrestricted cash and cash equivalents at beginning of year	2 147 635	2 242 997
Unrestricted cash and cash equivalents at end of year	2 512 925	2 147 635
COMPOSED OF:		
Unrestricted cash	437 674	197 098
Unrestricted investments excluding HTM investments	2 075 251	1 950 537
Cash and cash equivalents at end of year	2 512 925	2 147 635

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

APPENDIX D

Notes to the consolidated financial statements

NOTE 1

BRIEF DESCRIPTION OF THE FUND AND THE NATURE OF OPERATIONS

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

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

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

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The consolidated financial statements of the Fund are prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention with the exception of loans and certain receivables and liabilities which are measured at fair value and amortized cost using the effective interest method. Information is provided separately in the financial statements for entities where this is deemed of interest to the readers of the accounts.

The preparation of financial statements in conformity with IFRS requires use of certain critical accounting estimates. It also requires management to exercise its 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.

In 2007, IFAD implemented IFRS 7, "Financial instruments: Disclosures", and the complementary amendment to IAS 1, "Presentation of financial statements – Capital disclosures", which introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the entities' financial instruments, or the disclosures relating to other payables. For more information see notes 4(g), 5(d), 8(d)-(f), 9 and 17.

(b) Area of consolidation

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

- Special Programme for sub-Saharan African Countries Affected by Drought and Desertification (SPA)
- Other supplementary funds, including technical assistance grants, cofinancing, associate professional officers (APOs) and programmatic and thematic supplementary funds; the Belgian Survival Fund Joint Programme (BSF.JP); and the Global Environment Facility (GEF)
- IFAD's Trust Fund for the Debt Initiative for Heavily Indebted Poor Countries (HIPC)
- IFAD's After-Service Medical Coverage Scheme (ASMCS) Trust Fund

These entities have a direct link to IFAD's core activities and are substantially controlled by IFAD. Accordingly, they are consolidated in IFAD's financial statements for reasons of completeness and clarity. All transactions and balances between these entities have been eliminated. Additional financial data for funds are drawn up as and when requested to meet specific donor requirements.

The BSF.JP programme of work – unlike that of other entities housed at IFAD – is prepared by IFAD and agreed upon an annual steering committee meeting with the Government of Belgium and IFAD. BSF.JP is complementary to IFAD and forms part of its core activities.

Entities housed at IFAD. These entities do not form part of the core activities of the Fund and, as such, are not included in the consolidation area. These entities are the International Land Coalition (ILC) (formerly called the Popular Coalition to Eradicate Hunger and Poverty) and the Global Mechanism of the United Nations Convention to Combat Desertification.

(c) Translation and conversion of currencies

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or at the applicable exchange rate. 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 recognised in the statement of revenues and expenses.

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate
- Income and expenses are translated at average exchange rates
- All resulting exchange differences are recognized as a separate component of equity.

(d) Equity

This comprises the following three elements:

- (i) Contributions (equity)
- (ii) General Reserve
- (iii) Retained earnings

(i) Contributions (equity)

- (a) 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 who 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, it 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 the Member deposits its instrument of contribution. Amounts receivable from Member States as contributions, and other receivables including promissory notes have been recorded within the balance sheet at their fair value in accordance with IAS39.

(b) Provisions

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

- (i) Whenever a payment of an instalment against an instrument of contribution or a payment of a drawdown against a promissory note becomes overdue by 24 months,

a provision will be made equal to the value of all overdue contribution payments or the value of all unpaid drawdowns on the promissory note(s) outstanding.

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

(iii) The end of the financial year is currently used for determining the 24- and 48-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 and possible delinquencies in receipt of loan-service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets. It is also intended to cover the risk of over-commitment as a result of a diminution in the value of assets caused by fluctuations in the market value of investments.

The General Reserve is subject to a review every three years in order to assess its adequacy.

(iii) Retained earnings

Retained earnings represent the excess of revenue over expenses net of the effects of changes in foreign exchange rates. The resulting balance is fully committed for loans and grants. For operational purposes, reference should be made to the statement of IFAD-only resources available for commitment (appendix F).

(e) Loans

(i) Background to loans

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

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

Currently the lending terms of the Fund are as follows:

"(a) Special loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75 per cent) per annum and have a maturity period of forty (40) years, including a grace period of ten (10) years; (b) loans on intermediate terms shall have a rate of interest per annum equivalent to fifty per cent (50 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of twenty (20) years, including a grace period of five (5) years; (c) loans on ordinary terms shall have a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, as determined annually by the Executive Board, and a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years; (d) 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) Debt Initiative for Heavily Indebted Poor Countries (HIPC)

(a) Background to the HIPC Debt Initiative

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

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

(b) Impact of the HIPC Debt Initiative

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 accumulated allowance for the HIPC Debt Initiative, and as a charge to the HIPC Debt Initiative expenses in the statement of revenues and expenses. The assumptions underlying these estimates are subject to periodic revision. Significant judgement has been used in the computation of the estimated nominal value of allowances for the HIPC Debt Initiative.

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

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

(iv) Measurement of loans

In accordance with IAS39 loans are initially recognized at fair value on day one and subsequently measured at amortized cost using the effective interest method. The fair value is calculated 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, at the time of loan closure (i.e. when the loan is fully disbursed) using a model. The discount rates are calculated with reference to the estimated forward interest curve for the year of closure based on the underlying currency of each loan. The discount factor applied is not adjusted for country credit risk as lending is provided directly to country governments and considered to be 'sovereign debt'. However, the outstanding loans are reviewed for impairment on a loan-by-loan basis and a provision established where there is objective evidence that the loans are impaired.

(v) Accumulated allowance for impairment losses

Delays in receiving loan payments result in present value losses to the Fund since it does not charge fees or additional interest on any overdue interest or loan charges. An allowance is established for such losses based on the difference between the assets' carrying value and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate (i.e. the effective interest rate calculated at initial recognition). In cases where it is not possible to estimate with any reasonable certainty the expected cash flows of a loan (as in all cases for which an allowance has been established to date), an alternative approach is allowed that adopts a method similar to the benchmark used for the provisioning of Members States' contributions. This means that an allowance shall be made on loan instalments overdue by more than 24 months for all cases where a settlement plan is not being actively followed. An allowance is also made for loan instalments on the same loan overdue by less than 24 months. Once this trigger period has

been reached, all amounts overdue at that time are considered to be in provision status, even in the event that part of the total outstanding debt is subsequently repaid. In cases where more than 48 months have elapsed, an allowance is made for all outstanding principal amounts of the loan concerned. The point in time from which it is necessary to determine whether or not the given period has elapsed is the balance sheet date. The Fund has not written off any of its loans.

(vi) Non-accrual status

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

(f) Investments

The Fund's investment portfolio contains investments that are held for trading, and certain selected securities that the Fund intends to hold until maturity. The Fund carries those investments that are held for trading at fair value, and those investments that are held to maturity on the basis of amortized cost. Fair value is represented by the quoted market value at the balance sheet date. 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 fair value. The majority of derivatives are not used as hedging instruments and therefore changes in the fair value of any of these derivative instruments are recognized immediately in the statement of revenues and expenses.

(g) Cash and cash equivalents

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

(h) Contributions (non-equity)

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

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

(i) Grants

The Agreement Establishing IFAD empowers the Fund to make 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 effectiveness of the approved amount and as a liability for undisbursed amounts at fair value in accordance with IAS39. Cancellations of undisbursed balances are recognized as an offset to the expense in the period in which they occur.

(j) Employee schemes

(i) Pension obligations

IFAD is a member organization participating 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 organization 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 revenues and expenses 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, and hence has not recorded any assets in its accounts in this regard, nor included related information such as the return on plan assets.

(ii) After-Service Medical Coverage Scheme

IFAD participates in a multi-employer After-Service Medical Coverage Scheme (ASMCS) administered by the Food and Agriculture Organization of the United Nations (FAO) for staff receiving a United Nations pension and 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 being performed on an annual basis.

In accordance with IAS19, IFAD has set up a trust fund into which it transfers the funding necessary to cover the actuarial liability.

(k) Provisions

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

(l) Taxation

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

(m) Revenue recognition

Service charge income and income from other sources are recognized as revenues in the period in which the related expenses are incurred.

(n) Plant and equipment

The cost of office furniture and equipment including software and capital leased assets is charged directly to expense when purchased as the expenditures incurred are not considered to be material. The cost of some office furniture and equipment is

reimbursed to IFAD and therefore is actually owned by the host Government. However, these amounts are deemed immaterial.

(o) IFAD's resources available for commitment

Resources available for commitment are those resources in freely convertible currencies defined in article 4, section 1, of the Agreement Establishing IFAD, which have been contributed by Member States and others or have been derived, or are to be derived, from operations or loan repayments by borrowers, to the extent that these resources have not already been committed for loans and grants or appropriated to the General Reserve.

The policy for determining resources available for commitment is as follows:

(i) Only actual receipts in the form of cash or promissory notes will be included in committable resources. The value of instruments of contribution against which payment in the form of cash or promissory notes has not yet been made will be excluded from committable resources.

(ii) Provisions have been established for overdue promissory notes.

(iii) Promissory notes and commitments for loans (undisbursed effective loans, approved loans signed but not yet effective and loans not yet signed) and undisbursed grants are recorded at nominal value within the statement of resources available for commitment as this is an operational report for management purposes only and therefore is not subject to financial reporting requirements of IAS39.

(iv) The Executive Board has authority to employ advance commitment authority (ACA) prudently and cautiously to compensate, year by year, for fluctuations in the resources available for commitment and to act as a reserve resource. ACA was used in 2007, as in 2006 because regular resources were not sufficient to meet loan and grant commitments.

A loan or grant is considered to be committed when a formal agreement is signed by the Fund and the respective borrower or grantee. The Fund's Executive Board reviews a statement of resources available for commitment at every Executive Board session to ensure that resources are available to finance the loans and grants presented for approval.

NOTE 3

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates and assumptions

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

(i) Fair value and amortized costs of loans, undisbursed grants, deferred revenues, promissory notes and contributions receivable.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

(ii) HIPC Debt Initiative

Significant judgements have been used in the computation of estimated losses for the HIPC Debt Initiative and overdue loan repayments. Principal assumptions underlying the computations include the exchange rate between the SDR and the United States dollar, timing of eligibility of debt relief and the level of disbursements.

(b) Critical judgement in applying accounting policies

(i) Fair value accounting

Fair value accounting is required in order for IFAD to comply with International Financial Reporting Standards. Reconciliations between measurement at fair value and amortized cost using the effective interest method and nominal values have been provided with respect to loans, receivables, undisbursed grants and deferred revenues. In addition an IFAD only balance sheet on a nominal basis is included in the appendix E. For information

only, all the values included within appendix F (statement of IFAD-only resources available for commitment), appendix G (statement of contributions), appendix H (statement of loans), and appendix I (summary of the Debt Initiative for Heavily Indebted Poor Countries) continue to be shown including data on a nominal value basis.

NOTE 4

CASH AND INVESTMENT BALANCES

(a) Analysis of balances

As at 31 December

	Thousands of United States dollars	
	2007	2006
Unrestricted cash	437 674	197 098
Cash subject to restriction	79	79
Subtotal cash	437 753	197 177
Unrestricted investments	2 503 219	2 364 039
Investments subject to restriction	627	634
Subtotal investments	2 503 846	2 364 673
Total	2 941 599	2 561 850

(b) Cash and investments subject to restriction

Currencies not freely convertible: Cash and investments held by the Fund at 31 December 2007 in currencies not freely convertible amounted to US\$79,000 (2006 – US\$79,000) and US\$627,000 (2006 – US\$634,000), respectively.

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.

(c) Composition of the investment portfolio by instrument

At 31 December 2007, cash and investments at market value amounted to US\$2,775,046,000 excluding restricted and non-convertible currencies (2006 – US\$2,504,596,000), and comprised the following instruments:

	Thousands of United States dollars	
	2007	2006
Cash	437 674	197 098
Fixed-income instruments	2 336 754	1 776 083
Unrealized market-value loss on forward contracts	(136)	(5 145)
Time deposits and other obligations of banks	163 963	592 515
Futures	2 456	586
Options	182	-
Total cash and investments	2 940 893	2 561 137
Receivables for investments sold	53 489	22 888
Payables for investments purchased	(219 336)	(79 429)
Total	2 775 046	2 504 596

Fixed-income investments include US\$427,968,000 in held-to-maturity investments as at 31 December 2007 (2006 – US\$413,501,000).

(d) Composition of the investment portfolio by currency

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

	Thousands of United States dollars	
	2007	2006
Euro	837 956	801 693
Japanese yen	294 914	263 865
Pound sterling	294 594	236 641
United States dollar	1 347 582	1 202 397
Total	2 775 046	2 504 596

(e) Composition of the investment portfolio by maturity

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

	Thousands of United States dollars	
	2007	2006
Due in one year or less	640 794	1 094 770
Due after one year through five years	1 584 973	1 104 639
Due from five to ten years	160 590	167 487
Due after ten years	388 689	137 700
Total	2 775 046	2 504 596

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2007 was 77 months (2006 – 40 months).

(f) Held-to-maturity investments

	Thousands of United States dollars equivalent			
	US\$	Euro	Pound sterling	All other currencies
Cash	889	333	-	1 222
Corporate bonds	71 904	71 900	9 767	153 571
Government agencies	121 483	34 752	10 172	166 407
Government bonds	10 147	64 535	-	74 682
Supranational	19 994	12 092	-	32 086
Total 2007	224 417	183 612	19 939	427 968
Total 2006	232 726	180 775	-	413 501

The fair value of held to maturity investments as at 31 December 2007 was US\$430,342,000. (2006 – US\$407,592,000).

The maturity structure of held-to-maturity investments as at 31 December is as follows:

	Thousands of United States dollars	
Period due	2007	2006
Less than one year	76 401	81 806
1-2 years	95 165	60 806
2-3 years	91 199	91 164
3-4 years	73 689	96 930
4-5 years	81 753	82 795
5-6 years	9 761	-
	427 968	413 501

All investments due in less than one year have a maturity of more than three months from the date of purchase.

(g) Financial risk management

IFAD's investment activities are exposed to a variety of financial risk, market risk, credit risk, currency risk, and liquidity risk, as well as capital risk, as a going concern.

(h) Market risk

IFAD's investment portfolio is allocated into several asset classes in the fixed income universe in line with IFAD's investment policy. From time to time IFAD Management has taken short-term tactical measures to protect the overall portfolio from adverse market conditions.

Cash and held-to-maturity investments are internally managed; marked-to-market investments are managed by 12 external managers.

The weights and amounts of each asset class within the overall portfolio, together with the investment policy weights as at 31 December 2007 and 2006 are shown in table 1. Disclosures relate to IFAD only.

Table 1

Asset class and investment policy weights
As at 31 December 2007 and 2006

Asset class	Portfolio		Investment policy
	%	Millions of United States dollars	%
2007			
Short-term liquidity	6.8	169.5	5.5
Tactical short-term	1.6	40.3	-
Held to maturity	17.1	427.9	17.1
Government bonds	42.7	1 068.0	43.5
Diversified fixed-interest	17.0	425.1	13.9
Inflation-linked	14.8	370.2	20.0
Total	100	2 501.0	100

Asset class	Portfolio		Investment policy
	%	Millions of United States dollars	%
2006			
Short-term liquidity	3.8	89.6	5.5
Tactical short-term	19.6	462.4	-
Held to maturity	17.5	413.5	17.5
Government bonds	40.5	956.1	42.9
Diversified fixed-interest	4.3	100.5	14.1
Inflation-linked	14.3	336.5	20.0
Total	100	2 358.6	100

Each asset class is managed according to its own investment guidelines. The guidelines address a variety of market risk through restrictions on eligibility of instruments and on managers' activity by setting:

1. pre-assigned benchmarks and limits on deviations from benchmarks in terms of duration
2. tracking error limits
3. credit floors (please refer to (i) credit risk)

The benchmark indexes used for the respective portfolio are shown in table 2 below.

Table 2
Benchmark indexes by portfolio

Portfolio	Benchmark index
Short-term liquidity	Not applicable
Government bonds	JP Morgan Global Government Bond 1 to 5 year index, customized to the component currencies of the SDR valuation basket
Diversified fixed-interest	U.S. Lehman Aggregate Index (AA3 or above)
Inflation-linked	Customized index comprising the Barclays Capital Global Inflation-Linked Index (1-7 years) and the Barclays Capital Global Inflation-Linked Index (7 years and above)
Held to maturity	Equally-weighted extended sector benchmark (internally calculated on quarterly basis)

The upper limit for the duration is set at:

- One year above the benchmark for global government bonds asset class
- Two years above the benchmark for diversified fixed-interest asset class
- Not higher than seven years for the inflation-linked bonds asset class

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 of the fixed-income portion of the portfolio is set at 0-2 years above the benchmarks of respective fixed-income portfolios. The Fund no longer invests in equities.

The average duration of IFAD's investment portfolio at 31 December 2007 and 2006 and respective benchmarks are shown in table 3.

Table 3
Average duration of portfolios and benchmarks in years
As at 31 December 2007 and 2006

Portfolio	Portfolio		Benchmark	
	2007	2006	2007	2006
Short-term liquidity	-	0.06	n/a	n/a
Government bonds	2.7	2.1	2.5	2.5
Diversified fixed-interest	4.5	3.5	4.0	4.1
Inflation-linked	3.9	2.3	5.0	5.9
Held to maturity	2.5	2.5	2.5	2.5
Total average	2.9	1.8	2.9	2.5

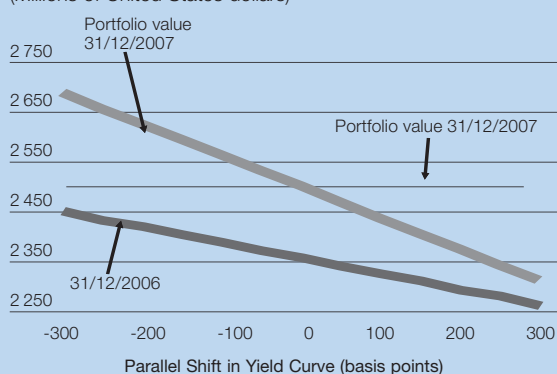
The sensitivity analysis of IFAD's overall investment portfolio in table 4 shows how a parallel shift in the yield curve (-300 to +300 basis points) would affect the value of the investment portfolio as at 31 December 2007.

Table 4
Sensitivity analysis on IFAD's investment portfolio

Basis point shift in yield curve	2007		2006	
	Change in value of externally managed portfolio	Total portfolio	Change in value of externally managed portfolios	Total portfolio
-300	188	2 689	94	2 453
-250	156	2 657	78	2 437
-200	125	2 626	63	2 421
-150	94	2 595	47	2 406
-100	63	2 564	31	2 390
-50	31	2 532	16	2 374
0	-	2 501	-	2 359
50	(31)	2 470	(16)	2 343
100	(63)	2 438	(31)	2 327
150	(94)	2 407	(47)	2 312
200	(125)	2 376	(63)	2 296
250	(156)	2 345	(78)	2 280
300	(188)	2 313	(94)	2 265

Graph 1 shows the negative relationship between yields and fixed income portfolio value.

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



At 31 December 2007, if the general level of interest rates on the SDR currency markets had been higher/(lower) by 100 basis points (this is a parallel shift of the yield curves), the overall portfolio investment income would have been lower/(higher) by US\$6.3 million as a result of the capital losses (gains) on the marked-to-market portion of the portfolio (74 per cent of the total).

Table 5 shows the tracking error limits defined by the investment guidelines. Tracking error represents the annualized standard deviation of the return versus the benchmark, and it is a measure of the active risk taken by a manager in managing a portfolio.

Table 5
Tracking error ranges by portfolio

Portfolio	Tracking error (percentage per annum)
Government bonds	0.75-1.00
Diversified fixed-interest	0.75-1.00
Inflation-linked	2.00
Held to maturity	Not applicable

The overall investment portfolio's tracking error at 31 December 2007, based on a three-year history, was 0.22 per cent.

(i) Credit risk

The investment guidelines set credit floors for the eligibility of securities and counterparties. The eligibility of banks and bond issues is determined on the basis of ratings made by major credit-rating agencies. The minimum credit ratings for the portfolio of IFAD's overall investment portfolio, as allowed by the investment guidelines are shown in table 6.

Table 6
Minimum credit ratings per investment guidelines

Portfolio	Securities	Time deposits and CDs ^a	Spot and forwards ^b	IRS ^b
Short-term liquidity	n/a	A-1/P-1	n/a	n/a
Government bonds ^c	Moody's Aa3 or Standard & Poor's (S&P) AA- or Fitch AA-	A-1/P-1	A-1/P-1	n/a
Diversified fixed-interest ^c	Moody's S&P AA- or Fitch AA (exception: MBS and ABS AAA/Aaa by two of the 3 agencies)	A-1/P-1	A-1/P-1	AA-/Aa3
Inflation-linked ^c	Moody's Aa3 or S&P AA-	A-1/P-1	A-1/P-1	n/a
Held to maturity (HTM)	Moody's Aa3 or S&P AA- (exception: corporate bonds AAA/Aaa)	A-1/P-1	n/a	n/a

^a Minimum credit rating (Moody's P-1/S&P A-1) refers to the bank.

^b Minimum credit rating refers to the counterparty.

^c Futures and options are allowed if traded on regulated exchanges.

Note: ABS=asset backed securities; IRS=interest rate swaps; MBS=mortgage backed securities.

At 31 December 2007, the average credit ratings by portfolio were in line with or above the minimum ratings allowed by the investment guidelines (table 7).

Table 7
Average credit ratings by portfolio
As at 31 December 2007 and 2006

Portfolio	Moody's Credit Rating ^a	
	2007	2006
Short-term liquidity	P1	P1
Government bonds	Aaa	Aa1
Diversified fixed-interest	Aaa	Aaa
Inflation-linked	Aaa	Aa1
Held to maturity	Aaa	Aaa

^a The average credit rating is calculated, based on market values at 31 December 2007 and 2006 except for the held-to-maturity portfolio average rating, which is calculated on face values.

(j) Currency risk

IFAD's investment portfolio is used to minimize IFAD's overall currency risks. The majority of IFAD's commitments relate to undisbursed loans and grants denominated in SDR. Consequently, the overall assets of the Fund are maintained to the extent possible in an amount and 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.

The monitoring of the status of alignment to the SDR valuation basket is performed typically on a quarterly basis.

In case of misalignments that are considered persisting and significant, Management undertakes a realignment procedure by changing the currency ratios in IFAD's investment portfolio so as to realign the total assets to the desired SDR weights.

The degree of currency alignment of IFAD's overall asset subject to SDR alignment as at 31 December 2007 is shown in table 8.

Table 8
Alignment of assets to SDR basket (IFAD-only)
As at 31 December 2007

Currency group	Net asset amount (%)	SDR weights	Difference
United States dollar	39.8	40.1	(0.3)
Euro	36.0	38.0	(2.0)
Japanese yen	11.1	10.5	0.6
Pound sterling	13.1	11.4	1.7
Total	100.0	100.0	-

At 31 December 2007, if the United States dollar had depreciated (appreciated) by 10 per cent over the three other currencies in the SDR basket, the alignment of IFAD's assets would have been as shown in table 9.

Table 9
Sensitivity of alignment of assets to SDR basket (IFAD-only)
As at 31 December 2007

Currency group	Difference towards SDR weights	
	-10% of US\$ (%)	+10% of US\$ (%)
United States dollar	2.3	(2.5)
Euro	(3.7)	(0.6)
Japanese yen	0.2	1.0
Pound sterling	1.2	2.1
Total	-	-

To seek higher returns, the Fund may invest in securities denominated in currencies other than those included in the SDR valuation basket, and enter into covered forward foreign exchange agreements in order to maintain the matching, in currency terms, of commitments denominated in SDRs and United States dollars.

The principal currencies in which loan repayments are due are shown in appendix H, section 4 and 10.

(k) 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 Treasury maintains flexibility in funding by calculating estimated availability of funds from all relevant sources and monitors the liquidity situation based on various time lines. IFAD developed a liquidity policy, which was approved by the Executive Board in December 2006, to provide further safeguards in this area. The liquidity policy requires a minimum level of highly liquid assets in IFAD's investment portfolio equal to 60 per cent of the total annual gross disbursements (cash outflows) and potential additional requirements due to liquidity shocks. The appropriateness of level will be reviewed as part of the replenishment cycle. The current balance of highly liquid assets comfortably covers the minimum liquidity requirements.

(l) Capital risk

The overall policy regarding resources is reviewed by Management on a regular basis, and also with the principal stakeholders during each replenishment contribution process,

as a minimum. 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 dependent on the resources available. Longer term resource forecasting is carried out within the analysis performed through IFAD's financial model.

NOTE 5 CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES

	Thousands of United States dollars	
	2007	2006
Promissory notes to be encashed		
Replenishment contributions	340 842	331 291
BSF contributions	21 632	27 093
Total	362 474	358 384
Fair value adjustment	(18 655)	(20 580)
Promissory notes to be encashed at fair value		
	343 819	337 804
Contributions receivable		
Replenishment contributions	355 812	347 022
BSF contributions	36 936	31 299
Supplementary contributions	13 018	20 616
Total	405 766	398 937
Fair value adjustment	(27 778)	(32 279)
Contributions receivable at fair value		
	377 988	366 658

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

These contributions have been fully paid except as detailed in note 6 and in the matrix below:

Contributions not paid/encashed (as at 31 December 2007)

Donor	Thousands of United States dollars	
	Replenishment	Amount
Brazil ^a	Sixth	5 278
Egypt	Sixth	1 050
France ^a	Sixth	23 393
Germany ^a	Sixth	28 000
Guatemala ^a	Sixth	23
Netherlands ^a	Sixth	20 568
Switzerland ^a	Sixth	7 379
United Kingdom ^{a,b}	Sixth	27 216
United States	Sixth	459

^a Cases for which Members and IFAD have agreed to special encashment schedules.

^b Part of this balance relates to a promissory note not deposited as at 31 December 2007.

(b) Seventh Replenishment

Details of contributions and payments made for the Seventh Replenishment are shown in appendix G. The Seventh Replenishment became effective on 22 December 2006.

(c) Special Programme for Africa (SPA)

Details of contributions to the SPA under the First and Second phases are shown in appendix G.

(d) Credit risk

Because of the sovereign status of IFAD's 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.

NOTE 6 PROVISIONS

The fair value of the provisions is equivalent to the nominal value given that the underlying receivables/promissory notes are already due at the balance sheet date.

In accordance with IFAD's policy, the Fund has established provisions at 31 December as follows:

	Thousands of United States dollars	
	2007	2006
Balance at beginning of the year	169 360	169 359
Total movements	(875)	1
Balance at end of year	168 485	169 360
Analysed as:		
Promissory notes of contributors (a)	80 898	80 898
Amounts receivable from contributors (b)	87 587	88 462
Total	168 485	169 360

(a) Provisions against promissory notes

As at 31 December 2007, all IFAD replenishment contributions up to and including the Sixth Replenishment, deposited in the form of promissory notes, have been drawn down 100 per cent and 30 per cent for the Seventh Replenishment. (31 December 2006 – 100 per cent up to the Sixth Replenishment).

As at 31 December 2007 and 2006, all First and Second phase SPA contributions have been fully drawn down.

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

	Thousands of United States dollars	
	2007	2006
IFAD		
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
Iraq	13 717	13 717
	<u>43 075</u>	<u>43 075</u>
First Replenishment		
Iraq	31 099	31 099
	<u>31 099</u>	<u>31 099</u>
Second Replenishment		
Mauritania	2	2
	<u>2</u>	<u>2</u>
Third Replenishment		
Democratic People's Republic of Korea	600	600
Libyan Arab Jamahiriya	6 087	6 087
Mauritania	25	25
	<u>6 712</u>	<u>6 712</u>
Total IFAD	80 888	80 888
SPA		
First phase		
Mauritania	10	10
Total SPA	10	10
Grand total	80 898	80 898

(b) Provisions against amounts receivable from contributors

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

	Thousands of United States dollars	
	2007	2006
Initial contributions		
Comoros	10	10
Iran (Islamic Republic of)	83 167	83 167
	<u>83 177</u>	<u>83 177</u>
Second Replenishment		
Gabon	-	371
Iraq	2 000	2 000
	<u>2 000</u>	<u>2 371</u>
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	<u>2 410</u>	<u>2 410</u>
Fourth Replenishment		
Kenya	-	504
	<u>-</u>	<u>504</u>
Total	87 587	88 462

**NOTE 7
OTHER RECEIVABLES**

	Thousands of United States dollars	
	2007	2006
Receivables for investments sold	53 489	22 888
Other receivables	40 615	21 824
Total	94 104	44 712

The amounts above are all expected to be received within one year of the balance sheet date.

**NOTE 8
LOANS**

(a) Accumulated allowance for impairment losses

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

	Thousands of United States dollars	
	2007	2006
Balance at beginning of year	169 162	140 634
Net (decrease)/increase in allowance	(3 126)	20 488
Revaluation	7 954	8 040
Balance at end of year at nominal value	173 990	169 162
Fair value adjustment	(117 421)	(113 554)
Total	56 569	55 608

All loans included within the accumulated allowance are 100 per cent impaired.

(b) Non-accrual status

For loans with overdue amounts in non-accrual status, had these amounts been recognized as income, income from loans as reported in the statement of revenues and expenses for the year 2007 would have been greater by US\$2,734,000 (2006 – US\$3,010,000). The corresponding figures relating to IFAD were US\$2,703,000 (2006 – US\$2,933,000) and SPA were US\$31,000 (2006 – US\$77,000). The Member States concerned are shown below:

(i) Borrowers in non accrual status – IFAD

As at 31 December 2007

	Thousands of United States dollars			
	Principal outstanding	Principal overdue	Income not accrued in 2007	In arrears since
Central African Republic	33 545	5 991	321	May 2001
Cuba	13 093	13 093	510	Sep 1989
Democratic Republic of the Congo	23 383	5 157	216	Feb 1993
Gaza and the West Bank	3 961	-	2	Apr 2007
Guinea-Bissau	6 911	1 903	68	Nov 1995
Liberia	16 043	12 242	454	Nov 1995
Seychelles	128	86	1	Jan 2002
Solomon Islands	3 440	647	34	Apr 2001
Somalia	27 261	13 774	265	Jan 1991
Togo	25 285	4 627	235	Sep 2000
Zimbabwe	26 114	11 691	597	Oct 2001
Total	179 164	69 211	2 703	

(ii) Borrowers in non accrual status – SPA

As at 31 December 2007

	Thousands of United States dollars			
	Principal outstanding	Principal overdue	Income not accrued in 2007	In arrears since Dec 1995
Guinea-Bissau	3 225	796	31	Dec 1995
Total	3 225	796	31	

The income from loans reported in the statement of revenues and expenses for 2007 includes US\$2,537,000 (2006 – US\$247,000) in respect of income received relating to prior years.

Details of loans approved and disbursed and of loan repayments appear in appendix H.

(c) Further analysis of loan balances

Thousands of United States dollars

	2007	2006
IFAD approved loans less cancellations and the adjustment for movement in value of total SDR loans in terms of US\$ (appendix H)		
2007 – US\$8 939 817		
2006 – US\$8 257 916		
Effective loans	8 197 827	7 470 714
Less: Undisbursed balance of effective loans	(2 285 970)	(2 089 191)
Repayments	(1 312 398)	(1 218 163)
Interest/principal receivable	24 018	19 197
Loans outstanding at nominal value	4 623 477	4 182 557
Fair value adjustment	(1 212 961)	(1 141 766)
Loans outstanding at fair value	3 410 516	3 040 791

SPA approved loans less cancellations and the adjustment for movements in value of total SDR loans in terms of US\$ (appendix H)

2007 – US\$349 425

2006 – US\$336 384

Effective loans	349 425	336 384
Less: Undisbursed balance of effective loans	(1 017)	(1 568)
Repayments	(61 305)	(52 078)
Interest/principal receivable	1 035	925
Loans outstanding at nominal value	288 138	283 663
Fair value adjustment	(117 887)	(113 704)
Loans outstanding at fair value	170 251	169 959

Total approved loans less cancellations and the adjustment for movements in value of SDR loans in terms of US\$

2007 – US\$9 289 242

2006 – US\$8 594 300

Effective loans	8 547 252	7 807 098
Undisbursed balance of effective loans	(2 286 987)	(2 090 759)
Repayments	(1 373 703)	(1 270 241)
Interest/principal receivable	25 053	20 122
Loans outstanding at nominal value	4 911 615	4 466 220
Fair value adjustment	(1 330 848)	(1 255 470)
Loans outstanding at fair value	3 580 767	3 210 750

(d) Credit risk

Because of the nature of its borrowers and guarantors, the Fund expects that each of its sovereign guaranteed loans will ultimately be repaid. Collectability risk is covered by both the accumulated allowance for loan impairment losses and the accumulated allowance for the HIPC Debt Initiative. Loans with amounts overdue more than 180 days are placed in non-accrual status.

(e) Market risk

The interest rate risk associated with IFAD's loan portfolio are believed to be minimal, as 91.7 per cent (31 December 2006 – 90.2 per cent) of the current outstanding portfolio relate to borrowers on highly concessional terms, hence not subject to variation on an annual basis. An analysis of the portfolio by type of lending term is found in appendix H, sections 5 and 11.

As at 31 December 2007, only 6 loans (31 December 2006 – 6 loans) have been formally repaid by the borrower in advance, with a total advance repayment of some US\$13,500,000 (31 December 2006 – US\$13,500,000) in nominal terms.

(f) Fair value estimation

The assumptions used in determining such fair value are not sensitive to changes in discount rates. The associated impact of the exchange rate movement between SDR and United States dollars is closely monitored.

NOTE 9

FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Thousands of United States dollars		
2007	Loans and receivables	Assets at fair value through the profit and loss	Held to maturity
Net loans outstanding	-	3 426 012	-
Other receivables	94 104	-	-
Held-to-maturity investments	-	-	427 968
Other financial assets at fair value through profit and loss	-	1 910 031	-
Cash and equivalents	-	437 753	-
Total	94 104	5 773 796	427 968
2006			
Net loans outstanding	-	2 971 738	-
Other receivables	44 712	-	-
Held-to-maturity investments	-	-	413 501
Other financial assets at fair value through profit and loss	-	1 894 631	-
Cash and equivalents	-	197 177	-
Total	44 712	5 063 546	413 501

NOTE 10

DEBT INITIATIVE FOR HEAVILY INDEBTED POOR COUNTRIES

(a) Impact of the HIPC Debt Initiative

IFAD has funded the HIPC Debt Initiative in the amount of US\$94,670,000 during the period 1998-2007. Details of funding from external donors on a cumulative basis are found in appendix D1.

For a summary of debt relief reimbursed since the start of the Initiative and of that expected in the future, please refer to appendix I. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for the Central African Republic, Comoros, Côte d'Ivoire, Eritrea, Kyrgyzstan, Liberia, Nepal, Somalia, The Sudan and Togo.

Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2008-2010. At the time of preparation of the 2007 consolidated financial statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US\$213,500,000 (2006 – US\$200,920,000).

Gross investment income amounted to US\$1,168,000 (2006 – US\$1,085,000) from the HIPC Trust Fund balances.

The total cumulative cost of debt relief derives from the following sources:

	Thousands of United States dollars		
	2007	Movement	2006
IFAD contributions 1998-2007	94 670	25 000	69 670
Total contributions from external sources (appendix D1)	175 651	104 127	71 524
Net cumulative investment income	6 257	1 166	5 091
Short fall between debt relief approved and funds available	115 817	(112 234)	228 044
Cumulative net exchange rate movements	39 836	8 218	31 622
Total (appendix I)	432 231	26 280	405 951

(b) Accumulated allowance for the HIPC Debt Initiative

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

	Thousands of United States dollars	
	2007	2006
Balance at beginning of year	279 393	264 527
Repayments of principal	(32 862)	(25 515)
Change in provision	(111 345)	28 419
Exchange rate movements	12 818	11 962
Balance at end of year	148 004	279 393
Fair value adjustment	(49 818)	(95 989)
Fair value equivalent	98 186	183 404

NOTE 11

PAYABLES AND LIABILITIES

	Thousands of United States dollars	
	2007	2006
Payables for investments purchased	219 336	79 429
ASMCS liability	41 355	32 922
Other payables and accrued liabilities	64 726	56 629
Total	325 417	168 980

Of the total above, approximately US\$76,141,000 (2006 – US\$64,800,000) is estimated to be payable in more than one year from the balance sheet date.

NOTE 12

DEFERRED REVENUES

Deferred contributions balances represent contributions received for which the revenue recognition has been deferred to future periods to match the related costs. Deferred income includes amounts relating to service charges received for which the related costs have not yet been incurred.

	Thousands of United States dollars	
	2007	2006
Deferred revenues	169 887	110 533
Fair value adjustment	(9 129)	(7 213)
Fair value equivalent	160 758	103 320

NOTE 13

NET FOREIGN EXCHANGE GAINS/LOSSES

The following rates of 1 unit of SDR in terms of United States dollars as at 31 December were used:

Year	US\$
2007	1.57592
2006	1.50387
2005	1.42633

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

	Thousands of United States dollars	
	2007	2006
Opening balance at 1 January	784 190	534 250
Exchange movements for the year on:		
Cash and investments	95 259	81 323
Held-to-maturity investments	2 556	21 142
Net receivables/payables	2 868	(2 316)
Loans and grants outstanding	147 305	147 502
Promissory notes and Members' receivables	22 089	19 110
Member States' contributions	(26 719)	(16 821)
Total movements in the year	243 358	249 940
Closing balance at 31 December	1 027 548	784 190

The movement on this account excludes the gain/loss related directly to operations, which instead is included in total foreign exchange rate movements.

NOTE 14

INCOME FROM CASH AND INVESTMENTS

(a) Investment management

Since 1994, a major part of IFAD's investment portfolio has been entrusted to external investment managers under investment guidelines provided by the Fund. At 31 December 2007, funds under external management amounted to US\$1,892,200,000 (2006 – US\$1,393,100,000), representing some 75 per cent (2006 – 59 per cent) of total cash and investments.

(b) Derivative instruments

The Fund's investment guidelines authorize the use of the following types of derivative instruments:

(i) Futures

Future contracts open at year end were as follows:

	31 December	
	2007	2006
Number of contracts open:		
Buy	1 618	564
Sell	581	266
Net unrealized gains of open contracts (US\$ '000)	2 451	595
Maturity range of open contracts (days)	66 to 623	67 to 442

The underlying instruments of future contracts open at 31 December 2007 were government bonds and currencies.

(ii) Options

IFAD only permits the use of investment in exchange-traded options. It does not write option contracts. Relevant data for options at year end were as follows:

	31 December	
	2007	2006
Number of contracts open:		
Buy	1 104	627
Sell	1 064	561
Market value of open contracts (US\$ '000)	42	-
Net unrealized gains/(losses) of open contracts (US\$ '000)	191	(7)
Maturity range of open options (days)	25 to 350	78 to 353

The underlying instruments of option contracts open at 31 December 2007 were government bonds and money market indexes.

(iii) Covered forwards

The unrealized market-value loss on forward contracts at 31 December 2007 amounted to US\$136,000 (2006 – loss of US\$5,145,000). The maturity of forward contracts at 31 December 2007 ranged from 7 to 79 days (31 December 2006 – 5 to 79 days).

The underlying instruments of forward contracts open at 31 December 2007 were currencies.

(c) Income from cash and investments

The gross income from cash and investments for the year ended 31 December 2007 amounted to US\$155,190,000 (2006 – gross income of US\$66,379,000). This figure is gross of direct charges against investment income of US\$3,929,000 (2006 – US\$4,134,000), which are included in expenses.

	Thousands of United States dollars		
	MTM*	2007 HTM*	Total
Interest from fixed-income Investments	68 361	29 055	97 416
Net income from futures and options	543	-	543
Realized capital (loss)/gain from fixed-income securities	(2 461)	9 169	6 708
Unrealized gain/(loss) from fixed-income securities	43 359	(6 088)	37 271
Income from securities lending	1 531	360	1 891
Interest income from banks and non-convertible currencies	11 361	-	11 361
Total	122 694	32 496	155 190

*MTM=Marked to market; HTM=Held to maturity

	Thousands of United States dollars		
	MTM*	2006 HTM*	Total
Interest from fixed-income investments	76 083	15 925	92 008
Net loss from futures and options	(301)	-	(301)
Realized capital loss from fixed-income securities	(25 416)	(1 479)	(26 895)
Unrealized loss from fixed-income securities	(5 463)	-	(5 463)
Income from securities lending	588	52	640
Interest income from banks and non-convertible currencies	6 390	-	6 390
Total	51 881	14 498	66 379

*MTM=Marked to market; HTM=Held to maturity

For held-to-maturity investments, realized capital gains/(losses) relate to amortization.

The above figures include income for the consolidated entities, as follows:

	Thousands of United States dollars	
	2007	2006
IFAD	146 432	61 975
ASMCS Trust Fund	1 741	1 106
HIPC Trust Fund	1 168	1 085
BSF.JP	4 284	290
Other supplementary funds	5 226	3 644
Less: income deferred/reclassified	(3 661)	(1 721)
Total	155 190	66 379

The annual rate of return on consolidated cash and investments in 2007 was positive 6.10 per cent net of expenses (2006 – positive 2.6 per cent net of expenses). The annual rate of return on IFAD cash and investments in 2007 was 6.10 per cent positive net of expenses (2006 – 2.46 per cent positive net of expenses).

NOTE 15

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. An analysis is given below:

	Thousands of United States dollars	
	2007	2006
Service charges	224	415
Host Government income	11 781	7 794
Income from other sources	2 036	1 434
Total	14 041	9 643

NOTE 16

INCOME FROM CONTRIBUTIONS

	Thousands of United States dollars	
	2007	2006 (restated)
Supplementary funds	107 840	12 425
BSF.JP	5 831	5 307
Total	113 671	17 732

From 2007, contributions to the HIPC Debt Initiative have been offset against the HIPC Debt Initiative expenses. Prior year numbers have been restated accordingly.

NOTE 17

FINANCE INCOME AND COSTS

	Thousands of United States dollars	
	2007	2006
Interest expenses:		
Bank charges	(581)	(540)
Investment managers' fees	(2 923)	(3 098)
Total	(3 504)	(3 638)
Finance income:		
Interest from fixed income investment	97 416	92 008
Interest income from banks and non-convertible currencies	11 361	6 390
Total	108 777	98 398
Net finance costs	105 273	94 760

NOTE 18

OPERATING EXPENSES

An analysis of IFAD operating expenses by principal funding source is shown in appendix J.

The Programme Development Financing Facility (PDFF) finances the multi-year expenses required for the design, implementation and supervision of projects and programmes financed by loans and grants from IFAD. When an obligation is incurred for PDFF costs, the related costs are recorded as a separate line item within expenses in the statement of revenues and expenses and as a liability in the balance sheet for undisbursed accrued amounts. PDFF commitments are recorded as a deduction from resources available for commitment upon effectiveness of the underlying activities, based on specific milestones for each type of activity.

The costs incurred relating to PDFF, and other funding sources including the Action Plan, are classified in the accounts in accordance with the underlying nature of the expense.

NOTE 19**STAFF NUMBERS, RETIREMENT PLAN AND MEDICAL SCHEMES****(a) Staff numbers**

Employees that are on IFAD's payroll are part of the retirement and medical systems offered by IFAD. These schemes include participation in the United Nations Joint Staff Pension Fund (UNJSPF) and in the After-Service Medical Coverage Scheme (ASMCS) administered by FAO.

The number of full-time equivalent employees of the Fund and other consolidated entities by principal budget source during 2007 was as follows:

	Professional	General Service	Total
IFAD administrative budget	184	219	403
IFAD PDFF	17	27	44
IFAD other sources	18	21	39
BSF.JP	1	2	3
APO/SPO*	14	-	14
Programmatic funds	3	1	4
Total 2007	237	270	507
Total 2006	214	260	474

*Associate professional officer/special programme officer.

The above figures exclude 19 staff on temporary contracts at daily rates (2006 – -25).

As in previous years, IFAD engaged the services of consultants, conference personnel and other temporary staff to enable it to meet its operational needs.

(b) Retirement plan

The latest actuarial valuation for the UNJSPF was prepared as of 31 December 2005. This valuation revealed an actuarial surplus, amounting to 1.29 per cent of pensionable remuneration. IFAD makes contributions on behalf of its staff (currently payable by the participant and IFAD at 7.9 per cent and 15.8 per cent, respectively, of the staff member's pensionable remuneration) and would be liable for its share of the unfunded liability, if any. Total retirement plan contributions made for staff in 2007 amounted to US\$8,024,000 (2006 – US\$7,283,000).

(c) After-Service Medical Coverage Scheme

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2007. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate, 5.5 per cent; return on invested assets, 5.0 per cent; expected salary increases, 3.0 per cent; medical cost increases, 5.0 per cent; inflation, 2.5 per cent; and exchange rate euro: US\$1.28. The results determined IFAD's liability as at 31 December 2007 to be some US\$41,355,000. The 2007 and 2006 financial statements include a provision and related assets constituted as follows as at 31 December:

	Thousands of United States dollars	
	2007	2006
Past service liability		
Total provision at 1 January	(32 922)	(27 919)
Interest cost	(1 470)	(1 247)
Current service charge	(1 949)	(1 694)
Reclassification/current service charge from non-IFAD entities	-	(154)
Actuarial losses	(5 014)	(1 908)
Provision at 31 December	(41 355)	(32 922)
Plan assets		
Total assets at 1 January	32 922	27 919
Interest earned on balances	1 742	1 247
Contributions	11 535	2 941
Actuarial losses	-	815
Total assets at 31 December	46 199	32 922

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2007, such costs included within staff salaries and benefits in the financial statements amounted to US\$3,648,000 (2006 – US\$3,011,000).

(d) Actuarial valuation risk of the ASMC Scheme

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2007 is shown below:

Impact on	Liability (Percentage)	Service cost (Percentage)
Exchange rate US\$:euro:		
1.46 instead of 1.28	+10.5	+10.5
Medical inflation:		
6.0 per cent instead of 5.0 per cent	+28.3	+40.3
Discount rate:		
4.5 per cent instead of 5.5 per cent	+25.3	+34.1

NOTE 20**DIRECT BANK AND INVESTMENT COSTS**

	Thousands of United States dollars	
	2007	2006
Investment management fees	(2 923)	(3 098)
Net other charges	(582)	(540)
Tax recoverable (paid)/received	(10)	12
Total	(3 515)	(3 626)

NOTE 21**ADJUSTMENT FOR CHANGE IN FAIR VALUE**

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

	Thousands of United States dollars	
	2007	2006
Loans outstanding	(16 067)	(19 326)
Accumulated allowance for loan impairment losses	(1 573)	19 342
Accumulated allowance for HIPC Debt Initiative	(50 771)	(3 430)
Net loans outstanding	(68 411)	(3 414)
Contributors' promissory notes	(3 215)	(4 309)
Contributions receivable	(8 705)	(19 174)
Contributions	10 613	22 572
Undisbursed grants	9 414	(1 867)
Deferred revenues	1 307	911
Total	(58 997)	(5 281)

NOTE 22**HOUSED ENTITY DISCLOSURES**

Grants include annual funding for entities housed at IFAD, i.e. ILC and the Global Mechanism as follows:

	Thousands of United States dollars		
	Cumulative	2007	2006
ILC	8 915	-	1 700
Global Mechanism	7 550	-	1 250
Total	16 465	-	2 950

At 31 December liabilities owed to/(from) IFAD by the Global Mechanism and ILC were:

	Thousands of United States dollars	
	2007	2006
ILC	(22)	413
Global Mechanism	1 470	1 435
Total	1 448	1 848

NOTE 23
CONTINGENT LIABILITIES

Contingent liabilities

IFAD has contingent liabilities in respect of debt relief announced by the World Bank/International Monetary Fund for 10 countries. See note 10 for further details of the potential cost of loan principal and interest relating to these countries, as well as the future interest not accrued on debt relief already approved as shown in appendix I.

NOTE 24
DATE OF AUTHORIZATION FOR ISSUE OF THE
CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are authorized for issue following the recommendation of the Audit Committee in April 2008 and endorsement by the Executive Board in April 2008. The 2007 consolidated financial statements will be submitted to the Governing Council for formal approval at its next session in February 2009. The 2006 consolidated financial statements were approved by the Governing Council at its thirty-first session in February 2008.

APPENDIX D1

Statement of complementary and supplementary contributions and unspent funds

As at 31 December 2007 and 2006

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2007 (Expressed in thousands of United States dollars)

Member States	Project cofinancing	APOs	Other supplementary funds	GEF	Total
Algeria			102		102
Angola			7		7
Australia ¹	2 721		84		2 805
Austria	755				755
Belgium ²	5 059	758	1 538		7 355
Belgium for BSF.JP			63 836		63 836
Canada			2 528		2 528
China			30		30
Colombia			25		25
Denmark	2 467	3 264	3 953		9 684
Finland	2 494	1 806	3 957		8 257
France	1 032	861	3 846		5 739
Germany	46	4 355	6 621		11 022
Ghana			102		102
Greece			102		102
Indonesia			50		50
Ireland	5 742		1 690		7 432
Italy	17 867	4 662	28 907		51 436
Japan	1 876	2 073	3 967		7 916
Jordan			15		15
Luxembourg	750		1 274		2 024
Malaysia			28		28
Morocco			50		50
Netherlands	67 054	4 629	10 151		81 834
Nigeria			50		50
Norway	19 687	1 672	4 936		26 295
Pakistan			25		25
Paraguay			15		15
Portugal	142		738		880
Republic of Korea		2 819			2 819
Senegal			15		15
South Africa			10		10
Spain			5 468		5 468
Suriname	2 019				2 019
Sweden	9 379	2 282	2 059		13 720
Switzerland	8 388	343	8 095		16 826
Turkey			47		47
United Kingdom	17 298		3 863		21 161
United States		322	85		407
Total Member States	164 776	29 846	158 269		352 891

¹ Australia's withdrawal from membership of IFAD became effective 31 July 2007.

² The contribution from Belgium includes US\$942,000 provided by BSF.JP.

APPENDIX D1

Statement of complementary and supplementary contributions and unspent funds

As at 31 December 2007 and 2006

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2007 (cont.) (Expressed in thousands of United States dollars)

Non-Member States and other sources	Project cofinancing	APOs	Other supplementary funds	GEF	Total
African Development Bank	2 800		153		2 953
Arab Bank	1 033		25		1 058
Arab Fund for Economic and Social Development	2 998				2 998
Arab Gulf Programme for United Nations Development Organizations	299				299
Congressional Hunger Center			183		183
European Commission	814		64 603		65 417
Food and Agriculture Organization of the United Nations	14		21		35
Liechtenstein			5		5
National Agricultural Cooperative Federation	35				35
Office of the United Nations High Commissioner for Refugees	1 976				1 976
Organization of the Petroleum Exporting Countries	50				50
Other			576		576
Service charges surplus	50				50
United Nations Office for the Coordination of Humanitarian Affairs	1 000				1 000
United Nations Fund for International Partnerships	81				81
World Bank	1 174		451	21 460	23 085
Total non-Member States and other sources	12 324		66 017	21 460	99 801
Total 2007	177 100	29 846	224 286	21 460	452 692
Total 2006	173 600	28 024	149 875	20 346	371 845

APPENDIX D1

Statement of complementary and supplementary contributions and unspent funds

As at 31 December 2007 and 2006

Statement of cumulative complementary and other contributions from 1978 to 2007

(Expressed in thousands of United States dollars)

Canada	1 511
India	1 000
United Kingdom	9 143

Contributions received from Belgium for the BSF.JP

	Currency	Amount (thousands)	Thousands of United States dollars equivalent
Fourth Replenishment	EUR	19 831	24 341
Fifth Replenishment	EUR	14 874	19 516
Sixth Replenishment	EUR	16 400	21 474
Subtotal	EUR	51 105	65 331

Contributions made in the context of replenishments to the HIPC Trust Fund

Italy	4 602
Luxembourg	1 053
Netherlands	14 024
Subtotal	19 679

Total complementary contributions 2007

96 664

Total complementary contributions 2006

87 248

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

(Expressed in thousands of United States dollars)

<i>Contributions made in the context of replenishments (see previous table)</i>	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	104 127
Total contributions to IFAD's HIPC Trust Fund 2007	175 651
Total contributions to IFAD's HIPC Trust Fund 2006	71 524

APPENDIX D1

Statement of complementary and supplementary contributions and unspent funds

As at 31 December 2007 and 2006

Statement of supplementary and complementary contributions received in 2007

Contributions received for the new building in 2007	Currency	Amount (thousands)	Thousands of United States dollars equivalent
Algeria	EUR	70	94
Belgium (BSF.JP)	EUR	40	96
Ghana	EUR	70	100
Greece	EUR	70	59
Total		250	349

Contributions received for project cofinancing in 2007	Currency	Amount (thousands)	Thousands of United States dollars equivalent
Canada	CAD	1 200	1 058
Netherlands	US\$	152	152
Norway	NOK	9 000	1 506
United Kingdom	GBP	4 000	7 804
Total			10 520

Contributions received for associate professional officers in 2007	Currency	Amount (thousands)	Thousands of United States dollars
Belgium	US\$	148	148
Denmark	US\$	108	108
Finland	US\$	145	145
France	US\$	66	66
Germany	US\$	360	360
Italy	US\$	504	504
Norway	US\$	285	285
Republic of Korea	US\$	275	275
Total		1 891	1 891

Supplementary fund contributions received in 2007	Currency	Amount (thousands)	Thousands of United States dollars equivalent
African Development Bank	US\$	150	150
European Commission	EUR	42 750	62 656
Finland	EUR	400	545
Italy	EUR	3 000	4 230
Italy	US\$	310	310
Luxembourg	EUR	850	1 110
Netherlands	US\$	125	125
Spain	EUR	2 000	2 529
United Kingdom	GBP	288	568
Total			72 223

Supplementary fund contributions received for the HIPC Trust Fund in 2007	Currency	Amount (thousands)	Thousands of United States dollars
World Bank HIPC Trust Fund	US\$	104 127	104 127
Total			104 127

Complementary contributions received in 2007	Replenishment	Currency (thousands)	Amount (thousands)	Thousands of United States dollars equivalent
Belgium for the BSFJP ¹	RPLVI	EUR	9 531	12 890
India	RPLVI	US\$	1 000	1 000
United Kingdom	RPLVI	GBP	500	989
Total				14 879

¹ Payments include drawdown of promissory notes.

APPENDIX D1

Statement of complementary and supplementary contributions and unspent funds

As at 31 December 2007 and 2006

Statement of unspent complementary and supplementary contributions

(Expressed in thousands of United States dollars unless otherwise stated)

Statement of movement in contributions	Project cofinancing funds	APO funds	Other supplementary funds	GEF	Total
Unspent funds as at 1 January 2007	7 854	1 722	31 047	18 049	58 672
Contributions received from donors	7 980	1 891	72 874		82 745
Transfers	3 021		(3 021)		
Returned to donors	(7)	(73)	(176)		(256)
Interest added to funds	57	39		859	955
Expenses	(11 321)	(1 841)	(61 262)	(17 089)	(91 513)
Unspent funds as at 31 December 2007	7 584	1 738	39 462	1 819	50 603

Project cofinancing funds	Unspent balance as at 31 December	
	2007	2006
Member States		
Finland	52	-
Ireland	520	2 115
Italy	1 828	2 267
Japan	303	304
Netherlands	162	154
Norway	1 704	791
Suriname	-	2
Sweden	176	260
Switzerland	96	321
United Kingdom	1 709	619
Total Member States	6 550	6 833
Non-Member States		
Arab Bank	1 033	976
Arab Fund for Economic and Social Development	1	1
United Nations Fund for International Partnerships	-	4
World Bank	-	40
Total non-Member States	1 034	1 021
Total	7 584	7 854

Associate professional officer funds	Unspent balance as at 31 December		Cumulative number of APOs	
	2007	2006	2007	2006
Belgium	92	89	4	4
Denmark	217	210	20	20
Finland	163	208	10	10
France	76	122	4	4
Germany	289	254	28	27
Italy	479	371	21	20
Japan	47	47	11	11
Netherlands	2	73	29	29
Norway	224	83	9	9
Republic of Korea	100	57	8	8
Sweden	49	208	14	13
Switzerland	-	-	3	3
United States	-	-	3	3
Total	1 738	1 722	164	161

A total of 15 APOs worked at IFAD in 2007 (2006: 20). These were financed by Belgium (1), Denmark (1), Finland (2), France (1), Germany (3), Italy (4), Norway (1), the Republic of Korea (1) and Sweden (1).

APPENDIX D1

Statement of complementary and supplementary contributions and unspent funds

As at 31 December 2007 and 2006

Other supplementary and complementary funds	Unspent balance as at 31 December	
	2007	2006
Member States		
Belgium	19	19
Canada	1 412	899
Denmark	132	223
Finland	717	722
France	75	429
Germany	864	1 184
India	1 000	-
Ireland	981	445
Italy	12 812	11 594
Japan	184	339
Luxembourg	1 097	42
Malaysia	13	13
Netherlands	192	282
Norway	341	811
Portugal	154	219
Spain	5 187	2 631
Sweden	532	560
Switzerland	2 056	2 706
United Kingdom	5 821	5 786
Total Member States	33 588	28 904
Non-Member States		
African Development Bank	150	-
Congressional Hunger Center	-	4
European Commission	5 684	1 703
World Bank	13	409
Other	27	27
Total non-Member States	5 874	2 143
Total	39 462	31 047

Global Environment Facility

Recipient country	Cumulative contributions received as at 31 December 2007	Unspent at 1 January 2007	Received from donors	Expenses	Unspent at 31 December 2007
Asian regional	340	34		(14)	20
Brazil	5 988	5 942		(5 842)	100
China	350	99		(58)	41
Ethiopia	350	133		(101)	32
Global support for UNCCD ¹	637	25		-	25
Jordan	350	165		(24)	141
Kenya	4 700	4 700		(4 700)	-
Mali	6 326	6 011		(6 000)	11
Morocco	350	238		(198)	40
Sri Lanka	350	85		(85)	-
Tunisia	350	107		(67)	40
Unallocated	255	255		-	255
Total	20 346	17 794		(17 089)	705
Interest added to funds	1 114	255	859		1 114
Total	21 460	18 049	859	(17 089)	1 819

¹ UNCCD = United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa.

The International Fund for Agricultural Development
Rome

We have audited the accompanying consolidated Financial Statements (Appendices A, B, B1, C, D and D1) of the International Fund for Agricultural Development (the Fund) as at and for the year ended 31 December 2007. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the consolidated financial position of the International Fund for Agricultural Development as at 31 December 2007, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Rome, 15 April 2008

PricewaterhouseCoopers SpA


John McQuiston
(Partner)

SUPPLEMENTAL INFORMATION

APPENDIX E

IFAD-only balance sheet at nominal value in United States dollars and retranslated in special drawing rights

As at 31 December 2007 and 2006

Assets	Thousands of United States dollars		Thousands of special drawing rights	
	2007	2006	2007	2006
Cash on hand and in banks (note 4)	264 530	156 720	167 857	104 210
Investments (note 4)	2 402 377	2 258 424	1 524 429	1 501 739
Contributors' promissory notes (note 5)	340 842	331 291	216 282	220 292
Contributions receivable (note 5)	355 812	347 022	225 780	230 752
Less: provisions (note 6)	(168 485)	(169 360)	(106 912)	(112 616)
	528 169	508 953	335 150	338 428
Other receivables (note 7)	302 917	128 490	192 215	85 440
Loans outstanding (note 8 and appendix H)	4 911 615	4 466 220	3 116 665	2 969 813
Less: accumulated allowance for loan impairment losses (note 8 (a))	(173 990)	(169 162)	(110 406)	(112 484)
Less: accumulated allowance for the HIPC Debt Initiative (note 10 (b)) and appendix I)	(148 004)	(279 393)	(93 915)	(185 783)
Net loans outstanding	4 589 621	4 017 665	2 912 344	2 671 546
Total assets	8 087 614	7 070 252	5 131 995	4 701 363

Liabilities and equity	Thousands of United States dollars		Thousands of special drawing rights	
	2007	2006	2007	2006
Payables and liabilities (note 11)	341 182	169 215	216 497	112 519
Undisbursed grants	76 848	54 216	48 764	36 051
Deferred revenues (note 12)	93 396	5 223	59 264	3 473
Total liabilities	511 426	228 654	324 525	152 043
Equity				
Contributions				
Regular	5 296 347	4 982 756	4 382 300	4 194 336
Special	20 348	20 348	15 219	15 219
Total contributions (appendix G)	5 316 695	5 003 104	4 397 519	4 209 555
General Reserve	95 000	95 000	60 282	63 170
Fully committed retained earnings	2 164 493	1 743 494	349 669	276 595
Total equity	7 576 188	6 841 598	4 807 470	4 549 320
Total liabilities and equity	8 087 614	7 070 252	5 131 995	4 701 363

A statement of IFAD's balance sheet is prepared in SDR, given that most of its assets are denominated in SDR and/or currencies included in the SDR basket. This statement has been included solely for the purpose of providing additional information for the readers of the accounts and is based on nominal values.

APPENDIX F

Statement of IFAD-only resources available for commitment

For the years ended 31 December 2007 and 2006 (expressed in thousands of United States dollars)

		2007	2006
Assets in freely-convertible currencies	Cash	264 451	156 639
	Investments	2 401 751	2 257 790
	Promissory notes	339 444	329 892
	Other receivables ¹	69 840	128 490
		3 075 486	2 872 811
Less	Payables and liabilities	256 805	169 180
	Programme Development Financing Facility (PDFF) carry forward	2 257	3 879
	General Reserve	95 000	95 000
	Undisbursed effective loans	2 286 987	2 090 759
	Approved loans signed but not yet effective	280 246	302 504
	Undisbursed grants	76 848	54 216
		2 644 080	2 447 479
	Provision for promissory notes	80 898	80 898
		3 079 040	2 796 435
Resources available for commitment		(3 554)	76 376
Less	Loans not yet signed	461 745	484 698
	Grants not yet signed	120 053	44 994
Net resources pre-advance commitment authority (ACA)		(585 352)	(453 316)
ACA carried forward at 1 January		453 316	296 022
ACA approved at Executive Board sessions during the year		142 784	181 600
		596 100	477 622
Less	ACA covered in year	(10 748)	(24 306)
ACA carried forward at 31 December		585 352	453 316
Net resources available for commitment		-	-

¹ Other receivables excludes the interfund balance due from IFAD's HIPC and ASMCS Trust Funds.

APPENDIX G

Statement of contributions

As at 31 December 2007 and 2006

Summary of contributions

As at 31 December 2007 and 2006

	Thousands of United States dollars	
	2007	2006
Initial contributions	1 017 314	1 017 313
First Replenishment	1 016 372	1 016 372
Second Replenishment	566 560	566 560
Third Replenishment	553 509	553 495
Fourth Replenishment	361 394	361 394
Fifth Replenishment	441 170	440 641
Sixth Replenishment	569 136	519 898
Seventh Replenishment	588 145	325 211
Total IFAD	5 113 600	4 800 884
SPA Phase I	288 868	288 868
SPA Phase II	62 364	62 364
Total SPA	351 232	351 232
Special contributions ¹	20 348	20 348
Total replenishment contributions	5 485 180	5 172 464
Statement of complementary contributions		
Belgian Survival Fund	65 331	57 904
HIPC Debt Initiative	19 679	19 679
Other complementary contributions	11 654	9 665
Total complementary contributions	96 664	87 248
HIPC contributions not made in the context of replenishment resources	155 972	51 845
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Statement of supplementary contributions²		
Project cofinancing	177 100	173 600
Associate professional officer funds	29 846	28 024
Other supplementary funds	160 450	86 039
Global Environment Facility	21 460	20 346
Total supplementary contributions	608 664	423 690
Total contributions	6 190 508	5 683 402
Total contributions include the following:		
Total replenishment contributions (as above)	5 485 180	5 172 464
Less provisions	(168 485)	(169 360)
Total net replenishment contributions	5 316 695	5 003 104
Less fair value adjustment	(36 851)	(45 195)
Total replenishment contributions at fair value	5 279 844	4 957 909

¹ Including Iceland's special contribution prior to membership.

² Includes interest earned according to each underlying agreement.

APPENDIX G

Statement of contributions

As at 31 December 2007 and 2006

Statement of Members' contributions¹

Member States	Initial, First, Second, Third, Fourth, Fifth and Sixth Replenishments (thousands of United States dollars equivalent)	Seventh Replenishment					
		Instruments deposited			Payments (thousands of United States dollars equivalent)		
		Currency	Amount (thousands)	Thousands of United States dollars equivalent	Cash	Promissory notes	Total
Albania	30	US\$	10	10	10		10
Algeria	51 330	US\$	1 100	1 100	330	770	1 100
Angola	260						
Argentina	7 900						
Armenia	11	US\$	4	4	4		4
Australia ²	37 247						
Austria	42 808	EUR	8 797	12 537	3 920	8 617	12 537
Azerbaijan	100						
Bangladesh	3 756	US\$	600	600	180	420	600
Barbados	10						
Belgium	73 540	EUR	9 810	14 266	4 704		4 704
Belize	205						
Benin	197						
Bhutan	105	US\$	30	30	30		30
Bolivia	1 200	US\$	300	300			
Bosnia and Herzegovina		US\$	75	75	75		75
Botswana	335	US\$	25	25	25		25
Brazil ³	44 020	US\$	7 916	7 916		7 916	7 916
Burkina Faso	159	US\$	100	100	100		100
Burundi	70						
Cambodia	420	US\$	210	210	210		210
Cameroon	855	US\$	794	794	794		794
Canada	169 828	CAD	37 277	35 715	23 125		23 125
Cape Verde	26						
Central African Republic	11						
Chile	700	US\$	100	100	100		100
China	40 839	US\$	16 000	16 000	6 000		6 000
Colombia	470	US\$	170	170	170		170
Comoros ⁴	34						
Congo	352						
Cook Islands	5						
Côte d'Ivoire	1 559						
Cuba	9						
Cyprus	162						
Democratic People's Republic of Korea ⁴	800						
Democratic Republic of the Congo	1 180						
Denmark	113 350	DKK	60 000	11 458	3 615		3 615
Djibouti	6						
Dominica	51						
Dominican Republic	88						
Ecuador	791						
Egypt ³	14 409	US\$	3 000	3 000	900	2 100	3 000
El Salvador	100						
Eritrea	20						
Ethiopia	191	US\$	30	30	30		30
Fiji	194						
Finland	31 526	EUR	6 516	9 222	2 619		2 619
France ³	206 659	EUR	24 000	35 089		11 696	11 696
Gabon	3 016						
Gambia (The)	45						
Germany ³	295 873	US\$	40 000	40 000		26 000	26 000
Ghana	966						
Greece	2 950	US\$	600	600	600		600
Grenada	75						
Guatemala ³	793	US\$	250	250			

APPENDIX G

Statement of contributions

As at 31 December 2007 and 2006

Statement of Members' contributions¹ (cont.)

Member States	Initial, First, Second, Third, Fourth, Fifth and Sixth Replenishments (thousands of United States dollars equivalent)	Seventh Replenishment					
		Instruments deposited			Payments (thousands of United States dollars equivalent)		
		Currency	Amount (thousands)	Thousands of United States dollars equivalent	Cash	Promissory notes	Total
Guinea	260	US\$	70	70	70		70
Guinea-Bissau	30						
Guyana	635						
Haiti	107						
Honduras	802						
Iceland	5	US\$	100	100	100		100
India	62 812	US\$	17 000	17 000	11 000		11 000
Indonesia	41 959	US\$	5 000	5 000			
Iran (Islamic Republic of) ⁴	128 750						
Iraq ⁴	53 099	US\$	670	670	670		670
Ireland ⁵	6 411	EUR	6 000	8 483	2 634		2 634
Ireland ⁵		EUR	891	1 154	1 154		1 154
Israel	300						
Italy	224 023						
Jamaica	326						
Japan	324 600	JPY	3 635 719	32 379	7 971	24 408	32 379
Jordan	740						
Kenya	4 518	US\$	66	66	66		66
Kiribati	5						
Kuwait	153 041	US\$	8 000	8 000	2 400	5 600	8 000
Lao People's Democratic Republic	154						
Lebanon	115	US\$	80	80			
Lesotho	289	US\$	100	100	100		100
Liberia	39						
Libyan Arab Jamahiriya ⁴	52 000						
Luxembourg	2 506	EUR	650	928	263	665	928
Madagascar	280	US\$	97	97	97		97
Malawi	73						
Malaysia	1 000						
Maldives	51						
Mali	63	US\$	127	127	127		127
Malta	55						
Mauritania ⁴	50						
Mauritius	270						
Mexico	30 131	US\$	3 000	3 000	1 000		1 000
Moldova	6	US\$	10	10	10		10
Morocco	6 244						
Mozambique	320	US\$	80	80	80		80
Myanmar	250						
Namibia	340	US\$	20	20	20		20
Nepal	160						
Netherlands ³	224 650	EUR	32 000	45 477	13 312	32 165	45 477
New Zealand	7 991						
Nicaragua	99	US\$	20	20	12		12
Niger	175						
Nigeria	101 440	US\$	5 000	5 000			
Norway	144 750	NOK	209 482	37 313	11 592		11 592
Oman	200	US\$	50	50	50		50
Pakistan	10 934	US\$	4 000	4 000	1 333	2 667	4 000
Panama	166	US\$	17	17	17		17
Papua New Guinea	170						
Paraguay	605						
Peru	760						
Philippines	1 778	US\$	24	24	24		24
Portugal	3 089	EUR	873	1 254	361	468	829

APPENDIX G

Statement of contributions

As at 31 December 2007 and 2006

Statement of Members' contributions¹ (cont.)

Member States	Initial, First, Second, Third, Fourth, Fifth and Sixth Replenishments (thousands of United States dollars equivalent)	Seventh Replenishment					
		Instruments deposited			Payments (thousands of United States dollars equivalent)		
		Currency	Amount (thousands)	Thousands of United States dollars equivalent	Cash	Promissory notes	Total
Qatar	29 980	US\$	10 000	10 000	7 000		7 000
Republic of Korea	10 239	US\$	3 000	3 000	1 000		1 000
Romania	150	US\$	100	100			
Rwanda	164						
Saint Kitts and Nevis	20						
Saint Lucia	22						
Samoa	50						
Sao Tome and Principe ⁴	10						
Saudi Arabia	379 778	US\$	10 000	10 000	3 000	7 000	10 000
Senegal	271	US\$	113	113	113		113
Seychelles	20						
Sierra Leone	37						
Solomon Islands	10						
Somalia	10						
South Africa	500						
Spain	12 700	EUR	24 000	35 089	35 089		35 089
Sri Lanka	6 884						
Sudan	889						
Swaziland	238	US\$	20	20	20		20
Sweden	164 544	SEK	251 400	37 681	24 715	12 966	37 681
Switzerland ³	95 170	CHF	21 323	18 834		6 271	6 271
Syrian Arab Republic	967	US\$	350	350	350		350
Thailand	750						
Togo	35						
Tonga	55						
Tunisia	2 578	US\$	600	600	200		200
Turkey	15 336	US\$	900	900	500		500
Uganda	245						
United Arab Emirates	51 180	US\$	1 000	1 000			
United Kingdom ³	179 104	GBP	27 725	55 189			
United Republic of Tanzania	264	US\$	57	57	57		57
United States ³	647 674	US\$	54 000	54 000		14 850	14 850
Uruguay	225						
Venezuela (Bolivarian Republic of)	174 689						
Viet Nam	1 103	US\$	500	500	100		100
Yemen	1 784	US\$	592	592	592		592
Yugoslavia	108						
Zambia	307						
Zimbabwe	2 103						
Total Member States							
31 December 2007	4 525 455			588 145	174 740	164 579	339 319
Non-Member States							
OPEC ⁶	20 000						
Other	348						
Total non-Member States	20 348						
31 December 2007	4 545 803			588 145	174 740	164 579	339 319
31 December 2006	4 475 673			325 210	11 089	104 791	115 880

¹ Amounts are expressed in thousands of United States dollars therefore payments from Afghanistan (US\$93) and Tajikistan (US\$600) do not appear on Appendix G.

² Australia's withdrawal from membership of IFAD became effective 31 July 2007.

³ See appendix D, note 5(a).

⁴ See appendix D, notes 6(a) and (b).

⁵ In addition to its pledge to the Seventh Replenishment of EUR 6 million, Ireland has made a further contribution of EUR 891,000.

⁶ Organization of the Petroleum Exporting Countries.

APPENDIX G

Statement of contributions

As at 31 December 2007 and 2006

Special Programme for Africa

	First phase			Second phase		
	Instruments deposited			Instruments deposited		
	Currency	Amount	Thousands of United States dollars equivalent	Amount	Thousands of United States dollars equivalent	Total
Australia	AUD	500	389			389
Belgium	EUR	31 235	34 975	11 155	12 263	47 238
Denmark	DKK	120 000	18 673			18 673
Djibouti	USD	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 ¹	US\$	25	25			25
Netherlands	EUR	15 882	16 174	8 848	9 533	25 707
New Zealand	NZD	500	252			252
Niger	EUR	15	18			18
Nigeria	US\$			250	250	250
Norway	NOK	138 000	19 759			19 759
Spain	US\$	1 000	1 000			1 000
Sweden	SEK	131 700	19 055	25 000	4 196	23 251
Switzerland	CHF	25 000	17 049			17 049
United Kingdom	GBP	7 000	11 150			11 150
United States	US\$	10 000	10 000	10 000	10 000	20 000
31 December 2007			288 868		62 364	351 232
31 December 2006			288 868		62 364	351 232

¹ See appendix D, notes 6(a) and (b).

APPENDIX G

Statement of contributions

As at 31 December 2007 and 2006

Statement of Members' replenishment contributions received in 2007¹ (Expressed in thousands of United States dollars)

Member States	Instruments deposited ^{2,3}	Promissory note deposit ²	Payments	
			Cash	Promissory note encashment
Second Replenishment				
Gabon			371	
Total			371	
Third Replenishment				
Gabon			15	
Total			15	
Fourth Replenishment				
Kenya			505	
Total			505	
Fifth Replenishment				
Argentina			1 500	
Australia				606
Kenya			50	
Switzerland				605
United Kingdom		20 150		19 666
Total		20 150	1 550	20 877
Sixth Replenishment				
Brazil				2 639
France				10 804
Gabon			13	
Germany				12 000
Italy			37 848	
Japan				8 015
Kenya			60	
Netherlands				8 201
Nigeria			4 757	
Sri Lanka			334	
Switzerland				5 766
United Arab Emirates				700
United Kingdom		9 704		7 725
United States				8 541
Total		9 704	43 012	64 391
Seventh Replenishment				
Algeria	1 100	1 100		330
Armenia	4		4	
Austria		11 393		3 920
Bangladesh				180
Belgium	13 238		4 704	
Bolivia	300			
Brazil		7 916		
Cambodia	210		210	
Canada	31 732	22 381		23 125
China			6 000	
Denmark		3 569		3 615
Egypt	3 000	3 000		900
Ethiopia	30		30	
Finland	8 541		2 620	
France		11 574		
Germany		26 000		

APPENDIX G

Statement of contributions

As at 31 December 2007 and 2006

Statement of Members' replenishment contributions received in 2007¹ (cont.) (Expressed in thousands of United States dollars)

Member States	Instruments deposited ^{2,3}	Promissory note deposit ³	Payments	
			Cash	Promissory note encashment
Greece	600		600	
Iceland	100		100	
India			6 000	
Iraq	670		670	
Ireland	1 154		3 788	
Japan		15 833		7 971
Kenya	66		66	
Kuwait	8 000	8 000		2 400
Luxembourg	843	843		262
Mali	127		127	
Mexico			1 000	
Moldova	4		4	
Mozambique	80	80		80
Netherlands				13 312
Nicaragua			2	
Nigeria	5 000			
Norway			11 592	
Oman	50		50	
Pakistan		4 000		1 333
Panama	8		8	
Portugal	1 161	797		361
Qatar			3 000	
Republic of Korea			1 000	
Romania	100			
Saudi Arabia				3 000
Senegal	113		113	
Spain	35 089		35 089	
Swaziland	20		20	
Sweden				24 715
Switzerland	17 661	5 900		
Tunisia			200	
Turkey			400	
United Arab Emirates	1 000			
United Kingdom	57 137			
United Republic of Tanzania	57		57	
United States	54 000	14 850		
Viet Nam	500		100	
Yemen	592		592	
Total	242 286	137 235	78 147	85 504
Grand total 2007	242 286	167 088	123 599	170 773

¹ Amounts are expressed in thousands of United States dollars therefore payment from Tajikistan (US\$200) does not appear.

² Instruments deposited also include equivalent instruments recorded on receipt of cash or promissory note where no instrument of contribution has been received.

³ Instruments deposited and promissory note deposit received in currencies other than United States dollars are translated at the date of receipt.

APPENDIX H

Statement of loans

1. IFAD: Statement of outstanding loans

As at 31 December 2007 and 2006

Borrower or guarantor	Approved loans less cancellations	Loans not yet effective	Effective loans			
			Undisbursed portion	Disbursed portion	Repayments	Outstanding loans
US\$ loans¹ (expressed in thousands)						
Bangladesh	30 000	-	-	30 000	14 250	15 750
Cape Verde	2 003	-	-	2 003	951	1 052
Haiti	3 500	-	-	3 500	1 706	1 794
Nepal	11 538	-	-	11 538	5 491	6 047
Sri Lanka	12 000	-	-	12 000	6 000	6 000
United Republic of Tanzania	9 489	-	-	9 489	4 692	4 797
Subtotal¹	68 530	-	-	68 530	33 090	35 440
Exchange adjustment on US\$ loans	3 446	-	-	3 446	3 153	293
Subtotal US\$ loans¹	71 976	-	-	71 976	36 243	35 733
SDR loans¹ (expressed in thousands)						
Albania	29 227	-	5 113	24 114	1 413	22 701
Algeria	1 398	-	785	613	49	564
Angola	17 250	5 250	571	11 429	447	10 982
Argentina	50 600	13 100	22 777	14 723	9 487	5 236
Armenia	45 649	7 900	1 932	35 817	450	35 367
Azerbaijan	32 659	10 850	6 802	15 007	210	14 797
Bangladesh ²	276 529	35 450	40 566	200 513	39 944	160 569
Belize	1 750	-	733	1 017	606	411
Benin	72 753	-	13 521	59 232	10 929	48 303
Bhutan	27 284	-	7 657	19 627	3 234	16 393
Bolivia	53 309	4 800	6 914	41 595	13 158	28 437
Bosnia and Herzegovina	32 757	8 800	622	23 335	553	22 782
Brazil	80 450	15 450	27 531	37 469	22 845	14 624
Burkina Faso	76 071	6 950	23 843	45 278	5 783	39 495
Burundi ²	41 689	-	11 758	29 931	7 272	22 659
Cambodia	27 778	-	5 170	22 608	155	22 453
Cameroon	38 879	-	17 294	21 585	3 684	17 901
Cape Verde	10 890	-	3 126	7 764	985	6 779
Central African Republic	23 044	-	-	23 044	1 758	21 286
Chad	26 150	-	20 877	5 273	-	5 273
China	360 539	35 800	45 197	279 542	37 654	241 888
Colombia	23 345	-	12 190	11 155	6 158	4 997
Comoros	4 182	-	-	4 182	882	3 300
Congo	13 950	-	10 526	3 424	-	3 424
Costa Rica	3 400	-	-	3 400	2 150	1 250
Côte d'Ivoire	25 276	-	14 558	10 718	1 564	9 154
Cuba	10 581	-	-	10 581	2 273	8 308
Democratic People's Republic of Korea	50 496	-	1 408	49 088	4 528	44 560
Democratic Republic of the Congo	39 693	-	20 070	19 623	3 905	15 718
Djibouti	4 462	-	2 216	2 246	643	1 603
Dominica	2 902	-	-	2 902	1 266	1 636
Dominican Republic	18 458	-	85	18 373	9 754	8 619
Ecuador	32 226	-	9 263	22 963	12 616	10 347
Egypt	134 705	-	28 627	106 078	31 089	74 989
El Salvador	73 010	19 450	7 930	45 630	17 933	27 697
Equatorial Guinea	5 794	-	-	5 794	1 118	4 676
Eritrea	24 950	-	10 054	14 896	855	14 041
Ethiopia	143 057	13 300	27 172	102 585	15 988	86 597
Gabon	8 593	3 800	-	4 793	4 680	113
Gambia (The)	29 214	4 150	3 658	21 406	3 612	17 794
Georgia	16 468	-	9 083	7 385	144	7 241
Ghana	104 577	14 250	26 063	64 264	8 527	55 737
Grenada	3 250	-	2 231	1 019	325	694
Guatemala	64 926	11 350	27 138	26 438	13 861	12 577
Guinea-Bissau	5 117	-	-	5 117	732	4 385
Guinea	74 549	-	24 937	49 612	6 921	42 691
Guyana	9 150	1 850	856	6 444	243	6 201
Haiti	60 852	8 800	20 427	31 625	8 003	23 622
Honduras	67 561	4 550	7 777	55 234	4 132	51 102
India	397 778	30 800	88 242	278 736	75 162	203 574
Indonesia ²	109 219	14 300	7 897	87 022	36 854	50 168
Jamaica	2 253	-	-	2 253	2 230	23
Jordan	32 255	-	9 784	22 471	10 063	12 408
Kenya	77 761	-	46 672	31 089	5 446	25 643
Kyrgyzstan	7 469	-	372	7 097	131	6 966
Lao People's Democratic Republic	49 573	-	11 676	37 897	4 164	33 733
Lebanon	14 533	-	-	14 533	9 535	4 998
Lesotho	24 164	2 850	3 124	18 190	2 973	15 217

APPENDIX H

Statement of loans

1. IFAD: Statement of outstanding loans (cont.)

As at 31 December 2007 and 2006

Borrower or guarantor	Approved loans less cancellations	Loans not yet effective	Effective loans			
			Undisbursed portion	Disbursed portion	Repayments	Outstanding loans
Liberia	10 180	-	-	10 180	-	10 180
Madagascar ²	88 322	11 650	17 572	59 100	9 921	49 179
Malawi ²	70 241	5 350	11 652	53 239	12 132	41 107
Maldives	10 894	2 350	2 580	5 964	1 261	4 703
Mali	78 365	-	18 655	59 710	9 637	50 073
Mauritania	41 467	-	14 628	26 839	4 964	21 875
Mauritius	8 200	-	2 738	5 462	1 640	3 822
Mexico	53 300	-	35 626	17 674	10 233	7 441
Moldova	25 200	-	12 963	12 237	-	12 237
Mongolia	13 705	-	4 199	9 506	125	9 381
Morocco	76 559	11 950	30 434	34 175	21 569	12 606
Mozambique ²	94 458	-	28 310	66 148	8 993	57 155
Namibia	4 200	-	-	4 200	2 100	2 100
Nepal	72 562	-	19 678	52 884	14 484	38 400
Nicaragua	38 832	2 550	14 666	21 616	1 357	20 259
Niger	40 955	-	16 076	24 879	4 214	20 665
Nigeria	118 011	45 400	33 422	39 189	8 104	31 085
Pakistan ²	254 392	22 850	52 544	178 998	68 713	110 285
Panama	38 755	-	18 618	20 137	13 370	6 767
Papua New Guinea	3 901	-	-	3 901	2 597	1 304
Paraguay	19 808	-	7 651	12 157	9 632	2 525
Peru	54 950	9 050	8 678	37 222	16 817	20 405
Philippines	58 512	-	19 081	39 431	7 856	31 575
Romania	12 400	-	-	12 400	3 307	9 093
Rwanda ²	84 816	-	21 847	62 969	8 510	54 459
Saint Lucia	1 242	-	-	1 242	625	617
Saint Vincent and the Grenadines	1 484	-	-	1 484	1 064	420
Samoa	1 908	-	-	1 908	482	1 426
Sao Tome and Principe	13 761	-	5 861	7 900	1 325	6 575
Senegal	62 414	-	14 640	47 774	3 488	44 286
Seychelles	824	-	-	824	743	81
Sierra Leone	26 500	-	5 433	21 067	7 393	13 674
Solomon Islands	2 519	-	-	2 519	336	2 183
Somalia	17 710	-	-	17 710	411	17 299
Sri Lanka	112 505	12 600	38 770	61 135	13 829	47 306
Sudan ²	129 500	16 800	28 472	84 228	19 557	64 671
Swaziland	16 353	-	7 110	9 243	3 627	5 616
Syrian Arab Republic	69 609	13 380	26 493	29 736	21 548	8 188
The former Yugoslav Republic of Macedonia	11 758	-	112	11 646	279	11 367
Togo	17 565	-	-	17 565	1 521	16 044
Tonga	4 837	-	-	4 837	1 008	3 829
Tunisia	43 949	-	19 754	24 195	10 718	13 477
Turkey	42 722	-	22 830	19 892	16 391	3 501
Uganda ²	132 820	9 950	46 161	76 709	14 633	62 076
United Republic of Tanzania	126 407	-	43 967	82 440	5 516	76 924
Uruguay	18 880	-	5 368	13 512	9 159	4 353
Venezuela (Bolivarian Republic of)	27 920	-	16 615	11 305	8 502	2 803
Viet Nam	116 350	22 300	32 959	61 091	1 836	59 255
Yemen ²	138 036	10 850	26 034	101 152	24 910	76 242
Zambia	79 003	-	18 253	60 750	9 519	51 231
Zimbabwe	32 176	-	-	32 176	15 605	16 571
Total	5 718 141	470 830	1 447 275	3 800 036	906 637	2 893 399
Fund for Gaza and the West Bank ³	5 800	-	3 287	2 513	-	2 513
US\$ equivalent	9 020 473	741 990	2 285 970	5 992 513	1 276 155	4 716 358
Exchange adjustment on SDR loan repayments	(152 632)	-	-	(152 632)	-	(152 632)
Subtotal SDR loans						
31 December 2007 US\$	8 867 841	741 990	2 285 970	5 839 881	1 276 155	4 563 726
Total loans 31 December 2007						
US\$ at nominal value	8 939 817	741 990	2 285 970	5 911 857	1 312 398	4 599 459
Fair value adjustment						(1 212 961)
31 December 2007 US\$ at fair value						3 386 498
31 December 2006 US\$						
at nominal value	8 257 916	787 202	2 089 191	5 381 523	1 218 163	4 163 360
Fair value adjustment						(1 141 766)
31 December 2006 US\$ at fair value						3 021 594

APPENDIX H

Statement of loans

2. IFAD: Summary of loans approved at nominal value¹

As at 31 December 2007 and 2006

Approved loans in thousands of SDR					Value in thousands of United States dollars					
	As at 1 January 2007	Loans cancelled	Loans fully repaid	As at 31 December 2007	As at 1 January 2007	Loans cancelled	Loans fully repaid	Exchange rate movement SDR/US\$	As at 31 December 2007	
1978	US\$	68 530		68 530	68 530				68 530	
1979	SDR	201 486		201 486	303 010			14 515	317 525	
1980	SDR	187 228		187 228	281 567			13 489	295 056	
1981	SDR	188 716		188 716	283 805			13 596	297 401	
1982	SDR	103 110		103 110	155 064			7 429	162 493	
1983	SDR	143 589		143 589	215 940			10 345	226 285	
1984	SDR	131 907		131 907	198 371			9 504	207 875	
1985	SDR	60 332		60 332	90 732			4 346	95 078	
1986	SDR	43 113		(19 449)	23 664		(30 650)	3 107	37 293	
1987	SDR	87 891		(26 349)	61 542		(41 524)	6 332	96 985	
1988	SDR	80 306		80 306	120 770			5 786	126 556	
1989	SDR	108 137		108 137	162 624			7 791	170 415	
1990	SDR	106 578		(5 693)	100 885		(8 972)	7 679	158 987	
1991	SDR	127 804		127 804	192 202			9 207	201 409	
1992	SDR	151 007	(776)	150 231	227 095	(1224)		10 881	236 752	
1993	SDR	168 966		168 966	254 103			12 174	266 277	
1994	SDR	182 760		182 760	274 848			13 167	288 015	
1995	SDR	232 430	(5 270)	227 160	349 545	(8 305)		16 746	357 986	
1996	SDR	244 457	(4 216)	240 241	367 632	(6 644)		17 613	378 601	
1997	SDR	275 228	(255)	274 973	413 908	(402)		19 829	433 335	
1998	SDR	284 199	(3 682)	280 517	427 399	(5 803)		20 476	442 072	
1999	SDR	315 700	(1 556)	314 144	474 772	(2 452)		22 746	495 066	
2000	SDR	312 250	(6 346)	305 904	469 584	(10 001)		22 497	482 080	
2001	SDR	297 667	(9 070)	288 597	447 653	(14 293)		21 446	454 806	
2002	SDR	246 100		246 100	370 103			17 731	387 834	
2003	SDR	274 402		274 402	412 666			19 770	432 436	
2004	SDR	275 750		275 750	414 692			19 868	434 560	
2005	SDR	324 810		324 810	488 473			23 402	511 875	
2006	SDR	350 400	(50)	350 350	526 957	(78)		25 245	552 124	
2007	SDR	0		300 330				473 296	473 296	
Total	SDR	5 506 323	(31 221)	(51 491)	5 723 941	8 280 808	(49 202)	(81 146)	870 013	9 020 473
Total	US\$	68 530		68 530	68 530					68 530
Exchange adjustment on loans disbursed										(149 186)
Total					8 257 916					8 939 817

3. IFAD: Maturity structure of outstanding loans by period at nominal value

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

Period due	2007	2006
Less than 1 year	245 100	226 755
1-2 years	182 251	161 223
2-3 years	190 626	168 461
3-4 years	188 824	175 555
4-5 years	194 184	173 065
5-10 years	979 048	878 641
10-15 years	834 240	738 343
16-20 years	727 740	655 263
21-25 years	611 894	556 175
More than 25 years	445 552	429 879
Total	4 599 459	4 163 360

¹ Loans approved in 1978 were denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Since 1979, loans have been denominated in SDRs and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDRs has been valued at the US\$/SDR rate of 1.57591/1 at 31 December 2007. Since the loans were valued at 31 December 2006 at the then prevailing rate of 1.50387/1, there is an increase in value in terms of United States dollars of US\$870,013,000, attributable to the movement in exchange rates from 31 December 2006 to 31 December 2007 (from 2005 to 2006, there was a decrease in value in terms of United States dollars of US\$408,091,000).

² 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.

³ See Appendix D, Note 2(e)(ii)

APPENDIX H

Statement of loans

4. IFAD: Summary of outstanding loans by currency at nominal value

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

Currency in which repayment due	2007	2006
United States dollars	3 903 151	3 550 598
Euro	584 482	499 807
Pound sterling	111 826	112 955
Total	4 599 459	4 163 360

5. IFAD: Summary of outstanding loans by lending type at nominal value

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	2007	2006
Highly concessional terms	4 192 976	3 759 912
Intermediate terms	282 500	292 332
Ordinary terms	123 983	111 116
Total	4 599 459	4 163 360

6. Disbursement structure of undisbursed loans at nominal value

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

Disbursements in	2007	2006
Less than one year	500 181	467 163
1-2 years	477 482	450 930
2-3 years	439 001	414 350
3-4 years	392 392	369 540
4-5 years	331 138	316 360
5-10 years	823 594	791 810
More than 10 years	64 172	66 240
Total	3 027 960	2 876 393

APPENDIX H

Statement of loans

7. Special Programme for Africa: Statement of loans at nominal value

As at 31 December 2007 and 2006

Borrower or guarantor	Approved loans less cancellations	Undisbursed portion ¹	Disbursed portion	Repayments	Outstanding loans
SDR loans (expressed in thousands)					
Angola	2 768	55	2 713	245	2 468
Burkina Faso	10 546	-	10 546	1 924	8 622
Burundi	4 494	-	4 494	525	3 969
Cape Verde	2 183	-	2 183	423	1 760
Chad	9 617	-	9 617	1 346	8 271
Comoros	2 289	-	2 289	231	2 058
Djibouti	114	-	114	24	90
Ethiopia	6 660	-	6 660	1 753	4 907
Gambia (The)	2 638	-	2 638	528	2 110
Ghana	22 321	-	22 321	4 045	18 276
Guinea-Bissau	2 126	-	2 126	80	2 046
Guinea	10 762	-	10 762	2 421	8 341
Kenya	12 387	590	11 797	1 931	9 866
Lesotho	7 481	-	7 481	1 407	6 074
Madagascar	1 098	-	1 098	92	1 006
Malawi	5 777	-	5 777	579	5 198
Mali	10 193	-	10 193	2 424	7 769
Mauritania	19 020	-	19 020	3 704	15 316
Mozambique	8 291	-	8 291	2 176	6 115
Niger	11 119	-	11 119	2 678	8 441
Senegal	23 234	-	23 234	4 117	19 117
Sierra Leone	1 505	-	1 505	169	1 336
Sudan	26 013	-	26 013	4 975	21 038
Uganda	8 125	-	8 125	2 031	6 094
United Republic of Tanzania	6 789	-	6 789	1 358	5 431
Zambia	8 607	-	8 607	2 145	6 462
Total	226 157	645	225 512	43 331	182 181
US\$ equivalent	356 405	1 017	355 388	68 285	287 103
Exchange adjustment on SDR loan repayments	(6 980)			(6 980)	
31 December 2007 US\$ at nominal value	349 425	1 017	348 408	61 305	287 103
Fair value adjustment					(117 887)
31 December 2007 US\$ at fair value					169 216
31 December 2006 US\$ at nominal value	336 384	1 568	334 816	52 078	282 738
Fair value adjustment					(113 704)
31 December 2006 US\$ at fair value					169 034

¹ The undisbursed portion will be fully disbursed in 2008.

8. Special Programme for Africa: Summary of loans approved at nominal value¹

As at 31 December 2007 and 2006

		Approved loans expressed in thousands of SDRs			Value in thousands of United States dollars			
		As at 1 January 2007	Loans cancelled	As at 31 December 2007	As at 1 January 2007	Loans cancelled	Exchange rate movement SDR/US\$	As at 31 December 2007
1986	SDR	24 902		24 902	37 449		1 795	39 244
1987	SDR	41 292		41 292	62 098		2 975	65 073
1988	SDR	34 770		34 770	52 289		2 506	54 795
1989	SDR	25 756		25 756	38 734		1 855	40 589
1990	SDR	17 370		17 370	26 122		1 252	27 374
1991	SDR	18 246		18 246	27 440		1 314	28 754
1992	SDR	6 952		6 952	10 455		501	10 956
1993	SDR	34 570	(156)	34 414	51 989	(246)	2 491	54 234
1994	SDR	16 320		16 320	24 543		1 176	25 719
1995	SDR	6 135		6 135	9 227		440	9 667
Total	SDR	226 313	(156)	226 157	340 346	(246)	16 305	356 405

¹ Loans have been denominated in SDR and, for the purposes of presentation in the balance sheet, the accumulated amount has been valued at the US\$/SDR rate of 1.57591/1 as at 31 December 2007. Since the loans were valued at 31 December 2006, at the then prevailing rate of 1.50387/1, there has been an increase in value in terms of United States dollars of US\$16,305,000 attributable to the movement in exchange rates from 31 December 2006 to 31 December 2007 (from 2005 to 2006 there was an increase in value in terms of United States dollars of US\$17,549,000).

APPENDIX H

Statement of loans

9. Special Programme for Africa: Maturity structure of outstanding loans by period at nominal value

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

Period due	2007	2006
Less than 1 year	10 384	10 287
1-2 years	9 165	8 861
2-3 years	9 165	8 861
3-4 years	9 165	8 861
4-5 years	9 165	8 861
5-10 years	45 825	44 306
10-15 years	45 825	44 306
16-20 years	45 825	43 614
21-25 years	45 825	43 357
More than 25 years	56 759	61 424
Total	287 103	282 738

10. Special Programme for Africa: Summary of outstanding loans by currency at nominal value

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

Currency in which repayment due	2007	2006
United States dollar	168 410	170 698
Euro	118 693	112 040
Total	287 103	282 738

11. Special Programme for Africa: Summary of outstanding loans by lending type at nominal value

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	2007	2006
Highly concessional terms	287 103	282 738
Intermediate terms	-	-
Ordinary terms	-	-
Total	287 103	282 738

APPENDIX H1

Statement of grants – IFAD-only

As at 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	Undisbursed as at 1 January	2007 movements			Exchange rate	Undisbursed as at 31 December
		Effective	Disbursements	Cancellations		
Non-governmental organization/Extended Cooperation Programme grants	380	-	(63)	(157)		160
Component grants	8 011	5 045	(1 322)	(206)	681	12 209
Debt sustainability framework grants	-	14 836	(1 905)	-	-	12 931
Research grants	45 825	41 393	(34 310)	(1 360)		51 548
Total 2007	54 216	61 274	(37 600)	(1 723)	681	76 848
Fair value adjustment						(10 888)
Total 2007 at fair value						65 960
Total 2006	48 386	30 428	(24 149)	(767)	318	54 216
Fair value adjustment						(4 849)
Total 2006 at fair value						49 367

APPENDIX I

Summary of the Debt Initiative for Heavily Indebted Poor Countries

At 31 December 2007, the cumulative position of the debt relief provided and estimated to be provided, under both the original and the enhanced Debt Initiative for Heavily Indebted Poor Countries, is as follows:

	Debt relief provided to 31 December 2007		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 World Bank contribution	
			Principal	Interest		
Completion point countries						
Benin	4 110	1 506	149	48	398	6 211
Bolivia	5 900	1 890				7 790
Burkina Faso	4 473	1 948	815	254	2 171	9 661
Burundi			16 480	2 771		19 251
Cameroon	323	139	874	191	2 162	3 689
Ethiopia	5 123	1 950	5 143	1 289	13 059	26 564
Ghana	4 494	2 057	3 662	968	9 400	20 581
Guyana	1 526	299				1 825
Honduras	1 077	767				1 844
Madagascar	2 921	925	1 616	385	4 062	9 909
Malawi	820	265	6 458	1 383	15 918	24 844
Mali	6 211	2 431				8 642
Mauritania	4 290	1 496	1 390	360	3 551	11 087
Mozambique	7 179	2 681	1 557	357	3 887	15 661
Nicaragua	7 345	538	69	23	186	8 161
Niger	2 384	864	2 848	633	7 067	13 796
Rwanda	2 003	724	9 272	2 225	8 157	22 381
Sao Tome and Principe	75	22	4 485	714		5 296
Senegal	2 247	882				3 129
Sierra Leone	2 895	904	8 048	1 469		13 316
United Republic of Tanzania	6 037	2 583	2 208	551	5 602	16 981
Uganda	10 201	4 094	737	195	1 891	17 118
Zambia	3 524	1 223	5 180	1 241	13 037	24 205
Decision point countries						
Chad			1 713	427		2 140
Congo			8	92		100
Democratic Republic of the Congo	1 504	245	5 894	2 164		9 807
Gambia			2 427	628		3 055
Guinea			7 371	1 747		9 118
Guinea-Bissau			3 417	966		4 383
Haiti			2 093	533		2 626
31 December 2007 SDR	86 662	30 433	93 914	21 614	90 548	323 171
Less future interest on debt relief not accrued (including interest covered by the World Bank contribution)						(39 628)
Total cumulative cost of debt relief as at 31 December 2007 (thousands of SDR)						283 543
31 December 2007 US\$	125 923	43 996	148 004	34 059	142 696	494 680
Total less future interest on debt relief not accrued (including World Bank)						(62 449)
Total cumulative cost of debt relief as at 31 December 2007 (thousands of US\$)						432 231
Fair value adjustment			(49 818)			
31 December 2007 at fair value			98 186			
<hr/>						
31 December 2006 SDR	64 977	23 506	185 783	45 531		319 797
Less future interest on debt relief not accrued						(45 531)
Total cumulative cost of debt relief as at 31 December 2006 (thousands of SDR)						274 266
31 December 2006 US\$	93 062	33 496	279 393	68 474		474 425
Less future interest on debt relief not accrued						(68 474)
Total cumulative cost of debt relief as at 31 December 2006 (thousands of US\$)						405 951
Fair value adjustment			(95 989)			
31 December 2006 at fair value			183 404			

APPENDIX J

IFAD-only statement of operating expenses

An analysis of IFAD operating expenses by principal sources of funding

For the years ended 31 December 2007 and 2006 (expressed in thousands of United States dollars)

	Administrative budgets ¹	Programme Development Financing Facility (PDFF)	Action Plan	Direct charges ²	Other sources ³	Total
Staff salaries and benefits	61 433	4 580	451	114	3 775	70 353
Office and general expenses	11 696	4 887	479	240	13 350	30 652
Consultants and other non-staff costs	7 818	13 800	2 198	60	165	24 041
Cooperating institutions	36	12 189	60	-	(76)	12 209
Direct bank and Investment costs	-	-	-	3 445	-	3 445
Total 2007	80 983	35 456	3 188	3 859	17 214	140 700
Total 2006	68 155	34 154	1 332	4 068	13 945	122 014

¹ These refer to IFAD and its Office of Evaluation and include one-time costs and carry forward.

² Direct charges against investment income.

³ Includes Italian Government reimbursable expenses, field presence and positions funded from service charges.