

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

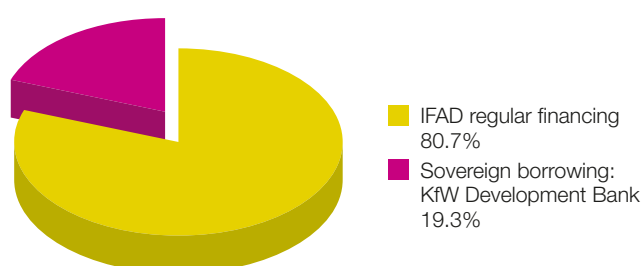
The framework, which was established to guide future sovereign borrowing, represents a unique and innovative financial policy tool to meet the increased need for investment in the Fund's agricultural development projects. It also provides the means to leverage additional funding for IFAD's work in remote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

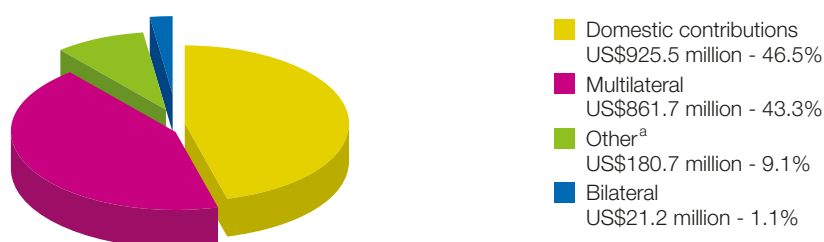
^b Includes cofinancing that may not have been confirmed at the time of Executive Board approval.

^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.

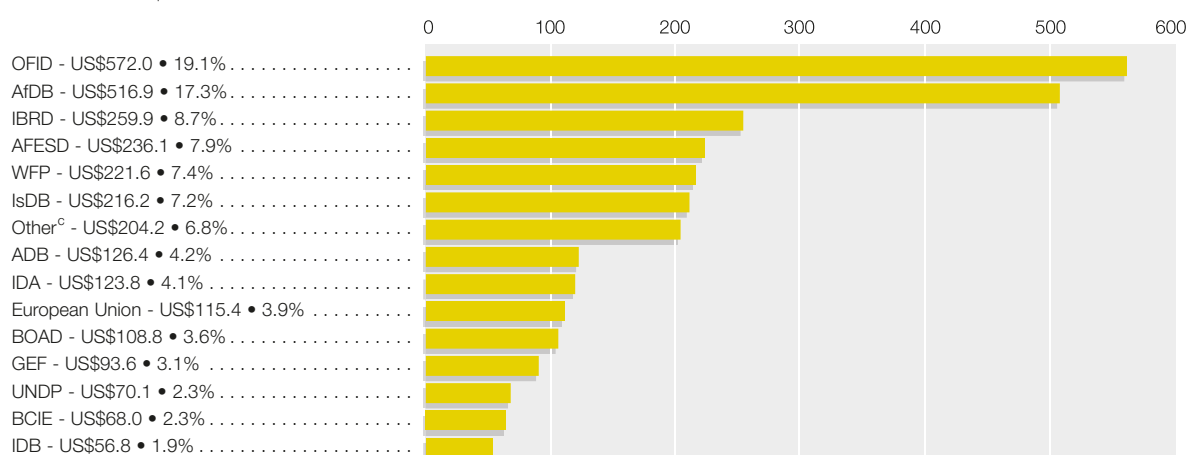
^a Amounts as per the President's report for each programme or project approved by the Executive Board. Financing for programmes and projects includes loans, DSF grants and country-specific grants for investment projects.

^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



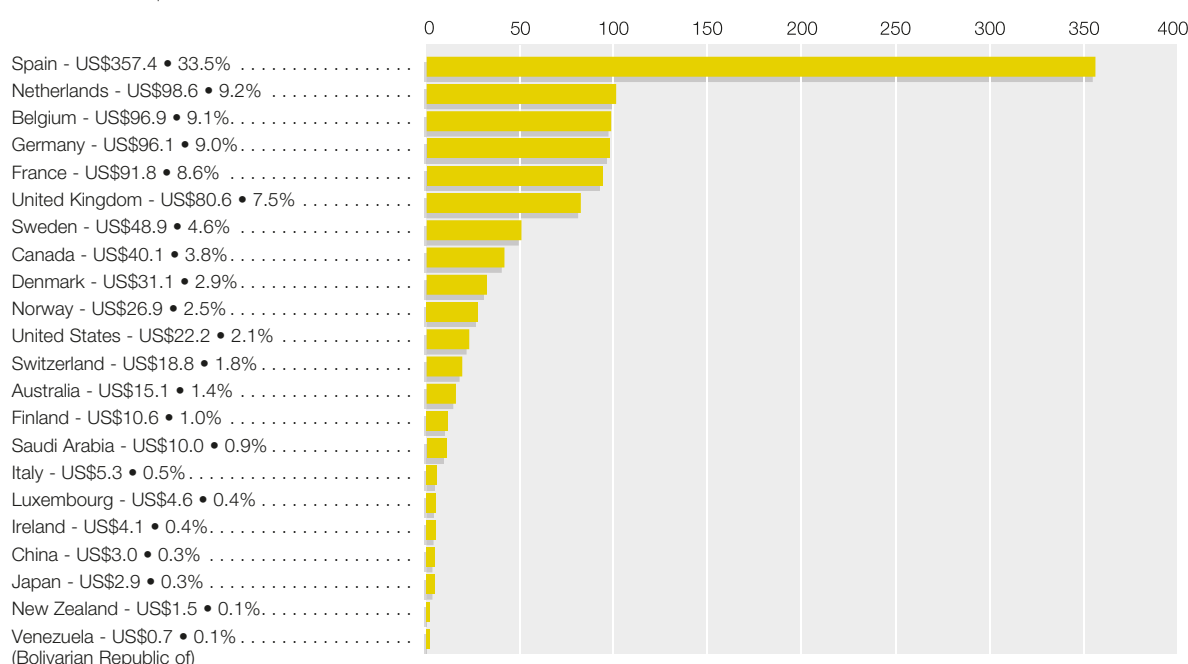
Source: Grants and Investment Projects System.

^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.

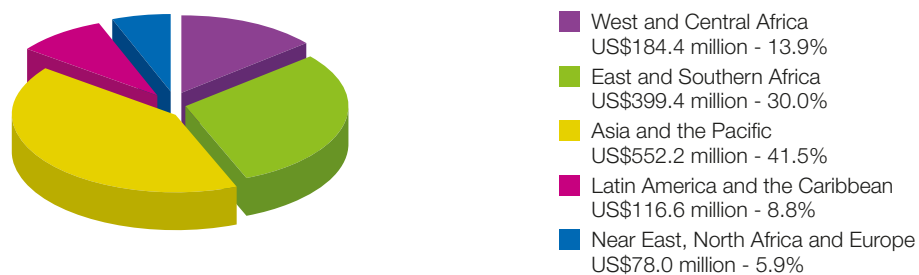
CHART 10
Cofinancing of IFAD-initiated programmes and projects by donor Member States (bilateral), 1978-2015^a
 Amounts in US\$ million



Source: Grants and Investment Projects System.

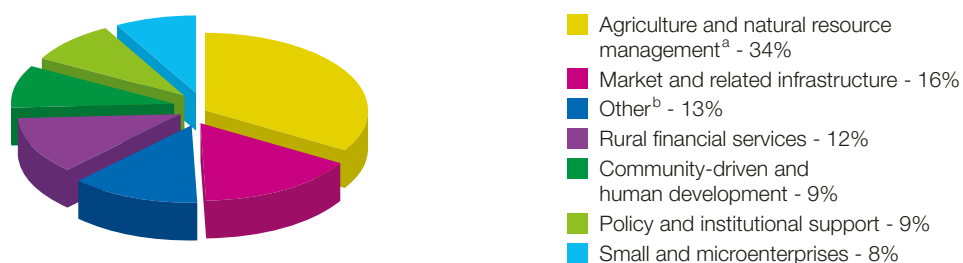
^a Amounts as per the President's report for each programme and project presented to the Executive Board. Any discrepancy in totals is the result of rounding. The amounts and percentages shown here represent the share of each bilateral in total bilateral cofinancing of US\$1,067.6 million. Bilateral 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



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

CHART 12
IFAD current portfolio financing by sector (at end 2015)



Source: Grants and Investment Projects System.

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

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

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.

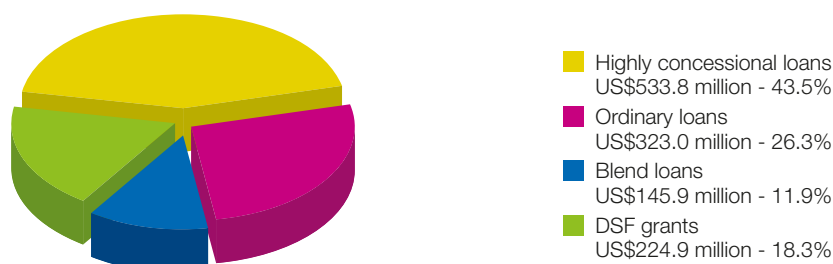
^a Amounts as per the President's report for each programme or project approved by the Executive Board. Includes Regular Programme loans, Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification loans and DSF grants. Includes a loan on highly concessional terms approved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

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