

ANNUAL REPORT 2015



Investing in rural people

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided 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.

* As at time of press, June 2016

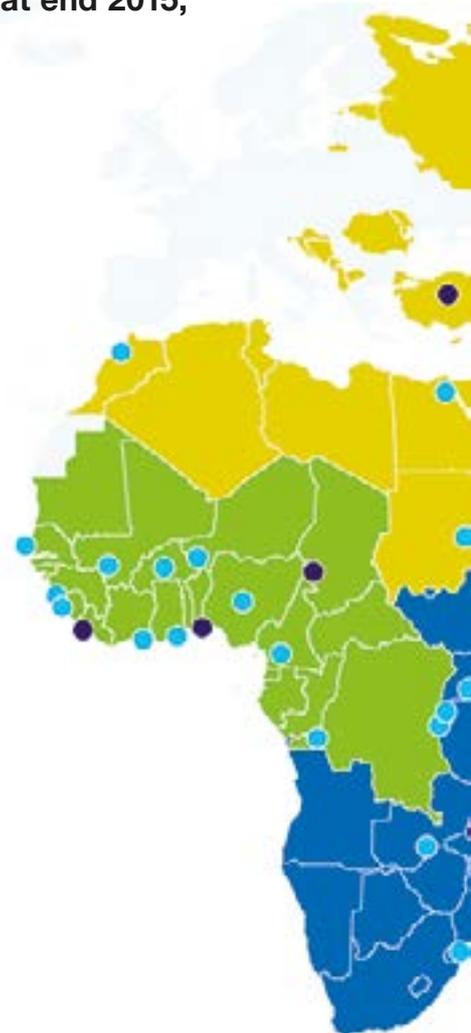
Ongoing IFAD-supported programmes and projects at end 2015, and IFAD country offices



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

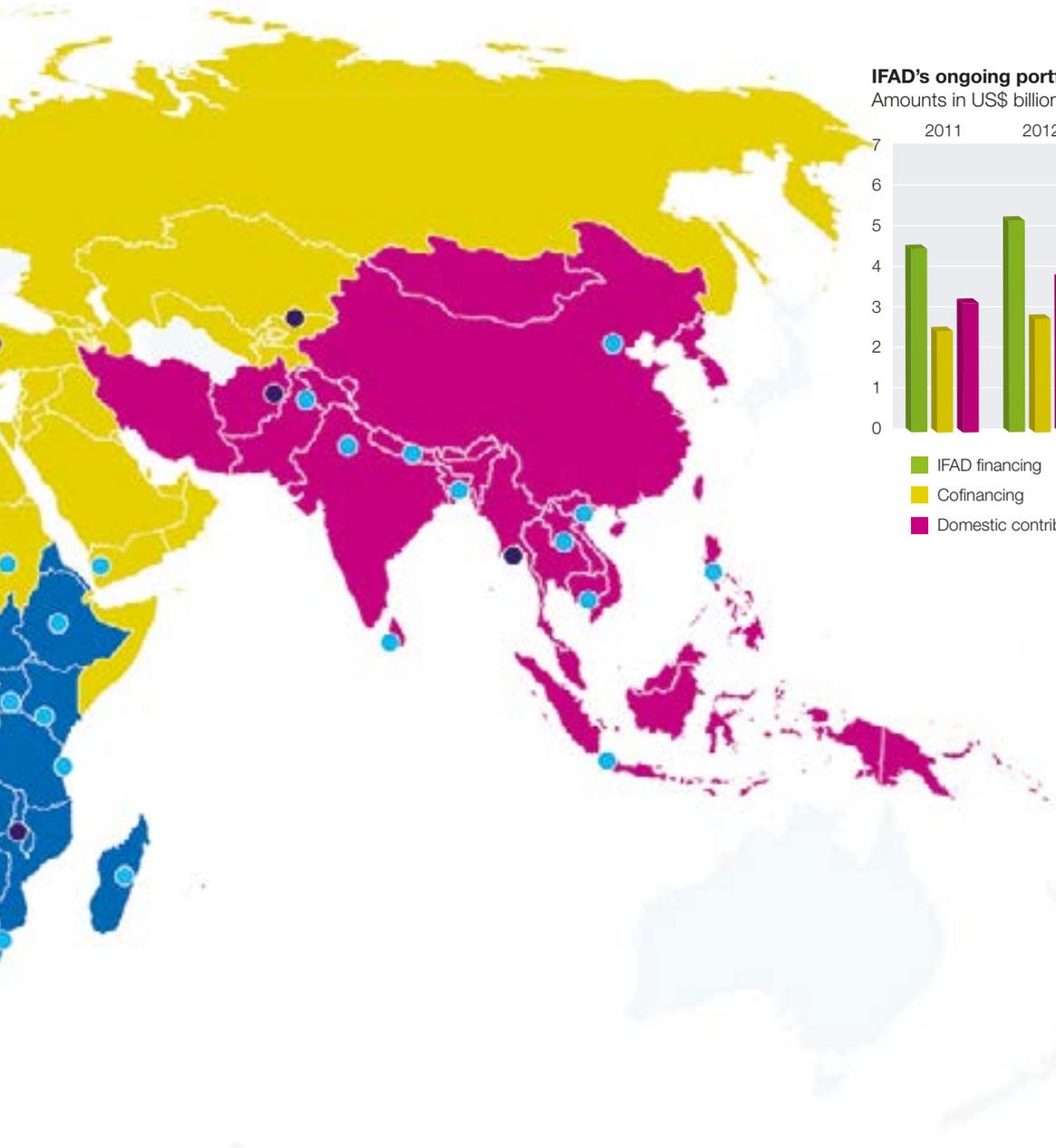
47 programmes and projects

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

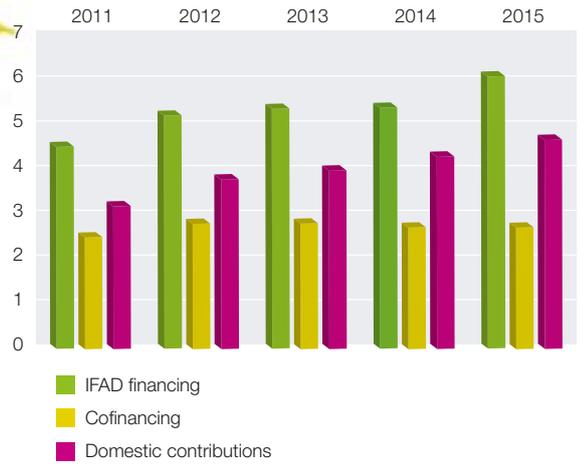
46 programmes and projects

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's ongoing portfolio, 2011-2015

Amounts in US\$ billion



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

IFAD country offices (as at 31 January 2016)

- Operational
- Approved

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President's foreword



Agenda 2030 and climate change

2015 was a pivotal year for IFAD and for the development community as a whole. The agreement of 17 Sustainable Development Goals (SDGs) laid out a universal agenda with ambitious targets to be met by 2030. During the year, IFAD played an active role in the process to frame the new SDGs – advocating for the interests of smallholders and other rural people who make up the majority of the world's poor. In the run-up to the September summit that endorsed Agenda 2030 and the SDGs, IFAD was singled out at the Third International Conference on Financing for Development held in Addis Ababa in July for its efforts “in mobilizing investment to enable rural people living in poverty to improve their food security and nutrition, raise their incomes, and strengthen their resilience” (see page 29).

IFAD also took part in the Twenty-First Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change in Paris in December, calling for the importance of agriculture and food security to be recognized and highlighting the vulnerability of smallholder farmers in the face of climate change (see page 29). IFAD manages the largest global financing source dedicated to enabling poor smallholder farmers to adapt to climate change – the Adaptation for Smallholder Agriculture Programme (ASAP). During 2015,

new ASAP funding totalling US\$94 million was approved, bringing cumulative financing under the programme to US\$284.9 million, benefiting poor rural people in 36 countries.

Within IFAD, we have successfully reduced and offset our emissions and were listed at COP21 as one of the United Nations agencies that are climate neutral. In August, our efforts were rewarded when we were the first United Nations agency to receive Platinum certification in the Existing Buildings: Operations and Maintenance category of the Leadership in Energy and Environmental Design (LEED) certification programme (see page 62).

IFAD empowers rural women

IFAD has long recognized that we will never achieve zero poverty and zero hunger without empowering women. Our gender equality and women's empowerment policy ensures that our work contributes to SDG5 on Gender Equality. IFAD's leadership in this area has been recognized by the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP), which provides an accountability framework with progress against 15 gender mainstreaming indicators measured over the period 2012 to 2017. Starting from a good base, IFAD has improved its overall performance and, by 2015, had met or exceeded 11 of the 15 indicators. UN Women recognized that “IFAD is now exceeding

the requirements for almost half of all indicators (46 per cent). This accomplishment sets IFAD apart as one of the top performing entities in the UN-SWAP.”

We are also recognized as an innovator in the field of women’s empowerment, in particular with the success and scaling up of the household methodologies – grass-roots approaches to gender equality and social inclusion – which we have pioneered together with partners (see page 12). Economic empowerment – enabling women to earn a living and build their assets – is a key ingredient of gender equality. In addition to the activities in our own portfolio, we are working in partnership with FAO, WFP and UN Women on the Joint Programme on Accelerating Progress towards the Economic Empowerment of Rural Women. Our annual Gender Awards recognize IFAD-funded projects that have made an outstanding difference to the lives of the women they support (see page 62).

Decentralization and a focus on communication

We know from evidence and experience that decentralization and strengthening our presence in the field can have multiple benefits. These include improved portfolio management – with projects performing better in countries with IFAD country offices (ICOs) than in those without, greater policy influence and more effective partnership building. IFAD’s visibility in ICO countries is also enhanced, making the organization a more effective and trusted partner for all stakeholders. Our new Strategic Framework for 2016-2025 calls for increased decentralization, with a goal of 70 per cent of IFAD-supported projects being served by ICOs.

Our success in building good two-way relationships with the countries where we work was recognized by an independent external report published in 2015 by AidData, entitled *Listening to Leaders: Which Development Partners Do They Prefer and Why?* The report 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 (see page 42).

New financial model

2015 was also the year in which we fully transformed our financial model to include sovereign borrowing as a resource mobilization instrument. The transformation was completed with the approval of ordinary loans worth €300 million to Member States, funded by sovereign borrowing from Germany’s KfW Development Bank (see page 47). As a direct result of this, we completed a programme of loans and grants of US\$1.4 billion for the year 2015, bringing the overall programme of loans and grants for the Ninth Replenishment period (2013-2015) to US\$3.09 billion, and exceeding the IFAD9 target of US\$3 billion (see page 47).

Impact assessment

Ambitions and expectations were also heightened in other areas, with donors and Member States increasingly requiring evidence of impact and value for money. In response, IFAD completed a landmark impact assessment initiative in 2015 – finalizing an innovative methodology that strengthens our foundations as a results-based organization. The new methodology enables us to accurately assess the multidimensional impacts of the programmes that we support in order to lay the groundwork for future activities and directions.

We have been working since 2012 to devise an impact assessment methodology that does justice to the complexity of the contexts in which we work. In other words, although we aim to reduce poverty, understanding success means looking at many parts of the picture – not just the monetary metric of income. In addition to measuring increase in earnings, the research undertaken over the past three years has shown that we need to consider measurements such as ownership of livestock and other assets, gender empowerment, dietary diversity and resilience to shock. During 2015, we finalized the methodology, which uses a variety of tools and is already attracting the interest of partners. The assessment reported that about 139 million people have already benefited from IFAD-supported operations opening or closing between 2010 and 2015 (see page 36).

I would like to close by inviting you to read more of the 2015 IFAD Annual Report. It takes you on a journey through the regions and countries where IFAD invests in rural transformation. Read the stories from the field to learn about the challenges and triumphs of rural women and men whose labour produces much of the food consumed in their communities and countries.

Meet farmer Coumba Ndoffen Sene in Senegal who has discovered the value of growing and selling local crops. Read Alima Artur's story about learning to live well with HIV/AIDS in Mozambique. Hear about Ratna Sari Dewi Bani's experience of setting up in business in Indonesia. Learn about an enterprising community in Ecuador and a business based on the colour red. Finally, meet an ambitious young woman by the name of Anastasia Gilca, owner and manager of a profitable blackberry plantation in the Republic of Moldova, and read her recipe for success.

"Anyone who wants to set up a business on their own must be determined," Gilca says. "You must be hard-working, and you cannot allow potential risks or negative responses from people to demoralize you."

The world faces severe challenges today – with conflict and climate change top of the list. The lives of families, communities and nations are disrupted, driving movements of vulnerable people on a massive scale. The rural women and men spotlighted in this report are ready and determined to transform the places where they live to create a better and more sustainable world. IFAD will not fail to match their determination with the investments and the support they so sorely need.



KANAYO F. NWANZE
President of IFAD



Programme of work in 2015

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

Overview

The economy of West and Central Africa grew by an impressive 6.2 per cent in 2014. Growth was slower than in the year before, but still outpaced that of sub-Saharan Africa as a whole. However, the benefits of growth were not felt by all social groups, and efforts to reduce poverty met with mixed success across the region.

With respect to the Millennium Development Goals (MDGs), nine countries met their target of halving poverty between 1990 and 2015, and five others made strong progress. In another six countries, however, levels of poverty and food insecurity actually increased. Governments seem more committed to the extractive industries, which do not support inclusive growth, than to

agriculture, which has been shown to drive poverty reduction and strengthen food security.

Some 457 million people live in the region, with 31 per cent of the population being under the age of 14, and 29 per cent aged 15-35 years. As in other regions, youth unemployment continues to be a significant economic issue. Given the lack of opportunities in the formal job market, rising food prices and relatively easy access to land, agriculture has become a growing source of informal employment opportunities for many young people. To foster this growth and maximize its potential, young women and men need better access to credit, rural infrastructure and training to build their skills.

Climate change continues to affect rural economies. In a recent study, rural households reported that the probability and impact of climatic events such as droughts and floods were perceived as greater than the probability and impact of disease and death. The continued use of traditional agricultural practices is putting increasing pressure on the environment because of population growth, a shift to market-oriented production, fragile soils and increasing climate variability. Extreme climate events are likely to become more frequent and their variability will intensify.

Overall, the region would benefit from devoting more attention to developing national and regional markets, attracting private and foreign direct investment, creating jobs for young people in rural areas and boosting efforts to adapt to climate change.

Portfolio management highlights

- 47 ongoing programmes and projects in partnership with 22 recipient governments in the region 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

In 2015, our work in West and Central Africa focused on:

- inclusive value chains
- rural finance
- natural resource management and climate change adaptation
- empowering young people.

The aim is to integrate these four themes into comprehensive programmes and projects.

Inclusive value chains

IFAD works to strengthen the value chains that link producers and their organizations to markets and consumers. Having access to markets at home and abroad enables producers to sell produce at fair prices, increase production and improve incomes. Making it possible for small producers to “move up” the value chain – by storing or processing their own goods, for example – means that they take a bigger share of the final price.

In Senegal, an IFAD-supported project brokered a system of contracts between producer organizations and buyers to give smallholder and family farmers in the groundnut basin more sustainable access to markets. The project’s impact on sales of millet, sesame, cowpeas and maize has been particularly positive: transaction costs have fallen and the quantities traded and incomes earned have increased. (Read more in the Story from the field.)

In Sao Tome and Principe, IFAD is working with partners to help establish “geographical indications” for cocoa, coffee and pepper – all key products. In collaboration with institutions such as the World

Intellectual Property Organization, the project will identify the three products as originating in the island country. By carving out a distinct national identity for these exports, the project aims to improve producers’ access to international markets.

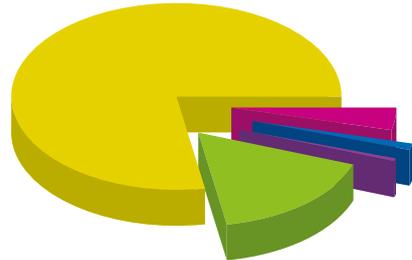
In Mauritania, an IFAD-funded programme is linking producers, transporters and traders. In collaboration with local authorities, these different actors have agreed on a fixed price for each step in the value chain, stabilizing the prices of goods such as carrots for producers and consumers. The programme has also enabled market gardeners, poultry keepers and goat milk producers to formalize partnerships with the private sector for processing and marketing. Producer groups and small and medium-scale private-sector actors form cooperatives with assets such as storage and processing facilities. The cooperatives share risks and profits based on a shareholder scheme.

Rural finance

Rural areas in developing countries are very poorly served by financial institutions. By strengthening microfinance networks in the region’s rural areas, IFAD-supported projects enable farmers to build their businesses and manage risk.

WEST AND CENTRAL AFRICA

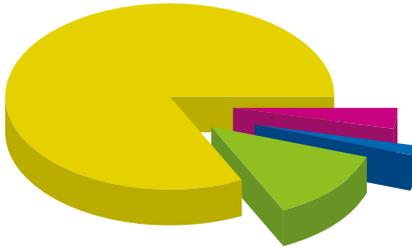
CHART 1a
IFAD loans by lending terms and DSF grants,
1978-2015^a
 Share of total of US\$3 012.6 million



- 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.

CHART 1b
Loan disbursements by lending terms and
DSF disbursements, 1979-2015^a
 Share of total of US\$1 680.9 million



- Highly concessional loans
US\$1 392.4 million - 82.8%
- Intermediate loans
US\$60.3 million - 3.6%
- Ordinary loans
US\$17.4 million - 1.0%
- DSF grants
US\$210.7 million - 12.5%

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

In Chad, IFAD has been helping to boost governance in a microfinance institution in the region of Guéra, moving it towards greater professionalism and self-governance. Since 2013, both financial and organizational performance have improved. The volume of credit available jumped from XAF 11 million (approximately US\$18,000) to more than XAF 300 million (approximately US\$484,000) between 2010 and 2015.

In Nigeria, where the microfinance sector is growing fast, an IFAD-supported programme is building the capacity of rural financial institutions to reach out to poor households, particularly those headed by women, young people and the physically challenged, by introducing the Rural Business Plan approach. The programme has created a common platform from which partners collaborate to achieve the shared purpose of rural outreach. Over the last quarter of 2015, 245 microfinance banks and institutions in 12 participating states developed rural business plans. Four pilot institutions have achieved particularly promising results. For example, the Trustfund MicroFinance Bank started a rural branch with women-focused services that attracted nearly 7,500 clients – 6,000 more than projected. The aim now is to replicate the approach with as many institutions as possible.

In Mali, an IFAD-supported rural finance project is showing good results after four years of work. About 200,000 poor rural people have better access to financial services, allowing them to develop viable economic activities. Microfinance outreach in rural areas has increased by 10 per cent, while savings and loans have grown by 30 per cent and 60 per cent respectively. Four strong autonomous microfinance networks are now operating in the project area. A new IFAD-supported project in Mali focusing on youth will enable more than 15,000 young people to obtain access to financial services.

Natural resource management and climate change adaptation

Climate change is exacerbating severe natural resource challenges in the region, including poor soil fertility and desertification. Poor producers urgently need support to adapt to changing conditions and to adopt new practices that will protect the natural resources on which their livelihoods depend. Together with

partners, IFAD supports a mix of traditional and innovative approaches to help smallholders build their resilience.

Assisted natural regeneration techniques originally developed in Burkina Faso are being scaled up across the region. These techniques can reverse extreme soil degradation, increase arable land, and boost crop yields and food security. They range from improved planting pits – known as *tassa* or *zai* – to half-moons, contour stone bunds, vegetative barriers and permeable rock dams. Between 2005 and 2013, these techniques were used to help rehabilitate nearly 63,000 hectares.

In the Maradi region of Niger, an IFAD-funded project is helping to rehabilitate and protect the parklands cultivated by subsistence farmers and pastoralists. The project enables people to develop community-based enterprises that commercialize tree products. It also supports efforts to improve natural resource management practices related to soil and water conservation and to diversify, adapt and conserve trees of priority species.

In Togo, in support of government efforts to boost agricultural productivity, an IFAD-funded project is helping to disseminate techniques for improving soil fertility through farmer field schools. To date, more than 600 schools have trained more than 14,000 producers, 95 per cent of whom have adopted new practices. Maize production has increased by 87-100 per cent as a result.

During 2015, grants from IFAD's Adaptation for Smallholder Agriculture Programme (ASAP) worth US\$27.0 million were approved, bringing the total value of ASAP financing in the region to US\$73.9 million at the end of the year. Grants from the Global Environment Facility (GEF) worth US\$7.3 million were also approved, bringing the total value of GEF financing in the region to US\$44.0 million.

Empowering young people

As mentioned in the Overview, youth unemployment is a significant issue and agriculture is a growing source of informal employment. To boost young people's capacity to take advantage of opportunities, IFAD-funded programmes work to improve their skills and strengthen the organizations and infrastructure that support them.

Story from the field

Stronger markets for local crops transform Senegal's rural economy

Farmer Coumba Ndoffen Sene used to struggle to feed his family, but now he can pay his children's school fees and buy them new clothes. He has also started a business raising chickens.

Sene takes part in the IFAD-funded Agricultural Value Chains Support Project in Senegal. One of the ideas behind the project is to encourage people to grow, eat and sell local crops rather than consuming imported grains like rice. By changing the way people think about food and enabling them to access markets, the project has helped transform the communities in which it works.

Sene was one of almost 9,000 farmers who received training in improved agricultural practices that produce higher yields and better-quality harvests.

"Before we couldn't even get to one ton of millet," he says. "Now we produce two or three tons per year."

With project support, producer organizations brokered contracts with buyers. Transaction costs on sales of millet, sesame, cowpeas and maize fell substantially, increasing profits. Small producers now earn more and consume and sell more locally grown products, and the region is becoming less dependent on imports.

The hungry season has been shortened from six months to under a month. More than

5,000 previously unemployed people now have jobs, and 250,000 people have learned to grow, eat and sell local foods.

Women are participating in agricultural production, processing and marketing activities and have better access to land. Over 800 women – and chefs in local hotels – have learned to cook with locally grown crops, which are more nutritious than imported products such as rice. Women are starting new businesses, packaging products like baby porridge to be sold locally and nationally. In recognition of these achievements, the project won a 2015 IFAD Gender Award, highlighting its best practices in women's empowerment.

Many restaurants in the project area now offer only locally grown food. Restaurant manager Aissatou Cisse sees this trend as the future for the country.

"Our economy cannot grow if we keep importing," she says. "We need to consume what's produced here in Senegal."

Cisse won the 2015 President of Senegal Award for innovation.

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



In Benin, an IFAD-supported programme has a partnership with an agricultural training centre for young farmers and entrepreneurs, with a particular focus on women. The centre has trained 590 young entrepreneurs in techniques that include conservation of seeds, composting, and transforming soya into milk and cheese.

In Nigeria, an IFAD-funded programme is helping reduce tensions in the Niger Delta by improving employment prospects for young people and creating rural institutions that support participatory development and knowledge-sharing. To date, it has helped create 9,200 micro or small-scale rural enterprises along various agricultural value chains – including on-farm activities, agroprocessing and off-farm enterprises. The most profitable activities are operating in the cassava value chain. Overall, about 60,000 jobs have been created and incomes have risen by about 60 per cent.

In Sierra Leone, IFAD supports the development of financial service associations and community banks. The Rural Finance and Community Improvement Programme – Phase II is building on the achievements of its first phase. It has helped establish an apex bank that provides essential services to a network of financial service associations and community banks to guarantee their sustainability, efficiency and profitability. To ensure that young people are included, each association recruits a manager and a cashier aged 21-29 years from the local community, and the programme trains them.

A large regional grant-funded programme to create opportunities for young people in rural areas is developing a mobile application for crowd-funding to help incubate youth agribusiness enterprises. Thirty-two country-level facilitators have been trained. They will train 600 young rural people and establish a web/SMS platform providing access to multiple resources that support entrepreneurship.

East and Southern Africa

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

Overview

Strong economic growth in the East and Southern Africa region is projected to continue over the next two years. The International Monetary Fund foresees real GDP growth of about 6.6 per cent for countries in both the East African Community and the Common Market for Eastern and Southern Africa. Additional positive factors include continued strong foreign and national investment, a growing middle class, and increasing remittances to rural areas from domestic and foreign sources. Of particular relevance to IFAD's work are the significant opportunities to strengthen domestic food production, benefiting smallholder farmers and substantially reducing imports of major food commodities, particularly sugar and comestible oils.

However, as in many other regions, economic growth is not benefiting all sectors of society. Worldwide, rural areas continue to show the greatest concentrations of poverty, and women are at greater risk than men of being poor.

Although the middle class is growing, progress is painfully slow. In fact, the absolute number of people living below the poverty line in East and Southern Africa is increasing, and income inequality is also on the rise. In addition, the region has the highest birth rates in the world, which will continue to push up the numbers of job seekers here over the next few decades. The challenge for national governments and their development partners is to transform the region's significant potential into equitable and broad-based growth that includes women and men in rural areas, as well as particularly vulnerable groups such as young people and ethnic minorities.

Five countries in the region met the MDG1 target of halving extreme poverty, and two others made substantial progress. Eleven countries remain off target. Performance regarding the target of halving the proportion of people suffering from hunger was also a source of major concern.

Only three countries met the target, one made sufficient progress and fourteen remained moderately or seriously off target.

Our work and results in 2015

In 2015, our programme of work in East and Southern Africa focused on:

- agricultural technologies and food security
- rural finance
- empowering women and young people
- policy dialogue and engagement
- natural resource management and climate change adaptation.

Agricultural technologies and food security

Enabling smallholder farmers to obtain access to improved agricultural technologies is a direct route to increased production, crop diversification, better incomes and strengthened food security and nutrition.

Twenty-one IFAD-supported projects in the region have trained more than 385,000 people in crop production. A third of these people are taking part in a rural income project in Rwanda, which started work in 2011. The initiative focuses on improving the quality of tea, coffee, fruits, vegetables and silk production to enable farmers to connect to export markets.

The expansion of coffee and tea production has seen particularly good results. The project is reaching increasing numbers of women, especially in sericulture. Women are also taking up leadership positions in groups of various kinds.

Small and large livestock play an important role in poor rural people's livelihoods. Twelve projects have trained about 230,000 people in livestock production – half of them in the United Republic of Tanzania. In Burundi, of the 15,000 households adopting artificial insemination practices, 90 per cent saw livestock productivity increase. Smallholder dairy farmers in Kenya have also been trained to carry out artificial insemination and vaccinate their livestock.

Rural finance

Accessible financial services enable small producers and microentrepreneurs to build their businesses, buy essential inputs and protect themselves against risk. In the worst scenarios, poor people fall prey to moneylenders because they have no other options. Rural areas in developing countries are particularly poorly served: only about 10 per cent of rural communities have access to basic financial services.

Fourteen IFAD-financed projects in the region focus on rural finance. Support is provided to organizations that cater specifically for the needs of small producers and microentrepreneurs, including community banks, microfinance institutions, and savings and credit cooperatives. IFAD also works with higher-level government institutions to strengthen the policy environment for rural finance (see section on Policy dialogue and engagement).

More than 3 million people are active borrowers, and more than 4 million are engaged in formal savings operations. One project in Ethiopia is responsible for 90 per cent of this activity. The second phase of this national project supports more than 10,000 rural savings and credit cooperatives and more than 30 microfinance institutions, building organizational capacity and strengthening professional skills. Women's access to services is growing and they now account for nearly half of the client base.

In Rwanda, where dairy cows play a key role in rural livelihoods and veterinary medicines are extremely expensive, an innovative animal health insurance scheme has been developed by an IFAD-funded project. To join the scheme, farmers pay an initial fee of about US\$15.50. Small monthly fees of less than US\$1 are then deducted from their monthly milk sales. With insurance, farmers can buy prescribed medication for their cows at half price.

Portfolio management highlights

- 46 ongoing programmes and projects in partnership with 17 recipient governments in the region 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

Empowering women and young people

IFAD has a special focus on women and young people because both groups are particularly vulnerable to poverty and economic exclusion. Direct targeting is widely used to reach households headed solely by women, and projects are increasingly surpassing the target of 30 per cent for women's participation.

For example, a value chain development programme in Burundi reported that 60 per cent of savings group members are women, and 30 per cent of these women have had access to at least three credit cycles, enabling them to build their businesses and increase their incomes.

IFAD and partners have developed an innovative way of working at the household level, enabling family members to re-examine the entrenched norms that define the respective roles, responsibilities and opportunities of women and men. Known as the household mentoring methodology, the approach uses tools such as visioning and mentoring to support families in clearly describing their current situation and drawing up a shared plan for the future. During this process, gender inequality – which typically overburdens women with unpaid work and limits their freedom of movement and capacity to earn an income – is often identified as one of the factors that

locks households in poverty. The new methodology is currently reaching 75,000-100,000 poor households in sub-Saharan Africa.

A natural resource management project in Ethiopia won an IFAD Gender Award in 2015 for work on strengthening women's access to land. In the target area, all women heads of household have been issued with land certificates, and family land is being registered with both husband and wife as co-owners. Women have also taken leadership training and are playing a greater role in decision-making at the community level.

Policy dialogue and engagement

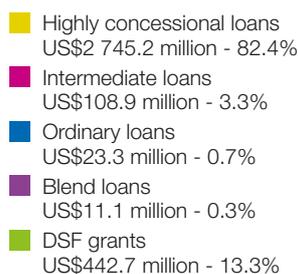
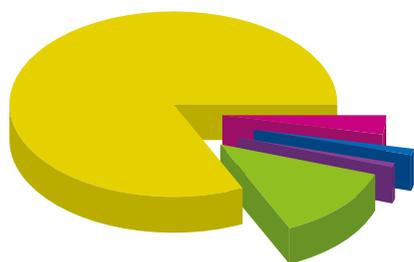
Policies shape the world in which rural people live and work and define their economic opportunities. Supportive policies open doors that can enable people to lift themselves out of poverty. Unsupportive policies create roadblocks and often favour some social groups to the exclusion of others. IFAD-supported projects work in partnership with national governments to build policies that foster poverty reduction and drive inclusive economic growth.

In East and Southern Africa, there is a strong link between the projects we support and national policies in the rural finance sector. Policy work in Uganda has resulted in the Tier 4 regulation

EAST AND SOUTHERN AFRICA

CHART 2a
IFAD loans by lending terms and DSF grants,
1978-2015^a

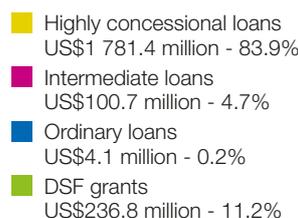
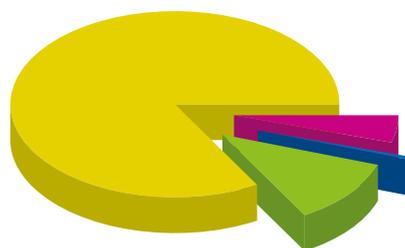
Share of total of US\$3 331.3 million



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

CHART 2b
Loan disbursements by lending terms and
DSF disbursements, 1979-2015^a

Share of total of US\$2 123.0 million



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

Story from the field

Boosting nutrition for people living with HIV/AIDS in Mozambique

An IFAD-supported project in northern Mozambique has helped teach people to eat better and enabled them to live healthier, longer lives.

The Coastal HIV/AIDS Prevention and Nutrition Improvement Project (CHAPANI), co-funded by the Belgian Fund for Food Security, worked with northern coastal fishing communities to combat the dual threats of HIV/AIDS and malnutrition. Poor diets, often limited to fish and cassava porridge, make it hard for people to fight the disease.

CHAPANI's local field officers delivered information on HIV prevention and treatment to people's homes and taught them how to prepare nutritious food.

The project ran cooking demonstrations using locally grown plants like moringa. Until project staff introduced moringa recipes, fishing families did not eat the plant, which contains proteins, vitamins and minerals. Moringa is now a popular addition to the local cuisine.

When 21-year-old Alima Artur began feeling ill several years ago, a CHAPANI field officer encouraged her to be tested for HIV. The results were positive.

"I was very sad and desperate," says Artur. "My life was only about crying and thinking I was going to die."

The project helped Artur find support within her family and stay optimistic. It taught her how to enrich her diet to keep her haemoglobin levels steady, and 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."

Artur joined a volunteer Positive Living Group that uses songs to teach people how to prevent HIV/AIDS, how to eat better and how to live well with the disease. She describes herself as walking proof of the difference that healthy living can make.

More than 6,000 families in the project area started vegetable gardens to grow their own food. The new knowledge spread quickly, with locally trained volunteers leading the process.

Robson Mutandi, IFAD Country Director and Representative in Mozambique, saw the communities take ownership of the project's activities.

"Everyone gets excited, and for us that is key. Once the community owns the process, they don't need external people to tell them how to cook food. They do it themselves."

Alima Artur (left) 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



for savings and credit and cooperatives, largely based on evidence from the IFAD-supported Rural Finance Services Programme that closed in 2011.

In Swaziland, a rural finance project contributed to the development of several policies for modernizing the business environment, including the Small, Micro and Medium-sized Enterprises Policy, the Microfinance Policy, the Consumer Credit Bill and a financial inclusion strategy. In the United Republic of Tanzania, a project focusing on market infrastructure and value addition played a role in the development of regulations for the microfinance sector.

Natural resource management and climate change adaptation

Natural resources such as land and water are fundamental to the livelihoods of rural people. Soil erosion is a major problem in the region – the Food and Agriculture Organization of the United Nations (FAO) estimates that 40 per cent of Africa's land resources are currently degraded.

Ten IFAD-supported projects in East and Southern Africa have brought almost 180,000 hectares under improved land management practices, and irrigation schemes have been developed for 62,000 hectares. More than 1,000 community groups managing natural resources are being supported. Group members have received training in the maintenance of irrigation infrastructure and in how to develop environmental management plans.

In the island nation of Comoros, over 450 hectares of land have been reforested and more than 450,000 seedlings have been planted – 15 per cent of which are protected endemic species. Public awareness campaigns on integrated ecosystem management, including the protection of mangroves, have been carried out via radio, TV shows, training sessions and policy dialogue workshops.

Interventions funded by the GEF and ASAP are increasingly being integrated into IFAD-supported programmes in the region, and climate change resilience is being mainstreamed into projects and country strategic opportunities programmes.

During 2015, ASAP grants worth US\$38.0 million were approved, bringing the total value of ASAP financing in the region to US\$66.8 million at the end of the year. The total value of GEF grants in the region was US\$20.9 million.

Early-warning systems and climate and weather forecasts are supported through IFAD-funded projects in Burundi, Ethiopia, Mozambique and Rwanda. Soil and water conservation activities are being carried out in Kenya, Rwanda and Swaziland to minimize run-off and prevent soil erosion.

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

Overview

Driven mainly by China and India, the economy of the Asia and the Pacific region grew by 6 per cent in 2013/14, cementing the region's leading role in global growth. Generally, lower-middle-income countries are climbing towards higher income status. While 560 million people in the region still lived below the poverty line of US\$1.25 per day in 2011, poverty rates continue to decline.

The reduction of poverty in Asia and the Pacific goes hand in hand with a rapid decline in the proportion of hungry people. Indeed, between 1990 and 2013, hunger was cut in half to 12 per cent, achieving the MDG target. Within the region, South-East and East Asia have led the way, with South Asia catching up at a slower pace.

Portfolio management highlights

- 66 ongoing programmes and projects in partnership with 21 recipient governments in the region 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

Despite all the progress, however, 490 million people in Asia still suffer from chronic hunger – about 62 per cent of the world's total number of hungry people. Moreover, as in other regions, the benefits of economic growth are not shared equally, undermining the pace of poverty reduction. Inequality affects women, indigenous populations and ethnic minorities disproportionately, with impacts on access to land, credit, education, health services and other productive assets. Poverty is also predominantly rural, with 76 per cent of the region's poor people living in rural areas.

Across Asia, as a result of globalization, capital deepening, trade liberalization and rural-urban transformation, the agrifood sector has undergone major changes since the 1980s. While contributing directly to poverty reduction, agriculture also supports economic growth indirectly through greater linkages to the broader agrifood sector. In most countries, more than half of rural income is generated through off-farm employment such as processing, packaging and distribution. Agriculture is also responsible for the quality and scope of environmental services enjoyed by society as a whole, and the search for more sustainable and inclusive value chains is emerging as a major priority across Asia.

Climate change continues to put pressure on the farm sector – and smallholders in particular. Moreover, many smallholders are forced to manage mounting risks in both production and marketing. Greater use of information and communication technology, along with better access to insurance and credit, could help build their resilience.

Our work and results in 2015

In 2015, our programme of work in Asia and the Pacific focused on:

- climate change adaptation
- empowering women and men
- market access and rural finance
- scaling up new technologies.

Climate change adaptation

In Bhutan, where more than 60 per cent of the population depends on agriculture for its livelihood, climate change is expected to have negative effects on water availability and soil fertility, and to increase pests and disease. Working initially in six southern and eastern districts, IFAD has begun helping rural communities

through a programme to strengthen agricultural production and cope with climate shocks more effectively. The programme will also help farmers move from primarily subsistence production of dairy and vegetable crops to selling their goods in markets. Ultimately, it aims to benefit nearly 29,000 smallholder households.

In the Philippines, IFAD supports work to ensure that smallholders are at the centre of the policy agenda, including for climate change issues, through an initiative known as the Knowledge and Learning Market – Policy Engagement (KLMPE). In November, the ninth annual KLMPE workshop generated recommendations to help smallholders build their resilience to climate change while increasing their market power. As part of the event, exhibitors, farmers and development practitioners from across the country showcased best practices related to family farming and smallholder advocacy.

With support from ASAP, the region has been integrating climate change considerations more systematically into environment and natural resource management projects. During 2015, ASAP grants worth US\$10.0 million were approved, bringing the total value of ASAP financing in the region to US\$67.1 million at the end of the year. In Cambodia, for example, IFAD has been helping smallholders to take advantage of market

opportunities, strengthen their resilience to climate change and other shocks, and gain better access to services.

In Bangladesh, ASAP funds have been integrated into a project in the remote north-east, a low-lying area that is completely flooded for up to six months a year. In addition to working with communities to protect infrastructure from flood damage, the project is installing a warning system that will allow farmers to harvest as much of their crop as possible before floods reach their fields.

In addition to harnessing ASAP funds, IFAD has also been blending finance from the GEF to strengthen its response to climate change in the region. The total value of GEF financing was US\$2.2 million at the end of the year. In Mongolia, working with a project supported by IFAD and the GEF, 60 pasture herder groups have developed land management plans to strengthen their resilience to climate change. The herders' households are also gaining better access to financial services and training. For example, some 250 women's groups have learned management skills such as preparing business plans, applying for loans and running cooperatives. They have also received technical training in trades such as sewing, handicrafts, embroidery, and processing of felt, vegetables and milk.

ASIA AND THE PACIFIC

CHART 3a
IFAD loans by lending terms and DSF grants,
1978-2015^a

Share of total of US\$5 418.9 million

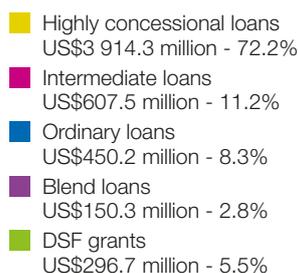
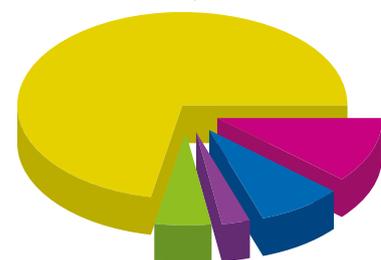
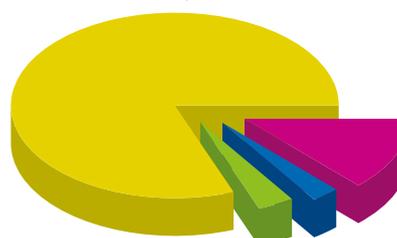


CHART 3b
Loan disbursements by lending terms and
DSF disbursements, 1979-2015^a

Share of total of US\$3 575.0 million



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

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

Empowering women and men

Throughout the region, IFAD supports economic and social empowerment, particularly for women, through strategies such as microfinance, savings and credit groups, development of small businesses and microenterprises, and capacity-building.

In India, the Tejaswini Maharashtra Rural Women's Empowerment Programme won an IFAD Gender Award in 2015 for its work on multiple forms of empowerment and financial inclusion. Over 75,000 self-help groups for savings and credit have been set up, reaching more than 1 million women. Village-level committees and community resource centres address social issues and promote value chain approaches and partnerships with financial service providers. The programme also engages men in addressing gender inequality issues, including preventing domestic violence and child marriage and promoting joint property ownership.

In the Ha Tinh and Quang Binh provinces of Viet Nam, IFAD targets vulnerable rural households, including those with unskilled and unemployed members, ethnic minorities and the landless. Recent achievements include empowering poor rural women and men to engage in community-level decision-making, and strengthening their access to markets.

In Indonesia, IFAD is working in five districts of Central Sulawesi to build the capacity of rural communities and increase agricultural productivity. In one of the first public-private partnerships in the country's agriculture sector, Mars, Inc. – the international chocolate company – provided technical support to cocoa farmers and trained "cocoa doctors" as sources of knowledge on new farming techniques for their peers.

Cocoa production has grown by more than 190 per cent. This has significantly increased the incomes of participating farmers and convinced others to maintain and invest in their cocoa plantations. Given the programme's success, the Government of Indonesia plans to scale up the model throughout the island of Sulawesi, one of the country's main cocoa-producing areas.

Market access and rural finance

While globalization continues to transform agricultural markets in Asia and the Pacific, smallholders and family farmers can struggle to access emerging opportunities. In response, IFAD

is strengthening value chains and providing access to training and inputs such as fertilizer and seeds. We are also boosting access to essential financial services and making it easier for migrants to send money home in the form of remittances.

According to results reported in 2015, nearly 1 million people obtained access to much-needed rural finance services in the region, either through formal microfinance institutions or through self-help groups. In addition, about 180,000 beneficiaries were supported in establishing and running marketing groups, 77,000 people were trained in post-production and processing techniques, and more than 1,300 km of market-access roads were constructed or rehabilitated.

Scaling up new technologies

In recent years, IFAD has focused on scaling up the results of successful projects within a community, across a country or region, or beyond. Processes for sharing knowledge or expanding scope range from using traditional approaches such as peer learning, to expanding reach through new technologies.

In Nepal, as part of a broader approach to improving crop yields in small rural farms, IFAD, Intel and Grameen Intel Social Business Ltd. are working together to promote "e-agriculture". Entrepreneurs with access to laptop or mobile computer devices are using specialized software to perform remote testing of soil quality, germination of seeds and application of pesticides. Using the software, which has been translated into local languages, they can recommend that farmers adopt particular seeds and fertilizer to match soil chemistry. In 2015, the approach was pilot tested in Nepal, and results were shared with a similar IFAD-funded project focusing on agricultural development and economic empowerment in Cambodia.

The same project in Cambodia is working in partnership with the GEF to promote the use of renewable energy technologies as an alternative to health-damaging biomass resources and kerosene. In addition, to decrease deforestation and land degradation, solar energy and other renewables will be used to power small-scale irrigation schemes. These interventions will improve the efficiency of water use for the production of high-value off-season vegetables.

Story from the field

Giving poor fishing families a future in Indonesia

Not long ago, Ratna Sari Dewi Bani stayed at home taking care of her husband and two children in a coastal community in Makassar, Indonesia. Income from her husband's fishing business barely met basic household needs. Bani's was one of nearly 8 million fishing families living in extreme poverty in the country.

Their lives improved when Bani joined the IFAD-supported Coastal Community Development Project (CCDP), which works with 70,000 fishing households in areas of high poverty in eastern Indonesia.

Today, Bani is a well-established entrepreneur. With a loan and technical support from the project, she and other members of her group started a small processing business, which produces fish floss (a dried fish product), fish nuggets and fish crackers.

"Before setting up our business, I used to produce five to ten kilograms of fish floss per month," she says. "Today, I lead an enterprise group and make US\$200 a month."

The women in the group previously had little or no opportunity to earn money. Now they process fish together. Among project participants, incomes have increased by an average of almost 60 per cent. Some of the profits are invested in the business, and the rest are shared among group members.

At least 200 new processing groups like Bani's are in operation. They are one element of CCDP's approach, which empowers communities to participate in planning and implementing development activities to increase their incomes and livelihood opportunities. The project is also building the groups' capacity to manage coastal resources, including through catch monitoring, mangrove rehabilitation and ecotourism.

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

Results reported in 2015 show that household welfare has increased significantly since 2013. More people have diversified incomes, assets and savings and are employing others, thereby contributing to overall economic growth. There is increased food security, an improved natural resource base and less dependence on moneylenders. In 2016, project activities will be scaled up to an additional 72 villages.

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)

Overview

In 2014, economic growth in Latin America and the Caribbean slowed to 0.9 per cent, from 2.7 per cent in 2013. With the exception of the recession of 2009, this was the lowest regional annual growth rate for 13 years. However, there were marked subregional differences. South America had almost no growth, while Central America and the Caribbean showed economic expansion. Growth in 2015 is expected to weaken further to about 0.4 per cent.

Poverty levels in the region have been falling since 2000, but the rates of decrease have slowed recently. Combined with population increase, this means that the actual number of people living in poverty has risen in recent years.

Statistics for 2013 indicate that about 28 per cent of the population – 165 million people – lived in poverty, with 11.7 per cent – 69 million – classified as extremely poor. Poverty rates in rural areas remain significantly higher than in urban centres. Statistics also show that the large majority of poor people in the region are women. Conditional cash transfers and social protection schemes continue to play a role in reducing the number of poor people.

The region as a whole met the hunger and poverty targets of MDG1, cutting the proportions of people living in hunger and poverty by more than half between 1990 and 2015.

Despite recent improvements, inequality rates in Latin America remain among the highest in the world. The region is characterized by a markedly uneven distribution of assets, opportunities and rights. Overcoming inequality in its many dimensions is a major challenge and is essential to robust inclusive economic growth.

Family farming is an important economic activity across the region. Since the start of the

millennium, there has been strong growth in demand for agricultural products. Access to new markets in China, India and countries across Africa, coupled with rising prices internationally, have created a favourable environment for investment and expansion in agribusiness. A concerted effort is necessary to ensure that poor and marginalized people across the region are included in the benefits of economic growth in rural areas.

Our work and results in 2015

In 2015, our work in Latin America and the Caribbean focused on:

- empowering women and young people
- market access
- innovation, knowledge management and South-South and triangular cooperation
- promoting family farming through policy dialogue
- scaling up.

Empowering women and young people

Increasing incomes and building the capacity of women and young people in rural areas are priorities for IFAD in this region, as in others. In Belize, a rural finance programme won an IFAD Gender Award in 2015 for its work on giving women equal access to financial services. A pre-financial training module introduces the women to the basic concepts of financial literacy and encourages them to join credit unions. Since 2011, the credit unions have provided over 2,800 loans worth about US\$2.7 million – 60 per cent of them to women.

Portfolio management highlights

- 36 ongoing programmes and projects in partnership with 20 recipient governments in the region 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

A recently closed programme in Colombia focused on nurturing creativity and initiative in young people to help them find work and start businesses. Known locally as *Oportunidades Rurales*, the project targeted indigenous peoples, Afro-Colombians and the young. It provided training, technical assistance and business and financial services and used competitions to encourage participation. Potential beneficiaries had to win start-up funds in competitions judged by experienced microentrepreneurs.

The project reached about 47,000 families with small businesses – 40 per cent of them headed by women. The government is now mainstreaming *Oportunidades Rurales* as part of the Ministry of Agriculture’s regular operations and has assigned it a yearly budget of US\$20.0 million, investing in one year the equivalent of IFAD’s loan for a five-year programme.

Market access

Strengthening access to markets for small producers sets up a virtuous cycle in rural areas, with more being produced, more being sold, incomes rising, families prospering and communities thriving.

An IFAD-supported value chain and market access project in Nicaragua works with farmers

in three of the country’s poorest departments to strengthen links to markets and increase incomes. The project has supported 57,000 beneficiaries – 46 per cent of them women – linking them to commercial value chains. It has also promoted an overall increase in salaries and productivity and created more than 5,900 jobs. In addition, it has strengthened the management capacity of more than 360 producer organizations.

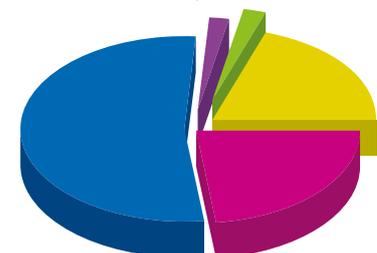
In the face of growing deforestation in the southern states of Mexico, IFAD is working with the country’s National Forestry Commission and the GEF to help communities establish sustainable livelihoods that are connected to markets and protect natural resources. Ecotourism is one example, with tourists becoming a natural market for artisans selling traditional products. With IFAD’s support, local women are reviving the traditional art of silk production. The project is also helping to create new systems for sustainable forestry and carbon sequestration. It aims to reach 18,000 families in Campeche, Oaxaca and Chiapas.

In Argentina, an IFAD-supported rural development project in Patagonia that closed in late 2014 enabled more than 11,000 families to connect to markets and boost their productive assets. The proportion of goods produced that

LATIN AMERICA AND THE CARIBBEAN

CHART 4a
IFAD loans by lending terms and DSF grants,
1978-2015^a

Share of total of US\$2 128.9 million

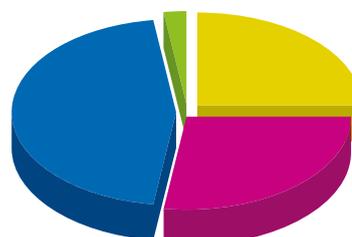


- Highly concessional loans
US\$411.4 million - 19.3%
- Intermediate loans
US\$488.0 million - 22.9%
- Ordinary loans
US\$1 146.1 million - 53.8%
- Blend loans
US\$32.2 million - 1.5%
- DSF grants
US\$51.2 million - 2.4%

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

CHART 4b
Loan disbursements by lending terms and
DSF disbursements, 1979-2015^a

Share of total of US\$1 517.4 million



- Highly concessional loans
US\$381.8 million - 25.2%
- Intermediate loans
US\$412.2 million - 27.2%
- Ordinary loans
US\$694.2 million - 45.8%
- DSF grants
US\$29.2 million - 1.9%

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

are then marketed rose from 57 to 71 per cent. Significantly, nearly a third of this production was processed, adding value for the producer.

In Honduras, a women's cooperative for cashew nut processing has increased production by 50 per cent with support from IFAD. The *Cooperativa Regional de Producción Agropecuaria La Sureñita* is linked to a value chain including producers, processors and sellers of cashews on national and international markets, mainly in Germany.

Innovation, knowledge management and South-South and triangular cooperation

Non-lending activities such as innovation, knowledge management and South-South cooperation contribute significantly to rural transformation. They are important elements of IFAD's portfolio in the region, and enable us to advocate for family farmers and support rural development in a variety of ways.

Innovations include fresh approaches to practical challenges, and new ways of engaging with project participants and local stakeholders. In Mexico, for example, IFAD's partnership with the government's largest cash transfer programme – Prospera – led to the design of an innovative pilot programme that is helping cash recipients improve their livelihoods.

In the Dominican Republic, IFAD's current strategy has several innovative elements, including a gender-sensitive approach and linking rural areas to the tourist circuit. A comprehensive rural finance strategy is also being developed, based on a combination of loans, matching grants and pilot risk-sharing mechanisms.

Effective knowledge management ensures that the benefits of new learning and experience are shared, and drives successful innovation. In February in El Salvador, a large group of young rural people took part in a "learning route" – a full-immersion form of knowledge management in which participants travel and learn together. Forty young women and men participated, together with technical staff from rural development institutions in Belize, Brazil, El Salvador, Haiti, Honduras, Nicaragua and Venezuela.

IFAD supports the use of South-South and triangular cooperation activities to identify, deliver and implement solutions to common development challenges. The IFAD co-funded Agricultural Innovation Marketplace grant in Brazil made technologies tested by the Brazilian Agricultural Research Corporation (Embrapa) – the country's leading agricultural research agency – available to smallholders in Brazil, ten other countries in the region and twelve countries in Africa. Based on the success of the first grant, a second has been approved, with a focus on technology replication and adaptation, apprenticeships and knowledge-sharing between Embrapa, participating organizations and beneficiaries.

Promoting family farming through policy dialogue

As mentioned in the Overview, family farming is a significant economic activity in the region. IFAD is engaged in long-term policy dialogue with governments and regional bodies to promote family farming and level the playing field for poor producers in rural areas, where poverty is entrenched. Experience has shown that effective policy dialogue – which goes beyond ministries of agriculture to include other key public and non-public stakeholders – plays an important role in project performance.

In Nicaragua, for example, alternative development interventions supported by two IFAD-supported projects have influenced national public policies. A value chain project has become a model for the promotion of adaptation to climate change and has been scaled up from 3 to 12 departments. In Guyana, IFAD has contributed to the evolution of policy on water management, which is of crucial importance to the country. In Grenada, the government has adopted IFAD's approach to gender equality.

Scaling up

For IFAD, scaling up means expanding, adapting and supporting successful policies, programmes and knowledge, in order to leverage resources and partners to deliver more significant results for greater numbers of rural people.

Story from the field

Planting the seeds of good living in Ecuador

Achiote is a condiment made from the red seeds of the *Bixa orellana* shrub. Latin American people have long used it in traditional dishes and as a dye. Today it is sought after internationally as an industrial food colourant for cheeses, snacks and sausages.

The 24 de Mayo municipality in Ecuador's Manabí Province was once a prolific producer of achiote, but yields declined over the years. Now, with support from the IFAD-supported *Buen Vivir* [Good Living] in Rural Territories Programme, the community is back in the achiote business.

Since 2014, the San Jacinto de la Mocora Grande Community Management Centre – a local producer association made up of 99 families – has trained ten young people as extension workers. These young people then started teaching smallholders how to use organic fertilizers and pest control methods to improve the quality and quantity of the achiote produced.

As a result, 400 households have improved their yields. Some have doubled their productivity from 15 to 30 quintals per hectare. Their average monthly income has increased from US\$175 to over US\$280.

In parallel, they created ASOAM – a commercial enterprise selling achiote and derived products – and built a processing plant. They set the price for a quintal (about 46 kilograms) of achiote at

US\$80, which gives farmers a 50 per cent profit. Before, the farmers had been obliged to sell their product through intermediaries.

“The intermediaries used to cheat, not only with the price but also when weighing the product,” says Victor Bailes, an engineer with ASOAM.

“Farmers were not making a profit, which led to the decline in production. Thankfully, this is now history.”

The group now sells achiote to large companies like La Fabril, one of Ecuador's major cooking oil and condiment producers.

The 99 families are just a small proportion of those benefiting from the support of *Buen Vivir*, which stretches across nine provinces. People engaged in over 160 smaller initiatives under the programme have set up irrigation systems, improved livestock pastures, and built processing plants for beans, maize and coffee. More than 12,000 families have benefited so far, just halfway through the programme.

Juan Ponce, one of the young people working at ASOAM's processing plant, holds a bunch of achiote fruits
Ecuador: *Buen Vivir* [Good Living] in Rural Territories Programme
©IFAD/Juan Ignacio Cortés Carrasbal



Peru and Venezuela provide two outstanding examples of successful scaling up in the region. IFAD has been working with the Government of Peru for 20 years to scale up investments in agricultural and rural development in poor areas of the Andes. Now preliminary results from the Sierra Sur II Project show continued success in increasing incomes and improving nutrition and food security in the project area.

In Venezuela, the second phase of a project in semi-arid zones built on the achievements of the first phase to cut rural poverty rates by 42 per cent. Working with small producers in inhospitable areas where water management is a major issue, the project constructed or repaired more than 100 water facilities. As a result, water savings of up to 60 per cent were observed, increasing vegetable production and improving soil condition. When the project closed in 2014, 66 youth enterprises had been set up, and nearly half of the young entrepreneurs were women. Expanding job opportunities for young people in the area was a key factor in the project's success.

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

Overview

The countries covered by IFAD's Near East, North Africa and Europe region face wide-ranging development challenges. Prolonged conflict and political instability in Iraq, Libya, Somalia, the Syrian Arab Republic and Yemen are severely disrupting the lives and livelihoods of people in the Near East and North Africa. Nearly 13 million people in Yemen face a food emergency.

The number of undernourished people in the Near East and North Africa has doubled over the last 25 years from 16.5 million to 33 million. Economic growth across this region is expected to slow to about 3 per cent in 2016 because of conflict, low oil prices and the sluggish pace of structural reform.

According to recent data from the Office of the United Nations High Commissioner for Refugees (UNHCR), the conflict in the Syrian Arab Republic alone has forced more than 11 million people from their homes, with more than 4 million seeking refuge in Egypt, Iraq, Jordan, Lebanon and Turkey. The sudden population increases – 23.5 per cent in Lebanon and nearly 10 per cent in Jordan – are putting a strain on the natural resources and food security of these countries.

Portfolio management highlights

- 36 ongoing programmes and projects in partnership with 18 recipient governments in the region 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

Conflict has increased the vulnerability of women and girls, exacerbating gender inequality in the region. Regional youth unemployment is the highest in the world: 29.5 per cent in 2014, more than double the global average of 13 per cent. Ensuring that women and men have decent jobs is crucial for social equity and stability. Investment in agriculture – which is two to four times more effective in reducing poverty than investment in other sectors – can stem labour migration by enabling young rural people to find work in their home regions.

Climate change and natural resource degradation pose other challenges. Countries in the Near East and North Africa have the lowest per capita share of the world's available freshwater and most of their freshwater resources are transboundary. Climate change could reduce water availability by 30-50 per cent by 2050.

In Central and Eastern Europe and the Newly Independent States, countries are slowly transitioning from centrally planned to market-driven economies. Economic downturn in the Russian Federation, triggered by falling oil prices and economic sanctions, is having a ripple effect across Central and Eastern Europe and the Newly Independent States. Falling revenues from

agricultural exports to the Russian Federation, currency devaluations and shrinking remittances are hitting some countries hard.

Our work and results in 2015

Our work in the region in 2015 focused on:

- natural resource management and climate change adaptation
- agricultural productivity and food security
- rural finance and support for entrepreneurs
- market access and value chain development
- empowering young people and women.

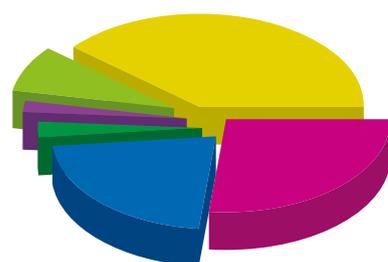
Natural resource management and climate change adaptation

Timely, reliable information on natural resources and the impact of climate change is essential for effective decision-making and country programme management. IFAD is promoting an earth mapping tool in several countries in the Near East, North Africa and Europe to improve project targeting.

In Djibouti, for example, geospatial tools have provided a more precise picture of the country's mangroves, which protect coastal communities from climate hazards. The information is being used by a project that is working to strengthen Djibouti's fisheries value chain by rehabilitating

NEAR EAST, NORTH AFRICA AND EUROPE

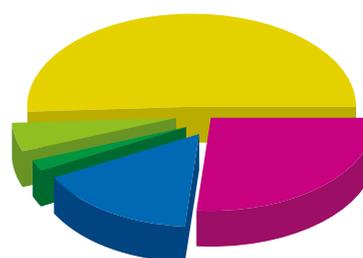
CHART 5a
IFAD loans by lending terms and DSF grants,
1978-2015^a
Share of total of US\$2 477.3 million



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.

CHART 5b
Loan disbursements by lending terms and
DSF disbursements, 1979-2015^a
Share of total of US\$1 674.7 million



Highly concessional loans	US\$862.2 million - 51.5%
Intermediate loans	US\$439.8 million - 26.3%
Ordinary loans	US\$267.1 million - 15.9%
Hardened loans	US\$25.0 million - 1.5%
Blend loans	US\$0.0 million - 0.0%
DSF grants	US\$80.6 million - 4.8%

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

mangroves and fish breeding grounds and providing fishing communities with credit to buy boats and equipment. IFAD's goal is to have all countries in the region using the geospatial mapping system by 2018.

IFAD is supporting training in conservation agriculture for smallholder farmers in the Republic of Moldova, where droughts and floods have become frequent. Moldovan farmers using conservation agriculture techniques have increased their yields by an average of 20 per cent and are noticing improvements in the quality of their fields. The area under these cultivation techniques increased from 40,000 hectares in 2011 to 151,000 hectares in 2015. Use of mini-tillage machinery has reduced production costs by 37 per cent for maize, 7 per cent for winter barley and 8 per cent for sunflower.

In addition to IFAD's core resources invested in 2015, US\$5.0 million in ASAP grants were approved, bringing total ASAP financing in the region to US\$45.2 million. Another US\$32.1 million in approved GEF grants brought total GEF financing to US\$68.2 million. Eight projects under ASAP and 15 under GEF are operating in 13 countries, investing a total of US\$113.4 million in environment and climate financing in the region.

Agricultural productivity and food security

Boosting the productivity of crops, livestock and fisheries is essential to strengthening food and nutrition security for the growing number of hungry people in the region.

In Turkey's eastern provinces, an IFAD-supported project is working to improve production of livestock, fruits and vegetables, and to help 42,000 small-scale producers increase their profits. More than 700 farmers in Diyarbakir, Batman and Siirt are now growing strawberries on fallow wheat fields and unused land equipped with drip irrigation systems. They are earning US\$1,045 per 0.1 hectare – 30 times more than they made growing wheat on the same land.

In Tajikistan's Khatlon region, IFAD is helping 22,400 poor farming households access improved agricultural technologies, inputs and training to boost production. While activities centre on livestock, the project is also helping farmers to

grow food crops, such as fruits and quinoa, to diversify diets. Rotational grazing has boosted milk production by 25 per cent, while average sheep weight has increased from 40 to 50 kilograms and cattle weight from 250 to 260-270 kilograms.

Rural finance and support for entrepreneurs

IFAD works to make financial services more accessible and more effective for rural communities. In Sudan, IFAD-funded projects support three microfinance models: the Agricultural Bank of Sudan Microfinance Initiative (ABSUMI), community-owned apex institutions, and savings and credit groups.

In the Greater Kordofan, Sennar and Butana regions, 36,000 people – most of them women – have joined nearly 2,000 new savings and credit groups. The result is savings worth SDG 6.0 million (almost US\$1.0 million) across 430 communities. ABSUMI has provided 86,400 loans, valued at SDG 105.0 million (nearly US\$16.0 million). Over eight years, ABSUMI and other IFAD-funded projects in Kordofan have helped reduce extreme poverty in the project area by 45 per cent.

An IFAD-funded project in Azerbaijan has improved poor rural people's access to financial services. IFAD partnered with two financing institutions that extended individual loans to more than 100 borrowers, and more than 2,600 group loans to more than 10,300 borrowers, 68 per cent of whom were women. People used the loans to invest in livestock production (70 per cent), commercial vegetable crops and fruit trees (29 per cent) and a bakery. These efforts, along with other project components, have helped increase household incomes by 30 per cent, as found by the final impact study. All of the loans were repaid, with payments going into a revolving credit fund managed by the State Agency for Agricultural Credits.

Market access and value chain development

Poverty is widespread in rural Bosnia and Herzegovina, where youth unemployment averages about 40 per cent. IFAD is working to involve more people – especially women and young people – in the milk, fruit and vegetable value chains. This work focuses on strengthening producers'

participation in 45 farmer organizations. The aim is to improve the producers' ability to market collectively and to promote fairer contract farming relations with the private sector.

Thanks to matching grants made available by the project, about 6,000 producers have been able to buy potato seeders, fruit drying sheds, greenhouses, cooling chambers and milk pasteurizers to improve production, storage and processing. Farmers are expected to increase their incomes by 40 per cent over three years.

IFAD's country programme in Morocco aims to reduce poverty by 30 per cent by 2030 and to improve the living conditions of rural populations. A fully participatory approach is helping to transform rural communities in the country's mountainous zones, where poverty is high and access to infrastructure, services and markets limited.

Investment in agribusiness development in 17 remote communes in Al-Haouz Province has benefited nearly 33,000 rural households to date. By shifting to high-value crops and intensifying production (mainly of apples and olives), farmers have increased yields and incomes by an average of 30 per cent. IFAD Executive Board members visited the project in 2015 to see its achievements first-hand.

The second phase of the project is building on these results while helping the Government of Morocco to incorporate the participatory value chain development approach into its Green Morocco Plan, the country's comprehensive agricultural development strategy. IFAD is advocating keeping Moroccan smallholder farmers, including rural women and unemployed youth, at the centre of development in the Plan's second pillar.

Empowering young people and women

An IFAD grant-supported programme uses innovative approaches to increase employment opportunities for people aged 15-35 years in Egypt, Morocco, Tunisia and Yemen. Through the initiative, local institutions are being strengthened to provide savings and loan services and training in financial literacy, entrepreneurship and business management.

Al Barid Bank in Morocco has set up more than 45,000 new savings accounts for young people. In Egypt, more than 580 young people's savings groups have been created and more than two thirds of their 7,800 members are women. The programme is helping Tunisia develop its first start-up loans for small enterprises. These loans are designed for rural youth seeking to finance business activities in agriculture, livestock, fruit and vegetable production, and handicrafts. Use of a mobile phone application is helping young rural shop owners in Tunisia to overcome bottlenecks with suppliers and distributors and to establish formal transaction and credit histories.

An IFAD-supported South-South and triangular cooperation grant programme is reaching more than 1,000 young people and women working in agriculture in Algeria, Morocco, Turkey and Uzbekistan. The Islamic Development Bank is cofinancing the programme and is likely to expand operations to Kyrgyzstan, Sudan, Tajikistan and Tunisia. Participants are exchanging knowledge and sharing innovative solutions on issues such as growing water-efficient crops and breeding livestock to increase food production and incomes.

Story from the field

Financing for young farmers in the Republic of Moldova

Young women and men in rural areas of the Republic of Moldova are making good use of advantageous credit lines and other benefits offered by an IFAD-supported project.

Nineteen-year-old Anastasia Gilca is one of more than 700 women who have taken out a loan. She now runs her own profitable 3-hectare blackberry plantation. Following advice from her mother, Gilca started her business two years ago. When she heard about the youth entrepreneurship scheme run by the Rural Financial Services and Agribusiness Development Project, she signed up for training in business development, financial management and accounting.

With her first loan, Gilca bought and installed a drip irrigation system, which doubled her harvest and increased her income. Today, this impressive young woman employs six people and owns her own tractor, cultivator and cutter. She also leases a refrigerated vehicle to transport fresh berries to Chisinau, the capital city, where she sells her produce to international chain stores and wholesalers – including Linella, Fourchette and Metro.

During the blackberry season from June to September, 1 kilogram of berries sells for 40-60 Moldovan Leu (US\$2-US\$3).

Gilca's next goal is to expand her farm, planting an additional 6 hectares with blackberry bushes and growing from smallholder to commercial size. She also plans to buy a refrigerated truck and to design her own brand name, logo and packaging.

"Anyone who wants to set up a business on their own must be determined," Gilca says. "You must be hard-working, and you cannot allow potential risks or negative responses from people to demoralize you."

In 2015, the project won an IFAD Gender Award in recognition of its work to empower women. Although women make up only 35 per cent of the people taking loans, most of the trainees in financial management, business entrepreneurship and production technologies for vegetables and livestock are young women. In addition, women's enterprises are achieving better results than those of their male counterparts in terms of profitability and asset accumulation. Increasing numbers of women are decision makers in local public governing bodies, and several are now managing irrigation schemes.

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





Major initiatives and new programmes

Major initiatives

Year of decision

The year 2015 was a momentous one for the international development community as it came to grips with the expiry of the Millennium Development Goals (MDGs) and sought to frame a new, universal set of Sustainable Development Goals (SDGs) and to address the issue of climate change. IFAD was engaged in a series of global initiatives that will shape the development landscape for years to come. We successfully advocated for the concerns and interests of smallholders and other rural people in the context of the new agenda, and IFAD was singled out for its role in investing in rural people.

Agenda 2030

In September, world leaders endorsed Agenda 2030 and its 17 global SDGs, which include a dedicated target on smallholder agriculture. In the run-up to the September summit, IFAD was active in the Third International Conference on Financing for Development, held in Addis Ababa in July, where it organized and participated in several high-profile debates and side-events. Issues of financial inclusion, investment in smallholder agriculture and the rural sector, and support to small and medium-sized enterprises were emphasized in the outcome document of the conference, the Addis Ababa Action Agenda. The document singled out IFAD and recognized our efforts “in mobilizing investment to enable rural people living in poverty to improve their food security and nutrition, raise their incomes, and strengthen their resilience”. In addition, it affirmed that rural development could achieve “rich payoffs across the SDGs”. IFAD was also co-chair of the working group on targets and policies related to raising smallholder productivity and incomes, a key pillar of the United Nations Secretary-General’s Zero Hunger Challenge.

IFAD’s fifth Strategic Framework was developed in 2015 and articulates the Fund’s contribution to Agenda 2030. The Framework presents the overarching goal, principles of engagement, strategic objectives, outcomes and pillars of results delivery that will guide IFAD’s operations over the 2016-2025 period and situates IFAD in the evolving global context. The four pillars sustaining the achievement of IFAD’s development results are its country programme delivery; knowledge building, dissemination and policy engagement; financial capacity and instruments; and institutional functions, services and systems.

Climate change and COP21

Rural children, women and men account for more than 70 per cent of the world’s poorest and most undernourished people, and most of them depend on smallholder agriculture for their livelihoods and sustenance. They are also highly vulnerable to climate change. In December, IFAD brought the smallholder perspective to the twenty-first session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change in Paris, calling for recognition of the importance of agriculture and food security in the climate change agreement. It also launched the publication *The Policy Advantage: Enabling Smallholders’ Adaptation Priorities to be Realized* at the COP, drawing attention to the importance of involving smallholders in formulating policy responses to climate change and the need to channel more climate finance to rural people. An event was organized highlighting the impact that pro-poor applied research programmes led by CGIAR have on smallholder adaptation and climate change mitigation. These programmes have been financed with European Commission funds managed by IFAD, totalling more than €233 million since 2007.

IFAD has provided €12 million in cofinancing for programmes that are jointly identified, designed and financed with the European Commission.

During 2015, IFAD continued to implement its plan to mainstream climate across its portfolio. The Republic of Korea became the ninth country to contribute to IFAD's Adaptation for Smallholder Agriculture Programme (ASAP), whose total financing rose to more than US\$366.0 million. In June, the Global Environment Facility (GEF) launched the Integrated Approach Pilots (IAP) programme, which aims to promote the sustainable management and resilience of ecosystems and their different services (land, water, biodiversity, forests) as a means of addressing food insecurity. IFAD will be the lead agency for IAP and will implement 7 of the 12 planned IAP projects.

IFAD measures and reports its greenhouse gas emissions in line with the United Nations framework. Thanks to reduced energy consumption, the use of teleconferencing instead of business travel and the purchase of certified renewable energy, IFAD's emissions of CO₂ dropped from 5,579 tons to 3,930 tons between 2010 and 2014. In line with the agreed United Nations framework, IFAD has offset its remaining emissions for 2013 and 2014 through the UNFCCC Adaptation Fund. At COP21 in Paris, IFAD was listed as one of the United Nations agencies that are climate neutral. In August, we became the first United Nations entity to be awarded Platinum certification in the Existing Buildings: Operations and Maintenance category of the Leadership in Energy and Environmental Design (LEED) certification programme (see page 62).

Expo Milano

Coinciding with the culmination of efforts to craft a new development agenda, the 2015 Expo Milano drew global attention to challenges involving food and natural resources. The main objectives of IFAD's engagement in the Expo were to raise the visibility of the role of smallholder agriculture and smallholder farmers in feeding the planet sustainably, today and in the future. IFAD shared its experiences and perspectives through some 120 communication products featured in 18 United Nations dedicated spaces throughout the Expo site and through participation in about 30 events.

In June, working jointly with the World Bank and the European Commission, IFAD organized the fifth Global Forum on Remittances and Development (GFRD), which gathered more than 400 experts and practitioners from the public, private and civil society sectors to discuss global issues related to remittances and find solutions for maximizing their development impact. In October, with the Government of Italy, it organized the high-level discussion on "Finance for Food: Investing in Agriculture for a Sustainable Future", attended by the President of the Republic of Italy, Sergio Mattarella, United Nations Secretary-General Ban Ki-moon and others. IFAD's submission on the System of Rice Intensification won the Expo's Best Practice for Sustainable Development in Food Security competition, drawing attention to the impact of IFAD's investments.

Committee on World Food Security

IFAD was active in the Committee on World Food Security (CFS) throughout 2015, bringing its operational knowledge and the concerns of smallholder farmers to bear upon the preparation of CFS policy and initiatives. IFAD was part of the Rome-based agencies technical team that prepared the CFS Framework for Action for Food Security and Nutrition in Protracted Crises, which was adopted in October 2015. It was also active in the CFS Advisory Group and in deliberations on a CFS monitoring process, the definition of a new multi-year programme of work, and the identification of elements of a role for the CFS in implementation of the SDGs.

Remittances

IFAD's US\$36.0 million multi-donor Financing Facility for Remittances (FFR) operates in 40 countries, with 50 innovative pilot initiatives aimed at improving access to and use of remittances, as well as diaspora empowerment. The FFR is recognized as a global leader in the field of remittances, migration and development. In addition to its operational dimension, it pursues major global advocacy and policy activities.

The year 2015 was historic for IFAD's remittance work, as the Governing Council proclaimed 16 June the International Day of Family Remittances. The day was celebrated for the first time in Milan in

the framework of the fifth GFRD. In this context IFAD released *Sending Money Home: European Flows and Markets* – the first report to explore remittance flows and related issues specific to the European continent and receiving countries and regions in the developing world. Also in 2015, as an official implementing partner of the Global Partnership for Financial Inclusion and the Group of 20 (G20), the FFR produced a study on the use of remittances and financial inclusion, which was endorsed at the G20 Leaders' Summit in Antalya, Turkey, in November.

Nutrition-sensitive agriculture and rural development

An important step in IFAD's work to improve nutrition was taken in 2015 with approval of an action plan for mainstreaming nutrition in 2016-2018. The plan encompasses actions in five interrelated areas: design and implementation of nutrition-sensitive projects, country strategies and grants; strengthening of the technical, analytical and managerial capacities of implementing partners, including government institutions; enhancing policy engagement and partnerships at the global, regional and national levels to improve nutrition governance and create an enabling environment; building and managing the evidence base to support project design and implementation through research, studies, monitoring and evaluation, and communications to encourage uptake and use; and guaranteeing IFAD's internal capacity to deliver the action plan effectively by ensuring sufficient financial and human resources and adequate technical guidance and support.

IFAD was invited to the Global Forum on Nutrition-Sensitive Social Protection, co-hosted by the Russian Federation and the World Bank in September. IFAD played a leading role in panel discussions on nutrition, social protection, women's empowerment, local procurement, conflict-affected settings, and solutions for tackling malnutrition through social protection programmes.

The Platform for Agricultural Risk Management

Strengthening resilience is a key element of IFAD's overarching goal of empowering rural people. IFAD hosts the Platform for Agricultural Risk Management (PARM), a G20 initiative launched

in 2013. PARM focuses on nine selected sub-Saharan African countries and builds on existing agricultural risk management initiatives at the country level. In cooperation with the New Partnership for Africa's Development (NEPAD) and other agencies such as FAO and the World Bank, PARM is currently carrying out agricultural risk management assessments in Ethiopia, Niger and Uganda, and working with the governments of Uganda and Ethiopia to translate the assessment results into specific tools. During 2015, PARM also began to operate in Cabo Verde, Cameroon, Mozambique and Senegal.

In 2014-2015, the focus was on PARM visibility, launching the website (www.p4arm.org), undertaking studies and assessing needs. A PARM knowledge management strategy was launched in March. During the year, PARM has been active in several initiatives led by different agencies and stakeholders, including the Forum for Agricultural Risk Management in Development (FARMD), the World Bank, the African Rural and Agricultural Credit Association (AFRACA), AGRINATURA (the European alliance on agricultural knowledge for development), FAO, the African Union and NEPAD.

IFAD's engagement with indigenous peoples

Collaboration with indigenous peoples and their organizations is crucial to fostering inclusive rural transformation. IFAD hosted the second global meeting of the Indigenous Peoples Forum in February 2015, with the theme of indigenous peoples' food systems and sustainable livelihoods. The resulting recommendations were jointly addressed to IFAD, governments and indigenous peoples' organizations themselves:

- Take a holistic approach to supporting and strengthening indigenous peoples' food systems, sustainable livelihood practices, governance and values.
- Raise awareness of the values of indigenous peoples' food systems.
- Facilitate dialogue with the private sector on respecting indigenous peoples' food systems and sustainable livelihoods.

In 2015, IFAD's Indigenous Peoples Assistance Facility (IPAF) approved 25 grant proposals for a total of US\$1,050,000 for projects designed and implemented by communities and organizations of indigenous people.

IFAD also supported the second Indigenous Terra Madre (ITM 2015) event held in north-east India in November. This drew 600 participants from 140 tribes in 58 countries to discuss how to shape the future of sustainable local food systems that are more just and holistic and that respect the land and its resources.

International Land Coalition

The International Land Coalition (ILC) is a global alliance of civil society and intergovernmental organizations hosted by IFAD. It aims to respond to the needs and protect the rights of the women, men and communities who live on and from the land. In 2015, ILC members implemented 79 national land policies and agendas, organized 13 campaigns and mobilized more than 35,000 people to advocate for land policy changes in their countries. As a result of the ILC's work, more than 84,000 farmers now have more secure land tenure. The ILC also promoted inclusion of land rights in Agenda 2030 and indicators for measuring them. While the MDGs made no mention of land rights, the SDGs have four targets that refer to land tenure and rights. At the ILC's eighth biannual Global Land Forum and Assembly of Members in Dakar, Senegal, a new strategy was adopted, and more than 50 new members were accepted, bringing the ILC's membership to 207 from 64 countries. (Read more: <http://www.landcoalition.org/en>)

New programmes and projects West and Central Africa

Modernizing family farming in Niger

Family farms remain the principal source of agricultural production in Niger, where they are essential for food and nutrition security and revenue.

For the past three decades, IFAD has worked in the country's rural areas, where poverty is most 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 integrate activities in the four priority areas for the region: connecting farmers to value chains; strengthening rural finance; managing natural resources and adapting to climate change; and focusing on young people.

Specifically, the new initiative will help smallholder farmers engaged in farming, forestry and herding activities to increase and diversify their output by adopting new production techniques and using small-scale irrigation systems. In addition, it will invest in rural infrastructure, including roads, collection centres and markets, thereby building linkages between production zones and consumers.

Over the eight-year life of the programme, 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 IFAD-supported programme in Kenya will increase the production of staple cereals such as maize, sorghum and millet to increase farmers' incomes and strengthen national food security. Pulses such as pigeon peas, green gram and cowpeas will also be included.

Agriculture is the mainstay of the country's economy, employing 70 per cent of the rural population and accounting for 65 per cent of export earnings. However, Kenya remains a food-deficit country and imports up to 20 per cent of its annual cereal requirements, even in years when harvests are good. Approximately 10 million Kenyans suffer from chronic food insecurity and poor nutrition.

The Kenya Cereal Enhancement Programme is a partnership among the Government of Kenya, IFAD, the European Union (EU), FAO and the World Food Programme (WFP). Working in semi-arid areas that have potentially high productivity, it aims to enable smallholders to graduate from subsistence farming to commercial agriculture. It also includes a focus on building poor producers' resilience to climate change.

A voucher scheme funded by the EU will help small producers buy agricultural inputs such as tools, fertilizers and improved seed. The programme will reach about 100,000 smallholder farmers and aims to lift 80 per cent of them out of poverty.

Asia and the Pacific

Scaling up support for vulnerable tribes in India

Building on the results of an earlier programme, IFAD is enhancing agricultural practices for vulnerable tribal populations in the eastern Indian state of Odisha.

More than 104 million people in India belong to tribes that traditionally live in forests, hills and other remote and inaccessible rural areas. In the heavily forested Eastern Ghats and Northern Plateau regions of Odisha, tribal populations make a living from shifting cultivation, rainfed agriculture and non-timber forest products. Farming practices are basic, and focus mainly on growing rainfed rice and millet.

In its earlier work in Odisha, IFAD helped set up village-level bodies and involved tribal groups in planning development projects, especially those related to natural resources. Encouraged by the success of the initiative, the Government of Odisha asked IFAD to scale up the approach to target particularly vulnerable tribal groups. This was the first time that the government had asked an external partner to work in these remote and difficult areas.

The new programme aims to achieve better living conditions and to reduce poverty for more than 62,000 vulnerable households. It will build the capacity of target households, help secure entitlements to land and forest, improve agricultural practices, promote income-generating microenterprises, ensure access to services such as education and health, and improve community infrastructure.

Latin America and the Caribbean

Piloting new ways to reduce poverty in Mexico

An innovative new IFAD-supported project has been approved in Mexico. The Rural Productive Inclusion Project is a pilot designed to test ways of implementing the government's new social policy through the promotion of productive activities among Prospera cash transfer beneficiaries. Prospera is Mexico's largest cash transfer programme and social inclusion programme.

Mexico is an upper-middle-income country. However, it is characterized by unequal income distribution and stagnant productivity, which are key constraints on economic performance and poverty reduction. About 53.3 million people live in poverty, 31 per cent of them in rural areas. Family farms – subsistence farms with no links to market – make up about half of rural production units.

The project expects to reach about 12,800 families who are current Prospera beneficiaries. It will facilitate access to productive investments and technical assistance provided by existing government programmes, thereby enabling beneficiaries to increase the quantity and improve the quality of their production, connect to markets and raise their incomes. It will also train Prospera staff to equip them for the project's new key role in implementing the national strategy for productive inclusion. The project aims to improve farming families' financial literacy and connect them to existing rural finance services.

Near East, North Africa and Europe

Dairy value chains in Uzbekistan

A new IFAD-funded programme in Uzbekistan will strengthen and modernize the dairy sector, which provides income and food to large numbers of smallholder farmers in Jizzakh and Kashkadarya regions. Livestock plays a vital role in the economy and society of the landlocked country, contributing substantially to national food security and acting as an economic and nutrition safety net for rural households.

Most of the livestock sector's production comes from 4.7 million small *dehkan* farms, which average less than 0.2 hectares each. *Dehkan* farmers own about 95 per cent of the cattle in the country and 83 per cent of the goats and sheep. With *dehkan* farms as the mainstay of the dairy market, milk production in Uzbekistan operates well below its potential.

The programme will improve the livelihoods of 12,000 rural households that produce and process milk, and of market entrepreneurs. It will strengthen value chains and create decent employment opportunities on farms and in processing. It will also boost farmers' skills and access to technology. There will also be a focus on boosting women's participation as processors, marketers and owners in dairy value chains, increasing women's access to credit and technologies, and providing training.



PRODUCE
VAC
KEEP A

Impact and measuring and improving results

Impact assessment

IFAD's ambitious impact assessment initiative, launched in 2012 in line with a commitment made in the Consultation on the Ninth Replenishment of IFAD's Resources (IFAD9), bore important results in 2015. In order to assess the impact of our interventions we designed and applied an innovative methodology that encompassed a variety of tools, and which has already drawn the attention of other institutions.

The results reported in 2015 revealed that the focus on a single indicator, especially one that uses a money metric, obscures the importance of other key development outcomes generated by IFAD-supported project interventions, including food security, agricultural productivity and resilience. It also fails to capture the substantial and important welfare benefits transferred to, and generated by, IFAD's beneficiaries, poor rural women and men.

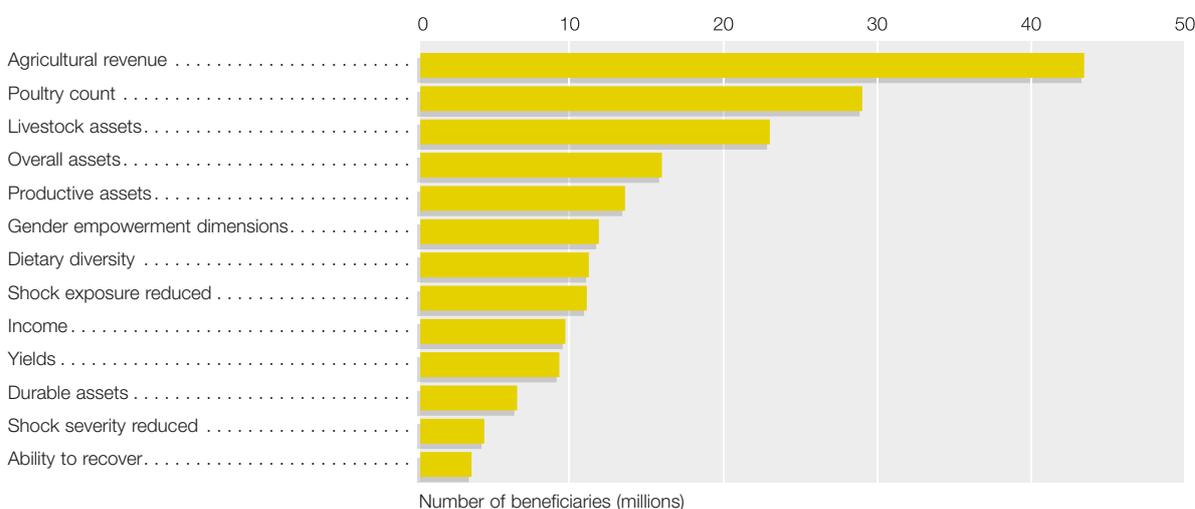
Among the impacts reported by the assessment were that, for all projects opening or closing between 2010 and 2015, some 139 million people

benefited from IFAD-supported operations. Looking at all the projects under way at the close of IFAD9 (ongoing and new projects), our operations will have significantly increased the agricultural revenue of over 40 million people, and expanded their ownership and control of productive assets, including livestock (Chart 6). IFAD will continue to work towards creating a system to design sound development projects, monitor their progress, and measure their results and impact across the project life cycle.

Report on IFAD's Development Effectiveness

The Report on IFAD's Development Effectiveness (RIDE) is the principal mechanism for reporting on the organization's performance to its governing bodies. This year's RIDE shows that performance across all indicators has improved compared with baselines. A total of 114 million people benefited from ongoing programmes supported by IFAD in 2014 – far exceeding the target of 90 million set

CHART 6
Beneficiaries impacted, by indicator
Projected impact, 2010-2023



Source: Synthesis of the Lessons Learned from the IFAD9 Impact Assessment Initiative.

for 2015. Women made up 49 per cent of the total number of people reached.

Read the full RIDE at: <https://webapps.ifad.org/members/eb/116/docs/EB-2015-116-R-10.pdf>.

Quality support for programme design

During design, IFAD uses a two-step process to optimize the quality of programmes and projects: quality enhancement and quality assurance.

In 2015, 27 programmes and projects went through the quality enhancement process. This involves the early engagement of IFAD technical expertise in country programme management teams in order to increase our operational effectiveness. Participation by technical staff in design missions increased significantly over previous years, rising from 46 missions in 2013 to 62 in 2015.

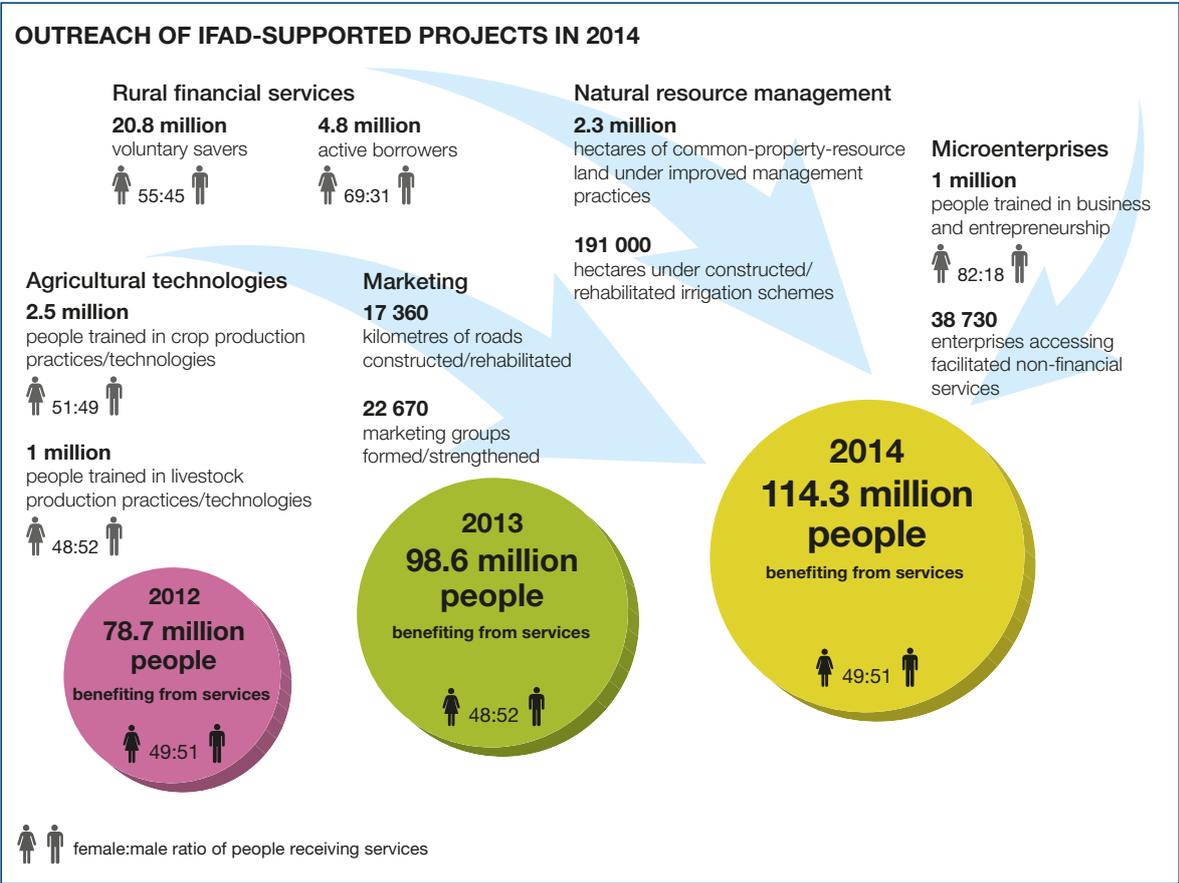
The quality enhancement process was itself assessed through an online survey and face-to-face interviews with regional directors and quality assurance reviewers. It was agreed that the process contributes to improving the quality of

design. The results of the survey were discussed during a workshop in June, resulting in further improvements to the process.

A total of 43 design documents for investment projects – ten of them for additional financing to ongoing projects – went through the quality assurance process, along with 19 project concept notes for entry into the pipeline, and four results-based country strategic opportunities programmes (RB-COSOPs). In line with the new Policy for Grant Financing, thirteen quality assurance meetings were held to review 58 grants.

Overall, the 43 investment projects reviewed were worth a total of US\$1.1 billion in IFAD financing and aim to reach poor rural households in 38 countries, 16 of which are classified as fragile states.

Table 1 shows the quality-at-entry ratings for 2014 and 2015 against the baseline year. Targets were exceeded for almost every indicator. Of the 33 new projects cleared for submission to the Executive Board, 97 per cent were judged likely to meet their objectives in full.



Scaling up results

The end goal of IFAD-funded interventions is not only to enable rural people to work their way out of poverty within the limited time and space of a given project. We also aim to use the positive results generated to inspire others and leverage policies, resources, knowledge and partners (private, public and the communities themselves) to bring those results to a larger scale in a sustainable manner. Scaling up results means maximizing the impact of successful development initiatives funded by IFAD. This is an overarching priority that directly supports the achievement of our mandate and IFAD is seen as a leader in this area.

The organization has developed a new operational framework for “scaling up results”. This proposes a shift from being project-centric towards implementing countrywide programmes. Such programmes better integrate project financing, policy engagement activities and knowledge management into a longer term approach to development beyond the scope of time-bound projects.

We have prepared a set of documents to guide IFAD staff and partners on how to systematically think through scaling up in the design and implementation of programmes. These documents are available at: <http://www.ifad.org/events/scalingup/index.htm>.

Independent evaluation Overview of the thirteenth Annual Report on Results and Impact of IFAD Operations and its learning theme: sustainability of benefits

The 2015 Annual Report on Results and Impact of IFAD Operations (ARRI) is the third and final ARRI produced in IFAD’s Ninth Replenishment (IFAD9) period (2013-2015). It draws on evaluations of operations that were completed in 2014. The report shows a positive picture of performance by IFAD-funded operations in a number of areas, including income and assets, empowerment of human and social capital, gender equality and women’s empowerment, and innovation and scaling up. Impact on rural poverty is also rated positively, with 87 per cent of projects rated moderately satisfactory or better in 2011-2013.

The ARRI notes that while there have been improvements in performance in recent years, many projects still achieve only moderately satisfactory performance in several of the evaluation criteria covered by the Independent Office of Evaluation (IOE). This means that there is potential to further strengthen ratings from moderately satisfactory to satisfactory or highly satisfactory.

Moreover, the ARRI highlights some systemic issues affecting overall performance during the IFAD9 period:

- the need to strengthen the operational efficiency of IFAD-supported programmes and projects

TABLE 1
Quality-at-entry ratings and percentages of projects with moderately satisfactory or better ratings^a

Indicators	Baseline year	Baseline value	Results 2014	Results 2015	Average 2014-2015	Target 2016
4.3 Percentage of projects rated 4 or more at entry/average rating						
4.3.1 Overall quality of design	2010/11	79	90	94	92	85
4.3.2 Overall quality of design for projects in fragile states only ^b	2010/11	n/a	86	94	90	80
4.3.3 Gender	2010/11	86	83	94	89	90
4.3.4 Monitoring and evaluation	2010/11	70	90	88	89	80
4.3.5 Scaling up ^c	2010/11	72	89	100	94	80

Sources: Based on ratings of 33 new projects cleared for presentation to the Executive Board in 2015. Projects are rated only after clearance for Board presentation.

^a Quality-at-entry ratings are based on a scale of 1-6, where 1 is highly unsatisfactory and 6 is highly satisfactory. The percentage indicates the number of projects receiving a rating of 4 or more (i.e. moderately satisfactory or better) out of the total number of projects.

^b In 2015, 17 projects cleared for Executive Board submission were located in 16 fragile states. This rating applies to only this subset of projects.

^c The 2015 scaling-up ratings are based on 23 projects that identify themselves as “scaling-up” activities.

- the need to improve monitoring and evaluation by enhancing the quality and timeliness of baseline surveys and designing logical frameworks with sharper indicators, and to strengthen the focus on outcomes and impact
- the need to ramp up performance in non-lending activities by defining attainable objectives matched by adequate resource allocations and enhancing partnerships at the country level
- the need to focus on government performance by strengthening national institutions, addressing human resource limits and improving knowledge of IFAD procurement processes, financial management and monitoring and evaluation requirements.

Overall, the evaluations confirmed that IFAD is playing an important role in the development aid architecture by helping developing Member States to tackle chronic challenges related to rural poverty, hunger and malnutrition. In this regard however, analysis carried out in the context of the 2015 ARRI learning theme confirms that the Fund needs to focus more effectively on the sustainability of benefits after projects have closed. Sustainability can be fostered, for example, by preparing exit strategies well before completion of each project, taking into account the ongoing and planned IFAD investments in the country, together with non-lending activities.

Management response to the ARRI

IFAD management welcomed the ARRI, noting that it was the last corporate independent evaluation report during IFAD9, a replenishment cycle that has witnessed unprecedented results and achievements through an active portfolio of US\$13.6 billion serving 114 million people. Management is satisfied with the positive trend in project performance, which has been improving since 2008, particularly in terms of impact on rural poverty. About 93 per cent of IFAD-funded operations were rated positively during IFAD9 (2013-2015).

The early positive effects of decentralization were noted by management: the shares of satisfactory projects are greater in countries with IFAD country offices.

Despite the organization's overall positive performance, management is committed to continuing to raise the "performance bar". While the ARRI provides insights into persistently challenging areas such as operational efficiency and sustainability of benefits, management notes that recently introduced solutions are not yet captured in the cohort of operations analysed. This is particularly true for efficiency.

Management also provided feedback on methodological issues. For example, it was suggested that a more nuanced analysis of fragility be employed in order to make conclusions operational. In addition, management suggested that future ARRIs analyse fiduciary and procurement-related issues more adequately, together with their impact on results.

Other evaluation activities in 2015

A corporate-level evaluation was published on IFAD's Engagement in Fragile and Conflict-affected States and Situations. This underlined the need for IFAD to develop a strategy for its work in fragile situations that includes a new definition and classification system for fragile states and takes particular account of IFAD's mandate. In particular, the evaluation emphasized the importance of focusing on fragile situations, where institutional capacities are too weak to meet the special needs of rural poor people for better livelihoods. The evaluation also recommended that IFAD should further customize its development approaches and operating model in fragile situations in order to improve development effectiveness.

Country programme evaluations were completed for Bangladesh, Brazil and the United Republic of Tanzania. In Bangladesh, IFAD-supported development projects are making substantial progress in helping to reduce rural poverty by improving agricultural productivity, strengthening social capital and promoting gender equality and women's empowerment. On the other hand, the evaluation underlines the fact that there are pockets in rural areas where access to credit is still limited and stresses the necessity for IFAD to broaden partnerships in the government to strengthen policy and institutional support for the programme.

The evaluation for Brazil concluded that performance has improved since the last country programme evaluation in 2007 and that the establishment of an IFAD country office in 2011 has been a key contributing factor. IFAD is supporting the government in promoting family farming and grass-roots development as a way of strengthening productivity, food security, nutrition and poor rural people's incomes. It has also had good results in knowledge-sharing and has undertaken some activities in South-South and triangular cooperation.

However, a better balance between agricultural and non-agricultural activities, and between investment programmes and non-lending activities, could be achieved in Brazil moving forward. This would require placing more emphasis on the agricultural components of investment programmes. It would also involve paying greater attention to non-lending activities – such as South-South and triangular cooperation – and to partnerships, including with the Rome-based agencies. The evaluation recommended outpostting the country programme manager from IFAD headquarters to Brazil as a key measure to further strengthen results on the ground.

According to the evaluation for the United Republic of Tanzania, IFAD's most effective intervention was in support of the Agricultural Sector Development Programme on the mainland, and on the island of Zanzibar in particular, which strengthened the capacity of decentralized government extension services. However, while the portfolio of projects in the country has generated a wealth of practical experience, this has not been adequately systematized. In addition, the policy dialogue objectives in the 2007 country strategic opportunities programme (COSOP) were found to have been too ambitious for the limited resources available.

During the year, the IOE completed two evaluation syntheses – pulling together evaluation knowledge from a variety of sources. The first was undertaken jointly with FAO and focused on FAO's and IFAD's engagement in pastoral development. The synthesis concluded that IFAD and FAO have carried out significant work in most

sectors of development for pastoral people over the last ten years. Important achievements have included the scaling up of innovative solutions in community-based animal health and natural resource management. Overall, however, FAO's and IFAD's engagement in pastoral development reflects the lack of a coherent conceptual framework and strategic direction.

The second evaluation synthesis covered IFAD's engagement with indigenous peoples. It confirmed that, with its long-standing rich experience and substantial contribution to international processes and advocacy, IFAD is recognized as a partner and pioneer in working with indigenous peoples both by the international community and by indigenous peoples themselves. That said, there is potential to strengthen the implementation of IFAD's policy on indigenous peoples, in particular at the level of investment projects.

An impact evaluation of the India Jharkhand-Chhattisgarh Tribal Development Programme was published. It found that the programme had had a positive impact, increasing incomes and paddy productivity within the target groups. However, the programme's design was found to be overly complex, encompassing too many activities in different subsectors and covering two fragile Indian states with weak institutional capacities under one loan.

In the context of initiatives organized to celebrate 2015 as the International Year of Evaluation, IOE published a booklet on the evolution of the evaluation function at IFAD. The booklet traces the history of the evaluation function in IFAD since 1978, spotlighting its major contributions to improving the Fund's accountability and learning for better performance.

International events

During the year, IOE organized events to promote learning and share knowledge from evaluations with partners inside and outside IFAD. The events also covered specific topics such as "Enhancing the evaluability of Sustainable Development Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture". This technical seminar was jointly organized by the evaluation offices of CGIAR, FAO, WFP

and IFAD. The objective of the seminar was to contribute to a shared understanding of how progress towards SDG2 could be evaluated. It also aimed to identify actions that are needed to enable evaluations of SDG2 through the United Nations system, other international organizations or countries themselves.

Four in-country events were co-organized with the governments of Bangladesh, Brazil, Ethiopia and the United Republic of Tanzania. The main results from the respective country programme evaluations were discussed, together with key issues for the forthcoming RB-COSOPs. A learning workshop was also organized in India to present the findings of the impact evaluation mentioned above.

Evaluation Manual, second edition

Recognizing the dynamic environment in which IFAD operates, and in response to the evolution of the approaches and methodologies used in international development evaluation, IOE revised its Evaluation Manual, which was originally issued in 2009. This second edition contains the core methodology that IOE uses to conduct its evaluations, including those that were not contemplated in the first edition, such as corporate-level and impact evaluations, and evaluation synthesis reports. The manual also takes into account IFAD's new strategic priorities and operating model, and adopts more rigorous methodological approaches, for example by promoting better impact assessment techniques and by designing and using theories of change. The manual will help ensure that IFAD's evaluation methodologies remain state of the art.

Link to Evaluation webpage: <http://www.ifad.org/evaluation/index.htm>.

Ethics, internal oversight and anticorruption

Recognizing staff as IFAD's most valuable asset, we are committed to maintaining a working environment that ensures well-being and respect for work-life balance, and to fostering an organizational culture in which individuals fulfil their responsibilities while respecting the dignity of their colleagues. Dealing promptly and

confidentially with harassment, and providing guidance on how to prevent and manage conflicts of interest and unethical behaviour in the workplace are key to fulfilling this commitment.

During the year, IFAD's Ethics Office continued to support the Fund in maintaining the highest ethical standards to protect our reputation and maintain a safe and fair working environment. Particular attention was given to prevention and timely handling of harassment, which causes emotional stress, interferes with job performance and can damage the overall performance of IFAD. Completion of code of conduct and anti-harassment training was made mandatory, further underlining the expectations regarding workplace behaviour and the importance of respecting the code of conduct.

During the year, 24 divisions and 600 staff members received anti-harassment refresher training, including in seven country offices and IFAD's liaison office. Other training was given on the code of conduct and on targeted aspects, where necessary.

Staff sought guidance on IFAD's code of conduct, conflicts of interest, abuse of authority, harassment and a variety of other matters. There was a notable decrease in consultations – from 50 in 2014 to 25 in 2015 – regarding possible harassment or abuse of authority. The majority of these consultations were resolved informally or were not pursued beyond the initial request for advice. In 2015, the Ethics Office referred three complaints of harassment received in 2014 to the Office of Audit and Oversight for further investigation.

IFAD has a policy of zero tolerance for irregular practices. We are committed to fighting corruption, fraud and collusion, which divert resources from the programmes and projects that we fund. In support of this policy, IFAD's investigation and sanction processes were assessed by external experts in the last quarter of 2014. The experts' recommendations, which are currently being implemented through review and revision of relevant rules, will serve to ensure that IFAD's investigation and sanction practices remain consistent with the highest professional standards and current best practices.

The 2014 Annual Report on Investigation and Anticorruption Activities, and information on reporting, can be accessed at the following link: www.ifad.org/governance/anticorruption/report/2015/e.pdf. The 2015 report will be issued in April 2016.

The workplan of IFAD's Office of Audit and Oversight is based on the assessment of institutional risks. In 2015, the audit focus was on areas critical to the financial integrity of the Fund, its administrative effectiveness and efficiency, and its evolving decentralized model. The audits performed supported risk mitigation efforts in areas such as the organization, responsibilities and support structures of IFAD country offices, the efficiency of travel management processes, and the role and workload of country programme managers posted to IFAD country offices.

Eleven of the twelve high-priority audit recommendations due for implementation in 2015 were cleared during the year. This achievement highlights IFAD's continued strong commitment to active management of institutional risks.

Communication and knowledge-sharing

In 2015, IFAD was recognized as "the most communicative development partner in agriculture and rural development" by the AidData report, *Listening to Leaders. Which Development Partners Do They Prefer and Why?* The report looked at the "ground game" of development organizations – the strength of their local presence and direct engagement with host government officials. It considered how this shapes the way decision makers assess the trustworthiness, influence and performance of development partners.

Of a total of more than 50 development partners rated, IFAD was in the report's top ten (sixth out of 57) for frequency of communication with host government counterparts. IFAD also ranked highly (seventh out of 51) for helpfulness during reform implementation. The report found that this "helpfulness" showed a strong correlation with influence at the agenda-setting stage. This recognition of IFAD's effective communication with government partners confirms the substantial impact of the organization's drive to decentralize and boost country presence and policy dialogue.

In addition to prioritizing communication with governments, IFAD pays particular attention to knowledge-sharing and debate with partners of all kinds. The organization's online AgTalks series, launched in 2014, continued during 2015 bringing together experts to generate debate on issues such as rural women, livestock and fishing. IFAD also hosted seminars and lectures on a wide range of topics throughout the year, including nutrition, conservation agriculture, labour-saving technologies for women, setting up geographical indications (GIs), rural-urban transformation, climate change, and many more.

Human resource management

Effective management of human resources empowers staff and consultants to produce consistently excellent results.

A reward and recognition framework tied to the annual performance management process provides monetary and non-monetary rewards to high-performing staff. In 2015, IFAD fine-tuned this process to shift part of the funding to non-monetary travel rewards while maintaining the framework's overall structure. This adaptation brings our performance management into line with that of other international financial institutions, and to the forefront of practice across United Nations agencies. The framework addresses the need to reward excellence – which was identified by IFAD's 2012 Global Staff Survey – and complies with International Civil Service Commission guidelines.

As an additional way of recognizing and rewarding consistently good performance, in 2013 IFAD re-established an annual process of converting fixed-term into indefinite contracts. As part of this exercise, 41 staff members were awarded indefinite appointments at the beginning of 2015.

Career development is essential if the skills of IFAD's staff are to remain at their peak. To facilitate mobility and career development while streamlining recruitment and job classification processes, we developed generic job profiles for 95 per cent of positions in IFAD. The working group on career development and recognition of performance are working on a career development framework that will be published in early 2016.

In the ongoing effort to automate paper-based processes and streamline activities, two major projects went live during 2015:

- E-request for personnel action (e-RPA): the PeopleSoft e-RPA module replaced the paper form with an integrated, electronic version.
- E-recruitment: the recruitment process in its entirety is now run within the PeopleSoft system inclusive of integrations with the Internet, intranet, e-mail and other PeopleSoft modules.

In 2015 we conducted 76 recruitment exercises for positions in Professional and higher categories; average recruitment time was 84 days.

IFAD's presence in the field continues to grow, and country offices have been mainstreamed into human resource management practices. A staff member has been dedicated to focus exclusively on the human resource needs of country offices, in collaboration with the Field Support Unit. As of 31 December 2015, we had 26 international Professional staff members, 5 Junior Professional Officers, 40 National Officers and 21 General Service staff members in IFAD country offices around the world (see map inside front cover).

Staff numbers and statistics as of 31 December 2015 were as follows:

- Total staff numbered 593, including staff of the Independent Office of Evaluation of IFAD and Junior Professional Officers.
- Of this total, 324 staff members were in the Professional and higher categories, 40 in the National Officer category, 21 in the National General Service category, and 208 in the General Service category.
- The National Officer, Professional and higher categories included nationals from 87 Member States.
- Women constituted 40 per cent of Associate Vice-Presidents, 48 per cent of the Professional and higher categories, 23 per cent of the National Officer category, and 82 per cent of the General Service category.
- Overall, 59 per cent of IFAD staff members are women.



Financing data and resource mobilization

Resources in 2015

IFAD's core financing is drawn from several sources. These mainly include contributions from Member States and other donors, investment income and loan reflows. Member State contributions come through regular replenishments held every three years. Member States also request IFAD to administer their donations to third parties in the form of supplementary funds.

In efforts to capitalize on new sources of funding and continue to build the resource base of IFAD, during the IFAD9 period (2013 to 2015), under the guidance of its Executive Board, the organization made a major breakthrough in transforming its financial model to include sovereign borrowing as a resource mobilization tool (read more below). In 2015, this transformation was completed with the approval of ordinary loans to Member States funded by sovereign borrowing from Germany's KfW Development Bank (Chart 7). As a direct result of this new resource mobilization mechanism, the organization approved its largest ever programme of loans and grants in 2015 – US\$1.4 billion.

As an institution that is both a specialized United Nations agency and an international financial institution, IFAD already occupied a unique position. Our new ability to tap resources through sovereign loans makes it possible to leverage and manage resources more flexibly and to increase the size of our portfolio.

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

The Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10) was held in 2014. Member States agreed to a replenishment target of US\$1.44 billion in new contributions to finance agriculture and rural development projects across the developing world. Members also established

four main themes for unrestricted complementary contributions: mainstreaming climate change, nutrition-sensitive agriculture, enhancing IFAD's South-South and triangular cooperation, and the public-private-producer partnerships (4Ps) initiative.

As of 16 August 2015, six months after the adoption of the Resolution by the Governing Council, 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. Despite the difficult global financial situation, IFAD received strong financial support from its Members, including borrowing countries. 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. The shortfall was the result of various factors, particularly the impact of fluctuations in currency exchange rates.

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, when instruments of contribution (IOCs) and payments not supported by IOCs had been deposited in the amount equivalent to 50.8 per cent of the total pledges received. Achieving effectiveness lays a solid foundation for delivering the ambitious IFAD10 programme of loans and grants by making all contributions paid to date available for operational commitment.

As of 31 December 2015, 88 countries had pledged a total of US\$1.17 billion to IFAD10, representing 87 per cent of the revised target of US\$1.353 billion. IOCs deposited (including payments with no prior IOC deposit) amounted to US\$681.0 million, or 58 per cent of total pledges received.

TABLE 2
IFAD at a glance, 1978-2015^{a, b}

		2011	2012	2013	2014	2015	1978-2015
Operational activities^{c, d}							
Loan and DSF grant approvals							
Number of programmes and projects		34	33	25	26	39	1 013
Amount	US\$ million	947.2	960.7	731.1	625.8	1 227.6	16 369.0
Grant approvals							
Number		83	90	63	64	70	2 685
Amount	US\$ million	50.4	71.5	50.0	50.6	73.6	1 043.7
ASAP Trust Fund							
Number		-	1	10	10	15	36
Amount	US\$ million	-	4.9	103.0	83.0	94.1	285.0
Total IFAD loan and grant operations	US\$ million	997.6	1 037.1	884.1	759.4	1 395.3	17 697.7
Cofinancing	US\$ million	412.2	420.3	329.8	238.4	1 063.6	11 162.8
Multilateral		213.2	153.3	207.1	128.0	861.7	8 517.6
Bilateral		159.4	183.0	87.8	4.5	21.2	1 749.4
NGO		-	3.5	-	0.9	-	52.0
Other ^e		39.6	80.5	34.9	104.9	180.7	843.8
Domestic contributions	US\$ million	834.3	599.5	552.7	601.0	925.5	14 317.8
Total programme and project cost^f	US\$ million	2 198.3	2 003.0	1 720.2	1 552.9	3 319.7	42 247.8
Programmes and projects							
Number of programmes and projects under implementation		238	256	241	224	231	-
Number of programmes and projects completed		26	21	43	45	27	757
Number of approved programmes and projects initiated by IFAD		32	32	24	26	36	846
Number of recipient countries/territories (ongoing portfolio)		97	99	98	99	98	-
Loan disbursements	US\$ million	549.6	534.5	482.6	484.7	486.6	9 889.1
DSF grant disbursements	US\$ million	76.3	118.6	142.6	157.4	125.6	682.1
Loan repayments^g	US\$ million	287.5	267.5	261.1	271.3	320.8	5 380.1
Membership and administration							
Member States – at end of period		167	169	172	173	176	-
Professional staff – at end of period ^{h, i}		298	312	321	344	364	-

Sources: Grants and Investment Projects System, IFAD financial statements for 1978-2015, IFAD's accounting system.

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

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

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

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

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

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

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

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

ⁱ Includes National Professional Officers in country offices.

In order to deliver on IFAD10 commitments, a rolling medium-term plan (MTP) for the period 2016-2018 has been put in place to translate into action the objectives derived from the Strategic Framework (see page 29). Resources will be allocated in line with MTP priorities, while maintaining the Fund's drive for greater effectiveness.

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

2015 was the third and final year of the IFAD9 period. As of 31 December 2015, IOCs received (including payments with no prior IOC deposit) amounted to more than US\$1.423 billion, representing 99 per cent of the pledges received as of 31 December 2015. This financing enabled the Fund for the first time to reach a total volume of project and grant approvals of US\$1.4 billion in a single year, and US\$3.09 billion in our programme of loans and grants for IFAD9, exceeding the target level of US\$3.0 billion.

Additional resource mobilization

IFAD's Additional Resource Mobilization Initiative provides strategic direction for the exploration of new financing options. Main achievements in 2015 included:

- the establishment of a framework to guide IFAD's future sovereign borrowing
- the hosting of a two-day technical round-table discussion on emerging trends in mobilizing concessional resources for international financial institutions (IFIs) with participants from IFIs, the public sector, think tanks and other United Nations agencies

- the implementation of projects financed by IFAD's first concessional loan provided by the KfW Development Bank of Germany (see following section).

Borrowing from sovereign sources

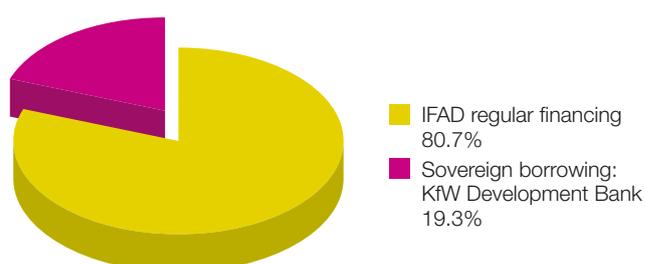
The framework, which was established to guide future sovereign borrowing, represents a unique and innovative financial policy tool to meet the increased need for investment in the Fund's agricultural development projects. It also provides the means to leverage additional funding for IFAD's work in remote areas, where few others venture. 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 agenda.

Ten projects financed with €300 million under the KfW framework agreement were approved in 2015. The agreement provides IFAD with a credit line of up to €400 million to finance IFAD's programme of loans and grants. This has enabled us to leverage resources and expand the programme of work, scale up investments in sustainable and inclusive rural transformation, and reach more smallholder farmers. In 2015, the second individual loan agreement was signed with KfW, bringing IFAD's loan amount to €300 million.

New partnerships

2015 was a landmark year for IFAD's cooperation with traditional and new partners, which will contribute to the success of the new 2030 Agenda for Sustainable Development. During the year, we pursued a new strategic collaboration with the Development Bank of Latin America (CAF) to expand cofinancing in programmes implemented

CHART 7
Loans and DSF grants approved in 2015
by financing source



Source: IFAD Corporate Reporting System Oracle BI.

in common Member States. We will also draw on the respective comparative advantages of IFAD and CAF in rural social and economic infrastructure development, and increase investment in inclusive and sustainable rural transformation by engaging the private sector.

We continued to make progress on our collaboration with major private-sector partners. To help smallholders participate in a supply chain in Nigeria, IFAD is working with Unilever's food brand Knorr to train cassava farmers in sustainable agricultural practices. We are also playing an active role in global platforms for the private sector, including the new Grow Asia partnership initiated by the World Economic Forum and the Secretariat of the Association of Southeast Asian Nations.

Under IFAD's partnership strategy, we developed and implemented a range of best practice tools, training and procedures. These tools have enhanced staff capacity to build partnerships, strengthened the monitoring and evaluation of partnerships, and improved IFAD's targeted communications and outreach materials. In line with Sustainable Development Goal 17 (SDG17) on partnerships for the goals, IFAD launched an internal process for adapting its partnership strategy to the challenges and opportunities arising from the new development landscape.

Supplementary funds

Supplementary funds are grant resources administered by IFAD at the request of donors for the benefit of the Fund's developing-country Member States. Most are earmarked for specific cofinancing initiatives and projects, as indicated in the individual agreements between IFAD and the donors concerned.

In 2015, IFAD signed supplementary fund agreements with the European Commission, Italy, the Republic of Korea and the Bill & Melinda Gates Foundation. These agreements support interventions for improving livestock productivity, empowering farmer organizations and their networks in Asia and the Pacific, strengthening the impact of global remittances in rural areas, enhancing agricultural productivity, increasing revenues, particularly in fragile contexts (for example, Somalia and the Pacific Islands),

and funding research on enhanced nutrition, sustainable agriculture and resilience. The Korea International Cooperation Agency signed its first agreement with IFAD, providing supplementary funds to the ASAP Trust Fund. IFAD also signed an agreement with the Abu Dhabi Fund for Development to provide technical assistance in designing a project in Guinea.

In addition, a contribution agreement was signed by FAO and IFAD as part of implementation of the programme *Actions Intégrées en Nutrition et Alimentation* in Madagascar. This is part of the European Union's initiative to accelerate the eradication of extreme poverty and hunger. It is led by FAO and is being implemented in partnership with IFAD, WFP and five NGOs – HELVETAS Swiss Intercooperation, CARE International (Cooperative for Assistance and Relief Everywhere), GRET (*Groupe de Recherches et d'Échanges Technologiques*), ICCO (Interchurch Organization for Development Cooperation) and Welthungerhilfe.

IFAD mobilized a total of US\$62.6 million in supplementary funds during the year and received US\$83.8 million under agreements signed in 2015 and previous years. Table 3 shows supplementary funds received during 2015.

Ongoing portfolio

IFAD's investment in ongoing programmes and projects in rural areas was worth US\$6.2 billion in 2015 (Table 4). At the end of the year, there were 231 programmes and projects at work around the world, funded by IFAD in partnership with 98 recipient governments. External cofinancing and funds from domestic sources for the ongoing portfolio amounted to US\$7.6 billion, bringing the total value of these programmes and projects to US\$13.8 billion (see map and chart inside front cover).

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. They are closely linked to our country programmes and often support connections between different initiatives in a country. Grant recipients include research organizations, centres of excellence

involved in rural poverty reduction, NGOs, governments, and private sector and civil society organizations. (To learn more about IFAD's grant programme, and read stories from the field, see page 81 on the CD ROM.)

Cofinancing of IFAD-supported programmes and projects

Cofinancing from our partners increases the value of the development interventions that we support. Cofinancing includes domestic contributions from recipient governments and from the women and men who participate in the projects, and resources from bilateral and multilateral donors.

Levels of cofinancing are affected by many external factors and approvals may vary greatly from year to year. In 2015, newly approved domestic contributions rose to US\$925.5 million from

US\$601.0 million in 2014 (Table 2). Levels of domestic contributions invested in the ongoing portfolio have been rising steadily over recent years, reaching US\$4.7 billion in 2015 (see chart inside front cover).

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 (Table 2 and Chart 8).

Chart 9 shows the top 15 multilateral cofinanciers of IFAD-initiated programmes and projects to date. This is headed by the OPEC Fund for International Development (OFID), the African Development Bank, the International Bank for Reconstruction and Development (of the World Bank Group) and the Arab Fund for Economic and Social Development. Together, these four represent over 50 per cent of total multilateral cofinancing of US\$3.0 billion.

TABLE 3
Summary table of supplementary funds for thematic and technical assistance and cofinancing received in 2015
Amounts in US\$ million, at EUR/USD fixed exchange rate = 0.920556

Donor	Thematic and technical assistance	Cofinancing (excluding parallel cofinancing)	Total
<i>CGIAR</i>	17.5	-	17.5
<i>Farmer organizations</i>	4.7	-	4.7
<i>International Land Coalition</i>	-	1.6	1.6
<i>Remittances</i>	3.6	-	3.6
<i>Technical Assistance Facility</i>	0.1	-	0.1
<i>Burundi</i>	-	4.2	4.2
<i>Mozambique</i>	-	7.3	7.3
<i>Tunisia</i>	-	0.6	0.6
<i>Uganda</i>	-	0.1	0.1
<i>Yemen</i>	-	6.9	6.9
European Commission total	25.9	20.7	46.6
Bill & Melinda Gates Foundation	-	0.5	0.5
FAO	0.1	0.5	0.6
GAFSP: Lao People's Democratic Republic, Sierra Leone, Togo	-	21.9	21.9
Multi-Partner Trust Fund (RWEE)	1.0	-	1.0
Saudi Fund for Development	-	0.7	0.7
Denmark	-	0.9	0.9
France	0.2	-	0.2
Germany	0.5	0.8	1.3
Luxembourg	0.5	-	0.5
Netherlands	4.0	2.1	6.1
New Zealand	-	0.4	0.4
Republic of Korea	1.5	-	1.5
Switzerland	1.7	-	1.7
Others	0.1	-	0.1
Total^a	35.5	48.5	83.8

Source: IFAD financial systems.

GAFSP = Global Agriculture and Food Security Program; RWEE = Economic Empowerment of Rural Women.

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

TABLE 4
Ongoing programme and project portfolio by region^a
 As at end December 2015

	Number of programmes and projects	IFAD financing ^b (US\$ million)
West and Central Africa	47	1 270.7
East and Southern Africa	46	1 463.1
Asia and the Pacific	66	2 142.2
Latin America and the Caribbean	36	535.8
Near East, North Africa and Europe	36	773.7
Total^c	231	6 185.5

Source: Grants and Investment Projects System.

^a The ongoing portfolio consists of approved programmes and projects that have reached effectiveness and have not yet been completed.

^b Amounts as per the President's report for each programme or project approved by the Executive Board. Amounts include loans, DSF grants and country-specific grants for investment projects. Grants unrelated to programme and projects are not included.

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

TABLE 5
Financing of IFAD-supported programmes and projects, 1978-2015

Amounts in US\$ million

	1978-2006	2007-2009	2010-2012	2013-2015	2015	1978-2015
IFAD ^a	9 431.9	1 735.9	2 717.5	2 881.8	1 330.6	16 767.2
Cofinanced ^b	7 061.7	1 027.3	1 435.0	1 638.8	1 063.6	11 162.8
Domestic	8 985.2	918.8	2 334.6	2 079.2	925.5	14 317.8
Total^{c, d}	25 478.8	3 682.1	6 487.1	6 599.8	3 319.7	42 247.8
Number of programmes and projects ^e	730	94	99	90	39	1 013

Source: Grants and Investment Projects System.

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

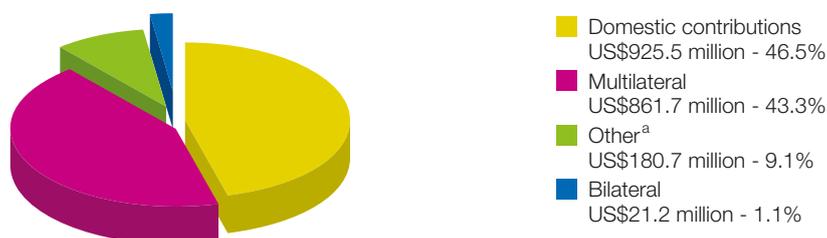
^b Includes cofinancing that may not have been confirmed at the time of Executive Board approval.

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

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

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

CHART 8
Cofinancing of IFAD-supported programmes and projects, 2015
 Share of total of US\$1 989.1 million



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.

Chart 10 ranks bilateral donors to programmes and projects initiated and supported by IFAD, with Spain, the Netherlands, Belgium, Germany and France at the top of the chart. Together, they have provided about 70 per cent of total bilateral cofinancing to IFAD-initiated projects worth US\$1.1 billion since we started work in 1978.

Priority country and regional financing

We continue to prioritize assistance to least developed countries and countries with low food security. Of 2015 programme and project financing, 60 per cent was for low-income food-deficit countries (as classified by FAO) 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

for programmes and projects in 2015 (Chart 11). Table 6 shows financing by region since 1978.

Financing by sector

Chart 12 shows how the investments in our current portfolio are divided by theme or sector. About one third of the portfolio funds agriculture and natural resource management, enabling smallholder farmers to increase their production and manage natural resources more sustainably and efficiently. About 16 per cent of funds currently invested in finance work to strengthen markets and related infrastructure, which are vital to connect rural people to markets and enable them to make a decent income from their produce. Rural finance accounts for 12 per cent of funds invested, enabling rural women and men to use services such as credit, savings and insurance to build their businesses and manage risks.

TABLE 6
IFAD financing for programmes and projects by region, 1978-2015^{a, b}
Amounts in US\$ million

	1978-2006	2007-2009	2010-2012	2013-2015	2015	1978-2015
West and Central Africa						
Total amount	1 660.8	265.4	592.3	587.1	184.4	3 105.5
Number of programmes and projects	162	20	21	18	7	221
East and Southern Africa						
Total amount	1 683.6	447.5	619.9	669.0	399.4	3 420.1
Number of programmes and projects	135	20	17	16	7	188
Asia and the Pacific						
Total amount	3 031.8	573.6	859.3	1 048.9	552.2	5 513.6
Number of programmes and projects	182	22	26	28	14	258
Latin America and the Caribbean						
Total amount	1 476.2	193.7	272.2	227.7	116.6	2 169.9
Number of programmes and projects	124	15	17	13	7	169
Near East, North Africa and Europe						
Total amount	1 579.5	255.8	373.8	349.2	78.0	2 558.2
Number of programmes and projects	127	17	18	15	4	177
Total IFAD financing^c	9 431.9	1 735.9	2 717.5	2 881.8	1 330.6	16 767.2
Total number of programmes and projects^d	730	94	99	90	39	1 013

Source: Grants and Investment Projects System.

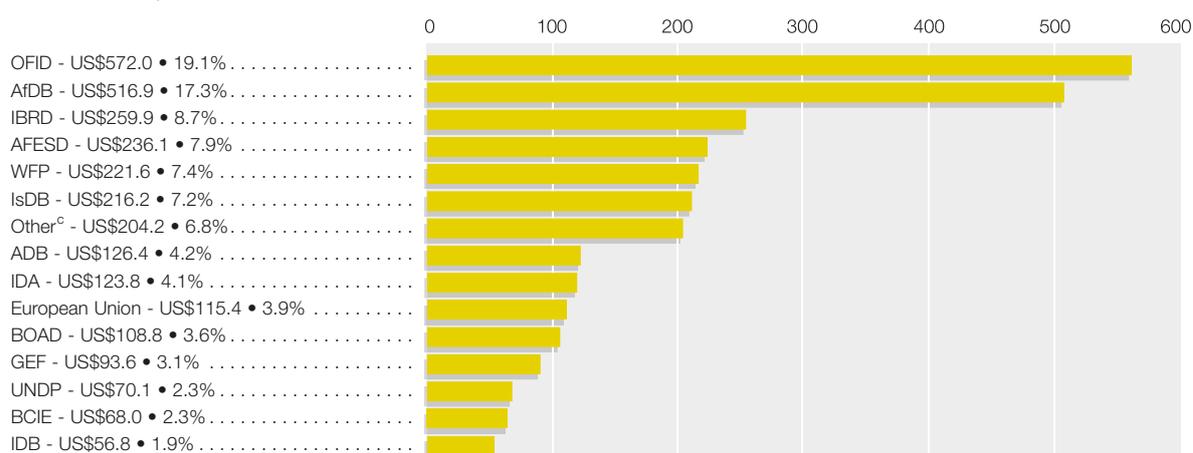
^a Amounts as per the President's report for each programme or project approved by the Executive Board. Financing for programmes and projects includes loans, DSF grants and country-specific grants for investment projects.

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

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

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

CHART 9
Cofinancing of IFAD-initiated programmes and projects by multilateral donors, 1978-2015^{a, b}
 Amounts in US\$ million



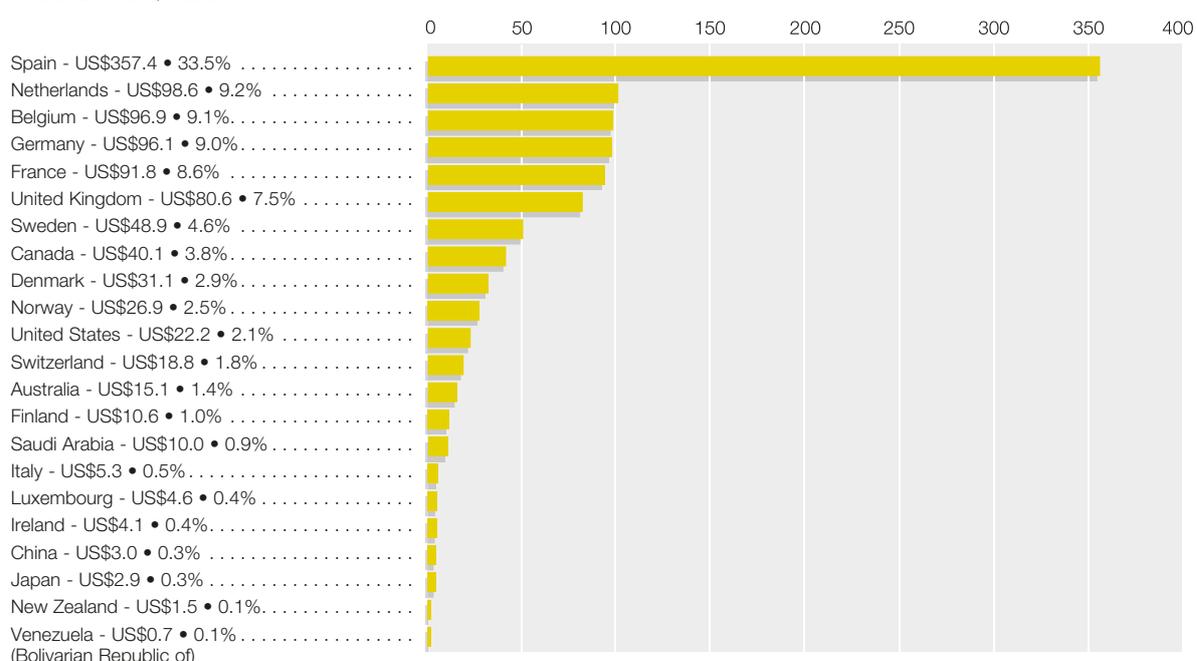
Source: Grants and Investment Projects System.

^a Amounts as per the President's report for each programme or project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each multilateral in total multilateral cofinancing of US\$2,989.6 million. Multilateral participation in basket or similar funding arrangements is not included.

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

^c Other cofinanciers include: Andean Development Corporation (*Corporación Andina de Fomento*); Arab Authority for Agricultural Investment and Development; Africa Fund, Arab Bank for Economic Development in Africa; Caribbean Development Bank; Economic Community of West African States (ECOWAS) Bank for Investment and Development; Food and Agriculture Organization of the United Nations; Global Agriculture and Food Security Program; Inter-American Institute for Cooperation on Agriculture; International Finance Corporation; International Labour Organization; Strategic Climate Fund; United Nations Capital Development Fund; United Nations Children's Fund; United Nations Development Fund for Women (UNIFEM, now United Nations Entity for Gender Equality and the Empowerment of Women [UN Women]); United Nations Fund for Drug Abuse Control; United Nations International Drug Control Programme; and United Nations Population Fund.

CHART 10
Cofinancing of IFAD-initiated programmes and projects by donor Member States (bilateral), 1978-2015^a
 Amounts in US\$ million

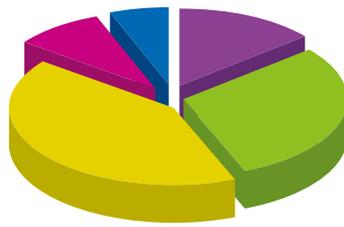


Source: Grants and Investment Projects System.

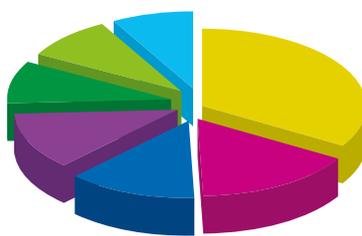
^a Amounts as per the President's report for each programme and project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of US\$1,067.6 million. Bilateral participation in basket or similar funding arrangements is not included.

CHART 11**Regional distribution of IFAD financing for programmes and projects approved in 2015^a**

Share of total of US\$1 330.6 million



West and Central Africa	US\$184.4 million - 13.9%
East and Southern Africa	US\$399.4 million - 30.0%
Asia and the Pacific	US\$552.2 million - 41.5%
Latin America and the Caribbean	US\$116.6 million - 8.8%
Near East, North Africa and Europe	US\$78.0 million - 5.9%

^a Any discrepancy in totals is the result of rounding.**CHART 12****IFAD current portfolio financing by sector (at end 2015)**

Agriculture and natural resource management ^a	- 34%
Market and related infrastructure	- 16%
Other ^b	- 13%
Rural financial services	- 12%
Community-driven and human development	- 9%
Policy and institutional support	- 9%
Small and microenterprises	- 8%

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.

Allocation of programme and project financing by instrument and terms

Loans on highly concessional terms continue to make up the bulk of our financing for investment programmes and projects (Table 7).¹ About 44 per cent of new financing approved during the year was in the form of highly concessional loans – worth a total of US\$533.8 million. Ordinary loans made up 26.3 per cent of the total, followed by DSF grants with 18.3 per cent and blend loans with 11.9 per cent (Chart 13).

As a share of our cumulative financing portfolio since 1978, highly concessional loans and DSF grants represent about 73 per cent of the total, well over the two-thirds target set out in IFAD's Lending Policies and Criteria. Table 8 shows investments by terms and regions.

Disbursements

Disbursements of IFAD loans and DSF grants amounted to US\$612.2 million in 2015 (Tables 9 and 10). Over the period 1979-2015, cumulative disbursements of loans under the Regular Programme amounted to US\$9,889.1 million, representing 74 per cent of effective commitments at the end of 2015 (Table 11). This compared with US\$9,402.5 million disbursed at the end of 2014, which made up 76 per cent of effective commitments.

Managing IFAD's liquidity, cash flow and financial policies

IFAD manages a total of US\$2.0 billion in cash and investments: US\$1.5 billion for the regular programme of work and US\$0.5 billion for supplementary programmes and trust funds. Over the course of 2015, internally managed investments were stable at US\$0.8 billion and represented 42 per cent of the total funds under management. They included all supplementary and borrowed funds, and a portion of regular resources.

As projected, all types of resources declined over the year due to net outflows that were the result of larger disbursements and foreign exchange movements.

In 2015 the volume of cash transactions increased, continuing the growth trend started during IFAD8. The total volume of cash transactions amounted to US\$6.8 billion, 13 per cent higher than in 2014. The biggest driver was the notable increase in non-regular fund transactions, which reached US\$3.0 billion (US\$2.0 billion in 2014), while regular programme transactions were relatively stable at US\$3.8 billion (US\$4.0 billion in 2014). The growth in non-regular fund transactions was also the result of a more active internal investment management.

IFAD strengthened its risk management for cash operations by enhancing and upgrading two major financial systems for enterprise resource planning (ERP), following a review initiated in 2014. Liquidity management was further improved by negotiating more favourable arrangements with IFAD's banks and by fine-tuning short-term financial projections to reduce idle cash.

¹ IFAD currently provides loans on three different types of lending terms: highly concessional loans with no interest, a service charge of 0.75 per cent and a maturity period of 40 years; blend loans with a fixed interest rate of 1.25 per cent, a service charge of 0.75 per cent and a maturity period of 25 years; and ordinary loans with a variable interest rate and a maturity period of 15-18 years.

TABLE 7
Summary of IFAD loans by lending terms, and of DSF grants, 1978-2015^a

Amounts in US\$ million

	1978-2006	2007-2009	2010-2012	2013-2015	2015	1978-2015
DSF grants						
Amount	-	401.5	680.7	457.0	224.9	1 539.2
Number of grants	-	43	50	33	12	126
Highly concessional loans						
Amount	6 825.8	948.6	1 315.4	1 283.9	533.8	10 373.7
Number of loans	545	55	61	62	28	723
Hardened loans						
Amount	-	8.5	50.6	-	-	59.1
Number of loans	-	1	4	-	-	5
Intermediate loans						
Amount	1 605.8	171.4	197.4	-	-	1 974.7
Number of loans	133	9	6	-	-	148
Blend loans						
Amount	-	-	-	249.5	145.9	249.5
Number of loans	-	-	-	13	8	13
Ordinary loans						
Amount	950.8	186.5	441.5	594.0	323.0	2 172.8
Number of loans	69	17	24	25	14	135
Total amount	9 382.4	1 716.6	2 685.6	2 584.4	1 227.6	16 369.0
Total number of loans and DSF grants^{b, c}	747	125	145	133	62	1 150

Source: Grants and Investment Projects System.

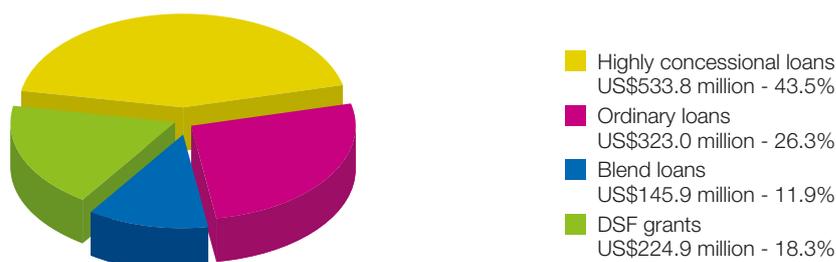
^a Amounts as per the President's report for each programme or project approved by the Executive Board. Includes Regular Programme loans, Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification loans and DSF grants. Includes a loan on highly concessional terms approved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

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

^c Fully cancelled or rescinded loans are not included.

CHART 13
IFAD loans by lending terms, and DSF grants, 2015^a

Share of total of US\$1 227.6 million



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.

An independent asset allocation review with a focus on liquidity management was carried out for the IFAD portfolio to support the yearly investment strategy review. This review broadly confirmed the validity of current asset allocation and identified diversification into equity as offering potential for increased return. Recommendations were incorporated into the yearly review of IFAD's Investment Policy Statement, which was approved by the Executive Board at its December session.

As co-chair of the Finance and Budget Network Working Group on Common Treasury Services since 2008, IFAD plays a leading role in United Nations efforts to maximize the operational efficiency of treasuries. We also host the dedicated

website, which continues to be the principal forum for interaction among United Nations treasuries. The 2015 yearly face-to-face meeting of the group was held at IFAD's headquarters in Rome and brought together representatives of 30 United Nations entities.

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

Debt relief and debt management make an important contribution to reducing poverty. During 2015, IFAD continued to give full support to work at the international level addressing the existing debt of poor countries through the Heavily Indebted Poor Countries (HIPC) Debt Initiative.

TABLE 8
Summary of IFAD loans by lending terms, and of DSF grants, by region, 1978-2015^a
Amounts in US\$ million

	West and Central Africa	East and Southern Africa	Asia and the Pacific	Latin America and the Caribbean	Near East, North Africa and Europe	Total
DSF grants						
Amount	554.5	442.7	296.7	51.2	194.1	1 539.2
Number of grants	41	31	25	9	20	126
Highly concessional loans						
Amount	2 323.9	2 745.2	3 914.3	411.4	979.0	10 373.7
Number of loans	207	177	212	41	86	723
Hardened loans						
Amount	-	-	-	-	59.1	59.1
Number of loans	-	-	-	-	5	5
Intermediate loans						
Amount	105.2	108.9	607.5	488.0	665.0	1 974.7
Number of loans	11	11	35	51	40	148
Blend loans						
Amount	7.7	11.1	150.3	32.2	48.2	249.5
Number of loans	1	1	5	3	3	13
Ordinary loans						
Amount	21.3	23.3	450.2	1 146.1	531.9	2 172.8
Number of loans	3	5	11	80	36	135
Total amount	3 012.6	3 331.3	5 418.9	2 128.9	2 477.3	16 369.0
Percentage of total IFAD loans and DSF grants	18	20	33	13	15	100
Total number of loans and DSF grants^{b, c}	263	225	288	184	190	1 150

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. Includes a loan on highly concessional terms approved in 2005 for Indonesia made up of unused proceeds of a loan approved in 1997 on intermediary terms. Any discrepancy in totals is due to rounding.

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

^c Fully cancelled or rescinded loans are not included.

We also continued to use our debt sustainability framework to ensure that vulnerable countries did not accumulate future debt.

Since the HIPC Debt Initiative was set up, many countries have made substantial progress in gaining access to debt relief. More than 92 per cent of eligible countries (35 out of 38) have passed their decision points, qualifying for HIPC Debt Initiative assistance from IFAD, and reached completion point – at which they receive full and irrevocable debt reduction. Our total commitments so far amount to approximately US\$639.4 million of debt service relief in nominal terms. As at 31 December

2015, IFAD had provided US\$439.9 million in debt relief to the 35 completion-point countries in nominal terms.

During 2015, 18.3 per cent of the total value of approved financing for investment programmes and projects was in the form of DSF grants (Chart 13). Twelve grants were approved, for a total value of US\$224.9 million (Table 7).

TABLE 9
Annual loan disbursement by region under the Regular Programme, 1979-2015^a
Amounts in US\$ million

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	1979-2015
West and Central Africa	62.3	57.8	61.8	64.4	66.8	66.0	74.4	94.2	74.82	82.3	81.0	1 470.2
East and Southern Africa	75.9	88.6	89.4	85.4	106.4	99.4	104.3	140.4	136.19	99.1	99.2	1 886.2
Asia and the Pacific	93.1	127.2	122.0	99.1	129.2	158.0	230.7	172.2	148.02	180.6	201.5	3 450.4
Latin America and the Caribbean	42.3	57.4	63.4	79.1	61.6	64.0	72.9	65.7	54.21	63.5	51.2	1 488.2
Near East, North Africa and Europe	68.0	55.9	62.1	96.1	73.5	70.1	67.3	61.9	69.35	59.3	53.7	1 594.1
Total^b	341.6	386.9	398.7	424.1	437.5	457.5	549.6	534.5	482.6	484.7	486.6	9 889.1

Source: Loans and Grants System.

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

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

TABLE 10
Annual DSF disbursement by region, 2007-2015
Amounts in US\$ million

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2007-2015
West and Central Africa	-	0.9	1.9	9.1	23.8	36.7	49.2	46.9	42.1	210.7
East and Southern Africa	1.0	3.6	5.7	17.1	28.3	40.1	45.0	60.0	36.0	236.8
Asia and the Pacific	1.0	1.7	3.9	6.8	11.6	21.0	22.9	31.8	23.9	124.6
Latin America and the Caribbean	-	-	0.6	0.9	3.4	6.6	6.2	6.3	5.2	29.2
Near East, North Africa and Europe	-	0.1	1.6	5.5	9.2	14.2	19.2	12.3	18.4	80.6
Global	-	0.1	-	-	-	-	-	-	-	0.1
Total^a	2.0	6.5	13.7	39.4	76.3	118.6	142.6	157.4	125.6	682.1

Source: Loans and Grants System.

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

TABLE 11
Loan disbursement by region and lending terms under the Regular Programme, 1979-2015^a
Amounts in US\$ million

	Highly concessional	Intermediate	Ordinary	Hardened	Total
West and Central Africa					
Amount	1 392.4	60.3	17.4	-	1 470.2
Percentage of total loan effective commitment	73	89	97	-	74
East and Southern Africa					
Amount	1 781.4	100.7	4.1	-	1 886.2
Percentage of total loan effective commitment	72	88	18	-	73
Asia and the Pacific					
Amount	2 896.3	454.5	99.6	-	3 450.4
Percentage of total loan effective commitment	81	66	20	-	72
Latin America and the Caribbean					
Amount	381.8	412.2	694.2	-	1 488.2
Percentage of total loan effective commitment	94	88	68	-	79
Near East, North Africa and Europe					
Amount	862.2	439.8	267.1	25.0	1 594.1
Percentage of total loan effective commitment	92	72	53	52	76
Total amount	7 314.1	1 467.5	1 082.4	25.0	9 889.1
Total percentage of total loan effective commitment	78	75	52	52	74

Source: Loans and Grants System.

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

A young producers' group uses honey and pollen to make soaps and cosmetic creams →
El Salvador: Rural Development and Modernization Project for the Eastern Region

©FAD/Carla Francescutti



Awards

Global Staff Meeting 2016 and Staff Awards

With the organization's ongoing drive to decentralize and a growing number of staff working in IFAD country offices around the world, every two years we come together at headquarters for a Global Staff Meeting (GSM). The purpose is to enable people to meet, share ideas and experiences, and to improve the effectiveness of IFAD as an organization and as a team. The tagline of the GSM2016 was "Innovate, Focus, Act, Dare" to make IFAD bigger, better and smarter. Nearly 600 staff members attended the meeting, including over 100 colleagues from country offices.

Over the course of an action-packed two days, there were plenary sessions, 45 smaller thematic sessions and 15 booths, giving participants the chance to learn about country offices and other areas of work and try their hand at new skills. There were games to play and competitions to win. The Staff Awards for 2015 were also presented at the meeting, in recognition of exceptional work and commitment to IFAD's mandate. The 2015 awards recognized leadership, innovative projects and extraordinary initiatives, facilitators of change, and colleagues who are outstanding representatives of IFAD's core values.



Staff award winners at the Global Staff Meeting with the President of IFAD, Kanayo F. Nwanze, and Associate Vice-President, Lakshmi Menon

Leadership

Shankar Achuthan-Kutty
Gernot Laganda

**Innovative project/
Extraordinary initiative**

Yolando Arban
Glaysen Ferrari Dos Santos
Jacopo Monzini Taccone di Sitizano
Antonio Rota
Brian Thomson

Facilitator of change**ICO video conference connection team**

Willy Ong, Team Leader
Fabio Bencivenga
Roman Bezuszeko
Roberto De Tora
Francesca Garau
Matteo Giacobbe
Marco Nicotera
Luca Rotondo

IFAD core values

Negussie Ayele
Marco Camagni
Sefika Kemura-Kulenovic
Birgit Plöckinger

Presidential recognition

Thomas Bousios

Honourable mention

Fadi Daood

Awards to IFAD

During 2015, IFAD was recognized for its work to empower and invest in rural people and for its commitment to sustainable development around the world and at home.

In January, IFAD President Kanayo F. Nwanze received a Doctor of Science, *honoris causa*, from the University of Warwick, United Kingdom, for his significant contribution to poverty reduction through sustainable agriculture and international development. (Read Nwanze's lecture at Warwick University at http://www.ifad.org/events/op/2015/warwick_lecture.htm.)

We won the Best Practice for Sustainable Development in Food Security award for our work on promoting the System of Rice Intensification (SRI) in Madagascar. SRI enables smallholder farmers to maximize rice yields while reducing the amounts of seeds, water and land used. Together with Cornell University (New York, United States of America) and Madagascar's Ministry of Agriculture, IFAD began promoting the method in 1997. Success in Madagascar led to the adoption of SRI by 5 million smallholder farmers in at least 50 countries around the world. The award ceremony took place in July at the 2015 Expo Milano World Fair. The competition was run by the International Centre for Advanced Mediterranean Agronomic Studies in Bari and the Polytechnic of Milan, both in Italy.

In August, IFAD was awarded Platinum certification in the Existing Buildings: Operations and Maintenance category of the Leadership in Energy and Environmental Design (LEED) certification programme. LEED is operated by the United States Green Building Council and is one of the world's top rating systems for green buildings. Platinum is the highest level of certification and IFAD is the first United Nations entity to achieve Platinum certification in the Existing Buildings: Operations and Maintenance category. In line with

the United Nations Greening the Blue initiative, we began working to make our headquarters more environmentally friendly in 2009. Since then we have drastically reduced our energy consumption and cut carbon emissions from 5,579 to 3,930 tons.

In November, IFAD Vice-President Michel Mordasini received the *Chevalier de l'Ordre National* award from the Government of Madagascar for IFAD's continued commitment to agriculture in the country, particularly during the period when many other donors withdrew.

In India, also in November, the Directorate of Women's Empowerment of the Government of Madhya Pradesh was presented with a Skoch award for the IFAD-supported Tejaswini Maharashtra Rural Women's Empowerment Programme. The programme is active in six rural districts of Madhya Pradesh and supports state governments in improving the social, economic and political conditions of women. The Skoch Group is a think tank based in India that focuses on socio-economic issues through inclusive growth.

IFAD's Gender Awards recognize innovative programmes and projects that address gender inequality and empower women in the five regions where IFAD works. This year's awards celebrate operations in Belize, Ethiopia, India, the Republic of Moldova and Senegal (read more in the regional sections).

The 2015 winners are:

- Rural Finance Programme, Belize
- Community-based Integrated Natural Resources Management Project, Ethiopia
- Tejaswini Maharashtra Rural Women's Empowerment Programme, India
- Rural Financial Services and Agribusiness Development Project, Republic of Moldova
- Agricultural Value Chains Support Project, Senegal.

Workers at the Manasa Trading company in Sigatoka clean and sort eggplants for export to New Zealand →
Fiji: Partnership in High Value Agriculture Project

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SUMMARY OF 2015 PROGRAMMES, PROJECTS AND GRANTS

Programmes and projects

West and Central Africa

BENIN: Market Gardening Development Support Project

Benin is experiencing a deficit in vegetable production despite the country's potential and the market opportunities existing both in the country itself and elsewhere in the subregion. The project, which supports the country's Strategic Plan for Agriculture Sector Recovery, will operate in southern Benin, focusing on small-scale market garden producers, vulnerable farming households and other actors in the value chain. It will facilitate the development of partnerships, the capacity-building of stakeholders and the improvement of market infrastructure and accessibility. It will also seek to increase the productivity and resilience of market gardening and secure access to the technology and technical assistance needed to ensure sustainability.

Approved IFAD loan amount: SDR 16.8 million (equivalent to approximately US\$23.5 million)

Approved IFAD grant amount: SDR 0.35 million (equivalent to approximately US\$0.5 million)

Approved ASAP grant amount: SDR 3.2 million (equivalent to approximately US\$4.5 million)

Total project cost: estimated at US\$49.2 million, of which national government will provide US\$4.8 million, beneficiaries US\$3.9 million and the OPEC Fund for International Development (OFID) US\$12.0 million

Approximate reach: 20,000 direct beneficiaries

Directly supervised by IFAD

CONGO: Inland Fisheries and Aquaculture Project

The project will develop the inland fisheries value chain to enable small-scale fishers and fish farmers to obtain larger profit margins, thereby improving both incomes and food security. It will contribute resources and knowledge to support the establishment of sustainable fisheries management and to improve the productivity of fishing, and the processing and marketing of its products. It will also provide technical assistance that will allow small-scale fishers to make the transition from subsistence farming to more profitable, market-oriented fish farming. The project will build the capacity of the Ministry of Fisheries and Aquaculture, for example, through training in planning, management, and monitoring and evaluation for the sector.

Approved IFAD loan amount: SDR 5.5 million (equivalent to approximately US\$7.7 million)

Total project cost: estimated at US\$17.6 million, of which national government will provide US\$3.5 million, beneficiaries US\$2.5 million, OFID US\$3.2 million and the Food and Agriculture Organization of the United Nations (FAO) US\$0.2 million

Approximate reach: 5,600 households

Directly supervised by IFAD

DEMOCRATIC REPUBLIC OF THE CONGO: North Kivu Agriculture Sector Support Project (PASA-NK)

The project concentrates on improving the productivity and profitability of four crops (maize, rice, potatoes and Arabica coffee) grown by smallholders in North Kivu. It will provide capacity-building support for actors along different agricultural value chains. Business plans will be drawn up to improve the services provided by producer organizations. For example, efforts will be made to ensure better access for smallholders to the agricultural inputs and markets they need to increase their productivity and raise their incomes. PASA-NK will also improve rural infrastructure, particularly by rehabilitating agricultural access roads in order to reduce the costs involved in transporting goods.

Approved IFAD loan amount: SDR 12.1 million (equivalent to approximately US\$16.9 million)

Approved IFAD grant amount: SDR 12.1 million (equivalent to approximately US\$16.9 million)

Total project cost: estimated at US\$53.0 million, of which national government will provide US\$5.9 million, beneficiaries US\$3.5 million and OFID US\$9.7 million

Approximate reach: 28,400 households

Directly supervised by IFAD

GUINEA-BISSAU: Economic Development Project for the Southern Regions

The project is aimed primarily at increasing agricultural production in the regions of Quinara, Tombali and Bolama-Bijagos in order to improve food security and diversify incomes. It will boost the rice production potential of these southern regions through the rehabilitation of hydro-agricultural installations and proper water management. In addition, the project will develop livestock and vegetable production and link farmers to markets via the rehabilitation of rural roads. It will also support value-adding microprojects run by local entrepreneurs (more than 40 per cent of whom are women). It will build the capacities of local farmer organizations, youth and women's groups, and institutions, which will play a pivotal role in project delivery.

Approved IFAD loan amount: SDR 3.4 million (equivalent to approximately US\$4.7 million)

Total project cost: estimated at US\$19.0 million, of which national government will provide US\$2.3 million and beneficiaries US\$1.7 million

Approximate reach: 31,275 direct beneficiaries

Directly supervised by IFAD

LIBERIA: Rural Community Finance Project

Despite significant improvements since the end of its civil war, Liberia remains a fragile state with weak institutions, policies and governance. The Ebola outbreak has put further pressure on the country, threatening post-war gains. The project aims to provide sustainable access to financial services in rural locations throughout the country, particularly for small-scale entrepreneurs, women and young people. It will support the recovery of existing rural community finance institutions and establish several new ones. Priority will be given to communities that have significant business potential and are already economically active. Technical assistance will also be given to the Central Bank of Liberia to support the

development of a regulatory framework of policies and reporting formats that ensures the participation of stakeholders.

Approved IFAD loan amount: SDR 4.0 million (equivalent to approximately US\$5.5 million)

Approved IFAD grant amount: SDR 0.4 million (equivalent to approximately US\$0.5 million)

Total project cost: estimated at US\$10.9 million, of which national government will provide US\$0.5 million, beneficiaries US\$3.2 million, rural community finance institutions US\$1.1 million and the Central Bank of Liberia US\$0.1 million

Approximate reach: 24,000 direct beneficiaries

Directly supervised by IFAD

LIBERIA: Tree Crops Extension Project

The tree crop sector has traditionally been one of Liberia's largest employers and an integral part of the social fabric and economy. During the civil war, however, the sector was devastated and many farmers were displaced from their land.

Concentrating on the cocoa value chain, the project will revitalize cocoa plantations, rehabilitate roads and improve the provision of services for the sector, for example, by building the capacity of farmers' cooperatives and ministry departments. The project will operate in Nimba County and complement the Tree Crop Revitalization Support Project currently being implemented in Lofa County. It supports government priorities and aims to contribute to improving incomes for smallholder farmers and their households, reviving the rural economy and consolidating peace.

Approved IFAD loan amount: SDR 9.5 million (equivalent to approximately US\$13.0 million)

Approved ASAP grant amount: SDR 3.3 million (equivalent to approximately US\$4.5 million)

Total project cost: estimated at US\$30.7 million, of which national government will provide US\$1.9 million, beneficiaries/private sector US\$2.31 million, leaving a financing gap of US\$9.1 million

Approximate reach: 11,000 direct beneficiaries

Directly supervised by IFAD

NIGER: Family Farming Development Programme (ProDAF) in Maradi, Tahoua and Zinder regions

The programme aims to improve food and nutrition security, strengthen resilience to external shocks and improve market access in the three regions. ProDAF will work to boost the productivity of family farms through watershed rehabilitation and management, farmer field schools, and better access for farmers to agricultural inputs (seeds, fertilizers, equipment). It will provide capacity-building for organizations and institutions that support local participatory development and family farmers. ProDAF will also implement activities to extend and secure market access through both infrastructure and logistics development. At the same time, the programme will facilitate cross-border trade and contribute to the integration of economic operators into marketing platforms.

Approved IFAD loan amount: SDR 17.2 million (equivalent to approximately US\$24.2 million)

Approved IFAD grant amount: SDR 17.2 million (equivalent to approximately US\$24.2 million)

Approved ASAP grant amount: SDR 9.2 million (equivalent to approximately US\$13.0 million)

Total programme cost: estimated at US\$207.2 million, of which national government will provide US\$33.4 million, beneficiaries US\$11.1 million, the Global Environment Facility (GEF) US\$8.0 million, Italian Cooperation US\$28.2 million, OFID US\$6.0 million and ongoing IFAD projects US\$10.5 million

Approximate reach: 240,000 family farms

Directly supervised by IFAD

East and Southern Africa

ANGOLA: Artisanal Fisheries and Aquaculture Project

The project will be implemented in the provinces of Bengo, Cuanza Norte, Luanda and Malange in the central-north region of Angola. Its primary objective is to improve food security and nutrition among artisanal fishing and fish farming households. The project will also tackle climate change issues that are particularly relevant to fisheries and aquaculture. Technical support will be provided for fish farmers, who will be encouraged to increase their production as the project progresses. It is expected that some farmers will invest their profits back into their fish farms and thus develop their subsistence activity into a more commercial enterprise.

Approved IFAD loan amount: SDR 7.9 million (equivalent to approximately US\$11.1 million)

Total project cost: estimated at US\$12.1 million, of which national government will provide US\$1.0 million

Approximate reach: 15,800 households

Directly supervised by IFAD

BURUNDI: Value Chain Development Programme – Phase II (PRODEFI II)

PRODEFI II, which aims to increase the food security and incomes of rural households, will operate in eight provinces. The programme is designed to intensify crop and livestock farming, structure the milk and rice value chains, and promote youth employment. It will also work to increase the resilience of local production systems to climate change. Capacity-building within the Ministry of Agriculture and Livestock will contribute to improved monitoring and planning of programme activities. Working with both public and private institutions, the programme will help to create inclusive community organization and institutional links that support small-scale producers throughout the value chain.

Approved IFAD grant amount: SDR 26.1 million (equivalent to approximately US\$36.6 million)

Approved ASAP grant amount: SDR 3.51 million (equivalent to approximately US\$4.9 million)

Total programme cost: estimated at US\$44.8 million, of which national government will provide US\$3.1 million and beneficiaries US\$0.3 million
Approximate reach: 33,450 households
Directly supervised by IFAD

KENYA: Kenya Cereal Enhancement Programme – Climate-Resilient Agricultural Livelihoods Window

Kenya is a food-deficit country that imports up to 20 per cent of its annual cereal requirements, with food security remaining a major challenge for the government. The programme will address this challenge by strengthening the climate resilience of smallholders and increasing their capacity to manage natural resources sustainably in order to raise productivity levels. It will also improve post-production management and market linkages and support the adoption of more profitable and commercially oriented agricultural practices. Farmers will benefit from improved links to financial services, which will increase their capacity to buy better agricultural inputs and to reinvest in their own enterprises.

Approved IFAD loan amount: SDR 43.8 million (equivalent to approximately US\$61.8 million)

Approved IFAD grant amount: US\$2.0 million

Approved ASAP grant amount: SDR 7.1 million (equivalent to approximately US\$10.0 million)

Total programme cost: estimated at US\$118.0 million, of which national government will provide US\$1.5 million, beneficiaries US\$29.1 million, and cofinancing from the European Union EUR 9.5 million (equivalent to approximately US\$11.9 million) and from financial institutions US\$1.9 million

Approximate reach: 100,000 smallholder farmers

Directly supervised by IFAD

MADAGASCAR: Project to Support Development in the Menabe and Melaky Regions – Phase II

This second phase of the project will continue to operate in the Menabe and Melaky regions, scaling up successful family farm production systems, particularly those that have developed a degree of climate change resilience. The project will develop both hydro-agricultural systems and new land areas. It will also improve producers' access to remunerative markets in priority value chains. This phase of the project is expected to draw on the target area's significant agro-economic potential as a means of increasing incomes and food security.

Approved IFAD loan amount: SDR 24.5 million (equivalent to approximately US\$34.4 million)

Approved ASAP grant amount: SDR 4.2 million (equivalent to approximately US\$6.0 million)

Total project cost: estimated at US\$56.7 million, of which national government will provide US\$7.7 million, beneficiaries US\$1.2 million and cofinancing from OFID US\$7.5 million

Approximate reach: 57,000 households

Directly supervised by IFAD

MALAWI: Programme for Rural Irrigation Development

The programme will operate in two regional clusters in northern and southern Malawi. It will focus on improving overall food security through the development of land and water conservation and management systems. Both improved irrigation and rainfed systems are expected to substantially increase agricultural productivity, food security and incomes. The programme will promote climate-smart good agricultural practices, such as the use of weather/climate information systems, integrated pest management and irrigation optimization. Market access will be extended and links with the private sector established or strengthened.

Approved IFAD loan amount: SDR 19.3 million (equivalent to approximately US\$26.5 million)

Approved IFAD grant amount: SDR 19.4 million (equivalent to approximately US\$26.5 million)

Approved ASAP grant amount: SDR 5.2 million (equivalent to approximately US\$7.0 million)

Total programme cost: estimated at US\$84.0 million, of which national government will provide US\$13.1 million, beneficiaries US\$7.3 million in kind, and cofinancing from the United Kingdom's Department for International Development US\$0.5 million and from the private sector US\$3.0 million

Approximate reach: 17,500 households

Directly supervised by IFAD

SWAZILAND: Smallholder Market-led Project

Although Swaziland is a middle-income country, more than 60 per cent of its population live below the poverty line. This project will contribute to the reduction of poverty and food insecurity among smallholder farmers in the regions of Lumbombo and Shiselweni. It will seek to establish participatory planning and decision-making in the chiefdoms covered. It will also invest in infrastructure for soil and water conservation, for example, by rehabilitating dams and installing equipment to harvest rainwater. Technical assistance will be provided to support smallholders in increasing the productivity of both crop and livestock farming.

Approved IFAD loan amount: EUR 8.5 million (equivalent to approximately US\$9.6 million)

Approved IFAD grant amount: SDR 0.4 million (equivalent to approximately US\$0.5 million)

Total project cost: estimated at US\$21.1 million, of which national government will provide US\$6.6 million, private sector US\$0.6 million and cofinanciers US\$3.8 million

Approximate reach: 55,250 households

Directly supervised by IFAD

UNITED REPUBLIC OF TANZANIA: Bagamoyo Sugar Infrastructure and Sustainable Community Development Programme

Sugar cane is Tanzania's second largest agricultural crop and the sugar industry is one of the country's largest agroprocessing industries. Yet Tanzania still imports half of its sugar needs each year. This programme will enable smallholder farmers in Bagamoyo to participate more profitably in sugar cane outgrower schemes that have been developed with direct foreign investment and government support. It will

also support the wider non-sugar community and seek to establish the conditions to ensure that benefits deriving from the sugar investment are both well managed and sustainable and that overall community development is climate-resilient.

Approved IFAD loan amount: SDR 40.3 million (equivalent to approximately US\$56.6 million)

Approved ASAP grant amount: SDR 7.1 million (equivalent to approximately US\$10.0 million)

Total programme cost: estimated at US\$136.5 million, of which national government will provide US\$15.4 million, beneficiaries US\$4.6 million, and cofinancing from the African Development Bank US\$30.1 million and from private banks US\$19.9 million

Approximate reach: 90,000 beneficiaries

Directly supervised by IFAD

Asia and the Pacific

AFGHANISTAN: Support to National Priority Programme 2

The programme will initially be implemented in three pilot provinces (Balkh, Herat and Nangarhar) and will be expanded geographically in subsequent phases. Its primary objective is to contribute to improving the food security and economic status of poor rural households in the three provinces. The programme is expected to achieve sustainable increases in the incomes of small farmers and herders through improvements in productivity and better infrastructure and market linkages. It will also develop the capacities of government institutions and farmer organizations and oversee the implementation of strategic investments to support horticulture and livestock farming, which should contribute to greater food security.

Approved IFAD grant amount: SDR 34.5 million (equivalent to approximately US\$48.5 million)

Total programme cost: estimated at US\$54.8 million, of which national government (Ministry of Finance) will provide US\$1.7 million, beneficiaries US\$2.1 million and cofinancing from the Microfinance Investment Support Facility for Afghanistan US\$2.5 million

Approximate reach: 57,000 households

Directly supervised by IFAD

BANGLADESH: National Agricultural Technology Programme – Phase II Project

This phase of the programme will be implemented in 57 districts of Bangladesh, including those covered by the first phase. The programme aims to raise the productivity of small-scale, marginalized and landless farmers, especially women. For example, it will support the development of agricultural technology through Bangladesh's National Agricultural Research System and the establishment of an agricultural innovation fund. The programme will promote the development of the crop sector, including through private-sector involvement in agribusinesses and investment in infrastructure. In the fisheries sector, support will be given to increase productivity, quality and output and to promote community-based fisheries management.

Approved IFAD loan amount: SDR 17.0 million (equivalent to approximately US\$23.8 million)

Total programme cost: estimated at US\$214.0 million, of which national government will provide US\$6.7 million, beneficiaries US\$6.5 million, and cofinancing from the World Bank US\$176.0 million and from the United States Agency for International Development US\$7.4 million

Approximate reach: 1 million households

Cooperating institution: World Bank

BHUTAN: Commercial Agriculture and Resilient Livelihoods Enhancement Programme

The programme will initially be implemented in six of the poorest districts of eastern Bhutan and, if results are favourable, scaled up to other districts in central and south-western parts of the country. It aims to achieve sustainable improvement in incomes for smallholder farmers, with a focus on vegetable and dairy value chains, by building climate-resilient crop and livestock production and enhancing integration into national value chains and marketing systems. Women and young people will be encouraged to participate. The programme will also strengthen the capacity of smallholders and their organizations to market their produce through national value chains.

Approved IFAD loan amount: SDR 5.9 million (equivalent to approximately US\$8.3 million)

Approved IFAD grant amount: SDR 0.8 million (equivalent to approximately US\$1.1 million)

Approved ASAP grant amount: SDR 3.6 million (equivalent to approximately US\$5.0 million)

Total programme cost: estimated at US\$31.6 million, of which national government will provide US\$5.8 million, beneficiaries US\$0.7 million and cofinancing from the Food Corporation of Bhutan Ltd US\$4.8 million

Approximate reach: 28,975 households

Directly supervised by IFAD

CHINA: Qinghai Liupan Mountain Area Poverty Reduction Project

The project will be implemented in seven counties in the eastern part of Qinghai Province. It will focus on poor smallholder farmers with potential for supplying high-value products and on disadvantaged but economically capable poor people, particularly women and ethnic minority groups. The project will support the establishment of climate-resilient infrastructure, for example, by improving irrigation systems and use of irrigation water. It will contribute to the strengthening of market-oriented agriculture through the development of cash crops, tree crops and livestock farming, and through improved access to markets. The project will also help to increase the capacity of disadvantaged groups to participate in off-farm income-generating activities.

Approved IFAD loan amount: EUR 38.8 million (equivalent to approximately US\$42.5 million)

Approved IFAD grant amount: SDR 0.7 million (equivalent to approximately US\$1.0 million)

Total project cost: estimated at US\$125.3 million, of which national government will provide US\$42.5 million, beneficiaries US\$13.6 million and expected cofinancing from the GEF US\$7.2 million, from cooperatives and agricultural small businesses and microenterprises US\$3.5 million and from banks and financing institutions US\$15.1 million

Approximate reach: 128,000 households

Directly supervised by IFAD

FIJI: Fiji Agricultural Partnerships Project

The project is expected to benefit all small-scale and semi-subsistence farm households in Fiji by improving government policies, procedures and services for agribusiness and expanding the services of private providers (e.g. traders, processors, transporters). It will aim to reduce hardship, specifically among poorer communities in the remote highlands of Viti Levu. The project will support the government in increasing public-sector capacity to promote agribusiness, for example, by providing training for staff and fostering dialogue among stakeholders in relevant value chains. It will also provide assistance for small and medium-sized enterprises working with smallholders and promote farming as a viable business option for highland communities.

Approved IFAD loan amount: EUR 3.1 million (equivalent to approximately US\$3.5 million)

Total project cost: estimated at US\$6.0 million, of which national government will provide US\$1.0 million, beneficiaries US\$0.6 million and cofinancing from financial institutions US\$0.9 million

Approximate reach: 2,000 households

Directly supervised by IFAD

INDIA: Odisha Particularly Vulnerable Tribal Groups Empowerment and Livelihoods Improvement Programme

The programme builds on the experience of the earlier Orissa Tribal Empowerment and Livelihoods Programme and will operate in 12 districts of Odisha State, which has a high number of particularly vulnerable tribal groups. Its foremost aim is to improve the livelihoods and food security of households, for example, by securing their entitlement to land and forest, improving their agricultural practices, and ensuring access to services such as health and education. The programme will also contribute to community empowerment, natural resource management and the development of community infrastructure to support productive activities and market access and to improve drinking water and sanitation facilities in participating villages.

Approved IFAD loan amount: SDR 36.4 million (equivalent to approximately US\$51.2 million)

Total programme cost: estimated at US\$130.4 million, of which national government will provide US\$76.2 million and beneficiaries US\$3.0 million

Approximate reach: 62,370 households

Directly supervised by IFAD

INDONESIA: Integrated Participatory Development and Management of the Irrigation Sector Project

The project will initially concentrate on 16 provinces in various parts of Indonesia. It will promote the sustainability of irrigated agriculture in the target areas and thus contribute to improving food security, incomes and livelihoods. For example, it will support improvements in farm productivity and services by promoting farmer-to-farmer knowledge dissemination, crop intensification and diversification, and better access to, and storage of, high-quality seeds. It will also establish better access to financial services, prioritize innovation in local value chains and encourage partnerships with private suppliers of agricultural inputs. The project will work with water user associations to improve the functioning and management of water delivery systems throughout the project areas.

Approved IFAD loan amount: EUR 93.2 million (equivalent to approximately US\$98.5 million)

Approved IFAD grant amount: EUR 1.4 million (equivalent to approximately US\$1.5 million)

Total project cost: estimated at US\$802.4 million, of which national government will provide US\$102.4 million and cofinancing from the Asian Development Bank US\$600.0 million

Approximate reach: 900,000 households

Directly supervised by IFAD

MYANMAR: Eastern States Agribusiness Project

The project will develop an inclusive, sustainable and scalable model for smallholder agriculture and community agroforestry in the eastern states of Kayin and Shan. It will oversee strategic investments to develop land through a participatory process that will contribute to the empowerment of farmers. Investments in community agroforestry made under the project are expected to improve living conditions, generate economic benefits for villages in forest and upland areas, and reduce encroachment on primary forest. The project will also improve access to knowledge, technology and services that should help to maximize the benefits of its strategic investments.

Approved IFAD loan amount: SDR 20.0 million (equivalent to approximately US\$27.6 million)

Approved IFAD grant amount: SDR 1.1 million (equivalent to approximately US\$1.5 million)

Total project cost: estimated at US\$65.2 million, of which national government will provide US\$4.9 million, beneficiaries US\$2.0 million and cofinancing from the Export-Import Bank of Korea (KEXIM)² US\$29.2 million

Approximate reach: 62,400 households

Directly supervised by IFAD

² Subject to successful negotiations between the Government of the Republic of the Union of Myanmar and KEXIM.

NEPAL: Samridhi³ – Rural Enterprises and Remittances Project

The primary aim of project activities, which will be concentrated in 16 districts of Nepal's central and eastern regions, is to achieve sustainable peace through equitable and inclusive economic development. The project will work with viable rural micro-, cottage and small enterprises and potential entrepreneurs, poor and migrant households and returnee migrants to establish sustainable sources of income. Support will be provided to encourage business expansion or creation. More accessible and inclusive financial services will also be made available, and risk-sharing schemes will be developed to tackle the lack of collateral that is a widespread limiting factor among small-scale enterprises.

Approved IFAD loan amount: SDR 15.5 million (equivalent to approximately US\$21.8 million)

Approved IFAD grant amount: SDR 12.0 million (equivalent to approximately US\$16.8 million)

Total project cost: estimated at US\$68.2 million, of which national government will provide US\$9.0 million, beneficiaries US\$6.6 million and cofinancing from the private sector US\$13.7 million

Approximate reach: 179,000 beneficiaries

Directly supervised by IFAD

PAKISTAN: Economic Transformation Initiative – Gilgit-Baltistan

The programme will be conducted in the remote mountainous region of Gilgit-Baltistan, where poverty is perpetuated by poor access to markets, lack of access to credit, support services and agricultural inputs, the small size of landholdings and scarcity of employment opportunities. Its main objectives are to improve the region's productive infrastructure, develop value chains for the key agricultural commodities produced, and support the introduction of favourable policies. The programme will adopt a community-driven approach that is sensitive to the needs of the region's poor people, particularly young people. Gender and nutrition concerns will be prioritized in policy engagement processes.

Approved IFAD loan amount: SDR 48.6 million (equivalent to approximately US\$67.0 million)

Total programme cost: estimated at US\$120.1 million, of which national government will provide US\$23.6 million, beneficiaries US\$6.5 million and cofinancing – to be determined – US\$23.0 million

Approximate reach: 100,000 households and 100 entrepreneurs

Directly supervised by IFAD

PHILIPPINES: Fisheries, Coastal Resources and Livelihood Project (FishCORAL)

The project will operate in selected coastal communities of 14 provinces in the Philippines using an ecosystem-based approach. It will assist the communities in establishing sustainable management of fisheries and coastal resources, which is expected to increase overall stocks and thus improve livelihoods. FishCORAL will contribute to efforts to prevent overfishing and provide alternative marine and land-based opportunities for generating income, for example, seaweed production and processing. Fishery law enforcement teams will also be supported. Coastal

³ *Samridhi* is a Nepali word meaning prosperous or economically well-off.

resource management plans will be updated through a participatory process involving the fishing communities, people's organizations, private-sector bodies and local governments.

Approved IFAD loan amount: EUR 27.3 million (equivalent to approximately US\$30.0 million)

Total project cost: estimated at US\$43.1 million, of which national government will provide US\$11.8 million and beneficiaries US\$1.3 million

Approximate reach: 188,000 households

Directly supervised by IFAD

PHILIPPINES: Convergence on Value Chain Enhancement for Rural Growth and Empowerment Project (CONVERGE)

The project will focus on selected provinces of three regions in the west, north and northeast of Mindanao. It will engage primarily with rural workers, agrarian reform beneficiaries and other smallholders to increase their productivity and competitiveness, with the overall aim of enabling them to contribute to the economic growth of rural areas. The project will seek to include under- and unemployed young people, women, indigenous people, business development partners and people's organizations involved in the selected value chains. Value-chain business development plans will be drawn up through a participatory process to identify where gaps exist and investments are needed. Technical assistance will also be provided to support activities such as soil analysis and product testing and to facilitate climate change adaptation, raising of environmental awareness, establishment of good agricultural practices, and upgrading of strategies to enhance enterprise development. The project will facilitate financing of the necessary capital investment and improvement of infrastructure related to the value chains concerned.

Approved IFAD loan amount: EUR 22.8 million (equivalent to approximately US\$25.0 million)

Total project cost: estimated at US\$52.5 million, of which national government will provide US\$9.6 million and beneficiaries US\$17.9 million

Approximate reach: 300,510 farmers

Directly supervised by IFAD

SOLOMON ISLANDS: Rural Development Programme – Phase II

Phase II of the programme will continue to support implementation of the country's Agriculture and Rural Development Strategy. It will focus on improving infrastructure and services in rural areas and strengthening linkages between smallholder farming households and markets. Community development grants will be made available for priority infrastructure needs (such as roads, bridges, jetties and storage facilities) and for capacity-building and training (for example, in the provision of engineering and technical services). Communities in Guadalcanal will also have access to special grants to help them repair or rebuild infrastructure affected by the April 2014 floods.

Approved IFAD loan amount: SDR 1.6 million (equivalent to approximately US\$2.3 million)

Approved IFAD grant amount: SDR 1.6 million (equivalent to approximately US\$2.3 million)

Total programme cost: estimated at US\$62.6 million, of which national government will provide US\$6.8 million, beneficiaries US\$4.8 million, and cofinancing from the International Development Association (IDA) US\$5.0 million, IDA Crisis Response Window US\$4.0 million, Department of Trade and Foreign Affairs (Australia) US\$13.3 million and the European Union/11th European Development Fund US\$13.0 million

Approximate reach: 68,600 households

Directly supervised by IFAD

SRI LANKA: Smallholder Tea and Rubber Revitalization Project

The project will be implemented in eight districts of central and southern Sri Lanka and will focus on smallholders growing either tea or rubber. The aim is to enable the smallholders to increase their productivity, profitability and resilience, and thus their incomes and food security. The project will endeavour to ensure that at least 30 per cent of its participants are women. It will promote better organization among tea and rubber growers, which is expected to improve their productivity and marketing and eventually their sustainability. More inclusive rural finance services will be provided to facilitate access by the participants to available bank financing for the production, harvesting and marketing of tea and rubber.

Approved IFAD loan amount: SDR 18.5 million (equivalent to approximately US\$25.8 million)

Total project cost: estimated at US\$65.4 million, of which national government will provide US\$32.8 million, beneficiaries US\$3.6 million, and cofinancing from the Bank of Ceylon and the People's Bank US\$3.3 million

Approximate reach: 32,000 households

Directly supervised by IFAD

Latin America and the Caribbean

ARGENTINA: Programme for Economic Insertion of Family Producers of Northern Argentina (PROCANOR)

The programme is aimed at integrating small-scale producers in northern Argentina into more dynamic and sustainable value chains. It will seek to develop more inclusive markets and provide business training for the producers and their families. PROCANOR will also support research and develop technologies for smallholders. It will conduct a study of rural financial markets in the target area and implement a pilot initiative on smallholder insurance. A participatory approach will be adopted in strengthening organizations and improving the productive capacities of producer families so that they can participate more effectively and actively throughout the value chain.

Approved IFAD loan amount: EUR 22.9 million (equivalent to approximately US\$24.2 million)

Approved IFAD grant amount: EUR 0.3 million (equivalent to approximately US\$0.3 million)

Total programme cost: estimated at US\$39.2 million, of which national government will provide US\$11.5 million and beneficiaries US\$3.2 million

Approximate reach: 8,000 families

Directly supervised by IFAD

BOLIVIA (PLURINATIONAL STATE OF): Integral Strengthening Programme for the Camelid Value Chain in the Bolivian High Plateau

The programme will improve living conditions for families working in camelid production in a number of municipalities of the High Plateau. It is also expected to contribute to reducing child malnutrition and rural poverty. The programme should also increase the productive and financial assets of participants and their families and improve their integration into camelid value chains. Camelid breeders will be given support to enable them to improve the marketing of processed products (e.g. fibre, meat, hides). The programme will also work to ensure that natural resources are managed in a sustainable way.

Approved IFAD loan amount: SDR 12.9 million (equivalent to approximately US\$17.9 million)

Total programme cost: estimated at US\$38.8 million, of which national government will provide US\$16.5 million and beneficiaries US\$4.3 million

Approximate reach: 64,000 rural families

Directly supervised by IFAD

ECUADOR: Project to Strengthen Rural Actors in the Popular and Solidary Economy (FAREPS)

The project will focus on families in south-eastern Ecuador, where levels of unmet basic needs and social, economic and climate vulnerability are particularly high. FAREPS is aimed at increasing employment and raising incomes derived from both agricultural and non-agricultural activities in the project area. The project will build the capacities of producer organizations and seek to improve policies governing their access to the resources, services and markets they need. It will also include activities supported by an ASAP grant and designed to improve the climate resilience of both beneficiaries and investments.

Approved IFAD loan amount: EUR 14.3 million (equivalent to approximately US\$15.9 million)

Approved ASAP grant amount: SDR 2.85 million (equivalent to approximately US\$4.0 million)

Total project cost: estimated at US\$36.0 million, of which national government will provide US\$12.0 million and beneficiaries US\$4.1 million

Approximate reach: 20,000 rural families

Directly supervised by IFAD

EL SALVADOR: National Programme of Rural Economic Transformation for Living Well – Rural Adelante

The first stage of the programme will be implemented in the eastern region of El Salvador, which is part of the dry corridor and subject to cyclical drought. Programme activities are designed to increase the area's productivity and resilience and will include a climate change information service, climate change adaptation plans, and technical training for young people and adults. Women, young people and indigenous people will be prioritized. The programme aims to achieve competitive, sustainable and inclusive value chain development by encouraging those involved – for example, input suppliers and financial service providers – to establish strategic partnerships that will benefit the coordination of services and other links. The programme will also promote policy engagement for rural development.

Approved IFAD loan amount: EUR 10.9 million (equivalent to approximately US\$12.1 million)

Approved ASAP grant amount: SDR 3.6 million (equivalent to approximately US\$5.0 million)

Total programme cost: estimated at US\$18.7 million, of which national government will provide US\$0.5 million and beneficiaries US\$1.1 million

Approximate reach: 8,300 people

Directly supervised by IFAD

MEXICO: Rural Productive Inclusion Project

This project will be implemented in three federal states of Mexico selected on the basis of factors such as incidence of poverty, presence of indigenous peoples and proximity of centres with market potential. It will target rural families already taking part in *Prospera*, the country's largest conditional cash transfer programme. The primary aim of the project is to facilitate the access of these families to public programmes for productive development and financial inclusion with a view to the families developing profitable and sustainable productive activities that will allow participants to increase their incomes. The project will also contribute to institutional strengthening of *Prospera* to implement the national strategy for productive inclusion and thereby increasing the effectiveness of the government's rural poverty reduction agenda.

Approved IFAD loan amount: EUR 5.9 million (equivalent to approximately US\$6.6 million)

Approved IFAD grant amount: US\$0.5 million

Total project cost: estimated at US\$19.5 million, of which national government will provide US\$11.4 million and beneficiaries US\$1.1 million

Approximate reach: 12,800 people

Directly supervised by IFAD

PARAGUAY: Project for Improved Family and Indigenous Production in Departments of Eastern Paraguay (PROMAFI)

The project will support the implementation of the government's national strategy for productive inclusion and rural poverty reduction. It will strengthen the capacity of rural organizations and families in parts of eastern Paraguay to participate more effectively in productive activities and to plan their own community development. PROMAFI will contribute to the setting up of a climate information service that will provide smallholders with useful weather alerts. Technical support will be available to rural organizations preparing to implement climate change mitigation and adaptation measures. The project will also establish rural financial services that are expected to help rural organizations gain improved access to credit for their businesses.

Approved IFAD loan amount: EUR 15.8 million (equivalent to approximately US\$17.4 million)

Approved ASAP grant amount: SDR 3.7 million (equivalent to approximately US\$5.1 million)

Total project cost: estimated at US\$23.8 million, of which beneficiaries will provide US\$1.4 million

Approximate reach: 14,000 households

Directly supervised by IFAD

VENEZUELA (BOLIVARIAN REPUBLIC OF): Sustainable Rural Development Project for Food Security in the Semi-arid Zones of Lara and Falcon States (PROSALAFI III)

The project will focus on parts of north-western Venezuela where natural resources are scarce and access to public services is limited. It will contribute to the food and nutrition security of families in the area and help to increase their capacity to purchase safe, healthy and sovereign food. Given that water scarcity is the primary constraint on development in this area, PROSALAFI III will promote careful water management and improve access to potable water. In addition, PROSALAFI III will work on reducing gender inequality and on creating technological, financial and social opportunities, particularly for young people.

Approved IFAD loan amount: EUR 6.8 million (equivalent to approximately US\$7.6 million)

Total project cost: estimated at US\$96.2 million, of which national government will provide US\$68.0 million and beneficiaries US\$6.6 million

Approximate reach: 18,000 rural families

Directly supervised by IFAD

Near East, North Africa and Europe

BOSNIA AND HERZEGOVINA: Rural Competitiveness Development Programme

The programme will be implemented nationally through value chain clusters that include municipalities with major pockets of poverty and – particularly – poor farmers who are not yet securely linked to markets. It will develop the fruit, vegetable and other potential subsectors and incorporate smallholders, particularly women and young people, into dynamic value chains. The programme is expected to bring about a lasting improvement in the economic and social prospects of rural areas by creating an enabling and sustainable environment for growth and about 3,150 jobs. It will contribute to the consolidation and capacity-building of small farmers and their organizations, which should help to attract further private-sector investment.

Approved IFAD loan amount: EUR 11.1 million (equivalent to approximately US\$12.3 million)

Approved IFAD grant amount: EUR 0.5 million (equivalent to approximately US\$0.5 million)

Total programme cost: estimated at US\$61.5 million, of which national government will provide US\$4.7 million, beneficiaries US\$1.6 million and cofinancing from the private sector US\$29.7 million, leaving a financing gap of US\$12.8 million

Approximate reach: 16,000 smallholder farmers

Directly supervised by IFAD

TAJIKISTAN: Livestock and Pasture Development Project II

The project aims to improve the nutritional status of households in the south-west of Tajikistan by raising livestock productivity and increasing resilience to the effects of climate change. Participants will include smallholder livestock households, private veterinary service providers, small-scale entrepreneurs and households headed by women. The project will work with public-sector and community organizations to

increase the efficiency of pasture management. It will facilitate access to livestock and veterinary services and support efforts to improve animal health. Community-led management of natural resources is expected to facilitate diversification of income-generating opportunities, which would help to reduce vulnerability to external shocks.

Approved IFAD loan amount: SDR 6.2 million (equivalent to approximately US\$8.7 million)

Approved IFAD grant amount: SDR 6.2 million (equivalent to approximately US\$8.7 million)

Approved ASAP grant amount: SDR 3.6 million (equivalent to approximately US\$5.0 million)

Total project cost: estimated at US\$24.2 million, of which national government will provide US\$0.5 million and beneficiaries US\$1.4 million

Approximate reach: 38,000 households

Directly supervised by IFAD

TURKEY: Göksu Taşeli Watershed Development Project

The project will concentrate on reducing poverty in 212 selected villages in 11 districts of Konya and Karaman in central Anatolia. It aims to achieve a sustainable increase in farm productivity, raise the incomes of smallholder producers and establish climate-resilient practices in natural resource management. For example, it will implement modern agricultural technologies and techniques, including water harvesting and irrigation, to improve the productivity and quality of cherries, grapes, strawberries and medicinal and aromatic plants, which are cultivated by most of the small farmers in the project area. The project is also expected to improve living standards for nomadic Yörük tribes in the Taurus Mountains.

Approved IFAD loan amount: EUR 16.0 million (equivalent to approximately US\$18.0 million)

Approved IFAD grant amount: EUR 0.35 million (equivalent to approximately US\$0.38 million)

Total project cost: estimated at US\$25.0 million, of which national government will provide US\$3.9 million and beneficiaries US\$2.9 million

Approximate reach: 32,000 households

Directly supervised by IFAD

UZBEKISTAN: Dairy Value Chains Development Project

The project will initially concentrate on dairy production in selected districts of the provinces of Jizzakh and Kashkadarya. It will deliver training in technical and business skills to smallholder farmers, suppliers, agroprocessors and others along the dairy value chain to improve the productivity, competitiveness and market access of dairy products. The project will have a strong focus on gender issues and will facilitate the participation of women in dairy value chains, for example, by increasing their access to credit and empowering them as livestock owners and managers. It will also support the development of innovative, demand-driven technologies for milk production and processing and food safety.

Approved IFAD loan amount: SDR 17.0 million (equivalent to approximately US\$23.9 million)

Approved IFAD grant amount: SDR 0.5 million (equivalent to approximately US\$0.7 million)

Total project cost: estimated at US\$39.4 million, of which national government will provide US\$0.3 million, beneficiaries US\$7.3 million and cofinancing from participating financial institutions US\$7.3 million

Approximate reach: 12,000 beneficiaries

Directly supervised by IFAD

Grants

Grants are a key instrument for IFAD. They complement our investment programme by providing support to policy engagement, research and partnerships. They are also used to generate, test and implement innovative ideas and approaches, not only with partner governments but also with civil society organizations, research institutions, academia, private-sector actors and other centres of excellence involved in rural poverty reduction. Since 1978, IFAD has committed about US\$1,043.7 million in grants.

2015 was a milestone year for IFAD's grants programme, as our new Policy for Grant Financing and its accompanying implementing procedures were approved. Under the new policy, the goal of IFAD grants is to significantly broaden and add value to the support provided to smallholder farming and rural transformation, thereby contributing to rural poverty eradication, sustainable agricultural development, and global food security and nutrition.

The objectives of IFAD grant financing are to:

- promote innovative, pro-poor approaches and technologies that have the potential to be scaled up for greater impact
- strengthen partners' institutional and policy capacities
- enhance advocacy and policy engagement
- generate and share knowledge for development impact.

Poor rural people and their organizations are central to every grant submission.

The grant policy focuses on two types of grant, depending on the nature of the innovation and the scope of intervention: global or regional grants, and country-specific grants. In 2015, we approved grants worth a total of US\$73.6 million: US\$54.9 million for global and regional grants; and US\$18.7 million for grants in specific countries, including US\$0.5 million for a small stand-alone grant under the debt sustainability framework (DSF) not connected with IFAD-supported programmes and projects.

Grants for activities implemented in specific countries address the challenge of weak performance by government and other in-country partners by strengthening institutional, implementation and policy capacities, and introducing innovations in thematic areas. They also use approaches and methodologies that can subsequently be scaled up through IFAD's country programmes.

Global and regional grants are driven by thematic and regional corporate-level strategic priorities for partnership, research, policy engagement and capacity-building. They also fund innovative responses to rural and agricultural challenges that are faced by at least three partner countries. The thematic priorities are determined within the scope of IFAD's three-year Medium-term Plan and are sharpened into priority lines of action through annual guidance notes. As a result, in 2015 IFAD benefited from a more strategic allocation of grant resources according to well-defined corporate strategic directions.

Another important change introduced this year as a result of the new grants policy is the move towards selecting grantees via competitive processes, including through calls for interest. We now strongly encourage mobilization of cofinancing by grant recipients and other partners of IFAD grant-funded projects to ensure greater ownership and better prospects for scaling up results. To optimize efficiency and effectiveness, IFAD is also promoting fewer but larger new grants, so that the number of small grants (those worth less than US\$500,000) that were approved during 2015 fell to 24 from 33 in 2014. In 2015, 33 large grants were approved, for a total value of US\$54.8 million.

Summary of large grants

During the year, the Executive Board approved 33 grants, each worth more than US\$500,000 and totalling US\$54.8 million.

Center for International Forestry Research: Enhancing Smallholder Food Security, Incomes and Gender Equity within West Africa's Forest-Farm Interface (US\$1.5 million). The programme will identify practices and policy interventions that have the potential to improve the income and food security of smallholders in Burkina Faso and Ghana.

Centre for Development and Environment of the University of Bern: Scaling up Sustainable Land Management (SLM) Practices by Smallholder Farmers: Working with Agricultural Extension Services to Identify, Assess and Disseminate SLM Practices (US\$2.0 million). Working in Cambodia, the Lao People's Democratic Republic and Uganda, the programme will strengthen the resilience of communities and smallholder farmers to climate change shocks, population growth, rapid urbanization and economic expansion.

Columbia University/Global Association of Master's in Development Practice: IFAD-Universities Win-Win Partnership: Engaging Students with IFAD-Supported Operations and IFAD Partners (US\$925,000). The programme will allow IFAD-funded projects and partners to list the research proposals for which they request support so that students from IFAD Member States on list B/C who are studying for master's degrees can express their interest and be engaged.

Farm Radio International: New Alliance ICT Extension Challenge Fund (US\$1.5 million). The programme will help increase agricultural production and productivity in the United Republic of Tanzania. It will scale up the use of agricultural innovations and marketing mechanisms by smallholder farmers using agricultural extension approaches that are based on information and communications technology.

Food and Agriculture Organization of the United Nations: Kenya Cereal Enhancement Programme – Climate-Resilient Agricultural Livelihoods Window (US\$2.0 million). The aim of the grant is to build the capacity of county agricultural offices to plan, execute and monitor agricultural services and investments within Kenya’s County Integrated Development Plan.

Fundação Arthur Bernardes: Adapting Knowledge for Sustainable Agriculture and Access to Markets Programme (US\$2.0 million). The programme will contribute to reducing rural poverty among smallholder farmers in Latin America and the Caribbean. It will promote agricultural innovation, boost productivity and improve access to markets and dynamic value chains.

Heifer International: Dairy-Hub-Model Integration into IFAD-funded Projects (US\$2.0 million). The programme will contribute to the sustainable livelihoods of smallholder dairy farmers in Rwanda and the United Republic of Tanzania by strengthening farmer organizations and improving access to markets.

Helvetas Swiss Intercooperation: Asia Training Programme for Scaling Up Pro-Poor Value Chains (US\$2.0 million). The programme’s goal is to identify, design, implement and scale up pro-poor value chain initiatives by establishing a self-sustaining regional training facility that provides the required technical expertise.

International Center for Agricultural Research in Dry Areas: Enhancing Food and Nutritional Security and Improving Livelihoods Through Intensification of Rice-Fallow Systems for Pulse Crops in South Asia – Bangladesh, India and Nepal (US\$2.5 million). The programme will develop and test technologies for improving the production and productivity of rice-fallow systems. It will promote agrotechnologies for lentils, grass peas and chickpeas as second crops for improved household nutrition, income and soil health.

International Centre for Biosaline Agriculture: Rehabilitation and Management of Salt-Affected Soils to Improve Agricultural Productivity in Ethiopia and South Sudan (US\$2.0 million). The programme will develop tests and promote appropriate technologies and practices for rehabilitating and sustainably managing irrigated salt-affected farming systems. It will also draw lessons for scaling up.

International Crops Research Institute for the Semi-Arid Tropics: Strengthening Sorghum and Millet Value Chains for Food, Nutritional and Income Security in Arid and Semi-Arid Lands of Kenya and the United Republic of Tanzania (US\$1.5 million). The objective is to identify, develop, test and disseminate improved technologies for sorghum and millet to increase dryland cereal production and productivity while protecting local environments.

International Food Policy Research Institute: Agricultural Transformation and Market Integration in the ASEAN Region: Responding to Food Security and Inclusiveness Concerns (US\$2.5 million). The goal is to promote the role of small-scale rural producers, including smallholders and small-scale agroenterprises, in agrifood market integration and the transformation of agrifood systems in Southeast Asia.

International Land Coalition: Programme on Promoting People-Centred Land Governance with International Land Coalition Members (US\$2.0 million). The aim is to enable poor women and men to achieve secure and equitable access to land. This is in line with IFAD's policy on access to land and tenure security, and with the Fund's support to implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

International Land Coalition: Fostering Good Land Governance for Inclusive Agricultural Development in the United Republic of Tanzania (US\$1.25 million). The project will work to ensure that decisions regarding land governance are based on multistakeholder dialogue, inclusivity demands and independent monitoring of agricultural investments by non-state actors. It also aims to strengthen stakeholders' capacity to demand and undertake inclusive land-use planning and grazing-land registration at the village level.

International Livestock Research Institute: Greening Livestock: Incentive-Based Interventions for Reducing the Climate Impact of Livestock in East Africa (US\$2.0 million). Working in Kenya and the United Republic of Tanzania, the goal is to support public- and private-sector interventions that promote productive livestock systems, while reducing the livestock sector's emissions and improving alignment with national low-emission development strategies.

International Maize and Wheat Improvement Center: Enhancing Smallholder Wheat Productivity Through Sustainable Intensification of Wheat-Based Farming Systems in Rwanda and Zambia (US\$1.5 million). The programme will establish the potential of smallholder wheat farming to enhance food and nutrition security and reduce wheat imports. Lessons learned will be used to improve wheat farming systems.

International Potato Centre: Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers (US\$1.4 million). The objective is to improve poor households' yields and enhance the potato value chain in the Andean region.

McGill University: Strengthening Capacity of Local Actors on Nutrition-Sensitive Agrifood Value Chains in Zambia and Malawi (US\$2.0 million). The programme's objective is to promote availability, accessibility and consumption of diverse, safe and nutritious foods for improved household nutrition and health.

National Federation of Agricultural Producers from Moldova (AGROinform): Promoting Inclusive Horticultural Value Chains in Armenia, Georgia, Kazakhstan and the Republic of Moldova (US\$1.5 million). The programme's objective is to improve incomes by increasing smallholders' integration into value chains through support for sustainable collective action.

National Institute of Agronomic Research of Algeria: Programme for Inclusive Value Chain Development through South-South Cooperation in the Near East and North Africa Region (US\$1.5 million). The goal is to sustainably improve production and profits of rural households and of the

operators of small and medium-sized enterprises in Algeria, Djibouti, Sudan, and Gaza and the West Bank.

PRISMA Foundation: Support to the Programme for Rural Regional Dialogue – Central America and Dominican Republic (US\$1.5 million). The programme will strengthen the institutional capacity and strategic vision of the Programme for Rural Regional Dialogue and of organizations whose work is related to family farming.

Regional Programme for Rural Development Training (PROCASUR) Corporation: Strengthening Capacities and Tools to Scale Up and Disseminate Innovations Programme (US\$3.5 million). The programme's objective is to enhance the performance of development projects in rural areas of Latin America, the Caribbean and sub-Saharan Africa. This objective will be achieved through a range of learning and capacity-building initiatives at the country, regional and cross-regional levels.

Republic of Cabo Verde: Strengthening the National Monitoring and Evaluation System in Cabo Verde (US\$800,000). The goal is to increase the use of evidence in policymaking and project management and to understand what works, where, why and under what conditions in rural poverty reduction. This will be done by improving the government's monitoring and evaluation capacity to generate strong evidence of project outcomes and impact.

Republic of Cameroon: Aquaculture Entrepreneurship Promotion Project (US\$1.0 million). The goal is to promote profitable aquaculture enterprises that create jobs for sustainable aquaculture development. The project will achieve this goal by improving fish farmers' access to training and advisory support services, thereby establishing a framework for aquaculture development.

Republic of the Philippines: Fisheries, Coastal Resources and Livelihoods Project (US\$690,000). The project will contribute to poverty reduction in targeted coastal communities. It will work to strengthen community capacity to manage fishery and coastal resources sustainably, generating livelihood benefits for the targeted households.

Southeast Asian Regional Center for Graduate Study and Research in Agriculture: Supporting Smallholder Farmers in Asia and the Pacific Islands Region through Strengthened Agricultural Advisory Services (US\$1.2 million). The programme will strengthen the capacities of stakeholders in the agricultural advisory services of target countries at the regional and subregional levels. It will also facilitate access to up-to-date knowledge and evidence on innovative advisory services.

Technical Center for Agricultural and Rural Cooperation: Leveraging the Development of Local Food Crops and Fisheries Value Chains for Improved Nutrition and Sustainable Food Systems in the Pacific Islands (US\$2.0 million). The overall goal is to strengthen the capacity of governments, subregional institutions, and farmer and private-sector organizations to develop strategies and programmes that can increase poor rural people's access to nutritious and healthy food.

Technical Center for Agricultural and Rural Cooperation: Capitalizing on Experiences for Greater Impact in Rural Development (US\$1.5 million).

The programme's objective is the sustainable adoption – by rural communities and development professionals – of an approach that capitalizes on experiences to enable continuous learning, improvement and scaling up in rural development initiatives.

University of the Andes (UNIANDES): Improving the Articulation between Social Protection and Rural Development Interventions in Developing Countries: Lessons from Latin America and Africa (US\$1.5 million).

The objective is to influence the work of government institutions in rural development and social protection, taking advantage of synergies between social protection and productive rural development initiatives.

Vlaamse Instelling voor Technologisch Onderzoek: Earth Observation Technologies for Well-informed Decisions in Transforming Smallholder Agriculture in West and Central Africa (US\$1.5 million).

The programme will improve knowledge of the factors affecting smallholder farming, and strengthen the capacity of IFAD-supported programmes and national stakeholders to use earth observation, geographic information systems and remote sensing in the design, implementation and monitoring of activities.

World Agroforestry Centre: Agrobiodiversity and Landscape Restoration for Food Security and Nutrition in East Africa (US\$1.5 million).

The programme will identify ecologically suitable and socio-economically relevant food, tree and crop portfolios that can be integrated into existing farming systems for increased food security, improved nutrition and restoration of landscapes.

WorldFish Center: Improving the Technological Foundations for Sustainable Aquaculture (US\$1.5 million).

The goal is to ensure that improved fish strains in target aquatic systems are widely available and used sustainably and equitably, providing nutritious, affordable food and incomes for poor people in Bangladesh, Egypt, Kenya and Mozambique.

World Rural Forum: Beyond the International Year of Family Farming 2014: Support to National Committees for Family Farming (US\$1.0 million).

The goal is to improve national policy and institutional frameworks for the development of smallholder and family farming in selected IFAD borrowing Member States.

Stories from the field

Women's small businesses in Central Asia thrive thanks to public-private partnerships

Spinners, knitters, weavers and felt producers across Central Asia are increasing their incomes by taking part in an initiative funded by an IFAD grant to the Aga Khan Foundation (AKF).

The Mobilizing Public-Private Partnerships in Support of Women-led Small Business Development programme scales up a business model piloted under two earlier IFAD grants to the International Center for Agricultural Research in the Dry Areas, a non-profit research organization and member of the CGIAR Consortium.

The new programme was launched in 2013 in Afghanistan, Kyrgyzstan and Tajikistan. It works with men to introduce new goat-breeding practices and improved animal husbandry techniques. These methods produce higher-quality fibres for the spun yarn and knitted and woven products that are made by women.

AKF trained women in new processing technologies and business management and helped women's groups with planning and access to credit. The groups invested in electric spinning machines, which enabled them to increase their production. Solar power units were installed in the workshops, reducing production losses caused by frequent electricity cuts.



Tulabibi Abdulazizova, leader of a spinning group from Markhamat village in northern Tajikistan, prepares high-quality yarn for export to the United States of America
Tajikistan: Mobilizing Public-Private Partnerships in Support of Women-led Small Business Development project
©IFAD/Liba Brent

The programme helped women establish the legal status of their businesses and sought institutional support for their operations. It then enabled the women to establish links with export and local markets and suppliers of raw fibre.

Small groups now export artisanal spun, woven and knitted products to markets in Europe and the United States. The photo and name of each spinner is printed on the product packaging as a marketing tool and a way for the women to receive personal praise for the work they have done.

AKF currently works with about 150 spinners, 15 knitters, 5 weavers and 90 felt producers, all of whom are women. Approximately 200 men are involved in breeding and herding goats, sorting and carding wool, helping women maintain the workshops and processing equipment, and transporting fibre and other products.

Most of the yarn and the woven and knitted goods are exported. The value-added products have significantly increased not only the development of participating communities, but also the economic and social mobility of the women. These export businesses have created a platform on which sustainable local economies can be built.

Women who have participated in the programme can earn US\$100-US\$150 a month for part-time work spinning and processing fibres. By comparison, the average schoolteacher in Tajikistan earns about US\$70 a month. Women who are involved in weaving and knitting groups that add further value to the final product have seen their additional earnings reach as high as US\$150 for part-time work. This extra monthly household income means better living conditions for families and more opportunities for women.

The value placed on the expertise of the knitting and weaving groups has elevated both the self-esteem and the status of women in the community. With financial independence, these women also experience a sense of social independence. Many have reported that it felt good not having to ask their husbands for money.

Before the project ends in 2017, AKF will produce a manual of methodologies and lessons learned for use with partners and in other IFAD-funded activities.

Small grain brings big gains in Kenya and the United Republic of Tanzania

The Sorghum for Multiple Uses project funded by the European Commission and managed by IFAD is helping farmers in Kenya and the United Republic of Tanzania to increase the production of this important crop. The project is being implemented by the International Crops Research Institute for the Semi-Arid Tropics, a non-profit research organization and member of the CGIAR Consortium.

Approximately 50 per cent of people in the arid and semi-arid regions of East Africa live below the poverty line and 30 per cent of children are malnourished. Rapid population growth in sub-Saharan Africa, which is expected to be the highest in the world by 2050, will increase competition for food sources for humans and animals. Climate change has already led to limited and variable rainfall, causing crop yields to dwindle because of their sensitivity to erratic weather events.

Sorghum could be an answer to these challenges. It is a hardy, fast-growing cereal grain that supplies proteins, vitamins and micronutrients for people and livestock. Because it is drought- and heat-tolerant, it is resilient to climate change. However, farmers rarely have access to high-yielding varieties, fertilizers or markets, and this situation has resulted in low production.

Since 2011, the project has trained more than 25,000 farmers in Kenya and 20,000 in the United Republic of Tanzania to increase sorghum productivity. Workshop topics have included sorghum agronomy, pest and disease management, harvesting, post-harvest handling, credit management, contract farming and crop insurance. The project has also established strong value chains to help farmers meet market demand and enhance the economy in the project area.

Fifteen improved, more drought-resistant varieties have been introduced. Yields have doubled, and in some cases nearly tripled, from about 800 kilograms to 2,000 kilograms per hectare on average, with minimal use of inputs.

Improvements in the field have also led to better living standards at home. Households participating in the project have been able to increase their food supply by about 250 per cent.



Women attend a cookery class to learn how to use sorghum in traditional dishes
Kenya: Sorghum for Multiple Uses project
©IFAD/Sam Cole

"I prefer to plant Mtama [one of the new varieties] because it has high yields," says Charles Wambua Mutisyu from the Kenyan village of Kona Baridi. "And the Gadam variety makes excellent *ugali* [porridge], donuts and cake."

Sixty per cent of the smallholder farmers participating in the project are women. The project team has worked with these women to develop new products, such as sorghum flour and cakes, to sell in local markets. Women are also learning to incorporate sorghum into traditional dishes to boost the nutritional value of family meals.

Involving women in the value chain has significantly increased economic activity in communities. Producers' gross earnings from sorghum farming in the project area have totalled US\$10.8 million since 2011. This money has been used to improve household food security and send children to school.

The project is continuing to mobilize farmers and build the sorghum value chain to develop the local economy further. It has established partnerships with lending institutions that extend loans to farmers to buy seeds, fertilizers, equipment and insurance.

Participating communities in Kenya and the United Republic of Tanzania are producing sorghum as a long-term, sustainable solution that offers families a better life. This simple grain has helped rebuild local economies, improve gender equality, and restore livelihoods in rural communities on the front line of climate change.

Investing in farmland trees: a climate-smart move in South-East Asia

Smallholder farmers in South-East Asia and elsewhere in Asia and the Pacific are facing escalating pressures on precious land resources. Growing populations have expanded agricultural cultivation from the lowlands further into the uplands. Unsustainable farming methods in these areas have increased erosion, decreased the ability of soils to absorb water, and caused an overall decline in land productivity.

Existing intensification methods for improving yields have generally depleted environmental resources. As a result, the already fragile uplands are increasingly vulnerable to threats arising from climate change.

To make matters worse, poor farming families often lack access to the financial, social and natural capital that could help them adapt to these new challenges. However, these farmers provide food for some of the world's largest and fastest-growing populations.

For these reasons, IFAD is supporting Smart Tree-Invest with a three-year grant. This research and training programme is coordinated by the World Agroforestry Centre, an international, non-profit research organization and member of the CGIAR Consortium.

The goal of Smart Tree-Invest is to help smallholder farmers become more resilient to climate change so they can improve their livelihoods and the environment at the same time.

The programme promotes climate-smart, tree-based agriculture in Indonesia, the Philippines and Viet Nam. It assesses vulnerability to climate change and the environmental knowledge of farmers, both women and men. It then works with local communities to develop action plans for tree-based climate change mitigation and adaptation.

Downstream users of the improved environmental services also invest in projects to ensure that everyone has a stake in their success. The programme works with local, regional and national governments to include gender- and culture-sensitive actions in policies and programmes.

“Climate-smart, tree-based agriculture can increase agricultural production and improve environmental sustainability at the same time,” says IFAD’s grant manager Fabrizio Bresciani.

“A diverse range of tree species are usually found in agricultural landscapes. They form important harbours of plant and animal biodiversity. They help maintain connections between farmland and natural forests by acting as corridors for animals, pollinators and seeds. Wooded landscapes help maintain healthy watersheds by buffering variations in rainfall. Farmland trees also safeguard forests, which are under threat from climate change.”



Men at work in an innovative community garden in Huong Lam, where pomelo and aquilaria are intercropped for additional income

Viet Nam: Smart Tree-Invest
©ICRAF Viet Nam/Tran Ha My

As of March 2015, Smart Tree-Invest had involved more than 580 households. It held 90 focus-group discussions involving more than 600 participants in the three countries. These discussions covered topics such as biodiversity, water use, the role of trees and crops, and the drivers of land-use change.

The programme takes into consideration the different ways in which women and men adapt to climate change and other shocks related to their livelihoods. Household surveys identified gender roles in domestic, farming, food gathering and natural resource management activities.

Results showed that with its larger number of agribusinesses and natural resource-based industries, the Philippines has better economic potential than Indonesia and Viet Nam. In the Philippines, the programme is targeting both public and private funds for projects based on payments for ecosystem services. In Indonesia and Viet Nam, it is seeking public funds and working with governments to include bottom-up planning in development programmes.

Table 12

Summary of grant financing, 2011-2015Amounts in US\$ million^a

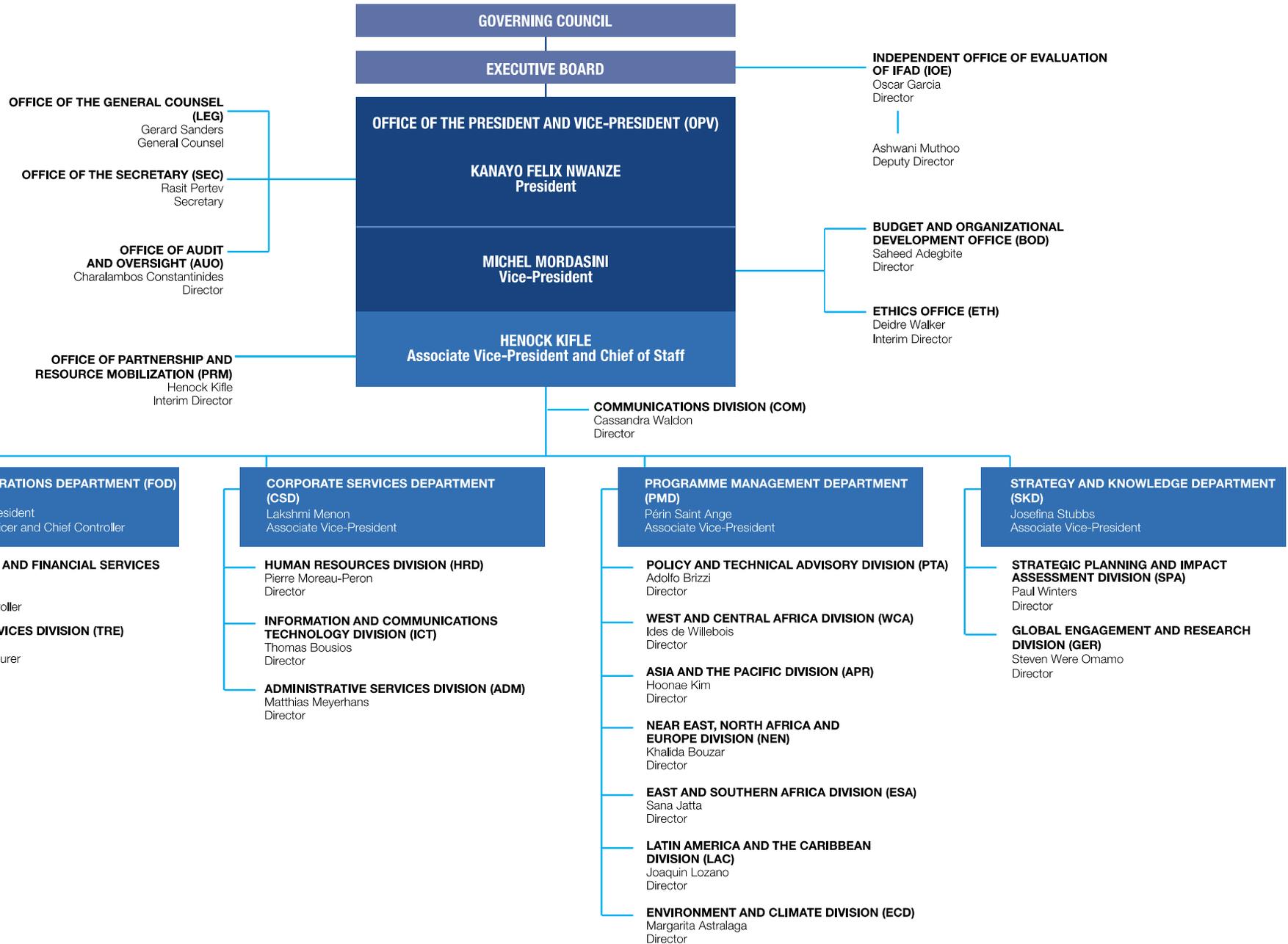
		2011	%	2012	%	2013	%	2014	%	2015	%	2011-2015	%
Global/regional grants													
	Amount	41.7	82.9	53.7	75.2	42.9	85.8	39.5	78.1	54.9	74.6	232.7	78.6
	Number of grants	68	-	70	-	48	-	45	-	43	-	274	-
Country-specific grants													
<i>Stand-alone</i>	Amount	2.6	5.2	1.5	2.1	3.5	7.0	5.4	10.7	9.2	12.5	22.2	7.5
	Number of grants	5	-	4	-	8	-	11	-	14	-	42	-
<i>Loan component</i>	Amount	4.6	9.1	14.8	20.8	3.6	7.2	4.7	9.3	9.0	12.2	36.7	12.4
	Number of grants	6	-	14	-	7	-	6	-	12	-	45	-
Total country-specific	Amount	7.2	14.3	16.3	22.9	7.1	14.2	10.1	20.0	18.2	24.7	58.9	19.9
	Number of grants	11	-	18	-	15	-	17	-	26	-	87	-
Other DSF grants													
	Amount	1.5	3.0	1.4	2.0	0.0	0.0	1.0	2.0	0.5	0.7	4.4	1.5
	Number of grants	4	-	2	-	0	-	2	-	1	-	9	-
Total all windows	Amount	50.4	100	71.5	100	50.0	100	50.6	100	73.6	100	296.0	100
	Number of grants	83	-	90	-	63	-	64	-	70	-	370	-

Sources: Oracle Business Intelligence, Quality Assurance Group tracking sheet, Grants and Investment Projects System.

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

ORGANIZATION, MEMBERSHIP AND REPRESENTATION

IFAD Organizational Structure (as at 31 December 2015)



Membership and representation

As of 31 December 2015, IFAD had a total membership of 176 countries – 25 in List A, 12 in List B, 139 in List C (of which 50 in Sub-List C1, 57 in Sub-List C2 and 32 in Sub-List C3).

List A

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

List B

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

List C

Sub-List C1

Africa

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

Sub-List C2

Europe, Asia and the Pacific

Afghanistan
Albania
Armenia
Azerbaijan
Bangladesh
Bhutan
Bosnia and Herzegovina
Cambodia
China
Cook Islands
Croatia
Cyprus
Democratic People's Republic
of Korea
Fiji
Georgia
India
Israel
Jordan
Kazakhstan
Kiribati
Kyrgyzstan
Lao People's Democratic
Republic
Lebanon
Malaysia
Maldives
Malta
Marshall Islands
Micronesia (Federated States of)
Mongolia
Montenegro
Myanmar
Nauru
Nepal
Niue
Oman
Palau
Pakistan
Papua New Guinea
Philippines
Republic of Korea
Republic of Moldova
Romania
Samoa
Solomon Islands
Sri Lanka
Syrian Arab Republic
Tajikistan
Thailand
The former Yugoslav
Republic of Macedonia
Timor-Leste
Tonga
Turkey
Tuvalu
Uzbekistan
Vanuatu
Viet Nam
Yemen

Sub-List C3

Latin America and the Caribbean

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

**List of Governors and Alternate Governors⁴
of IFAD Member States
As of 31 December 2015⁵**

Member	Governor	Alternate Governor
AFGHANISTAN	Zia Uddin Nezam <i>(January – March 2015)</i>	—
	— <i>(March 2015 –)</i>	
ALBANIA	Shkelqim Cani	Alban Zusi
ALGERIA	Abdelwahab Nouri <i>(January – May 2015)</i>	Rachid Marif
	Abdelkader Kadi <i>(May – July 2015)</i>	
	Sid-Ahmed Ferroukhi <i>(July 2015 –)</i>	
ANGOLA	Afonso Pedro Canga	Florêncio Mariano da Conceição de Almeida
ANTIGUA AND BARBUDA	—	—
ARGENTINA	Claudio Javier Rozencwaig	—
ARMENIA	Sergo Karapetyan	Zohrab V. Malek
AUSTRIA	Edith Frauwallner	Günther Schönleitner
AZERBAIJAN	Vaqif Sadiqov	—
BAHAMAS (THE)	V. Alfred Gray	Eldred Edison Bethel
BANGLADESH	Abul Maal Abdul Muhith	Monzur Hossain
BARBADOS	—	—
BELGIUM	Vincent Mertens de Wilmars <i>(January – October 2015)</i>	—
	Patrick Vercauteren Drubbel	

⁴ At its thirty-eighth session, on 16 and 17 February 2015, His Excellency Luc Oyoubi (Gabon) served as chairperson of the Governing Council. His Excellency Afonso Pedro Canga (Angola) and His Excellency Pio Wennubst (Switzerland) served as vice-chairpersons.

⁵ Dates in parentheses indicate what period the Representative served within the year. Where no date is given, this indicates that the Representative served for the entire year.

	(October 2015 -)	
BELIZE	—	—
BENIN	El Hadj Issa Azizou (January - July 2015)	Rosemonde Deffon Yakoubou
	Rufin Orou Nan Nansounon (July 2015 -)	
BHUTAN	Yeshey Dorji	Daw Penjo
BOLIVIA (PLURINATIONAL STATE OF)	Antolín Ayaviri Gómez (January - August 2015)	Eduardo Ugarteche Paz Soldán (January 2015)
	— (August 2015 -)	Roxana Oller Catoira (February 2015 -)
BOSNIA AND HERZEGOVINA	Nerkez Arifhodzic (January - June 2015)	Vesela Planinic
	— (June - October 2015)	
	Željana Zovko (October 2015 -)	
BOTSWANA	Patrick Pule Ralotsia (January - May 2015)	Micus Chimbombi (January - December 2015)
	Fidelis Molao (May - December 2015)	Biopelo Khumomathlare (December 2015 -)
	Kgotla K. Autlwetse (December 2015 -)	
BRAZIL	Miriam Aparecida Belchior (January 2015)	— (January 2015)
	Nelson Henrique Barbosa Filho (February 2015 -)	Claudio Alberto Castelo Branco Puty (February - August 2015)
		Maria Laura da Rocha (August 2015 -)
BURKINA FASO	Jean Gustave Sanon	Lassané Kabore
BURUNDI	Tabu Abdallah Manirakiza	Odette Kayitesi (January - August 2015)
		Déo Guide Rurema (August 2015 -)

CABO VERDE	Manuel Amante da Rosa	Sónia Cristina Martins
CAMBODIA	Ouk Rabun	—
CAMEROON	Clémentine Ananga Messina	Dominique Awono Essama
CANADA	Diane Jacovella	Cheryl Urban <i>(January – December 2015)</i>
		Michel Gagnon <i>(December 2015 –)</i>
CENTRAL AFRICAN REPUBLIC	David Banzoukou <i>(January – September 2015)</i>	Mahamat Yacoub Taïb
	Théotime Soule Balouwe <i>(September – November 2015)</i>	
	Marie-Noëlle Koyara <i>(November 2015 –)</i>	
CHAD	Amane Rosine Baïwong Djibergui	Lagnaba Kakiang
CHILE	Luis Fernando Ayala González	—
CHINA	Shi Yaobin	Yang Shaolin
COLOMBIA	Juan Sebastián Betancur Escobar	Adriana Isabel Vivas Rosero
COMOROS	Abdou Nassur Madi <i>(January – July 2015)</i>	Mohamed Ali Soilihi
	Siti Kassim <i>(July 2015 –)</i>	
CONGO	Rigobert Maboundou	Mamadou Kamara Dekamo
COOK ISLANDS	—	—
COSTA RICA	— <i>(January 2015)</i>	— <i>(January 2015)</i>
	Marco Vinicio Vargas Pereira <i>(February 2015 –)</i>	Estela Blanco Solís <i>(February – August 2015)</i>
		— <i>(August – October 2015)</i>
		Miguel Ángel Obregón López <i>(October 2015 –)</i>

CROATIA	Damir Grubiša	—
CUBA	Rodrigo Malmierca Díaz	Alba Beatriz Soto Pimentel
CYPRUS	George F. Poulides	Spyridon Ellinas
CÔTE D'IVOIRE	—	—
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	Kim Chun Guk	—
DEMOCRATIC REPUBLIC OF THE CONGO	— <i>(January 2015)</i>	Hubert Ali Ramazani
	Isidore Kabwe Mwewu Longo <i>(February – November 2015)</i>	
	Emile Christophe Mota Ndongo Kang <i>(November 2015 –)</i>	
DENMARK	Morten Jespersen	Vibeke Gram Mortensen
DJIBOUTI	Mohamed Ahmed Awaleh	—
DOMINICA	Matthew Walter	—
DOMINICAN REPUBLIC	Mario Arvelo Caamaño <i>(January – July 2015)</i>	Mario Arvelo Caamaño <i>(July 2015 –)</i>
	Antonio Vargas Hernández <i>(July 2015 –)</i>	
ECUADOR	— <i>(January – May 2015)</i>	Javier Ponce Cevallos
	Fausto Eduardo Herrera Nicolalde <i>(May 2015 –)</i>	
EGYPT	Adel Tawfek El-Beltagy <i>(January – March 2015)</i>	Amr Mostafa Kamal Helmy
	Salah El Din Helal <i>(March – September 2015)</i>	
	Essam Osman Fayed <i>(September 2015 –)</i>	
EL SALVADOR	Aida Luz Santos de Escobar <i>(January – August 2015)</i>	María Eulalia Jiménez Zepeda

	— (August 2015 -)	
EQUATORIAL GUINEA	Alfredo Mitogo Mitogo Ada (January - May 2015)	Salomón Nfa Ndong
	Francisco Mba Olo Bahamonde (May 2015 -)	
ERITREA	Arefaine Berhe	Fessehazion Pietros
ESTONIA	Ruve Šank	Siim Tiidemann
ETHIOPIA	Tefera Derbew	Gessese Mulugeta Alemseged
FIJI	Inia Batikoto Seruiratu	Joeli Cawaki
FINLAND	Anne Sipiläinen (January - October 2015)	Riikka Laatu
	Elina Kalkku (October 2015 -)	
FRANCE	Anthony Requin (January - May 2015)	—
	Guillaume Chabert (May 2015 -)	
GABON	Luc Oyoubi (January - September 2015)	Rachelle Ewomba-Jocktane
	Mathieu Mboumba Nziengui (September 2015 -)	
GAMBIA (THE)	Solomon Owens (January - July 2015)	Lang Yabou
	— (July - August 2015)	
	Ousman Jammeh (August 2015 -)	
GEORGIA	Otar Danelia	Karlo Sikharulidze
GERMANY	Peter Failer	—
GHANA	Fifi Fiavi Franklin Kwetey	Molly Anim Addo
GREECE	Themistoklis Demiris	Nike Ekaterini Koutrakou (January - April 2015)

		Alexios Marios Lyberopoulos (April 2015 –)
GRENADA	Roland Bhola	—
GUATEMALA	Stephanie Hochstetter Skinner- Klée	Sylvia Wohlers de Meie
GUINEA	Jacqueline Sultan	— (January - May 2015)
		Mohamed Chérif Diallo (May 2015 –)
GUINEA-BISSAU	—	—
GUYANA	Leslie Ramsammy (January – August 2015)	George Jervis
	Noel Holder (August 2015 –)	
HAITI	— (January 2015)	—
	Wilson Laleau (February 2015 –)	
HONDURAS	Jacobo Páz Bodden	—
HUNGARY	—	Zoltán Kálmán
ICELAND	María Erla Marelsdóttir	Hermann Örn Ingólfsson (January 2015)
		Jón Erlingur Jónasson (February – April 2015)
		Auðbjörg Halldórsdóttir (April 2015 –)
INDIA	Rajiv Mehrishi (January – September 2015)	Dinesh Sharma
	Shaktikanta Das (September 2015 –)	
INDONESIA	Bambang Brodjonegoro (January 2015)	Lukita Dinarsyah Tuwo (January – November 2015)

	Andin Hadiyanto (February 2015 –)	— (November 2015 –)
IRAN (ISLAMIC REPUBLIC OF)	Peiman Seadat	—
IRAQ	Falah Hassan Zeidan	Saywan Sabir Mustafa Barzani
IRELAND	Bobby McDonagh	Damien Kelly
ISRAEL	—	—
ITALY	Enrico Morando	—
JAMAICA	— (January 2015)	Donovan Stanberry (January 2015)
	Derrick Kellier (February 2015 –)	Wayne McCook (February 2015 –)
JAPAN	Kazuyoshi Umemoto	Masanori Yoshida (January – October 2015)
		Kenji Okamura (October 2015 –)
JORDAN	Ibrahim Saif (January – March 2015)	Radi Al-Tarawneh
	Imad Fakhoury (March 2015 –)	
KAZAKHSTAN	Yermek Kosherbayev	Dina Sattybayeva
KENYA	Felix Kiptarus Koskei	Josephine Wangari Gaita
KIRIBATI	Tiarite George Kwong	Manikaoti Timeon (January 2015)
		Timi Kaiekieki (February 2015 –)
KUWAIT	Anas K. Al-Saleh	Hesham I. Al-Waqayan
KYRGYZSTAN	—	—
LAO PEOPLE'S DEMOCRATIC REPUBLIC	Liane Thykeo	—
LEBANON	Gloria Abouzeid	Rania Khalil Zarzour

LESOTHO	Lits'oane Simon Lits'oane <i>(January – May 2015)</i>	Mathoriso Molumeli
	'Mapalesa Mothokho <i>(May 2015 –)</i>	
LIBERIA	Florence Chenoweth <i>(January – December 2015)</i>	Peter Korvah
	Moses Zinnah <i>(December 2015 –)</i>	
LIBYA	—	—
LUXEMBOURG	Romain Schneider	Manuel Tonnar
MADAGASCAR	Ravatomanga Rolland	—
MALAWI	Jermoth Ulemu Chilapondwa	Jeffrey H. Luhanga
MALAYSIA	— <i>(January 2015)</i>	— <i>(January 2015)</i>
	Mohd Irwan Serigar Bin Abdullah <i>(February 2015 –)</i>	Halimah Abdullah <i>(February – June 2015)</i>
		— <i>(June – September 2015)</i>
		Abdul Samad Othman <i>(September 2015 –)</i>
MALDIVES	Mohamed Shainee	Abdulla Nashid
MALI	Bokary Treta	— <i>(January 2015)</i>
		Bruno Maïga <i>(February 2015 –)</i>
MALTA	Justin Zahra	Stefan Cachia
MARSHALL ISLANDS	—	—
MAURITANIA	Sidi Ould Tah <i>(January – October 2015)</i>	Marièm Aouffa
	Sid Ahmed Rais <i>(October 2015 –)</i>	

MAURITIUS	Mahen Kumar Seeruttun	Tej Asha Mudhoo (January – May 2015)
		Pushpawant Boodhun (May 2015 –)
MEXICO	Miguel Ruiz Cabañas Izquierdo (January – September 2015)	—
	— (September 2015 –)	
MICRONESIA (FEDERATED STATES OF)	— (February – July 2015)	— (February – July 2015)
	Marion Henry (July 2015 –)	Alissa Takesy (July 2015 –)
MONGOLIA	Sharavdorj Tuvdendorj (January – March 2015)	Shijeekhuu Odonbaatar
	Radnaa Burmaa (March 2015 –)	
MONTENEGRO	— (February – August 2015)	— (February – August 2015)
	Petar Ivanović (August 2015 –)	Nataša Božović (August 2015 –)
MOROCCO	— (January – November 2015)	Ali Lamrani (January – November 2015)
	Mohammed Sadiki (November 2015 –)	Mohamed El Gholabzouri (November 2015 –)
MOZAMBIQUE	Aiuba Cuereneia (January 2015)	Waldemar Fernando de Sousa
	Adriano Afonso Maleiane (February 2015 –)	
MYANMAR	Hlaing Myint	Myint Naung
NAMIBIA	John Mutorwa	Petrus N. Iilonga
NAURU	Elkoga Gadabu (January 2015 – December 2015)	Michael Aroi
	Sasi Kumar (December 2015 –)	

NEPAL	Hari Prasad Parajuli <i>(January – August 2015)</i>	Jaya Mukunda Khanal <i>(January – August 2015)</i>
	Bam Dev Gautam <i>(August – December 2015)</i>	Uttam Kumar Bhattarai <i>(August 2015 –)</i>
	Haribol Prasad Gajurel <i>(December 2015 –)</i>	
NETHERLANDS	Lilianne Ploumen	Gerda Verburg
NEW ZEALAND	— <i>(January 2015)</i>	Anthe Crawley
	Patrick John Rata <i>(February 2015 –)</i>	
NICARAGUA	Mónica Robelo Raffone	—
NIGER	Maïdagi Allambeye	Amadou Touré <i>(January – November 2015)</i>
		— <i>(November 2015 –)</i>
NIGERIA	Akinwumi A. Adesina <i>(January – June 2015)</i>	—
	— <i>(June 2015 –)</i>	
NIUE	—	—
NORWAY	Leni Stenseth	Mariann Murvoll
OMAN	Isshaq Al-Roqqeishy	—
PAKISTAN	Sikandar Hayat Khan Bosan	Muhammad Saleem Sethi
PALAU	— <i>(February – August 2015)</i>	— <i>(February – August 2015)</i>
	Fleming Umich Sengebau <i>(August 2015 –)</i>	Secilil Eldebechel <i>(August 2015 –)</i>
PANAMA	Dulcideo de La Guardia	Iván Alexei Zarak Arias
PAPUA NEW GUINEA	Patrick Pruaitch	Simon Tosali <i>(January 2015)</i>
		Dairi Vele <i>(February 2015 –)</i>

PARAGUAY	Santiago Peña Palacios	Pedro Daniel Correa Ramírez
PERU	— <i>(January – June 2015)</i>	—
	Eda Adriana Rivas Franchini <i>(June 2015 –)</i>	
PHILIPPINES	Cesar V. Purisima	—
PORTUGAL	Cláudia Isabel Anacleto Pereira da Costa de Cerca Coelho	Rosa Maria Fernandes Lourenço Caetano
QATAR	— <i>(January – May 2015)</i>	—
	Abdulaziz Ahmed Al Malki Al-Jehani <i>(May 2015 –)</i>	
REPUBLIC OF KOREA	Bae Jae Hyun <i>(January – May 2015)</i>	Lee Eun Jeong
	— <i>(May – June 2015)</i>	
	Lee Yong-joon <i>(June 2015 –)</i>	
REPUBLIC OF MOLDOVA	Viorel Gutu <i>(January 2015)</i>	Elena Matveeva
	Vlad Loghin <i>(February 2015 –)</i>	
ROMANIA	Achim Irimescu <i>(January – December 2015)</i>	Dana Manuela Constantinescu
	— <i>(December 2015 –)</i>	
RUSSIAN FEDERATION	Andrey Bokarev	Vladimir Kuznetsov
RWANDA	Géraldine Mukeshimana	—
SAINT KITTS AND NEVIS	Nigel Alexis Carty <i>(January – August 2015)</i>	Ashton Stanley
	Eugene Alistair Hamilton <i>(August 2015 –)</i>	
SAINT LUCIA	Moses Jn Baptiste	Hurbert Emmanuel

SAINT VINCENT AND THE GRENADINES	—	—
SAMOA	Faumuina Tiatia Liuga	Tialavea F.T. Seigafolava Hunt
SAO TOME AND PRINCIPE	Américo D'Oliveira Ramos	Teodorico De Campos
SAUDI ARABIA	— <i>(January – April 2015)</i>	Sulaiman al-Turki
	Abdulrahman bin Abdulmohsen Al-Fadhli <i>(April 2015 –)</i>	
SENEGAL	Papa Abdoulaye Seck	Seynabou Badiane <i>(January – April 2015)</i>
		— <i>(April – June 2015)</i>
		Mamadou Saliou Diouf <i>(June 2015 –)</i>
SEYCHELLES	Bernard Francis Shamlaye	—
SIERRA LEONE	Joseph Sam Sesay	Jongopie Siaka Stevens
SOLOMON ISLANDS	—	—
SOMALIA	Abdi Ahmed Mohamed <i>(January 2015)</i>	Ibrahim Hagi Abdulkadir
	Ahmed Hassan Gabobe <i>(February 2015 –)</i>	
SOUTH AFRICA	Nomatemba Tambo	Marc Jürgens <i>(January – September 2015)</i>
		— <i>(September 2015 –)</i>
SOUTH SUDAN	Beda Deng Machar	—
SPAIN	Francisco Javier Elorza Cavengt	Vicente Canelles Montero
SRI LANKA	Nawalage Bennet Cooray <i>(January – March 2015)</i>	Dolugala Watte Jinadasa
	— <i>(March 2015 –)</i>	

SUDAN	Ibrahim Mahmoud Hamed <i>(January – November 2015)</i>	Majdi Hassan Mohamed Yasin
	Ibrahim Adam Ahmed Al-Dukheri <i>(November 2015 –)</i>	
SURINAME	Jaswant Sahtoe	Christopher Wilfred <i>(January 2015 – December 2015)</i>
		— <i>(December 2015 –)</i>
SWAZILAND	Moses Vilakati	Bongani S. Masuku
SWEDEN	Ulrika Modéer	Per Örnéus
SWITZERLAND	Pio Wennubst	Daniel Birchmeier
SYRIAN ARAB REPUBLIC	Ahmad Fateh Al-Qadery	—
TAJIKISTAN	Sulton Valiev <i>(January – November 2015)</i>	—
	Davlatali Hotamov <i>(November 2015 –)</i>	
THAILAND	Chavalit Chookajorn <i>(January – September 2015)</i>	Sompong Nimchuar
	Theerapat Prayurasiddhi <i>(September 2015 –)</i>	
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	—	—
TIMOR-LESTE	Mariano Assanami Sabino <i>(January – March 2015)</i>	—
	Estanislau da Silva <i>(March 2015 –)</i>	
TOGO	Ouro Koura Agadazi	Akla-Esso M'Baw Arokoum
TONGA	—	—
TRINIDAD AND TOBAGO	Devant Maharaj	John C.E. Sandy <i>(January – October 2015)</i>
		— <i>(October 2015 –)</i>

TUNISIA	— (January 2015)	— (January – May 2015)
	Yassine Brahim (February – May 2015)	Saad Seddik (May 2015 –)
	Yassine Brahim (May 2015 –)	
TURKEY	Mehmet Mehdi Eker (January – September 2015)	Aydin Adnan Sezgin
	Kutbettin Arzu (September – November 2015)	
	Faruk Çelik (November 2015 –)	
TUVALU	—	—
UGANDA	Maria Kiwanuka (January – March 2015)	—
	— (March 2015 –)	
UNITED ARAB EMIRATES	Obeid Humaid Al Tayer	Younis Haji Al Khouri
UNITED KINGDOM	Neil Briscoe (January – November 2015)	Elizabeth Nasskau
	— (November 2015 –)	
UNITED REPUBLIC OF TANZANIA	Christopher Chiza (January 2015)	James Alex Msekela
	Stephen Masato Wasira (February 2015 –)	
UNITED STATES	Jacob J. Lew	—
URUGUAY	— (January – October 2015)	—
	Gastón Alfonso Lasarte Burghi (October 2015 –)	
UZBEKISTAN	Ravshan Usmanov	Yashin Khidirov

VANUATU	Howard Aru	— (January – June 2015)
		Esra Tekon Tumukon (June 2015 –)
VENEZUELA (BOLIVARIAN REPUBLIC OF)	Simón A. Zerpa Delgado	Gladys Francisca Urbaneja Durán (January – August 2015)
		Elías Rafael Eljuri Abraham (August 2015 –)
VIET NAM	Truong Chi Trung	Nguyen Thanh Do
YEMEN	Farid Ahmed Mujawar (January – November 2015)	—
	Ahmed Ahmed Al-Maisari (November 2015 –)	
ZAMBIA	—	—
ZIMBABWE	Joseph M. Made	—

**LIST OF EXECUTIVE BOARD REPRESENTATIVES
As of 31 December 2015⁶**

MEMBER

ALTERNATE MEMBER

List A

CANADA	Michael Christian Gort <i>(January - August 2015)</i>	IRELAND	— <i>(March 2015)</i>
	Karen Garner <i>(August 2015 -)</i>		Earnán O'Cléirigh <i>(April 2015 -)</i>
FRANCE	Martin Landais	BELGIUM	Guy Beringhs
GERMANY	Otmar Greiff	SWITZERLAND	Christina E. Grieder <i>(January - August 2015)</i>
			— <i>(August - November 2015)</i>
			Liliane Ortega <i>(November 2015 -)</i>
ITALY	Adolfo Di Carluccio	AUSTRIA	Wolfgang Müller <i>(March - August 2015)</i>
			Seena Garcia <i>(August 2015 -)</i>
JAPAN	Osamu Kubota	DENMARK	Vibeke Gram Mortensen
NETHERLANDS	Wierish Ramsoekh	UNITED KINGDOM	Elizabeth Nasskau
SWEDEN	Erik Jonsson <i>(January - August 2015)</i>	NORWAY	Jostein Leiro <i>(January - September 2015)</i>
	— <i>(August - November 2015)</i>		Inge Nordang <i>(September 2015 -)</i>
	Victoria Jacobsson <i>(November 2015 -)</i>		
UNITED STATES	— <i>(January - September 2015)</i>	SPAIN	Francisco Capote <i>(January - August 2015)</i>
	John Hurley <i>(September 2015 -)</i>		Juan Claudio de Ramón Jacob-Ernest

⁶ Dates in parentheses indicate what period the Representative served within the year. Where no date is given, this indicates that the Representative served for the entire year.

(August 2015 -)

List B

KUWAIT	Yousef Ghazi Al-Bader	UNITED ARAB EMIRATES	Yousuf Mohammed Bin Hajar
NIGERIA	Yaya O. Olaniran	QATAR	—
SAUDI ARABIA	Bandar bin Abdel Mohsin Al-Shalhoob	INDONESIA	Hari Priyono
VENEZUELA (BOLIVARIAN REPUBLIC OF)	Patricia Febles Montes (January - July 2015) Vanessa Rowena Avendaño (July 2015 -)	ALGERIA	Nourdine Lasmi

List C

Sub-List C1

ANGOLA	Carlos Alberto Amaral	KENYA	— (March - August 2015) Fabian Muya (August 2015 -)
LIBERIA	— (March - December 2015) Mohammed S.L. Sheriff (December 2015 -)	EGYPT	Abdelbaset Ahmed Aly Shalaby

List C2

CHINA	Zhang Zhengwei	PAKISTAN	—
INDIA	Tarun Bajaj (January - July 2015) Raj Kumar (July 2015 -)	REPUBLIC OF KOREA	Lee Eun Jeong

Sub-List C3

BRAZIL	Benvindo Belluco (January - August 2015) — (August - December 2015) Rafael Ranieri	ARGENTINA	Gustavo O. Infante (January - August 2015) Claudio Javier Rozencwaig (August 2015 -)
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(December 2015 - current)

MEXICO

Miguel Ruiz Cabañas
Izquierdo
*(January - September
2015)*

—
(September 2015 -)

**DOMINICAN
REPUBLIC**

—
(March - April 2015)

Antonio Vargas Hernández
(April 2015 -)

PUBLICATIONS IN 2015⁷

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

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

Technical publications and papers

Climate change

- Climate change risk assessments in value chain projects: How to do note
- Fisheries, aquaculture and climate change: How to do note
- Mainstreaming portable biogas systems into IFAD-supported projects: How to do note
- Measuring climate resilience: How to do note
- Adaptation for Smallholder Agriculture Programme (ASAP). Progress review
- Climate-smart agriculture rapid appraisal (CSA-RA). A prioritization tool for outscaling CSA: step-by-step guidelines
- The mitigation advantage. Maximizing the co-benefits of investing in smallholder adaptation initiatives
- The policy advantage. Enabling smallholders' adaptation priorities to be realized

Country-level policy engagement

- Côte d'Ivoire. Review of experience of the national rice strategy
- East African Community. Supporting public hearings on the East African Community Cooperative Societies Bill
- Indonesia. Policy study to add value to the project design process
- Lao People's Democratic Republic. Exchange on good practices for public policy consultations
- Mexico. Supporting design of a national programme as a policy solution for reducing rural poverty
- Tajikistan. Exchange on good practices for public policy consultations

Economic and financial analysis

- IFAD's internal guidelines: Economic and financial analysis of rural investment projects. Volume 1. Basic concepts and rationale

Gender

- Beijing+20: IFAD's work to empower rural women
- Gender and rural development briefs:
Mercosur (English | Spanish)
West and Central Africa (English | French)
- Changing lives through IFAD water investments. A gender perspective
- Promoting the leadership of women in producers' organizations: Lessons from the experiences of FAO and IFAD

Inclusive financial services

- Youth access to rural finance: Inclusive rural financial services toolkit: Teaser | How to do note | Lessons learned

Land tenure

- Land tenure security and poverty reduction – factsheet

⁷ All publications are in the title language, unless otherwise indicated.

Nutrition

- Integrated homestead food production (IHFP). Food security and nutrition toolkit: Teaser | How to do note | Lessons learned

Partnerships

- A partnership for inclusive rural development – Japan and the International Fund for Agricultural Development (IFAD)

Remittances

- Baseline survey on the use of rural post offices for remittances in Africa (English | French)
- African Conference on Remittances and Postal Networks. Official report (English | French)
- Sending money home. European flows and markets (English | French)

Remote sensing

- Remote sensing for index insurance: Findings and lessons so far

Resource mobilization

- Emerging trends in mobilizing concessional resources for international financial institutions. Synthesis report of the roundtable discussion 11-12 May 2015

Rural institutions

- Delivering public, private and semi-private goods: Institutional issues and implementation arrangements
- Effective project management arrangements for agricultural projects: A synthesis of selected case studies and quantitative analysis
- Seeking free, prior and informed consent in IFAD investment projects: How to do note

Rural transformation

- A new generation of rural transformation. IFAD in Latin America and the Caribbean (English| French |Portuguese |Spanish)

Scaling up

- Thematic scaling up notes:
 - Scaling up results: overview
 - Agricultural water management
 - Climate-resilient agricultural development
 - Gender equality and women's empowerment
 - Inclusive rural financial services
 - Land tenure security
 - Nutrition-sensitive agriculture and rural development
 - Smallholder livestock development
 - Supporting smallholder institutions and organizations
 - Sustainable inclusion of smallholders in agricultural value chains

Value chains

- Brokering development: enabling factors for public-private-producer partnerships in agricultural value chains
- Summaries of case studies: Ghana | Indonesia | Rwanda | Uganda

IFAD viewpoints

- The price of development and the cost of inaction

Policy publications

- Post-2015 implementation briefs (Arabic | English | French | Spanish)
 - Promoting partnerships for inclusive and sustainable rural transformation
 - Scaling up results for impact on inclusive and sustainable rural transformation
 - Policy engagement, research and knowledge for inclusive and sustainable rural transformation
 - Investing in rural people

IFAD Independent Office of Evaluation publications

- 2015 Annual Report on Results and Impact of IFAD Operations (ARRI): Report | Issues Paper | Profile
- Evaluation Manual, second edition
- **Corporate-level evaluations**
- IFAD's engagement in fragile and conflict-affected states and situations: Report Profile | Insights | Infographics
- Evaluation synthesis reports
- IFAD/FAO engagement with pastoral development 2003-2013 (jointly with the FAO Office of Evaluation) Report | Infographics
- IFAD's engagement with indigenous populations report | Infographics
- **Country programme evaluations**
- Bangladesh
- Plurinational State of Bolivia
- Brazil
- United Republic of Tanzania
- **Impact evaluations**
- India: Jharkhand-Chhattisgarh Tribal Development Programme Report | Profile | Infographics
- **Project performance assessments**
- Albania. Programme for Sustainable Development in Rural Mountain Areas
- Brazil. Gente de Valor – Rural Communities Development Project in the State of Bahia
- India. Livelihoods Improvement Project in the Himalayas
- Lao People's Democratic Republic. Rural Livelihoods Improvement Programme in Attapeu and Sayabouri
- Pakistan. Community Development Programme
- Rwanda. Support Project to the Strategic Plan for the Transformation of Agriculture Programme
- Turkey. Sivas-Erzincan Development Project

Periodical articles and other materials published by IFAD authors

- Delve, R. (IFAD) and Kaaria, S. (FAO). *Healthy soils for healthy nutrition*. World Farmers Organization (WFO) F@rmletters
- Felloni, F. and Somma, S. *Impact evaluations in rural development: Opportunities and challenges*. The emerging experience of IFAD's Independent Office of Evaluation. eVALUation Matters, second quarter 2015 Impact Evaluation – Insights from Practitioners. Quarterly knowledge publication from Independent Development Evaluation at the African Development Bank Group. Abidjan, Côte d'Ivoire: AfDB.
- Garcia, O. *Influential evaluations: Illustrations from multilateral development organizations*. eVALUation Matters, second quarter Evaluation Influence in Development Organizations, pp. 21-26. Quarterly knowledge publication from Independent Development Evaluation at the African Development Bank Group. Abidjan, Côte d'Ivoire: AfDB.
- Gerli, B. *Participation without representation: Why do we need women leaders in agriculture?* Eccellenze Italiane, 9/10 (2015 EXPO special issue): 110-113.
- Hussein, K. Implications for urbanisation for agricultural value chains and markets in sub-Saharan Africa: A review. *Agriculture for Development*, 25: 23-26.
- Maldonado, J.H, Gómez, J.A. and Rosada, T. Rural development programmes and conditional cash transfers: examining synergistic effects in Latin America. *Policy in Focus*, 12(2): 30-32.
- Maldonado, J.H. and Rosada, T. Conclusiones. In: J.H. Maldonado, R. del Pilar Moreno-Sánchez, J.A. Gómez and V.L. Jurado, eds. *Protección, Producción,*

- Promoción: Explorando Sinergias entre Protección Social y Fomento Productivo en Latinoamérica*, pp. 493–508. Bogota, Colombia: Ediciones Uniandes.
- Nwanze, K.F. *After Ebola: Why rural development matters in a time of crisis*. Huffington Post, 26 January 2015.
- Nwanze, K.F. *Empowering families to finance development with remittances and diaspora savings*. Brookings Institution Future Development Economics to End Poverty, 8 July 2015. (blog)
- Nwanze, K.F. *It's not just about the money: To change the world we must change ourselves*. The Times of Africa, 13 July 2015. (Republished in Farmer's Weekly, The World Post, allAfrica, The Namibian, Afropages, Thomson Reuters Foundation, Uncova, Daily Monitor, African Business, Africa News Hub, Graphic Online, The Guardian Nigeria, Informer East Africa, Ghana Business News, Jeune Afrique.)
- Nwanze, K.F. *La sécurité alimentaire doit être une priorité centrale pour la COP21*. Joint op-ed with S. Le Foll, French Minister of Agriculture. Huffington Post, 27 November 2015.
- Nwanze, K.F. *Let financing for development start on the farm*. Farming First, 3 July 2015.
- Nwanze, K.F. *Mapping the way to Zero Hunger*, coauthored with J.G. da Silva, Director-General of FAO, and E. Cousin, Executive Director of WFP. Food Tank, 29 May 2015.
- Nwanze, K.F. *Money doesn't always talk: Africa needs much more than just resources and money*. New African, 553. (question and answer session)
- Nwanze, K.F. *Partner to feed the planet*. BRICS Magazine, 6(10).
- Nwanze, K.F. *Remittances can give migrants a better chance at home*. Reuters' Remittances Gateway, June 2015.
- Nwanze, K.F. *Smallholders: a big opportunity*. G7G20 Insights, 10 June 2015.
- Nwanze, K.F. *Sustaining our farmers*. Cairo Review of Global Affairs, 18.
- Nwanze, K.F. *The price of development and the cost of inaction*. Huffington Post, 15 April 2015.
- Nwanze, K.F. *The world can reap the benefits of investing in rural communities*. The National, 1 March 2015.
- Nwanze, K.F. *Will Africa's growth help Africa's people?* Harvard Business Review, 16 July 2015 (revised version of It's Not Just about the Money, published in The Times of Africa, 13 July 2015).
- Nwanze, K.F. *Food System Transformation Goes Beyond the Farm. Rethinking the Rural-Urban Dichotomy*. In: African Farmers in the Digital Age. Foreign Affairs/Bill & Melinda Gates Foundation (forthcoming).
- Ssendiwalwa, E., Nzioki, A. et al. *Youth and Agricultural Productivity in Sub-Saharan Africa*. In: *Africa Agriculture Status Report 2015: Youth in Agriculture in Sub-Saharan Africa*, pp. 36-61. Nairobi: Alliance for a Green Revolution in Africa (AGRA).
- Stubbs, J. *Small business finance*. *Law in Transition Journal*, 2015: 18-19.

Joint and external publications with IFAD involvement

- ACUA. *Fortalecimiento y Desarrollo Rural Integral de Los Afrocolombianos*. Fundación Activos Culturales Afro.
- AFD, CTA and IFAD. *Study on appropriate warehousing and collateral management systems in Sub-Saharan Africa*. Volume I – Key findings. French Development Agency (AFD), Technical Centre for Agricultural and Rural Cooperation (CTA) of the African, Caribbean and Pacific Group of States and the European Union, and IFAD.
- AFD, CTA and IFAD. *Study on appropriate warehousing and collateral management systems in Sub-Saharan Africa*. Volume II – Technical country reports. French Development Agency (AFD), Technical Centre for Agricultural and Rural Cooperation (CTA) of the African, Caribbean and Pacific Group of States and the European Union, and IFAD.
- AFD, CTA and IFAD. *Study on appropriate warehousing and collateral management systems in Sub-Saharan Africa*. Volume III – Review of applicable laws. French Development

- Agency (AFD), Technical Centre for Agricultural and Rural Cooperation (CTA) of the African, Caribbean and Pacific Group of States and the European Union, and IFAD.
- African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank Group, IFAD, Islamic Development Bank Group and World Bank Group. *The common performance assessment system of the multilateral development banks: Reporting by indicator, COMPAS indicators 2013-2014*. Rome: IFAD.
- Ágreda, R.F. *Malla curricular para el certificado de formación de líderes y lideresas del agro*. Document No. 145, Grupo de Trabajo: Impactos a Gran Escala. Santiago, Chile: Latin American Centre for Rural Development (RIMISP).
- Aldana, Ú. and Vásquez, T. El impacto del proyecto Sierra Sur en la población beneficiaria de Juntos. *Economía y Sociedad*, 86: 20-25.
- Breisinger, C. Ecker, O. and Trinh Tan, J.-F. 2015. Conflict and food insecurity: How do we break the links? In: 2014-2015 *Global Food Policy Report*, chapter 7, pp. 51-59. Washington, D.C.: International Food Policy Research Institute (IFPRI).
- de la Mora, D. and Ruiz, A.J. *Documento final de diagnóstico comisión de derechos humanos del grupo de diálogo rural México*. Document No. 162, Grupo de Trabajo: Desarrollo con Cohesión Territorial. Santiago, Chile: RIMISP.
- FAO. Peru: *Estrategia Nacional de Agricultura Familiar 2015-2021*. Lima, Peru: Rome, FAO.
- FAO, World Bank and IFAD. Gender in climate-smart agriculture. In: FAO, World Bank and IFAD, *Gender in Agriculture Sourcebook*, module 18. Rome and Washington, D.C.
- Gómez, L. and Rodríguez, T. *Informe de evaluación intermedia grupo de diálogo rural El Salvador*. Documento de Trabajo No. 5, Serie Informes de Evaluación. Santiago, Chile: RIMISP.
- IASS. Pro-poor resource governance under changing climates: *Addressing rural vulnerabilities in rural Bangladesh, Bolivia, Brazil, Burkina Faso, Ecuador and India*, edited by M.A. Zanella, J. Rosendahl and J. Weigelt. Institute for Advanced Sustainability Studies (IASS), Potsdam, Germany/IFAD, Rome.
- IFAD MERCOSUR CLAEH Program. *From vision to action. IFAD's contribution to the institutionalization and political visibility of family farming in the expanded Mercosur 2000-2014*. La Pampa, Argentina: IFAD and Southern Common Market (MERCOSUR) Latin American Centre for Human Economy (CLEAH) Program.
- IFAD and the World Bank. *The use of remittances and financial inclusion*. Rome: IFAD.
- IPC-IG. *Atlas da extrema pobreza no Norte e Nordeste do Brasil em 2010: População residente em domicílios agrícolas, pluriativos, rurais não agrícolas e urbanos não agrícolas*. Brasilia, Brazil: International Policy Centre for Inclusive Growth (IPC-IG).
- Labbé, J.F. *Informe de Evaluación Intermedia Grupo de Diálogo Rural Colombia*. Documento de Trabajo No. 4, Serie Informes de Evaluación. Santiago, Chile: RIMISP.
- Labbé, J.F. *Informe de Evaluación Intermedia Grupo de Diálogo Rural Ecuador*. Documento de Trabajo No. 6, Serie Informes de Evaluación. Santiago, Chile: RIMISP.
- Mattern, M. and Tarazi, M. *Designing digital financial services for smallholder families: Lessons from Zimbabwe, Senegal, Rwanda, and Cambodia*. Washington, D.C.: Consultative Group to Assist the Poor (CGAP).
- Montes de Oca, R.E. and Brown, C. *Documento final de diagnóstico comisión de protección social del grupo de diálogo rural México*. Document No. 160, Grupo de Trabajo: Desarrollo con Cohesión Territorial. Santiago, Chile: RIMISP.
- Navas, C. *Derecho a la tierra y empoderamiento económico de las mujeres rurales en El Salvador*. Document No. 146, Grupo de Trabajo: Desarrollo con Cohesión Territorial. Santiago, Chile: RIMISP.
- Robles, H. and González, I. *Documento final de diagnóstico comisión de presupuesto y diseño institucional del grupo de diálogo rural México*. Document No. 161, Grupo de Trabajo: Desarrollo con Cohesión Territorial. Santiago, Chile: RIMISP.

Thierry, B. *Regenerating forests and livelihoods in Nepal: a new lease on life. Unfolding the experience of 20 years of poverty alleviation through leasehold forestry in the Himalayas*. Wallingford, UK: CABI, with FAO and IFAD.

Thorpe, J. and Maestre, M. *Brokering development: Enabling factors for public-private-producer partnerships in agricultural value chains*. Institute of Development Studies (IDS) and IFAD.

UN Women, African Union, FAO, IFAD and WFP. *Technologies for rural women in Africa: Policy brief*.

Valverde, I. Documento final de diagnóstico comisión de mercados agrícolas del grupo de diálogo rural México. Document No. 163, Grupo de Trabajo: Desarrollo con Cohesión Territorial. Santiago, Chile: RIMISP.

Communication materials

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

The **Image Bank** shows the many faces of rural life in the developing world.

<http://photos.ifad.org/asset-bank/action/viewHome>

The **Newsroom** issues the latest releases on our work.

<http://www.ifad.org/media/index.htm>

The IFAD **social reporting blog** keeps up to date with events and developments taking place in the field and at headquarters.

<http://ifad-un.blogspot.com>

Our **stories** feature successful projects with a human face.

<http://www.ifad.org/story/index.htm>

Our **videos** document successes and activities we support around the world.

<http://www.youtube.com/IFADTV>

And there is more on our **documents and publications** webpage.

<http://www.ifad.org/pub/index.htm>

Consolidated financial statements

For the year ended 31 December 2015*

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

* As submitted for endorsement to the 117th session of the Executive Board in April 2016 for further submission to the 40th session of the Governing Council for approval in accordance with regulation XII(6) of the Financial Regulations of IFAD.

Consolidated and IFAD-only balance sheet*

As at 31 December 2015 and 2014

(Thousands of United States dollars)

<i>Assets</i>	<i>Consolidated</i>		<i>IFAD-only</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Cash on hand and in banks (note 4)	325 582	202 256	131 299	82 497
Investment at amortized cost	466 665	702 901	211 711	280 231
Investment at fair value	1 267 133	1 403 002	1 182 151	1 327 630
Investments (note 4)	1 733 798	2 105 903	1 393 862	1 607 861
Contributors' promissory notes (note 5)	402 250	481 649	211 392	284 038
Contributions receivable (note 5)	969 784	568 823	618 384	226 684
Less: qualified contribution receivables	(5 912)	(35 913)	(5 912)	(35 913)
Less: provisions (note 6)	(168 446)	(168 448)	(168 446)	(168 448)
Net contribution and promissory notes receivables	1 197 676	846 111	655 419	306 361
Other receivables (note 7)	14 807	15 342	151 089	148 744
Fixed and intangible assets (note 8)	11 027	11 920	11 027	11 920
Loans outstanding (note 9 and appendix H)	5 165 155	5 076 967	5 082 323	5 035 678
Less: accumulated allowance for loan impairment losses (note 9(a))	(4 557)	(4 386)	(4 557)	(4 386)
Less: accumulated allowance for the Heavily Indebted Poor Countries (HIPC) Debt Initiative (note 11(b) and appendix I)	(19 074)	(25 684)	(19 074)	(25 684)
Net loans outstanding	5 141 524	5 046 897	5 058 692	5 005 608
Total assets	8 424 414	8 228 429	7 401 388	7 162 991
<i>Liabilities and equity</i>	<i>Consolidated</i>		<i>IFAD-only</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Liabilities				
Payables and liabilities (note 12)	162 418	176 605	171 319	187 754
Undisbursed grants (note 14)	449 518	383 724	66 428	73 533
Deferred revenues (note 13)	413 109	475 967	73 225	68 449
Borrowing liabilities (note 15)	474 101	347 413	162 948	0
Total liabilities	1 499 146	1 383 709	473 919	329 735
Equity				
Contributions				
Regular	7 876 873	7 252 518	7 876 873	7 252 518
Special	20 349	20 349	20 349	20 349
Total contributions **	7 897 222	7 272 867	7 897 222	7 272 867
General Reserve	95 000	95 000	95 000	95 000
Retained earnings	(1 066 954)	(523 147)	(1 064 754)	(534 611)
Total equity	6 925 268	6 844 720	6 927 468	6 833 255
Total liabilities and equity	8 424 414	8 228 429	7 401 388	7 162 991

* The accompanying notes in appendix D form an integral part of these Financial Statements.

** For further details see appendix G "Summary of contributions".

Consolidated statement of comprehensive income*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	2015	2014
Revenue		
Income from loans	57 937	52 241
Income/(losses) from cash and investments (note 17)	2 689	57 004
Income from other sources (note 18)	7 951	10 956
Income from contributions (note 19)	184 779	213 111
Total revenue	253 356	333 312
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(88 156)	(94 680)
Office and general expenses	(36 393)	(38 049)
Consultants and other non-staff costs	(38 417)	(42 185)
Cooperating institutions	(1 639)	(2 539)
Direct bank and investment costs (note 24)	(2 653)	(3 181)
Subtotal operating expenses	(167 258)	(180 634)
Loan interest expenditures	(2 749)	(2 051)
Reversal/(allowance) for loan impairment losses (note 9(a))	20 130	(3 511)
Debt Initiative for HIPC income/(expenses) (note 26)	(7 893)	(8 594)
Grant expenses (note 22)	(213 794)	(248 466)
Debt Sustainability Framework (DSF) expenses (note 23)	(125 586)	(157 342)
Depreciation (note 8)	(1 815)	(1 799)
Total expenses	(498 965)	(602 397)
(Deficit) before fair value and foreign exchange adjustments	(245 609)	(269 085)
Adjustment for changes in fair value (note 25)	(31 102)	21 979
IFAD (losses)/gains from currency exchange movements (note 16)	(274 680)	(425 083)
Net profit or (loss)	(551 391)	(672 191)
Other comprehensive income/(loss):		
(Losses)/gains from currency exchange movements and retranslation of consolidated entities (note 16)	(15 218)	(21 498)
Change in provision for After-Service Medical Coverage Scheme (ASMCS) benefits (note 21)	21 188	(22 342)
Total other comprehensive (loss)/income	5 970	(43 841)
Total comprehensive (loss)/income	(545 421)	(716 032)

* The accompanying notes in appendix D form an integral part of these Financial Statements.

IFAD-only statement of comprehensive income*

For the years ended 31 December 2015 and 2014

(Thousands of United States dollars)

	2015	2014
Revenues		
Income from loans	57 373	52 007
Income /(losses) from cash and investments (note 17)	852	52 217
Income from other sources	9 724	18 046
Income from contributions (note 19)	2 661	2 874
Total revenues	70 610	125 144
Operating expenses (note 20)		
Staff salaries and benefits (note 21)	(85 167)	(92 188)
Office and general expenses	(34 608)	(36 159)
Consultants and other non-staff costs	(34 052)	(37 859)
Cooperating institutions	(1 352)	(2 211)
Direct bank and investment costs	(2 449)	(2 962)
Subtotal operating expenses	(157 628)	(171 379)
Loan interest expenditures	(1 717)	0
Reversal/(allowance) for loan impairment losses (note 9(a))	20 130	(3 511)
Debt Initiative for HIPC income/(expenses) (note 26)	(7 893)	(8 594)
Grant expenses (note 22)	(44 840)	(52 618)
DSF expenses (note 23)	(125 586)	(157 342)
Depreciation (note 8)	(1 815)	(1 799)
Total expenses	(319 349)	(395 243)
(Deficit) before fair value and foreign exchange adjustments	(248 737)	(270 099)
Adjustment for changes in fair value	(29 526)	22 709
IFAD (losses)/gains from currency exchange movements (note 16)	(274 680)	(425 083)
Net profit or (loss)	(552 943)	(672 473)
Other comprehensive income/(loss):		
Change in provision for ASMCS benefits (note 21)	21 188	(22 342)
Total other comprehensive (loss)/income	21 188	(22 342)
Total comprehensive (loss)/income	(531 755)	(694 815)

* The accompanying notes in appendix D form an integral part of these Financial Statements.

Consolidated statement of changes in retained earnings*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>Total retained earnings</i>
Retained earnings as at 31 December 2013	192 885
(Deficit) revenue over expenses	(672 191)
Total other comprehensive (loss)	(43 841)
Retained earnings as at 31 December 2014	(523 147)
(Deficit) revenue over expenses	(551 391)
Total other comprehensive income	5 970
DSF compensation	1 612
Retained earnings as at 31 December 2015	(1 066 954)

IFAD-only statement of changes in retained earnings*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>Total retained earnings</i>
Retained earnings as at 31 December 2013	160 204
(Deficit) revenue over expenses	(672 473)
Total other comprehensive (loss)	(22 342)
Retained earnings as at 31 December 2014	(534 611)
(Deficit) revenue over expenses	(552 943)
Total other comprehensive income	21 188
DSF compensation	1 612
Retained earnings as at 31 December 2015	(1 064 754)

* The accompanying notes in appendix D form an integral part of these Financial Statements.

Consolidated cash flow statement*

For the years ended 31 December 2015 and 2014
(Thousands of United States dollars)

	2015	2014
Cash flows from operating activities		
Interest received from loans IFAD	47 783	46 847
Interest received from loans other funds	481	171
Receipts for non-replenishment contributions	101 489	87 616
Miscellaneous (payments)/receipts	4 117	17 024
Payments for operating expenses and other payments	(191 916)	(165 684)
Grant disbursements (IFAD)	(48 204)	(56 159)
Grant disbursements (supplementary funds)	(78 835)	(95 832)
DSF disbursements	(125 586)	(157 342)
Transfer to restricted cash	3 934	641
Net cash flows generated from operating activities	(286 737)	(322 718)
Cash flows from investing activities		
Loan disbursements IFAD	(486 701)	(485 464)
Loan disbursements other funds	(50 346)	(29 731)
Loan principal repayments IFAD	226 652	224 541
Loan principal repayments other funds	1 293	0
Transfers from/(to) investments at amortized costs	236 754	12 601
Receipts from investments	8 975	50 551
Net cash used in investing activities	(63 373)	(227 502)
Cash flows from financing activities		
Receipts for replenishment contributions	287 024	372 369
Receipts of borrowed funds	168 764	0
Payments for trust fund borrowing	(3 668)	(1 902)
Net cash used in financing activities	452 120	370 467
Effects of exchange rate movements on cash and cash equivalents	(109 285)	(111 992)
Net (decrease) in unrestricted cash and cash equivalents	(7 275)	(291 745)
Unrestricted cash and cash equivalents at beginning of year	1 597 321	1 889 066
Unrestricted cash and cash equivalents at end of year	1 590 046	1 597 321
Composed of:		
Unrestricted cash	325 480	198 218
Unrestricted investments excluding held-to-maturity and payables control accounts	1 264 566	1 399 103
Cash and cash equivalents at end of year	1 590 046	1 597 321

* The accompanying notes in appendix D form an integral part of these Financial Statements.

Summary of information on other consolidated entities

As at 31 December 2015

(Millions of United States dollars)

	<i>HIPC</i>	<i>Haiti Debt Relief</i>	<i>ASMCS Trust Fund</i>	<i>Spanish Food Security Cofinancing Facility Trust Fund</i>	<i>Adaptation for Smallholder Agriculture Programme Trust Fund</i>	<i>Supplementary Funds</i>
Balance sheet						
Total assets	3.0	28.7	63.4	319.9	295.9	448.7
Total liabilities	15.1	30.1	71.8	311.2	296.7	453.3
Retained earnings	(12.1)	(1.4)	(8.4)	8.7	(0.8)	(4.6)
Statement of comprehensive income						
Total revenue	0	0	0.2	1.8	81.1	49.4
Total operating expenses	0	0	0.2	4.9	79.9	48.4
Net revenue less operating expenses	0	0	0	(3.1)	1.2	1.0
<i>Net cash flow</i>	(1.5)	2.5	(3.9)	(3.8)	75.8	14.9

Summary of information on other consolidated entities

As at 31 December 2014

(Millions of United States dollars)

	<i>HIPC</i>	<i>Haiti Debt Relief</i>	<i>ASMCS Trust Fund</i>	<i>Spanish Food Security Cofinancing Facility Trust Fund</i>	<i>Adaptation for Smallholder Agriculture Programme Trust Fund</i>	<i>Supplementary Funds</i>
Balance sheet						
Total assets	4.5	32.5	66.9	360.7	308.9	425.4
Total liabilities	10.9	33.2	71.3	347.5	311.7	426.3
Retained earnings	(6.4)	(0.7)	(4.4)	13.2	(2.8)	(0.9)
Statement of comprehensive income						
Total revenue	0	0	0.2	1.9	67.8	142.4
Total operating expenses	0	0	0.2	4.1	67.1	142.5
Net revenue less operating expenses	0	0	0	(2.2)	0.7	(0.1)
<i>Net cash flow</i>	(6.7)	0.2	(2.8)	4.9	(2.5)	(7.6)

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, intergovernmental organizations, non-governmental organizations and the private sector, including cofinancing. Financing from non-replenishment sources in the form of supplementary funds and human resources forms an integral part of IFAD's operational activities.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

(b) Area of consolidation

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

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

- Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund)
- Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund

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

Entities housed at IFAD. These entities do not form part of the core activities of the Fund and IFAD does not have the power of governing the related financial and operating policies. As such, they are not consolidated as they are not substantially controlled. These entities are the International Land Coalition (ILC) (formerly called the Popular Coalition to Eradicate Hunger and Poverty) and the High-Level Task Force (HLTF) (hosted until 31 March 2014).

(c) Translation and conversion of currencies

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

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

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

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

(d) Measurement of financial assets and liabilities

Financial assets and liabilities are measured and classified in the following categories: amortized cost or at fair value through profit and loss. The classification depends on the contractual cash flow characteristics (contractual terms give rise on unspecified dates to cash flows that are solely payments of principal and interest on the principal outstanding) and on the business model for their management (the intention or not to hold these financial assets and liabilities until their maturity). Financial assets and liabilities are accounted for at amortized cost only when the Fund's business model is to hold the assets/liabilities until maturity and collect the arising contractual cash flows (just principal and interest). All other financial assets and liabilities are accounted for at fair value through profit and loss.

• Equity

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

(i) Contributions (equity)

(a) Background to contributions

The contributions to the Fund by each Member when due are payable in freely convertible currencies, except in the case of Category III Members up to the end of the Third Replenishment period, which were permitted to pay contributions in their own currency whether or not it was freely convertible. Each

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contribution is to be made in cash or, to the extent that any part of the contribution is not needed immediately by the Fund in its operations, may be paid in the form of non-negotiable, irrevocable, non-interest-bearing promissory notes or obligations payable on demand.

A contribution to IFAD replenishment resources is recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures and which will be proportionally reduced upon fulfillment of those conditions. Amounts receivable from Member States as contributions and other receivables including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS 9.

(b) Provisions

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

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

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

In such cases, provisions will be set up.

(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, possible delinquencies in loan service payments or in the recovery of amounts due to the Fund from the investment of its liquid assets. It is also intended to cover the risk of over-commitment as a result of a decrease in the value of assets caused by fluctuations in the market value of investments.

The General Reserve is subject to a review at least every three years in order to assess its adequacy. The last such formal review was conducted in 2012. The Audit Committee agreed to conduct the next formal review in 2016 based on an interim assessment undertaken during 2015.

(iii) Retained earnings

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

(e) Loans

(i) Background to loans

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

All IFAD loans are approved and loan repayments and interest are payable in the currency specified in the loan agreement. Loans approved are disbursed to borrowers in accordance with the provisions of the loan agreement.

Currently, the lending terms of the Fund are as follows:

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

(ii) Loans to non-Member States

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

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

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

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

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

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

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

(iv) Measurement of loans

Loans are initially recognized at fair value on day one (based on disbursement to the borrower) and subsequently measured

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

(v) Accumulated allowance for impairment losses

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

(vi) Non-accrual status

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

(f) Investments

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

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

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

(i) Grants

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

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

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

(j) Debt Sustainability Framework (DSF)

Under the DSF, countries eligible for highly concessional lending receive financial assistance on a grant rather than a loan basis. Principal amounts forgone by IFAD are expected to be compensated on a pay-as-you-go basis (according to the underlying loan amortization schedule) by the Member States, while the interest is relinquished. In line with the accounting policy on Contributions-Equity DSF Principal compensation contribution will be recorded in full as equity and as receivable when a Member deposits an instrument of contribution, except for qualified instruments of contribution, which are subject to national appropriation measures that will be proportionally reduced upon fulfillment of those conditions. Amounts receivable from Member States as contributions and other receivables, including promissory notes, have been initially recognized in the balance sheet at their fair value through profit and loss in accordance with IFRS 9. Principal compensation will be negotiated during future replenishment consultations (see note 28 (b) on contingent assets). DSF financing is subject to IFAD's General Conditions for Agricultural Development Financing. DSF financing is implemented over an extended time-horizon and recognized as expenditure in the statement of comprehensive income in the period in which conditions for the release of funds to the recipient are met.

(k) Borrowing

Financial liability is accounted for at amortized costs.

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

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

Repayments of the loan by the Spanish Trust Fund to Spain will be aligned to the loan repayments received from borrowing countries over 45 years, with a five-year grace period.

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

Borrowing under the framework agreement with KfW Development Bank

At its 112th session, the Executive Board approved a framework agreement with KfW Development Bank for the granting of individual loans to IFAD. Subsequently, the KfW loan for EUR 400 million was negotiated under the framework agreement and signed on 24 November 2014 by the President of IFAD. The first individual loan agreement (ILA) was signed for EUR 100 million. The second ILA was signed for EUR 200 million. All projects supported by this borrowing facility are on the basis of loans on ordinary terms and in euros.

Repayment of the KfW loans is scheduled in 20 years with a five-year grace period. This financing agreement has been accounted for in IFAD's balance sheet.

(l) Employee schemes

- Pension obligations

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

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

- After-Service Medical Coverage Scheme

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

In accordance with International Accounting Standard (IAS) 19R, IFAD has set up a trust fund into which it transfers the funding necessary to cover the actuarial liability. Service costs are recognized as operating expenditure. The net balance between interest costs and expected return on plan assets is recognized in net profit or loss, while re-measurements on assets and liabilities are recognized as the net position in other comprehensive income. Due to the revisions to IAS 19R, the expected rate of return for accounting is set equal to the accounting discount rate.

(m) Provisions

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

(n) Taxation

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

(o) Revenue recognition

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

(p) Tangible and intangible assets*Fixed assets*

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

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

Intangible assets

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

NOTE 3**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS****(a) Critical accounting estimates and assumptions**

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

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

For the details about the models applied for fair value calculation of loans, reference should be made to note 2.

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

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

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

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

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

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(b) Critical judgement in applying accounting policies

Fair value accounting

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

NOTE 4

CASH AND INVESTMENT BALANCES

Analysis of balances (consolidated)

	<i>Thousands of United States dollars</i>	
	2015	2014
Unrestricted cash	325 480	198 218
Cash subject to restriction	102	4 038
Subtotal cash	325 582	202 256
Unrestricted investments at fair value	1 266 765	1 402 618
Investments at amortized cost	466 665	702 901
Investments subject to restriction	368	384
Subtotal investments	1 733 798	2 105 903
Total cash and investments	2 059 380	2 308 159

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

	<i>Thousands of United States dollars</i>	
	2015	2014
IFAD	1 525 161	1 690 359
ASMCS Trust Fund	63 036	66 903
HIPC Trust Fund	3 007	4 473
Supplementary Funds	123 121	108 222
Spanish Trust Fund	237 068	319 446
Haiti Debt Relief Initiative (appendix J)	28 693	32 498
ASAP	79 294	86 258
Total cash and investments	2 059 380	2 308 159

(i) Cash and investments subject to restriction

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

IFAD has two escrow accounts that had a combined balance of US\$102,000 as at 31 December 2015.

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

At 31 December 2015, cash and investments, including payables and receivables, at market value amounted to US\$2,047.6 million (2014 - US\$2,307.1 million) and comprised the following instruments:

	<i>Thousands of United States dollars</i>	
	2015	2014
Cash	325 582	202 256
Fixed-income instruments	1 600 451	1 489 922
Unrealized (loss)/gain on forward contracts	4 280	(6 424)
Time deposits and other obligations of banks	120 095	618 210
Unrealized (loss)/gain on futures	8 972	4 195
Total cash and investments	2 059 380	2 308 159
Receivables for investments sold	360	-
Payables for investments purchased	(12 103)	(1 085)
Total investment portfolio	2 047 637	2 307 074

Fixed-income investments and cash include US\$478.3 million at amortized cost as at 31 December 2015 (2014 - US\$718.9 million). The fair value of amortized cost investments as at 31 December 2015 was US\$476.3 million (2014 - US\$721.7 million).

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

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

	2015	2014
Euro	874 920	978 367
Japanese yen	81 914	111 988
Pound sterling	167 259	200 669
United States dollar	923 544	1 016 050
Total cash and investment portfolio	2 047 637	2 307 074

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

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

	<i>Thousands of United States dollars</i>	
	2015	2014
Due in one year or less	622 178	1 066 977
Due after one year through five years	770 001	578 369
Due from five to ten years	506 275	471 219
Due after ten years	149 183	190 509
Total cash and investment portfolio	2 047 637	2 307 074

The average life to maturity of the fixed-income investments included in the consolidated investment portfolio at 31 December 2015 was 55 months (2014 - 48 months).

(v) Financial risk management

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

(vi) Market risk

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

Cash and investments at amortized cost are managed internally, with the exception of those related to ASAP and the asset liability portfolio. Investments at fair value are managed by six external portfolio managers within four separate asset classes as at 31 December 2015.

Market risk on other entities included in the Consolidated Financial Statements is not considered significant.

The actual weights and amounts of each asset class within the overall portfolio, together with the asset allocation weights as at 31 December 2015 and 2014 are shown in table 1. Disclosures relate to IFAD-only accounts, for the net asset value.

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Table 1

Asset class	Actual allocation		Investment policy
	2015	Millions of US dollars	%
Short-term liquidity	3.7	56.0	6.3
Global strategic portfolio	14.0	212.6	15.3
Asset liability portfolio	10.0	151.8	10.0
Global government bonds	24.1	364.4	32.4
Global credit bonds (formerly global diversified fixed-income)	16.3	246.9	9.0
Global inflation-linked	17.4	263.2	18.0
Emerging market debt bonds	14.5	218.8	9.0
Total	100.0	1 513.7	100.0

Asset class	Actual allocation		Investment policy
	2014	Millions of US dollars	%
Short-term liquidity	3.3	55.8	7.0
Global strategic portfolio	16.7	280.7	17.0
Global government bonds	30.6	515.3	36.0
Global diversified fixed-income (currently global credit bonds)	15.1	254.2	10.0
Global inflation-linked	21.1	355.3	20.0
Emerging market debt bonds	13.3	224.0	10.0
Total	100.0	1 685.3	100.0

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

1. Pre-assigned benchmarks and limits on deviations from benchmarks in terms of tacking error limits.
2. Credit floors (refer to "(vii) credit risk").

The benchmark indices used for the respective portfolios are shown in table 2.

Table 2
Benchmark indices by portfolio

Portfolio	Benchmark index
Operational cash	Same as the portfolio return
Global strategic portfolio	Equally-weighted extended sector benchmark (internally calculated on a quarterly basis)
Asset liability portfolio	Liability repayment rate of return
Global government bonds	Barclays Global Government Bond Index (1 year maturity)
Global credit bonds (formerly global diversified fixed-income bonds)	Barclays Global Fixed-Income Index (A- or above)
Global inflation-linked bonds	Barclays Capital World Government Inflation-Linked Index (1-10 years maturity)
Emerging market debt bonds	Barclays Emerging Market Debt Investment Grade Index (BBB- or above)

Exposure to market risk is adjusted by modifying the duration of the portfolio, depending on the outlook for changes in securities market prices.

The upper limit for the duration is set at:

- One year above the benchmark for the global government bonds asset class.
- Two years above the benchmark for the global credit bonds (formerly global diversified fixed-income) asset class.
- Two years above the benchmark for the global inflation-linked bonds asset class.
- Two years above the benchmark for the emerging market debt asset class.

Both the global strategic portfolio and the asset liability portfolio are internally managed and no duration limit is prescribed, however those portfolios prescribe a maximum maturity limit for eligible investments. The average duration of IFAD's investment portfolio at 31 December 2015 and 2014 and respective benchmarks are shown in table 3.

Table 3
Average duration of portfolios and benchmarks in years (IFAD-only)
As at 31 December 2015 and 2014

Portfolio	Portfolio		Benchmark	
	2015	2014	2015	2014
Short-term liquidity	-	-	-	-
Global strategic portfolio	2.1	0.7	n.a.	n.a.
Asset liability portfolio	4.3	n.a.	n.a.	n.a.
Global government bonds	0.8	0.7	1.0	1.0
Global credit bonds (formerly diversified fixed-income)	4.2	4.0	4.6	4.6
Global inflation-linked	6.3	5.4	5.3	5.2
Emerging market debt bonds	6.6	7.2	6.5	7.0
Total average	3.5	2.9	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 2015 and 31 December 2014.

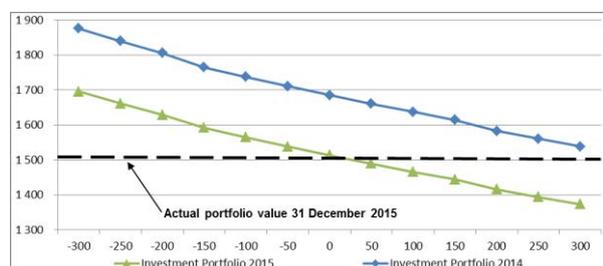
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Table 4
Sensitivity analysis on investment portfolio (IFAD-only)

Basis point shift in yield curve	2015		2014	
	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)	Change in value of externally managed portfolio (US\$ million)	Total portfolio (US\$ million)
-300	183	1 697	191	1 876
-250	148	1 662	155	1 840
-200	116	1 630	121	1 806
-150	79	1 593	80	1 765
-100	52	1 566	52	1 737
-50	25	1 539	25	1 711
0	-	1 514	-	1 685
50	(24)	1 490	(24)	1 661
100	(47)	1 467	(48)	1 637
150	(69)	1 445	(70)	1 615
200	(97)	1 417	(102)	1 583
250	(119)	1 395	(125)	1 560
300	(140)	1 374	(147)	1 539

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

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



At 31 December 2015, if the general level of interest rates on the global markets had been 300 basis points higher (as a parallel shift in the yield curves) the overall portfolio value would have been lower by US\$140 million as a result of the capital losses on the marked-to-market portion of the portfolio. If the general level of interest rates on the global markets had been 300 basis points lower (as a parallel shift in the yield curves) the overall portfolio value would have been higher by US\$183 million as a result of the capital gains on the marked-to-market portion of the portfolio.

Table 5 shows the tracking error limits defined by the Investment Policy Statement. Tracking error represents the annualized standard deviation of the excess return versus the benchmark, and is a measure of the active positions taken in managing a portfolio with respect to the benchmark.

Table 5
Tracking error ranges by portfolio

Portfolio	Tracking error maximum (percentage per annum)
Global strategic portfolio	n.a.
Asset liability portfolio	n.a.
Global government bonds	1.5
Global credit bonds (formerly global diversified fixed-income bonds)	3.0
Global inflation-linked bonds	2.5
Emerging market debt bonds	4.0

The investment portfolio's total tracking error at 31 December 2015 was 0.57 per cent (2014 - 0.43 per cent). Both the global

strategic portfolio and the asset liability portfolio are internally managed and no tracking error limit is prescribed.

(vii) Credit risk

The Investment Policy Statement and Investment Guidelines set credit rating floors for the eligibility of securities and counterparties. The eligibility of banks and bond issues is determined on the basis of ratings by major credit rating agencies. The minimum allowable credit ratings for portfolios within IFAD's overall investment portfolio under the Investment Policy Statement and Investment Guidelines are shown in table 6.

Table 6
Minimum credit rating floor per Investment Policy
Statement as at 31 December 2015

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

^a Derivatives used exclusively for hedging purposes.

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

At 31 December 2015, the average credit ratings by portfolio were in line with the minimum allowable ratings under the Investment Policy Statement and Investment Guidelines (table 7).

Table 7
Average credit ratings by portfolio (IFAD-only)
As at 31 December 2015 and 2014

Portfolio	Average credit rating ^a	
	2015	2014
Operational cash	P-1	P-2
Global strategic portfolio	Aa2	Aa1
Asset liability portfolio	Aa3	n.a.
Global government bonds	Aaa	Aaa
Global credit bonds (formerly diversified fixed-income)	A2	A1
Global inflation-linked	Aaa	Aaa
Emerging market debt bonds	A3	Baa2

^a The average credit rating is calculated based on market values at 31 December 2015 and 2014 except for the global strategic portfolio average credit rating which is calculated on amortized cost basis. The credit ratings used are based on the best credit

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ratings available from either Standard and Poor's (S&P) or Moody's or Fitch.

(viii) Currency risk

The majority of IFAD's commitments relate to undisbursed loans and grants denominated in special drawing rights (SDR). IFAD's investment portfolio is therefore used to minimize IFAD's overall currency risk deriving from those commitments. Consequently, the overall assets of the Fund are maintained, to the extent possible, in the currencies and ratios of the SDR valuation basket. Similarly, the General Reserve and commitments for grants denominated in United States dollars are matched by assets denominated in United States dollars.

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

The degree of currency alignment of IFAD's overall assets subject to SDR alignment at 31 December 2015 is shown in table 8.

Table 8
Alignment of assets to SDR basket (IFAD-only)
As at 31 December 2015

Currency group	Net asset amount (%)	SDR weights	Difference
United States dollar	48.3	47.7	0.6
Euro	30.2	33.2	(3.0)
Japanese yen	8.2	7.3	0.9
Pound sterling	13.3	11.8	1.5
Total	100.0	100.0	0.0

At 31 December 2015, had the United States dollar depreciated (or appreciated) by 10 per cent over the three other currencies in the SDR basket, the composition of IFAD's assets subject to SDR alignment would have been as shown in table 9.

Table 9
Sensitivity of assets aligned to SDR basket (IFAD-only)
As at 31 December 2015

Currency group	Difference towards SDR weights	
	-10% of US\$ (%)	+10% of US\$ (%)
United States dollar	(2.6)	2.4
Euro	1.6	(1.6)
Japanese yen	0.4	(0.3)
Pound sterling	0.6	(0.5)
Total	-	-

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

(ix) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents to meet loan and grant disbursements as well as other administrative outflows as they arise.

IFAD's liquidity risk is addressed through the minimum liquidity requirement (MLR). IFAD's liquidity policy, together with the revised MLR for the Ninth Replenishment of IFAD's Resources (IFAD9) period (2013-2015), states that highly liquid assets in IFAD's investment portfolio should remain above 60 per cent of the projected annual gross disbursement level (outflows), including potential additional requirements due to liquidity shocks.

IFAD's latest financial model assumptions, incorporating the 2015 resources available for commitment under the sustainable cash flow approach, calculates a MLR of US\$680.0 million that is comfortably covered by IFAD's investment portfolio balance of US\$1,513.7 million.

(x) Capital risk

The overall resource policy is reviewed by Management on a regular basis. A joint review with the principal stakeholders is

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

NOTE 5

CONTRIBUTORS' PROMISSORY NOTES AND RECEIVABLES

	Thousands of United States dollars	
	2015	2014
Promissory notes to be encashed		
Replenishment contributions	213 119	285 519
ASAP	202 696	214 433
Total	415 815	499 952
Fair value adjustment	(13 565)	(18 303)
Promissory notes to be encashed	402 250	481 649
Contributions receivable		
Replenishment contributions	624 561	227 078
Supplementary contributions	331 044	321 157
ASAP	25 112	25 411
Total	980 717	573 646
Fair value adjustment	(10 933)	(4 823)
Contributions receivables	969 784	568 823
Qualified instruments of contribution	(5 912)	(35 913)
Total promissory notes and contributions receivables	1 366 120	1 014 559

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

These contributions have been fully paid except as detailed in note 6 and in the table below.

Contributions not paid/encashed As at 31 December 2015

Donor	Thousands of United States dollars	
	Replenishment	Amount
United States [*]	Sixth	459
United States [*]	Seventh	3 224
Brazil**	Eighth	4 455
United States*	Eighth	559

* Cases for which Members and IFAD have agreed to encashment schedules subject to ratification.

** Case for which Members and IFAD have agreed to special encashment schedules.

(b) Ninth and Tenth Replenishment

Details of contributions and payments made for the Ninth and Tenth Replenishment are shown in appendix G. The Tenth Replenishment became effective on 2 December 2015.

(c) Special Programme for Africa (SPA)

Details of contributions to the SPA under the first and second phases are shown in appendix G.

(d) Credit risk

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

(e) Qualified instruments of contribution and promissory notes

At the end of December 2015, contributions receivables and promissory notes still subject to national appropriation measures amounted to US\$5.9 million (US\$35.9 million as at 31 December 2014).

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 its policy, IFAD has established provisions at 31 December as follows:

	<i>Thousands of United States dollars</i>	
	2015	2014
Balance at beginning of the year	168 448	168 448
Revaluation	(2)	0
Balance at year-end	168 446	168 448

Analysed as follows:

Promissory notes of contributors (a)	80 861	80 861
Amounts receivable from contributors (b)	87 585	87 587
Total	168 446	168 448

(a) Provisions against promissory notes

As at 31 December 2015, IFAD replenishment contributions deposited in the form of promissory notes up to and including the Ninth Replenishment have been fully drawn down.

As at 31 December 2015 and 2014, 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:

	<i>Thousands of United States dollars</i>	
	2015	2014
Initial contributions		
Iran (Islamic Republic of)	29 358	29 358
Iraq	13 717	13 717
	43 075	43 075
First Replenishment		
Iraq	31 099	31 099
	31 099	31 099
Third Replenishment		
Democratic People's Republic of Korea	600	600
Libya	6 087	6 087
	6 687	6 687
Total	80 861	80 861

(b) Provisions against amounts receivable from contributors

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

	<i>Thousands of United States dollars</i>	
	2015	2014
Initial contributions		
Comoros	8	10
Iran (Islamic Republic of)	83 167	83 167
	83 177	83 177
Second Replenishment		
Iraq	2 000	2 000
	2 000	2 000
Third Replenishment		
Iran (Islamic Republic of)	2 400	2 400
Sao Tome and Principe	10	10
	2 410	2 410
Total	87 585	87 587

NOTE 7**OTHER RECEIVABLES**

	<i>Thousands of United States dollars</i>	
	2015	2014
Receivables for investments sold	360	0
Other receivables	14 447	15 342
Total	14 807	15 342

The amounts above are all expected to be received within one year of the balance sheet date. The balance of other receivables includes reimbursements from the host country for expenditures incurred during the year.

NOTE 8**FIXED AND INTANGIBLE ASSETS**

	<i>Thousands of United States dollars</i>			
	1 Jan 2015	Increase/ (decrease)	Revalued/ Adjustment	31 Dec 2015
Cost				
Computer hardware	3 030	510		3 540
Computer software	14 038	346		14 384
Vehicles	439	(90)		349
Furniture and fittings	407	49	(37)*	419
Leasehold improvement	937	153		1 090
Total cost	18 851	968	(37)	19 782
Depreciation				
Computer hardware	(2 118)	(350)	(47)	(2 515)
Computer software	(3 556)	(1 376)		(4 932)
Vehicles	(34)	(26)		(60)
Furniture and fittings	(369)	(12)	37*	(344)
Leasehold improvement	(854)	(50)		(904)
Total depreciation	(6 931)	(1 814)	(10)	(8 755)
Net fixed and intangible assets	11 920	(846)	(47)	11 027

* Due to foreign exchange movements on an item of fixed assets held in a euro-denominated unit.

NOTE 9**LOANS****(a) Accumulated allowance for impairment losses**

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

	<i>Thousands of United States dollars</i>	
	2015	2014
Balance at beginning of year	58 156	58 325
Net (decrease)/increase in allowance	(20 130)	3 511
Revaluation	(2 508)	(3 680)
Balance at end of year at nominal value	35 518	58 156
Fair value adjustment	(30 961)	(53 770)
Total	4 557	4 386

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All loans included within the accumulated allowance are 100 per cent impaired with the exception of the provision set against the Democratic People's Republic of Korea which are impaired for the instalments overdue.

In accordance with its policy, the Fund has established provisions against loans outstanding as at 31 December as follows:

<i>Amounts in SDR</i>	2015	2014
Democratic People's Republic of Korea	8 370	6 354
Somalia	17 299	17 299
Zimbabwe	-	16 570
Total	25 669	40 223
US\$ equivalent	35 518	58 156
Fair value adjustment	(30 961)	(53 770)
Total	4 557	4 386

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

(b) Non-accrual status

Had income from loans with overdue amounts in non-accrual status been recognized as income, income from loans as reported in the statement of comprehensive income for the year 2015 would have been higher by US\$650,159 (2014 - US\$1,281,351).

(c) Further analysis of loan balances

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

	<i>Thousands of United States dollars</i>	
	2015	2014
IFAD	6 270 436	6 269 276
Spanish Trust Fund	90 875	46 485
Total	6 361 311	6 315 761
Fair value adjustment	(1 196 156)	(1 238 794)
Total	5 165 155	5 076 967

	<i>Thousands of United States dollars</i>	
	2015	2014
IFAD-approved loans, less cancellations, less full repayments and adjustment for movement in value of total SDR and EUR loans in terms of US\$ (appendix H) *		
Approved loans	11 605 710	11 249 453
Undisbursed balance	(3 333 550)	(3 009 015)
Repayments	(2 202 679)	(2 196 610)
Interest/principal receivable	13 001	16 763
Loans outstanding at nominal value	6 082 482	6 060 591
Fair value adjustment	(1 127 016)	(1 162 213)
Loans outstanding	4 955 466	4 898 378
SPA-approved loans, less cancellations, less full repayments and the adjustment for movements in value of total SDR loans in terms of US\$ (appendix H)		
Approved loans	312 658	326 694
Repayments	(125 274)	(119 471)
Interest/principal receivable	570	1 462
Loans outstanding	187 954	208 685
Fair value adjustment	(61 097)	(71 385)
Loans outstanding	126 857	137 300
Total approved loans, less cancellations, less full repayments and the adjustment for movements in terms of US\$		
Approved loans	11 918 367	11 576 147
Undisbursed balance	(3 333 550)	(3 009 015)
Repayments	(2 327 953)	(2 316 081)
Interest/principal receivable	13 571	18 225
Loans outstanding at nominal value	6 270 436	6 269 276
Fair value adjustment	(1 188 113)	(1 233 598)
Loans outstanding	5 082 323	5 035 678

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

Spanish Trust Fund-approved loans, less cancellations, less full repayments and adjustment for movements in value of total EUR loans in terms of US\$		
Approved loans	314 413	362 660
Undisbursed balance	(225 409)	(316 226)
Repayments	(1 293)	0
Interest/principal receivable	164	80
Loans outstanding at nominal value	90 875	46 485
Fair value adjustment	(8 043)	(5 196)
Loans outstanding	82 832	41 289

The fair value of the outstanding-loan portfolio at year-end amounts to US\$5,804.4 million.

(d) Credit risk

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

(e) Market risk

The interest rate risk associated with IFAD's loan portfolio is believed to be minimal, as 90.3 per cent (31 December 2014 - 91.6 per cent) of the current outstanding portfolio relates to borrowers on highly concessional terms, hence not subject to variation on an annual basis. An analysis of the portfolio by type of lending term is presented in appendix H, sections 4 and 9.

Appendix D

(f) Fair value estimation

Other than initial recognition and determination, the assumptions used in determining fair value are not sensitive to changes in discount rates. The associated impact of the exchange rate movement is closely monitored.

NOTE 10

FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides information about the Fund's assets and liabilities classification, accounting policies for financial instruments have been applied to the line items below:

<i>Millions of United States dollars</i>				
<i>2015</i>	<i>Cash and bank deposits</i>	<i>Investments at fair value through profit and loss (FVTP)</i>	<i>Investments at amortized cost</i>	<i>Loans at amortized cost</i>
LEVEL 1				
Cash and bank balances	326			
Investment at FVTP		988		
Investments at amortized costs			399	
LEVEL 2				
Investments at FVTP		268		
Investment at amortized cost			137	
Loans outstanding				5 142
Total	326	1 255	467	5 142
<i>Millions of United States dollars</i>				
<i>2014</i>	<i>Cash and bank deposits</i>	<i>Investments at Fair value through profit and loss (FVTP)</i>	<i>Investments at amortized cost</i>	<i>Loans at amortized cost</i>
LEVEL 1				
Cash and bank balances	202			
Investment at FVTP		638		
Investments at amortized costs			137	
LEVEL 2				
Investments at FVTP		760		
Investment at amortized cost			565	
Loans outstanding				5 047
Total	202	1 398	703	5 047

NOTE 11

HEAVILY INDEBTED POOR COUNTRIES (HIPC) DEBT INITIATIVE

(a) Impact of the HIPC Debt Initiative

IFAD provided funding for the HIPC Debt Initiative in the amount of US\$191,670,000 during the period 1998-2015. Details of funding from external donors on a cumulative basis are found in appendix D1.

For a summary of debt relief reimbursed since the start of the Initiative and expected in the future, please refer to appendix I. Debt relief approved by the Executive Board to date excludes all amounts relating to the enhanced Debt Initiative for Eritrea, Somalia and the Sudan. Authorization for IFAD's share of this debt relief is expected to be given by the Executive Board in 2016-2019. At the time of preparation of the 2015 Consolidated

Financial Statements, the estimate of IFAD's share of the overall debt relief for these countries, principal and interest, was US\$145,181,000 (2014 - US\$170,236,000 for Eritrea, Somalia and the Sudan).

Investment income amounted to US\$8,008,000 (2014 - US\$8,005,000) from the HIPC Trust Fund balances.

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

	<i>Thousands of United States dollars</i>		
	<i>2015</i>	<i>Movement</i>	<i>2014</i>
IFAD contributions 1998-2015	191 670	20 000	171 670
Total contributions from external sources (appendix D1)	282 417		282 417
Net cumulative investment income	8 008	3	8 005
(Surplus)/Shortfall between debt relief approved and funds available	(22 986)	(26 322)	3 334
Cumulative net exchange rate movements	25 223	(5 642)	30 865
Total (appendix I)	484 332		496 291

(b) Accumulated allowance for the HIPC Debt Initiative

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

	<i>Thousands of United States dollars</i>	
	<i>2015</i>	<i>2014</i>
Balance at beginning of year	36 808	47 111
New approvals	-	-
Change in provision	(7 685)	(7 567)
Exchange rate movements	(1 499)	(2 736)
Balance at end of year	27 624	36 808
Fair value adjustment	(8 550)	(11 124)
Total	19 074	25 684

NOTE 12

PAYABLES AND LIABILITIES

	<i>Thousands of United States dollars</i>	
	<i>2015</i>	<i>2014</i>
Payable for investments purchased and impairment	12 103	1 085
ASMCS liability	80 035	95 935
Other payables and accrued liabilities	70 280	79 585
Total	162 418	176 605

Of the total above, an estimated US\$103,047,000 (2014 - US\$118,487,000) is payable in more than one year from the balance sheet date.

NOTE 13**DEFERRED REVENUE**

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

<i>Thousands of United States dollars</i>		
	2015	2014
Total	429 705	496 755
Fair value adjustment	(16 596)	(20 788)
Deferred revenue	413 109	475 967

NOTE 14**UNDISBURSED GRANTS**

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

<i>Thousands of United States dollars</i>		
	2015	2014
IFAD	68 057	74 951
Supplementary funds	264 218	256 636
ASAP	124 420	57 593
Balance at year-end	456 695	389 180
Fair value adjustment	(7 177)	(5 456)
Undisbursed grants	449 518	383 724

NOTE 15**BORROWING LIABILITIES**

The balance represents the funds received for borrowing activities plus interest accrued.

<i>Thousands of United States dollars</i>		
	2015	2014
IFAD	162 948	0
Spanish Trust Fund	311 153	347 413
Total borrowing liabilities	474 101	347 413

NOTE 16**NET FOREIGN EXCHANGE GAINS/LOSSES**

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

<i>Year</i>	<i>United States dollars</i>
2015	1.38370
2014	1.44582
2013	1.54190

The balance of foreign exchange movement is shown below:

<i>Thousands of United States dollars</i>		
	2015	2014
IFAD	(274 680)	(425 085)
Other entities	(15 218)	(21 498)
Total movements in the year	(289 898)	(446 584)

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

<i>Thousands of United States dollars</i>		
	2015	2014
Opening balance 1 Jan	444 169	890 753
Exchange movements for the year on:		
Cash and investments	(77 284)	(118 265)
Net receivables/payables	13 806	15 558
Loans and grants outstanding	(209 183)	(323 715)
Promissory notes and Members' receivables	(33 609)	(52 520)
Member States' contributions	16 372	32 358
Total movements in the year	(289 898)	(446 584)
Closing balance 31 December	154 271	444 169

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

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

Since 1994, a major part of IFAD's investment portfolio has been entrusted to external investment managers under investment guidelines provided by the Fund. At 31 December 2015, funds under external management amounted to US\$1.1 billion (2014 – US\$1.4 billion), representing 72 per cent of the Fund's total cash and investments (2014 – 80 per cent).

(b) Derivative instruments

The Fund's Investment Guidelines authorize the use of the following types of derivative instruments, primarily to ensure alignment to the SDR basket:

(i) Futures

<i>31 December</i>		
	2015	2014
Number of contracts open:		
Buy	352	278
Sell	(1 436)	(1 464)
Net unrealized market gains of open contracts (US\$ '000)	884	(1 149)
Maturity range of open contracts (days)	68 to 993	65 to 90

(ii) Forwards

The unrealized market value gain on forward contracts at 31 December 2015 amounted to US\$3.8 million (2014 – loss of US\$2.6 million).

The maturities of forward contracts at 31 December 2015 ranged from 7 to 77 days (31 December 2014 – 7 to 44 days).

Appendix D

(c) Income from cash and investments (consolidated)

Gross income from cash and investments for the year ended 31 December 2015 amounted to US\$2.7 million (2014 – gross loss of US\$57.0 million).

	2015		
	Thousands of United States dollars		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	28 753	6 137	34 890
Net expenses from futures/options and swaps	(1 728)	-	(1 728)
Realized capital gain/(loss) from fixed-income securities	(5 868)	(519)	(6 387)
Unrealized gain/(loss) from fixed-income securities	(24 057)	(29)	(24 086)
Total	(2 900)	5 589	2 689

	2014		
	Thousands of United States dollars		
	Fair value	Amortized cost	Total
Interest from banks and fixed-income Investments	35 130	8 029	43 159
Net expenses from futures/options and swaps	(16 862)		(16 862)
Realized capital gain/(loss) from fixed-income securities	(5 683)	(686)	(6 369)
Unrealized gain/(loss) from fixed-income securities	37 076		37 076
Total	49 661	7 343	57 004

For amortized cost investments, realized capital gains/(losses) relate to amortization and sales of securities.

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

	Thousands of United States dollars	
	2015	2014
IFAD	852	52 217
ASMCS Trust Fund	545	3 043
HIPC Trust Fund	4	11
Spanish Trust Fund	1 258	1 702
Haiti Debt Relief Initiative	197	177
ASAP	351	425
Supplementary funds	152	109
Less: income deferred/reclassified	(670)	(680)
Total	2 689	57 004

The annual rate of return on IFAD cash and investments in 2015 was negative 0.06 per cent net of investment expenses (2014 - positive 2.58 per cent net of investment expenses).

NOTE 18

INCOME FROM OTHER SOURCES

This income relates principally to reimbursement from the host Government for specific operating expenses. It also includes service charges received from entities housed at IFAD as compensation for providing administrative services. A breakdown is provided below:

Consolidated	Thousands of United States dollars	
	2015	2014
Host Government income	7 923	9 595
Income from other sources	28	1 361
Total	7 951	10 956

NOTE 19

INCOME FROM CONTRIBUTIONS

	Thousands of United States dollars	
	2015	2014
IFAD	2 661	2 874
ASAP	81 148	67 834
Supplementary funds	100 970	142 403
Total	184 779	213 111

From 2007, contributions to the HIPC Debt Initiative have been offset against the HIPC Debt Initiative expenses.

NOTE 20

OPERATING EXPENSES

An analysis of IFAD-only operating expenses by principal funding source is shown in appendix K. The breakdown of the consolidated figures is set out below:

	Thousands of United States dollars	
	2015	2014
IFAD	157 628	171 379
Other entities	9 630	9 255
Total	167 258	180 634

The costs incurred are classified in the accounts in accordance with the underlying nature of the expense.

NOTE 21

STAFF NUMBERS, RETIREMENT PLAN AND MEDICAL SCHEMES

(a) Staff numbers

Employees that are on IFAD's payroll are part of the retirement and medical plans offered by IFAD. These schemes include participation in the UNJSPF and in the ASMCS administered by FAO.

The number of full-time equivalent employees of the Fund and other consolidated entities in 2015 was as follows (breakdown by principal budget source):

Full-time equivalent	General		Total
	Professional	Service	
IFAD			
administrative budget	278	197	475
APO/SPO [†]	11		11
Others	21	9	30
Programme funds	7	2	9
Total 2015	317	208	525
Total 2014	293	198	491

Associate professional officer/special programme officer.

(b) Non-staff

As in previous years, in order to meet its operational needs, IFAD engaged the services of consultants, conference personnel and other temporary staff, who are also covered by an insurance plan.

Appendix D

(c) Retirement plan

The latest actuarial valuation for the UNJSPF was prepared as at 31 December 2013. This valuation revealed an actuarial deficit, amounting to 0.72 per cent of pensionable remuneration. Despite the actuarial deficit from the 2013 valuation, it was assessed that the UNJSPF is adequately funded. Therefore the United Nations General Assembly did not invoke the provision of article 26, requiring participating agencies to provide additional payments. IFAD makes contributions on behalf of its staff and would be liable for its share of the unfunded liability, if any (current contributions are paid as 7.9 per cent of pensionable remuneration by the employee and 15.8 per cent by IFAD). Total retirement plan contributions made for staff in 2015 amounted to US\$10,490,112 (2014 - US\$10,338,726).

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

The latest actuarial valuation for the ASMCS was carried out as at 31 December 2015. The methodology used was the projected unit-credit-cost method with service prorates. The principal actuarial assumptions used were as follows: discount rate, 3.2 per cent; return on invested assets, 4.0 per cent; expected salary increase, 3.0 per cent; initial medical cost increase, 4.5 per cent; inflation, 2.5 per cent; and exchange rate EUR 1:US\$1.09. The results determined IFAD's liability as at 31 December 2015 to be US\$80,035,000. The 2015 and 2014 Financial Statements include a provision and related assets as follows as at 31 December.

<i>Thousands of United States dollars</i>		
	2015	2014
Past service liability	(80 035)	(95 935)
Plan assets	62 722	66 854
Surplus /(deficit)	(17 313)	(29 081)
Yearly movements		
Opening balance		
Surplus /(deficit)	(29 081)	(977)
Interest cost	(820)	(64)
Current service charge	(4 468)	(2 909)
Actuarial gains/(losses)	21 188	(22 342)
Interest earned on balances	435	3 048
Exchange rate movement	(4 567)	(5 837)
Closing balance		
Surplus /(deficit)	(17 313)	(29 081)
Past service liability		
Total provision at 1 January	(95 935)	(70 620)
Interest cost	(820)	(64)
Current service charge	(4 468)	(2 909)
Actuarial gains /(losses)	21 188	(22 342)
Provision at 31 December	(80 035)	(95 935)
Plan assets		
Total assets at 1 January	66 854	69 643
Interest earned on balances	435	3 048
Exchange rate movement	(4 567)	(5 837)
Total assets at 31 December	62 722	66 854

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

IFAD provides for the full annual current service costs of this medical coverage, including its eligible retirees. In 2015, such costs included under staff salaries and benefits in the Financial Statements amounted to US\$5,289,000 (2014 - US\$2,306,000).

Based on the 2015 actuarial valuation, the level of assets necessary to cover ASMCS liabilities is US\$55.9 million, in net present value terms. As reported above, at 31 December 2015 the assets already held in the trust fund are US\$62.7 million;

consequently this is more than sufficient to cover the level of liabilities.

(e) Actuarial valuation risk of the ASMCS

A sensitivity analysis of the principal assumptions of the liability and service cost contained within the group data as at 31 December 2015 is shown below:

<i>Impact on</i>	<i>Liability</i>	<i>Service cost</i>
Medical inflation:		
5.0 per cent instead of 4.0 per cent	20.1	1.4
3.0 per cent instead of 4.0 per cent	(16.1)	(1.0)

NOTE 22

GRANT EXPENSES

The breakdown of the consolidated figures is set out below:

	<i>Thousands of United States dollars</i>	
	2015	2014
IFAD grants	44 840	52 618
Supplementary funds	89 186	129 952
ASAP	79 768	65 896
Total	213 794	248 466

NOTE 23

DSF EXPENSES

The DSF expenses are set out below:

<i>IFAD-only</i>	<i>Thousands of United States dollars</i>	
	2015	2014
DSF expenses	125 586	157 342
Total	125 586	157 342

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

NOTE 24

DIRECT BANK AND INVESTMENT COSTS

	<i>Thousands of United States dollars</i>	
	2015	2014
Investment management fees	2 048	2 561
Other charges	605	620
Total	2 653	3 181

NOTE 25

ADJUSTMENT FOR CHANGE IN FAIR VALUE

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

	<i>Thousands of United States dollars</i>	
	2015	2014
Loans outstanding	42 638	86 748
Accumulated allowance for loan impairment losses	(22 808)	16857
Accumulated allowance for HIPC Debt Initiative	(2 573)	(3 265)
Net loans outstanding	17 257	100 340
Contributors' promissory notes	4 738	(10 673)
Contributions receivable	(6 111)	13 392
Contributions	6 026	(6 030)
Undisbursed grants	1 965	2 214
Deferred revenues	(4 192)	3 392
Foreign exchange movement	(50 785)	(80 566)
Total	(31 102)	21 979

NOTE 26**DEBT RELIEF EXPENSES**

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

NOTE 27**HOUSED ENTITY DISCLOSURE**

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

	<i>Thousands of United States dollars</i>	
	2015	2014
International Land Coalition (ILC)	887	414
Total	887	414

NOTE 28**CONTINGENT LIABILITIES AND ASSETS****(a) Contingent liabilities**

IFAD has contingent liabilities in respect of debt relief announced by the World Bank/International Monetary Fund for three countries. See note 11 for further details of the potential cost of loan principal and interest relating to these countries, as well as future interest not accrued on debt relief already approved as shown in appendix I.

IFAD has a contingent liability for DSF financing effective but not yet disbursed for a global amount of US\$780.4 million (US\$715.9 million in 2014). In particular, at the end of December 2015, DSF financing disbursable but not yet disbursed, because the conditions for the release of funds were not yet met, amounted to US\$562.9 million (US\$581.8 million in 2014) and DSF projects approved but not yet effective amounted to US\$217.4 million (US\$134.1 million in 2014).

(a) Contingent assets

At the end of December 2015 the balance of qualified instruments of contribution amounted to US\$5.9 million. These contributions are subject to national appropriation measures, therefore those receivables will be considered due upon fulfillment of those conditions and probable at the reporting date.

The DSF for grants, approved in 2007, aims for the full recovery of principal repayments forgone through a pay-as-you-go compensation mechanism by Member States. Consequently, IFAD has undertaken a review together with its governing bodies of the mechanism through which this policy will be implemented. This led to the endorsement by the Executive Board in 2013 of the underlying principles thereof. The policy was also endorsed by Member States in the Replenishment Consultation process in 2014 and finally approved by the Governing Council in 2015. This, in effect, provides a concrete basis on which Member States will be expected to contribute towards principal reflows forgone as a result of the DSF, in addition to their regular contributions.

In 2015, Member States began to make commitments for payment of DSF obligations. The receipt of the funds that have been provided as DSF grants is therefore considered probable and hence is disclosed as a contingent asset. The nominal amount of the amount so disbursed as at 31 December 2015 amounted to US\$682.1 million (US\$556.1 million as at December 2014).

NOTE 29**POST-BALANCE-SHEET EVENTS**

Management is not aware of any events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date or were indicative of conditions that arose after the reporting period that would warrant adjusting the Financial Statements or require disclosure.

NOTE 30**RELATED PARTIES**

The Fund has identified related parties and transactions carried out in 2015. These pertain to transactions with Member States for which IAS 24, para. 25 is applicable. These transactions and related outstanding balances are reported in appendices G and H. Key management personnel are the President, Vice-President and the Associate Vice-Presidents as they have the authority and responsibility for planning, directing and controlling activities of the Fund.

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

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

Independent review of the latest annual financial disclosure statements confirmed that there are no conflicts of interest for key management personnel or their close family members arising from financial holdings, private affiliations or outside activities.

	<i>Thousands of United States dollars</i>	
	2015	2014
Salaries and other entitlements	1 864	2 090
Contribution to retirement and medical plans	280	283
Total	2 144	2 373
Total accruals	787	702

NOTE 31**DATE OF AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements are issued by Management for review by the Audit Committee in March 2016 and endorsement by the Executive Board in April 2016. The 2015 Consolidated Financial Statements will be submitted to the Governing Council for formal approval at its next session in February 2017. The 2014 Consolidated Financial Statements were approved by the Governing Council at its thirty-ninth session in February 2016.

Statements of complementary and supplementary contributions

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2015^a

(Thousands of United States dollars)

<i>Member States</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>Global Environment Facility (GEF)</i>	<i>Total</i>
Algeria			76		76
Angola			7		7
Australia ^b	2 721		84		2 805
Austria	755				755
Bangladesh			43		43
Belgium	10 214	1 960	151 246		163 420
Canada	15 502		8 805		24 307
China			310		310
Colombia			25		25
Denmark	18 812	4 888	3 946		27 646
Estonia			147		147
Finland	2 834	4 921	12 114		19 869
France	1 032	1 131	7 633		9 796
Germany	46	7 149	7 227		14 422
Ghana			76		76
Greece			76		76
India			1 000		1 000
Indonesia			50		50
Ireland	6 602		912		7 514
Italy	30 778	6 269	26 252		63 299
Japan	1 692	2 026	4 131		7 849
Jordan			153		153
Kuwait			119		119
Lebanon			100		100
Luxembourg	2 112		3 031		5 143
Malaysia			28		28
Mauritania			50		50
Morocco			92		92
Netherlands	104 408	7 100	11 856		123 364
New Zealand	790		20		810
Nigeria			50		50
Norway	20 670	2 604	6 116		29 390
Pakistan			25		25
Paraguay			15		15
Portugal	142		714		856
Qatar			109		109
Republic of Korea	3 439	5 065	103		8 607
Saudi Arabia	3 300		109		3 409
Senegal			109		109
Sierra Leone			88		88
Spain	11 528		6 507		18 035
Suriname	2 000				2 000
Sweden	9 114	2 773	15 901		27 788
Switzerland	8 498	721	17 825		27 044
Turkey			47		47
United Kingdom	19 074		16 859		35 933
United States		322	86		408
Total Member States	276 063	46 929	304 272		627 264

^a Non-US\$ contributions have been translated at the year-end exchange rate.^b Australia's withdrawal from IFAD membership became effective 31 July 2007.

Statement of cumulative supplementary contributions including project cofinancing from 1978 to 2015^a

(Thousands of United States dollars)

<i>Non-Member States and other sources</i>	<i>Project cofinancing</i>	<i>APOs</i>	<i>Other supplementary funds</i>	<i>GEF</i>	<i>Total</i>
African Development Bank	2 800		1 096		3 896
Arab Fund for Economic and Social Development	2 983				2 983
Arab Bank			25		25
Arab Gulf Programme for Development	299				299
Bill & Melinda Gates Foundation			1 760		1 760
Cassava Programme			69		69
United Nations System Chief Executives Board for Coordination Secretariat, Geneva			998		998
Congressional Hunger Center			183		183
Coopernic			3 259		3 259
European Commission	814		491 117		491 931
Food and Agriculture Organization of the United Nations (FAO)	14		2 106		2 120
Global Agriculture and Food Security Program	100 000		6 160		106 160
Least Developed Countries Fund/Special Climate Change Fund			88 310		88 310
National Agricultural Cooperative Federation					
Office of the United Nations High Commissioner for Refugees					
OPEC Fund for International Development (OFID)	2 260				2 260
Other	386		2 380		2 766
United Nations Capital Development Fund (UNCDF)	382		240		622
United Nations Development Programme	467		1 161		1 628
United Nations Fund for International Partnerships	78		145		223
UNO	3 017				3 017
World Bank	1 357		527	104 155	106 039
Total non-Member States and other sources	114 857		599 536	104 155	818 548
Total 2015	390 919	46 928	903 809	104 155	1 445 811
Total 2014	383 198	44 694	890 298	99 635	1 417 825

^a Non-United States dollars contributions have been translated at the year-end exchange rate.^b The balance includes US\$125,000 related to Mongolia.

Statement of cumulative complementary and other contributions from 1978 to 2015

(Thousands of United States dollars)

	<i>Amount</i>
Canada	1 511
Germany	458
India	1 000
Saudi Arabia	30 000
Sweden	13 827
United Kingdom	12 002
Cumulative contributions received from Belgium for the Belgian Fund for Food Security Joint Programme (BFFS.JP) in the context of replenishments	80 002
	138 800
<i>Contributions made in the context of replenishments to the HIPC Trust Fund</i>	
Italy	4 602
Luxembourg	1 053
Netherlands	14 024
	19 679
	302 854
<i>Contributions made to ASAP in the context of replenishment</i>	
	302 854
<i>Unrestricted Complementary Contribution Tenth Replenishment</i>	
Canada	7 199
Russian Federation	3 000
	10 199
Total complementary contributions 2015	471 532
Total complementary contributions 2014	455 959

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

(Thousands of United States dollars)

	<i>Amount</i>
<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	210 893
	262 738
Total contributions to IFAD's HIPC Trust Fund 2015	282 417
Total contributions to IFAD's HIPC Trust Fund 2014	282 417

Statement of complementary and supplementary contributions received in 2015

Contributions received for project cofinancing in 2015

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>
Bill & Melinda Gates Foundation	US\$	516	516
European Commission	EUR	18 939	20 573
Food and Agriculture Organization of the United Nations (FAO)	EUR	432	469
Global Agriculture and Food Security Program	US\$	21 888	21 889
Germany	EUR	750	815
New Zealand	EUR	390	390
Saudi Arabia	US\$	660	660
Denmark	US\$	5 000	916
Netherlands	US\$	2 052	2 052
Total		50 627	48 280

Contributions received for associate professional officers in 2015

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars</i>
Denmark	US\$		141
Finland	US\$		191
Germany	US\$		446
Italy	US\$		420
Netherlands	US\$		764
Republic of Korea	US\$		216
Switzerland	US\$		378
Sweden	US\$		74
Total			2 630

Supplementary fund contributions received in 2015

	<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>
France	EUR	150	163
European Commission	EUR	23 838	25 895
Estonia	EUR	45	49
FAO	US\$	83	83
FAO/World Food Programme (WFP)/IFAD	US\$	60	60
Luxemburg	EUR	500	543
Rockefeller Foundation	US\$	4	4
Switzerland	US\$	386	386
Switzerland	EUR	1 205	1 309
Germany	EUR	435	473
UNCDF	US\$	67	67
Republic of Korea	KRW	1 000 000	847
Netherlands	US\$	4 000	4 000
UNDP	US\$	970	970
Total			34 849
Grand total			85 507

Unspent project cofinancing funds

(Thousands of United States dollars)

	2015	2014
Member States		
Canada	6 162	4 440
Denmark	2 089	2 941
Finland	-	10
Italy	2 275	3 422
Luxembourg	140	140
Netherlands	3 089	2 647
Norway	1	4
New Zealand	790	400
Republic of Korea	1 089	679
Saudi Arabia	450	-
Spain	729	2 191
United Kingdom	142	142
Total Member States	16 956	17 016
Non-Member States		
Global Agriculture and Food Security Programme (GAFSP) Trust Fund	18 865	8 632
OPEC	394	199
Other	3	26
UNCDF	23	23
World Bank	7	7
Total non-Member States	19 292	8 887
Total	36 248	25 903

Unspent associate professional officer (APO) funds

(Thousands of United States dollars)

	<i>Unspent balance as at</i>	
	<i>31 December</i>	
	2015	2014
Belgium	-	383
Denmark	290	361
Finland	142	104
Germany	324	206
Italy	358	144
Netherlands	462	232
Norway	15	(59)
Republic of Korea	236	254
Sweden	-	(5)
Switzerland	216	-
Total	2 043	1 620

Other unspent complementary and supplementary funds

(Thousands of United States dollars)

	<i>Unspent balance as at 31 December</i>	
	<i>2015</i>	<i>2014</i>
Member States		
Belgium	2 173	3 501
Canada	4 260	4 548
China	130	145
Denmark	130	130
Estonia	76	75
Finland	483	753
France	380	2 148
Germany	2 194	1 546
India	613	613
Ireland	38	171
Italy	2 077	3 105
Lebanon	99	99
Luxembourg	301	7
Malaysia	13	13
Netherlands	34	41
Norway	105	106
Portugal	-	4
Republic of Korea	1	1
Spain	2 259	3 384
Sweden	2 328	2 403
Switzerland	1 667	102
United Kingdom	773	1 188
Total Member States	20 134	24 083
Non-Member States		
Bill & Melinda Gates Foundation	450	-
European Commission	34 223	17 286
GAFSP	3 068	2 633
Platform for Agricultural Risk Management (PARM)	1 257	2 154
Least Developed Countries Fund	15 788	24 437
Other	286	423
Support for Farmers' Organizations in Africa Programme: main phase	3 030	3 506
Technical Assistance Facility	479	412
UNCDF	86	90
United Nations Development Programme	1 024	148
World Bank	11	13
Total non-Member States	59 702	51 102
Total	79 836	75 185

Global Environment Facility

(Thousands of United States dollars)

<i>Recipient country</i>	<i>Cumulative contributions received as at 31 December 2015</i>	<i>Unspent at 1 January 2015</i>	<i>Received from donors</i>	<i>Expenses</i>	<i>Unspent at 31 December 2015</i>
Armenia	4 011	-	4 011	(63)	3 948
ASEAN ^a regional	4 822	-	183	(123)	60
Brazil	5 931	-	-	-	-
Burkina Faso	2 086	-	70	(59)	11
China	4 895	-	-	-	-
Comoros	1 000	-	-	-	-
Ecuador	2 873	-	-	-	-
Eritrea	4 477	-	-	-	-
Ethiopia	4 750	-	-	-	-
Gambia (The)	96	-	-	-	-
Global supplement for UNCCD ^b	457	-	-	-	-
Indonesia	100	82	-	(80)	2
Jordan	7 886	15	-	-	15
Kenya	4 838	-	138	(92)	46
Malawi	183	-	183	(151)	32
Mali	6 314	-	-	1 519	1 519
Mauritania	4 350	-	-	14	14
MENARID ^c monitoring and evaluation	705	-	-	-	-
Mexico	5 100	5 000	-	(5 000)	-
Morocco	330	-	-	-	-
Niger	4 396	-	70	(14)	56
Panama	1 578	-	-	-	-
Peru	7 255	5 890	(535)	-	5 353
Sao Tome and Principe	2 501	-	-	-	-
Senegal	80	-	80	(55)	25
Sri Lanka	7 270	-	-	-	-
Sudan	3 750	3 653	-	(3 650)	3
Swaziland	2 189	-	138	(122)	16
Tunisia	5 350	-	-	-	-
United Republic of Tanzania	183	-	183	(130)	53
Venezuela (Bolivarian Republic of)	3 735	19	-	-	19
Viet Nam	755	-	-	-	-
Total	104 155	14 659	4 521	(8 006)	11 174

^a Association of Southeast Asian Nations.

^b United Nations Convention to Combat Desertification.

^c US\$326,000 received before the signature of the financial procedure agreement between IFAD and the GEF trustee, the Middle East and North Africa Regional Program for Promoting Integrated Sustainable Land Development (MENARID).

Summary of the Adaptation for Smallholder Agriculture Programme Trust Fund

As at 31 December 2015

Complementary contributions					
<i>Member States</i>	<i>Local currency</i>	<i>Pledges (Thousands of United States dollars)^a</i>	<i>Payment promissory^b notes</i>	<i>Payment cash^b</i>	<i>Total Payments</i>
Belgium	EUR 6 000	8 584		7 855	
Canada	CAD 19 849	20 347		19 879	
Finland	EUR 5 000	7 153		6 833	
Netherlands	EUR 40 000	57 225		26 519	
Norway	NOK 63 000	11 580		8 913	
Sweden	SEK 30 000	4 729		4 471	
Switzerland	CHF 10 000	11 844		10 949	
United Kingdom	GBP 147 523	239 176	217 435		
Total complementary contributions		360 636	217 435	85 419	302 854
Supplementary Funds					
Republic of Korea	US\$ 3 000	3 000		700	
Flemish Department for Foreign Affairs	EUR 2 000	2 486		1 276	
Total		366 122	217 435	87 395	307 830

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

Summary of the Adaptation for Smallholder Agriculture Programme Trust Fund

Grants

<i>Grant recipient</i>	<i>Approved grants less cancellations</i>	<i>Disbursable</i>	<i>Disbursements 2015</i>	<i>Undisbursed portion of disbursable grants</i>	<i>Grants not yet disbursable as at 31 December 2015</i>
SDR grants (expressed in thousands)					
Bangladesh	9 900	(9 900)	(2 335)	7 565	0
Benin	3 220	0	0	0	3 220
Bhutan	3 580	0	0	0	3 580
Burundi	3 510	0	0	0	3 510
Bolivia (Plurinational State of)	6 500	(6 500)	(1 012)	5 488	0
Cambodia	10 150	0	(1 671)	8 479	0
Chad	3 240	3 240	(209)	3 031	0
Côte d'Ivoire	4 520	4 520	(414)	4 106	0
Djibouti	4 000	4 000	(359)	3 641	0
Egypt	3 380	3 380	(394)	2 986	0
El Salvador	3 560	0	0	0	3 560
Gambia (The)	3 570	0	0	0	3 570
Ghana	6 500	6 500	(578)	5 922	0
Kenya	7 100	0	0	0	7 100
Kyrgyzstan	6 500	6 500	(282)	6 218	0
Lao People's Democratic Republic	3 550	0	0	0	3 550
Lesotho	4 610	0	0	0	4 610
Liberia	3 280	0	0	0	3 280
Madagascar	4 200	0	0	0	4 200
Malawi	5 150	0	0	0	5 150
Mali	6 500	6 500	(1 478)	5 022	0
Morocco	1 295	0	0	0	1 295
Mozambique	3 260	3 260	(343)	2 917	0
Nepal	9 710	9 710	(9)	9 701	0
Nicaragua	5 310	5 310	(546)	4 764	0
Niger	9 250	9 250	0	9 250	0
Nigeria	9 800	0	0	0	9 800
Rwanda	4 510	4 510	(675)	3 835	0
Sudan	4 730	0	0	0	4 730
Tajikistan	3 600	0	0	0	3 600
Uganda	6 770	0	0	0	3 600
United Republic of Tanzania	6 770	0	0	0	6 770
Viet Nam	7 820	7 820	(826)	6 994	0
Yemen	6 630	0	0	0	6 630
Total SDR	192 825	101 050	(11 132)	89 918	91 775
US\$ equivalent	266 812	139 823	(15 403)	124 420	126 989

As at December 2014 the grants approved (US\$118.3 million) were not yet disbursable.



Investing in rural people

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

Management of the International Fund for Agricultural Development (IFAD) (the Fund) is responsible for the preparation, fair presentation and overall integrity of its Consolidated Financial Statements. The Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

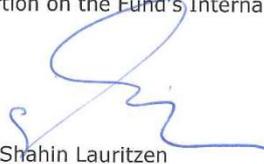
According to the Agreement Establishing IFAD, the President is responsible for establishing and maintaining adequate internal controls of the Fund including those over external financial reporting.

The Executive Board of the Fund established an Audit Committee, whose terms of reference, among other things, is to assist the Board in exercising supervision over the financial administration and internal oversight of the Fund, including effectiveness of internal controls over financial reporting. The Audit Committee is comprised entirely of selected members of the Executive Board and oversees the process for the selection of external auditors and makes a recommendation for such selection to the Executive Board for its approval. The external and internal auditors meet with the Audit Committee of the Executive Board to discuss their work plans and approach which covers review of the adequacy of internal controls over financial reporting and any other matter that may require the Audit Committee's attention.

The system of internal controls over financial reporting contains monitoring mechanisms and actions that are meant to detect, prevent and facilitate correction of deficiencies identified that may result in material weaknesses in internal controls over financial reporting. There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can only provide reasonable, as opposed to absolute assurance with respect to Financial Statements. Furthermore, the effectiveness of an internal control system can change with circumstances.

The Fund's Management assessed the effectiveness of internal controls over financial reporting for the financial statements presented in conformity with IFRS as of **31st December 2015**. The assessment was based on the criteria for effective internal controls over financial reporting described in the *Internal Controls-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). A report was provided to Management providing reasonable assurance as to the operational effectiveness of these controls. Based on the work performed, Management believes that the Fund maintained an effective system of internal controls over financial reporting as of 31st December 2015, and is not aware of any material control weakness that could affect the reliability of the 2015 financial statements. IFAD's independent audit firm Deloitte, has audited the financial statements and has issued an attestation report on Management's assertion on the Fund's Internal controls over financial reporting.


Kanayo F. Nwanze
President


Shahin Lauritzen
Associate Vice President,
CFO and Chief Controller


Ruth Farrant
Director and Controller

INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the International Fund for Agricultural Development, which comprise the consolidated and IFAD-only balance sheets as at 31 December 2015, the consolidated and IFAD-only statements of comprehensive income and changes in retained earnings and the consolidated cash-flow statement for the year then ended, the statement of complementary and supplementary contributions and unspent funds, the summary of the Adaption for Smallholder Agriculture Programme Trust Fund and a summary of significant accounting policies and other explanatory information.

President's Responsibility for the Financial Statements

The President is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the International Fund for Agricultural Development as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

DELOITTE & TOUCHE S.p.A.



Enrico Pietrarelli
Partner

Rome, February 29, 2016

INDEPENDENT AUDITOR'S REPORT

To the International Fund for Agricultural Development

We have examined management's assessment that the International Fund for Agricultural Development ("IFAD") maintained effective internal controls over financial reporting as of December 31, 2015, as contained in IFAD's Management Assertion Report on the effectiveness of internal controls over financial reporting, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework). IFAD's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Consolidated financial statements of IFAD as at 31 December 2015. Our responsibility is to express an opinion on management's assertion over the effectiveness of IFAD's internal control over financial reporting, based on our examination.

We conducted our examination in accordance with the International Standard on Assurance Engagements (ISAE) 3000. Our examination included obtaining an understanding of internal control over financial reporting, evaluating management's assessment and performing such other procedures as we considered necessary in the circumstances. We believe that our work provides a reasonable basis for our opinion.

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

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

In our opinion, management's assertion that IFAD maintained effective internal control over financial reporting, included within the Consolidated financial statements of IFAD as at 31 December 2015, is fairly stated, in all material respects, based on the criteria for effective internal controls over financial reporting described in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework).

DELOITTE & TOUCHE S.p.A.



Enrico Pietrarelli
Partner

Rome, February 29, 2016

IFAD-only balance sheet at nominal value in United States dollars and retranslated in SDR

(as at 31 December 2015 and 2014)

<i>Assets</i>	<i>Thousands of US dollars</i>		<i>Thousands of SDR</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Cash on hand and in banks (note 4)	131 299	82 498	94 890	57 059
Investments (note 4)	1 393 862	1 607 861	1 007 344	1 112 077
Contributors' promissory notes (note 5)	213 119	285 519	154 021	197 479
Contributions receivable (note 5)	624 561	227 078	451 370	157 058
Less: provisions and qualified instruments of contribution	(174 357)	(204 361)	(126 009)	(141 344)
Net contribution and promissory notes receivables	663 323	308 236	479 382	213 193
Other receivables	151 089	148 747	109 192	102 878
Fixed and intangible assets	11 027	11 920	7 969	8 245
Loans outstanding (note 9 and appendix H)	6 270 436	6 269 276	4 531 645	4 336 139
Less: accumulated allowance for loan impairment losses (note 9(a))	(35 517)	(58 156)	(25 669)	(40 223)
Less: accumulated allowance for the HIPC Debt Initiative (note 11(b) and appendix I)	(27 624)	(36 808)	(19 964)	(25 458)
Net loans outstanding	6 207 294	6 174 312	4 486 012	4 270 458
Total assets	8 557 893	8 333 574	6 184 789	5 763 910

<i>Liabilities and equity</i>	<i>Thousands of US dollars</i>		<i>Thousands of SDR</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Liabilities				
Payables and liabilities	171 319	187 754	123 812	129 859
Undisbursed grants	68 057	74 951	49 185	51 839
Deferred revenues	73 225	68 449	52 920	47 343
Borrowing liabilities	162 948	-	117 762	-
Total liabilities	475 579	331 154	343 679	229 041
Equity				
Contributions				
Regular	7 884 776	7 254 395	7 309 220	6 417 836
Special	20 349	20 349	15 219	15 219
Total contributions (appendix G)	7 905 125	7 274 744	7 324 439	6 433 055
General Reserve	95 000	95 000	68 657	65 707
Retained earnings	82 219	632 676	(1 551 986)	(963 888)
Total equity	8 082 344	8 002 420	5 841 110	5 534 874
Total liabilities and equity	8 557 893	8 333 574	6 184 789	5 763 910

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.

Summary of contributions

	<i>Thousands of United States dollars</i>	
	2015	2014
Replenishments		
Initial contributions	1 017 371	1 017 373
First Replenishment	1 016 564	1 016 564
Second Replenishment	567 053	567 053
Third Replenishment	553 881	553 881
Fourth Replenishment	361 421	361 421
Fifth Replenishment	441 401	441 401
Sixth Replenishment	567 021	567 021
Seventh Replenishment	654 640	654 640
Eighth Replenishment	963 050	962 978
Ninth Replenishment	976 894	964 947
Tenth Replenishment	590 197	244
Total IFAD	7 709 493	7 107 523
SPA Phase I	288 868	288 868
SPA Phase II	62 364	62 364
Total SPA	351 232	351 232
Special contributions ^a	20 349	20 349
Total replenishment contributions	8 081 074	7 479 104
Complementary contributions		
Belgian Survival Fund	80 002	80 002
HIPC Debt Initiative	19 679	19 679
ASAP complementary contributions	302 854	297 480
Unrestricted complementary contributions Tenth Replenishment	10 199	-
Other complementary contributions	58 798	58 798
Total complementary contributions	471 532	455 959
HIPC contributions not made in the context of replenishment resources	262 738	262 738
Belgian Survival Fund contributions not made in the context of replenishment resources	63 836	63 836
Supplementary contributions^b		
Project cofinancing	390 919	383 198
Associate professional officer funds	46 928	44 694
Other supplementary funds	903 809	890 298
GEF	104 155	99 635
ASAP supplementary funds	1 976	1 276
Total supplementary contributions	1 447 787	1 419 101
Total contributions	10 326 867	9 627 738
Total contributions include the following:		
Total replenishment contributions (as above)	8 081 074	7 479 104
Less provisions	(168 446)	(168 448)
Less qualified instruments of contribution	(5 912)	(35 912)
Less DSF compensation	(1 591)	-
Total net replenishment contributions	7 905 125	7 274 744
Less fair value adjustment	(7 903)	(1 877)
Total replenishment contributions at fair value	7 897 222	7 272 867

^a Including Iceland's special contribution prior to membership and US\$20 million from OFID.

^b Includes interest earned according to each underlying agreement.

Statement of Members' contributions to Replenishments until IFAD9^a

As at 31 December 2015

Member States	Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)	Ninth Replenishment					
		Currency	Instruments deposited		Payments (thousands of US dollars equivalent)		Total
			Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory notes	
Afghanistan	0						
Albania	50	US\$	10	10	10	10	
Algeria	62 430	US\$	10 000	10 000	10 000	10 000	
Angola	2 360	US\$	1 900	1 900	1 900	1 900	
Argentina	12 400	US\$	7 500	7 500	7 500	7 500	
Armenia	35	US\$	10	10	10	10	
Australia ^b	37 247		0	0			
Austria	69 995	EUR	16 000	20 177	20 177	20 177	
Azerbaijan	200	US\$	100	100	100	100	
Bangladesh	4 956	US\$	650	650	650	650	
Barbados	10		0	0			
Belgium	120 625	EUR	24 000	29 068	29 068	29 068	
Belize	205		0	0			
Benin	325	US\$	104	104	104	104	
Bhutan	165	US\$	30	30	30	30	
Bolivia (Plurinational State of)	1 500		0	0			
Bosnia and Herzegovina	165		0	0			
Botswana	560	US\$	135	135	135	135	
Brazil ^c	65 296	US\$	16 700	16 700	0	16 700	
Burkina Faso	359	US\$	125	125	125	125	
Burundi	90	US\$	10	10	10	10	
Cabo Verde	26	US\$	20	20	20	20	
Cambodia	840	US\$	210	210	210	210	
Cameroon	2 511	US\$	554	554	554	554	
Canada	277 706	CAD	75 000	72 575	72 575	72 575	
Central African Republic	11	EUR	2	3	3	3	
Chad	62	EUR	250	329	329	329	
Chile	860		0	0			
China	78 839	US\$	27 000	27 000	27 000	27 000	
Colombia	840	US\$	200	200	200	200	
Comoros ^d	31		0	0			
Congo	818		0	0			
Cook Islands	5		0	0			
Côte d'Ivoire	1 559	US\$	70	70	70	70	
Cuba	9		0	0			
Cyprus	252	US\$	60	60	20	20	
Democratic Republic of the Congo	1 580	US\$	290	290	290	290	
Denmark	138 210	DKK	85 000	14 404	14 404	14 404	
Djibouti	31		0	0			
Dominica	51		0	0			
Dominican Republic	88		0	0			
Ecuador	841	US\$	400	400	400	400	
Egypt	20 409	US\$	3 000	3 000	3 000	3 000	
El Salvador	100		0	0			
Eritrea	40	US\$	30	30	30	30	
Estonia	59		0	0			
Ethiopia	251	US\$	40	40	40	40	
Fiji	204	US\$	70	70	70	70	
Finland	56 538	EUR	12 000	15 358	15 358	15 358	

Appendix G
Statements of contributions

Statement of Members' contributions to Replenishments until IFAD9^a (cont.)
As at 31 December 2015

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					
		<i>Instruments deposited</i>			<i>Payments (thousands of US dollars equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	<i>Total</i>
France	285 024	EUR	35 000	44 750	44 750		44 750
Gabon	3 704	US\$	20	20	20		20
Gambia (The)	75	US\$	15	15	15		15
Germany	394 940	EUR	52 389	67 036	67 036		67 036
Ghana	2 066	US\$	400	400	260		260
Greece	4 196		0	0			
Grenada	75		0	0			
Guatemala	1 043		0	0			
Guinea	410	US\$	80	80	80		80
Guinea-Bissau	30		0	0			
Guyana	1 118	US\$	718	718	718		718
Haiti	107	US\$	90	90	90		90
Honduras	801		0	0			
Hungary	0	US\$	100	100	100		100
Iceland	350	US\$	25	25	25		25
India	105 497	US\$	30 000	30 000	30 000		30 000
Indonesia	51 959	US\$	10 000	10 000	6 000		6 000
Iran (Islamic Republic of) ^d	128 750		0	0			
Iraq ^d	56 099		0	0			
Ireland ^e	23 831	EUR	6 000	7 390	7 390		7 390
Israel	300	EUR	113	151	151		151
Italy	347 462	EUR	58 017	70 840	70 840		70 840
Jamaica	326		0	0			
Japan	434 908	JPY	5 930 003	51 375	26 727	24 648	51 375
Jordan	940	US\$	100	100	100		100
Kazakhstan	0	US\$	20	20	20		20
Kenya	4 718	US\$	472	472	472		472
Kiribati	5	EUR	10	14	14		14
Democratic People's Republic of Korea	800		0	0			
Kuwait	173 041	US\$	15 000	15 000	15 000		15 000
Lao People's Democratic Republic	306	US\$	51	51	51		51
Lebanon	495		0	0			
Lesotho	489	US\$	100	100	100		100
Liberia	39	US\$	25	25	25		25
Libya ^d	52 000		0	0			
Luxembourg	5 510	EUR	1 678	2 123	2 123		2 123
Madagascar	574	US\$	50	50	50		50
Malawi	123		0	0			
Malaysia	1 175		0	0			
Maldives	51		0	0			
Mali	286	EUR	71	92	92		92
Malta	55		0	0			
Mauritania	135		0	0			
Mauritius	275	US\$	5	5	5		5
Mexico	33 131	US\$	5 000	5 000	5 000		5 000
Mongolia	12	US\$	3	3	3		3
Morocco	7 244	US\$	700	700	700		700
Mozambique	485	US\$	85	85	85		85
Myanmar	250	EUR	4	5	5		5
Namibia	360		0	0			

Appendix G

Statements of contributions

Statement of Members' contributions to Replenishments until IFAD9^a (cont.)

As at 31 December 2015

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					
		<i>Currency</i>	<i>Instruments deposited</i>		<i>Payments (thousands of US dollars equivalent)</i>		<i>Total</i>
			<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	
Nepal	210	US\$	60	60	60	60	
Netherlands	344 656	US\$	75 000	75 000	75 000	75 000	
New Zealand	7 991	US\$	3 588	3 588	3 588	3 588	
Nicaragua	119	US\$	200	200	200	200	
Niger	275		0	0			
Nigeria	121 459	US\$	7 500	7 500	7 500	7 500	
Norway	221 787	NOK	270 000	43 221	43 221	43 221	
Oman	300	US\$	50	50	50	50	
Pakistan	22 934	US\$	8 000	8 000	8 000	8 000	
Panama	224	US\$	25	25	25	25	
Papua New Guinea	170		0	0			
Paraguay	1 206	US\$	150	150	150	150	
Peru	1 260	US\$	375	375	375	375	
Philippines	1 978	US\$	200	200	200	200	
Portugal	4 384		0	0			
Qatar	39 980		0	0			
Republic of Korea	19 239	US\$	6 900	6 900	6 900	6 900	
Republic of Moldova	45	US\$	30	30	30	30	
Romania	250		0	0			
Russian Federation	0	US\$	6 000	6 000	6 000	6 000	
Rwanda	221	US\$	50	50	50	50	
Saint Kitts and Nevis	20		0	0			
Saint Lucia	22		0	0			
Samoa	50		0	0			
Sao Tome and Principe	10		0	0			
Saudi Arabia	409 778	US\$	23 000	23 000	23 000	23 000	
Senegal	564	EUR	140	190	190	190	
Seychelles	20	US\$	50	50	50	50	
Sierra Leone	37		0	0			
Solomon Islands	10		0	0			
Somalia	10		0	0			
South Africa	1 413	US\$	500	500	500	500	
Southern Sudan	0	EUR	8	10	10	10	
Spain	101 664		0	0			
Sri Lanka	8 886	US\$	1 001	1 001	1 001	1 001	
Sudan	1 139	EUR	175	233	233	233	
Swaziland	273	US\$	20	20	20	20	
Sweden	255 168	SEK	460 560	65 429	65 429	65 429	
Switzerland	139 448	CHF	28 500	30 996	30 996	30 996	
Syrian Arab Republic	1 817		0	0			
Tajikistan ^a	1	US\$	1	1	1	1	
Thailand	1 200	US\$	300	300	300	300	
Togo	35	EUR	76	98	98	98	
Tonga	55		0	0			
Tunisia	3 778	US\$	750	750	750	750	
Turkey	17 436	US\$	1 200	1 200	1 200	1 200	
Uganda	380	US\$	50	50	50	50	
United Arab Emirates	53 180	US\$	1 000	1 000	1 000	1 000	
United Kingdom	272 907	GBP	51 133	80 745	80 745	80 745	
United Republic of Tanzania	444	US\$	120	120	120	120	
United States ^c	791 674	US\$	90 000	90 000	54 000	34 481	
Uruguay	525	US\$	200	200	200	200	
Uzbekistan	10	US\$	15	15	15	15	
Venezuela (Bolivarian Republic of)	196 258		0	0			

Appendix G

Statements of contributions

Statement of Members' contributions^a to Replenishments until IFAD9^a (cont.)

As at 31 December 2015

	<i>Initial, First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Replenishments (thousands of US dollars equivalent)</i>	<i>Ninth Replenishment</i>					<i>Total</i>
		<i>Instruments deposited</i>			<i>Payments (thousands of US dollars equivalent)</i>		
		<i>Currency</i>	<i>Amount (thousands)</i>	<i>Thousands of US dollars equivalent</i>	<i>Cash</i>	<i>Promissory notes</i>	
Viet Nam	2 103	US\$	600	600	600		600
Yemen	3 377	US\$	972	97	972		972
The former Yugoslav Republic of Macedonia	108		0	0			
Zambia	494	US\$	100	100	100		100
Zimbabwe	2 103		0				
Total contributions 31 December 2015	6 142 402			976 894	895 366	75 829	971 195
Prior year	6 142 332			964 947	634 150	195 598	829 748

^a Payments include cash and promissory notes. Amounts are expressed in thousands of United States dollars, therefore payments received for less than US\$500 are not shown in appendix G. Consequently, contributions from Afghanistan (US\$93) and Tajikistan (US\$400) do not appear above.

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

^c See appendix D, note 5(a).

^d See appendix D, notes 6(a) and (b).

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

Statement of Members' contributions to IFAD10

As at 31 December 2015

	Tenth Replenishment						Receivables
	Instruments Deposited		Payments (thousands of US dollars equivalent)				
	Currency	Amount (thousands)	Thousands of US dollars equivalent	Cash	Promissory Notes	Total	
Member States							
Armenia	US\$	5	5	5	0	5	-
Burkina Faso	US\$	125	125	-	0	-	125
Burundi	US\$	10	10	10	0	10	-
Cambodia	US\$	315	315	315	0	315	-
Canada	CAD	75 000	54 501	9 508	0	9 508	44 993
China	US\$	60 000	60 000	-	0	-	60 000
Côte d'Ivoire	US\$	6	6	6	0	6	0
Cuba	EUR	44	48	48	0	48	0
Cyprus	US\$	60	60	-	0	-	60
Djibouti	US\$	6	6	6	0	6	0
Timor-Leste	US\$	100	100	100	0	100	0
Finland	EUR	13 000	14 122	-	0	0	14 122
France	EUR	35 000	38 021	-	0	0	38 021
Georgia	US\$	30	30	30	0	30	-
Germany	EUR	52 389	56 910	-	0	-	56 910
Guatemala	US\$	500	500	125	0	125	375
Guinea	US\$	40	40	40	0	40	-
Guyana	US\$	240	240	240	0	240	-
India	US\$	37 000	37 000	13 000	0	13 000	24 000
Japan	JPY	5 903 108	49 072	-	24 536	24 536	24 536
Kazakhstan	US\$	10	10	10	0	10	-
Kenya	US\$	500	500	18	0	18	482
Lao People's Democratic Republic	US\$	61	61	61	0	61	-
Liberia	US\$	25	25	25	0	25	-
Maldives	US\$	50	50	15	0	15	35
Mauritania	US\$	49	49	49	0	49	-
Mexico	US\$	5 000	5 000	1 667	0	1 667	3 333
Micronesia	US\$	1	1	1	0	1	-
Nepal	US\$	75	75	75	0	75	-
Netherlands	US\$	75 221	75 221	-	0	-	75 221
Nicaragua	US\$	50	50	50	0	50	-
Norway	NOK	315 000	35 588	0	0	0	35 588
Paraguay	US\$	200	200	0	0	0	200
Russian Federation	US\$	6 000	6 000	0	0	0	6 000
Rwanda	US\$	50	50	50	0	50	0
Saudi Arabia	US\$	23 000	23 000	-	23 000	23 000	0
Senegal	EUR	34	43	43	0	43	0
Sri Lanka	US\$	1	1	1	0	1	0
Sudan	US\$	237	237	237	0	237	0
Switzerland	CHF	45 086	45 041	-	0	-	45 041
Tajikistan	US\$	0	0	0	0	0	0
United Republic of Tanzania	US\$	108	108	108	0	108	0
Togo	US\$	33	33	33	0	33	0
United Arab Emirates	US\$	3 000	3 000	0	0	0	3 000
United Kingdom	GBP	57 077	84 126	0	0	0	84 126
Viet Nam	US\$	600	600	0	0	0	600
Total contribution 31 December 2015			590 197	25 876	47 536	73 412	516 798
Prior year			244	244		244	

Special Programme for Africa

As at 31 December 2015

	Currency	<i>First phase</i>		<i>Second phase</i>		<i>Total</i>
		<i>Instruments deposited</i>		<i>Instruments deposited</i>		
		<i>Amount</i>	<i>Thousands of US dollars equivalent</i>	<i>Amount</i>	<i>Thousands of US dollars equivalent</i>	
Australia	AUD	500	389			389
Belgium	EUR	31 235	34 975	11 155	12 263	47 238
Denmark	DKK	120 000	18 673			18 673
Djibouti	US\$	1	1			1
European Union	EUR	15 000	17 619			17 619
Finland	EUR	9 960	12 205			12 205
France	EUR	32 014	37 690	3 811	4 008	41 698
Germany	EUR	14 827	17 360			17 360
Greece	US\$	37	37	40	40	77
Guinea	US\$	25	25			25
Ireland	EUR	380	418	253	289	707
Italy	EUR	15 493	23 254	5 132	6 785	30 039
Italy	US\$	10 000	10 000			10 000
Japan	JPY	2 553 450	21 474			21 474
Kuwait	US\$			15 000	15 000	15 000
Luxembourg	EUR	247	266			266
Mauritania	US\$	25	25			25
Netherlands	EUR	15 882	16 174	8 848	9 533	25 707
New Zealand	NZD	500	252			252
Niger	EUR	15	18			18
Nigeria	US\$			250	250	250
Norway	NOK	138 000	19 759			19 759
Spain	US\$	1 000	1 000			1 000
Sweden	SEK	131 700	19 055	25 000	4 196	23 251
Switzerland	CHF	25 000	17 049			17 049
United Kingdom	GBP	7 000	11 150			11 150
United States	US\$	10 000	10 000	10 000	10 000	20 000
31 December 2015			288 868		62 364	351 232
31 December 2014			288 868		62 364	351 232

Statement of Members' replenishment contributions received in 2015^a

As at 31 December 2015 and 2014
(Thousands of United States dollars)

Member States	Instruments deposited ^{b,c}	Promissory note deposit ^c	Payments	
			Cash	Promissory note encashment
IFAD8				
Brazil				167
Cameroon			71	
Total IFAD8	0	0	71	167
IFAD9				
Algeria			3 500	
Argentina			7 500	
Austria				5 942
Bangladesh				228
Belgium			8 560	
Botswana			45	
Cameroon			554	
China			7 000	
Colombia			200	
Cyprus			20	
Denmark			4 267	
Ecuador			100	
Finland			4 560	
France			13 090	
Germany				21 219
Ghana			140	
Indonesia			3 561	
Ireland			2 170	
Italy			21 463	
Japan				12 237
Kenya			354	
Republic of Korea			2 900	
Kuwait				5 250
Luxembourg			666	
Morocco				350
Netherlands				25 000
New Zealand			1 173	
Nicaragua			100	
Nigeria			7 500	
Norway			11 859	
Pakistan				2 667
Panama			8	
Philippines			100	
Russian Federation			3 000	
Saudi Arabia				11 000
Sri Lanka			333	
Sweden				17 968
Switzerland			9 821	
Tunisia			265	
Turkey			126	
United Arab Emirates			350	
United Kingdom				25 866
United States		30 000		18 000
Uzbekistan			5	
Viet Nam			200	
Total IFAD9		30 000	115 490	145 727

Statement of Members' replenishment contributions received in 2015^a

As at 31 December 2015 and 2014
(Thousands of United States dollars)

<i>Member States</i>	<i>Instruments deposited^{b,c}</i>	<i>Promissory note deposit^f</i>	<i>Payments</i>	
			<i>Cash</i>	<i>Promissory note encashment</i>
IFAD10				
Armenia			5	
Burkina Faso	125			
Burundi			10	
Georgia			30	
Cambodia			315	
Canada	56 961		9 508	
China	60 000			
Cuba			48	
Cyprus	60			
Finland	14 600			
France	37 005			
Germany	58 416			
Guatemala	500		125	
Guinea			40	
Guyana			240	
India	37 000		13 000	
Japan	47 476	24 756		
Kazakhstan			10	
Kenya	500		18	
Lao People's Democratic Republic			61	
Liberia			25	
Maldives	50		15	
Mauritania			49	
Mexico	5 000		1 667	
Micronesia			1	
Nepal			75	
Netherlands	75 221			
Nicaragua			50	
Norway	39 100			
Paraguay	200			
Rwanda			50	
Russian Federation	6 000			
Saudi Arabia	23 000	23 000		
Sudan			237	
Sri Lanka			1	
Switzerland	46 478			
Tajikistan ^a				
Timor-Leste			50	
Togo			33	
United Arab Emirates	3 000			
United Kingdom	84 945			
Viet Nam	600			
Total IFAD10	596 237	47 756	25 633	
Grand total	596 237	77 756	141 194	145 894

^a Amounts are expressed in thousands of United States dollars, therefore the payment from Tajikistan (US\$150) for the Tenth Replenishment does not appear.

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

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

1. IFAD: Statement of outstanding loans

As at 31 December 2015 and 2014

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
US\$ loans (expressed in thousands)					
Bangladesh	30 000	30 000	-	20 250	9 750
Cabo Verde	2 003	2 003	-	1 352	651
Haiti	3 500	3 500	-	2 406	1 094
Nepal	11 538	11 538	-	7 794	3 744
Sri Lanka	12 000	12 000	-	8 400	3 600
United Republic of Tanzania	9 488	9 488	-	6 523	2 965
Subtotal^a	68 529	68 529	-	46 725	21 804
Euro loans (expressed in thousands)					
Bosnia and Herzegovina	11 120	-	11 120	-	-
China	73 100	5 000	68 100	-	5 000
Ecuador	14 250	-	14 250	-	-
Egypt	50 250	3 080	47 170	-	3 080
El Salvador	10 850	-	10 850	-	-
Fiji	3 100	-	3 100	-	-
Indonesia	93 150	-	93 150	-	-
Mexico	5 870	-	5 870	-	-
Paraguay	15 800	-	15 800	-	-
Philippines	50 110	-	50 110	-	-
Swaziland	8 550	-	8 550	-	-
Turkey	15 950	-	15 950	-	-
Venezuela (Bolivarian Republic of)	6 810	-	6 810	-	-
Total euro	358 910	8 080	350 830	0	8 080
US\$ equivalent	389 884	8 777	381 107	0	8 777
SDR loans^a (expressed in thousands)					
Albania	34 975	34 525	450	7 345	27 180
Angola	24 891	15 148	9 743	3 587	11 561
Argentina	31 343	29 487	1 856	12 521	16 966
Armenia	61 562	50 797	10 766	6 630	44 167
Azerbaijan	44 905	41 616	3 290	3 330	38 286
Bangladesh	443 346	330 670	112 676	82 852	247 818
Belize	3 067	2 511	556	1 543	968
Benin	100 357	74 825	25 532	23 973	50 852
Bhutan	38 496	32 602	5 894	6 940	25 662
Bolivia (Plurinational State of)	72 572	49 782	22 790	14 858	34 924
Bosnia and Herzegovina	48 251	38 102	10 149	6 577	31 525
Botswana	2 600	372	2 228	260	112
Brazil	127 837	50 231	77 606	24 566	25 665
Burkina Faso	88 255	71 959	16 295	15 648	56 311
Burundi	40 859	40 859	-	13 681	27 178
Cabo Verde	20 191	14 768	5 424	3 154	11 614
Cambodia	62 954	37 868	25 086	3 936	33 932
Cameroon	67 260	46 636	20 624	8 183	38 453
Central African Republic	26 494	24 880	1 614	10 232	14 648
Chad	18 139	17 384	755	1 851	15 533
China	519 795	451 408	68 387	101 783	349 625
Colombia	32 024	14 359	17 664	3 518	10 841
Comoros	4 182	4 182	0	1 765	2 417
Congo	51 793	38 270	13 522	11 425	26 845
Côte d'Ivoire	27 645	16 961	10 684	4 224	12 737
Cuba	20 838	14 357	6 481	5 129	9 228
Democratic People's Republic of Korea	50 496	50 496	-	10 525	39 971
Democratic Republic of the Congo	23 092	13 183	9 909	292	12 891
Djibouti	7 146	4 778	2 368	1 202	3 576
Dominica	2 902	2 902	0	2 417	485
Dominican Republic	27 444	16 800	10 644	8 279	8 521
Ecuador	37 376	29 782	7 594	9 024	20 758

Appendix H

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Egypt	197 593	127 107	70 486	53 331	73 776
El Salvador	68 418	60 381	8 037	23 853	36 528
Equatorial Guinea	5 794	5 794	-	4 803	991
Eritrea	23 892	23 892	-	3 871	20 021
Ethiopia	255 766	197 309	58 457	37 539	159 770
Gabon	3 800	3 362	438	1 151	2 211
Gambia (The)	34 239	29 188	5 052	8 416	20 772
Georgia	32 569	23 663	8 906	2 544	21 119
Ghana	156 776	116 090	40 687	23 626	92 464
Grenada	4 400	3 473	926	1 815	1 658
Guatemala	42 686	25 225	17 461	21 104	4 121
Guinea-Bissau	8 487	5 208	3 279	2 956	2 252
Guinea	64 283	64 160	123	19 865	44 295
Guyana	8 523	8 522	-	2 033	6 489
Haiti	60 221	56 146	4 075	17 481	38 665
Honduras	89 240	69 096	20 143	16 775	52 321
India	624 269	409 189	215 080	137 186	272 003
Indonesia ^b	161 436	131 878	29 557	23 062	108 816
Jordan	32 956	24 787	8 169	18 257	6 530
Kenya	175 494	89 476	86 018	11 203	78 273
Kyrgyzstan	20 797	9 201	11 596	2 033	7 168
Lao People's Democratic Republic	49 353	48 561	792	11 407	37 154
Lebanon	6 429	4 590	1 839	3 690	900
Lesotho	30 852	24 796	6 056	6 284	18 512
Liberia	29 360	12 025	17 335	2 040	9 985
Madagascar ^b	167 975	110 913	57 062	22 877	88 036
Malawi ^b	103 280	72 289	30 991	23 612	48 677
Maldives	10 843	10 113	730	2 516	7 597
Mali	127 797	92 906	34 892	24 711	68 195
Mauritania	49 971	44 924	5 047	11 003	33 921
Mauritius	8 527	8 527	0	6 313	2 214
Mexico	48 232	35 975	12 257	21 967	14 008
Mongolia	20 689	18 176	2 513	1 887	16 289
Morocco	84 731	45 069	39 662	27 358	17 711
Mozambique	144 058	110 601	33 457	24 455	86 146
Myanmar	32 150	1 078	31 072	-	1 078
Nepal	109 907	73 281	36 626	27 337	45 944
Nicaragua	49 620	43 405	6 215	7807	35 598
Niger	73 720	55 067	18 653	10 039	45 028
Nigeria	179 949	82 641	97 308	11 750	70 891
Pakistan	303 416	205 868	97 549	56 309	149 559
Panama	2 600	832	1 768	780	52
Papua New Guinea	23 450	4 132	19 318	-	4 132
Paraguay	16 318	13 059	3 259	393	12 666
Peru	61 083	53 114	7 968	29 217	23 897
Philippines	85 200	68 631	16 569	9 810	58 821
Republic of Moldova	55 998	46 379	9 620	1 840	44 539
Romania	12 400	12 400	-	9 920	2 480
Rwanda ^b	109 897	99 583	10 314	21 015	78 568
Saint Lucia	1 242	1 242	-	1 206	36
Samoa	1 908	1 908	-	864	1 044
Sao Tome and Principe	13 761	13 761	-	3 681	10 080
Senegal	114 388	80 412	33 976	12 814	67 598
Seychelles	1 980	370	1 610	-	370
Sierra Leone	45 835	39 664	6 171	12 275	27 389
Solomon Islands	4 069	2 519	1 550	1 249	1 270
Somalia	17 710	17 710	-	411	17 299
Sri Lanka	160 181	117 704	42 477	26 432	91 272
Sudan	145 627	139 553	6 074	35 840	103 713
Swaziland	15 950	14 190	1 760	7 149	7 041
Syrian Arab Republic	64 664	33 614	31 051	19 705	13 909
The former Yugoslav Republic of Macedonia	11 721	11 721	-	2 788	8 933
Tajikistan	6 200	-	6 200	-	-
Togo	24 583	18 079	6 504	8 168	9 911
Tonga	4 837	4 837	-	1 948	2 889
Tunisia	61 318	40 588	20 730	25 043	15 545
Turkey	55 579	33 697	21 883	14 083	19 614
Uganda	251 033	174 009	77 024	34 964	139 045
United Republic of Tanzania	266 408	176 805	89 603	22 550	154 255

Appendix H

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
Uruguay	12 902	10 677	2 225	8 068	2 609
Uzbekistan	23 190	2 545	20 645	-	2 545
Venezuela (Bolivarian Republic of)	14 586	10 450	4 136	7 257	3 193
Viet Nam	216 901	173 765	43 136	14 735	159 030
Yemen	138 389	138 389	-	47 689	90 700
Zambia	119 634	90 606	29 027	23 213	67 393
Zimbabwe	26 511	26 511	-	4 772	21 739
Total	8 053 638	5 919 908	2 133 731	1 557 395	4 362 513
Fund for Gaza and the West Bank ^c	2 513	2 513	0	713	1 800
Total SDR	8 056 151	5 922 421	2 133 731	1 558 108	4 364 313
US\$ equivalent	11 147 296	8 194 853	2 952 444	2 155 953	6 038 900
Total loans 31 December 2015 US\$ at nominal value	11 605 710	8 272 160	3 333 550	2 202 679	6 069 482
Other receivables					13 001
Fair value adjustment					(1 127 016)
31 December 2015 US\$ at fair value	11 605 710	8 272 160	3 333 550	2 202 679	4 955 466
Total loans 31 December 2014 US\$ at nominal value	11 249 453	8 240 438	3 009 015	2 196 610	6 060 591
Fair value adjustment					(1 162 213)
December 2014 US\$ at fair value					4 897 378

^a Loans approved in 1978 were denominated in United States dollars and are repayable in the currencies in which withdrawals are made. Since 1979, loans have been denominated in SDRs and, for purposes of presentation in the balance sheet, the accumulated amount of loans denominated in SDRs has been valued at the US\$/SDR rate of 1.3837 at 31 December 2015. During 2015, IFAD entered into a debt-financing facility to borrow funds in euro which are then on-lent in the same currency. The accumulated amount of loans denominated in euros has been valued at the US\$/EUR rate of 0.9205560 at 31 December 2015.

^b Repayment amounts include participation by the Netherlands and Norway in specific loans to these countries, resulting in partial early repayment and a corresponding increase in committable resources.

^c The amount of the loan to the Fund for Gaza and West Bank is included in the above balance. See appendix D, note 2(e)(ii).

2. IFAD: Summary of loans approved at nominal value

As at 31 December 2015

		Approved loans in thousands of SDR				Value in thousands of United States dollars				
		As at 1 January 2015	Loans cancelled	Loans fully repaid	As at 31 December 2015	As at 1 January 2015	Loans cancelled	Loans fully repaid	Exchange rate movement SDR/US\$	As at 31 December 2015
1978	US\$	68 530	-	-	68 530	68 530	-	-	-	68 530
1979	SDR	201 485	-	-	201 485	291 310	-	-	(12 516)	278 794
1980	SDR	176 647	-	-	176 647	255 400	-	-	(10 973)	244 427
1981	SDR	193 026	-	(10 780)	182 246	279 081	-	(15 051)	(11 856)	252 174
1982	SDR	103 109	-	-	103 109	149 077	-	-	(6 405)	142 672
1983	SDR	146 412	-	(14 322)	132 090	211 685	-	(19 996)	(8 916)	182 773
1984	SDR	131 907	-	-	131 907	190 713	-	-	(8 193)	182 520
1985	SDR	60 332	-	-	60 332	87 229	-	-	(3 748)	83 481
1986	SDR	23 663	-	-	23 663	34 212	-	-	(1 469)	32 743
1987	SDR	60 074	-	-	60 074	86 857	-	-	(3 732)	83 125
1988	SDR	52 100	-	-	52 100	75 328	-	-	(3 237)	72 091
1989	SDR	98 066	-	(11 860)	86 206	141 785	-	(16 559)	(5 943)	119 283
1990	SDR	47 203	-	(7 139)	40 064	68 246	-	(9 967)	(2 843)	55 436
1991	SDR	98 025	-	-	98 025	141 727	-	-	(6 089)	135 638
1992	SDR	98 917	-	(19 030)	79 887	143 016	-	(26 569)	(5 907)	110 540
1993	SDR	132 763	-	(10 523)	122 240	191 951	-	(14 692)	(8 115)	169 144
1994	SDR	123 788	-	(1 191)	122 597	178 975	-	(1 663)	(7 674)	169 638
1995	SDR	193 343	-	(18 830)	174 513	279 539	-	(26 290)	(11 775)	241 474
1996	SDR	205 445	-	(4 670)	200 775	297 036	-	(6 520)	(12 704)	277 812
1997	SDR	260 836	-	-	260 836	377 121	-	-	(16 202)	360 919
1998	SDR	267 020	(441)	-	266 578	386 062	(612)	-	(16 585)	368 865
1999	SDR	275 119	-	-	275 119	397 772	-	-	(17 090)	380 682
2000	SDR	272 919	-	-	272 919	394 591	-	-	(16 953)	377 638
2001	SDR	258 403	(1 008)	(8 203)	249 192	373 604	(1 397)	(11 453)	(15 947)	344 807
2002	SDR	237 009	(2 134)	-	234 875	342 671	(2 957)	-	(14 718)	324 996
2003	SDR	224 993	(1 400)	-	223 593	325 299	(1 941)	-	(13 973)	309 385
2004	SDR	257 099	(2 504)	-	254 595	371 718	(3 469)	-	(15 966)	352 283
2005	SDR	315 154	(489)	-	314 666	455 656	(677)	-	(19 576)	435 403
2006	SDR	339 145	(17 949)	-	321 196	490 341	(24 872)	-	(21 030)	444 439
2007	SDR	273 498	(321)	-	273 177	395 428	(445)	-	(16 988)	377 995
2008	SDR	268 433	(409)	-	268 024	388 105	(567)	-	(16 673)	370 865
2009	SDR	277 731	-	-	277 731	401 548	-	-	(17 252)	384 296
2010	SDR	426 485	(7 209)	-	419 276	616 620	(9 990)	-	(26 478)	580 152
2011	SDR	459 940	(4 665)	-	455 275	664 990	(6 464)	-	(28 562)	629 964
2012	SDR	411 080	(2 793)	-	408 287	594 347	(3 900)	-	(25 501)	564 946
2013	SDR	353 686	-	-	353 686	511 365	-	-	(21 970)	489 395
2014	SDR	337 626	-	-	337 625	488 148	-	-	(20 975)	467 173
2015	SDR	-	-	-	541 541	-	-	-	-	749 328
2014	EUR	84 600	-	-	84 600	102 370	-	-	(10 469)	91 901
2015	EUR	-	-	-	274 310	-	-	-	-	297 983
Total	US\$	68 530			68 530	68 530				68 530
Total	SDR	7 662 481	(41 322)	(106 548)	8 056 151	11 078 553	(57 291)	(148 760)	(474 534)	11 147 296
Total	EUR	84 600	-	-	358 910	102 370	-	-	(10 469)	389 884
Total		7 815 611	(41 322)	(106 548)	8 483 591	11 249 453	(57 290)	(148 760)	(485 005)	11 605 710

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

As at 31 December 2015 and 2014
(Thousands of United States dollars)

<i>Period due</i>	<i>2015</i>	<i>2014</i>
Less than 1 year	280 639	292 216
1-2 years	259 631	244 651
2-3 years	275 687	262 666
3-4 years	284 527	271 485
4-5 years	281 677	274 127
5-10 years	1 437 851	1 376 767
10-15 years	1 229 942	1 214 643
15-20 years	963 942	981 025
20-25 years	679 358	712 754
More than 25 years	376 228	413 494
Total	6 069 481	6 043 828

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

As at 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>2015</i>	<i>2014</i>
Highly concessional terms	5 481 409	5 518 388
Hardened terms	23 220	19 810
Intermediate terms	217 821	234 858
Ordinary terms	335 203	266 106
Blended terms	11 829	4 666
Total	6 069 481	6 043 828

5. Disbursement structure of undisbursed loans at nominal value

Projected as at 31 December 2015 and 2014
(Thousands of United States dollars)

<i>Disbursements in</i>	<i>2015</i>	<i>2014</i>
Less than 1 year	507 758	634 006
1-2 years	507 497	572 502
2-3 years	477 287	493 453
3-4 years	423 364	425 205
4-5 years	363 031	339 102
5-10 years	1 054 613	544 747
Total	3 333 550	3 009 015

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

As at 31 December 2015 and 2014

<i>Borrower or guarantor</i>	<i>Approved loans less cancellations</i>	<i>Disbursed portion</i>	<i>Undisbursed portion</i>	<i>Repayments</i>	<i>Outstanding loans</i>
SDR loans (expressed in thousands)					
Angola	2 714	2 714	-	941	1 773
Burkina Faso	10 546	10 546	-	4 350	6 196
Burundi	4 494	4 494	-	1 419	3 075
Cabo Verde	2 183	2 183	-	849	1 334
Chad	9 617	9 617	-	3 649	5 968
Comoros	2 289	2 289	-	841	1 448
Djibouti	114	114	-	46	68
Ethiopia	6 660	6 660	-	3 011	3 649
Gambia (The)	2 638	2 638	-	1 055	1 583
Ghana	22 321	22 321	-	8 507	13 814
Guinea-Bissau	2 126	2 126	-	1 010	1 116
Guinea	10 762	10 762	-	4 574	6 188
Kenya	12 241	12 241	-	4 327	7 914
Lesotho	7 481	7 481	-	2 899	4 582
Madagascar	1 098	1 098	-	384	714
Malawi	5 777	5 777	-	1 734	4 043
Mali	10 193	10 193	-	4 586	5 607
Mauritania	19 020	19 020	-	7 863	11 157
Mozambique	8 291	8 291	-	3 835	4 456
Niger	11 119	11 119	-	4 927	6 192
Senegal	23 234	23 234	-	8 902	14 332
Sierra Leone	1 505	1 505	-	489	1 016
Sudan	26 012	26 012	-	10 118	15 894
Uganda	8 124	8 124	-	3 656	4 468
United Republic of Tanzania	6 789	6 789	-	2 716	4 073
Zambia	8 607	8 607	-	3 847	4 760
Total	225 955	225 955	-	90 535	135 420
US\$ equivalent	312 658	312 658	-	125 274	187 384
Other receivables					570
Fair value adjustment					(61 097)
31 December 2015 US\$ at fair value					126 857
31 December 2014 US\$ at nominal value	326 694	326 694	-	119 471	208 685
Fair value adjustment					(71 385)
31 December 2014 US\$ at fair value					137 300

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

As at 31 December 2015

		<i>Approved loans in thousands of SDRs</i>			<i>Value in thousands of United States dollars</i>			
		<i>As at 1 January 2015</i>	<i>Loans cancelled</i>	<i>As at 31 December 2015</i>	<i>As at 1 January 2015</i>	<i>Loans cancelled</i>	<i>Exchange rate movement SDR/US\$</i>	<i>As at 31 December 2015</i>
1986	SDR	24 902	-	24 902	36 005	-	(1 548)	34 457
1987	SDR	41 292	-	41 292	59 700	-	(2 565)	57 135
1988	SDR	34 770	-	34 770	50 270	-	(2 158)	48 112
1989	SDR	25 756	-	25 756	37 238	-	(1 600)	35 638
1990	SDR	17 370	-	17 370	25 113	-	(1 078)	24 035
1991	SDR	18 246	-	18 246	26 384	-	(1 137)	25 247
1992	SDR	6 952	-	6 952	10 051	-	(432)	9 620
1993	SDR	34 268	-	34 268	49 545	-	(2 128)	47 418
1994	SDR	16 320	-	16 320	23 596	-	(1 013)	22 583
1995	SDR	6 079	-	6 079	8 793	-	(382)	8 411
Total	SDR	225 955	-	225 955	326 694	-	(14 040)	312 658

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

As at 31 December 2015 and 2014

(Thousands of United States dollars)

<i>Period due</i>	<i>2015</i>	<i>2014</i>
Less than 1 year	8 040	11 429
1-2 years	8 038	8 399
2-3 years	8 038	8 399
3-4 years	8 038	8 399
4-5 years	8 038	8 399
5-10 years	40 191	41 995
10-15 years	40 191	41 995
15-20 years	39 107	41 676
20-25 years	23 374	29 260
More than 25 years	4 329	7 272
Total	187 384	207 223

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

As at 31 December 2015 and 2014

(Thousands of United States dollars)

	<i>2015</i>	<i>2014</i>
Highly concessional terms	187 384	207 223
Total	187 384	207 223

IFAD-only statement of grants

As at 31 December 2015 and 2014
(Thousands of United States dollars)

	<i>Undisbursed as at 1 January 2015</i>	<i>2015 movements</i>				<i>Undisbursed as at 31 December 2015</i>
		<i>Disbursable</i>	<i>Disbursements</i>	<i>Cancellations</i>	<i>Exchange rate</i>	
Other grants	74 951	46 402	(48 204)	(4 223)	(869)	68 057
Fair value adjustment						(1 629)
Total 2015 at fair value						66 428
Total 2014	82 814	53 389	(56 159)	(3 645)	(1 448)	74 951
Fair value adjustment						(1 418)
Total 2014 at fair value						73 533

IFAD-only Debt Sustainability Framework

As at 31 December 2015 and 2014

(Thousands of United States dollars)

<i>Borrower or guarantor</i>	<i>Undisbursed as at 1 January 2015</i>	<i>Effective/ (cancellations) 2015</i>	<i>Disbursements 2015</i>	<i>Exchange difference</i>	<i>Undisbursed as at 31 December 2015</i>
DSF projects denominated in US\$	1 776	(178)	(127)	-	1 471
SDR Debt Sustainability Framework					
Afghanistan	33 160	3 910	(6 295)		30 775
Benin	10 260	-	(1 578)		8 682
Burkina Faso	46 156	-	(1 531)		44 625
Burundi	19 556	(139)	(5 812)		13 605
Cambodia	7 259	(157)	(4 779)		2 323
Central African Republic	2 058	-	(443)		1 615
Chad	4 390	11 150	(3 721)		11 819
Comoros	126	-	-		126
Congo	1 549	-	(207)		1 342
Côte d'Ivoire	11 277	11 280	(3 615)		18 942
Democratic Republic of the Congo	51 201	-	(6 581)		44 620
Djibouti	63	-	(63)		-
Eritrea	14 117	(431)	(3106)		10 580
Ethiopia	19 563	-	(5 846)		13 717
Gambia (The)	10 796	-	(1 802)		8 994
Guinea-Bissau	989	2 381	(91)		3 279
Guinea	2 729	15 175	(1 661)		16 243
Guyana	252	-	(252)		-
Haiti	9 799	-	(1 019)		8 780
Kyrgyzstan	12 524	-	(1373)		11 151
Kiribati	-	1 940	(227)		1 713
Lao People's Democratic Republic	11 532	-	(3 809)		7 723
Lesotho	2 758	-	(530)		2 228
Liberia	48	-	-		48
Malawi	15 070	-	(3 971)		11 099
Maldives	1 423	-	-		1 423
Mali	10 410	-	(596)		9 814
Mauritania	6 911	-	(1 864)		5 047
Nepal	15 117	6 470	(1 572)		20 015
Nicaragua	8 313	-	(2 117)		6 196
Niger	159	17 091	(150)		17 100
Rwanda	14 497	-	(4 181)		10 316
Sao Tome and Principe	2 340	-	(1 030)		1 310
Sierra Leone	10 174	-	(4 003)		6 171
South Sudan	3 215	-	(2 504)		711
Sudan	12 497	18 620	(5 458)		25 659
Tajikistan	11 000	-	(6 224)		4 776
Timor-Leste	171	-	(169)		2
Togo	1 372	7 018	(1 211)		7 179
Tonga	1 730	-	(299)		1 431
Yemen	14 622	-	-		14 622
Subtotal SDR DSF	401 183	94 308	(89 690)		405 801
Subtotal SDR DSF (US\$ equivalent)	555 117	130 493	(124 105)		561 507
2015 Total US\$ and SDR DSF	556 893	130 318	(124 232)		562 979
Exchange difference			(1 354)		
Total 2015 disbursements			(125 586)		
2014 Total US\$ and SDR DSF	588 787	143 176	(157 342)	100	581 815

Summary of the Heavily Indebted Poor Countries Debt Initiative

As at 31 December 2015, the cumulative position of the debt relief provided and estimated to be provided under both the original and the enhanced Heavily Indebted Poor Countries Debt Initiative is as follows:

(Thousands of United States dollars)

	<i>Debt relief provided to 31 December 2015</i>		<i>Debt relief to be provided as approved by the Executive Board</i>			<i>Total debt relief</i>
	<i>Principal</i>	<i>Interest</i>	<i>To be covered by IFAD</i>		<i>World Bank contribution</i>	
			<i>Principal</i>	<i>Interest</i>		
Completion point countries						
Benin	4 568	1 643	-	-	-	6 211
Bolivia (Plurinational State of)	5 900	1 890	-	-	-	7 790
Burkina Faso	6 769	2 668	-	-	-	9 437
Burundi	6 664	1 840	2 903	470	3 692	15 569
Cameroon	3 074	727	-	-	-	3 801
Comoros	563	111	638	88	975	2 375
Central African Republic	8 675	2 750	415	86	619	12 545
Chad	264	51	2 449	421	-	3 185
Congo	0	99	-	-	-	99
Côte d'Ivoire	1 814	326	-	-	-	2 140
Democratic Republic of the Congo	7 866	2 675	2 390	224	2 060	15 215
Ethiopia	20 569	5 904	-	-	-	26 473
Gambia (The)	2 508	619	-	-	-	3 127
Ghana	15 585	5 003	-	-	-	20 588
Guinea	5 852	1 208	2 029	358	1 796	11 243
Guinea-Bissau	3 146	1 009	1 029	101	646	5 931
Guyana	1 526	299	-	-	-	1 825
Haiti	1 946	635	-	-	-	2 581
Honduras	1 077	767	-	-	-	1 844
Liberia	8 509	6 167	336	43	403	15 458
Madagascar	7 810	2 096	-	-	-	9 906
Malawi	12 044	2 992	2 748	480	3 904	22 168
Mali	6 211	2 431	-	-	-	8 642
Mauritania	8 484	2 601	-	-	-	11 085
Mozambique	12 521	3 905	-	-	-	16 426
Nicaragua	7 259	943	-	-	-	8 202
Niger	9 134	2 464	621	116	810	13 145
Rwanda	14 417	4 745	2 363	471	-	21 996
Sao Tome and Principe	1 239	338	793	119	700	3 189
Senegal	2 247	882	0	-	-	3 129
Sierra Leone	7 705	1 899	1 074	149	929	11 756
United Republic of Tanzania	12 691	4 293	-	-	-	16 984
Togo	2 008	759	-	-	-	2 767
Uganda	12 449	4 655	-	-	-	17 104
Zambia	18 640	4 818	176	32	180	23 846
31 December 2015 SDR	241 734	76 212	19 964	3 158	16 714	357 782
Less future interest on debt relief not accrued (including interest covered by the World Bank contribution)						(7 755)
Total cumulative cost of debt relief as at 31 December 2015 (thousands of SDR)						350 027
31 December 2015 US\$	334 489	105 454	27 624	4 368	23 127	484 332
Total cumulative cost of debt relief as at 31 December 2015 (thousands of SDR)						
Fair value adjustment			(8 550)			
31 December 2015 at fair value			19 074			
31 December 2014 SDR	228 944	73 700	25 460	4 289	20 897	353 290
Less future interest on debt relief not accrued						(10 030)
Total cumulative cost of debt relief as at 31 December 2013 (thousands of SDR)						343 260
31 December 2014 US\$	331 016	106 556	36 808	6 202	30 213	496 291
Total cumulative cost of debt relief as at 31 December 2014 (thousands of US\$)						
Fair value adjustment			(11 124)			
31 December 2014 at fair value			25 684			

Summary of the Haiti Debt Relief Initiative

As at 31 December 2015

<i>Member States</i>	<i>Thousands of US dollars</i>	<i>Thousands of SDR</i>
Austria	685	438
Belgium	775	509
Canada	3 500	2 303
Denmark	513	339
France	1 700	1 080
Germany	2 308	1 480
Japan	2 788	1 743
Luxembourg	280	178
Mauritius	5	3
Norway	1 626	1 066
Sweden	1 719	1 115
Switzerland	962	637
United Kingdom	2 700	1 717
United States	8 000	5 217
Total contributions received by Member States	27 561	17 825
Interest earned	748	
Debt relief provided	(12 624)	
Total administrative account Member States 2015	15 685	
IFAD contribution	15 200	10 088
Interest earned	603	
Debt relief provided	0	
Total administrative account IFAD	15 803	
Grand total	31 488	
<i>Exchange rate movement</i>	(2 794)	
Haiti Debt Relief Initiative cash and investments	28 694	
<hr/>		
2014		
Grand total	36 688	
<i>Exchange rate movement</i>	584	
Haiti Debt Relief Initiative cash and investments	37 269	

IFAD-only analysis of operating expenses

An analysis of IFAD operating expenses by principal sources of funding
For the years ended 31 December 2015 and 2014

(Thousands of United States dollars)

	<i>Administrative expenses^a</i>	<i>Direct charges^b</i>	<i>Other sources^c</i>	<i>Total</i>
Staff salaries and benefits	85 167	-	-	85 167
Office and general expenses	25 770	536	8 302	34 608
Consultants and other non-staff costs	32 417	194	1 441	34 052
Cooperating institutions	1 328	-	23	1 352
Direct bank and investment costs	-	2 449	-	2 449
Total 2015	144 682	3 179	9 766	157 628
Total 2014	152 896	3 532	14 951	171 379

^a These refer to IFAD's regular budget, the budget of the Independent Office of Evaluation of IFAD (IOE), carry-forward and ASMCS costs.

^b Direct charges against investment income.

^c Includes Government of Italy's reimbursable expenses, voluntary separation leave expenditures and positions funded from service charges.

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Cover:

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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Printed by Quintily, Rome, Italy

2016

Printed on ecological paper



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ISBN-978-92-9072-647-0



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