

A woman in traditional Andean clothing stands in a field of llamas. She wears a green knitted hat with white pom-poms, a yellow sweater with floral embroidery, and a brown and gold patterned cardigan. Her skirt is orange and white with a floral pattern. The background shows a herd of llamas in a grassy field under a cloudy sky.

HIGHLIGHTS ANNUAL REPORT 2015



Investing in rural people

President's foreword



Welcome to the 2015 edition of IFAD's Annual Report Highlights. It was a momentous year for development and for IFAD, as the international community reached agreement on the 2030 Agenda and the Sustainable Development Goals (SDGs). Throughout the negotiations framing the SDGs, we advocated for the needs of poor rural people – who make up the majority of the world's poor.

IFAD is ready to rise to the challenge of the SDGs. We completed a programme of loans and grants of US\$1.4 billion during 2015, bringing the overall programme for the Ninth Replenishment period (IFAD9, 2013-2015) to US\$3.09 billion, exceeding the target of US\$3 billion. This was made possible by the transformation of our financing model, which now includes sovereign borrowing. As a result of this change, the IFAD9 programme of loans and grants was made up in part by a loan of €300 million from Germany's KfW Development Bank.

In December, we participated in the Twenty-First Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change. IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) – the largest global source of climate finance supporting small farmers – was recognized for its innovative approach. In 2015, ASAP provided funding of US\$94 million, bringing total financing to US\$285 million. Within IFAD, we are also reducing and offsetting emissions. In August, we received an award recognizing our efforts from the Leadership in Energy and Environmental Design certification programme.

In 2015, we continued our drive to get closer to our clients. Strengthening our country presence has multiple benefits, including improved project performance, greater policy influence and better

partnerships. Our success in building relationships with countries was recognized by the AidData report, *Listening to Leaders: Which Development Partners Do They Prefer and Why?*, which ranked IFAD as “the most communicative development partner in agriculture and rural development”. The organization was also in the report's top ten for frequency of communication with host government counterparts and for helpfulness during reform implementation.

We saw the first fruits of work that began in 2012 to devise an impact assessment methodology to measure the multidimensional impacts of the programmes we support. In 2015, we finalized the methodology, which is already attracting the interest of partners. The assessment reported that IFAD-supported operations opening or closing between 2010 and 2015 have had significant impact on 139 million people. The many dimensions of impact include increased agricultural revenues, improved livestock assets, greater gender equity, and stronger farmer organizations.

To see how our work changes lives, read the stories from the field. Meet businesswoman and fish processor Ratna Sari Dewi Bani in Indonesia, and farmer Coumba Ndoffen Sene in Senegal, who is benefiting from the revival of interest in traditional local crops. Learn how farmers in Ecuador are taking their fair share of the profits in a business based on the colour red. These are the small farmers who are helping to feed the world.

A handwritten signature in black ink, appearing to read 'Kanayo F. Nwanze'. The signature is stylized and fluid, with a long horizontal stroke at the bottom.

KANAYO F. NWANZE
President of IFAD

Ongoing IFAD-supported programmes and projects at end 2015, and IFAD country offices

Near East, North Africa and Europe

36 programmes and projects

Armenia	2
Azerbaijan	1
Bosnia and Herzegovina	2
Djibouti	1
Egypt	4
Georgia	1
Jordan	1
Kyrgyzstan	2
Lebanon	1
Morocco	3
Republic of Moldova	2
Sudan	5
Syrian Arab Republic	1
Tajikistan	1
Tunisia	2
Turkey	2
Uzbekistan	1
Yemen	4

Asia and the Pacific

66 programmes and projects

Afghanistan	3
Bangladesh	5
Bhutan	2
Cambodia	3
China	6
Fiji	1
India	9
Indonesia	3
Kiribati	1
Lao People's Democratic Republic	3
Maldives	2
Mongolia	1
Myanmar	1
Nepal	6
Pakistan	4
Papua New Guinea	1
Philippines	5
Solomon Islands	1
Sri Lanka	3
Tonga	1
Viet Nam	5



Latin America and the Caribbean

36 programmes and projects

Argentina	1
Belize	1
Bolivia (Plurinational State of)	2
Brazil	6
Colombia	1
Cuba	1
Dominican Republic	2
Ecuador	2
El Salvador	2
Grenada	1
Guatemala	2
Haiti	2
Honduras	4
Mexico	2
Nicaragua	2
Panama	1
Paraguay	1
Peru	1
Uruguay	1
Venezuela (Bolivarian Republic of)	1



West and Central Africa

47 programmes and projects

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

East and Southern Africa

46 programmes and projects

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

IFAD country offices (as at 31 January 2016)

- Operational
- Approved

West and Central Africa

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

Portfolio management highlights

- 47 ongoing programmes and projects in partnership with 22 recipient governments at the end of 2015
- US\$1,270.7 million invested by IFAD in the region's ongoing portfolio
- US\$184.4 million in new approvals in 2015: 7 new programmes and projects in Benin, Congo, the Democratic Republic of the Congo, Guinea-Bissau, Liberia (2 projects) and Niger, and additional financing for ongoing projects in The Gambia and Senegal

Our work and results in 2015

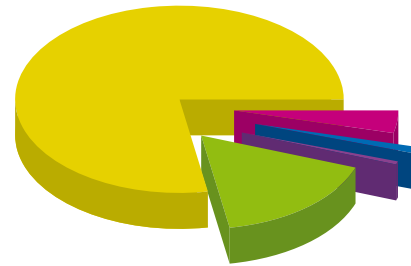
Mali: about 200,000 poor rural people have better access to financial services, savings and loans have grown by 30 and 60 per cent respectively, and four strong microfinance networks are now operating in the area covered by an IFAD-supported rural finance project

Togo: more than 600 farmer field schools have trained more than 14,000 producers in techniques to improve soil fertility and boost productivity; maize production has increased by 87-100 per cent

Nigeria: an IFAD-supported programme is improving employment prospects for young people in the Niger Delta – 9,200 microenterprises and small-scale businesses have been set up, creating about 60,000 jobs

IFAD loans by lending terms and DSF grants, 1978-2015^a

Share of total of US\$3 012.6 million



Highly concessional loans	- US\$2 323.9 million	- 77.1%
Intermediate loans	- US\$105.2 million	- 3.5%
Ordinary loans	- US\$21.3 million	- 0.7%
Blend loans	- US\$7.7 million	- 0.3%
DSF grants	- US\$554.5 million	- 18.4%

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

Stronger markets for local crops transform Senegal's rural economy

More than 250,000 people in rural Senegal have learned to grow, sell and cook local crops thanks to an IFAD-funded value chain project. Communities have become less dependent on imported foods as a result.

Nearly 9,000 farmers received training in improved agricultural practices that produce higher yields and better-quality harvests of crops like millet, cowpeas and maize. The Agricultural Value Chains Support Project worked with producer organizations to broker contracts with buyers, lowering transaction costs and increasing profits.

"Before we couldn't even get to one ton of millet," says farmer Coumba Ndoffen Sene. "Now we produce two or three tons per year. We sell the surplus to pay for other things we need."

Many restaurants in the area now offer only locally grown food. Women are taking part in agricultural production, processing and marketing activities and have better access to land. The project also won a 2015 IFAD Gender Award, highlighting best practices in women's empowerment.



Farmer Coumba Ndoffen Sene took training to improve his yields and boost the family income
Senegal: Agricultural Value Chains Support Project

©IFAD/Horaci Garcia Marti

East and Southern Africa

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

Portfolio management highlights

- 46 ongoing programmes and projects in partnership with 17 recipient governments at the end of 2015
- US\$1,463.1 million invested by IFAD in the region's ongoing portfolio
- US\$399.4 million in new approvals in 2015: 7 new programmes and projects in Angola, Burundi, Kenya, Madagascar, Malawi, Swaziland and the United Republic of Tanzania, and additional financing for ongoing projects in Burundi, Ethiopia, Kenya, Madagascar, Mozambique and the United Republic of Tanzania

Our work and results in 2015

Burundi: 15,000 households adopted artificial insemination practices and 90 per cent saw livestock productivity increase

Burundi, Ethiopia, Mozambique and Rwanda: early-warning systems and climate and weather forecasts have been supported through IFAD-funded projects

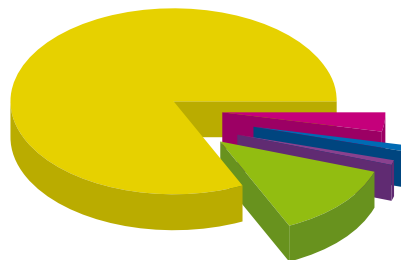
Comoros: over 450 hectares have been reforested and more than 450,000 seedlings planted – 15 per cent are protected endemic species

Ethiopia: more than 10,000 rural savings and credit cooperatives and more than 30 microfinance institutions have been supported – women account for nearly half the client base

Region: innovative household mentoring methodologies that enable family members to rethink gender roles and plan for the future are currently reaching 75,000-100,000 poor households in sub-Saharan Africa

IFAD loans by lending terms and DSF grants, 1978-2015^a

Share of total of US\$3 331.3 million



Highly concessional loans	- US\$2 745.2 million	- 82.4%
Intermediate loans	- US\$108.9 million	- 3.3%
Ordinary loans	- US\$23.3 million	- 0.7%
Blend loans	- US\$11.1 million	- 0.3%
DSF grants	- US\$442.7 million	- 13.3%

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

Boosting nutrition for people living with HIV/AIDS in Mozambique

People in coastal fishing communities in northern Mozambique are combating HIV/AIDS and malnutrition with help from an IFAD-supported project. Poor diets, often limited to fish and cassava porridge, make it hard for people to fight the disease.

Field officers from the Coastal HIV/AIDS Prevention and Nutrition Improvement Project (CHAPANI) delivered information on HIV prevention and treatment to people's homes. They taught women to prepare food using locally grown nutritious plants. The knowledge spread quickly, and soon more than 6,000 families in the area started vegetable gardens.

When 21-year-old Alima Artur contracted HIV she was afraid she was going to die. With help from CHAPANI field officers she was given new hope. The project helped her find support and taught her how to enrich her diet. Today, Artur is happy and healthy.

"Someone could look at me and never imagine that I have this kind of problem. I am really fine."



Alima Artur shares her new-found knowledge about healthy eating as a volunteer with the Positive Living Group
Mozambique: Coastal HIV/AIDS Prevention and Nutrition Improvement Project

©IFAD/Jonathan Crawford

Asia and the Pacific

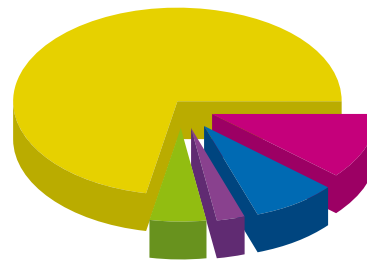
33 countries: Afghanistan, Bangladesh, Bhutan, Cambodia, China, Cook Islands, Democratic People's Republic of Korea, Fiji, India, Indonesia, Islamic Republic of Iran, Kiribati, Lao People's Democratic Republic, Malaysia, Maldives, Marshall Islands, Mongolia, Myanmar, Nepal, Niue, Pakistan, Papua New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

Portfolio management highlights

- 66 ongoing programmes and projects in partnership with 21 recipient governments at the end of 2015
- US\$2,142.2 million invested by IFAD in the region's ongoing portfolio
- US\$552.2 million in new approvals in 2015: 14 new programmes and projects in Afghanistan, Bangladesh, Bhutan, China, Fiji, India, Indonesia, Myanmar, Nepal, Pakistan, the Philippines (2 projects), the Solomon Islands and Sri Lanka, and additional financing for ongoing projects in Bangladesh, Cambodia, India, Lao People's Democratic Republic, Pakistan and Viet Nam
- 1 new results-based country strategic opportunities programme (RB-COSOP) for Sri Lanka

IFAD loans by lending terms and DSF grants, 1978-2015^a

Share of total of US\$5 418.9 million



- Highly concessional loans - US\$3 914.3 million - 72.2%
- Intermediate loans - US\$607.5 million - 11.2%
- Ordinary loans - US\$450.2 million - 8.3%
- Blend loans - US\$150.3 million - 2.8%
- DSF grants - US\$296.7 million - 5.5%

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

Our work and results in 2015

India: more than 75,000 self-help groups for savings and credit have been set up in the State of Maharashtra, reaching more than 1 million women; village groups also address social issues such as domestic violence and child marriage

Indonesia: cocoa production has grown by more than 190 per cent in Central Sulawesi as the result of a public-private partnership facilitated by IFAD, with Mars Inc. – the international chocolate company – providing technical support to cocoa farmers

Mongolia: working with a project supported by IFAD and the Global Environment Facility, 60 pasture herder groups have developed land management plans to strengthen their resilience to climate change

Giving poor fishing families a future in Indonesia

Approximately 70,000 fishing households in high-poverty areas in eastern Indonesia are beginning to prosper with support from an IFAD-funded project. It provides loans and technical support to men's fishing businesses and to women's groups with small enterprises that produce processed fish products.

The Coastal Community Development Project works with communities to plan and implement development activities and helps build their capacity to manage coastal resources.

"Today, I lead an enterprise group and make US\$200 a month," says Ratna Sari Dewi Bani. The women in the group, who previously had little or no opportunity to earn money, have seen household incomes increase by an average of almost 60 per cent. At least 200 new processing groups are in operation.

Midway through the project, families from 108 villages are participating in a wide variety of activities in 12 districts across eastern Indonesia, a vast area that covers three time zones.



Ratna Sari Dewi Bani (right) and members of her fish-processing group at work
Indonesia: Coastal Community Development Project
©IFAD/Susan Beccio

Latin America and the Caribbean

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

Portfolio management highlights

- 36 ongoing programmes and projects in partnership with 20 recipient governments at the end of 2015
- US\$535.8 million invested by IFAD in the region's ongoing portfolio
- US\$116.6 million in new approvals in 2015: 7 new programmes and projects in Argentina, Bolivia, Ecuador, El Salvador, Mexico, Paraguay and Venezuela
- 3 new results-based country strategic opportunities programmes (RB-COSOPs) for Bolivia, El Salvador and Paraguay

Our work and results in 2015

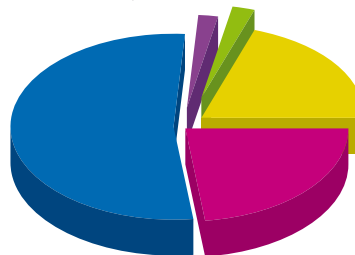
Argentina: more than 11,000 families in Patagonia were connected to markets; the proportion of goods marketed rose from 57 to 71 per cent

Belize: women's access to financial services was improved through training in financial literacy and encouragement to join credit unions; since 2011, credit unions have provided more than 2,800 loans worth about US\$2.7 million – 60 per cent to women

Colombia: the recently closed *Oportunidades Rurales* programme reached about 47,000 families, focusing on indigenous people, Afro-Colombians and youth, and helping them find work and start businesses; the government is now mainstreaming activities into the Ministry of Agriculture's regular operations

IFAD loans by lending terms and DSF grants, 1978-2015^a

Share of total of US\$2 128.9 million



- Highly concessional loans - US\$411.4 million - 19.3%
- Intermediate loans - US\$488.0 million - 22.9%
- Ordinary loans - US\$1 146.1 million - 53.8%
- Blend loans - US\$32.2 million - 1.5%
- DSF grants - US\$51.2 million - 2.4%

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

Planting the seeds of good living in Ecuador

The 24 de Mayo municipality in Ecuador's Manabí Province was once a prolific producer of achiote, a shrub whose red seeds are made into a condiment and dye used locally and internationally. However, yields had declined over the years.

Now, with support from the IFAD-funded *Buen Vivir* [Good Living] in Rural Territories Programme, the community is back in business. Since 2014, the programme has worked with an association to help smallholders improve the quality and quantity of achiote they produce. It also created a business that built a processing plant. Farmers now sell achiote directly to the plant rather than to intermediaries.

"The intermediaries used to cheat," says Victor Bailes, an engineer at the processing plant. "Farmers were not making a profit, which led to the decline in production. Thankfully, this is now history."

Today, 400 households have increased their monthly incomes from US\$175 to over US\$280. Just halfway through the programme, more than 12,000 families have benefited.



Juan Ponce, one of the young people working at the processing plant, holds a bunch of achiote fruits
Ecuador: *Buen Vivir* [Good Living] in Rural Territories Programme

©IFAD/Juan Ignacio Cortés Carrasbal

Near East, North Africa and Europe

24 countries and Gaza and the West Bank: Albania, Algeria, Armenia, Azerbaijan, Bosnia and Herzegovina, Djibouti, Egypt, Georgia, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Lebanon, Morocco, Montenegro, Republic of Moldova, Somalia, Sudan, Syrian Arab Republic, Tajikistan, Tunisia, Turkey, Uzbekistan, Yemen

Portfolio management highlights

- 36 ongoing programmes and projects in partnership with 18 recipient governments at the end of 2015
- US\$773.7 million invested by IFAD in the region's ongoing portfolio
- US\$78.0 million in new approvals in 2015: 4 new programmes and projects in Bosnia and Herzegovina, Tajikistan, Turkey and Uzbekistan

Our work and results in 2015

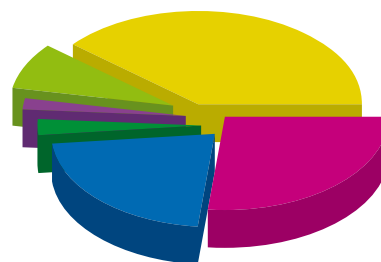
Morocco: 33,000 families benefited from IFAD investment in agribusiness development; by shifting to high-value crops and intensifying production, farmers have increased yields and income by an average of 30 per cent

Tajikistan: 22,400 small farms in Khatlon region gained access to improved agricultural technologies, inputs and training; rotational grazing boosted milk production by 25 per cent; average sheep and cattle weights increased

Egypt, Morocco, Tunisia and Yemen: local financial institutions are being strengthened; 45,000 new savings accounts for young people have been established in Morocco and more than 580 savings groups for young people in Egypt; a mobile phone app is enabling young rural shopkeepers to overcome bottlenecks with suppliers in Tunisia

IFAD loans by lending terms and DSF grants, 1978-2015^a

Share of total of US\$2 477.3 million



Highly concessional loans	- US\$979.0 million	- 39.5%
Intermediate loans	- US\$665.0 million	- 26.8%
Ordinary loans	- US\$531.9 million	- 21.5%
Hardened loans	- US\$59.1 million	- 2.4%
Blend loans	- US\$48.2 million	- 1.9%
DSF grants	- US\$194.1 million	- 7.8%

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

Financing for young farmers in the Republic of Moldova

Young people in rural areas of the Republic of Moldova are thriving thanks to credit lines and other benefits offered by a youth entrepreneurship scheme supported by an IFAD-funded project.

In 2015, the Rural Financial Services and Agribusiness Development Project won an IFAD Gender Award for its work to empower women. Young women make up only 35 per cent of those taking loans, but they account for the majority of trainees in financial management, entrepreneurship and production technologies. In addition, their enterprises are often more profitable than those of young men. More women are now decision makers in local public governing bodies.

"Anyone who wants to set up a business on their own must be determined," says 19-year-old Anastasia Gilca, one of more than 700 women who took loans. "You cannot allow potential risks or negative responses from people to demoralize you." Gilca runs her own 3-hectare blackberry plantation and has plans to expand.



Ambitious young farmer Anastasia Gilca prepares her blackberries to be transported to market
Republic of Moldova: Rural Financial Services and Agribusiness Development Project

©IFAD/Igor Spivacenco

New programmes and projects

West and Central Africa

Modernizing family farming in Niger

Family farms are the main source of agricultural production in Niger, and are essential for food and income. For 30 years, IFAD has worked in the country's rural areas where poverty is concentrated. In 2015, we launched the Family Farming Development Programme in the regions of Maradi, Tahoua and Zinder, which is also supported by ASAP. The programme will connect farmers to value chains, strengthen rural finance, and enable producers to manage natural resources and adapt to climate change. Over eight years, 240,000 rural families are expected to benefit, with women and young people as priority participants.

East and Southern Africa

Boosting cereal and pulse production in Kenya

A new programme in Kenya will increase production of staple grains and pulses, raising farmers' incomes and strengthening food security. Although agriculture is the economy's mainstay, Kenya remains a food-deficit country and imports up to 20 per cent of annual cereal requirements.

Working in semi-arid areas with potentially high productivity, the Kenya Cereal Enhancement Programme will help small farmers graduate from subsistence to commercial agriculture. It includes a focus on climate change resilience. A voucher scheme funded by the European Union will help producers buy tools, fertilizers and seed. The programme aims to reach about 100,000 small farmers and lift 80 per cent of them out of poverty.

Asia and the Pacific

Scaling up support for vulnerable tribes in India

Building on an earlier programme, IFAD is enhancing agricultural practices for vulnerable tribal populations in the State of Odisha in India. These people traditionally make a living from shifting cultivation, rainfed agriculture and non-timber forest products.

In earlier work, IFAD involved tribal groups in planning development projects, especially those related to natural resources. The government of Odisha asked IFAD to scale up the approach to target particularly vulnerable tribal groups.

The new programme will improve living conditions and reduce poverty for more than 62,000 households. It will help secure entitlements to land and forest, improve agricultural practices, promote microenterprises, ensure access to education and health care, and improve infrastructure.

Latin America and the Caribbean

Piloting new ways to reduce poverty in Mexico

The IFAD-supported Rural Productive Inclusion Project is designed to test ways of implementing the Mexican government's new social policy by promoting productive activities among beneficiaries of Prospera – the country's largest cash transfer programme.

Although it is an upper-middle-income country, Mexico is characterized by unequal income distribution and stagnant productivity. About 53 million people live in poverty.

The project will reach about 12,800 beneficiary families. It will help them access productive investments and technical assistance provided by the government, enabling them to increase the quantity and quality of their production, connect to markets and raise their incomes. It will also train Prospera staff and improve farming families' financial literacy.

Near East, North Africa and Europe

Dairy value chains in Uzbekistan

A new programme in Uzbekistan will modernize the dairy sector, which provides income and food to many small farmers. Livestock plays a vital role in this land-locked country, contributing substantially to food security and acting as an economic and nutritional safety net for rural households.

The programme will improve the livelihoods of 12,000 rural households, and of market entrepreneurs. It will strengthen value chains and create employment opportunities on farms and in processing. It will improve farmers' skills and access to technology. It will also focus on boosting women's participation in dairy value chains, increasing their access to credit and technologies, and providing training.

Financing data and resource mobilization

Borrowing from sovereign sources

During the IFAD9 period (2013 to 2015), the Fund made a major breakthrough in transforming its financial model to include sovereign borrowing as a resource mobilization tool. In 2015, this transformation was completed with the approval of €300 million in ordinary loans to Member States, funded by sovereign borrowing from Germany’s KfW Development Bank. A framework was also established to guide future sovereign borrowing. IFAD believes that financing tools like this are essential to transforming rural areas into vibrant places where women and men can thrive, especially in terms of financing the post-2015 development agenda.

As a direct result of this new resource mobilization mechanism, IFAD approved its largest ever programme of loans and grants in 2015 – US\$1.4 billion. This brought the total amount approved during IFAD9 to US\$3.09 billion, exceeding the target of US\$3.0 billion.

IFAD10

The Consultation on the Tenth Replenishment of IFAD’s Resources (IFAD10) was held in 2014. A target of US\$1.44 billion in new contributions was agreed to finance agriculture and rural development projects over the period 2016 to 2018.

As of 16 August 2015, pledges for core contributions amounted to US\$1.07 billion – the highest level of

core contributions ever achieved at this point in an IFAD replenishment cycle. Because of a slight shortfall relative to the level of US\$1.44 billion set by the Member States, the target for IFAD10 was revised to US\$1.353 billion.

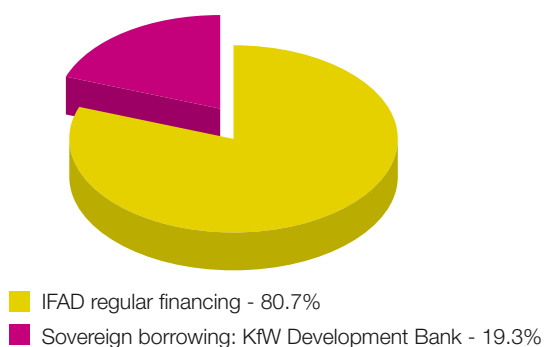
Although the replenishment target was adjusted, the target for the IFAD10 programme of loans and grants was maintained at a level of up to US\$3.2 billion for the three-year period. IFAD10 became effective on 2 December 2015, which makes all contributions paid to date available for operational commitment.

IFAD’s portfolio

At the end of 2015, there were 231 ongoing programmes and projects funded by IFAD in partnership with 98 recipient governments. Our investment in these projects was worth US\$6.2 billion. External cofinancing and funds from domestic sources for the ongoing portfolio amounted to US\$7.6 billion, bringing the total value to US\$13.8 billion.

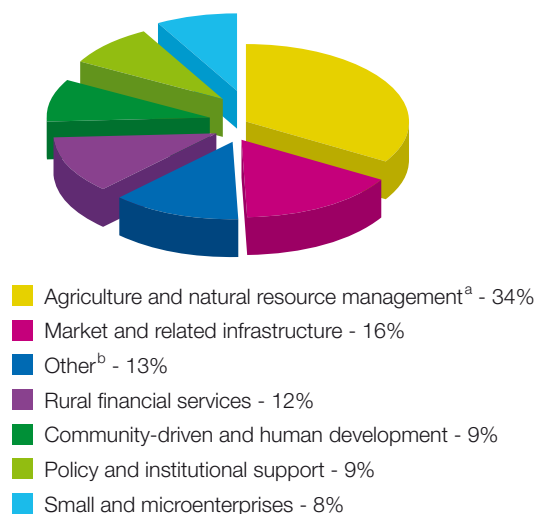
About one third of the portfolio funds agriculture and natural resource management, enabling small farmers to increase production and manage natural resources better. About 16 per cent of funds currently invested finance work to strengthen markets and related infrastructure, which connect rural people to markets and enable them to make a decent income from their produce. Rural finance accounts for

Loans and DSF grants approved in 2015 by financing source



Source: IFAD Corporate Reporting System Oracle BI.

IFAD current portfolio financing by sector (at end 2015)



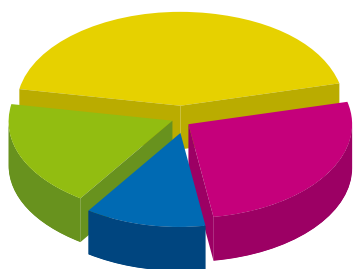
Source: Grants and Investment Projects System.

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

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

IFAD loans by lending terms, and DSF grants, 2015^a

Share of total of US\$1 227.6 million



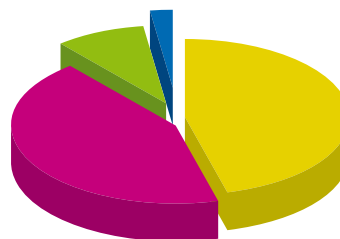
Highly concessional loans	- US\$533.8 million	- 43.5%
Ordinary loans	- US\$323.0 million	- 26.3%
Blend loans	- US\$145.9 million	- 11.9%
DSF grants	- US\$224.9 million	- 18.3%

Source: Grants and Investment Projects System.

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

Cofinancing of IFAD-supported programmes and projects, 2015

Share of total of US\$1 989.1 million



Domestic contributions	- US\$925.5 million	- 46.5%
Multilateral	- US\$861.7 million	- 43.3%
Other ^a	- US\$180.7 million	- 9.1%
Bilateral	- US\$21.2 million	- 1.1%

Source: Grants and Investment Projects System.

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

12 per cent of the current portfolio, enabling women and men to access services such as credit, savings and insurance to build their businesses and manage risk.

We prioritize assistance to least developed countries and countries with low food security. Of 2015 financing, 60 per cent was for low-income food-deficit countries (as classified by the Food and Agriculture Organization of the United Nations) and 50 per cent was for the United Nations-classified least developed countries. From a regional perspective, IFAD's two sub-Saharan African regions received about 44 per cent of new financing in 2015.

Loans on highly concessional terms continue to make up the bulk of our financing for investment programmes and projects. About 44 per cent of new financing approved during the year was in highly concessional loans – worth US\$533.8 million. Ordinary loans made up 26.3 per cent of the total, followed by debt sustainability framework (DSF) grants with 18.3 per cent and blend loans with 11.9 per cent.

The ongoing portfolio of grant-funded operations was worth US\$220.1 million at the end of 2015,

with 252 grants operational in 112 countries. IFAD stand-alone grants support research, innovation, institutional change and pro-poor technologies.

Cofinancing of IFAD-supported programmes and projects

We receive cofinancing in the form of domestic contributions from recipient governments and from the women and men who participate in the projects, and resources from bilateral and multilateral donors. In 2015, newly approved domestic contributions rose to US\$925.5 million from US\$601.0 million in 2014. Newly approved multilateral cofinancing rose to US\$861.7 million in 2015 from US\$128.0 million in 2014 and provided the bulk of external cofinancing for newly approved programmes and projects.

Read the full Annual Report online:
www.ifad.org/pub/ar/2015/e

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$17.7 billion in grants and low-interest loans to projects that have reached about 459 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.



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Farmer Inez Alvarez with her family's herd of llamas and alpacas. The animals play an important role in the economy of remote areas of Bolivia, where people make a living breeding them and selling their wool, leather and meat.

The first IFAD-funded project to support these communities worked with ranchers to improve animal health and with artisanal cooperatives to enhance the quality of shoes, shawls and sweaters that they made for local markets. The project, which ran from 2009 to 2015, also supported rural tourism initiatives to enable families who have traditionally relied on agriculture to diversify their income streams. A new IFAD-funded project, due to start up in 2016, will build on the first project's achievements in La Paz, Oruro and Potosi departments, home to 67 per cent of the country's camelids. The project will address challenges such as low productivity, lack of access to services and limited availability of feed and water.

Bolivia: Enhancement of the Peasant Camelid Economy Support Project

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